U. S. Congress

CONGRESSIONAL RECORD:

CONTAINING

THE PROCEEDINGS AND DEBATES

OF THE

SIXTY-THIRD CONGRESS, SECOND SESSION.

VOLUME LI.

WASHINGTON
1914



VOLUME LI, PART XIV.

CONGRESSIONAL RECORD.

SIXTY-THIRD CONGRESS, SECOND SESSION.

SENATE.

TUESDAY, *August 11, 1914.*

The Senate met at 11 o'clock a. m.

Rev. J. L. Kibler, D. D., of the city of Washington, offered the following prayer:

O Lord, we thank Thee for Thy grace and for Thy tender mercies, providing for all the needs of our depraved and sorrowing humanity. Thou art the Prince of Peace and a very present help in trouble. Thou art the source of all life, the fountain of all good, and the inspiration of all worthy endeavors. As we face the responsibilities of this day, therefore, we look first to Thee. May we regard Thy outstretched hand and put our trust in Thee. May we obey Thy laws, rely upon Thy strength, and may we respond to the touches of Thy divine hand upon our consciences. We ask it all for Christ's sake. Amen.

The Journal of the proceedings of Saturday last was read and approved.

ENROLLED BILL SIGNED.

The VICE PRESIDENT announced his signature to the enrolled bill (S. 4966) proposing an amendment to section 19 of the Federal reserve act, relating to reserves, and for other purposes, which had previously been signed by the Speaker of the House of Representatives.

The VICE PRESIDENT. The Chair desires to call the attention of the Committee on Printing to the fact that more than one-half of the enrolled parchment bills that come to the Vice President for signatures are in such condition, especially as regards the title page, that they would not be permitted to be filed in any court of record by any lawyer in the country. The ink is blurred, words often scarcely legible, and the page woefully "smutty," as the proof printer would designate it. The Chair desires the Committee on Printing to see whether something can not be done to present to the permanent files in the office of the Secretary of State much cleaner and clearer transcripts of enacted laws.

Mr. SMOOT. The chairman of the committee is not here, but I want to thank the Vice President sincerely for bringing this matter to the attention of the Senate. I have recognized it for a long time, and I will say that the committee has had the question under consideration, and I hope at a very early day to see that it is absolutely remedied. There is no necessity for it. There is no excuse for it whatever.

GENERAL EDUCATION BOARD AND CARNEGIE FOUNDATION.

The VICE PRESIDENT. The Chair lays before the Senate a communication from the Secretary of State, transmitting certain information relative to Senate resolution of the 5th instant, regarding the work of the General Education Board of the Rockefeller Foundation or the Carnegie Foundation. The communication will lie on the table and be printed in the RECORD.

The communication is as follows:

DEPARTMENT OF STATE,
Washington, August 7, 1914.

The Hon. THOMAS R. MARSHALL,
Vice President of the United States.

SIR: I have the honor to acknowledge the receipt of an attested copy of the resolution adopted by the Senate on August 5, 1914, by which the Secretary of State and other heads of executive departments of the Government are requested to furnish to the Senate the following information:

"The relation, if any, of the organizations known as the General Education Board of the Rockefeller Foundation and the Carnegie Foundation to the work of their respective departments; a statement showing the names and positions of all employees, if any, of the department whose salaries are paid in whole or in part with funds contributed by the Rockefeller Foundation or the Carnegie Foundation; the names and positions of all administrative officers, if any, of the department who are in any way connected with the work of the General Education Board of the Rockefeller Foundation or the Carnegie Foundation, and the salaries, if any, received by them from the said Rockefeller Foundation or Carnegie Foundation."

Responding to the resolution, so far as the Department of State is concerned, I have the honor to inform you that there are no employees of the Department of State whose salaries are paid in whole or in part with funds contributed by the Rockefeller Foundation or the Carnegie Foundation; nor is there any administrative officer of the Department of State, so far as I have knowledge, who is in any way connected with the work of the General Education Board of the Rockefeller Foundation or the Carnegie Foundation.

I have the honor to be, sir,
Your obedient servant,
W. J. BRYAN.

The VICE PRESIDENT. The Chair lays before the Senate a communication from the Attorney General transmitting, in response to a resolution of the 5th instant, certain information relative to the General Education Board of the Rockefeller Foundation and the Carnegie Foundation. The communication will lie on the table and be printed in the RECORD.

The communication is as follows:

OFFICE OF THE ATTORNEY GENERAL,
Washington, D. C., August 6, 1914.

The PRESIDENT OF THE SENATE.

SIR: I have received the resolution of the Senate, dated August 5, 1914, requesting that I inform the Senate concerning the relation, if any, of the organizations known as the General Education Board of the Rockefeller Foundation and the Carnegie Foundation to the work of the Department of Justice; also a statement showing the names and positions of all administrative officers or employees, if any, of this department whose salaries are paid in whole or in part with funds contributed by the Rockefeller Foundation or the Carnegie Foundation.

In reply I have the honor to inform the Senate that the organizations referred to are not in any way connected with the work of the Department of Justice; that there are no employees in this department whose salaries are paid in whole or in part with funds contributed by the Rockefeller Foundation or the Carnegie Foundation, and that there are no administrative officers in this department who are in any way connected with the work of the General Education Board of the Rockefeller Foundation or the Carnegie Foundation.

Very respectfully,
J. C. MCREYNOLDS,
Attorney General.

The VICE PRESIDENT. The Chair lays before the Senate a communication from the Secretary of Commerce acknowledging the receipt of resolution of August 5 requesting certain information relative to the General Education Board of the Rockefeller Foundation and the Carnegie Foundation. The communication will lie on the table and be printed in the RECORD.

The communication is as follows:

DEPARTMENT OF COMMERCE,
OFFICE OF THE SECRETARY,
Washington, August 6, 1914.

Hon. JAMES M. BAKER,
Secretary United States Senate, Washington.

MY DEAR SIR: The department is in receipt of a resolution, dated August 5, requesting certain information relative to the General Education Board of the Rockefeller Foundation and the Carnegie Foundation, and will be glad to furnish the same after the matter is taken up with its various bureaus and offices.

Very truly, yours,
E. F. SWEET,
Acting Secretary.

TRANSFER OF VESSELS FROM COASTWISE TRADE.

The VICE PRESIDENT. The Chair lays before the Senate a communication from the Secretary of Commerce acknowledging receipt of a resolution of August 3, relative to the responsibility of securing vessels now engaged in the coastwise trade of the United States for transfer to the foreign trade, with a view to meeting the present emergency in over-seas transportation. The communication will lie on the table and be printed in the RECORD.

The communication is as follows:

DEPARTMENT OF COMMERCE,
OFFICE OF THE SECRETARY,
Washington, August 5, 1914.

Hon. JAMES M. BAKER,
Secretary of the Senate.

SIR: I beg to acknowledge receipt of the resolution adopted by the Senate on August 3, directing that an inquiry be made into the possibility of securing vessels now engaged in the coastwise trade of the United States for transfer to the foreign trade, with a view to meeting the present emergency in over-seas transportation.

This matter has been referred to the Commissioner of Navigation for attention, and report will be made to the Senate at the earliest practicable date.

Respectfully,
E. F. SWEET,
Acting Secretary.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by D. K. Hempstead, its enrolling clerk, announced that the House disagrees to the amendments of the Senate to the bill (H. R. 4405) for the relief of Frederick J. Ernst; asks for a conference with the Senate on the disagreeing votes of the two Houses thereon, and had appointed Mr. POU, Mr. STEPHENS of Mississippi, and Mr. MOTT managers at the conference on the part of the House.

ENROLLED BILL SIGNED.

The message also announced that the Speaker of the House had signed the enrolled bill (S. 5313) to regulate the taking or catching of sponges in the waters of the Gulf of Mexico and the Straits of Florida outside of State jurisdiction; the landing, delivering, curing, selling, or possession of the same; providing means of enforcement of the same, and for other purposes, and it was thereupon signed by the Vice President.

PETITIONS AND MEMORIALS.

Mr. JAMES. I present a telegram from Mr. Logan C. Murray, president of the Louisville Board of Trade, of Kentucky, and I ask that it be read.

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There being no objection, the telegram was read, as follows:

LOUISVILLE, KY., *August 10, 1914.*

Hon. OLLIE JAMES,
United States Senate, Washington, D. C.:

Our export and import trade is paralyzed by reason of European war and the fact that we have no merchant marine to transport American commerce. It is therefore highly important that the Senate ratify as quickly as possible the Alexander bill (H. R. 18202) permitting American capital and American citizens to purchase merchant vessels wherever they are obtainable, and making them eligible to American registry and free to fly the American flag. Louisville export trade in grain, provisions, lumber, cotton-seed products, flour, agricultural implements, whisky, tobacco, enameled goods, proprietary medicines, and other articles is large and valuable, and all it needs to expand largely is the certainty of ocean transportation. This board of trade, representing general business here, earnestly asks your help.

LOGAN C. MURRAY,
President Louisville Board of Trade.

Mr. O'GORMAN. I present certain communications, which I ask to have read.

There being no objection, the communications were read, as follows:

LOS ANGELES, CAL., *August 8, 1914.*

Hon. JAMES A. O'GORMAN,
United States Senate, Washington, D. C.:

If consistent, we urge passage House bill admitting foreign ships to American registry, thus affording export opportunities to shipowners of west coast. Failure to so provide will result in great loss to American exporters.

LOS ANGELES CHAMBER OF COMMERCE,
LOUIS M. COLE, *President.*

NEW YORK, *August 10, 1914.*

Hon. JAMES A. O'GORMAN,
Chairman Interoceanic Canals Committee,
United States Senate, Washington, D. C.:

The National Foreign Trade Council, standing for the general interest of all commercial, industrial, financial, and transportation elements engaged in or affected by foreign trade, in a special meeting called to take measures for the relief of congestion of American foreign trade due to European war, adopted following resolutions, which they respectfully request you bring to the attention of the Senate:

"Whereas it is of vital necessity for the prosperity of all sections of the United States that our cotton, grain, and all other products and manufactures which are exported, amounting to approximately two and one-half billion dollars per year, as well as the imports essential to our life and industry should find immediate means of ocean transportation: Be it resolved that the National Foreign Trade Council appreciates the desire of the administration to aid in providing shipping facilities to relieve the present congestion of American foreign trade, indorses the efforts of the Congress to enact passage of H. R. 18202, now pending; and

"Whereas even with legislation permitting the American registry and operation of foreign-built ships under the American flag the movement of exports and imports will be retarded during the European war because of prohibitive war risks (British Government insurance covering only British vessels and their cargoes): Therefore be it

"*Resolved*, That we recommend that the Government promptly provide war-risk insurance on both the hulls and cargoes of American vessels engaged in over-sea trade, and we urge upon Congress the immediate enactment of the laws necessary thereto; and be it

"*Resolved further*, That the National Foreign Trade Council pledges its hearty cooperation to American bankers in their efforts to restore and maintain stable foreign exchange."

JAMES A. FARRELL, *Chairman.*

NEW YORK, *August 10, 1914.*

Hon. JAMES A. O'GORMAN,
United States Senate, Washington, D. C.:

In the interest of relief to the congestion in our export trade most strongly urge the passage of bill now before the Senate permitting American registry to foreign-built ships. Would favor any amendment looking to prohibiting such ships from engaging in coastwise trade.

E. A. CLARKE,
President Lackawanna Steel Co.

CHAMBER OF COMMERCE OF THE UNITED STATES OF AMERICA,
Washington, D. C., August 8, 1914.

Hon. JAMES A. O'GORMAN,
Chairman Committee on Interoceanic Canals,
United States Senate, Washington, D. C.

DEAR SIR: The San Francisco Chamber of Commerce, by its president, Mr. C. F. Michael, telegraphs that, representing shippers and shipowners in California, it urges the passage of the pending bill regarding American registry of foreign-built vessels (H. R. 18202) in the form in which it passed the House.

It says also that provisions could be made, as in the case of the Spanish-American War, to give immediately full citizenship papers to foreign masters and officers on foreign-built vessels admitted to American registry, and exchange their foreign licenses for American licenses of the same rating.

The San Francisco Chamber of Commerce is a member of this chamber and we ask that you give consideration to its attitude.

Very truly, yours,

D. A. SKINNER,
Acting Secretary.

Mr. BRANDEGEE. I send to the desk a telegram which came to the junior Senator from Pennsylvania [Mr. OLIVER] in my care during his absence. I ask that it be read.

There being no objection, the telegram was read, as follows:

PHILADELPHIA, PA., *August 10, 1914.*

Hon. GEORGE T. OLIVER,
United States Senate, Washington, D. C.:

If the Jones amendment to the Panama Canal act, passed by the Senate on Saturday, admitting foreign-built ships to American coast to coast trade, and the Saulsbury amendment admitting foreign-built ships to American coastwise trade, which is to be voted on by the Senate on Tuesday, are enacted into law, it will paralyze the shipbuilding industry on our Atlantic seaboard. In behalf of the shipbuilders who are our customers we urge you in the strongest terms to use your greatest efforts to prevent the passage of the Saulsbury amendment and to effect a reconsideration of the Jones amendment.

THE ADAMS & WESTLAKE CO.,
By E. L. LANGWORTY, *Eastern Manager.*

Mr. MARTINE of New Jersey. I have two telegrams here which I desire to have read.

There being no objection, the telegrams were read, as follows:

NEW YORK, *August 5, 1914.*

Hon. JAMES E. MARTINE,
Washington, D. C.:

New York & New Jersey Dry Dock Association, composed substantially all shipyards port of New York, respectfully protests against opening indiscriminately navy yards for repair private vessels, particularly until facilities in private yards are exhausted. Large numbers workmen being discharged because no foreign vessels are being repaired; workmen will suffer unless work is provided in private yards.

H. C. HUNTER, *Secretary.*

ELIZABETH, N. J., *August 10, 1914.*

Hon. JAMES E. MARTINE,
United States Senate, Washington, D. C.:

The passage of the Saulsbury and Jones amendments to the Panama Canal act will mean the death of shipbuilding on the Atlantic seaboard. We strongly urge you to use all honorable means to prevent the passage of the Saulsbury amendment and to effect the reconsideration of the Jones amendment.

S. L. MOORE & SONS CORPORATION,
Shipbuilders.

Mr. PERKINS. I am directed by the Committee on Commerce to present the following telegram from the president of the Richmond Industrial Commission of California, which I ask may be printed in the RECORD.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

RICHMOND, CAL., *August 7, 1914.*

COMMERCE COMMITTEE,
United States Senate, Washington, D. C.

SIRS: The Richmond Industrial Commission, commercial organization of the city of Richmond, Contra Costa County, Cal., earnestly petitions your honorable committee that everything possible be done for the passage of the rivers and harbors appropriation bill at this session. Harbor development is necessary to all the Nation, in view of our expanding commerce, and especially so in view of the opening of the Panama Canal and other factors that are increasing the ocean carrying trade of the various United States ports and also making development of our rivers necessary. An appropriation for Richmond's inner harbor is embraced in the bill. The city of Richmond has cash ready to be used in conjunction with the Federal appropriation for this work, and is anxious to proceed. The Richmond Harbor is the natural gateway for the valleys of the interior and a convenient port for all western freight shipped in or out via the canal, and including farm products shipped to the Atlantic seaboard, this city being on two continental railroads, of one of which it is the terminus.

Respectfully,

RICHMOND INDUSTRIAL COMMISSION,
GEORGE S. WALL, *President.*

Mr. STERLING presented petitions of sundry citizens of South Dakota, praying for national prohibition, which were referred to the Committee on the Judiciary.

Mr. PERKINS presented a petition of Local Branch, Ship Owners' Association of the Pacific Coast, of San Francisco, Cal., praying for the enactment of legislation to provide for American registry of foreign-built vessels, which was ordered to lie on the table.

He also presented a petition of the Woman's Christian Temperance Union of Santa Rosa, Cal., praying for the enactment of legislation to provide a compensatory time privilege to postal employees, which was referred to the Committee on Post Offices and Post Roads.

Mr. SHIVELY presented memorials of Fred Farell, H. H. Ambos, jr., B. B. Davis, and 12 other citizens of St. Joseph County, Ind., remonstrating against national prohibition, which were referred to the Committee on the Judiciary.

Mr. BRISTOW presented a petition of sundry citizens of Wakeeny, Kans., praying for national prohibition, which was referred to the Committee on the Judiciary.

Mr. SHEPPARD presented a petition of sundry citizens of Paris, Tex., praying for the enactment of legislation for the recognition of Dr. Cook in the polar discovery, which was referred to the Committee on the Library.

Mr. COLT presented a petition of the Rotary Club, of Providence, R. I., praying for the passage of the river and harbor appropriation bill, which was ordered to lie on the table.

REPORTS OF COMMITTEES.

Mr. SWANSON, from the Committee on Public Buildings and Grounds, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 5113. A bill for increase of cost of a site for a post-office building in the city of Rockingham, N. C. (Rept. No. 737); and

H. R. 13415. A bill to increase the limit of cost of public building at Shelbyville, Tenn. (Rept. No. 738).

Mr. MYERS, from the Committee on Military Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 3107. A bill for the relief of John E. Johnson (Rept. No. 740); and

S. 5970. A bill for the relief of Isaac Bethurum (Rept. No. 741).

Mr. MYERS, from the Committee on Military Affairs, to which was referred the bill (S. 3663) for the relief of Rezin Hammond, reported it with an amendment and submitted a report (No. 739) thereon.

NEW YORK ASSAY OFFICE.

Mr. SWANSON. From the Committee on Public Buildings and Grounds I report back favorably, without amendment, the bill (S. 3342) for the enlargement, and so forth, of the Wall Street front of the assay office at the city of New York, and I submit a report (No. 736) thereon.

I ask unanimous consent for the present consideration of the bill, and in connection with the request I will state that there is a letter from the Secretary of the Treasury, Mr. McAdoo, setting forth that it is of the utmost importance to provide for this building as is proposed in the bill. A large amount of gold is now being stored there, and they are anxious to have the building completed, including vaults, as quickly as possible. Several years ago an appropriation of $607,408 was made to enlarge the assay office in Wall Street, New York.

The Treasury Department has ascertained that it is better to tear down the old building and erect a new one, which can be done for the same amount of money appropriated for the enlargement, and this bill simply authorizes the Secretary of the Treasury to erect a new building at a cost not to exceed the amount heretofore authorized.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill. It authorizes all unexpended balances of appropriations heretofore made under the authority contained in the acts of Congress approved March 4, 1911, and August 26, 1912, for the enlargement, etc., of the Wall Street front of the assay office in New York City, and for vaults therefor, and architectural, engineering, and other technical services in connection therewith, to be reappropriated and made available for the erection of a new fireproof building on the Wall Street front, in continuation, or extension, of the present assay office building fronting on Pine Street, together with suitable vaults for use of said assay office and the adjoining subtreasury, and, if necessary, an entrance from or connection with said subtreasury for access therefrom, at a total limit of cost of not exceeding in the aggregate the present limits of cost for building, vaults, connection with the subtreasury, and the architectural, engineering, or other technical services in connection therewith, of $607,408.

That the authority heretofore given to the Secretary of the Treasury to employ, in his discretion, such architectural, engineering, or other technical services as he may deem necessary in connection with the enlargement, remodeling, or extension of the portion of the assay office in New York City fronting on Wall Street, and to pay for such services from the unexpended balance of the appropriation from which the rear portion of said assay office was constructed, is hereby continued with respect to said new building, payment therefor within the limit heretofore fixed to be made from the amounts herein reappropriated.

That the Secretary of the Treasury be, and he is hereby, further authorized to employ in connection with the Supervising Architect's Office, and without regard to the civil-service laws, rules, or regulations for service, either within or without the District of Columbia, such other specially skilled technical, engineering, consulting, and superintending services as he may deem necessary; all such specially skilled technical, engineering, consulting, and superintending services to be exclusively employed in connection with the plans and specifications for said vaults and the foundations of said building and vaults. And the Secretary of the Treasury is hereby authorized to pay for such services mentioned in this paragraph such compensation and such actual necessary traveling and subsistence expenses in connection with such work as he may deem reasonable from the amounts herein reappropriated, all such additional services and traveling expenses hereinbefore authorized to be in addition to and independent of the authorizations and appropriations for personal services and traveling expenses in said office otherwise made.

And in razing the Wall Street front the Secretary of the Treasury may dispose, by gift or otherwise, of the façade of the present building with a view to the preservation of the façade, and the United States shall not be put to any expense beyond that for said razing.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

The VICE PRESIDENT. The letter of the Secretary of the Treasury will be printed in the RECORD.

The letter referred to is as follows:

TREASURY DEPARTMENT,
Washington, July 29, 1914.

Hon. CLAUDE A. SWANSON,
Chairman Committee on Public Buildings,
United States Senate.

MY DEAR SENATOR: The present demand upon the Treasury for gold at New York again shows clearly the need for the new Assay Office Building with the vault space which has been planned therein. A bill providing for this structure passed both Houses of Congress two years ago and was signed by the President, but owing to some defect in the language used it was found necessary to pass another bill, and this measure I understand to be now pending before your committee. The appropriation carried by this bill is of precisely the same amount as that carried by the bill which became a law, and there is no radical change in the measure. The bill should be passed as soon as possible in order that work upon the building may begin. I beg to call your attention to the matter and trust that you may be able to secure action at an early date. It is urgent.

Respectfully,
W. G. MCADOO, *Secretary.*

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WILLIAMS:

A bill (S. 6247) to authorize the Secretary of the Treasury to accept the bonds of certain cities as security for crop-moving deposits, to the Committee on Banking and Currency.

By Mr. CHAMBERLAIN:

A bill (S. 6248) for the relief of Edward G. Jones (with accompanying papers), to the Committee on Public Lands.

By Mr. THOMAS:

A bill (S. 6249) for the relief of homestead entrymen under the reclamation projects in the United States, to the Committee on Public Lands.

A bill (S. 6250) to amend section 2, subdivision G (a), of an act entitled "An act to reduce tariff duties and to provide revenue for the Government, and for other purposes," approved October 3, 1913; to the Committee on Finance.

By Mr. RANSDELL:

A bill (S. 6251) to amend section 1 of an act to amend the national banking laws, approved May 30, 1908, and to extend the provisions of said act to State banks and trust companies; to the Committee on Banking and Currency.

By Mr. BRISTOW:

A bill (S. 6252) granting an increase of pension to James L. Soupene (with accompanying papers); and

A bill (S. 6253) granting a pension to Harvey J. Arterburn (with accompanying papers); to the Committee on Pensions.

By Mr. JONES:

A bill (S. 6254) granting a pension to Catharine N. Burlingame; to the Committee on Pensions.

By Mr. JAMES:

A bill (S. 6255) granting a pension to Herman Martin (with accompanying papers);

A bill (S. 6256) granting a pension to Henry P. Logsdon (with accompanying papers); and

A bill (S. 6257) granting an increase of pension to Jane Ingram Letcher (with accompanying papers); to the Committee on Pensions.

By Mr. SHIVELY:

A bill (S. 6258) granting an increase of pension to Charles W. Ewing; and

A bill (S. 6259) granting an increase of pension to James M. Barnett (with accompanying papers); to the Committee on Pensions.

Mr. SMITH of Georgia. I introduce a joint resolution, which I ask may be printed in the RECORD.

The joint resolution (S. J. Res. 175) authorizing the Secretary of the Treasury to make advances of currency upon notes secured by warehouse certificates issued upon cotton, and for other purposes, was read the first time by its title, the second time at length, and referred to the Committee on Banking and Currency, as follows:

Joint resolution (S. J. Res. 175) authorizing the Secretary of the Treasury to make advances of currency upon notes secured by warehouse certificates issued upon cotton, and for other purposes.

Resolved, etc., First. That the Secretary of the Treasury is hereby authorized to withhold from the banks in the States of North Carolina, South Carolina, Georgia, Alabama, Mississippi, Louisiana, Texas, Oklahoma, and Arkansas 50 per cent, or so much thereof as he deems

advisable, not to exceed 50 per cent of the currency which otherwise they could receive under the terms of the act approved August 4, 1914, entitled "An act to amend section 27 of the act approved December 23, 1913, known as the Federal reserve act," the same being an amendment of the act approved May 30, 1908, entitled "An act to amend the national banking laws."

Second. The Secretary of the Treasury is hereby authorized to advance upon notes secured by warehouse receipts for lint cotton in bale, for a term not to exceed 12 months, Treasury notes to an amount equal to 50 per cent of the currency which under the act approved May 30, 1908, entitled "An act to amend the national banking laws," together with the amendments thereto, could have been received by the banks of the respective States named, if all of said banks availed themselves of the opportunity of taking said currency. The advances in each State to be the amount which could have been allotted to the banks of said State except for the reduction of the allotment by the Secretary of the Treasury under the authority given him by this joint resolution.

Third. The Secretary of the Treasury is hereby authorized, if he deems it advisable, to permit the first banks applying for currency under the terms of the act approved August 4, 1914, hereinbefore referred to, to receive each the full amount of currency to which it would be entitled under said act, and to reserve the amount authorized to be advanced upon notes secured by warehouse receipts for lint cotton in bale under the terms of this joint resolution, from the amounts that would otherwise go to the banks last applying for currency and from banks not applying for currency.

Fourth. The Secretary of the Treasury, the Secretary of Agriculture, and the Secretary of Commerce are hereby constituted a board, with authority to prescribe rules and regulations and fix the terms under which the advances herein provided for shall be made.

Fifth. The rates of interest to be charged on said advances shall be the same as the tax prescribed for notes issued by banks under act approved May 30, 1908, and the amendment thereto contained in the act approved December 23, 1913.

Sixth. The sum of $250,000, or so much thereof as may be necessary, is hereby appropriated to enable the Secretary of the Treasury to carry out the provisions of this joint resolution.

RELIEF OF HOMESTEAD ENTRYMEN.

Mr. JONES. A bill was introduced a few moments ago, title of which is for the relief of homestead entrymen under the reclamation projects in the United States. I do not know who introduced the bill, but it occurs to me that it should have been referred to the Committee on Irrigation and Reclamation of Arid Lands instead of to the Committee on Public Lands.

The VICE PRESIDENT. The bill was introduced by the Senator from Colorado [Mr. THOMAS].

Mr. JONES. I do not know anything about the bill only as it was read by title.

Mr. SMOOT. Mr. President, I think that the lands covered by the bill are public lands, and that similar bills have always been referred to the Committee on Public Lands.

Mr. JONES. But the bill to which I refer may not be of that character. It is entitled "A bill for the relief of homestead entrymen," and so forth.

The VICE PRESIDENT. The bill should clearly be referred to the Committee on Public Lands. It provides that where lands in an irrigation district can not be irrigated settlers may relinquish their claims and apply for other entries.

Mr. JONES. That is entirely different.

INTERNATIONAL NAVAL CONFERENCE (S. DOC. NO. 563).

Mr. O'GORMAN. Mr. President, there have been frequent references in the last few days to the London conference regarding the establishment of uniform rules affecting the neutrality of nations. Much interest is manifested in that particular document, and I ask that a copy, which was used at the time the recommendations of the conference came to the Senate for ratification, may be published as a Senate document.

The VICE PRESIDENT. Is there objection? The Chair hears none.

TRANSFER OF MERCHANT SHIPS.

Mr. SIMMONS. Mr. President, there has been some difference of opinion with reference to the validity of the transfer of the merchant ships of a belligerent to a neutral after the outbreak of war. I have here a very carefully prepared opinion by Hon. Cone Johnson, of the State Department, in which he discusses this question very thoroughly and reviews all the authorities. I ask that this opinion of the Solicitor of the State Department be printed in the RECORD and that it also be made a Senate document. I would suggest that as a Senate document it might be incorporated in the same document with the London conference agreement or understanding presented by the Senator from New York [Mr. O'GORMAN].

Mr. SMOOT. Mr. President——

Mr. SIMMONS. It is very short.

Mr. SMOOT. It is not generally agreed that a document of this kind shall be printed in the RECORD and also as a public document.

Mr. SIMMONS. If the Senator objects to it——

Mr. SMOOT. I have no objection whatever to its being printed as a document.

Mr. SIMMONS. I think it ought to be printed in the RECORD, that we may have it in an available form not only for the Senate but for the other House. As Senators know, a Senate document is printed a long time before it is known to be in existence by Members of the other body, and probably by some Members of this body who do not happen to be present when the order to print is made.

Mr. SMOOT. I simply want to say to the Senator that it is not a good plan to print a public document and also to load the RECORD with it. This matter, however, is a vital one and is now being considered, and for that reason I shall not object.

Mr. SIMMONS. I agree with the general rule laid down by the Senator from Utah.

There being no objection, the communication was ordered to be printed as a document and also to be printed in the RECORD, as follows:

SOLICITOR'S OFFICE, STATE DEPARTMENT,
August 7, 1914.

THE TRANSFER OF MERCHANT SHIPS OF A BELLIGERENT TO A NEUTRAL AFTER THE OUTBREAK OF WAR.

CONCLUSIONS FROM THE MEMORANDUM ATTACHED.

1. Merchant ships of a belligerent may be transferred to a neutral after the outbreak of hostilities.

2. If the sale of the ship is made in good faith, without defeasance or reservation of title or interest in the vendor, without any understanding, expressed or tacit, that the vessel is to be retransferred after hostilities, and without the indicia or badges of a collusive or colorable transaction.

3. But transfer can not be made of such vessel in a blockaded port or while in transitu.

4. The transfer must be allowable under and in conformity to the municipal regulations of the country of the neutral purchaser.

5. The declaration of the London convention that transfers of an enemy vessel to a neutral during war will not be valid unless it be shown that the same was not made to evade the consequences to which an enemy vessel, as such, is exposed, if it were controlling of the question, relates only to the good faith of the transfer and not to the ulterior motives of the parties to reap the natural advantages to flow from the operation of the vessel under the flag of a country not at war, while it inverts the burden of proof of the good faith of the transaction.

THE RIGHT OF NEUTRALS TO PURCHASE MERCHANT SHIPS FROM BELLIGERENTS IN TIME OF WAR.

INTRODUCTORY.

The right of neutrals to purchase merchant ships from belligerents in time of war is based upon, and is indeed part of, the right of neutrals to continue in time of war to trade with belligerents, which right is undoubted, subject to certain exceptions, relating principally to contraband and blockade. This right to trade with belligerents is of universal recognition, although on occasions it has been denied in practice. During the Napoleonic wars the French and British Governments assumed to dictate the trade in which neutrals should be permitted to engage with the belligerents and to prohibit them from trading with belligerents altogether. But these decrees met with the firmest resistance on the part of the American Government at the time, and after the occasions which produced them had passed, the English Government was compelled to reprobate and abandon them. The commerce of neutrals should not be interrupted by the exigencies of war. The right of the citizens of a neutral country to trade in merchant vessels belonging to the citizens of a belligerent, with certain well-defined exceptions, may be said to be of well-nigh universal admission.

THE POSITION OF THE UNITED STATES.

The position of the United States on this question is historical, and, so far as my investigation has extended, has been uniform. This position may be stated as follows:

A neutral has a perfect right to purchase the merchant vessels of belligerents during a state of war, when such purchase is bona fide, without defeasance, reservation of title or interest, and intended to convey perfect and permanent title to the purchaser. This rule is subject to certain exceptions herein noted.

PRECEDENTS.

I shall now recite some of the precedents illustrating the position uniformly maintained by the United States.

1. February 19, 1856, Secretary of State Marcy to Mr. Mason:

"The principle, therefore, that a neutral has a perfect right to purchase the merchant vessels of a belligerent has been maintained by England, by Russia, and by the United States; and it is inconsistent with these historical facts to say that the contrary doctrine avowed by France has had the sanction of the chief maritime nations or that it forms part of the whole doctrine of maritime law." (Misc. Inst., France, Vol. XV, 321; see 11th Wait's State Papers, 203.)

(The position thus stated by Secretary Marcy is undoubtedly in harmony with the general English rule, but has been contested by France, where, under governmental regulations, enemy-built vessels can not be made neutral by a sale to a neutral after hostilities begin. It is also claimed that the position of Russia is in line with the French contention. But it appears that the position of Russia is correctly stated by Secretary Marcy, supra.)

Secretary of State Cass to United States consuls, Circular No. 10, June 1, 1859:

"Inquiries having been addressed to the department as to the right of a citizen of the United States to purchase the vessel of a belligerent during the present war in Europe, I have to inform you that a similar question arose during the late Crimean War and was deliberately and carefully investigated by the administration for the time being and resulted in the conviction that a vessel so purchased in good faith becomes the property of the purchaser and is entitled to the protection of the flag of the United States, though a special act of Congress would be necessary to enable her to obtain a register from the proper department. These views are entirely concurred in by the existing executive government of the United States and will be maintained whenever there may be occasion therefor."

To the same effect, Secretary Cass to Mr. Mason, June 20, 1859 (30 MS. Dom. Let., 414), and Secretary Cass to Mr. Gittings, June 24, 1859 (30 Dom. Let., 429).

The regulations referred to, supra, pointed out that the purchase, in order to be valid, must be in good faith and not a simulated purchase of vessels to be employed in hostile operations against countries with

which the United States are at peace. In this connection it is safe to say that where there has been merely an outward transfer of title, as when the original owner is left in command and direction of the vessel, and the same is continued in identically the same service or trade, especially where the original owner retains, though secretly, an interest in the vessel or its operation, the sale would be treated as a mere subterfuge to screen the vessel from capture by one of the belligerents, and in such case the ostensible owner would not be entitled to the protection accorded to a vessel flying the flag of the neutral country. (Under this, see Mr. Fish, Secretary of State, to Mr. Marsh, January 29, 1877, MS. Inst., to Chile, vol. 2, p. 11.)

Boutwell, Secretary of the Treasury, to Mr. Washburne, minister to France, May 23, 1871, and sent to the Secretary of State at same time (see MS. Misc. Let.):

2. "Can a foreign vessel be purchased by a citizen of the United States?

"In reply I have to observe that the natural right to acquire property by purchase has been held by high authority to be unaffected, so far as neutrals are concerned, by the mere fact that a state of war exists between two or more powers, from the citizens or subjects of one of which the purchase is made. Such right is subject, however, to the restrictions imposed by international law, by treaty, or by the belligerent powers, respectively, as to the property of their own citizens or subjects during the existence of such war. This principle is stated by one of the former Attorneys General of the United States, as follows: 'A state of war interrupts no contract of purchase and sale, or of transportation, as between neutral and belligerent, except in articles contraband of war.'"

3. The opinion of the Attorney General referred to was that of Mr. Cushing in 1854 (6 Op. Atty. Gen., p. 638) and 1855 (7 Op. Atty. Gen., p. 538), wherein the Attorney General said:

"A citizen of the United States may purchase a ship of a belligerent power, at home or abroad, in a belligerent port, or on the high seas, provided the purchase be made bona fide and the property be passed absolutely and without reserve, and the ship so purchased becomes entitled to bear the flag and receive the protection of the United States."

4. On June 20, 1879 (Foreign Relations, 1879, p. 884), Secretary of State Evarts to Mr. Christiancy, minister to Peru, affirmed the general doctrine as above stated, but pointed out the temptations to the abuse of the right and the great danger from inconsiderate action on the part of United States consuls in facilitating such transfers, but stated that "although the validity of the transfer may in the end be judicially inquired into, much harm might result from a simulated sale before a final decision on the subject could be reached; still the possible abuse of power by a sale is not a sufficient reason for abrogating the power, especially if Congress should abstain from forbidding the purchase and use abroad of foreign-built ships by American citizens."

In a letter to Minister Christiancy, December 26, 1879 (Foreign Relations, 1879, p. 894), and in a similar instruction to the minister to Chile, Secretary Evarts again stated, amongst other things, that:

"The right of Americans to buy foreign-built vessels and to carry on commerce with them is clear and undoubted * * *. As a consequence, an adjunct of this right, that of flying the American flag, can not be prohibited. If circumstances justify, on the part of the consular officers, an opinion that the sale is honest and that the vessel has really become the property of a citizen of the United States, she may properly fly the flag of the owner's country as an indication of such ownership and as an emblem of the owner's nationality."

(In this connection he said that a ship so transferred but not registered as an American vessel was not entitled to the immunities and thorough protection accorded to registered American vessels plying between ports of the United States and those of foreign countries; that American owners domiciled abroad and engaged in business of that sort take upon themselves the risks to such traffic, and that, if seized by one of the belligerents, they have no right of diplomatic protection other than that they should be accorded fair treatment in prize courts.)

5. In reply to request for sanction of a proposed transfer of an enemy vessel to a neutral in a blockaded Cuban port in 1898 the department said, through Assistant Secretary Moore, that it would not give such desired permission or any privilege to the transfer from a belligerent to a neutral of a vessel in a blockaded port. (Mr. Moore to Messrs. Butler et al., May 10, 1898, 228 Dom. Let., 378.)

(The refusal of this request was evidently based upon the fact that the vessel intended to be transferred was at the time in a blockaded port of the Cuban Government. It will be seen that this forms an exception to the general rule as hereinbefore stated.)

6. In this same connection the case of the *Benito Estenger* (176 U. S., 568) is valuable as illustrating the general principle stated. In that case Chief Justice Fuller said:

"Transfer of vessels flagrante bello were originally held invalid, but the rule has been modified and is thus given by Mr. Hall, who, stating that in France their sale is forbidden and are declared to be prize in all cases in which they have been transferred to neutrals after the buyers could have knowledge of the outbreak of war, says: 'In England and the United States the right to purchase vessels is in principle admitted, they being in themselves legitimate objects of trade as fully as any other kind of merchandise, but the practice of fraud being great, the circumstances attending a sale are severely scrutinized and the transfer is not held to be good if it is subjected to any condition or tacit understanding by which the vendor keeps an interest in the vessel or its profits, control over it, and power of revocation, or a right to its restoration at the conclusion of war.'"

He cites Justice Story on Principles and Practice of Prize Courts, who states:

"In respect to the transfer of enemy's ships during war it is certain that purchases of them by neutrals are not in general illegal, but are liable to great suspicions, and if good proof be not given of their validity by bill of sale and payment of a reasonable consideration it will materially impair the validity of a neutral claim; and if after such transfer the ship be employed habitually in the enemy's trade or under the management of a hostile proprietor the sale will be deemed merely colorable and collusive."

(The Chief Justice cites several English cases, which are valuable on the question of fraudulent and colorable transfers.)

7. The Russian Prize Regulations of March 27, 1895, section 7 (Foreign Relations, 1904, p. 736), prescribe that merchant vessels acquired from the hostile power, or its subjects, by persons of neutral nationality are acknowledged to be hostile vessels, unless it is proven that the acquisition must be considered according to the laws of the nation to whom the purchaser belongs as having actually taken place before the purchaser received news of the declaration of war, or that the vessels acquired in the manner mentioned, although after the receipt of such news, were acquired conscientiously and not for the purpose of covering hostile property.

8. I find no citation of any American precedent or authority which denounces the general doctrine of the right of a neutral to purchase the vessel of a belligerent in time of war, where such purchase is made in good faith and is not subject to the charge that it was colorable or collusive only.

AUTHORITIES ON INTERNATIONAL LAW.

1. Oppenheim's International Law (p. 206), discussing this question, says:

"Since many vessels are liable to capture, the question must be taken into consideration whether the fact that an enemy vessel has been sold during war to a subject of a neutral or to a subject of the belligerent State whose forces seized her has the effect of excluding her appropriation. It is obvious that if the question is answered in the affirmative, the owners of enemy vessels can evade the danger of having their property captured by selling their vessels. There is no general rule of international law which answered this question. The rule ought to be that, since commerce between belligerent subjects and neutral subjects is not at all prohibited through the outbreak of war, a bona fide sale of enemy property should have the effect of freeing such vessels from appropriation, as they are in fact no longer enemy property. But the practice among the States varies. Thus France does not recognize any such sale after the outbreak of war. On the other hand, the practice of Great Britain and the United States of America recognizes such sales, provided they are made bona fide and the new owner has actually taken possession of the sold vessel. If the sale was contracted in transitu, the vessel having started her voyage as an enemy vessel, the sale is not recognized when the vessel is detained on her voyage before the new owner has taken actual possession of her."

(The attempted sale of a vessel in transitu seems to form another exception to the rule permitting the sale of enemy vessels to neutrals. This and the other exception of an attempted sale of an enemy vessel in a blockaded port appear to constitute the two principal exceptions.)

2. Halleck's International Law (vol. 2, p. 93), discussing the subject, says:

"The transfer, in time of war, of the vessel of an enemy to a neutral is a transaction, from its very nature, liable to strong suspicion and consequently is examined with a jealous vigilance and subjected to rules of peculiar strictness in the prize court of an opposite belligerent. Nevertheless, neutrals have a right to make such purchases of merchant vessels, when they act with good faith, and the belligerent powers are not justified, by the law of nations, in attempting to prohibit such transfer by a sweeping interdiction, as was done in former years by the French and English Governments. Ordinances of this character form no part of the law of nations and consequently are not binding upon the prize courts, even of the country by which they are issued. Nevertheless, where the sale is claimed to have been made by an enemy to a neutral in time of war it is not unreasonable that these motives and terms should be an object of searching inquiry. Hence courts of admiralty have established severe rules respecting such transfers."

(He states these rules to be in substance: The sale must be absolute and unconditional: the title and interest of the vendor must be completely and absolutely divested; if there is a covenant, agreement, or tacit understanding by which he retains any proof of his interest, the contract is vitiated and in international law is regarded as void. He points out various instances in which a sale would be considered as colorable only.)

3. Fillimore's International Law, volume 3, page 735, says:

"In respect to the transfers of enemy ships during war, it is certain that purchases of them by neutrals are not in general illegal; but such purchases are liable to great suspicion; and if good proof be not given of their validity by bill of sale and payment of a reasonable consideration, it will materially impair the validity of the neutral claim; and if the purchase be made by an agent, his letters of procuration must be produced and proved; and if, after such transfer, the ship be employed habitually in the enemy's trade, or under the management of a hostile proprietor, the sale will be deemed merely colorable."

He quotes the privy council in 1857 as follows:

"The general rule is open to no doubt. A neutral, while a war is imminent, or after it has commenced, is at liberty to purchase either goods or ships (not being ships of war) from either belligerent, and the purchase is valid, whether the subject of it be lying in a neutral port or in an enemy's port. During a time of peace, without prospect of war, any transfer sufficient to transfer the property between the vendor and vendee is good; also against a captor if war afterwards unexpectedly breaks out. But in case of war, either actual or imminent, this rule is subject to qualification, and it is stated that in such case a mere transfer by documents, which would be sufficient to bind the parties, is not sufficient to change the property as against captors as long as the ship or goods remains in transitu."

LONDON CONVENTION OF 1909.

The London convention (which was not ratified by the signatory powers and becomes valuable only as indicative of the disposition of the several Governments) confirms rather than denies the position herein maintained.

Article 56 of the convention is as follows:

"The transfer of an enemy vessel to a neutral flag affected after the outbreak of hostilities is void unless it is proved that such transfer was not made in order to evade the consequences to which an enemy vessel, as such, is exposed.

"Provided that there is an absolute presumption that a transfer is void—

"(1) If the transfer has been made during a voyage or in a blockaded port.

"(2) If a right to repurchase or recover the vessel is reserved to the vendor.

"(3) If the requirements of the municipal law governing the right to fly the flag under which the vessel is sailing have not been fulfilled."

The effect of this article would be merely to change the burden of proof by reversing the presumption of the bona fides of the sale and specifying certain conditions under which the sale would be conclusively presumed to be void. But this article does not change the general rule which I have asserted, to wit that the sale of a belligerent vessel to a neutral in time of war is valid where such sale is made in good faith and divests all title and interest of the vendor. In this connection the report of the drafting committee of the convention is instructive. Of this article it said:

"The rule respecting transfer made after the outbreak of hostilities is more simple. Such a transfer is only valid if it is proved that its object was not to evade the consequences to which the enemy vessel is exposed. The rule accepted in respect to transfers made before the outbreak of hostilities is inverted. In that case there is a presumption that the transfer is valid; in the present that it is void, provided always

that proof to the contrary may be given. For instance, it might be proved that the transfer had taken place by inheritance."

In this same connection attention is directed to the report to their Government by the British delegates to the convention respecting the work of the convention. Referring to this article they said:

"The provisions respecting transfers made during war are less complicated. The general rule is that such transfers are considered void unless it be proved that they were not made with a view to evade the consequences which the retention of enemy nationality would entail. This is only another way of stating the principle already explained that transfers effected after the outbreak of hostilities are good if made bona fide, but that it is for the owners of the vessels transferred to prove such bona fides. The provisions under this head are practically in accord with the rules hitherto enforced by British prize courts."

From all of which it will appear that the declaration of the London convention on the question of the transfer of merchant vessels from a belligerent to a neutral flag, but restates the position long maintained by the United States, Great Britain, and most of the other maritime nations, except as to the burden of proof of the bona fides of such a transfer made during the existence of war. It is the bona fides of the sale which is the essence of a good transfer, and it is not perceived that the ulterior motive actuating the parties to the transfer is to govern, though such motive may have been the natural advantages in having the ship to fly the flag of a neutral rather than that of a country at war. If the transfer was bona fide, without defeasance or reservation of title or interest, without any understanding that the vessel should be retransferred at the end of hostilities, and without other indicia of a simulated or fictitious transfer, and not of a ship in a blockaded port or in transitu, the transfer is valid under international law, as it would be under the London convention, though the ulterior motive of the vendor and vendee may have been the natural advantages of flying the flag of a country at peace.

This memorandum is hurriedly struck off and I have not had time or opportunity to revise it; but it is believed that it correctly presents the status of the question involved.

CONE JOHNSON.

WOMEN IN WAR.

Mr. THOMAS. Mr. President, the New York World of last Friday contained a very interesting and illuminating editorial, entitled "Women in War." Some of the conclusions drawn by the author of this article are so evident and so thoroughly in opposition to the shop-worn argument against woman suffrage, that in time of war woman can not and does not bear any of its burdens, I ask that it be read from the desk, it being very short.

There being no objection, the Secretary read as follows:

[From the New York World, August 8, 1914.]

WOMEN IN WAR.

Doubtless the farm women of France did not require the spur of Premier Viviani's appeal to them to "complete the work of gathering the crops left unfinished by the men who have been called to arms." The women of Paris have taken up so far as they could the work of the menfolk who had to go to the front, and in rural France the women are full partners of the men in farm management. What the women of the Balkans did they will be prompt to do.

This work the nation is glad enough to have them perform for its defense; of course they can not fight, as they will be reminded if they ever ask for the ballot. That is the final argument against votes for women. Yet is not gathering the crops as important for national safety as service on the firing line? It is still true, as Napoleon said, that an army travels on its belly; and God is on the side of the full granaries equally with the strongest battalions.

There is the Amazonian precedent for women warriors, and there have been war queens from Boadicea on; yet it is improbable enough that women will ever take a material part in the actual fighting of battles. But with every advance they make in industry, with every proof they give of their ability to do man's work of peace, they weaken the traditional argument against their fitness for the ballot. If they can not participate in campaigns as soldiers, they make it possible for men to do so.

Mr. ASHURST. Mr. President, in January of this year I ventured to address the Senate, and during the course of my remarks I referred to the enormous loss of human life and the destruction of property consequent upon war. I ask that the following paragraph from that speech may be read at the desk.

The VICE PRESIDENT. Does the Senator desire the article read or printed in the RECORD?

Mr. ASHURST. I should like to have it read.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it will be read.

The Secretary read as follows:

"Twenty years hence, when the muse of history shall come to write of the magnitude of the social revolution and of the changing of the old order which is occurring in our Nation now, but which we do not see because it is so near us, it will then be pointed out that woman suffrage was made a part of our American system because for centuries governments had been going to war without asking the consent of the women who furnished the sons who, after the carnage of battle, are heaped into a trench in 'one red burial blent.'

"The waste of all governments through war is world-wide. Through war and its related agencies the taxes of the world are about double what they were in 1896.

"Through militarism the world is living beyond its means and is borrowing the means of the coming generations.

"Since the formation of our Federal Union, in 1787, for each dollar that as a Nation we have paid out for promoting the arts of peace, the development of agriculture and the mechanical sciences, for the facilitation of internal trade and intercourse, and for the diffusion of knowledge, we have paid out $700 for the purpose of military aggression or defense.

"On February 12, 1849, the Committee on Agriculture of the House of Representatives submitted a report indorsing the views of the Secretary of the Treasury, together with a bill creating a new department of the Government to be known as the Department of the Interior, and in support of the bill the report, among other things, stated as follows:

"The general fact remains unaffected that war and preparations for war have been regarded as the chief duty and end of this Government, while the arts of peace and production whereby nations are subsisted, civilization advanced, and happiness secured have been esteemed unworthy the attention or foreign to the objects of this Government. It seems to us that this should not always continue, but that we should, as a wise people, reorganize the Government so far as to fulfill these duties also, which are suggested by the nature, aspirations, and wants of our race as physical, moral, and intellectual beings; that it should do something toward protecting the people against those internal enemies—ignorance, destitution, and vice—as well as against those foreign foes who may invade or who it is apprehended may assail us.

"The pen of the future historian will point out that the women of the world became weary of passing through the valley of the shadow of death, bearing sons as a bloody sacrifice to the Moloch of war. If their sons are to be thus sacrificed, they demand that they shall have a voice as to when war shall be declared.

"'But,' say some persons with fertile and winged imagination, 'women do not go to war; hence they should have no voice in determining the matter.' The conclusion is not well founded, for female courage, female patriotism, and female influence are a 'war power,' or, rather, are just as much sinews of war at times as are ball cartridges. I reply that women do the work of the Red Cross and the hospital, and frequently the heavier and more important work which the men leave behind them. Their patriotism is just as virile, their devotion to country just as unswerving, as that of the men. History records many instances of the bravery, daring, dauntless courage, and prowess of women on the battlefield."

LEASE OF MINERAL LANDS.

Mr. SHAFROTH. Mr. President, I have here a short article published in Mining Science upon a subject that is engaging the attention of the other House of Congress, and which will unquestionably be taken up in this body at some time, perhaps at the next session, relating to leasing the natural resources of the public domain. It is a very able article by Mr. Chester T. Kennan, mining engineer, who lives in a locality close to where some of the mineral resources of Colorado are being developed, and who has given a great deal of study to this very important question. I ask unanimous consent that it be incorporated as a part of the RECORD.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

PREDATORY BUREAUCRATS AND THE LEASING SYSTEM.

(Chester T. Kennan, M. E.)

No system of true conservation or good government requires that our citizens be made tenantry of a governmental landlord.

The land and natural resources alone make possible industrial and commercial existence of the individual State; they constitute its first capital and stock in trade, upon which it must conduct its business and development and maintain a government "republican in form," as required by its act of admission as a State.

The right of taxation is so necessary and fundamental that a sovereign State without it can not continue. To the latter imperative end, and to place the new States on an equal footing with the original States, and to provide that ours be a Nation of home owners, it has been this Nation's policy from the beginning to pass the public lands and national resources into private ownership, private control, and private development.

It is the plain duty of every citizen to assert, and the courts to maintain, the sovereignty of the State in conformity with that article of the Federal Constitution which provides that "the powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States, respectively, or to the people." It is, therefore, the manifest right of every citizen to demand government by the people rather than by bureaus of the Central Government; and in so far as the constitutional power of regulation in these respects is vested in the several States it is fundamental and imperative that it be not divested or invaded.

The acts of Congress admitting the public-land States to the Union contain the declarations which are taken from the ordinance of July 13, 1787, including the following provision: "The State of ——— shall be one and is hereby declared to be one of the United States of America, and admitted into the Union on an equal footing with the original States in all respects whatever."

It is also provided in such acts of admission of new States that "they shall never lay any tax or assessment of any description whatever upon the public domain."

Neither the United States nor any State has the power to do any act or pass any law which will create inequality between the States, and any attempt on the part of either to do so is void and of no effect, ab initio. (39 Fed. Rep., 730; 9 Peters, 224; 15 Peters, 449; 104 U. S., 621; 146 U. S., 387; 152 U. S., 387; 164 U. S., 240; 168 U. S., 349; 176 U. S., 83, 87; 187 U. S., 479, 483; 190 U. S., 508, 519; 198 U. S., 371; 198 Fed. Rep., 539.)

The United States alone has no power to create unequal States by Executive act, by law of Congress, or by judicial interpretation of those laws, and all of such attempts are void. (198 Fed. Rep., 539.)

In 1845 the United States Supreme Court, in the case of Pollard's lessee *v.* Hagan (3 How., 212), decided and laid down as fundamental law of the land "that the transaction between the United States and Virginia and Georgia and the Louisiana Purchase constituted a contract and created a trust, under which the United States secured control of the public lands to pay the public debts by bona fide disposing of them in order that new States might be erected, which should be equal in every respect to the original States; that the United States holds the lands for temporary purposes only, and in trust for the States where they lie; and that until the lands were disposed of by the United States the new State was not on a footing of equality with the original States.

As late as May, 1911, the United States Supreme Court, in the case of Coyle *v.* Oklahoma (221 U. S., 559), quotes the above case of Pollard's Lessee *v.* Hagan with approval and reaffirms the perfect equality of the State in relation to the United States.

The United States Government holds the public domain in trust (not in fee). What each citizen, therefore, owns in the public domain is his right to acquire a segment of it if he chooses so to do. Congress has no power to authorize the Central Government to seize the title in fee and perpetuity and rent the lands to the people.

The status of our public-land system now is, and always has been, that the Central Government holds the public domain temporarily and in trust, to be erected into sovereign States upon an equal footing with the original States in every respect; to afford equal opportunity to every citizen to acquire a home; and to be disposed of at nominal prices to private ownership, in order that the Central Government might, as speedily as possible, retire as a landlord from the several States. The people have always emphasized that the Government should not hold the public lands, even in trust, any longer than absolutely necessary to systematically and equitably pass them to private ownership. The day has long gone by when it was thought right or justifiable that the king, government, ruling classes, or bureaucrats should own and control the land in perpetuity and rent it to the people.

Under this beneficent, enlightened democratic land system we have reared the leading and most progressive Nation of the world.

The bureaucrats, or "conservationists"—under the latter alias they seem to prefer to operate—now demand that our established system of land tenure be subverted, and our form of government in a vital principle revolutionized.

They are now conjuring Uncle Sam to be a traitor to his trust, to embezzle the "trust fund," to become the most royal, selfish landlord this world has ever witnessed, to seize soil within the States in perpetuity, free from taxation, to rent the land to his tenant vassals, to deny public-land States equality with the original States, to destroy their sovereignty, make them provinces, and draw a line around the western third of the United States and denominate it on the map, "Ireland of America—doomed forever to fight for 'home rule.'"

Manifestly, their scheme is not progressive, but reactionary at least 1,000 years.

Any form of conservation which fails to take into account the rights and needs of the present generation evidently does not cover the whole field and has no place in this country.

True conservation may be defined as the least practicable waste consistent with the greatest practicable use.

Conservation is a technical and scientific subject, while the ownership and passing of title to the public land is a political and sociological subject, and the two have no necessary connection; yet, while sailing under the fair banner of "conservation," our bureaucrats have attempted to create and take over to themselves the most gigantic land monopoly this world has ever witnessed—already having under their control in forest reserves, withdrawals, etc., near 200,000,000 acres, an area greater than many kingdoms of Europe combined.

An example of true conservation is presented by the management of our great stockyards, where every conceivable part of the slaughtered animal is saved and placed to a fitting use. The great modern coal-coking plants and large petroleum refineries are striking examples of conservation, by saving a vast number of by-products that would otherwise be wasted or not placed to their most valuable use. Every advance in metallurgical processes which enables us to more cheaply extract metals from their ores and thereby utilize lower grades of ore at a profit is a long step in the field of true conservation. Life-saving and labor-saving devices and the protection of property from destruction and waste by fire are legitimate and worthy forms of conservation.

But unmindful of the truism so pertinently expressed by President Wilson, that "conservation is not reservation," our bureaucrats have practically ignored conservation and devoted all their energies to reservation, seeking to reserve under their own control all the public domain and its natural resources as against the public-land States and the people, until we are now burdened with the omnipresent forest reserves, park reserves, military reserves, naval reserves, coal reserves, water-power reserves, missionary reserves, Government reserves, school reserves, bird reserves, and archæological reserves, and then they withdrew practically all the balance of the desirable lands from market under the pretense of "classification"; and now they are introducing bills in Congress to accomplish their final coup d'etat by having the Government seize title to the public domain in fee and perpetuity, and lease it to the people, the bureaucrats at last firmly in the saddle as administrators of the grand feudal empire.

During the sinister progress of this long-drawn-out campaign for bureaucratic autocracy the musty air of medieval tyranny has become ever thicker and more suffocating to western nostrils, consistently with their purpose, the most strenuous effort of the bureaucrats have been exerted to retain the public domain in a state of nature, to prevent development, and to prevent the public lands from passing to private ownership until such time as they could prevail upon Congress to have the central government seize the public domain in fee and rent it to the people and make the bureaucrats administrators of the vast estate.

What coterie of politicians, pray, would not like to be administrators of such vast empire, with power, salaries, perquisites, patronage, and opportunities for graft unlimited?

While each State has all the power to suppress or destroy monopoly within its borders that the central government has within its sphere, yet while striving to create the greatest land monopoly that ever existed, the most popular slogan of the bureaucrats has been that only their plan could prevent monopoly of the public domain. Even if we had no special statutes in this behalf, monopoly could be suppressed or destroyed under the common law of England.

Would it not be timely and apropos for our lawmakers at Washington now, while they have their hands in at investigating and dissolving "trusts," to investigate this one, the greatest and most noxious of them all—the public-domain trust of the United States—now hatching on the floors of Congress?

There appears to be no limit to the legislative power of these autocrats of the bureaus. They boldly occupy the "twilight zone" between State rights and the rights and powers of the central government; and to enforce their bureau-made laws have inaugurated a reign of terrorism in the Western States through an organized army of many thousands of men, including forest rangers, petty officers, mineral examiners, general solicitors, special solicitors, attorneys, press agents, statisticians, common spies, muckrakers, lecturers, detectives, secret-service agents, affidavit gleaners, collectors of rents and bills and royalties, star-chamber courts, etc. While we are compelled to admit that the spy system of our bureaus is now the finest in all the world—not even that of Turkey or Russia excepted—in simple justice to the American people we are gratified to state that the people are not proud of it. We are bowed down with humiliation and shame that such a glaring example of monstrous tyranny and oppression has gained a foothold on American soil.

We should not now turn our backs upon our enlightened form of government, and, at the bidding of these purely political "conservationists" for gain, retrace our steps to feudal times and conditions. We should not drift from the principle of encouraging the individual, the small owner, and the home, but if occasionally there are abuses, or men file upon land wrongfully, let the individual case be punished under the established laws of the land.

Under the leasing system we would have the feudal condition of a portion of our citizens being freeholders and freemen and another portion being tenantry and serfs of the ruling landlord. We would then have on American soil the political spectacle of one portion of our citizens paying taxes to maintain an ancient form of government over another portion.

The Western States hold that it is the just prerogative of each State in the Union to adopt such system of true conservation of the resources within its borders as may best suit the needs and purposes of its people, exercising therein such practical economy in behalf of future generations as may by each State be deemed wise and provident.

As an illustration Gov. Ammons has well pointed out that the leasing system would mean, in effect, that Colorado would ultimately pay into the Federal Treasury on coal alone, figuring the present highest rate of royalty, the enormous tax of $37,100,000,000, while it would pay annually on water power alone, when fully developed, twice as much as it now collects in State taxes for all purposes.

The people realize and keenly appreciate that there is a wide distinction between the act of two citizens equal under the law making a contract of lease between themselves and the ruling landlord, who is also the lawmaker, contracting or forcing a contract with his tribute payer under the law. It is a luminous fact in history familiar to all that whenever a government and its officials became vested with the resources of the people and their opportunities to make a living, the people were no longer free and that form of government was doomed to eventual, if not speedy, wreck.

The experiment of governing people through the soil has been often tried, but never with ultimate success—the man who says it should now be tried, whatever he may call himself, is a socialist, pure and simple; but he is too late with his doctrine in this country, unless he proposes that Uncle Sam seize the title in fee to the whole area of the United States and lease it all, so that we shall all be on an equal footing. Abraham Lincoln said: "Tell the people the truth, and the Nation is safe."

THE COTTON CROP.

Mr. RANSDELL. I have received from Mr. W. B. Thompson, of New Orleans, a very interesting telegram in reference to the cotton-crop situation, which I ask to have printed in the RECORD without reading.

The VICE PRESIDENT. Is there objection?

Mr. SMOOT. Mr. President, I am not going to object to the telegram presented by the Senator from Louisiana being printed in the RECORD, but I wish to give notice to the Senate now that the practice of filling the RECORD each morning with every kind of telegram and every kind of articles from newspapers has become an absolute evil. I pick up the RECORD of this morning and I find that 14,753 pages have been printed at this session of Congress. I think this practice ought to be stopped; it is wrong. I think it is not only an absolute waste of Government money, but it does the country no good.

Mr. GALLINGER. Mr. President, the Senator from Utah is more familiar with this matter than is any other Senator, inasmuch as he has been at the head of the Printing Committee. I ask the Senator about what has been the average number of pages of the CONGRESSIONAL RECORD in former sessions of Congress?

Mr. SMOOT. We have hardly ever exceeded 6,000 pages.

Mr. GALLINGER. And there are how many pages now?

Mr. SMOOT. Fourteen thousand seven hundred and fifty-three. Before this session is closed there will be 16,000 pages of the RECORD.

Mr. GALLINGER. Mr. President, I sympathize with what the Senator from Utah has said. I have called attention to the same matter on various occasions, but I have discontinued entering my protests, for the reason that it seems to be the policy of Congress to load down the RECORD with every conceivable article that can be found on pretty much every conceivable subject. Of course, I would not object to the printing in the RECORD of the article which the Senator from Louisiana [Mr. RANSDELL] presents, because other articles have gone in this morning, but I do think we ought to come to the conclusion that it is a bad practice.

Mr. RANSDELL. Mr. President, I think the suggestions made by the Senator from Utah [Mr. SMOOT] and the Senator from New Hampshire [Mr. GALLINGER] are wise; I believe the

RECORD is sometimes encumbered with matter that ought not to go into it; but that is not true of the article I have presented. It is an article which was prepared by one of the ablest cotton men of the South. It was presented at two or three conferences of our southern cotton people, who are trying to handle the situation, which affects not only the South but the entire Nation. If we lose two or three hundred million dollars on our cotton the Nation is going to be affected by the loss.

This morning I received requests in the mail for copies of this article. It is a very able article by one of the great men of this country. It is not very long and it will not encumber the RECORD. It is going to furnish meat and wisdom to those who are interested in the subject of cotton, and I hope there will be no objection to its being printed in the RECORD.

Mr. SMOOT. Mr. President, as I have said, I am not going to object to the article being printed in the RECORD, but I want to say that I do not think it is going to save us one hundred or two hundred million dollars.

Mr. RANSDELL. It is going to help to do it.

Mr. SMOOT. Of course it encumbers the RECORD according to its length, and no more; but this morning I suppose there have been already at least a dozen or fifteen such communications put in the RECORD, which means the filling of many of its pages.

Mr. WILLIAMS. Mr. President, will the Senator from Utah permit an interruption there?

Mr. SMOOT. I certainly will.

Mr. WILLIAMS. I want to say, in addition to what the Senator from Utah has mentioned as to the vast increase of the volume of the CONGRESSIONAL RECORD, that this practice consumes the greater part of the morning hour, which ought to be devoted to the consideration of resolutions and bills, and, if possible, also to the consideration of the calendar. It works evil in both directions.

Mr. SMOOT. Mr. President, I fully agree with the Senator.

The VICE PRESIDENT. Is there objection to the printing in the RECORD of the article presented by the Senator from Louisiana? The Chair hears none, and it is so ordered.

The matter referred to is as follows:

[Telegram.]

NEW ORLEANS, *August 5, 1914.*

Hon. JOS. E. RANSDELL,
United States Senate, Washington, D. C.:

The cotton crop will soon be moving in volume. It is imperative that these supplies be held off the market until some plan can be put into operation for taking care of the proportion which under normal conditions would be exported for foreign consumption. If the crop is moved to market even in normal volume, the effect will be disastrous, because on account of conditions abroad the demand will be only about one-half of the normal. In such case the spinners who can operate will not buy except on the bargain basis, which is certain to obtain if cotton is freely offered for sale. The sure result of such conditions would be an abnormal and extraordinary profit to those spinners who could manufacture goods and a cruel and unnecessary impoverishment of the farmer. The remedy must be applied not after the movement to market has begun, but before. It must be applied now.

It therefore follows that the initial step in any plan of relief must be an insistent and compelling appeal directed to the cotton producers and merchants, urging them and warning them not to offer cotton for sale for the time being, but to hold back at all costs until opportunity has been given to perfect measures for permanent relief.

I take it that the Federal Government is not only willing, but anxious to employ its resources in support of any legitimate and feasible plan for preventing the sectional and national calamity which would follow the sale of the cotton crop under panic conditions. Positively the only way to avert this catastrophe is to summarily shrink the supply of cotton in the same proportion that demand has been summarily curtailed. This adjustment can not be accomplished, except by segregating the artificially created surplus and putting the world on notice that such proportion of the crop is not for sale until demand increases sufficiently to absorb it for the needs of actual consumption. But this segregation of supplies can not be accomplished unless there shall be a corresponding increase in the supply of funds to carry the surplus through the abnormal period. Under present conditions the banking resources of the South are inadequate for this purpose. The resources of the Government are entirely adequate.

It therefore follows that the second step in the plan must be to secure the promise of the governmental authority that it will make it possible for the financial institutions of the South to provide themselves with whatever money may be required to hold the surplus of the crop in suspension, which sum will be under $300,000,000. It will not be necessary for the Government to give anybody anything. Neither the Government nor the banks need lose one dollar in the transactions which will save the cotton producer of the South. All that is necessary is for the volume of money available to be sufficient to take care of all the good cotton business offered upon proper margin. There need be no change whatever in the principles upon which the cotton business has been conducted. The only difference will be that the amount of money invested in cotton loans will be larger, in order that the increased requirements of the producer may be accommodated. The fact that baled cotton is not perishable and does not deteriorate with time makes it an ideal security.

In my opinion all discussion of methods involving direct application of governmental aid is an utter waste of time. I mean that any scheme whereby the Government will take hold of the crop surplus and finance it is wholly impracticable. It is impossible to concentrate this proportion of the crop, and without such concentration such holdings could not be handled by the Government, either as an asset or as collateral. Any plan of so-called Government valorization of a commodity scattered throughout the South is visionary and futile. No plan, unless it be based upon sound business principles, will serve the purpose. The only safe and workable plan is for the Government to give its aid to the end that our financial institutions shall be supplied with adequate funds, which they shall distribute in loans upon good cotton security intelligently selected and in accord with sound business principles.

But even though the Government should be willing to lend its aid, the plan would not be to the full extent effective unless the owners of cotton availed themselves of the facilities. It would profit little to devise a plan whereby the surplus of the crop might be carried if the owners of this surplus or of a considerable proportion of it should, either through ignorance or unreasoning fear, precipitate their holdings upon the market. When the plan is devised it is imperative that the beneficiaries should be fully advised thereof, in order that cooperation would be secured. In order to take care of the present situation and avert the impending crisis the farmers must hold back their cotton, and in order that they may do this consistently it is necessary that they be fully apprised of the situation and of the relief measures that have been adopted. The plan of salvation must be brought vividly to their attention, and an intelligent appeal must be made for their cooperation.

I think, therefore, that the third step in this plan should be to call at the earliest possible moment a conference of the governors of the several cotton-producing States, together with representative planters, merchants, and bankers. Such a convention held at this time for the purpose in view would attract the attention of the cotton-producing South. From this conference should issue a definite pronouncement, setting forth the conditions as they exist in fact and not in excited imagination, and promulgating the relief plan through which and by cooperation of all concerned the situation may be saved. I know of no better way of informing the farmers of the truth, impressing them with the necessity of concerted holding of this crop, and reassuring them as to the feasibility and results of such action.

In my opinion, the situation is by no means hopeless, but, on the contrary, susceptible of profitable solution, provided it is handled intelligently and with sudden vigor. Approximately 7,000,000 bales must be withdrawn from the market just as completely and to the same extent as the demand for that number of bales has been summarily curtailed. An available supply of $35 or $40 per bale, or a total of from $250,000,000 to $275,000,000 would be the maximum necessary to fully accomplish the purpose on a perfectly safe business basis. This sum would not be required at one time. I do not think near this amount. In addition to the available resources of our banking institutions, would be required, especially if it were positively known to the world that the American cotton farmer was prepared to hold and intended to hold all his cotton that was not needed by the operating mills. I believe that on this basis the approximately 7,000,000 bales of the coming crop needed by the American and Canadian mills would sell not at panic prices but at commercial value, which, if the other 7,000,000 bales not presently needed should be eliminated from sale, would be around 13 cents. Then as the situation cleared the withheld surplus could be disposed of in orderly movement and at adequate prices on the basis of supply feeding and not overfeeding demand. But to bring about this result we must have action from our leaders, swift and determined. Above all, the instant necessity requires that cotton be not offered for sale on the present market. This is the day of quick action. The cotton South must be mobilized.

W. B. THOMPSON.

Mr. SAULSBURY. Mr. President, while the discussion along this line is proceeding, I think it might be well for me to call attention to a telegram which I think was read into the RECORD a few moments ago, at the request of the Senator from Connecticut [Mr. BRANDEGEE], which absolutely misstates the conditions so far as the facts are concerned which are set forth in it. I refer to the telegram addressed to the junior Senator from Pennsylvania [Mr. OLIVER], and presented by the Senator from Connecticut, urging that an amendment, which it denominates the Saulsbury amendment, admitting foreign-built ships to American coastwise trade shall be defeated, because of the great injury it is going to do.

As I bear the name of Saulsbury and am the only Member of the Senate of that name, I wish to state that, as a matter of fact, I have never submitted an amendment of that character at all. The RECORD of Saturday's proceedings itself shows I stated that the amendment did not admit foreign-built ships to the coastwise trade, but only admitted them to trade in coastwise commerce when they were engaged in a voyage requiring the passage through the Panama Canal; yet we have the RECORD encumbered by such telegrams as this, misstating the actual facts and misstating the position taken by Members of this body. That statement was made by me on Saturday, and yet, this morning, we have telegrams—this is from Philadelphia, but I have received a number of them myself—and a number of letters of various kinds attacking that particular amendment, assuming that its purport was as stated in the Philadelphia telegram. It does seem to me that such things are entirely unnecessary.

Mr. GALLINGER. I will not ask the Senator at this time clearly and succinctly to explain precisely what his amendment does contemplate; but I know that there is a general impression abroad that it goes beyond the so-called Jones amendment. When the bill is up for consideration I shall ask the Senator to state, for my information as well as the information of other Senators, just what his amendment contemplates.

Mr. SAULSBURY. Mr. President, while the matter is up it may save time—and I do not want to consume the time of the Senate uselessly—if I make a statement. The only difference between the Jones amendment and the amendment offered by me is that vessels traveling through the Panama Canal might touch at ports on either coast, down and up, to discharge or take on cargo from any port on the Atlantic coast for another Atlantic

port, or to take on cargo from an Atlantic port to the Pacific coast. That is the only distinction, and the voyage on which the vessel is engaged must be through the Panama Canal.

Mr. GALLINGER. That is, foreign-built vessels?

Mr. SAULSBURY. Foreign-built vessels; yes. I may say further that in the amendment it is expressly provided that such foreign-built vessels shall not be employed in the coastwise trade of the United States unless they be employed on such a voyage.

FREDERICK J. ERNST.

The VICE PRESIDENT laid before the Senate the action of the House of Representatives, disagreeing to the amendments of the Senate to the bill (H. R. 4405) for the relief of Frederick J. Ernst, and requesting a conference on the disagreeing votes of the two Houses thereon.

Mr. BRYAN. I move that the Senate insist upon its amendments, agree to the conference asked for by the House, the conferees on the part of the Senate to be appointed by the Chair.

The motion was agreed to; and the Vice President appointed Mr. BRYAN, Mr. WHITE, and Mr. STERLING conferees on the part of the Senate.

The VICE PRESIDENT. Morning business is closed.

REGISTRY OF FOREIGN-BUILT VESSELS.

Mr. O'GORMAN. I ask that the emergency-shipping bill be laid before the Senate.

There being no objection, the Senate resumed the consideration of the bill (H. R. 18202) to provide for the admission of foreign-built ships to American registry for the foreign trade, and for other purposes.

The VICE PRESIDENT. The pending amendment is the amendment proposed by the Senator from Delaware [Mr. SAULSBURY], which the Secretary will read.

Mr. SAULSBURY. Mr. President, I desire to offer an amendment in lieu of the one proposed, as in many respects the objects of that amendment were satisfied by the Jones amendment, which has been adopted. I therefore ask leave to withdraw that amendment, and I offer the one which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. It is proposed to insert, on page 3, line 7, after the word "thereof," the words "whose stock is likewise owned by citizens of the United States," so that if amended it will read:

SEC. 4132. Vessels built within the United States and belonging wholly to citizens thereof; and vessels which may be captured in war by citizens of the United States and lawfully condemned as prize, or which may be adjudged to be forfeited for a breach of the laws of the United States; and seagoing vessels, whether steam or sail, which have been certified by the Steamboat-Inspection Service as safe to carry dry and perishable cargo, wherever built, which are to engage only in trade with foreign countries or with the Philippine Islands and the islands of Guam and Tutuila, being wholly owned by citizens of the United States or corporations organized and chartered under the laws of the United States or of any State thereof whose stock is likewise owned by citizens of the United States, the president and managing directors of which shall be citizens of the United States, and no others, may be registered as directed in this title, etc.

Mr. SAULSBURY. Mr. President, the object of this amendment is that which I and those who have been with me in the amendments which have been offered heretofore have been seeking—to make the foreign-built vessels which shall be registered as vessels of the United States the bona fide property of the citizens of the United States.

The law as it stands at present would permit the holding of a large part, and possibly nearly all, of the capital invested in such vessels by nonresidents of the United States, by citizens of a belligerent from whom the vessel has been purchased, by our own citizens continuing to hold the actual property in the vessel through the stock ownership of an American corporation holding the vessel itself. It has been our thought that that might produce disagreeable complications, to say the least, with respect to the belligerent nations. The effort which I am making is to provide that our own people—American citizens—shall own these vessels which we admit to registry, and which have been purchased from a foreign nation in this time of war.

Our laws are very strict regarding the ownership of foreign-built vessels admitted to American registry and regarding our own vessels which are built in the United States. They must be owned by citizens of the United States. No citizen of a foreign country can have the slightest interest in them. Why we should allow a possible subterfuge to be worked by the ownership of an American corporation which is itself owned by citizens of a foreign country I can not see. I do not know why there should be any objection to this amendment. I have reduced the differences between those who have taken part in this debate to the very narrowest limits.

Mr. WEST. Mr. President——

Mr. SAULSBURY. If the Senator will pardon me, I will yield to him with pleasure in just one moment. If those who have the management of the bill can accept this amendment and then make section 4142 apply as it should to section 4132, I do not think there will be any difficulty, because all the other objects that we have sought have been practically accomplished by amendments which have been adopted.

I call the attention of the Senator from New York to the provisions of section 4142 of the Revised Statutes, which should be made to comply with this amended section, at any rate.

I now yield, with pleasure, to the Senator from Georgia.

Mr. WEST. Mr. President, are ships of this character to be used in foreign trade alone, or are they to be used in both foreign and coastwise trade?

Mr. SAULSBURY. Under the amendment which has been adopted, proposed by the Senator from Washington [Mr. JONES], foreign-built ships with American registry, as the amendment now stands, may be admitted to the interconstal trade—that is, trade between the Atlantic and Pacific—but to none other. There is no other provision for admitting these vessels into the coastwise trade.

I do not know that the amendment requires any further explanation than that which I have given of it. Its object would seem to be manifest. It is to have our own citizens own our boats.

Mr. WALSH. Mr. President, I should like to make an inquiry of the Senator. Apparently, now, no corporation organized under the laws of the United States, or any of the United States, will be able to register a vessel unless all of its stock is owned by citizens of the United States.

Mr. SAULSBURY. That would be the case if this amendment should be adopted. May I call the Senator's attention to the present provisions of our laws, and how strict they are?

Mr. WALSH. I am familiar with them.

Mr. SAULSBURY. The Senator is familiar with section 4142, requiring affidavits to be made?

Mr. WALSH. Yes. Is the Senator able to tell us whether there is any other nation on earth that has requirements so stringent as these, namely, that refuses registry to a ship owned by a corporation any of whose stock, even one share, is owned by an alien?

Mr. SAULSBURY. I may say, of course, that I have not had time, as the Senator doubtless will understand, to examine the shipping laws of all the foreign nations during the time this bill has been under debate; but answering him categorically, I will say that I do not know.

Mr. WALSH. I understood the amendment offered by the Senator the other day to contemplate the ownership of 90 per cent of the stock by American citizens. Now, it is proposed that registration shall be denied to a ship owned by an American corporation if a single share of the stock is held by one not a citizen of the United States.

Mr. SAULSBURY. That undoubtedly would be the effect of it; but my effort has been to quiet the fears of those who were advocating the measure which I was seeking to amend, and to place it precisely where it would be with a bona fide ownership in our own citizens.

Mr. WALSH. Let me make a further inquiry. Assume that a ship does register under these provisions, every share of her stock being owned by American citizens, and some rival wants to drive her out of the business. Would it not be possible for that rival to go out into the market and buy a share of stock, or a few shares of stock, and thus require the cancellation of her registry?

Mr. SAULSBURY. I can not say that such a course would work a cancellation. Certainly it would not be permitted to do so under such circumstances, I fancy.

Mr. O'GORMAN. Mr. President, I thought the Senator from Delaware would enlighten the Senate as to the benefits that would be conferred upon the shipping of the United States by the adoption of this amendment. So far as I am concerned he has given us no enlightenment. A day or two ago he proposed an amendment making it obligatory upon the corporation owning a ship that 90 per cent of its stock should be held by American citizens. After some discussion he modified that and substituted the requirement that 51 per cent of the stock of the corporation should be held by American citizens.

Mr. SAULSBURY. Mr. President, I think the Senator is in error. That suggestion was made by the Senator from Utah and accepted by me, if I recall correctly.

Mr. O'GORMAN. Yes; it was accepted by the Senator. Now, the Senator abandons the 90 per cent limitation and the 51 per

cent limitation and insists that all of the stock of an American corporation must be held by American citizens.

What would be the consequences of the adoption of this amendment? We are striving in this emergency to increase our merchant marine. We are trying to induce American corporations owning foreign-built ships to bring their ships under the American flag. The adoption of this amendment would not only deter an American corporation from taking advantage of the provisions of the bill, but its consequences would go far beyond that. It would take practically one-half of the shipping now engaged in the coastwise trade out of the American business, because this amendment touches all ships, whether American built or foreign built; and if it be shown that any of the stock in any American corporation owning an American-built or a foreign-built ship is held by a foreigner, that circumstance will exclude that ship from our foreign trade as well as from our coastwise trade.

The adoption of this amendment can serve no possible purpose. It will not even benefit the private shipyards of the country, which look upon this legislation unfavorably, because we have but six ships now flying the American flag in the trans-Atlantic trade. The private shipyards of this country are building no ships intended for the foreign trade. Therefore, even though they think they may be benefited by the defeat of this legislation, they will be disappointed.

If it is the judgment of the Senate that the request of the President and the representation of the House of Representatives that we need immediate legislation to meet this emergency should be refused, let it adopt the amendment offered by the Senator from Delaware.

Mr. FALL. Mr. President, as I understand, the amendment of the Senator from Delaware is intended to provide only for the registration of ships the property of corporations 90 per cent of whose stock is owned by American citizens. I refer to the original amendment. I do not exactly understand the new amendment. Does the new amendment change section 6 as proposed?

Mr. SAULSBURY. The amendment now proposed, Mr. President, places corporations of stockholders in the precise position that individuals would be. In reply to the Senator from New Mexico and also the Senator from New York, I may read the requirements as to the oath to be taken by the owner seeking registration not only of any foreign-built vessel when it has been condemned as a prize, and so on, but of an American-built vessel. If the Senator is familiar with it, as he probably is, of course he may not consider it a sufficient reply; but I think it is well to have before us the requirements regarding the registration even of American-built ships.

Mr. FALL. I shall be glad to have the Senator read it. It may throw some light on the point to which I am seeking to call his attention.

Mr. SAULSBURY. When the owner or owners, as the case may be, take the oath required prior to the registry, they must swear—

> That the person so swearing is a citizen of the United States, and that there is no subject or citizen of any foreign prince or state, directly or indirectly, by way of trust, confidence, or otherwise, interested in such vessel or in the profits or issues thereof; and that the master thereof is a citizen, naming the master, and stating the means whereby or manner in which he is a citizen.

In other words, I do not think that in this time of war we should venture farther than our laws now provide in the direction of embroiling ourselves even in the disputes of the belligerents. I do not think it would lead to anything more serious than disputes with the foreign powers, and possibly condemnation in the prize courts; but it seems to me that we should not go out to find trouble, but should rather remain in the position where we always have been under our present laws, and which I think is probably entirely safe, in regard to the ownership of boats, even when purchased abroad.

Mr. O'GORMAN. May I say a word apropos of what has just been said by the Senator from Delaware? The courts of the country have decided that an American corporation, or a corporation organized in any State of the United States, is a citizen within the terms of the law just read by the Senator from Delaware, and remains a citizen even though part of its stock be held by foreigners. They have decided that the stockholder is not the owner of the property, the ship in a case such as suggested by the Senator from Delaware. The corporation is the entity which has the title to the vessel, and if the corporation be an American corporation it is an American citizen within the language read by the Senator. That is so even though a large part, or possibly all, of the stock should be held by foreigners.

Mr. FALL. That is as I understand.

Mr. SAULSBURY. Mr. President, with the consent of the Senator from New Mexico I should like to ask the Senator from New York how he would construe the requirements as to the oath which the owner must take in order to obtain registry, that no subject or citizen of any foreign prince or State is interested "in the profits or issues thereof," meaning of the vessel, if an American corporation owned 95 per cent of the stock, and practically all the stockholders of the American corporation were foreigners? I may say that I have read from section 4142 of the Revised Statutes.

Mr. O'GORMAN. In the case of the United States v. Delaware & Hudson Co. (213 U. S., 366), it was held that the fact that a foreigner may hold some stock gives him no interest, direct or indirect, in the ownership of the vessel, because the vessel is owned by the corporation, by the entity.

Mr. FALL. I might say that in practice I think the matter referred to by both Senators has been considered recently by the State Department. I recall that an American corporation, organized and doing business, I think, in the State of Maine, bought a ship during the recent war between Turkey and Italy. It was a Turkish vessel, and was sunk flying the American flag. The stock of that corporation was owned by foreigners, and the Government did not interfere because there was a doubt as to the right of that vessel to registry or as to its being a bona fide United States ship. That matter was up a few months ago during the Italian-Turkish War. I know that this Government did not interfere for the benefit of the corporation in making an attempt to recover the value of the vessel which was sunk.

But we are away from the point, Mr. President. I am simply desiring to call the attention of the Senator from Delaware to the fact that his proposed amendment changes in some form or directly changes the first portion of the bill; that is, the change in section 4132 might be broadly construed as simply applying to another class of vessels, and does not reach the point the Senator is intending to reach at all. The amendment to this section provides directly for the registration of certain vessels—

> wherever built, which are to engage only in trade with foreign countries or with the Philippine Islands or with the islands of Guam and Tutuila, being wholly owned by citizens of the United States or corporations organized and chartered under the laws of the United States or of any State thereof, the president and managing directors of which shall be citizens of the United States, and no others, may be registered as directed in this title.

Now, the amendment as offered in section 6 would not affect that section at all. It would simply provide another class, prescribing the manner in which the bill of sale of ships purchased apparently in foreign ports should be registered, and does not confine the business of the registration of the ships solely to ships the majority of the stock of which is owned in the United States, which I presume is the Senator's intention.

I simply call the Senator's attention to the fact that he does not reach the point at which he is directing his amendment, as I understand it.

Mr. SAULSBURY. I will say that I did not very clearly hear what the Senator said, and I will confer with him before we reach a vote. I appreciate the point the Senator is making.

Mr. FALL. I will repeat it very briefly. I call the Senator's attention to the fact that under the provisions of the bill as offered by the committee ships which are owned by American corporations, 90 per cent of the stock of which may be owned by foreigners, are subject to registration and to do business under the provisions of this act, and the amendment does not do away with that provision at all.

Mr. NELSON. I think the Senator from New Mexico is laboring under a misapprehension. The amendment that is printed at the end of the bill as it appears is not the pending amendment.

Mr. FALL. I so understood, and therefore——

Mr. NELSON. The amendment offered now is an amendment to be added after the word "thereof," in line 7, on page 3.

Mr. FALL. I was asking the Senator from Delaware if his amendment reaches the point to which I was calling attention, as section 6 did not reach it.

Mr. SAULSBURY. My impression is that the pending amendment does reach it. I could not clearly catch what the Senator from New Mexico said about it.

Mr. FALL. I think it possible that the pending amendment reaches exactly the point about which I rose to ask the Senator—that is, as to whether the pending amendment does reach this point in section 6. As proposed it did not reach it, but I think the pending amendment does reach it.

Mr. SAULSBURY. I think likely it does.

Mr. SIMMONS. I think the Senator from Delaware is laboring under a clear misapprehension with reference to the rights of registry under the present law. It is true that the oath with reference to it is required to be made, but, as the Senator

from New York says, the meaning of that oath and its effect as applied to the corporation has been construed by the department and by the courts to have reference to the ownership of the property, which is held to be in the corporation as an entity and not in the stockholders.

I have here, Mr. President, an opinion rendered by ex-Attorney General George W. Wickersham while he was Attorney General of the United States, dated July 11, 1911, in which he discusses the effect of the oath upon the registry of a vessel the stock of which is in part owned by foreigners. He reaches the conclusion toward the end of his opinion that——

A vessel belonging to a domestic corporation is entitled to registry or enrollment, even though some of the stock of the company be owned by aliens.

That opinion was given in construing the meaning of the oath that the Senator from Delaware has referred to.

He says:

Upon a consideration of the several statutes—

Among them the statute from which the Senator has read—

I am of opinion that in the act of 1825 Congress declared a corporation of the United States a "citizen" thereof within the meaning of the navigation laws. Therefore, a vessel belonging to a domestic corporation is owned by a citizen of the United States, even though some of the stock in that corporation belongs to aliens; alien stockholders have neither the legal nor equitable ownership of any part of the vessel. As said by the Supreme Court of the United States in Humphreys *v.* McKissock (140 U. S., 304, 312):

"Both the commissioner and the court—

That is, the lower court—

"seem to have confounded the ownership of stock in a corporation with ownership of its property. But nothing is more distinct than the two rights; the ownership of one confers no ownership of the other. * * * The corporation, the artificial being created, holds the property, and alone can mortgage or transfer it."

But that question has been absolutely, I think, put to rest in the decision of the Supreme Court of the United States in the United States against Delaware & Hudson Co., where the commodities clause of the so-called Hepburn Act was construed, the provisions of which with reference to ownership of the interest in the property on the part of the railroads being even more stringent than the requirement under the oath read by the Senator.

The decision was to the effect that those requirements would not disqualify a railroad which happened to have some stock in a corporation that was engaged in operations in violation of the Hepburn Act. Let me read from that opinion; I think it settles this controversy:

A similar question was raised in United States *v.* Delaware & Hudson Co. (213 U. S., 366), where the Supreme Court construed the so-called commodities clause of the Hepburn Act of June 29, 1906. That clause—

I call the attention of the Senator from Delaware to this—

That clause provided that it should be unlawful for any railroad company to transport in interstate or foreign commerce any commodity owned by it in whole or in part "or in which it may have any interest, direct or indirect." The United States filed a bill to restrain, among other things, some of the carriers from transporting coal belonging to a corporation some of the stock of which was owned by the carrier. The Supreme Court, applying the foregoing reasoning, held (413, 414) that the carrier had no interest, direct or indirect, in the property of the corporation whose stock it owned. This construction of substantially the same language seems controlling here.

When he says "controlling here," he is referring to the affidavit, as I understand it, which the Senator has read from the Revised Statutes.

Mr. PITTMAN. Mr. President, what I wish to know of the Senator is this: What policy is it that he desires the Government to pursue? A corporation is the creature of a statute. A corporation is simply the creature of either a legislative body of a State or of Congress. The question is not what was required of corporations in the past but what we shall require of corporations in this emergency. That is what we are getting at. Does the Senator want the policy of this country to be such that foreigners can transfer to a corporation organized under the laws of either Delaware or New Jersey, or other States, at an expense of about $50, vessels built in a foreign country, own practically all of the stock of such American corporation, and yet have the right and benefits of American registry and the right to use the American flag, possibly in an effort to evade the exigencies of war, and return to its native port to become a part of the navy of a belligerent nation?

Mr. SIMMONS. I do not desire that, nor do I think that will happen.

Mr. PITTMAN. Is not that possible?

Mr. SIMMONS. The Senator is putting a very extreme case which I do not think will ever happen. All I desire is that the law that has obtained upon this subject from the beginning, so far as I know, and I have studied it to some extent, shall remain. The law that has obtained from the beginning has permitted corporations organized under a State or under the United States to acquire the ownership of a vessel.

Mr. PITTMAN. I am not stating what the past law has been. I want to know what the present law is to be.

Mr. SIMMONS. We reaffirmed that principle when we passed the Panama Canal act, and I do not see now any reason why we should change that law.

The Senator says that there is a reason growing out of what he calls the possibility of this Government getting into foreign complications if any part of the stock of a steamboat shall be owned by a citizen of a foreign country. I want to say to the Senator that there is hardly any other country that I know of which makes—certainly Great Britain, which is the greatest shipping country in the world, does not make—any such requirement as that he insists upon; as a matter of fact, a great many American-owned corporations are to-day flying the British flag, and probably every dollar of their stock is owned in this country. That is true of the United Fruit Co. The stock of that company, I understand, is owned in this country, or largely in this country. It is certainly owned by an American corporation. It is an American corporation, and yet it flies the British flag.

Does the Senator mean to say that because the British Government puts its flag over an American corporation, if we should get into a war with some other country and Great Britain was a neutral, it would render the ships owned by this corporation flying the British flag liable to seizure to which another British ship, owned entirely by British subjects, would not be subject? The Senator probably does not mean that.

Mr. PITTMAN. The question I asked has never been answered yet. I repeat the remark which I made. The question is not that our existing law allows a certain thing. I am not talking about what our existing laws allow. I am talking about what this law we are now passing should allow. Every lawyer knows that a corporation is an entity and every lawyer knows that such an entity has all the rights of an individual within the grant. There is no restriction, I take it, under the present incorporation law that any particular quantity of stock of a corporation in this country shall be owned by citizens of this country. There is no requirement of that kind, but the question is, should there not be such a requirement. That is what I am getting down to. It is no use to argue what the law has been in the past. We are making a law and we can make the law any way we desire. But the Senator has argued that a foreign corporation owning a vessel can organize a dummy corporation in one of our States here and transfer its vessel to such corporation and take all the stock in consideration of such transfer. As far as the fiction of the law is concerned, the foreign corporation has not any interest in that ship because the American corporation has become the purchaser of it. As far as the beneficial use is concerned, as far as every essential of ownership is concerned, except the mere fiction of law, the foreign corporation is still the owner of that ship. It controls the directors. It controls the American corporation. It derives every bit of profit from the American corporation.

Now, those are the two essentials of ownership, control, and participation in profits, and yet I admit under the fiction of law the foreign corporation has no ownership in the ship after its transfer to a dummy corporation. That is the fiction of the law. Corporations have been utilized for years to cover those kinds of transactions and they always will. It is simply a question as to whether the Senate wants to do that.

Now, the Senator says that that vessel could be sold to an American corporation and that the stock could be owned by the same corporation that sold it.

Mr. SIMMONS. No.

Mr. PITTMAN. I may be exaggerating a little; I will draw the distinction later on. He says that the same company which now owns that ship may own all the stock in a new corporation and it would be entitled to American registry and it would be entitled to use the American flag, and that Great Britain would have no right to complain because the same law exists to-day with regard to her flag on the ocean. But let us see whether they would have a right to do that.

Mr. SIMMONS. The Senator is misrepresenting me; but he can go ahead.

The Senator entirely misunderstood what I said. What I did say was that under the laws of Great Britain a foreign corporation could own a ship which might be admitted to registry and could sail under the British flag. I said that as a matter of fact a number of American corporations owning vessels now sail under the British flag.

Mr. PITTMAN. And therefore——

Mr. SIMMONS. Let me finish. I instanced the United Fruit Co.'s fleet of ships owned by an American corporation and now

flying the British flag. If we were at war, say, with France, Great Britain being a neutral, as we are in this case, does the Senator contend that because the fruit company's ships are owned by an American corporation and under the British flag they would be entitled any less to the protection of Great Britain than if the fruit company's ships were owned by English citizens? Will there be any more reason why the other nations of the world, the belligerents, France and the United States being the belligerents in that case, would not respect the flag of Great Britain flying over the fruit company's steamers owned by an American corporation, as if the fruit company's ships were owned by a British corporation and flying the British flag?

Mr. PITTMAN. All right.

Mr. SIMMONS. Under the laws of nations would not the two belligerents, the United States and France, in the case I have put, respect the rights of the British flag just the same if the United Fruit Co.'s ships were owned by an American corporation as if they were owned by a foreign corporation?

Mr. PITTMAN. The Senator thinks they would?

Mr. SIMMONS. I think they would under international law. That is what I said, that under international law I think they would.

Mr. PITTMAN. All right; then Germany, England, and France would respect our flag if raised upon the *Kronprinzessin Cecilie*, and that would enable that vessel to go through the British and French fleets right into Germany?

Mr. SIMMONS. Let me qualify that. If that vessel came under American registry before the declaration of war, undoubtedly they would respect that, but if it came under registry after the declaration of war, then it would be necessary for the owner to make clear proof of the bona fides of that transaction, of the transfer; and that is all the difference.

Mr. PITTMAN. It would be bona fide, would it not? Could there be any question of the bona fides of a foreign corporation transferring to an American corporation in consideration for all of the stock of the American corporation?

Mr. SIMMONS. Bona fides require not only proof that the consideration is paid if the vessel is sold to a stranger, but it also requires proof that it was not purchased simply for the purposes of escaping the consequences of the war. I think very probably that latter condition would apply only in such an extreme case as the Senator has put, but I do not know; I can not anticipate absolutely what would be the decision of the courts of the world upon any hypothetical case; but I assume if the *Kronprinzessin Cecilie*, now belonging to a German corporation and flying the German flag, were to incorporate under American law, with identically the same stockholders, that would raise a question which would require proof in a prize court.

Mr. PITTMAN. What kind of proof?

Mr. SIMMONS. Proof in a prize court that the transfer from one corporation to the other was not for the purpose of escaping the consequences of war.

Mr. PITTMAN. Then, suppose all of the stock of the new corporation—the American corporation—was transferred to the foreign corporation in consideration for the vessel; would the Senator consider that a fraudulent transfer for the purpose of avoiding the exigencies of war?

Mr. SIMMONS. As I have just said, that would be a question for the courts; and I believe that a court would hold in an extreme case of that sort that the evidence was sufficient to justify the finding that the transfer was made for the purpose of avoiding the consequences of war, but I can not tell. However, let me say this to the Senator——

Mr. PITTMAN. If that were the case——

Mr. SIMMONS. The Senator from Nevada asked me a question a little while ago, which he said I did not answer, in reference to this very vessel as to which he now asks me the question. Let me say to the Senator that when a vessel is under the American flag this Government does not guarantee that that flag renders it absolutely immune to seizure upon the high seas for doing those things which are prohibited in the international code. The only thing this Government does is to guarantee that so long as that vessel flies the American flag, if captured at sea and held upon the ground that it is violating some principle of international law, the owners of that property shall have a fair hearing in the prize court; that is all.

If a vessel is purchased under this bill, if it becomes a law, or if its owners incorporate under this bill, and is given the benefits of American registry and flies the American flag when it goes upon the high seas, that vessel will be subject to be captured by one of the belligerent cruisers and taken into a prize court for two reasons: First, upon the ground that the transfer is not in good faith; to use the expressive term very frequently employed by the Senator, that the transaction was a fictitious one, and that there had been no real change in ownership; that the vessel was in the same ownership after it was put under the American flag as before it was put under the American flag. According to all the authorities, if it is established in that court that the transfer was only colorable, that vessel is subject to forfeiture; and because it is subject to forfeiture and declared forfeited is not a ground of quarrel between nations. That is a thing which is happening every day.

Then, again, if the transfer were brought about for the express purpose of avoiding the consequences of the war, the vessel would be held subject to seizure. The United States does not guarantee the bona fides of the transaction at all.

In that condition of things, if the owners of the *Kronprinzessin Cecilie* wanted to take advantage of this act, incorporate under our laws, and fly the American flag, does not the Senator believe that, as reasonably prudent men, they would be deterred from attempting that process of escaping the consequences of the war by the danger that they would incur? Does not the Senator think, too, that the United States assumes some sort of obligation whenever it puts its flag over a vessel? It assumes the obligation, at least, of seeing that it is given fair treatment upon the seas and in prize courts; and does not the Senator believe that the United States before it admitted such a vessel to registry would exercise some discretion for the purpose of protecting itself from getting into possible complications?

As a matter of fact, whenever an American citizen applies for the right to hoist the American flag over a foreign-purchased vessel owned by him our Government, anxious to protect itself from any possible complications, requires its consuls abroad to make a very careful inquiry and investigation—and that is specified in the instructions sent to consuls—as to whether the transaction is really a bona fide transaction, whether the money has actually been paid and title actually passed to the ship.

For what reason? Because if it is a fictitious transaction that ship is subject to seizure, and the Government is then under obligations of seeing that it obtains a fair and impartial trial in the prize court. That is as far, however, as the obligation of the Government goes, either in the case of a vessel purchased abroad and owned by an American citizen, but not registered, or in a case of a foreign vessel purchased by an American citizen or an American corporation and registered. In either case the obligation of the Government extends no further than to seeing that in the event of capture if the bona fides of that transaction are called in question, if the right of that ship to fly the American flag is called in question, and the vessel is seized and taken before a prize court, it gets a fair trial.

Mr. President, that being the entire extent of our obligations, the peril being thrown upon the ship owner, the ship owner being required to see that he complies with international law at his peril, I do not see the danger which the Senator points out; but I do see, Mr. President, that if we shall say that all the stock of these corporations shall be owned by American citizens, a great many ships that are now flying the American flag will have to give up their registry, and I do see that the possibility of acquiring ships to sail under the American flag to meet the present emergency will be greatly diminished.

Mr. PITTMAN. Now, look at the peculiar situation in which the Senator has left himself. He has argued that there is no law of corporations requiring any ownership by American citizens of the stock of an American corporation and that it can all be owned by foreigners and yet be a legal transaction under the law. Then, in answer to my hypothetical question, in a case where the property is transferred to a domestic corporation in consideration for all of the stock of that corporation, he says he would look upon that transaction with suspicion; and yet that is the ordinary transaction that takes place when a domestic corporation is put in charge of a foreign ship and all the stock of the domestic corporation is owned by foreigners or by foreign corporations. Such is the regular routine of such transactions. The Senator has argued that that is legal, and yet he admits that he would look on it with suspicion, as a fictitious transaction.

The Senator also says that the obligation of the United States when a vessel under these circumstances comes under the jurisdiction of a prize court is to see that it has a fair trial; that it is the obligation of the Government to oversee that transaction. Then, why does not the Government oversee the transaction of the register and the raising of the flag before it comes to the question of capture?

Does not the Senator know that under this bill, if it shall become a law, if the American corporation is properly organ-

ized under the laws of one of our States and there is a bill of sale, in proper form, given to it for a ship, in consideration for all of the stock of the American corporation, in the eyes of the law in the respective States it is a legitimate transaction?

The Senator has already argued that it is a legitimate transaction. Yes; it is a legitimate transaction; but it is not the kind of a transaction we like; it is not the kind of a transaction that the Senator himself would approve, for he has admitted that he would look with suspicion on that kind of a transaction. He has stated his belief that a prize court would look on it with suspicion. Now, why should we permit that we be placed in such an ambiguous position?

Mr. SIMMONS. Mr. President, the Senator knows that when I used the word "suspicion" I was speaking with reference to the extreme case he mentioned. I think that case and cases similar to it would be subject to suspicion; but I do not think the owners of the vessel would care to take the risk; I do not think this would apply by any means to a corporation a part of whose stock was owned by foreigners. The circumstances of every case would have to control the question, and the court would determine whether the transaction really was for the purpose of escaping the consequences of war.

Mr. PITTMAN. But the Senator has admitted that if the *Kronprinzessin Cecilie* were transferred to an American corporation organized for the purpose of holding it, and all of the stock of the American corporation went right back to the present owners of that ship, he would look upon the transaction with suspicion; and yet, under his own argument as to the law, we would be powerless to do anything in that kind of a case. The Senator has admitted that that transaction would be perfectly legitimate, but he says he would look on it with suspicion I admit that it is perfectly legal—I agree with him as to that—under the present law, but I should look on it with suspicion; and not only should I look upon it with suspicion, but I should look on it as France and Great Britain would have a right to look on it—as an effort on the part of this Government to lend its flag and its registry to a German vessel to enable it to go through the French and British fleet and to become a part of the naval reserve of Germany. That is the way that Great Britain and France would have a right to look on it.

Mr. SIMMONS. The Senator again misunderstands me when says that I said that the Government of the United States would be absolutely powerless to do anything to prevent such suspicious transfers as would probably exist in the case which he puts with reference to this particular German ship.

Mr. PITTMAN. Then how could we stop it?

Mr. SIMMONS. I have said to the Senator that whenever a ship was bought abroad our consuls are instructed to make very careful investigation, and if they ascertained that the transaction was suspicious; that in all probability it was not a bona fide transaction; that the title had not passed and the money had not been paid and that the transfer was merely colorable, they were directed not to give a certificate of ownership. Now, does the Senator believe when a vessel applies to us for registry upon the ground that it has become the property of citizens of the United States that the Government in issuing its papers of registration would be any less particular than it requires its consuls to be in issuing the certificate of ownership? Does not the Senator suppose that the Government would make inquiry to ascertain whether the transfer of any kind of a vessel was a bona fide transaction?

Mr. PITTMAN. But the Senator has already argued that such a transaction is legal.

Mr. SIMMONS. Does not the Senator believe it would make inquiry in the case he has put whether there was simply a colorable transfer to escape the consequences of war?

Mr. PITTMAN. But the Senator has already argued that the hypothetical case I have stated would be within the law.

Mr. SIMMONS. I read the decision of the court in which it was held that the fact that part of the stock of a corporation was owned by foreigners did not deprive the corporation of the right of registration. I do not know; I will not say that the *Kronprinzessin Cecilie*, under the strict interpretation of the law, if there were no suspicion of its application being made merely for the purpose of escaping the consequences of the war, would not be entitled to registration. I said I did not attempt to decide that question.

Mr. PITTMAN. The same principle is involved whether half the stock is owned by a foreign corporation or all the stock is owned by a foreign corporation; there is no distinction in principle and law. The law which the Senator read is good law as the law exists to-day. Every share of stock could be owned by a foreign corporation and it would be legal; and if it is legal, then no consul or any other officer having charge of registration could prevent the registration under the present law. Under the circumstances I have cited the *Kronprinzessin Cecilie* would be entitled to registration. There is no question about that, and no consul or other registration officer could interfere with it, because that is the law, as the able Senator has shown.

Mr. SIMMONS. But the Senator will not see the point I make. It might be legal upon certain conditions. First, in order to make it legal, it must appear that the transaction is a bona fide one; it must appear that it is not made simply for the purpose of escaping the consequences of the war. Now, if the Government had the technical right under the statute to register, it would inquire into those things and determine those questions before it would admit to American registration.

Mr. PITTMAN. How impossible it is to determine what the Senator wants determined. He says it is legal for the foreign company to transfer its vessel to a domestic company and own all of the stock of the domestic company, and, having done that, the foreign company does not have to do anything else; it is legal and the vessel is entitled to registry and is entitled to fly the American flag without saying what else it is going to do. I would look on it with suspicion, and everybody else would do so. When you get down to the bottom of the matter it is not a question of what the law has been in the past; it is the restrictions we are going to place on it in the future.

I want to say right now that if the United States were at war with some foreign nation to-day and a lot of ships of that foreign nation were in neutral ports we would feel very bitter against a neutral nation that would allow the use of its flag and its registry solely for the purpose of having the ships of our foe return to their own waters; and that is exactly the condition here. There is not such an emergency as to require that. There is not any necessity for our adopting a subterfuge that will permit these vessels to go back to a belligerent nation. There is no reason why we should open our ports and lend our flag and our registry to the ships of a belligerent nation so that they may go back and escape the exigencies of war. We have no right to do that; and I tell you, whether we are violating the law of nations or not, we are violating a law of friendship which we have no right to violate and which we should not violate. We are lending our flag and our registry to a subterfuge which the Senator from North Carolina himself says he looks on with suspicion.

Oh, it is true that he says that does not concern the Government; it is for the ship flying the flag to take its chances. I say, however, that it does concern the Government. It concerns the honor and dignity of this Government. It concerns the standing of this Government among the nations of the world. I am sorry to see that our anxiety to obtain ships to carry our produce has driven us to the extreme necessity of lending the American flag and American registry even under circumstances which we ourselves admit would be looked on with suspicion.

I do not think it is necessary. I would rather have this Government spend every bit of money it has in its Treasury, I would rather have it extend its credit to the limit and buy its own ships through bona fide purchases, and place the American flag above them and carry all the ocean commerce of this country than to see us lend ourselves to any subterfuge, even if it should obtain ships for our commerce.

Unless such ships are purchased by American citizens or by corporations controlled by American citizens they will not be permanent additions to our commerce, and will probably only be under our flag long enough to reach foreign waters.

I am for building up the American merchant marine, but I am for building it up through American citizens.

Mr. POMERENE. Mr. President, on Saturday I was perhaps responsible for not permitting a small minority to pass a bill which involved great consequences to the peace of this Nation, as I see it. I am just as much interested in increasing our facilities for foreign commerce as is any Senator on this floor, but I want to do whatever is done in entire harmony with a spirit of good will toward all the warring nations of Europe. I want to benefit our commerce in fact, and not merely in name. I think we should have legislation which should go to the substance of the thing hoped for, and not be content with the form. I want to provide some method so that when a vessel sails the seas under American registry and flies the American flag it may mean something to American commerce and to the American traveler. I want to have some sort of a law which is going to be just, at least, to all parties who may desire to engage in foreign commerce.

Attention has been called to the statutes upon this subject. Without taking the time to refer to all of these sections, before the pendency of this bill the only vessels that were entitled to American registry were, first, American-built vessels; secondly, those which had been condemned as prizes; third, those

that were forfeited; and later, under the Panama Canal act, we were permitted to register those of foreign build which were not more than 5 years old. Under section 4142, if there was an American-built vessel which was applying for American registry and ninety-nine one-hundredths of it was owned by American citizens individually and one one-hundredth part of it was owned by a foreigner, that vessel would not be entitled to registry under our laws. Under the pending bill, however, if it is a foreign-built vessel, and it sees fit to take out an American charter under the laws of Maine or of Delaware or of New Jersey, and ninety-nine one-hundredths interest in the stock of that vessel is owned by foreigners, belligerents, and only one one-hundredth of it is owned by an American citizen, that vessel would be entitled to American registry.

Now, see the situation. In the one case, with ninety-nine one-hundredths interest in the vessel owned by American citizens, it could not be registered; but in the case of a foreign-built vessel ninety-nine one-hundredths of it could be owned by foreigners and it would be entitled to American registry.

Mr. GALLINGER. Mr. President——

Mr. POMERENE. I yield to the Senator from New Hampshire.

Mr. GALLINGER. Several days ago I called attention to that very point; and I will now ask the distinguished Senator from Ohio whether he thinks foreign Governments would look with favor upon a subterfuge of that kind.

Mr. POMERENE. Mr. President, that question answers itself. We can draw fine-haired distinctions here on the floor of the Senate when it comes to the question whether a railroad corporation is directly or indirectly interested in the stock of another American corporation, or when it comes to a question between American citizens, or when it comes to a question between an American corporation and the United States Government, and the courts may lay down a rule such as is contained in the case of United States *v.* Delaware & Hudson Co. (213 U. S., 366), to which the Senator from New York kindly referred a moment ago. If, however, we are to have a question of this kind confronting the United States for decision and it involves on one side the American Government and on the other one of the belligerents in Europe—let us suppose for the sake of the argument that it is the German Kaiser—and one of his war vessels stops a German-owned vessel flying the American flag, and the commander of the warship says to the commander of the merchantman, "This is a German-owned vessel." The commander of the vessel replies, "Oh, no; we are sailing under the American flag. We have an American charter. We have taken out a charter under the laws of New Jersey." The commander of the German cruiser says, "Well, who owns this stock?" "Oh, ninety-nine one-hundredths of the stock in this vessel is owned by the subjects of the Kaiser and one one-hundredth of its stock is owned by an American citizen." Do Senators believe for one moment that a vessel thus owned and thus sailing under the American flag would be protected as against seizure by the German cruiser?

Let us take another illustration: Suppose some German subjects own a line of vessels. They want American registry, because they fear the combined fleets of France, Great Britain, and Russia. They come over to the State of Delaware and some lawyer takes out a charter under the laws of the State of Delaware and organizes a corporation. Under the laws of that State, if I understand correctly, there must be one resident director. He must be the owner of three shares of stock; it may be of the par value of $1 per share. Now, under the pending bill we have an American-owned fleet, after its transfer from the German citizens to this newly formed corporation. It is entitled to registry under the committee's bill which is pending here. It has the right to fly the American flag. Would it be a sufficient answer by the United States Government to the British fleet or to the French fleet or to the Russian fleet to say: "Yes; we have a Delaware charter. A citizen of Delaware owns three shares of stock in this corporation, of $1 per share par value. It is therefore an American-owned vessel, even though all the rest of this stock, representing the interest of these German citizens, continues to be German owned." Should such a vessel be entitled to the protection of the American flag?

On Saturday, when this bill was before the Senate, and a similar question was put by myself to the very distinguished Senator who has charge of this bill, he answered:

> No; in the case the Senator supposes if 95 per cent, 97 per cent, or a very large percentage of the stock were held by citizens of France, it would go very far toward justifying a finding by the prize court that the transfer of the ship or of the flag was not done in good faith, and the purchasers of the ship and those who sail the ship would take the consequences of their own conduct.

Now, let me ask a question. The purpose of the committee and the purpose of Congress is to benefit American shipping abroad. Does any Senator for a moment think that by an attempt to perpetrate a fraud of this kind upon the fleets of the world we are benefiting American shipping? Let it be known, if you please, that one of these ships is transferred to a Delaware corporation in the way I have indicated, I wish some Senator would point out to me the American merchant who would ship a cargo of his merchandise to any of the ports of Europe under the flimsy protection the American flag could afford under such circumstances.

Let me make another suggestion: Some Senators are in the habit of occasionally sending their families to Europe for a vacation—a good thing to do, a thing that every man would love to do; but I take it no Senator would be willing to trust his family's safety and comfort during the European war to a vessel 99 per cent of whose stock was owned by one of the belligerents and only 1 per cent owned by an American citizen.

Mr. SHIVELY. Mr. President, will the Senator permit a suggestion at this point?

Mr. POMERENE. Just a moment. Are the American merchantmen to come here asking for bread, and will they be content with the stone you are offering them?

Mr. SHIVELY. Will the Senator yield to me for a moment?

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Indiana?

Mr. POMERENE. I do.

Mr. SHIVELY. I am much interested in the discussion of this question by the Senator, and note the earnestness with which he is pressing his point; but it seems to me that all the cases he has put for illustration may easily come under the present state of the law; that no particular innovation is being imported into our statutes by the pending bill.

Mr. POMERENE. Oh, Mr. President——

Mr. SHIVELY. I will ask the Senator to wait a moment if he yields to me.

Mr. POMERENE. I yield.

Mr. SHIVELY. That is to say, is it not altogether possible, as to the International Mercantile Marine Co., that possibly 99 per cent of its stock may now or at some future time be held by foreigners, and yet all these liners now carrying the American flag would be in precisely the same position in which the Senator places these ships in the suppositious case he places before the Senate?

Mr. POMERENE. Mr. President, I recognize the force of the Senator's question; but when we are confronted by a defect in the present law, and we are seeking to secure safety for American shipping, are we to blind our eyes to that defect and increase it?

Are we to say that under present laws this only applies to such ships as may be 5 years old and because a preceding Congress made a mistake that we are to go on blindly along the same line and increase the defect in the law which it enacted?

Mr. SHIVELY. Have there been any of the mischievous consequences developed under the present law that the Senator speaks of?

Mr. POMERENE. Since this question arose there has been no such awful war as there is in Europe to-day. There have been no such opportunities to have ourselves involved in that awful conflict. There never was a time when the excitement in Europe was so intense as now. Never in your life or mine has there been a situation where a mere match might at any moment be touched to a powder magazine and thereby involve this Government in that controversy. There is a different situation now from what there was when the Panama Canal act was adopted.

The VICE PRESIDENT. The morning hour having expired, the Chair lays before the Senate the unfinished business, which will be stated.

The SECRETARY. A bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes.

Mr. CULBERSON. I ask unanimous consent that the unfinished business be temporarily laid aside.

The VICE PRESIDENT. Is there objection? The Chair hears none. The unfinished business is temporarily laid aside and the Senator from Ohio has the floor.

Mr. POMERENE. Mr. President, I recall that just a few weeks or perhaps a few months ago we heard a good many witticisms in this Chamber at the expense of a policy of "watchful waiting" by our great President in the relations of this Government with Mexico. I remember very well that when the news came by wire that some vicious assault had been made on an American citizen, that some life was wiped out here or there, we were all more or less impatient; but I dare say

there is not a Senator in this Chamber who is not willing to breathe the prayer that some European sovereigns might have been controlled by a policy of "watchful waiting." The newspapers of the last few days record the fact that nearly 100,000 lives have been wiped out in this gigantic struggle in Europe because of the absence of a policy of "watchful waiting." Declarations of war are being made by one great power against another almost daily because there was no policy of "watchful waiting."

I speak of this because it portrays to us the intensity of feeling in European circles to-day. It shows to my mind that in the presence of excitement they are willing to seize upon almost any excuse, no matter how trivial it may seem to us, in order to declare war. I hope that the hundred million of American people will not be called upon to shed one drop of blood or spend one dollar of its treasure in that awful struggle.

And, now, what is the situation? Knowing the conditions in Europe, knowing that hostile fleets are upon every one of the seas, the purpose of the Senate, or at least of some of the Senators, seems to be to provide for American shipping, and to do it in a spirit of fraud toward belligerents in Europe. I will not say in a spirit of intentional fraud, but I do say that the effect would be one of actual fraud.

Now, we are trying to say to the American people, to the cotton planters of the South, to the wheat growers of the West, to our great manufacturing industries, to our commerce, "We are going to devise some ways and means by which you can market your products abroad." How are we going to do it? By increasing a real American merchant marine? No. We are going to play some sort of a trick upon the European powers. We are going to say to the Germans, "Go to Delaware, take out a charter, get some American citizen to take three shares of your stock, and we will protect German bottoms by the American flag." And again, we are saying to France and to Great Britain and to Russia, "Come, go with us to New Jersey; you do not need to change ownership in fact; all you need to do is to go to the capitol at Trenton, take out a charter, get some New Jerseyman to take one share of this stock, and all the rest of the stock may be owned by France or Russia or Great Britain." And we call this protection to American commerce! God save the day!

When we place the Stars and Stripes over any bottom I want that to be a signal of safety to every merchant who has a cargo of goods to send abroad, and I want it to be a harbinger of safety to every American who wants to send his family abroad without being subjected to the inconvenience and the discomfiture of being stopped in midocean by some warring cruiser and taken to some strange foreign port.

Mr. WALSH. Mr. President——

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Montana?

Mr. POMERENE. I do.

Mr. WALSH. The Senator from Ohio was asked by the Senator from Indiana [Mr. SHIVELY] as to whether any mischievous consequence had ensued from the law as it now stands, and he answered very pertinently and very properly that the conditions now existing are quite different from those that existed at the time that act was passed two years ago. I desire to ask the Senator from Ohio if he recalls any mischievous consequences that have ensued that foreigners have had with their statute laws of the same character throughout many continental wars?

Mr. POMERENE. Mr. President, I can not answer that question. I do not know.

Mr. WALSH. Then, for the information of the Senate, I want to read in Maclachlan's Law Merchant what the law of England on this matter is. Speaking of ships entitled to registry and of those who own them, the author says:

> Thirdly, bodies corporate, established under, subject to the laws of some part of His Majesty's dominions, and having their principal place of business in those dominions. An incorporated British company is not disqualified because there are alien shareholders on its register; for a corporation is a legal entity, whose national character is independent of that of its members.

There is a reference to three cases determined by the highest courts of England upon that provision of the law.

I can not help drawing the conclusion from the fact that this law has been in existence in Great Britain since prior to the year 1846 that the opportunities for unfortunate complications which the Senator has seemed to apprehend are very few and far between and not likely at all to arise. At least Great Britain seems never to have been thrown into the difficulties and the misfortunes of a foreign war by reason of that particular statute.

Mr. POMERENE. I recognize the diligence of the Senator from Montana; but let me ask, does the Senator mean by that last statement that there has been no such misfortune or that he does not know of any?

Mr. WALSH. I assume that these cases I have—I sent for them—arose on exactly such conditions.

Mr. POMERENE. It may be so. My answer is——

Mr. WEST. Mr. President——

Mr. POMERENE. Just one moment. I wish to answer this question. My answer is that it does not appear that the Parliament of Great Britain passed that law during such a critical situation as this. My answer, further, is that, so far as I know, at least, there is no Government on the face of the globe that is attempting similar legislation to that which is reported by the committee.

Mr. WALSH. If the Senator from Ohio will pardon me—because the Senator referred to the case of some German ship now in our port likely to be fictitiously transferred to the American flag for the purpose of escaping the consequences of the war—I want to invite the attention of the Senator to the fact that the only nation with which we will be likely to get into a controversy in a transaction of that character is Great Britain; and when Great Britain finds us with exactly the same statute which she has had on her statute books for three-quarters of a century, in what attitude is she to complain about our legislation, passed when the war was not in contemplation at all?

Mr. POMERENE. Mr. President, it is not going to be of very much benefit to us to weigh probabilities. I will not assume the rôle of prophet sufficient to say that we are only likely to be involved with Great Britain. I think the Kaiser has a good deal of a navy, France and Russia have, and Italy, if she becomes embroiled, has; and these transfers are to be made now for what? For the benefit of American commerce. Are there any marine insurance companies now that would be likely to take insurance upon those vessels or their cargoes under those circumstances?

Mr. REED. Mr. President——

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Missouri?

Mr. POMERENE. I do.

Mr. REED. The Senator made a very forcible argument to the effect that a vessel might under the bill as it stands without the amendment become the property of an American corporation, and every share of which, except perhaps three or four, might be owned by the subjects of foreign powers. I think there is a great deal in that argument. The Senator proceeded to say under those circumstances it would be a mere subterfuge to transfer the vessel at this time.

Now, conceding that to be true, does not this amendment go to just as extreme a length in the other direction by providing that all the stock must be owned by American citizens, so that the acquisition by any subject of a foreign power of even one share of stock would operate at once to make a vessel ineligible for American registry?

I make that preliminary statement in order that my question may be clear. Why should not this amendment, if it is adopted, be changed to provide that a majority of the stock shall be owned by American citizens?

Mr. POMERENE. That is a very pertinent question. The reason as I understand for the framing of the amendment as it has been offered by the Senator from Delaware was that when it comes to ownership by American citizens, and when I use that term I mean individuals, persons, the entire ownership must be in American citizens. When it comes to the registering of a vessel which has been condemned in a prize court the entire ownership must be in American citizens. When it comes to the registration of a vessel which has been declared forfeited because violating American laws the entire interest must be in American citizens. When it comes to the ownership of an American-built vessel the entire interest must be in Americans if owned by individuals. And now the question will suggest itself to the Senator's mind, why should there be discrimination against American-built vessels or against any of the other classes of vessels that I have named and in favor of a foreign vessel which up to date may have been owned entirely by European subjects?

But I recognize that there is much in what the Senator says, and it may be that if in the wisdom of the Senate they see fit to declare that a substantial amount, over and above a majority of the stock, should be American owned, I think, speaking for myself, I would be content, because that would show to the world and to the American shipping interests that we were acting in good faith, and that we were not attempting to pass legislation here which pretends to benefit American shipping

and at the same time would be a snare by which American merchantmen would lose their cargoes.

Mr. LEWIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Illinois?

Mr. POMERENE. I do.

Mr. LEWIS. My sympathies in this case in this discussion upon the amendment are with the amendment. I rise to call the attention of the Senator from Ohio to the uncertainty that may arise in the very condition against which he is inveighing, but particularly to call the attention of the Senator from Montana [Mr. WALSH] that while it may be true that in one court it might be held that a flag speaking ownership will be accepted prima facie as conclusive and as a mere ownership in reality, and be no further investigated, that is an instance of what the English court might do; but as a vindication of the theory of the Senator from Ohio that these uncertainties may involve us elsewhere, I call the attention of the able Senator from Montana and of the able Senator from Ohio that in 1872 the direct reverse rule was held in another court, and I direct their attention to the following:

An exceptional case was decided by the French Conseil des Prises in 1872, in which a vessel was held not to be concluded as to her national character by the flag she carried. The *Palme* was, in 1871, captured by a French cruiser on a voyage from Akkra to Bremen. She carried the German flag, and was, therefore, prima facie lawful prize. Evidence was produced which showed that the *Palme* was a German-built vessel; that in 1866 she was sold to the Société du Commerce des Missions Protestantes, a Swiss corporation; and that she still belonged to the société at the time of capture, though she then carried the German flag. It also appeared that the Swiss Federal Council did not permit Swiss subjects to fly the Federal flag, and that France had, in 1854, refused to acknowledge any Swiss maritime flag. Thus, the société being compelled to sail its ship under some flag, that of Germany had been retained. In order to do this, the ship was nominally assigned to an agent of the société at Bremen, while the real owners were the société itself. Under these circumstances, the vessel being in reality owned by Swiss, and consequently neutral subjects, the Conseil des Prises held that she was not a German vessel, and therefore restored her to the owners, reversing the decree of the court below.

I call attention to that case merely to show that while in an English court it could be held as the able Senator from Montana points out, in a French court it was held precisely the reverse.

Mr. POMERENE. I thank the Senator for his contribution to the discussion.

Now, Mr. President, following out the argument, I can imagine my friend, the distinguished Senator from New York, on one of these French-owned vessels with one share of stock held by a New Jersey corporation in order to entitle it to registry, with all the other stock held by Frenchmen, and the vessel flying the American flag. I can see the Senator with his great dignity and ability saying to the captain of the German cruiser, "You are mistaken; this is an American-owned vessel under the American flag, and I cite the Two hundred and thirteenth United States Supreme Court Reports to sustain my position." I do not think under those circumstances it would stop the cannon's mouth. I believe that under those circumstances, though we would be flying the American flag, we would be in the position of Isaac of old when he said, "It is the hand of Esau, but it is the voice of Jacob."

Mr. President, I have talked as I have because I feel most intensely that without some amendment along the line of that proposed by the Senator from Delaware this bill would be a very great disappointment to American shippers.

Mr. REED. Mr. President, I should like to ask the Senator from New York if he does not think that it would be wise to place some limitation upon the amount of stock which can be owned by citizens of foreign countries? It seems to me that to permit, for instance, following the illustration of the Senator from Ohio, the stockholders in a German or French or English company, that in turn owns a vessel, to come over to Delaware or New Jersey, or any other American State, and transfer three or four shares of their stock to citizens of the United States, organize an American company, all the stock of which except three or four shares is owned by these subjects of foreign countries, and then run the American flag up over that boat would be a manifest subterfuge and might involve us in some trouble. It would not result in a transfer of these boats, or any of them, really to American citizens, but would simply be the furnishing by our country of the protection of our flag to vessels that are, in fact, foreign vessels. Now, would not the Senator from New York think that there ought to be at least a majority of the stock owned by American citizens?

Mr. O'GORMAN. It has never been the policy, Mr. President, of the American Government to impose any such restriction regarding the holding of stock in American corporations owning ships. There is no such restriction to-day with respect to the ownership even of American ships now engaged in the coastwise trade. I have no doubt that thousands of shares of the stock of American corporations now engaged in the coastwise trade are held by aliens.

The entire criticism of the bill seems to be leveled against its least important feature. The possible abuse of legislation is never regarded as a good argument against its adoption. There are few laws that can not be evaded, or, at least, where efforts will not be made to evade.

As I have had occasion to say on other occasions, the most important benefit to be conferred upon American shipping by the adoption of this bill is to allow the American registry of foreign-built ships which have been owned for years by American corporations. A few days ago, basing my statement on some figures then accessible, I said there were certain foreign-built ships owned by American citizens and American corporations which would represent a net tonnage of 250,000 tons, all of which can be admitted at once into our American marine. With the permission of the Senator from Missouri at this time, I should like to call attention to an article in the Shipping Illustrated, which states that there are now foreign-built ships owned by American vessels and American corporations flying foreign flags representing nearly 1,000,000 tons gross register; and if there be no objection, I should like to have this article from Shipping Illustrated, together with a list of these ships, printed as a part of my remarks.

The PRESIDING OFFICER (Mr. CLAPP in the chair). Is there objection? The Chair hears none, and it is so ordered.

Mr. POMERENE. May I ask the Senator from New York who is the author of the article which he desires printed in the RECORD?

Mr. O'GORMAN. Shipping Illustrated is edited by Mr. R. de Tankerville and is published weekly at 22 Thames Street, New York City, by the Shipping Illustrated Co. As every line of this article is pertinent to the matter now being discussed, I am tempted to trespass upon the time of the Senator from Missouri [Mr. REED] to ask the Secretary to read it for the benefit of the Senate.

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from New York for that purpose?

Mr. REED. I yield for that purpose.

The PRESIDING OFFICER. The Secretary will read as requested.

The Secretary read the part of the article referred to, which, entire, is as follows:

NEW YORK, *Saturday, August 8, 1914.*

OBSERVATIONS FROM THE BRIDGE.

It was to be expected that until the world had settled down to the actual realization of the influence of the war situation on every line of human activity there would be more or less of that demoralization which is inseparable from any cataclysm. Never before within the memory of any living man has such a period as the present been traversed; shipping business is at a standstill, mining, agriculture, and manufacturing are affected, yet there is nothing to indicate that speedy relief will be long in materializing. For one thing, the country is now confronted with the consequences of its folly in compelling its citizens, through oppressive laws and lack of laws, to conduct their carrying trade to foreign markets entirely in foreign bottoms.

Of course this can be speedily remedied by allowing the free transfer to American registry of ships built abroad and owned by American citizens or corporations. This would in no way affect our domestic commerce, in which only "enrolled" vessels are allowed to take part, and under existing laws—which no serious effort has as yet been made to amend—only American-built vessels may secure enrollment. It is not vital to our export trade, however, that the registry of such vessels as are listed in the opposite column be changed to American, for many maritime nations are still in a state of neutrality and no difficulty would be experienced in seeking the protection of the Scandinavian, Cuban, Uruguayan, and Greek flags should not other means prove available. The fact is not sufficiently appreciated here that the disorganization of trade in European waters is bound to bring over to these shores in search of employment an imposing number of cargo boats now owned in neutral countries bordering on the Mediterranean. Few of these vessels are seen ordinarily in the American trades, but with the shutting down of the shipping centers of the old world they will come hither to load the coal and grain no longer obtainable in Great Britain and in the Black Sea. It is almost superfluous to add that the crippling of the European trade centers will also affect ship repairing to a very large extent, and although it is reasonable to assume that only absolutely needed repairs will be carried out during the period of hostilities, there will be great demand for the facilities possessed by our leading establishments in the way of docking and repairing.

AMERICAN-OWNED VESSELS UNDER FOREIGN FLAGS.

We give below a list of vessels under foreign flags owned by American corporations. The vessels thus listed form an imposing fleet of nearly a million tons gross register, one-third of which is composed of tank steamers and another third of high-class passenger and cargo steamers fitted with refrigerating apparatus. The vessels of the White Star Line do not figure in this list, as it is believed that an agreement exists between the British Government and the International Mercantile Marine Co. to keep these vessels under the British flag, besides which the White Star fleet was hypothecated in Great Britain to defray the cost of the large liners built in recent years. Similarly, the fleet of the Leyland Line, which occupies the leading rank in the shipping trade of the Gulf ports, has not been taken into consideration, as this line is under separate management from the other fleets controlled by the International Mercantile Marine Co. The vessels of the American, Red Star, Atlantic Transport and Dominion Lines mentioned below were under American control prior to the formation of the trans-Atlantic combine and it is not believed that any obstacle exists to their transfer to American register. It will be noticed that the United States

Steel Corporation is the owner of five British vessels. This concern has now under charter an additional number of high-class cargo liners, but it can not be ascertained at present just how much the steel corporation is financially interested in the latter, although their immediate transfer to the American flag would present no difficulties. In the following table the date of construction is given opposite the name of each steamer and the gross register tonnage follows:

Atlantic Transport Co. (Ltd.), London.

(British steamers.)

	Tonnage.
Mackinaw (1891)	3,204
Manitou (1898)	6,849
Marquette (1898)	7,057
Menominee (1897)	6,919
Mesaba (1898)	6,833
Minneapolis (1900), twin screw	13,543
Minnehaha (1900), twin screw	13,539
Minnesota (1887)	3,216
Minnetonka (1902), twin screw	13,440
Minnewaska (1909), twin screw	14,317

International Navigation Co. (Ltd.) (American, Red Star, and Dominion lines).

(British steamers.)

	Tonnage.
Haverford (1901), twin screw	11,635
Merion (1902), twin screw	11,621
Dominion (1894)	7,037
Englishman (1891)	5,257
Canada (1896), twin screw	9,415
Cornishman (1891), twin screw	5,749
Irishman (1899), twin screw	11,585
Manxman (1888)	4,827
Norseman (1897), twin screw	10,750
Turcoman (1892), twin screw	5,829
Welshman (1891), twin screw	5,750

(Belgian steamers.)

Vaderland (1900) (twin screw)	12,017
Zeeland (1901) (twin screw)	11,905

Standard Oil Co. of New York.

(British steamers registered in the name of the Tank Storage & Carriage Co. (Ltd.), London.)

	Tonnage.
Aspinet (1901)	4,848
Kanakuk (1902)	4,006
Masconomo (1901)	4,534
Massasoit (1902)	4,527
Oneka (1903)	5,176
Ponus (1902)	5,077
Powhatan (1898)	6,117
Samoset (1909)	5,251
Satanta (1908)	5,316
Sequoya (1908)	5,263
Shabonee (1913)	5,167
Tachee (1914)	6,499
Tamaha (1914)	6,499
Tascalusa (1913)	6,499
Tatarrax (1914)	6,216
Uncas (1913)	4,722
Wabasha (1903)	5,864
Waneta (1910)	1,683
Wapello (1912)	5,576
Winamac (1913)	5,767

(British steamers registered under the name of Imperial Oil Co. (Ltd.), Sarnia, Ont.)

	Tonnage.
Imperial (1898)	796
Imperoyal (1913)	2,253
Impoco (1913)	2,257
Iocoma (1912)	1,669

Standard Oil Co. of New Jersey.

(German steamers registered in the name of the Deutsch-Amerikanische Petroleum Gesellschaft, Hamburg.)

	Tonnage.
Adorna (1912)	6,330
Brilliant (1890)	3,189
Buffalo (1909)	6,631
Burgermeister Petersen (1889)	2,788
Chatham (1906)	4,906
Deutschland (1893)	3,710
Diamant (1892)	3,445
Ems (1914)	4,946
Excelsior (1894)	3,710
Gut Heil (1888)	2,691
Hagen (1913) twin screw; oil; English	5,460
Harport (1907)	5,294
Helios (1894)	3,477
Hera (1912)	4,705
Hesperus (1908)	6,303
Jupiter (1914)	10,073
Kiowa (1913)	5,080
Loki (1913), twin screw; oil; English	5,960
Mannheim (1892)	3,578
Mappen (1913)	4,045
Mohawk (1913)	5,084
Niagara (1908)	6,655
Osage (1903)	5,100
Paula (1888)	2,748
Pawnee (1913)	4,972
Phoebus (1903)	6,268
Prometheus (1903)	6,448
Sioux (1912)	5,081
Sirius (1894)	3,809
Standard (1890)	2,730
Tecumseh (1913)	5,080
Triton (1913)	7,580
Washington (1894)	4,171
Wilhelm A. Riedemann (1913)	4,171
Willkommen (1887)	3,140
Wotan (1913); oil; English	5,100

(Italian steamers registered under the name of the Societa Italo-Americana pel Petrolio, Genoa.)

	Tonnage.
Bayonne (1889)	3,294
Lampo (1913)	6,206
Splendor (1913)	6,507

(Dutch steamers registered under the name of the American Petroleum Co., Rotterdam.)

	Tonnage.
American (1892)	3,526
Charlois (1888)	2,677
Chester (1888)	2,568
La Campine (1890)	2,557
La Flandre (1888)	2,018
New York (1902)	6,859
Ocean (1888)	2,792
Rotterdam (1895)	4,114

United Fruit Co., Boston.

(British vessels registered under the name of the Tropical Fruit Steamship Co. (Ltd.), Glasgow.)

	Tonnage.
Abangarez (1909)	4,955
Almirante (1909)	5,010
Atenas (1909)	4,962
Carrillo (1911)	5,013
Cartago (1908)	4,937
Coppename (1908)	3,192
Esparta (1904)	3,298
Greenbrier (1893)	3,332
Heredia (1908)	4,944
Limon (1904)	3,298
Marowijne (1908)	3,192
Metapan (1909)	5,011
Orleanian (1880)	2,293
Parismina (1908)	4,937
San Jose (1904)	3,296
Santa Marta (1909)	5,013
Saramacca (1908)	3,284
Sixaola (1911)	5,017
Suriname (1908)	3,275
Tenadores (1913), twin screw	7,600
Tivives (1911)	5,017
Turrialba (1909)	4,961
Zacapa (1909)	5,013

W. R. Grace & Co., New York and San Francisco.

(British steamers registered under the name of the New York & Pacific Steamship Co. (Ltd.), London.)

	Tonnage.
Cacique (1910)	6,202
Canac (1893)	3,052
Celia (1904)	5,004
Charcas (1906)	5,067
Chimu (1900)	4,259
Chincha (1912)	6,395
Colusa (1913)	5,732
Chipana (1907)	7,040
Condor (1893)	3,053
Coya (1895)	3,040
Curaca (1912)	6,386

Donald Steamship Co. (Ltd.), New York.

(British steamers.)

	Tonnage.
Amelia (1906)	1,271
Annetta (1907)	1,294
Bella (1906)	1,272
Lillie (1903)	1,209
Norhilda (1910)	1,175
Querida (1909)	1,175
Thyra Menier (1912)	1,457

New York & Cuba Mail Steamship Co. (Ward Line), New York.

(Cuban steamers registered in the name of Compañia Cubana de Navegacion, Habana.)

	Tonnage.
Antilla (1904)	3,398
Bayamo (1898)	3,204
Camaguey (1903)	3,398
Guantanamo (1910)	3,293
Manzanillo (1902)	1,815
Santiago (1906)	3,286
Yumuri (1902)	1,836

United States Steel Corporation, New York.

(British steamers registered in the name of the Isthmian Steamship Co. (Ltd.), London.)

	Tonnage.
Bantu (1901)	4,189
Buenaventura (1913)	4,882
Kentra (1907)	4,683
Santa Rosalia (1911)	5,409
San Francisco (1914)	------

Munson Steamship Line, New York.

(Cuban steamers.)

	Tonnage.
Cubana (1891)	2,082
Curityba (1887)	2,363
Jucaro (1912)	73
Mariel (1910)	105
Olinda (1887)	2,376
Pajuna (1894)	2,169

(British steamer.)

Luristan (1906)	3,286

Huasteca Petroleum Co.

(British steamers registered under the name of Petroleum Carriers (Ltd.), Glasgow.)

	Tonnage.
C. A. Canfield (1913)	6,350
Charles E. Harwood (1913)	3,178
Edward L. Doheny (1913)	6,170
Herbert G. Wylie (1912)	4,263
J. Oswald Boyd, twin screw (1913)	1,606
Norman Bridge (1913)	4,289

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(British steamers.)

	Tonnage.
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Shimosa (1902)	4,221
Suruga (1908)	4,375

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(British steamers.)

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Hazel Dollar (1905)	4,304
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	Tonnage.
Persia (1881)	4,356

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(British steamer registered under the name of Euplon S. S. Co., Ltd.)

	Tonnage.
Euplon (1914)	3,575

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Mr. WEST. Mr. President, may I interrupt the Senator right there?

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Georgia?

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Mr. WEST. I do not know whether the Senator from Missouri took not of it at the time, but I desire to call his attention to an incident I mentioned several days ago. I referred to the vessel at that time as the *Mississippi*, though I now think it was the *Texas*, which, while sailing on the Bay of Smyrna, was fired into, if I recall correctly, by the Turks, or perhaps it was blown up by a mine in that bay. Does the Senator from Missouri recall whatever became of that case or whether it ever reached the prize court? If that vessel had an American registry, it seems to me to be practically, though I am not certain as to that, on all fours with the cases to which reference has been made.

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I want to say in reply to that, that I do not believe any foreign-built ship ought to be owned by a company which is merely organized here nominally, the real ownership being in a foreign country. I do not think that is right. I would be perfectly willing in a time of absolute peace to say that any vessel wherever and however built and however owned might register under our flag, subject to local conditions which we saw fit to attach. I think that would be wise. While I think it would be wise in a time of absolute peace, I doubt its wisdom now.

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I say that because I am perfectly confident that if the owners of German steamship lines, or English or French lines, come over here and take out corporate charters and make a nominal transfer of their vessels without any change in stock ownership, it will almost inevitably follow that they will claim the defense of our flag, and we will become embroiled in a controversy from which now happily we are entirely free.

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The SECRETARY. It is proposed to amend the amendment by inserting before the word "whose" the words "at least two-thirds of," so that it will read:

At least two-thirds of whose stock is likewise owned by the citizens of the United States.

Mr. LANE. Mr. President——

Mr. GALLINGER. Mr. President, as we are about to vote——

The PRESIDING OFFICER. The Senator from Oregon first addressed the Chair.

Mr. GALLINGER. I rise to suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum is suggested. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

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Chamberlain	Jones	Poindexter	Thompson
Clapp	Kern	Reed	Tillman
Clarke, Ark.	Lane	Saulsbury	Vardaman
Colt	Lee, Md.	Shafroth	Walsh
Culberson	Lewis	Sheppard	West
Cummins	Martine, N. J.	Shields	White
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Mr. WHITE. I wish to announce the absence of my colleague [Mr. BANKHEAD], who is unavoidably detained from the Senate. He is paired. I ask that this amendment may stand for the day.

The PRESIDING OFFICER. Fifty Senators have answered to the roll call. There is a quorum present.

Mr. LANE obtained the floor.

Mr. SAULSBURY. Mr. President——

The PRESIDING OFFICER. The Chair has recognized the Senator from Oregon.

Mr. LANE. I give way to the Senator from Delaware.

The PRESIDING OFFICER. The Senator from Oregon yields to the Senator from Delaware.

Mr. SAULSBURY. Mr. President, I desire to say that, in view of the sentiment which I know prevails among Senators, I am willing to accept the amendment just offered by the Senator from Missouri [Mr. REED] to the amendment submitted by myself, so as to make it part of my amendment. The amendment of the Senator from Missouri provides that two-thirds of the stock of the holding company shall be owned by American citizens. My reason for accepting the amendment is that in a measure it certainly provides against unfortunate contingencies which I think might arise. I think that American citizens ought to own entirely the vessels which it is proposed shall come under our flag, but if a two-thirds interest in these vessels is owned by Americans I think it will be a great evidence of our good faith in allowing our flag to fly over them. For that reason I accept the amendment.

I wish to call the attention of the Senator who has charge of this bill to the fact that if under the provisions of the bill as it stands now, unamended, one of the vessels proposed to be allowed American registry shall be seized while flying our flag, in all human probability the first prize court applied to will condemn that vessel as a lawful prize, and then what force or effect can we hope to derive from the provisions of this bill which we have debated so long? The whole plan, the whole scheme, the whole idea of this bill will go up in the smoke of the first gun that is fired across the bows of such a vessel, which will not in reality be an American vessel. If we do anything, we want to accomplish something of substantial good and benefit to the commerce of this country.

What good, may I ask, will foreign-owned steamships be to the commerce of this country? Let our own citizens acquire them if they can, and if they own them, Mr. President, they will pass unscathed through any prize court. It is with that end in view that I have insisted so strongly on this amendment as the best I can possibly get, and I hope that it will obtain a majority vote in the Senate.

Mr. O'GORMAN. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER. Does the Senator from Delaware yield to the Senator from New York?

Mr. SAULSBURY. Certainly.

Mr. O'GORMAN. I have just had read at the Secretary's desk an extract from Shipping Illustrated, stating in substance that the gross tonnage of foreign-built ships now owned either by American citizens or American corporations aggregates almost a million tons. Those vessels have been owned for years by American citizens or American corporations. Is it the idea of the Senator from Delaware that we should not give American registry to any of those vessels which have been owned by American corporations for years unless those American corporations are able to prove that 75 per cent of their stock is actually owned by citizens of the United States?

Mr. SAULSBURY. No such effect will flow from the amendment offered by the Senator from Missouri to the amendment which I have proposed. His amendment only provides that two-thirds of the stock shall be owned by citizens of the United States.

I will say to the Senator from New York that if he would prepare and offer a satisfactory amendment providing that where any vessel or any number of vessels have heretofore been substantially owned by citizens of the United States they shall now be admitted to registry under our flag without regard to this particular provision, I would support it. I am trying to provide against fraud upon the flag and the possibility of our becoming involved in complications with foreign nations who are now belligerents.

Mr. O'GORMAN. And the purpose of the Senator's amendment, as well as the purpose of the amendment offered by the junior Senator from Missouri [Mr. REED], which the Senator from Delaware has accepted, is to impose that restriction upon American corporations which have been the owners of these ships for years, some of them 5, 10, 15, or 20 years?

Mr. SAULSBURY. The only restriction that either the amendment offered by the Senator from Missouri or myself will impose upon the owners of ships desiring American registry is that they shall satisfy the collector under oath as to the citizenship of the owners. In the case of the amendment of the Senator from Missouri the collector must be satisfied that two-thirds of the stock of the company which controls the boats is owned by American citizens.

Now, if the Senator from New York is simply seeking to transfer to our flag ships in which our own citizens have a trifling interest, it does not seem to me that this is a proper occasion for us to take the risk involved.

Mr. O'GORMAN. Does the Senator believe that if his amendment or the one offered by the junior Senator from Missouri is adopted a single ship will be added to our merchant marine?

Mr. SAULSBURY. I will say, Mr. President, there is every reason to believe that if any ships under any circumstances will be added to our merchant marine any ship which is owned to the extent of two-thirds by our own citizens will immediately seek registry under the American flag.

Mr. O'GORMAN. Does the Senator known of a single foreign-built ship now owned by an American corporation where two-thirds of the stock of the American corporation is held by citizens of United States?

Mr. SAULSBURY. I am not familiar with the citizenship of corporations owning shipping interests.

Mr. O'GORMAN. I wish to repeat, Mr. President, what I have said several times, that if it is the purpose of any Senator, no matter what his motives may be, absolutely to defeat this emergency legislation, the best way to accomplish it is to adopt this amendment.

Mr. WALSH. Mr. President, before the Senator from New York takes his seat——

The PRESIDING OFFICER. The Senator from Oregon [Mr. LANE] has the floor. Does he yield to the Senator from Montana?

Mr. LANE. I yield to the Senator from Montana.

Mr. WALSH. I thank the Senator from Oregon. I wish to inquire of the Senator from New York—the document read at the desk did not convey the information—as to what information he can give us concerning the ownership of the stock of American corporations owning vessels sailing under a foreign registry. My understanding is that the stock is practically all held in this country, and ships controlled by such corporations would, therefore, be entitled to registry under the amendment offered by the Senator from Delaware.

Mr. O'GORMAN. I have no understanding that all the stock is practically held in this country. I assume that all the stock is not held in this country. We find that our American railroad stocks are held in large part by foreigners, and I would be quite surprised if a very large part, perhaps a majority, of the stock of the various steamship companies, including steamship companies in our coastwise trade, were not held by foreigners.

Mr. WALSH. Is the Senator able to give us any definite information with respect to that?

Mr. O'GORMAN. No.

Mr. LANE. Mr. President, this country is confronted with a peculiar situation, due to the fact that the nations occupying the greater portion of the inhabitable world at this time are at war with one another, and also due to the fact that in the past we have had navigation laws which practically excluded the people of this country from participation in the navigation of the seas. As a result we are marooned. Indirectly, I presume, this country in a financial way will be a great suf-

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The PRESIDING OFFICER. Does the Senator from Delaware yield to the Senator from New York?

Mr. SAULSBURY. Certainly.

Mr. O'GORMAN. I have just had read at the Secretary's desk an extract from Shipping Illustrated, stating in substance that the gross tonnage of foreign-built ships now owned either by American citizens or American corporations aggregates almost a million tons. Those vessels have been owned for years by American citizens or American corporations. Is it the idea of the Senator from Delaware that we should not give American registry to any of those vessels which have been owned by American corporations for years unless those American corporations are able to prove that 75 per cent of their stock is actually owned by citizens of the United States?

Mr. SAULSBURY. No such effect will flow from the amendment offered by the Senator from Missouri to the amendment which I have proposed. His amendment only provides that two-thirds of the stock shall be owned by citizens of the United States.

I will say to the Senator from New York that if he would prepare and offer a satisfactory amendment providing that where any vessel or any number of vessels have heretofore been substantially owned by citizens of the United States they shall now be admitted to registry under our flag without regard to this particular provision, I would support it. I am trying to provide against fraud upon the flag and the possibility of our becoming involved in complications with foreign nations who are now belligerents.

Mr. O'GORMAN. And the purpose of the Senator's amendment, as well as the purpose of the amendment offered by the junior Senator from Missouri [Mr. REED], which the Senator from Delaware has accepted, is to impose that restriction upon American corporations which have been the owners of these ships for years, some of them 5, 10, 15, or 20 years?

Mr. SAULSBURY. The only restriction that either the amendment offered by the Senator from Missouri or myself will impose upon the owners of ships desiring American registry is that they shall satisfy the collector under oath as to the citizenship of the owners. In the case of the amendment of the Senator from Missouri the collector must be satisfied that two-thirds of the stock of the company which controls the boats is owned by American citizens.

Now, if the Senator from New York is simply seeking to transfer to our flag ships in which our own citizens have a trifling interest, it does not seem to me that this is a proper occasion for us to take the risk involved.

Mr. O'GORMAN. Does the Senator believe that if his amendment or the one offered by the junior Senator from Missouri is adopted a single ship will be added to our merchant marine?

Mr. SAULSBURY. I will say, Mr. President, there is every reason to believe that if any ships under any circumstances will be added to our merchant marine any ship which is owned to the extent of two-thirds by our own citizens will immediately seek registry under the American flag.

Mr. O'GORMAN. Does the Senator known of a single foreign-built ship now owned by an American corporation where two-thirds of the stock of the American corporation is held by citizens of United States?

Mr. SAULSBURY. I am not familiar with the citizenship of corporations owning shipping interests.

Mr. O'GORMAN. I wish to repeat, Mr. President, what I have said several times, that if it is the purpose of any Senator, no matter what his motives may be, absolutely to defeat this emergency legislation, the best way to accomplish it is to adopt this amendment.

Mr. WALSH. Mr. President, before the Senator from New York takes his seat——

The PRESIDING OFFICER. The Senator from Oregon [Mr. LANE] has the floor. Does he yield to the Senator from Montana?

Mr. LANE. I yield to the Senator from Montana.

Mr. WALSH. I thank the Senator from Oregon. I wish to inquire of the Senator from New York—the document read at the desk did not convey the information—as to what information he can give us concerning the ownership of the stock of American corporations owning vessels sailing under a foreign registry. My understanding is that the stock is practically all held in this country, and ships controlled by such corporations would, therefore, be entitled to registry under the amendment offered by the Senator from Delaware.

Mr. O'GORMAN. I have no understanding that all the stock is practically held in this country. I assume that all the stock is not held in this country. We find that our American railroad stocks are held in large part by foreigners, and I would be quite surprised if a very large part, perhaps a majority, of the stock of the various steamship companies, including steamship companies in our coastwise trade, were not held by foreigners.

Mr. WALSH. Is the Senator able to give us any definite information with respect to that?

Mr. O'GORMAN. No.

Mr. LANE. Mr. President, this country is confronted with a peculiar situation, due to the fact that the nations occupying the greater portion of the inhabitable world at this time are at war with one another, and also due to the fact that in the past we have had navigation laws which practically excluded the people of this country from participation in the navigation of the seas. As a result we are marooned. Indirectly, I presume, this country in a financial way will be a great suf-

ferer; not the largest, but one of the great sufferers from this war.

There are two great needs at this time. In Europe they need supplies. They need food. They need clothing. In this country we need a market for a surplus of products of food and clothing, which we could sell them at a fair price if we had ships in which to deliver the goods. We have no ships. As nearly as I can ascertain, there are but very few, a limited number—I would not dare say how few—which are legitimately entitled to enter upon the trade at this time.

There was an article published in the New York Herald a day or two ago which stated that the majority of these ships are owned by American citizens who have formed themselves into corporations. These ships fly the flags of other countries and sail under them and have been registered in foreign lands. They are manned with crews of foreigners, and at this time they are out of commission, for the reason that the nation under whose registry they sail is at war with some other nation.

When this bill was presented here a few days ago I had the hope that it was an emergency measure for the relief of all of the people of this country. In the South the planters who raise cotton are being met with conditions which are absolutely disastrous, I am told. In the Middle West and all through our farming sections, in the valley of the Mississippi River and farther west on the Pacific coast, the farmers have raised millions upon millions of bushels of corn and wheat, and there is no market for either. In fact, the man who has raised the most cotton and the man who has raised the most corn and the most wheat and gathered for the use of other people these necessities of life, the man who has sweated out under the burning rays of the sun to do so, is the man who is now being punished. I presumed when this bill was introduced that it was to assist those men in marketing their supplies, and also that it would bring relief to the suffering and unfortunate people—good people all, yet mistaken in their motives, perhaps—throughout Europe, who to-day are killing one another by thousands. Men are dying and being left in trenches five and six deep, and for every man that dies there is left a woman—a sister, a mother, a sweetheart, a wife—or a child who is deprived of the support of its father, its brother, or its caretaker.

It is a most critical state of affairs with all the people of those nations. They are a jealous people, jealous of one another, as vicious in their temper at this time as a yellow jacket; and this Nation, if it does its duty by itself and by them, must be careful how it interferes with any of their affairs in any way which might bring trouble upon us.

We have one duty before us, and that is to act the part of a good and honest neighbor, and our acts must be above suspicion. We owe it to these countries that are suffering and we owe it to ourselves.

The condition of this country at this time, when it has an abundance of the necessaries of life to sell, which the unfortunate people of Europe sorely need and are anxious to purchase from us at a fair price, and yet which, owing to the fact that we have no ships in which to transport the hard-earned products of the farmer and other producers of this country, must remain a burden on their hands, and the people of Europe suffer hunger for want of them, is an arraignment of our shipping laws which calls for a speedy revision of them.

I shall not enter into a discussion of the shameful history of other legislation which has preceded this, whereby the shipping interest of a great nation has been sacrificed for the benefit of a small coterie of the least worthy of its citizens, and through their greed, aided by the treachery and truckling subservience of unfaithful representatives, it finds itself at this time in the debased condition in that respect which it occupies to-day. All of this will be written and properly commented upon by others in due time. At this time, with an urgent demand existing for the products of this country, we have no ships in which to transport them. The ships of the countries which offer us a market have been driven off the seas, and an emergency exists which it is our duty to relieve. We owe this duty not only to ourselves, but also to our afflicted neighbors across the seas. In our efforts to accomplish this commendable task we are bound by the rules of war to do no act which will be prejudicial to any one of the warring nations.

It so happens that as a Nation we are also in a position at this time where we have need of a large number of colliers and supply ships for our Navy. It is said to be a fact beyond successful dispute that our Navy, in the event that we should be so unfortunate as to be drawn into a war, would be practically of no value to us for the reason that we have no vessels upon which we could ship supplies to it. About all we could do with it under these circumstances would be to withdraw a large part of it into some safe harbor until the war was over. We need vessels, therefore, to act as auxiliaries to our Navy, and an emergency exists in that respect. We need vessels, also, of the same type to carry our goods to market, and our need in that respect is also an emergent one. This Nation is sure to suffer great loss if it longer leaves these wants unattended to. The remedy is simple, the need immediate. The construction and purchase at this time by the Government of a sufficient number of vessels to meet one need will also supply the other. What excuse is there for not doing so? The ownership and use of these vessels to be operated by this Government to carry our foodstuffs and other products abroad neither can nor will give offense to any other nation. Their operation will afford relief and even give profit to the producers of this country. Of what use to the people of this country is its Government if that Government does not come to its relief in a time of emergency in their affairs, when it can do so without running any risk and at the same time provide for a serious defect in its national defense?

The bill under consideration allows American registration of vessels now flying the flags of foreign countries which are at war with one another when such vessels are purchased or already owned by citizens of this country. This provision is almost sure to make trouble for this country and will cause disputes to arise respecting such transactions and transfers when the European war has ended. Under the terms of this measure this Nation will have to stand sponsor, among others, for the good faith of a number of enterprising gentlemen upon whose sense of honor it is not safe to bet anything of value. It is a risky project for us to enter into, and I hope it will be carefully considered and safeguarded before we venture upon it.

I very much doubt if any business man would invest his money in a vessel which will have to run so many chances of being seized by some one or other of the combatants. I have been to sea in many different kinds of craft, but you could not give me any one of them to be held upon such terms of ownership. The bill will, however, "let in" quite a number of steamers which are now owned by unpatriotic American citizens, but which, flying foreign flags and manned with foreign officers and crews, are now registered as foreign bottoms.

These vessels are subject to seizure on the high seas by any one of the nations at war with the particular one whose colors they falsely sail under. It will be a regular godsend and source of infinite gain to these dodgers of our shipping laws if we, at the risk of incurring war with better men than they are, can be "shooed," under the stress of an emergency, into allowing them to shift their flags and come back under our registry and protection at this time, when it becomes profitable for them to do so. As soon as the war is over, and it again becomes more profitable for them, they will promptly register as foreign bottoms; and I have no doubt that we shall be called upon to stay here on some other hot August evening to devise and rush through a measure which will "let them out" from under our flag, back into registry with some other country, where the "pickings" for the time are better than they are here.

I am informed that there are a large number of such vessels belonging to American citizens; and so far as I am concerned I think that inasmuch as they have registered foreign for selfish reasons, and in order to make profit by so doing, in decency they ought to stand by the countries which have registered their vessels and protected them in their business for so many years. This measure provides that vessels which have been built by their American owners in foreign yards for the especial and sole reason that they could be constructed there 30 per cent cheaper than here, and which, ever since they were built, have been manned with foreign crews because it was cheaper to so man them, and have registered foreign in order to dodge their taxes and thus round out their program, and who, in addition to these advantages, have used their vessels to keep American ships off the seas, shall now come back into the fold under our special care and on equal terms with other American ships.

To whom are these special favors to be granted? Who are the principal beneficiaries under this bill? The people, the cotton planter, the wheat grower, the other farmer? No! This measure will afford but little or no relief to them, for the reason that very few, if any, of this tax-dodging fleet of ships owned by American citizens—save the mark—are merchant vessels, and none others are available at this time. Whose ships are they, and what number of them will come in under American registry?

In an article in the New York Herald of two days ago I find this statement in respect to this matter:

At the offices of the Standard Oil Co. it was said that no decision had been reached in regard to the registration of their fleet of steamships,

although it was admitted that the question was under consideration and that the passage of the bill would mean that action to this end would be taken. The Standard Oil fleet, including the vessels controlled by the subsidiary companies, is one of the largest in the world and practically equals in tonnage the total number of vessels now flying the American flag.

BIG STANDARD OIL FLEET.

The Dutch Oil Co., one of the important subsidiary companies of the Standard, has 40 vessels under its control, of a total of 112,000 tons, and practically all flying the Dutch flag. These, it is believed, will be placed under American registry, as well as the many vessels flying English, German, French, Norwegian, Danish, Swedish, Austrian, Italian, and Russian flags, which either are controlled or owned outright by the Standard interests.

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Next in importance, say marine authorities to the Standard Oil fleet is that of the United States Steel corporation. It now numbers more than 40 vessels, principally under the English and German flags, and, like that of the Standard Oil Co., is being increased by the addition of new vessels. Its tonnage is estimated at 80,000 tons, and the vessels ply from Atlantic and Pacific ports to all parts of the world.

Officials of the Barber Line, whose vessels ply principally to ports in the Far East, would make no statement on the probable efficacy of the bill, should it become a law, in building up a greater American merchant marine, although it is said on good authority that this line will be among the first to apply for American registry for their vessels.

PAY HIGHER WAGES.

Objection is raised by some steamship lines to certain clauses in the bill which make it mandatory on the part of the owners of vessels seeking American registry to employ nothing but American officers and seamen. On this basis a strong opposition developed to the measure, it being contended that it would be impossible to compete with foreign lines because of the higher wages which are demanded by American officers and seamen.

That complaint is set up at this time; that objection is made to this bill at a time when all foreign-owned ships are off the sea, when there are no competing vessels. They object to the clause which demands that American seamen shall man these vessels which are to go under American registry. They desire to come under our registry and under the protection of the flag of this country manned by foreign officers and foreign seamen, one ship of the Standard Oil Co.'s tank line going out officered by Germans, another by Belgians, and a third by English crews under our registry and flying our flag.

You can readily understand the anomalous position in which this country would be placed in protecting these gentry and their ships and insuring their safety at sea—vessels manned in such a manner—and yet they demand that at this time, and the bill has in it a provision which permits of that being done.

I protest it. I protest allowing American registry and the protection of the American Navy to a vessel which goes to sea with a foreign crew for the reason that it is not willing to pay American seamen the regular wages which an American seaman is entitled to.

This measure will afford little or no relief, as I have said, to the farmer, to the cotton raiser, to the wheat grower, for the reason that very few, if any, of this fleet of ships will come under the registry. Whose ships are they? I have asked that question. One of the largest fleets, as I have said, and one which practically equals in tonnage the total number of all of the other vessels now flying the American flag, belongs to the genial and wholesouled Standard Oil Co. These steamers are mostly tank steamers. They carry oil, and if they are allowed to register can carry neither wheat nor cotton nor any other merchandise, unless you could squeeze it down and compress it and force it through an 8-inch pipe into the hold of the vessel and into the tank, which can not be done. They were not built to stow such cargo. If they are allowed to sail under our flag, the flag which for years past they have flouted, as this bill grants them the privilege of doing, they will continue to carry oil, and they will have the right to demand convoy by our warships in delivering their wares. By dodging about from one registration to another they will have incurred the risk of seizure on the high seas by all the countries at war with one another, and this Nation will be put to the expense of guarding them and minimizing their chances in that respect.

It is utterly unfair to ask this Nation to be a party to such a jughandled proposition. These vessels are now snugly moored in our and other neutral ports, and dare not go to sea, and if they are now permitted to hoist our flag, it will be a transfer of registry that will and ought to be resented by the nations to whom their officers and crews have sworn allegiance, and this country may be compelled to fight for having been a party to such a transparent transfer.

Another and the next largest of these bogus foreign fleets, with 40 steamers under foreign registry now seeking the Nation's aid and protection, with sure faith in the people's servants, is the kindly, beneficent, and humble Steel Trust. What paeans of joy and outbursts of gratitude will arise from the people of this country when they wake up and realize that in the stress of their hardship, brought upon them by, perhaps, the greatest armed conflict that the world has ever seen, an emergency measure purporting to be for their relief has been rushed through the Senate whereof the greatest and almost the only beneficiaries are the good old Standard Oil Co. and the equally revered Steel Trust.

The author of this bill, in his exuberant enthusiasm to get our products to market and relieve the distress in starving Europe has, guilelessly, no doubt, so drawn it that about the only producers in sight at this time who will surely benefit from it are the Standard Oil Co. and the Steel Trust; and the hungry ones over the sea will have to assuage their hunger and content themselves with vaseline or kerosene sandwiches enveloped in boiler plate. [Laughter.] Neither the cotton planters of the South nor the wheat or corn growers of the middle States of the West nor any other producer of any useful thing now needed in Europe will secure much, if any, relief from their distress by allowing this flag-shifting fleet to dodge back under our registry at this time. As a matter of fact, they run a serious risk of having to fight and lose their lives and property in defending the attempt which will be made by the owners of these ships to evade their obligations to the countries under whose laws they sought and secured the right to register and fly the flags under whose protection they sail the seas.

The owners of these ships know no country. They have neither patriotism nor politics. They subscribe equal amounts to the campaign funds of all parties, and would as soon and as cheerfully and as quickly desert this country in its hour of need and hoist a foreign flag and sail away under a foreign registry and leave it to its fate in time of war, with as little sense of obligation or gratitude as they now show in deserting the countries which have stood guard over them and against us up until this time.

I do not think the people of this country feel under any obligation to the Standard Oil Co. and the Steel Trust of so deep and lasting a character as to render them desirous of going to war with some other nation in order that they may shift the registry of their ships for the purposes of private gain. I would not want to shoot some one nor get shot myself in such a cause.

I wonder if any Senator here thinks for a moment that either Germany or England or France or the American people, the real victims of misplaced confidence, are going to be fooled by that kind of a transfer of the registration of such craft?

The fact must not be overlooked that some of the American owners of this fleet of foreign vessels object to being compelled to employ American crews, and wish the right, and no doubt will obtain it, to employ crews of foreigners, for the reason that they can hire them cheaper than Americans. No merchant marine can or will ever be built up by such methods or such shipowners.

This country owes nothing to men who operate their shipping as foreigners, neither can it afford to run any risk of war, and it does run a serious risk at this time if they are allowed to register under the circumstances by standing sponsor for them in their attempt to evade their obligations to the countries whose colors they asked permission to use.

The only hope for getting our products to the markets of Europe and elsewhere at this time and the only honorable method open to us now and which we ought to pursue, which will also be of general benefit and not for the personal profit of those who have a plethora of this world's goods, is for this Government to purchase a fleet of carriers and use its great power to aid the people to reach the markets of the world, free from the suspicion of having used a subterfuge or of having taken an advantage of the calamitous and chaotic condition under which all Europe is laboring while doing so.

If the ships of foresworn Americans are taken in under the registry of this country at this time, under the existing circumstances it will be an act of bad faith on our part, in my opinion, which later along will be justly protested and for which we as a nation will have to pay. In making a final settlement for this or some other error we will perhaps need our Navy, and need it badly. It is without supply ships and unable to be properly handled by reason of that defect. Common prudence, therefore, and plain ordinary horse sense demands that we as a nation purchase at this time, when they can be bought cheaply, a fleet of 30 or 40 good steamers suitable for both purposes. Now is the appointed time; after war begins it will be too late.

Whatever else we do we should purchase these auxiliaries before we pass this bill. Its passage will probably render their services a necessity which we will be unable to supply. Half the value of our fighting ability at sea is lost to us on account of the lack of such vessels.

I am going then to offer as a substitute for the bill an amendment providing for the purchase of such auxiliary ships. It is my opinion that that is the only safe course which this country can pursue at this time. There is question going to

be made when we take over, as we will immediately after this bill has passed, all the foreign registered ships of the Standard Oil Co. and the Steel Trust and other corporations who have registered their ships foreign for the purpose of evading our shipping laws. That fact will be set up. They may be captured, and they will bring influence to bear on us, and Congress will be besieged to afford them protection. If the bill were amended so that it would apply only to ships which were purchased after it had become a law, when such transactions were bona fide, it would be a different matter. But this bill provides for taking over several hundred vessels which have been sailing all the seas of the world, carrying the products of this Nation, which were placed in this country by nature and mined out of the land by the hands of American citizens, into the markets of the world under foreign registry, with crews who have sworn allegiance to some other country, owned by men who are part owners in other ships which are outfitted as auxiliary cruisers and are allotted munitions of war and arms or guns for the purpose of wiping the shipping of this and other countries off the seas at any time that war exists between them and us.

Unpatriotic citizens are going to be, under this bill, the principal beneficiaries. No cotton planter will get one bale of cotton to Europe unless some different provisions are made. No wheat grower will benefit. Their crops will rot upon their hands, and immediately and promptly the enormous dividends, which in one instance ran last year at the rate of $1,000,000 a day, will begin again to accrue to these people who have registered their ships foreign and now, under this bill, are to be allowed to dodge back in under the registry of this country, with the right to demand the protection of this Navy, a Navy which has not ships enough to carry coal to it.

The real, nice live question presented will be that this country will have to go to war with some country that has colliers for a navy. It is nearly as important as the need for carriers of cotton, which we can weave into cloth and wear ourselves, and wheat, which we will be compelled to grind into flour and ourselves consume. There is a need for colliers and ships as tenders to the Navy of this country. It is half paralyzed with helplessness on account of the lack of them.

I should like to see a bill come in here and be passed which would reach the actual needs, the real needs, of the people of this country—the plain, good, common people, who when the country goes to war will have to go out and fight for it and die for it and who have to pay the expense of maintaining the war.

Therefore I offer as a substitute for this bill a repetition of that which was presented here the other day by the Senator from Nevada [Mr. NEWLANDS]. It asks for $25,000,000 for the purchase of such carriers, such supply ships for the use of our Navy, and which will carry in the meantime, until we need them for our Navy, the products of this country to the suffering and the unfortunate people of Europe. I offer it as a substitute for this bill, on which the best lawyers in the Senate differ as to the meaning thereof. I am going to ask for a vote by yeas and nays on it.

Mr. THOMAS. Mr. President, I rise to a question of order. Is a substitute for the pending measure in order at this time?

The PRESIDING OFFICER. It is not in order until after the pending amendment has been disposed of.

Mr. LANE. I intend to offer it when it is in order.

Mr. THOMAS. I have no objection to its presentation at the proper time.

Mr. LEWIS. Mr. President, I desire to state some views in support of a position I have taken, in order that those views may be recorded in the proper place provided by our parliamentary system for the expression of the public view of any man supporting public measures on this floor. But a moment, I trust certainly not more than a moment or two, will be occupied by me.

I am not able to agree with any of the advanced reasons urged by any of the eminent Senators as sufficient for the support of this amendment, nor do I dissent from them. I rather propose to express for myself my particular reasons upon these particular reasons and announce an unqualified and unreserved support of the amendments which have for their purpose the preventing the ships purchased by the citizens of this Government or which shall in spirit be owned by the Government being controlled by those who might be antagonistic to our welfare, both commercial and military.

Mr. President, it is always a mark of agreeable vanity for a man to refer to something he himself in the past has done or something he himself has said whenever he wishes to vindicate his previous observations or previous conduct. It is an agreeable occupation not forbidden by any strict rule of propriety, and therefore I may be pardoned if I indulge in it for just a second.

When I presented before this honorable body my theory for the support of the view of the President in behalf of the measure looking to the repeal of the free-tolls provision, I stated some things which were regarded as the expressions of extravagance. Many eminent journals and excellent newspapers of the country rather regarded certain of my views as oratorical hyperbole—the mere exclamations on the part of an alarmist. I then said that I had never been in favor of the construction of the Panama Canal in the manner in which it was laid and executed, and added that it was my solemn opinion, as I viewed the procession of history, that that event would entail upon my country a chapter of incidents, a procession of responsibilities, of so great a character that they could not be detailed in public speech in public place. I did say, if I remember my expression, "the stroke that gashed the side of the earth in the hopes that merely the waters of commerce would run through would yet be the blow that opened a viaduct for the blood of my countrymen to run through" Saying as I did, fearing as I do, hoping, of course, that such event may never transpire, yet I now give the reason why I support this amendment apart from the reasons advanced by the eminent Senators who have supported the amendment from their different viewpoints.

Mr. President, no man in this body will be less careful than I as to any expression that might be tortured in public opinion to allude to the unhappy and disastrous conflict that is pending across the sea. In the observance of our strict neutrality I will be found, I hope, among the foremost in its absolute obedience, but I will be permitted a departure from silence, in expression not misunderstood, in calling attention to events that I fear can happen.

Let us illustrate for a moment—a mere conjecture of the imagination—that Japan does have what we read in the papers, an alliance, offensive and defensive, with England. Let us assume that a Japanese ship would start forth from Japanese waters with a view of reaching around to the Atlantic and assailing one of the enemies of her ally. We will assume that enemy to be either Germany in the North Atlantic or Austria upon the far Adriatic.

Mr. GALLINGER. May I interrupt the Senator?

Mr. LEWIS. Surely.

Mr. GALLINGER. I always listen to the Senator with great interest. I will ask the Senator if it has not been made to appear that the alliance between Japan and England relates o affairs in the East, that if there is trouble in that part of the world Japan will cooperate there rather than in war such as the nations are now engaged in? I do not know that that is a fact, but I have seen it so stated.

Mr. LEWIS. I thank the Senator from New Hampshire. It may be, if there be such an alliance, it is limited to the fields of operation suggested by him. He will see from the concluding observation that I am now entering upon that such was my anticipation.

We will assume that it is presumed on the part of the Japanese that by moving from the Atlantic they may either aid their allies or intercept some ship that may be coming from the Orient toward Germany, anxious to join with the main force to the Atlantic, or to prevent the German ship from coming from the Province of Kiaochow, the German possession of the Orient, the Japanese ship shall proceed in advance and to prevent the German warships from uniting with her fleet upon the Atlantic; the Japanese ship, to accomplish the object, should find itself in our canal, and, to use a mere figure of speech as I am not speaking of any now actual conditions, to prevent the union of the German ships from the Pacific with the ships on the Atlantic the Japanese ship shall blow up the Panama Canal or blow into it such obstructions as should prevent these ships by force going through our canal, then the United States will have been forced into the conflict. While such would be a violation, as we well know, of the provisions of treaties and would only be excused on the ground of an extreme measure of war, we realize that in times of war treaties serve but little purpose. The treaty against the advance into Belgium, or that of Holland, the peace of Utrecht, or, indeed, that of the affair of Trent, seem to have little weight in the minds of eminent statesmen in certain parts of the world to-day.

Now, the point that is in my mind strongly is this: Supposing we in this moment of what we call an emergency are swept from our substantial moorings, from the calm consideration of the interests of the Nation at large, and merely that we may serve a temporary emergency permit the ships of foreign countries to be purchased by apparently Americans, the flag of

America reared at the masthead carrying with it all the protection and benefits it assures, and yet owned by citizens of foreign countries. Suddenly, sir, we find ourselves in this unfortunate condition, which my imagination, let us say, may have drawn as a mere indulgence of doleful fear—the necessity of national defense on our seas against a combined European enemy. Then, sir, under the privileges of this act instead of being able to promptly impress these vessels into service of our Navy there as auxiliaries, as demanded by the Senator from Nevada [Mr. NEWLANDS], and most strongly fortified by observations from the Senator from Oregon [Mr. LANE], we would find ourselves in that peculiar position which Spain found herself when in conflict with England, when she used vessels owned in France, when upon a time known to the memory of the historians in this body the ships turned their power against the country of the flag and fought for the land of their owners. The ships owned by foreigners, Mr. President, would serve no object of our success; such under foreign ownership would execute the ancient expression of "blood being thicker than water." We would not be enabled to impress these ships for immediate uses of our Navy or to be sure of their loyalty or to be guaranteed of their fealty. To the contrary, probably these foreign-owned ships would have the American flag hauled down and the flag of the country of the owners would be hauled up and they at once be converted into a fleet of enemy's ships. This could transpire by nothing but a command of the officers and crew, providing there was anyone in charge of that ship who held allegiance to its owners. Thus it must be perfectly plain that unless there was such ownership in these ships we are providing for of so large a percentage that the American spirit at this particular time would have the guaranty which it should have at such a critical hour, it might be a fatal blunder. We should be assured of the fealty and patriotism not only of the owner of the ship but its command and its crew. Eminent writers on international law discussing these exigencies as to other lands have made clear the view that there are differences in events of peace and those in time of war. Mr. Wheaton in his work on international law has occasion to say:

> A distinction is made between the ship, which is held bound by the character imposed upon it by the authority of the Government from which all the documents issue, and the goods, whose character has no such dependence upon the authority of the State. In time of war a more strict principle may be necessary.

Therefore, I respectfully urge that because of the things which the mind has a right to anticipate; because of things which conditions suggest to the thoughtful soul at this serious hour, because of those unexpected but ever-arising exigencies which can occur in a theater of operation such as there is all about us, it would be for reasons other than the mere service of merchandise, it would be for reasons other than the mere matter of commerce, seriously dangerous, in my opinion, that there should be ships bought from any foreign owners or foreign countries and left in such a position of foreign ownership that their fealty, fidelity, or service to us in the hour of unexpected but possible emergency could be surely relied upon and assured.

Mr. President, since we do realize that it was in just such events as are now existing that similar conditions of distress did arise to other countries as that which I dare fear may arise as to my own—it is a time when prudence suggests caution and patriotism should summon us on guard. I support the amendment requiring two-thirds of the ownership of these to be purchased ships to be held by bona fide Americans.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Delaware [Mr. SAULSBURY].

Mr. WEST. We have been discussing so many amendments that I should like to have the pending amendment read.

The PRESIDING OFFICER. The Secretary will read the amendment.

The SECRETARY. On page 3, line 7, after the word "thereof," insert "at least two-thirds of whose stock is likewise owned by citizens of the United States."

The PRESIDING OFFICER. The question is on agreeing to the amendment. [Putting the question.] The noes appear to have it.

Mr. SAULSBURY. I ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays are demanded. Is there a second? [After a pause.] The Chair is of opinion that there is not a sufficient second. The request for the yeas and nays will be submitted again.

Mr. SAULSBURY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum having been suggested, the Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Hollis	O'Gorman	Smoot
Borah	Hughes	Overman	Sterling
Brady	James	Page	Stone
Brandegee	Johnson	Perkins	Swanson
Bristow	Jones	Pittman	Thomas
Bryan	Kern	Poindexter	Thompson
Chamberlain	Lane	Pomerene	Thornton
Clapp	Lee, Md.	Ransdell	Tillman
Colt	Lewis	Saulsbury	Vardaman
Culberson	McCumber	Shafroth	Walsh
Cummins	Martine, N. J.	Sheppard	West
Fall	Myers	Shively	White
Gallinger	Nelson	Simmons	Williams
Gronna	Newlands	Smith, Ga.	

Mr. JAMES. I desire to announce that my colleague [Mr. CAMDEN] is unavoidably absent and is paired. This announcement will stand for the day.

The PRESIDING OFFICER. Fifty-five Senators having answered to their names, a quorum is present.

Mr. O'GORMAN. Before taking a vote on the final passage of the bill, I ask leave at this time to move an amendment affecting——

The PRESIDING OFFICER. The Chair desires to inform the Senator from New York that there is an amendment now pending, the amendment of the Senator from Delaware [Mr. SAULSBURY].

Mr. SAULSBURY. I renew my request for the yeas and nays.

Mr. O'GORMAN I understood that that was disposed of. The result of the vote was announced.

The PRESIDING OFFICER. The Chair does not want to have the Senator put it too strongly. A demand was made for a quorum pending the request for the yeas and nays.

Mr. O'GORMAN. But the Chair decided that there were not a sufficient number seconding the demand, and I assumed that that closed the parliamentary stage of the matter.

The PRESIDING OFFICER. The Chair decided once that in his judgment there were not a sufficient number seconding the demand, and the question was then put to the Senate again, and, with that pending, the absence of a quorum was suggested.

Mr. GALLINGER. The yeas and nays have been demanded.

The PRESIDING OFFICER. The yeas and nays are demanded. Is there a second?

The yeas and nays were ordered.

Mr. CUMMINS. Mr. President, inasmuch as I indicated a day or two ago my intention to support the amendment originally offered by the Senator from Delaware, I desire to say just a word with regard to the subject and to state my reason for the vote which I shall give against the amendment as it is now proposed.

When the Senator from Delaware offered the amendment, as I interpreted it and as I still interpret it, the condition which he seeks to impose upon the transfer of ships and their right to an American registry applied only to ships purchased hereafter. The amendment he now proposes applies the condition to all ships whether hereafter purchased or now owned by American citizens or American corporations. While I think the precaution which he suggests is not only a wise but an imperative one so far as future acquisitions are concerned, I think it a very unwise one so far as ships now owned by our citizens and our corporations are concerned.

Mr. SAULSBURY. Mr. President——

The PRESIDING OFFICER. Will the Senator from Iowa yield to the Senator from Delaware?

Mr. CUMMINS. I yield.

Mr. SAULSBURY. Mr. President, I will say to the Senator from Iowa that I suggested to the Senator from New York having charge of the bill that if such an amendment could be prepared and should be offered to take care of ships presently owned by American corporations, while I would prefer, of course, that the stock should be owned by American citizens, I would vote for it. Therefore, if the Senator from Iowa suggests such an amendment as that, applying this principle which we have been trying to apply to ships which will hereafter be purchased, I have no objection to it. It is a question of good faith with us as to the real American ownership.

Mr. CUMMINS. Mr. President, I hope that such an amendment will be offered. I think that to put this condition upon ships now owned by our own citizens, and which now have the right to American registry, would be not only to fail to meet the emergency which confronts us, but would be to restrict the privileges which our people now have. I am sure that no foreign nation could look upon the continuation of our policy in that regard as an offense; whereas I think liberalizing of

our shipping laws, to enable ships that do not now have the right of registry to take it, and thus to be protected by our neutral position, would be and ought to be looked upon by a foreign nation as an unfriendly act. I shall, therefore, vote against the amendment proposed by the Senator from Delaware [Mr. SAULSBURY]; but I hope that an amendment which confines this principle to future acquisitions will be offered.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Delaware, on which the yeas and nays have been ordered. The Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. CHAMBERLAIN (when his name was called). I have a general pair with the junior Senator from Pennsylvania [Mr. OLIVER], which I transfer to the junior Senator from Kentucky [Mr. CAMDEN], and vote "nay."

The PRESIDING OFFICER (when Mr. CLAPP's name was called). Owing to the absence of his pair the present occupant of the chair refrains from voting.

Mr. CLARKE of Arkansas (when his name was called). I have a pair with the junior Senator from Utah [Mr. SUTHERLAND]. I transfer that pair to the Senator from Arizona [Mr. SMITH], and vote "nay." I will allow this announcement to stand until another one shall supersede it.

Mr. CULBERSON (when his name was called). I have a general pair with the Senator from Delaware [Mr. DU PONT]. I transfer that pair to the Senator from Alabama [Mr. BANKHEAD] and vote "nay."

Mr. FALL (when his name was called). I have a general pair with the Senator from West Virginia [Mr. CHILTON]. He being absent I withhold my vote. Were I at liberty to vote I should vote "nay."

Mr. BRYAN (when Mr. FLETCHER's name was called). My colleague [Mr. FLETCHER] is unavoidably absent. He is paired with the Senator from Wyoming [Mr. WARREN]. This announcement may stand for the day.

Mr. HOLLIS (when his name was called). I am paired with the junior Senator from Maine [Mr. BURLEIGH]. I therefore withhold my vote.

Mr. JAMES (when his name was called). I have a general pair with the junior Senator from Massachusetts [Mr. WEEKS]. In his absence I withhold my vote.

Mr. MYERS (when his name was called). I have a general pair with the Senator from Connecticut [Mr. MCLEAN]. In his absence I withhold my vote.

Mr. REED (when his name was called). I have a pair with the Senator from Michigan [Mr. SMITH]. I do not know how he would vote if he were present and I do not feel at liberty to vote. Under the circumstances I prefer to withhold my vote. If permitted to vote, I should vote "yea."

Mr. SMITH of Maryland (when his name was called). I have a pair with the senior Senator from Vermont [Mr. DILLINGHAM]. In his absence I withhold my vote.

Mr. STONE (when his name was called). I have a general pair with the Senator from Wyoming [Mr. CLARK]. As that Senator is not present I withhold my vote.

Mr. THOMAS (when his name was called). I have a general pair with the senior Senator from New York [Mr. ROOT], which I transfer to the senior Senator from Nebraska [Mr. HITCHCOCK] and vote "nay."

Mr. TILLMAN (when his name was called). I transfer my pair with the Senator from West Virginia [Mr. GOFF] to my colleague [Mr. SMITH] and vote "nay."

Mr. WALSH (when his name was called). I have a general pair with the Senator from Rhode Island [Mr. LIPPITT]. In his absence I withhold my vote.

Mr. WILLIAMS (when his name was called). I have a pair with the senior Senator from Pennsylvania [Mr. PENROSE]. I have not been able to secure a transfer of that pair. If I were at liberty to vote, I should vote "nay."

The roll call was concluded.

Mr. SMITH of Georgia. I have a general pair with the senior Senator from Massachusetts [Mr. LODGE]. I transfer that pair to the senior Senator from Virginia [Mr. MARTIN] and vote. I vote "nay."

Mr. JAMES. I transfer my pair with the junior Senator from Massachusetts [Mr. WEEKS] to the Senator from Tennessee [Mr. SHIELDS] and vote "nay."

Mr. FALL. I am informed that the Senator from West Virginia [Mr. CHILTON], with whom I am paired, if present would vote as I shall. I therefore vote. I vote "nay."

Mr. GALLINGER. I am requested to announce that the Senator from New Mexico [Mr. CATRON] is paired with the Senator from Oklahoma [Mr. OWEN]; the Senator from South Dakota [Mr. CRAWFORD] is paired with the Senator from Tennessee [Mr. LEA]; the Senator from Wisconsin [Mr. STEPHENSON] is paired with the Senator from Oklahoma [Mr. GORE]; and the Senator from Michigan [Mr. TOWNSEND] is paired with the Senator from Arkansas [Mr. ROBINSON].

The result was announced—yeas 11, nays 39, as follows:

YEAS—11.

Ashurst	Lewis	Pittman	Smoot
Brady	Martine, N. J.	Pomerene	White
Gallinger	Newlands	Saulsbury	

NAYS—39.

Brandegee	Gronna	O'Gorman	Smith, Ga.
Bristow	Hughes	Overman	Sterling
Bryan	James	Page	Swanson
Chamberlain	Johnson	Perkins	Thomas
Clapp	Jones	Poindexter	Thompson
Clarke, Ark.	Kern	Ransdell	Thornton
Colt	Lane	Shafroth	Tillman
Culberson	Lee, Md.	Sheppard	Vardaman
Cummins	McCumber	Shively	West
Fall	Nelson	Simmons	

NOT VOTING—46.

Bankhead	Goff	Norris	Smith, S. C.
Borah	Gore	Oliver	Stephenson
Burleigh	Hitchcock	Owen	Stone
Burton	Hollis	Penrose	Sutherland
Camden	Kenyon	Reed	Townsend
Catron	La Follette	Robinson	Walsh
Chilton	Lea, Tenn.	Root	Warren
Clark, Wyo.	Lippitt	Sherman	Weeks
Crawford	Lodge	Shields	Williams
Dillingham	McLean	Smith, Ariz.	Works
du Pont	Martin, Va.	Smith, Md.	
Fletcher	Myers	Smith, Mich.	

So Mr. SAULSBURY's amendment was rejected.

Mr. O'GORMAN. Mr. President, in the Panama Canal act, passed in 1912, there was inserted a provision making all material of foreign production necessary for the construction and repair of vessels free of duty. In 1913, in the tariff act, there was included a substantially similar provision, the wording, however, being slightly different, which as supposed to supersede the provision, in that respect, of the act of 1912. The department advises me that they are acting under the exemption clause of the tariff act of 1913, and the repetition of the exemption paragraph in the act of 1912, as it is contained in the amendment which we adopted at the suggestion of the Senator from Connecticut [Mr. BRANDEGEE], is not only unnecessary but might be embarrassing. I ask, therefore, to strike out, on page 3 of the bill, beginning with the word "That," in line 18, down to and including the word "prescribe," in line 25.

The VICE PRESIDENT. The amendment proposed by the Senator from New York will be stated.

The SECRETARY. On page 3, beginning with the word "That," in line 18, it is proposed to strike out all down to and including the word "prescribe," in line 25, as follows:

That all materials of foreign production which may be necessary for the construction or repair of vessels built in the United States and all such materials necessary for the building or repair of their machinery and all articles necessary for their outfit and equipment may be imported into the United States free of duty under such regulations as the Secretary of the Treasury may prescribe.

The VICE PRESIDENT. The question is on agreeing to the amendment.

Mr. BRANDEGEE. Mr. President, I want to ask the Senator from New York if it is certain that the provision of the tariff law which he has cited did operate as an amendment to section 4132?

Mr. O'GORMAN. It would have the effect, being the last of the two enactments, of repealing so much of the 1912 provision as might be inconsistent with the latter.

Mr. BRANDEGEE. And it has been so ruled and held by the officers of the department?

Mr. O'GORMAN. Oh, yes.

Mr. NELSON. But, Mr. President, would not the reenactment of the provision in this bill, the passage of this bill being subsequent to the tariff act, govern?

Mr. O'GORMAN. It would; and that suggests the embarrassment. The department advises me that in the operation of the tariff law passed a year go they are following the language that was embraced in that statute. I will read it to show how similar it is to the paragraph we now propose to strike out. The provision in the tariff law is as follows:

J. Subsection 5. That all materials of foreign production which may be necessary for the construction of naval vessels or other vessels of the United States, vessels built in the United States for foreign account and ownership, or for the purpose of being employed in the foreign or domestic trade, and all such materials necessary for the building of their machinery, and all articles necessary for their outfit and equipment, may be imported in bond—

In that respect the language differs—

under such regulations as the Secretary of the Treasury may prescribe; and upon proof that such materials have been used for such purposes no duties shall be paid thereon.

That suggests the principal difference. In 1912, in the Panama Canal act, we provided that such materials might be

admitted free of duty. The language of the tariff law provides, in substance, that there shall be a remission of duty upon proof that the materials were actually employed in the construction or repair of ships.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from New York.

The amendment was agreed to.

Mr. BRANDEGEE. Mr. President, in relation to this same matter, I wish to ask the Senator from New York if he will put into the RECORD the letter from the department on the subject?

Mr. O'GORMAN. Yes; if there is no objection, that may be done.

Mr. BRANDEGEE. I think the letter would explain the matter better.

Mr. O'GORMAN. I send the letter to the desk and ask that it may be printed in the RECORD.

The PRESIDING OFFICER. In the absence of objection, it will be so ordered.

The letter referred to is as follows:

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, August 10, 1914.

Hon. JAMES A. O'GORMAN,
Chairman Committee on Interoceanic Canals,
United States Senate.

SIR: I have the honor to refer to the following provision contained in the bill H. R. 18202, as reported from your committee on the 6th instant:

"That all materials of foreign production which may be necessary for the construction or repair of vessels built in the United States, and all such materials necessary for the building or repair of their machinery, and all articles necessary for their outfit and equipment may be imported into the United States free of duty under such regulations as the Secretary of the Treasury may prescribe."

The department has held, in Treasury decision 34150, of February 5, 1914, that the same provision, as contained in section 5 of the Panama Canal act of August 24, 1912, was superseded by the provisions of subsections 5 and 6, paragraph J, section 4, tariff act of October 3, 1913, which read as follows:

"SUBSEC. 5. That all materials of foreign production which may be necessary for the construction of naval vessels or other vessels of the United States, vessels built in the United States for foreign account and ownership, or for the purpose of being employed in the foreign or domestic trade, and all such materials necessary for the building of their machinery, and all articles necessary for their outfit and equipment may be imported in bond under such regulations as the Secretary of the Treasury may prescribe, and upon proof that such materials have been used for such purposes no duties shall be paid thereon.

"SUBSEC. 6. That all articles of foreign production needed for the repair of naval vessels of, or other vessels owner or used by, the United States, and vessels now or hereafter registered under the laws of the United States, may be withdrawn from bonded warehouses free of duty under such regulations as the Secretary of the Treasury may prescribe."

Inasmuch as the repeal of those provisions of the present tariff act by the reenactment of the corresponding provisions of the Panama Canal act was probably not intended, and would create an embarrassing situation with respect to pending importations and to the regulations promulgated by this department under the tariff act, the matter is brought to your attention for such action as you may deem proper.

Respectfully,

BYRON R. NEWTON,
Acting Secretary.

Mr. GALLINGER. Mr. President, I desire to offer an amendment striking from the bill as it now stands the so-called Jones amendment, which I ask that the Secretary may state.

The PRESIDING OFFICER. The Secretary will read as requested.

The SECRETARY. It is proposed to strike out section 3 as adopted in Committee of the Whole, which reads as follows:

SEC. 3. The President is hereby authorized, whenever in his judgment the needs of domestic trade require, to suspend by order, for such length of time as he may deem desirable, the provisions of law confining the trade from points on the Atlantic coast to points on the Pacific coast and from points on the Pacific coast to points on the Atlantic coast to American-built ships and permit foreign-built ships having an American register to engage in the trade between said points.

Mr. GALLINGER. Mr. President, I desire to be heard briefly. First, I have been requested by the clerk of the senior Senator from Massachusetts [Mr. LODGE] to present two telegrams which were sent to him, which I ask the Secretary to read.

The VICE PRESIDENT. In the absence of objection, the Secretary will read as requested.

The Secretary read as follows:

GLOUCESTER, MASS., *August 10, 1914.*

Senator H. C. LODGE, *Washington, D. C.:*

Please use your best efforts to prevent the passage of the Saulsbury amendment and try to effect the reconsideration of the Jones amendment, as these measures will positively mean the killing of American shipbuilding.

E. L. ROWE & SON (INC.).

BOSTON, MASS., *August 11, 1914.*

Hon. HENRY CABOT LODGE, *Washington, D. C.:*

The Boston Insurance Co. and Old Colony Insurance Co. have to-day voted the following resolution: "We are opposed to the amendment which enables foreign-built ships to engage in the coastwise trade between one port in the United States and another port in the United States."

BOSTON INSURANCE CO.
OLD COLONY INSURANCE CO.

Mr. GALLINGER. Mr. President, during 4 years' service in the House of Representatives and 23 years' service in this body, I can not recall a single instance when I have not voted for every measure that has been presented here for the benefit of the great West, including the Pacific coast, as well as the Middle States. I should be glad on this occasion if I could bring my mind to the conclusion that the amendment which the able and courteous Senator from Washington [Mr. JONES] has presented to this body and which was agreed to as in Committee of the Whole was wise legislation; but, feeling that it is unwise legislation, I am going to express the hope that the Senate on sober reflection and after deliberation, looking at the matter in a broad national light, will see that this provision ought to be stricken from the bill.

I should like to draw the attention, Mr. President, of Senators from the cotton-growing States and Senators from the wheat-growing States to the circumstances that the amendment of the Senator from Washington, if it remains in the bill, will largely nullify the purpose of the emergency shipping bill which is to make immediately available for carrying our export commerce foreign-built ships of American register.

Foreign-built ships, if admitted to American register under the general terms of this bill, would naturally seek the coastwise trade, and no other, taking advantage of the security from war hazards, and the cotton-growing States of the South and the wheat-growing States of the West would be left entirely without ships of American registry to convey their products to foreign markets. If the Senators from the South and West wish to defeat absolutely the purpose of the emergency shipping bill they will support the amendment offered by the Senator from Washington.

In the past 10 or 20 years, by special acts and notably by the acquisition of Hawaii, scores of foreign-built vessels have been given American registry. Of all these vessels, so far as is now known, only one, the steamer *China*, is regularly engaged in the export and import trade of the United States. All the others that are still floating are engaged in our coastwise commerce.

This is an example and a warning of what will inevitably happen if foreign-built vessels, admitted to American registry under the terms of this bill, are allowed to engage in coastwise commerce.

Mr. JONES. Mr. President, may I ask the Senator a question?

The VICE PRESIDENT. Does the Senator from New Hampshire yield to the Senator from Washington?

Mr. GALLINGER. Certainly.

Mr. JONES. Is the Senator stating of his own knowledge or is it a statement of some one else that scores of vessels which have been admitted to American registry are now engaged in the coastwise trade?

Mr. GALLINGER. Mr. President, I state it on what I, of course, believe to be accurate knowledge. I am not romancing in the least.

Mr. JONES. Well, Mr. President, I hope the Senator will not think that I was suggesting that he was romancing, but I have been in Congress since the coastwise laws were extended to Hawaii and am familiar with some of the special bills which have been passed, and I am satisfied that there have not been scores.

Mr. GALLINGER. Mr. President, the Senator can examine the record. He may be nearer right than I am, but there certainly have been a large number, and the steamer *China* is the only one of all the vessels which have been admitted to American registry that is engaged in the foreign commerce of the United States to-day.

They will enter that commerce because, not having to carry American officers and comply with American inspection requirements, they will have an important advantage over our real American vessels. They will also be immune from the dangers of over-seas commerce in time of war, and also from the excessive rates of insurance that will doubtless be exacted. It seems to me that the purpose of this bill, which is to provide American ships in an emergency for our export commerce, would be practically nullified by the amendment of the Senator from Washington.

There would then be no more American ships than there are now for the use of the farmers of the South or of the Mississippi Valley. When the Senators from the South and the Middle West recognize the danger of this amendment opening the coastwise trade to foreign-built ships they should vote against such an unsound and dangerous proposal.

Mr. STONE. Mr. President, before the Senator sits down——

Mr. GALLINGER. I am not quite through.

Mr. STONE. I desire to ask the Senator a question when he has completed his remarks.

Mr. GALLINGER. Mr. President, it is contended that there are practically no ships to convey the lumber of the Pacific coast to the Atlantic coast. The Senator from Washington said that he knew of but two ships on that coast that can perform service of that kind.

Mr. JONES. Mr. President, the Senator from Washington simply read a telegram in which that statement was made. The Senator from Washington does not know whether or not that is exactly correct, but he does know that the gentleman who made the statement is a very reliable man.

Mr. GALLINGER. Mr. President, in contradiction to that, a very reliable man from the Pacific coast has informed me that the gentleman who sent that telegram was not well informed. However, Mr. President, before taking that up, I want to say that it seems to me that the question of amending or striking down the coastwise laws of the United States is a subject that ought to be considered by itself and not considered on an emergency bill such as we now have before us.

I called attention the other day to the fact that when the repeal of the tolls-exemption clause of the Panama Canal act was before the Senate an amendment was offered along that line and was voted down by a vote of 67 to 12. I perfectly understand, Mr. President, that what the senior Senator from Missouri [Mr. STONE] said is absolutely correct. He said he voted against that amendment because of the fact that he did not want to complicate it with another question which was then before this body. If that is a sound proposition, and I think it is, I suggest that we ought not to complicate this other question, which is a serious and a great question, with an amendment such as we are now considering.

Mr. STONE. Mr. President, I desire to ask the Senator from New Hampshire if he understands the so-called Jones amendment to permit without limitation the entrance of ships purchased under this bill into the coastwise trade?

Mr. GALLINGER. Absolutely.

Mr. STONE. I was under the impression that it granted permission to such ships to engage in the intercoastal trade, as differentiated from the coastwise trade; in other words——

Mr. GALLINGER. It is true that it permits them to engage in the trade between Pacific and Atlantic ports, but not between such ports as New York and Boston. Between all the ports on the Pacific coast and all the ports on the Atlantic coast, however, it does permit them to engage in the trade, so that it would take in all the territory from the South Atlantic to Eastport, Me., and Puget Sound, California, Hawaii, and Alaska, all of which come within the coastwise laws.

Mr. STONE. Mr. President, if this bill is to have that effect, I am bound to say that it seems to me there is a good deal of force in what the Senator from New Hampshire is saying. I am not an advocate of the present system under which our coastwise trade is carried on, but the purpose I have in mind in supporting the pending measure is not to add to our merchant fleet that is engaged in coastwise business, but to add to the deep-sea or over-sea merchant marine.

I do not want, Mr. President, to enact here in a moment a law that may admit any number of vessels into the coastwise trade on a practical equality with those now engaged in that business, for if we do that, then it seems to me that the Senator from New Hampshire is stating very accurately what will occur, that these vessels will come under the American flag, temporarily at least, and enter into the coastwise business because of its profit and because of insurance and other considerations of that kind, and we will not be able to get the benefit of these vessels in carrying our cotton and foodstuffs abroad to foreign markets. That is the one thing that I have in mind at this time.

Mr. GALLINGER. That is the one thing which we were given to understand the Senate had in mind when we commenced the consideration of this bill.

Now, I will repeat the statement that of all the vessels which we have admitted to American registry by special act and all the vessels which came under American registry at the time we admitted Hawaii, only one of them entered the foreign trade. They found it more profitable to engage in the coastwise trade, and why shall not the vessels which it is hoped to acquire under the terms of this bill find that the magnificent trade between the Pacific and the Atlantic is more alluring to them and more profitable to them than the trade with foreign countries? It seems to me it is inevitable.

Mr. WEST. Mr. President——

Mr. GALLINGER. I yield to the Senator from Georgia.

Mr. WEST. Might not the very purpose of this legislation be defeated by this amendment?

Mr. GALLINGER. That is what I have tried to express. That is what I believe—that it will have a very strong tendency to defeat absolutely the purpose of the legislation that the administration and the committee that reported this bill have in view.

Mr. CLAPP. Mr. President——

The VICE PRESIDENT. Does the Senator from New Hampshire yield to the Senator from Minnesota?

Mr. GALLINGER. I yield to the Senator.

Mr. CLAPP. If the Senator will pardon an interruption, we have heard a great deal here about increasing our merchant marine. There is nothing in the pending bill that will add permanently to our merchant marine. It may temporarily, during the war abroad, add to the number of ships that will be registered and bear our flag; but in the long run, as a Nation, we shall gain nothing in the sense of our merchant marine under the pending bill.

I should like to ask the Senator from New Hampshire a question. I am advised that there is an abundance of ships already for our coastwise trade and our intercoastal trade. If that is true, then, of course, the President would hardly be warranted in exercising the authority which the so-called Jones amendment confers upon him; and I wanted to get the Senator's view as to whether he thought there would be any likelihood of a President—because we deal with *a* President and not *the* President, of course—abating the limitation as to the coastwise trade and allowing these other ships to come in so long as there were abundant ships for the coastwise trade and intercoastal trade? If not, then I see no serious harm in giving the President the authority in case there did come such an occasion to exercise it.

I am somewhat in doubt as to my view upon this particular phase of the bill, and I should like to get the Senator's view upon it.

Mr. GALLINGER. I am not enamored with the idea that we ought to pass over all the details of legislation and administration to the President of the United States. I think we would better closely guard what I conceive to be our responsibilities and our duties. I do not know but that there may be trouble in transporting the products of our farms and our factories in the northern part of this country to foreign markets during the pendency of this war; but I would hesitate to say that the President might investigate that matter and, if he thought we had not ships enough, he might put some foreign ships into our service. I feel very sure myself that, so far as this particular thing is concerned, we have so many ships that it will be a question not of a lack of ships but of a surplusage of ships to convey the lumber from Puget Sound to the North Atlantic ports.

There is not yet very much trade in Puget Sound lumber going to the North Atlantic ports. Of course, they expect to increase it, and we all hope they will. There is a great deal more reason why you men of the South, when you have a very large market in New England for your lumber, should ask that foreign ships should be put on the routes from Galveston and from New Orleans and from other southern ports to New York and Boston. There is very much greater reason for it, and I want you men of the South to consider the question whether you want to be handicapped by special legislation such as is provided in this amendment.

Mr. President, it was said on the authority of a man who telegraphed the learned Senator from Washington [Mr. JONES] that there are only two ships available to transport lumber from the Pacific coast to the Atlantic coast. A committee of gentlemen from Boston are now in the city. They are headed by the mayor of Boston, a gentleman who left the other House of Congress a short time ago to become mayor of that great city. Capt. John Crowley, who has been engaged in the shipbuilding industry for a great many years and who is the owner of ships that he wants to put into this trade, Mr. Harris Livermore, Mr. John J. Martin, Mr. J. W. Powell, and ex-Congressman Kelliher constitute the committee. Some of those men are large shipowners or have interests in American ships to a very large extent. They have submitted this list of ships that are available, and they say many of them are admirably adapted for the carriage of lumber. Some of them were built with that end in view.

The Luckenback Co. has 6 freight ships of 6,000 tons.

The American-Hawaiian Co. has 16 freight ships of 6,000 tons.

The Ward Line has 4 passenger and freight ships of 5,000 tons.

The American Line has 4 passenger and freight ships of 4,000 tons.

The Southern Pacific Co. has 13 freight ships of 4,000 tons and 4 passenger and freight ships of 4,000 tons.

The Red Star Line has 2 passenger and freight ships of 12,000 tons.

The Pacific Mail Steamship Co. has 4 passenger and freight ships of 7,000 tons.

The Spreckels Line has 3 passenger and freight ships of 5,000 tons.

The Pacific Coast Steamship Co. has 4 passenger and freight ships of 4,000 tons.

The Savannah Line has 10 passenger and freight ships of 3,500 tons.

The Porto Rico Line has 6 passenger and freight ships of 3,500 tons.

The Mallory and Clyde Lines have 10 passenger and freight ships of 3,500 tons.

The Panama Railroad Co. has 4 ships, 2 of them of 11,000 tons, carrying passengers and freight, and 2 of 4,000 tons, carrying passengers and freight.

The A. H. Bull Steamship Co. has 6 freight ships of 4,000 tons.

The Alaska Steamship Co. has 2 passenger and freight ships of 3,000 tons.

W. R. Grace has 1 passenger and freight ship of 7,000 tons and 3 freight ships of 9,000 tons.

The New England Gas & Coke Co. has 4 freight ships.

The Coastwise Steamship Co. has 4 freight ships of 7,000 tons.

The John S. Emery Co. has 2 freight ships of 7,000 tons.

The Boston & Virginia Transportation Co. has 4 freight ships of 4,000 tons.

Crowell & Thurlow have 2 freight ships of 7,000 tons.

The Union Sulphur Co. has 2 freight ships of 4,000 tons.

The Standard Oil Co. has 15 freight barges of 5,000 tons and 15 freight barges of 4,000 tons.

The Texas Oil Co. has 5 tank ships of 6,000 tons.

The Gulf Refining Co. has 4 tank ships of 6,000 tons.

The American Molasses Co. has 3 freight ships of 4,000 tons.

Making a total of 162 ships.

Mr. BORAH. Mr. President——

The VICE PRESIDENT. Does the Senator from New Hampshire yield to the Senator from Idaho?

Mr. GALLINGER. I do.

Mr. BORAH. I understand the information which the Senator is now giving to the Senate is furnished by the gentlemen whose names he mentioned a moment ago, from the city of Boston.

Mr. GALLINGER. Yes.

Mr. BORAH. I wish to ask, if the amendment of the Senator from Washington should prevail, what effect it would have upon the business in which they are engaged, and how they are interested in the matter?

Mr. GALLINGER. Mr. President, they are interested, I take it, just as some of the rest of us are interested; they are not in favor, unless a real emergency exists, of seeing the coastwise laws of the United States broken down and foreign vessels admitted to that service. I take it that is their prime consideration, and it is a sound, sensible, and proper consideration.

In addition to those ships, there are vessels of foreign registry owned by citizens of the United States at the present time available for foreign trade of a total tonnage of 1,062,000 tons, while the tonnage of the American coastwise vessels is 771,000 tons, making a total of 1,833,000 tons that is available in our coastwise shipping and in shipping owned by citizens of the United States.

Mr. BORAH. Mr. President, may I ask the Senator another question?

Mr. GALLINGER. I yield.

Mr. BORAH. The argument was made here during the debate on the Panama tolls bill that this coastwise trade was a pure monopoly. In so far as we should let in other ships, that would break into that monopoly, would it not?

Mr. GALLINGER. Why, certainly; and if you turned all the foreign ships into that trade, the monopoly would be destroyed and there would not be any American ships left.

Mr. BORAH. The Senator has been appealing to the Members on the other side of the Chamber to vote against the Jones amendment, and yet he is appealing to those men who made very earnest arguments that this was a monopoly and that by reason of the fact that it was a monopoly there was one reason for repealing the tolls bill.

Mr. GALLINGER. Yes.

Mr. BORAH. It would seem to me that if we have a monopoly in our commerce that is so gigantic and so powerful as to necessitate the repeal of the tolls bill, the sooner we encroach upon that monopoly the better.

Mr. GALLINGER. Mr. President, we all know the Senator's views on monopolies, and he and I do not agree. It is a monopoly so far as concerns protecting our coastwise shipping from the invasion of foreign ships; but when Senators talk about a shipping combine in the coastwise trade it is pure fiction. It does not exist.

Mr. CHAMBERLAIN. Mr. President, may I interrupt the Senator for just a moment?

Mr. GALLINGER. Yes.

Mr. CHAMBERLAIN. Is it not true that a number of the ships mentioned by the Senator—for instance, a number that are owned by the Southern Pacific Railroad Co.—could not go through the Panama Canal at all, and even if the Jones amendment should be adopted they would not be permitted to go through it?

Mr. GALLINGER. There are a very small number, if any. I think there may be a few ships.

Mr. NEWLANDS. Mr. President——

The VICE PRESIDENT. Does the Senator from New Hampshire yield to the Senator from Nevada?

Mr. GALLINGER. I yield to the Senator.

Mr. NEWLANDS. I wish to ask the Senator from New Hampshire to state the total tonnage of the 162 ships which he says are available.

Mr. GALLINGER. The total tonnage is 771,000 tons.

Mr. CHAMBERLAIN. Let me ask another question, if the Senator will permit me.

Mr. GALLINGER. Certainly.

Mr. CHAMBERLAIN. Is it not true that quite a number of the lines the Senator has mentioned simply operate between local points on the Atlantic coast, and do not go south of a certain point?

Mr. GALLINGER. There is no reason why they should not. If the business justifies it, they will go there.

Mr. CHAMBERLAIN. I am asking if that is not the fact. The Senator is speaking of them as lines of ships that will do this intercoastal business. Take the Alaska ships, to which the Senator has referred, that were shown here at one time to belong to interests that have been stifling Alaska: They only operate between Alaskan ports and a few ports down about Puget Sound and probably the Columbia River; that is all.

Mr. GALLINGER. That is very true. There are only two or three of those ships, though.

Mr. POINDEXTER. Mr. President——

The VICE PRESIDENT. Does the Senator from New Hampshire yield to the Senator from Washington?

Mr. GALLINGER. I yield to the Senator, of course.

Mr. POINDEXTER. I wanted to ask the Senator, for information, with reference to the large number of ships of which he has given a list, a question somewhat along the line of that which the Senator from Oregon has just asked. He has already suggested that probably nearly all of those ships are already engaged in regular runs from one port to another on the Atlantic Coast, and presumably they have all the business there that they can attend to. This list has been furnished the Senator from New Hampshire probably by these ship companies, who know more about their own business than anybody else does. I should like to ask the Senator if he has any information from that source or any other source that the owners will take any of these ships off the runs in which they are engaged and put them on the trade between the Atlantic and the Pacific coasts?

Mr. GALLINGER. Mr. President, I have just that kind of information.

Mr. POINDEXTER. I am very much interested in that, and if the Senator has any authoritative showing that we will be furnished with transportation from these ships, I should like to have it. In that connection I should like to know from the Senator where the ships are coming from that will take the places on the local runs of these ships that he says are going to be put into the Pacific trade.

Mr. GALLINGER. Some of these ships are coming from the docks of Boston, where they are tied up rotting at their anchors without having trade at the present time. Quite a number of the ships are coming from that particular place.

Mr. POINDEXTER. It is very dangerous to send rotting ships into the Pacific Northwest. It is very rough there at times, and it is a very dangerous coast. We have had a good many rotting and rotten ships out there that have come to grief.

Mr. GALLINGER. The Senator magnifies my observation. I did not mean they were rotting ships.

Mr. CHAMBERLAIN. Mr. President, may I ask the Senator just one more question? Then I will not disturb him further.

Mr. GALLINGER. Certainly.

Mr. CHAMBERLAIN. With all of the numerous steamship lines that the Senator referred to, will the Senator explain to the Senate why it is that when the United States itself has wanted to transport coal from Norfolk to its coaling station at Hawaii and its coaling station at Mare Island, on the Pacific coast, in nine cases out of ten it has had to employ British ships to carry coal over there instead of these American lines?

Mr. GALLINGER. I think in nine cases out of ten it did so because it got the service cheaper. That is my recollection. There is no doubt but that we can get foreign service cheaper, not only in shipping but in manufacturing and everything else, if we want to put ourselves in the hands of foreign Governments.

Mr. CHAMBERLAIN. And yet, as the Senator speaks of this coastal shipping as being a very profitable enterprise, we ought not to disturb these people, but ought to let them run just as they are running.

Mr. GALLINGER. I beg the Senator's pardon. I did not say it was profitable. I think in some instances it probably is and in other instances it is not. There are a great many idle ships at the present time in the coastal service that can be secured for this or any other service.

The junior Senator from Washington [Mr. POINDEXTER] asks me if I know anybody who will furnish ships. If the Senator will consult Capt. Crowley, he will find that he has ships that he will put into this service and guarantee that they will not be disturbed in going from Puget Sound to Boston. I have information which does not come wholly from shipowners, but from the business men of Boston and from the mayor of Boston, who has not any interest in shipping, to the effect that they believe there is an abundance of ships.

As I said the other day, Mr. President, if we had turned our attention in the first place to American ships and had undertaken to ascertain how many American ships are available for transporting abroad the cotton and the wheat and the corn from the farms of this country before we jumped to the conclusion that we had to have foreign ships, we would have been surprised at the number of American ships that would have been available for that service. It was thought otherwise, however; and I am supporting the original bill, with some fears that it may not work out as the Senator from New York thinks it will. Nevertheless, recognizing the emergency, and recognizing the fact that a man who opposes it is likely to be called unpatriotic, I give it my support; but I think it is utterly unwise to complicate that measure with a measure such as I am now considering. It is not, to my mind, good legislation.

As a man who has done the best he could to reestablish the American merchant marine, perhaps along unwise lines—I am not going to argue that now—I am quite willing that this entire matter shall be taken up and investigated calmly and carefully by a committee such as is provided for in the joint resolution introduced by the junior Senator from Massachusetts [Mr. WEEKS], in which, after reciting certain facts connected with our shipping, he says:

> That a nonpartisan joint committee, consisting of six Senators and six Representatives, be appointed by the presiding officers of the Senate and House of Representatives, who shall at once take this subject—

That is, the whole shipping subject—

> under consideration and report at the earliest day what additional action, if any, can be taken to carry out the purposes of this resolution.

Mr. President, that is a wise proposition. There are differences of opinion on this question. Let us take it up calmly and carefully and judicially, if I may use that word, and reach a wise conclusion. Let us not, simply because there is an emergency measure here that appeals to Senators for their support and their votes, add to it a proposition to invade the laws of the United States that have stood on the statute books for more than 100 years, protecting the coastwise shipping, and break down, as this amendment will break down, that great system of domestic shipping in this country.

Mr. CUMMINS. Mr. President——

The VICE PRESIDENT. Does the Senator from New Hampshire yield to the Senator from Iowa?

Mr. GALLINGER. I yield; yes.

Mr. CUMMINS. There is one phase of this matter which the Senator from New Hampshire has not considered and which appears to me to be very important, and I should like to know the views of the Senator upon it.

We have put most of the products of the Northwest upon the free list, and in those products the Northwest finds a very sharp competitor in British Columbia. We have taken away the little protection which the coastwise ships had in their exemption from tolls at Panama, and the coastwise ships must compete upon even terms with the foreign ships. Does it not seem to be very probable that a great deal of the business of Oregon and Washington and the other Northwestern States will be transferred to British Columbia unless we do something to enable reasonable competition to exist in the carrying trade from these Northwestern States to our eastern coast? How can those States preserve their business at all when a British ship can carry products similar to their own from British Columbia to New York for $3 or $3.50 per ton less than they can be carried for in American ships from American ports?

That is the phase of the matter that bothers me more than any other, and I should like very much to hear the views of the Senator from New Hampshire upon it.

Mr. GALLINGER. In the first place, the products of the farms of the Middle West were not put on the free list certainly with my concurrence; neither were the reduced duties on the manufactures of New England, which I think are disastrously low, put there with my concurrence. Now, I do not know whether what the Senator suggests will work in that way or not. I should think it a matter of grave doubt that the products of the forests of Puget Sound would be transferred to Victoria or some other port and sent by Canadian waterways to the market. I should think that very questionable.

Mr. POINDEXTER. Mr. President——

Mr. GALLINGER. I yield to the Senator from Washington.

Mr. POINDEXTER. Right on that exact point, I do not think the suggestion of the Senator from Iowa was that the products of Washington would be transshipped to British Columbia and then carried on British Columbia vessels to the Atlantic ports; but it was that similar products of British Columbia—lumber, for instance, British Columbia being a great lumber-producing and lumber-exporting country—would be shipped from British Columbia more cheaply in Canadian or British bonts than lumber from the States of Washington, Oregon, or California could be shipped in American boats.

Mr. GALLINGER. That is exactly what we protectionists have been preaching all along the line, and this is not an exceptional instance. I presume British Columbia can furnish its lumber a little cheaper than Washington or Oregon can.

Mr. POINDEXTER. That may be so, but I do not want to be put in the position of asserting that to be the fact now. That is not the proposition I am making—that they can produce lumber cheaper. We will suppose that we produce it for the same cost. The proposition is that they can ship it more cheaply; that the expense of shipment in British Columbia boats being less, and other expenses being equal, Panama tolls being the same on all—we tried to prevent that, but we were outvoted—and the tariff being the same as to both, both having free admission, the difference in the cost of shipment alone will throw the business to British Columbia and take it away from the American Pacific States.

Mr. GALLINGER. I will ask the Senator if he does not think the manufactured products of Canada and the agricultural products of Canada, if you please, can be sent to Europe cheaper by the Allan Line, which sails out of Quebec, than by any American steamship line carrying our products?

Mr. POINDEXTER. I have no doubt that that is true, and the purpose of this bill is to relieve that situation to some extent.

Mr. GALLINGER. Mr. President, I do not think we are going to equalize conditions between Canada and the United States, so far as either production or transportation is concerned, by the few lines in this bill.

In closing I simply want to say that some of the ships that are available in the list I have cited have been constructed with the end in view that they would be put on the Atlantic-Pacific route as soon as the canal was opened for business. There are such ships waiting to-day in New England, and they were built for that very purpose. There are also a great many other ships there, as I have suggested, ready to engage in the same trade.

Mr. SAULSBURY. Mr. President——

Mr. GALLINGER. I yield to the Senator from Delaware.

Mr. SAULSBURY. I understood the Senator to give a list of the ships flying the American flag that were available for present use through the canal, and also to make the statement that something upward of a million tons of shipping flying foreign flags was owned by Americans and could be brought in under this bill, or might be.

Mr. GALLINGER. Yes.

Mr. SAULSBURY. Can the Senator give us any information as to which those ships are?

Mr. GALLINGER. I think I can; perhaps not very definitely, but at least approximately. There is the Ward Line, Cuban, with 4 passenger and freight ships of 5,000 tons; the Standard Oil Co., English, with 20 freight ships of 10,000 tons; the Anglo-American Oil Co., German, with 20 freight ships of

10,000 tons; the United States Steel Corporation, with 20 freight ships of 6,000 tons; the United Fruit Co., English, with 30 passenger and freight ships of 4,000 tons; the International Mercantile Marine Co., with 40 passenger and freight ships of 10,000 tons, as well as the Morse Iron Works, which has one passenger and freight ship of 2,000 tons.

Mr. SAULSBURY. Can the Senator say whether or not the owners or representatives of the ships flying the American flag, of which the Senator first gave a list, are in accord on the policy respecting coastwise commerce and the exclusion of foreign-built from the Panama Canal trade?

Mr. GALLINGER. I do not know as to that. I only know they are owned by American citizens and flying a foreign flag. That is all I know.

Mr. WHITE. Mr. President, I have listened with pleasure and interest to the Senator from New Hampshire. I wish I could agree with him. I do agree with him in many things he said. I think this subject should be treated calmly and with deliberation; that we should not engage in hasty legislation which has not been thoroughly considered and digested. I think that it should be treated broadly; that the interest of every section of the Nation should be consulted; that its advantages should not be bestowed exclusively or even mainly on any particular section of the country.

Mr. BORAH. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Idaho?

Mr. WHITE. I do.

Mr. BORAH. Does the Senator look upon our coastwise shipping trade as a monopoly?

Mr. WHITE. I will say that to the Senator from Idaho. Of course it is a monopoly.

Mr. BORAH. Why should we hesitate, then, to begin to shear that monopoly of some of its powers? What reason can be assigned for leaving this monopoly to stand untouched and unattacked, having been so influential as to be assigned as one of the reasons for the repeal of the free-tolls provision?

Mr. WHITE. The main reason for that is that we are not by this legislation undertaking to control that monopoly nor to abolish it. That is not the question before the Senate.

Mr. GALLINGER. Mr. President——

Mr. BORAH. I beg the Senator's pardon. It is never too early to take hold of a monopoly. We can not proceed too quickly dealing with such things.

Mr. WHITE. I have always understood the Senator's position to be that we should undertake this adjustment very gently and that we must let it be done only by friendly hands. That has always been my understanding as to the Senator's position and the position of the party to which he belongs.

Mr. BORAH. I do not know of any hand more friendly to monopoly in this particular than the party to which the Senator belongs. I am perfectly willing to intrust it to the care of the Senator's party if it is a mere question of friendly hands.

Mr. WHITE. That may be true; but I am afraid the Senator's comprehension is somewhat narrow and that he does not clearly understand my position or that of my party.

Mr. GALLINGER. I think the Senator from Alabama will have to take the observation of the Senator from Idaho as a bit of humor when he says that the coastwise trade was powerful enough to repeal the exemption clause in the Panama Canal act. That is pure humor.

Mr. WHITE. I will say to the Senator from New Hampshire that I have not been here long enough to suppose that Senators treated anything in this Chamber otherwise than seriously; but from now on, of course with that admonition, I will consider remarks of the distinguished Senator from Idaho as at least carrying in them a strain of humor and to be dealt with accordingly.

Mr. BORAH. I hope the Senator from Alabama will not consider as humor everything the Senator from New Hampshire regards as humorous in connection with this matter.

Mr. GALLINGER. I am always serious.

Mr. WHITE. I think the Senator from New Hampshire is generally serious. In fact, I sometimes think he is too serious in his advocacy of measures that should not receive serious consideration, but I am sure that he is always moved by patriotic motives, and he is seeking to do the best he can with the lights before him.

Mr. President, the real object of this legislation is to supply means to relieve an immediate pressing necessity of transporting our products to other countries. The necessity having arisen on account of the wars in Europe. The existence of these wars making it dangerous for the ships of belligerents to engage in commerce on the seas. Our main reliance for transporting our products being the use of ships belonging to foreign nations. The legislation under consideration assumes that this danger to shipping will continue as long as hostilities last, and that by reason of this danger the owners of these foreign ships will sell them to our citizens at reduced prices, as they can not longer be profitably employed by them.

This legislation further assumes that on account of this disposition of the owners of these ships to sell them at reduced prices, that our citizens will be induced to purchase them, as they can obtain for them American registry and operate them under our flag, and thereby avoid dangers incident to their operation by present owners.

In order to accomplish the end in view, our legislation should be such as will encourage our citizens to make the investment. To do this, proper safeguards must be thrown around these ships and their cargoes. We will not only have to establish confidence in the owners of the ships themselves, but also in those furnishing the cargoes. For if those furnishing the cargoes have not confidence the ships will be idle. The legislation will not only have to insure the safety of the ships and their cargoes, but will have to induce confidence in the safety of both in their respective owners, as without the confidence the commerce will never move, however safe in fact it may be from seizure.

This legislation will be viewed with some suspicion by citizens of belligerent countries and by foreign prize courts. It will be regarded by them as having been enacted as a war measure; not ordinary, but extraordinary, legislation enacted to meet a war necessity.

The transfers of these ships themselves will be severely scrutinized, because they will be made in time of war and made to meet an immediate pressing emergency. To avoid the injurious effects that may be caused in these circumstances it devolves upon Congress to show by this legislation that it is not adopted as a ruse or as a mere temporary expedient, but that it is enacted in good faith to accomplish lawful purposes.

Mr. President, what assurance are we giving contemplated purchasers by this legislation that the capital invested by them will be protected, or what assurance are we giving those who are to furnish the cargoes that they will be protected? Nothing except that we will give the ships American registry and allow them to sail under our flag.

In the very face of this bill, sir, there is concealed the probability of foreign ownership of these vessels. It is possible under the provisions of this act for them to be foreign owned; that ownership is authorized by the provisions of the bill itself. The shares of stock in the American corporation may all be owned by foreigners. The provision that the president and managing directors of the corporation are to be Americans is not at all inconsistent with foreign ownership or foreign control.

We all know that the shareholders of corporations are the real owners of its property and they control its management and direction; we know that the president and directors are the mere creatures of the stockholders, that they only exist so long as the will of the shareholders may determine—that these officers have no will except the will of the shareholders. They may be removed and their services dispensed with whenever it serves the interest or convenience of the shareholders. Under this bill the shareholders may be either English, German, or French. When a ship thus owned is met on the high seas by a privateer of a belligerent nation, will it not probably be seized and carried with its cargo into a prize court of that belligerent? Will the effect of our registry and the flying of our flag protect the interests of the real owner, the shareholder, from it being condemned as a prize? The circumstance that the bill makes it possible for foreigners to be the real owners of these ships having our registry and carrying our flag will itself throw suspicion and distrust upon ships really owned by our citizens, and cause them to be taken and held by belligerents until it can be determined in whom the real ownership is vested.

Aside from the circumstances in which this legislation is enacted, and the foreign ownership it permits, the fact of transfer of ships from foreign to American registry will itself be severely scrutinized by foreign prize courts, because the transactions will be made under war emergencies.

I very much fear that many of the purchases made under this act will be treated as simulated and not real.

All of these circumstances which I mention, calculated to throw distrust and suspicion upon the ships purchased under this act and the cargoes carried by them, will be foreseen by contemplated purchasers and cause them to hesitate, if it will not prevent them from making the purchase.

If we do not succeed by this legislation in inducing the owners of capital to invest in these foreign-owned ships, then

the legislation will be fruitless. It will not accomplish the objects intended by it.

Mr. President, it is suggested that the grain and wheat and cotton growers of the country are little concerned as to the ownership of these vessels, that what they want is the means of transporting their products, and that we are here primarily to serve them. I confess, Mr. President, that this suggestion, to some extent at least, influences me; yet, I fear that this transportation itself will not be obtained unless we induce owners of capital to invest in the enterprise.

Mr. President, the immediate question under consideration is the effect that the adoption of the amendment offered by the Senator from Washington will have in removing the suspicions that may be cast on this legislation and the purchase of ships under it, owing to the fact that such ships may be owned by foreigners.

I think the effect will be good. It will be reassuring to capitalists who contemplate investing in such ships, as well as to those who will furnish cargoes to be carried in them. I think the effect will be beneficial in that it will proclaim to the world that this legislation is not intended as a mere device or scheme by which foreign ships are authorized to obtain American registry and carry the American flag. By the adoption of the amendment the world will be advised that the ships purchased under this act will enter into sharp competition with the monopoly which this country has heretofore granted to the owners of ships engaged in our coastwise trade.

By the adoption of the amendment we will show to the world that we are really endeavoring to establish and maintain a merchant marine, otherwise we would not let it compete with this monopoly of our own creation, which the Senator from Idaho and others say is strangling the commerce of the country.

While this is not the time nor the occasion in which to strike down that monopoly, there is no reason why this legislation, so beneficial to the entire country, should be thwarted because it may have the effect to throttle it for the time being.

I think, Mr. President, the fact that we have allowed ships to be purchased under this act to enter into competition with this monopoly, which we ourselves have created, will go far before a prize court in convincing it that the legislation is enacted in good faith, and that we do not intend thereby to contervene the law of nations on the subject involved.

Mr. President, another thought occurs to me. The distinguished Senator from New Hampshire says that the coastwise trade is so inviting that the ships chartered by us to ply between this country and the Hawaiian Islands have departed from the purposes for which they were intended and have entered into our coastwise shipping commerce. If that is true, and I am sure it is, it goes to show that this coastwise shipping trade is exceedingly profitable; that the profits derived by this monopoly from the trade are very inviting. This itself may induce the ships to be purchased under this act to enter into our domestic commerce, where they would be comparatively free from seizure as prizes, and in this way give our domestic shippers the benefit of their competition. Besides, their withdrawal from the over-seas shipping trade may induce some of the ships now engaged in domestic shipping to leave their present employment and enter into that trade, and supply our present and future wants in that direction.

For these reasons, Mr. President, I am going to vote against the views of the distinguished Senator from New Hampshire, although somewhat unwillingly, and in accordance with the views of the Senator from Idaho, who has some monopolistic tendencies, as has been suggested by the Senator from New Hampshire. I hope the amendment under consideration will be adopted.

Mr. MARTINE of New Jersey. The Senator from Washington [Mr. JONES] made a statement a little while ago that there were but two steamships in the trade on the Pacific coast. I have had handed to me within a short time by a gentleman in whom I have a great deal of faith——

Mr. JONES. Mr. President——

The VICE PRESIDENT. Does the Senator from New Jersey yield to the Senator from Washington?

Mr. MARTINE of New Jersey. I do.

Mr. JONES. I want to state to the Senator that he misunderstood that matter. I did not state that there were but two vessels engaged in the trade there. I did read a telegram the other day from a gentleman on the Pacific coast, I think, in which that statement occurred; but I did not state it myself as a fact, because I did not know.

Mr. MARTINE of New Jersey. Well, I have no controversy in the matter, but the Senator from New Hampshire [Mr. GALLINGER] has introduced the names of a number of vessels engaged in that traffic. I have here a list of steamships in actual service on the Pacific coast belonging to the Pacific Coast Co. which mentions the *Congress*, the *Governor*, the *President*. Those are all steel ships. Their tonnage is given and by whom they were built. They all appear to be American made. There is a general description of their boilers, engines, and the like. Then the further names occur of the *Queen*, the *Spokane*, the *Senator*, two of them being steel and one iron; the *City of Topeka*, of wood; the *Delhi*, of wood; the *Meteor*, of steel; the *Tampico*, of steel; the *Eureka*, of steel. Their tonnage, the size of their boilers, the storage capacity of the holds, and all that, is given. There are also the *Montara*, of iron, and the *Coos Bay*, of wood; another is the *City of Pueblo*, of wood; the *Umatilla*, of iron; the *City of Seattle*, of iron—there are some 12 or 15. I desire to submit this list in conjunction with the list furnished by the Senator from New Hampshire, showing that there are vessels there which may be used for the carrying trade, and that there is no dire necessity of our giving further privileges to vessels on the other side by granting them American register. I ask that this list be printed in the RECORD.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The list referred to is as follows:

Steamships now in actual service on the Pacific coast belonging to the Pacific Coast Co.

CONGRESS.

Material, steel; description, twin screw steamer; when built, 1913; length, 440½ feet; beam, 53; depth, 29; gross tonnage, 7,085; net tonnage, ——; freight capacity, 3,881 tons; first-class passengers, 410; second-class passengers, 106; steerage passengers, 300.

Boilers: Built by New York Steamboat Co.; description, 10 single expansion Scotch marine; size, diameter 15 feet, length 11 feet 10 inches.

Engines: Built by New York Steamboat Co.; kind, 2 triple expansion; size, 29½ inches, 47 inches, and 76½ inches, stroke, 54 inches; indicated horsepower, 7,000 at 84 revolutions per minute.

Speed: Maximum, 17 knots; average, 16 knots.

GOVERNOR.

Material, steel; description, twin screw steamer; when built, 1907; length, 415 feet; beam, 48; depth, 20; gross tonnage, 5,250; net tonnage, 2,401; freight capacity, 2,802 tons; first-class passengers, 315; second-class passengers, 38; steerage passengers, 163.

Boilers: Built by New York Steamboat Co.; description, 8 single expansion Scotch marine; size, diameter 15 feet, length 11 feet 7½ inches.

Engines: Built by New York Steamboat Co.; kind, 2 triple expansion; size, 25½ inches, 40½ inches, and 70 inches; stroke, 48 inches; indicated horsepower, 5,398, at 87 revolutions per minute.

Speed: Maximum, 16.4 knots; average, 14.8 knots.

PRESIDENT.

Material, steel; description, steamer; when built, 1907; length, 415 feet; beam, 48; depth, 20; gross tonnage, 5,218; net tonnage, 2,393; freight capacity, 2,813 tons; first-class passengers, 314; second-class passengers, 38; steerage passengers, 151.

Boilers: Built by New York Steamboat Co.; description, ——; size, ——.

Engines: Built by New York Steamboat Co.; kind, 1 triple expansion; size, 34 inches, 56 inches, and 90 inches; stroke, 60 inches; indicated horsepower, 5,000, at 80 revolutions per minute.

Speed: Maximum, 16 knots; average, 15.5 knots.

QUEEN.

Material, iron; description, steamer; when built, 1882; length, 331 feet; beam, 38½ feet; depth, 21 feet; gross tonnage, 2,727; net tonnage, 1,672; freight capacity, 1,378 tons; first-class passengers, 221; second-class passengers, ——; steerage passengers, 154.

Boilers: Built by Union Iron Works; description, 4 single-expansion Scotch marine; size, diameter 15 feet; length, 11 feet 7½ inches.

Engines: Built by Cramps; kind, 1 triple expansion; size, 27 inches, 43 inches, and 68 inches; stroke, 48 inches; indicated horsepower, 2,900 at 83 revolutions per minute.

Speed: Maximum, 14.8 knots; average, 13.8 knots.

SPOKANE.

Material, steel; description, steamer; when built, 1902; length, 270 feet; beam, 40 feet; depth, 19½ feet; gross tonnage, 2,036; net tonnage, 1,289; freight capacity, 762 tons; first-class passengers, 190; second-class passengers, ——; steerage passengers, 75.

Boilers: Built by Babcock & Wilcox; description, 4 Babcock & Wilcox water tube; size, length, 9 feet 1½ inches; width, 10 feet 9½ inches; height, 11 feet 4 inches.

Engines: Built by Union Iron Works; kind, 1 triple expansion; size, 23½ inches, 40 inches and 66 inches; stroke, 42 inches; indicated horsepower, 2,421 at 103 revolutions per minute.

Speed: Maximum, 13 knots; average, 11.6 knots.

SENATOR.

Material, steel; description, steamer; when built, 1898; length, 280 feet; beam, 38 feet; depth, 21 feet; gross tonnage, 2,409; net tonnage, 1,835; freight capacity, 1,231 tons; first-class passengers, 123; second-class passengers, 27; steerage passengers, 258.

Boilers: Built by Union Iron Works; description, 2 single-expansion Scotch marine; size, diameter, 14 feet; length, 11 feet 6 inches.

Engines: Built by Union Iron Works; kind, 1 triple expansion; size, 23 inches, 36 inches, and 60 inches; stroke, 36 inches; indicated horsepower, 1,040 at 116 revolutions per minute.

Speed: Maximum, 12 knots; average, 10.5 knots.

CITY OF TOPEKA.

Material, wood; description, steamer; when built, 1884; length, 198 feet; beam, 35 feet; depth, 18 feet; gross tonnage, 1,057; net tonnage, 746; freight capacity, 769 tons; first-class passengers, 105; second-class passengers, ——; steerage passengers, 72.

Boilers: Built by Moran Co.; description, 2 single-expansion Scotch marine; size, diameter 12 feet, length 11½ feet.

Engines: Built by J. Roach & Son; kind, one-half cylinder compound; size, 24 inches and 44 inches; stroke 45 inches; indicated horsepower, 1,000 to 76 revolutions per minutes.
Speed: Maximum, 12 knots; average, 11 knots.

DELHI.

Material, wood; description, steamer; When built, 1906; length, 227½ feet; beam, 39 feet; depth, 16½ feet; gross tonnage, 986; net tonnage, 582; freight capacity, 1,157 tons; first-class passengers, 27; second-class passengers, ——; steerage, 12.
Boilers: Built by Moran Co.; description, 2 single-expansion Scotch marine; size, diameter 12 feet, length 10 feet 7½ inches.
Engines: Built by Moran Co.; kind, 1 triple expansion; size, 17 inches, 27 inches, and 44 inches; stroke, 30 inches; indicated horsepower, 850 to 112 revolutions per minute.
Speed: maximum, 11.5 knots; average, 9 knots.

METEOR.

Material, steel; description, freight steamer; when built, 1901; length, 253½ feet; beam, 43 feet; depth, 24 feet; gross tonnage, 2,301; net tonnage, 1,565; freight capacity, 3,410 tons.
Boilers: Built by Craig Steam Boiler Co.; description, 2 single-expansion Scotch marine; size, diameter 12 feet 6 inches, length 12 feet.
Engines: Built by Craig Steam Boiler Co.; kind, 1 triple expansion; size, 19 inches, 32½ inches, and 55 inches; stroke, 40 inches; horsepower, 1,100.
Speed: Maximum, 11.2 knots; average, 8.1 knots.

TAMPICO.

Material, steel; description, freight steamer; when built, 1900; length, 247 feet; beam, 42 feet; depth, 24 feet; gross tonnage, 2,133; net tonnage, 1,451; freight capacity, 2,982 tons.
Boilers: Built by Craig Steam Boiler Co.; description, 2 single-expansion Scotch marine; size, diameter 12 feet 6 inches, length 11 feet 10½ inches.
Engines: Built by Detroit Steam Boiler Co.; kind, 1 triple expansion; size, 19 inches, 30 inches, and 50 inches; stroke, 40 inches; horsepower, (estimated 865, no indicator on board).
Speed: Maximum, 11 knots; average, 8.7 knots.

EUREKA.

Material, steel; description, freight steamer; when built, 1899; length, 237½ feet; beam, 42 feet; depth, 23½ feet; gross tonnage, 2,122; net tonnage, 1,399; freight capacity, 2,868 tons.
Boilers: Built by Cleveland Steam Boiler Co.; description, 2 single-expansion Scotch marine; size, diameter 11 feet, length 12 feet.
Engines: Built by Cleveland Steam Boiler Co.; kind, 1 triple expansion; size, 18½ inches, 31½ inches, and 51 inches; stroke, 36 inches; horsepower (estimated), 950 to 90 revolutions per minute; no indicator on board.
Speed: Maximum, 10.5 knots; average, 8.2 knots.

MONTARA.

Material, iron; description, freight steamer; when built, 1881; length, 315½ feet; beam, 39 feet; depth, 22 feet; gross tonnage, 2,562; net tonnage, 1,695; freight capacity, 2,305.
Boilers: Built by Union Iron Works; description, 2 single-expansion Scotch marine; size, diameter 13 feet, length 11 feet 6 inches.
Engines: Built by J. Roach & Son; kind, 1 triple expansion; size, 24½ inches, 36½ inches, 59 inches; stroke, 39 inches; indicated horsepower, 1,400 at 80 revolutions per minute.
Speed: Maximum, 10 knots; average, 8.7 knots.

COOS BAY.

Material, wood; description, freight steamer; when built, 1884; length, 180 feet; beam, 26 feet; depth, 18 feet; gross tonnage, 544; net tonnage, 403; freight capacity, 351.
Boilers: Built by Risdon Iron Works; description, 1 single-expansion Scotch marine; size, diameter 11 feet, length 10 feet 6 inches.
Engines: Built by Shears & Hayes; kind, 1-2 cylinder compound; size, 16 inches and 30 inches; stroke, 20 inches; indicated horsepower, 250.
Speed: Maximum, 9 knots; average, 8 knots.

CITY OF PUEBLO.

Material, iron; description, steamer; when built, 1881; length 319 feet; beam, 38½ feet; depth, 26 feet; gross tonnage, 2,623; net tonnage, 1,712; freight capacity, 1,539; first-class passengers, 145; second-class passengers, ——; steerage passenger, 190.
Boilers: Built by Union Iron Works; description, 4 single-expansion Scotch marine; size, diameter 14 feet 10½ inches, length 13 feet 4 inches.
Engines: Built by Cramps; kind, 2-cylinder compound; size, high pressure 40 inches, low pressure 86 inches; stroke, 60 inches; indicated horsepower, 3,300, at 74 revolutions per minute.
Speed: Maximum, 14.25 knots; average, 13.8 knots.

UMATILLA.

Material, iron; description, steamer; when built, 1881; length, 321 feet; beam, 40½ feet; depth, 22½ feet; gross tonnage, 3,069; net tonnage, 2,168; freight capacity, 1,704; first-class passengers, 175; second-class passengers, ——; steerage passengers, 185.
Boilers: Built by Union Iron Works; description, 3 single-expansion Scotch marine; size, diameter 14 feet 6 inches, length 12 feet 1½ inches.
Engines: Built by J. Roach & Son; kind, 1-2 cylinder compound; size, high pressure 32 inches, low pressure 74 inches; stroke, 54 inches; indicated horsepower, 2,000, at 63 revolutions per minute.
Speed: Maximum, 13 knots; average, 11.7 knots.

CITY OF SEATTLE.

Material, iron; description, steamer; when built, 1890; length, 244½ feet; beam, 40 feet; depth, 15 feet; gross tonnage, 1,411; net tonnage, 913; freight capacity, 509; first-class passengers, 159; second-class passengers, ——; steerage passengers, 74.
Boilers: Built by S. D. D. & Con. Co.; description, 2 single-expansion Scotch marine; size, diameter 13 feet 10½ inches, length 13 feet (new ones now building as above).
Engines: Built by Neafie & Levy; kind, 1-2 cylinder compound; size, high pressure 20 inches, low pressure 60 inches; stroke, 36 inches; indicated horsepower, 1,200, at 95 revolutions per minute.
Speed: Maximum, 13 7 knots; average, 12.5 knots.

Mr. JONES. I want to ask the Senator if the gentleman who handed him that list stated that these ships have now nothing to do?

Mr. MARTINE of New Jersey. He did not.

Mr. JONES. No; certainly he did not. These ships are busy. They would not be available for this trade.

Mr. MARTINE of New Jersey. They can be available for the coastwise trade, can they not?

Mr. JONES. They are engaged in the coastwise trade now.

Mr. MARTINE of New Jersey. Very well; would they not be available for transportation through the Panama Canal and so on up the Atlantic coast?

Mr. JONES. No; they would not.

Mr. MARTINE of New Jersey. Well, I am not enough of a seafaring man to contradict that statement.

Mr. WEST. Mr. President, I shall not detain the Senate long with any remarks I have to submit. The pending measure is in the Senate on account of the effect of what will be the greatest internecine struggle into which nations have ever entered. For the purpose of evolving a means for carrying the products of America to Europe this bill is here to-day, but there is an effort to load it down with amendments in order that it may be made intercoastal and discriminatory.

Let us see for a moment what would be the effect of this legislation. If we are going to enact it, let us open the port wide; let the Atlantic shipments as well as the Pacific shipments—I refer to intercoastal shipments—be open to the ships of the world, and let them come in. Then the South will be put upon an equality with the trade conditions existing in California and on this side; but under this proposition foreign ships can go to the western coast and there get a cargo and carry it to New York, on account of the discrimination shown, cheaper than it can be carried from New Orleans under present conditions, for the simple reason that foreign ships can not enter our coastwise trade.

As I have said, the pending measure was originally designed for the purpose, as I understand, of securing transportation of our products to Europe, yet it has now developed that it is for the purpose of insuring intercoastal transportation, and not for the purpose for which I thought it was intended.

Mr. JONES. Mr. President, referring to the remarks just made by the Senator from Georgia [Mr. WEST], I wish to say that I thought this bill was brought in here for the relief of our people and to meet the emergency and situation that confront them, whether upon the Atlantic or the Pacific coast. I understood that this proposed legislation was to assist our people in getting their products to market; I understood that the people of the South were threatened with a condition under which and because of which they would not be able to market their cotton, and this bill was to relieve that condition. I understood that some of our wheat growers were threatened with a situation whereby they would not be able to market their wheat, which would bring disaster upon them, and that this bill was to relieve that situation. That is all right; and I want to help relieve those conditions in every way possible. I did not understand, however, that this legislation was confined to any particular section or to any particular kind of product, but that it was to meet a situation.

We have a situation on the Pacific coast exactly like the situation on the southern coast and upon the north central coast—even a worse situation, so far as that is concerned. I tried to describe that situation the other day when the Senate was considering the bill as in Committee of the Whole, and I do not think that I shall go over it now. I want to say, however, Mr. President, that we are not so situated that overnight representatives from our section and representatives of those who there need relief can come to the Senate and importune Senators in person and present to them what they say are the facts with reference to their condition. The people I have in mind are 3,000 miles away. We have to rely upon telegrams to be presented to Congress; and I am surprised that some of our friends get hold of a sentence in one particular telegram and represent that as presenting the whole situation. There are in the RECORD telegrams from chambers of commerce and boards of trade, not from those representing a special industry or a special interest, if you want to call it that, but from those who represent the people in those communities. They say that our business is paralyzed, that our shipping is paralyzed, that our industries are paralyzed; and in some of those telegrams they set out that much of this paralysis comes from the emergency which also threatens the cotton planter and the wheat raiser with disaster.

The situation suggested by the Senator from Iowa is a very serious one in our country, but that was not at all sufficient to have warranted me in offering this amendment as an emergency provision upon this bill, if other things had not come up. That, however, is an element to be considered.

The facts are that even with this legislation we shall be at a very great disadvantage with the people just across the line

who compete with us in the very commodities which we produce. They will still be able to operate their ships much more cheaply than any ships which may come in under this provision will be operated. They will still have an advantage of from a dollar and a half to three dollars a ton upon the lumber transported from Vancouver to New York and upon the lumber transported from Seattle to New York, but that would not have warranted this amendment upon this emergency bill; I grant that.

My friend from New Hampshire [Mr. GALLINGER] urges that this is an emergency bill. It is, and it is an emergency situation which confronts us. He seems to infer that the emergency does not extend beyond the transportation of the Atlantic coast.

Mr. CHAMBERLAIN. May I interrupt the Senator from Washington a moment?

Mr. JONES. Certainly.

Mr. CHAMBERLAIN. The Senator from Washington will remember that the testimony elicited by the Interoceanic Canals Committee when the tolls question was before that committee showed that the larger part of the Pacific coast commerce that went out to sea was carried on tramp vessels not only of Great Britain but of other foreign nations, and that a very small proportion of it was carried on the so-called American vessels. If those foreign vessels are driven from the sea—and they will be without any question of doubt——

Mr. JONES. Many of them are tied up now.

Mr. CHAMBERLAIN. Many of them are tied up now. If that be true—and that is what our people are afraid of now—there will probably be no American coastwise vessels to carry the trade of the western coast to the Atlantic or to any other point for distribution.

Mr. JONES. That is true.

Mr. GALLINGER. Will the Senator pardon an interruption? The lumber that those vessels carry is to foreign ports and not Atlantic ports?

Mr. JONES. Yes; but——

Mr. GALLINGER. There is no trade there.

Mr. JONES. Our foreign market is practically destroyed by the emergency which exists right now.

Mr. GALLINGER. No trade has been developed on the Atlantic coast yet for that lumber.

Mr. JONES. There will be a trade developed for it.

Mr. GALLINGER. I want to say to the Senator that he ought not to put me in the attitude of contending for benefits to the Atlantic coast.

Mr. JONES. I did not say the Senator said that, but that it could be inferred from the Senator's arguments.

Mr. GALLINGER. The Atlantic coast has practically little direct interest in this matter. This emergency legislation, as it has been made to appear, is for the cotton-growing States and the wheat and corn growing States of the West. Unfortunately New Hampshire does not produce much cotton, not any wheat, and only a few ears of corn; and that is also largely true of other Atlantic States; so that the Senator ought not to say that any appeal that I have made is for the Atlantic coast.

Mr. JONES. I did not say it in that way; but I said it could be inferred from the Senator's remarks, and I think that it could be justly inferred from them. I simply reiterate what I said the other day about the Senator's position in regard to this matter. I know the Senator is patriotic and sincere in his views with reference to this matter, but I thought the argument that was presented to-day—and I do not have any fault to find with it—of course, in presenting an argument for a proposition of which one is in favor he tries to present it as strongly as possible, and yet it did seem to me that we could infer from the remarks of the Senator that this bill was designed for the special benefit of the Atlantic coast. The Senator especially appealed to southern Members and suggested that if this proposed legislation should be enacted the trade between New Orleans and New York would be upon a different basis than the trade between the Atlantic and the Pacific. Now that is true.

Mr. WEST. Entirely so——

Mr. JONES. That is, in my judgment, under the circumstances, an argument against this measure. I yield to the Senator from Georgia.

Mr. WEST. Mr. President, I say that is entirely true. You have a protected shipping along the different coasts, and here you propose to open up an intercoastal trade that is not protected. You allow foreign ships to come in and participate in the trade of the Pacific coast, and yet all the Atlantic coast must be restricted only to American ships.

Mr. JONES. That is true; I have admitted that; but here is the situation: The people of the Atlantic seaboard have their transportation facilities between Atlantic ports now. They are not interfered with at all, and the people of that section are going to have relief to enable them to get their products across the ocean, if this bill brings any relief at all, but we on the Pacific coast are in the situation where our ships are not available between the Atlantic and the Pacific ports. That is the situation. We are confronted with an emergency just exactly as you are confronted with an emergency with reference to getting your products across the Atlantic Ocean, and it is for the purpose of meeting that particular emergency that I am asking that this legislation should be put upon this bill.

Mr. WEST. Yes; but in meeting that emergency, why discriminate between Pacific ports and all the southern ports along the Atlantic coast?

Mr. JONES. I do not do so.

Mr. WEST. If you are going to repeal any part of the coastwise laws, why not repeal them all and let foreign ships engage in commerce on all coasts?

Mr. JONES. Mr. President, of course we recognize that that can not be done here. I agree with the Senator from New Hampshire that there is much in the suggestion that we ought not to try to undertake a general revision of our coastwise laws upon this bill; but if the Senator can not see that there is a decided difference between a line of steamers from an Atlantic port to a Pacific port, confined to one course, which can not go anywhere else except through the Panama Canal, involving a voyage of four or five thousand miles in length, absolutely and wholly overseas, if you please—if the Senator does not see that is different from a coastal trip from New Orleans to Galveston or from New Orleans to New York, of course I can not make it any plainer. It does seem to me that there is a very great difference.

As has already been suggested, one of the strong arguments presented here in connection with the repeal of the exemption clause of the Panama Canal act was that, while possibly under the technical terms of the law trade through the canal from one coast to the other is coastwise trade, yet, as a matter of fact, it is overseas. The Senator has not forgotten the powerful argument made by the senior Senator from New York [Mr. ROOT] along that line. That is the situation with us, at any rate.

Mr. WEST. The Senator does not understand my position. If these ships were allowed to participate in the trade along the whole Atlantic coast as well as on the Pacific coast, then we would have our shipping cheaper. As it is, by virtue of this amendment the intercoastal points will get their shipping cheaper.

Mr. JONES. If we could take up that whole question now, I would be willing to consider it and to thrash it out, but we can not do so. Because, however, we can not get all that the Senator thinks we ought possibly to have, I do not think it should appeal to him to cut us off from any relief at all.

Mr. GALLINGER. Mr. President, just one question, if the Senator will permit me.

Mr. JONES. I yield to the Senator.

Mr. GALLINGER. I suppose the Southern States produce a great deal more lumber than does the Puget Sound district, do they not?

Mr. JONES. Well, taking the States altogether, possibly so; yes.

Mr. GALLINGER. And that lumber is transported to foreign markets by foreign ships in times of peace. I suppose the same interruption has come to that part of the country, so far as transportation is concerned, as has come to the Pacific coast; and might they not quite as well come here and ask us to admit foreign ships to their trade with the Atlantic coast?

Mr. JONES. I do not think so.

Mr. GALLINGER. Well, why not?

Mr. JONES. Simply because there is a different situation. Instead of making a three or four thousand mile voyage in order to get from a home port to market, they have the markets up and down the coast, reached by short voyages, and this legislation will bring them relief, too.

Mr. GALLINGER. But a very large proportion of their lumber goes to foreign ports, and I apprehend that that traffic is disturbed quite as much as foreign shipping out of Pacific ports.

Mr. JONES. No; the Senator is mistaken about that. They can get into the home market. They have got the ships by which they can get into the home market. We can not even get a home market. Does not the Senator think we ought to have ships when we have lost our market entirely?

Mr. GALLINGER. That is what I have been arguing, that we will furnish you American ships, and there are plenty of them.

Mr. JONES. If you will furnish us plenty of them, of course we will not ask for anything else, because all we want is ships

in order to enable us to reach our own markets, but we have not got them; you have not offered them to us; your people have not suggested that they would supply them to our lumber people and others who have been looking for ships and trying to get them. You may bring lists from people in Boston of ships which they have, but they are not going to take them out of the line of work in which they are now engaged and put them in some other work, and they do not propose to do so.

Mr. CHAMBERLAIN and Mr. WALSH addressed the Chair.

Mr. JONES. I yield first to the Senator from Oregon, who, I think, first addressed the Chair.

Mr. CHAMBERLAIN. Mr. President, the Senator from New Hampshire seems to undertake to create some rivalry between the West and the South about the lumber trade. He seems to suggest to the Senate, at least I so understand him, that this provision is applicable only to the Pacific coast and to Pacific coast points. As a matter of fact, exactly the same privileges are granted to points on the Atlantic coast to the Pacific coast that are granted from points on the Pacific coast to the Atlantic coast; the law is general in its application; it not only benefits the lumber business, but it affects all the heavier commodities that go from the Atlantic ports to the West, such as steel. All of our structural steel must come around through the Panama Canal, and if you have not vessels on the Atlantic you will be placed in the same position that we are in the West. We are simply asking that for the particular commodities in our section we be placed on an equal footing at least with the East. I do not understand, and I am sure the Senator from Washington does not understand, that this amendment applies only to the West.

Mr. JONES. Not at all. Of course, it furnishes transportation between all the points on the west coast and the points on the Atlantic and between the points on the Atlantic and the points in the West. Of course, lumber is not the only product that would be transported. We raise 40,000,000 bushels of wheat in the State of Washington. Much of that we hope to ship around through the Panama Canal.

Mr. O'GORMAN. In a word, the Senator does not claim that a ship carrying a cargo from the Pacific to the Atlantic will return in ballast?

Mr. JONES. Not at all.

Mr. O'GORMAN. It will return with another cargo from the Atlantic to the Pacific. The advantages will be reciprocal.

Mr. JONES. Surely.

Mr. O'GORMAN. And will continue so long as in the judgment of the President there is need for this modification of the existing law.

Mr. JONES. That is correct; and I want to make a suggestion in regard to the provision which leaves it to the discretion of the President. I do not believe my Democratic friends are going to reject this provision because some great committee come down here from Boston, representing the shipping interests, and urge that this is a violation of the coastwise laws, and that they will be thrown out of business if the bill is passed, and all that sort of thing. The President of the United States can be depended upon to act wisely and judiciously; and if they can make a showing that there are abundant ships in the trade between the Atlantic and the Pacific ports, the President is not going to bring disaster upon the shipping industry by acting arbitrarily in the matter.

I feel that I can trust the President in this matter as well as in many others. Of course, like the Senator from New Hampshire, I think it would be better if Congress would legislate upon these matters, and not leave too much discretion to the President or impose too great a burden upon him. This is an emergency, however, and under the bill itself we are allowing the President discretion as to whether or not he will suspend other provisions of our navigation laws that have been in force for 100 years. I think, while tiding over this difficulty, we can safely leave this matter also to the discretion of the President.

Mr. O'GORMAN. Mr. President——

Mr. JONES. I yield to the Senator from New York.

Mr. O'GORMAN. I assume that at the proper time the Senator from Washington will have no objection to making a slight modification in his amendment by inserting the words "so far and" after the word "order," on the twelfth line, so that it will be within the President's discretion not only to indicate the time during which he will suspend this requirement of the law, but he will be permitted to indicate the extent to which the suspension shall go. He may be permitted perhaps to indicate the number of ships that will be able to take advantage of this exemption.

Mr. JONES. I would have no objection to that, and I will offer that amendment. That makes it conform very largely, then, to the language in the preceding paragraph.

Mr. O'GORMAN. Yes.

Mr. JONES. Mr. President, the Senator from New Hampshire read some telegrams from some of the shipping people saying that if this legislation is passed they will go out of business. They give no reason. They suggest no reason. I do not know whether or not they think they can scare Congress into enacting legislation by such statements as that. They should have presented some reasons why they would be compelled to go out of business.

Mr. GALLINGER. The Senator is wrong, Mr. President. I presented two telegrams that were sent to the senior Senator from Massachusetts from two business concerns of Boston. They are not shipping concerns at all.

Mr. JONES. Business concerns, then; it is all the same; but there is absolutely no question as to who inspired those telegrams. We know how those things come about, especially when they are worded like those telegrams. We know how they come about and how they are suggested.

Mr. THOMAS. Mr. President——

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Colorado?

Mr. JONES. Yes.

Mr. THOMAS. I wish merely to suggest that that is the reason which all monopolies give when legislation is aimed at them. They say they must go out of business if it is enacted. That is the common thing.

SEVERAL SENATORS. Vote!

Mr. JONES. Yes; I know some of my friends are anxious to vote, and I am, too.

Mr. THOMAS. I am awfully anxious.

Mr. JONES. With reference to this monopoly business, however, and with reference to the American-Hawaiian Steamship Co., which sent a telegram to me and to others the other day saying it would go out of business if this legislation was passed, I want to call the attention of Senators to an extract from a telegram which I received before I got that telegram, stating the position of this company that is so anxious to prevent the passage of this measure:

> The American-Hawaiian Line has only offered a carrying capacity of about 75,000,000 feet annually, and that has been under option to one eastern wholesale lumber concern.

In other words, this partial monopoly in the shipping business has entered into a monopolistic arrangement with another company by which that company handles every foot of lumber that the Hawaiian Line would transport.

Now, Mr. President, I shall not take the time of the Senate further.

Mr. WALSH. Mr. President, with regard to the list submitted to the Senate a short time ago by the distinguished Senator from the State of New Jersey showing the ownership of some 20 craft by the Pacific Steamship Co., the purpose being to indicate that there is an abundance of ships owned upon the Pacific coast that would be available for the transportation of goods from ports on that coast to ports upon the Atlantic, I wish to say that upon the investigation of the tolls bill by the Interoceanic Canals Committee it was disclosed that it would not be profitable to operate through the canal any steamship of less capacity than 5,000 tons, and in all of the computations that have been made it has been considered that no ships would pass through the canal commercially at less capacity.

I find that among the 20 ships in the list furnished by the Senator from New Jersey, in entire good faith, I am very sure, there are but 3 of a capacity greater than 5,000 tons, and 1 of them is an insignificant vessel of only 544 tons. Now, Mr. President, I submit that we ought not to be hurried away from this matter by representations of this character that come in at the eleventh hour, after this matter has been passed upon by the Senate as in Committee of the Whole.

Mr. GALLINGER. I will ask the Senator from Montana upon whose authority he states that it will not be profitable for a ship of less than 5,000 tons to go through the Panama Canal?

Mr. WALSH. That was the testimony given before the Canal Committee.

Mr. GALLINGER. The Senator knows that we are sending around Cape Horn sailing vessels of much less tonnage than that, carrying products from the East. They are profitable, and I think they would go through the canal and be still more profitable.

Mr. WALSH. Of course the Senator is aware that the testimony is overwhelming to the effect that sailing vessels can not go through the canal.

Mr. GALLINGER. I do not agree to that.

Mr. WALSH. That is the universal testimony. It is to the effect that to the west of the canal there is a region of calms that absolutely forbids the passage of sailing vessels.

Mr. GALLINGER. That may be so; but at any rate they go around the Horn, and they make profitable voyages—vessels of much less tonnage than 5,000 tons.

Mr. JONES. Mr. President, will the Senator yield to me for just a moment?

Mr. WALSH. Certainly.

Mr. JONES. I intended to refer to the list presented by the Senator from New Jersey, but I cut my remarks short because I knew that several Senators wanted a vote. I know some of the vessels named in that list. I have seen them, and I have been on some of them. They are wholly unfitted for trade of this character. They are engaged in trade from Puget Sound out to San Francisco, or from Puget Sound up to the interior points of Alaska by means of the inner passage. They are not ocean-going ships. I am speaking of those that I know of. I am not speaking about any others; only some three or four that I have seen. They are simply passenger ships carrying such freight as goes between local points. They would not be at all suitable for this trade.

Mr. MARTINE of New Jersey. Mr. President, I desire to say that I did, as my friend has said, present the list in entire good faith. It came to me from a gentleman whom I felt was well versed in this matter, and I submitted it for what it was worth. Since that time, most remarkably, another gentleman came to me, whose name I do not hesitate to use—Mr. William H. Raab, of New York City—who is quite interested in ships and shipping and the construction and repair of ships, and the like. I asked him the question, "Now, would these craft be of any avail along the coast and through the canal?" He said, "Why, yes; almost all of them would be capable of going through the canal and up the Atlantic coast and engaging there in trade and back again."

Now, I am not stating this on any knowledge of my own or with any desire to exult in contradiction of the Senator from Montana; but the fact is, at least, that there are craft there taking up the business and capable of doing the business. I can not believe that the need is so serious that we must pass a measure whereby whoever may be President may have the authority to grant an American register to a foreign-built vessel for the purpose of squeezing out these men engaged in the trade when there is no need and necessity for it.

Mr. JONES. Mr. President, will the Senator submit to a question?

Mr. MARTINE of New Jersey. Certainly.

Mr. JONES. I should like to know whether or not this gentleman told the Senator whether these vessels are idle now.

Mr. MARTINE of New Jersey. I did not ask that question. It was just within 5 or 10 minutes that I saw this gentleman and had this talk with him.

Mr. JONES. From my knowledge of the situation there I should say that these vessels are fully occupied now, and if you want to get them in this trade you will have to deprive some business of its means of transportation.

Mr. MARTINE of New Jersey. I am very gratified to know that fact; and I hope, in all reason, that this Government may soon build craft sufficient for the Pacific coast as well as the Atlantic coast and the whole ocean trade to carry our own merchandise. Then we can bid defiance to all these combines and alliances, and we will fly our flag to the glory of our Nation and to the welfare of the people thereof.

Mr. BRANDEGEE. Mr. President, whatever may be the merits of the so-called Jones amendment, to my mind it is entirely inappropriate on this bill. This bill is intended to facilitate the admission to American registry of vessels that were foreign built and are not now under American registry, and to do it for the purpose of facilitating our foreign trade. The principal agitation brought forward by the proponents of the bill is to satisfy the need of our wheat and cotton producers to export their produce. Of course, if vessels shall receive American registry under the provisions of the bill, it is our hope that they will be able to get return cargoes and supply Americans with things that they need from abroad also.

This amendment, however, has nothing whatever to do with our foreign trade; neither does it, as I understood the Senator from New Jersey to intimate, bring any foreign vessels under American registry. The amendment simply authorizes the President to suspend just as long as he has a mind to do so our navigation laws, which prevent foreign vessels from taking part in our coastwise trade.

That is a subject entirely unrelated to the emergency that is supposed to exist here, to get our goods into foreign countries and to bring their goods to us. This amendment proposes to confer upon the President power to admit all the foreign ships of the world to our coastwise trade, or at least that portion of our coastwise trade which is the trade between the Atlantic and the Pacific coasts.

Mr. O'GORMAN. Mr. President——

Mr. BRANDEGEE. I yield to the Senator from New York.

Mr. O'GORMAN. I am afraid the Senator from Connecticut is slightly in error as to the extent of the power conferred on the President. The Senator has stated that the amendment gives to the President power to allow all the foreign ships of the world to enter the intercoastal trade. The fact is, that by the amendment offered by the Senator from Washington discretionary power is confided to the President to permit so many of the foreign-built ships owned by American citizens or corporations as have been registered under the American flag to engage in the intercoastal trade.

Mr. BRANDEGEE. I think the Senator is mistaken in his view; and in order that the matter may be decided by an impartial judge, I will read the amendment. I assume the amendment speaks for itself. If I have the correct print of it, it reads as follows:

> And the President is hereby authorized, whenever in his discretion the needs of domestic trade require, to suspend by order, so far and for such length of time as he may deem desirable, the provisions of law confining the trade from points on the Atlantic coast to points on the Pacific coast and from points on the Pacific coast to points on the Atlantic coast to American ships.

There are certain provisions of law that confine that trade at present to vessels of American registry.

Mr. O'GORMAN. Has the Senator read the whole of the amendment?

Mr. BRANDEGEE. I have read all that I find printed here.

Mr. O'GORMAN. Then the Senator has the original amendment, which has been very materially modified, and I will indicate in what respects.

Mr. BRANDEGEE. I wish the Senator would do so.

Mr. O'GORMAN. The amendment, as the Senator will find it in the last print of the bill, reads as follows:

> The President is hereby authorized, whenever in his judgment—

Not "discretion"—

> the needs of domestic trade require, to suspend by order, for such length of time as he may deem desirable, the provisions of law confining the trade from points on the Atlantic coast to points on the Pacific coast and from points on the Pacific coast to points on the Atlantic coast to American-built ships—

Now, then—

> and permit foreign-built ships having an American register to engage in the trade between said points.

Mr. BRANDEGEE. That would, then, change one of the points I was making, because the ship would at least have to have an American register. The reason for opposing that amendment would be that there would be no justice to American ships now engaged in the coastwise trade in having pitted against them in the competition ships built abroad at half the price, when the owners of the ships that are now in the trade have paid American prices for their vessels. It would obviously discriminate against every vessel in the coastwise trade that has been built in this country and now has an American registry.

If the object of this legislation is to provide a means of communication between this and foreign countries, so that the vessels can get under a neutral flag and not be subject to the dangers of war, there is no reason for attempting, under that legislation, to modify our coastwise laws. There is no evidence here that there are not enough vessels in our coastwise trade at present owned by Americans to attend to all the business that may offer between the Atlantic and the Pacific coasts; and if there shall develop in the near future any necessity for furnishing any more vessels or passing any more legislation to accommodate any deficiency that may exist in the transportation between the Atlantic and the Pacific coasts, it can be easily taken up in a separate bill.

The VICE PRESIDENT. The Senator from New York [Mr. O'GORMAN] moves to amend the text of the part proposed by the Senator from New Hampshire to be stricken out in a way that the Secretary will state.

The SECRETARY. On line 3 of the amendment, before the word "for," the Senator from New York proposes to insert the words "so far and," so that, if amended, it will read:

> The President is hereby authorized, whenever in his judgment the needs of domestic trade require, to suspend by order, so far and for such length of time as he may deem desirable, etc.

The VICE PRESIDENT. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from New Hampshire [Mr. GALLINGER].

Mr. JONES. On that I ask for the yeas and nays.

Mr. GALLINGER. I make the point of no quorum first.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Hollis	Overman	Smith, Md.
Brady	Hughes	Page	Smoot
Brandegee	James	Perkins	Stone
Bryan	Johnson	Pittman	Swanson
Chamberlain	Jones	Poindexter	Thomas
Clapp	Kern	Pomerene	Thompson
Clarke, Ark.	Lane	Ransdell	Thornton
Colt	Lee, Md.	Reed	Vardaman
Culberson	McCumber	Saulsbury	Walsh
Cummins	Martine, N. J.	Sheppard	West
Fall	Nelson	Shively	White
Gallinger	Newlands	Simmons	Williams
Gronna	O'Gorman	Smith, Ga.	

The VICE PRESIDENT. Fifty-one Senators have answered to the roll call. There is a quorum present. The question is on the amendment proposed by the Senator from New Hampshire [Mr. GALLINGER], on which the Senator from Washington [Mr. JONES] requests the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CHAMBERLAIN (when his name was called). I transfer my pair with the junior Senator from Pennsylvania [Mr. OLIVER] to the junior Senator from Kentucky [Mr. CAMDEN], and vote "nay."

Mr. CULBERSON (when his name was called). Again announcing the transfer of my pair with the Senator from Delaware [Mr. DU PONT] to the Senator from Alabama [Mr. BANKHEAD], I vote "nay."

Mr. FALL (when his name was called). I have a general pair with the Senator from West Virginia [Mr. CHILTON], and I refrain from voting.

Mr. HOLLIS (when his name was called). I announce my pair with the junior Senator from Maine [Mr. BURLEIGH], and withhold my vote.

Mr. REED (when his name was called). I have a general pair with the Senator from Michigan [Mr. SMITH], and in his absence I withhold my vote. If I were at liberty to vote, I would vote "nay."

Mr. SMITH of Georgia (when his name was called). I have a general pair with the Senator from Massachusetts [Mr. LODGE] and withhold my vote.

Mr. SMITH of Maryland (when his name was called). I have a general pair with the Senator from Vermont [Mr. DILLINGHAM]. In his absence I withhold my vote.

Mr. STONE (when his name was called). I have a general pair with the Senator from Wyoming [Mr. CLARK]. He is absent and I withhold my vote.

Mr. THOMAS (when his name was called). I transfer my pair with the senior Senator from New York [Mr. ROOT] to the senior Senator from Nebraska [Mr HITCHCOCK] and vote "nay."

Mr. WALSH (when his name was called). I have a pair with the Senator from Rhode Island [Mr. LIPPITT]. I transfer it to the senior Senator from Virginia [Mr. MARTIN] and vote. I vote "nay."

Mr. WILLIAMS (when his name was called). Transferring my pair with the senior Senator from Pennsylvania [Mr. PENROSE] to the junior Senator from South Carolina [Mr. SMITH], I vote "yea."

I was requested to announce the pair of the Senator from South Carolina [Mr. TILLMAN] with the Senator from West Virginia [Mr. GOFF].

The roll call was concluded.

Mr. MYERS. Has the Senator from Connecticut [Mr. McLEAN] voted?

The VICE PRESIDENT. He has not.

Mr. MYERS. I have a pair with that Senator, and in his absence I withhold my vote.

Mr. JAMES (after having voted in the negative). I transfer the general pair I have with the junior Senator from Massachusetts [Mr. WEEKS] to the junior Senator from Tennessee [Mr. SHIELDS] and allow my vote to stand.

The result was announced—yeas 11, nays 38, as follows:

YEAS—11.

Brandegee	Gronna	Page	West
Colt	Johnson	Smoot	Williams
Gallinger	Martine, N. J.	Swanson	

NAYS—38.

Ashurst	Clapp	James	Lewis
Borah	Clarke, Ark.	Jones	McCumber
Brady	Culberson	Kern	Nelson
Bryan	Cummins	Lane	Newlands
Chamberlain	Hughes	Lee, Md.	O'Gorman
Overman	Ransdell	Simmons	Vardaman
Perkins	Saulsbury	Sterling	Walsh
Pittman	Shafroth	Thomas	White
Poindexter	Sheppard	Thompson	
Pomerene	Shively	Thornton	

NOT VOTING—47.

Bankhead	Fletcher	Myers	Smith, Md.
Bristow	Goff	Norris	Smith, Mich.
Burleigh	Gore	Oliver	Smith, S. C.
Burton	Hitchcock	Owen	Stephenson
Camden	Hollis	Penrose	Stone
Catron	Kenyon	Reed	Sutherland
Chilton	La Follette	Robinson	Tillman
Clark, Wyo.	Lea, Tenn.	Root	Townsend
Crawford	Lippitt	Sherman	Warren
Dillingham	Lodge	Shields	Weeks
du Pont	McLean	Smith, Ariz.	Works
Fall	Martin, Va.	Smith, Ga.	

So Mr. GALLINGER's amendment was rejected.

Mr. WILLIAMS. The section having been adopted, now I wish to offer an amendment to it. In section 3, on page 5, line 16, after the word "coast," I move to insert the words:

And from points on the Gulf coast to points on the Pacific or Atlantic coast, and from points on the Pacific or the Atlantic coast to points on the Gulf coast.

I wish to say this: If you are going to admit foreign-built ships into the coastwise trade from points upon the Pacific coast to points on the Atlantic coast for the purpose of enabling the lumber of the Northwest to be brought to New York and Boston and the ports of the Atlantic generally, then undoubtedly, in ordinary, common fairness, you ought to permit the yellow pine of Mississippi and of Alabama and of the west coast of Florida, coming out of Pensacola and Mobile and the Gulf ports, and that of Texas and Louisiana, coming out of New Orleans and Galveston, to have the same advantage of the cheaper rates brought about by the cheaper operation of foreign-built ships.

To take advantage of a great emergency measure of this sort in order to give an unfair advantage to the lumber of the Northwest as against the lumber of the South and the Southwest it seems to me is nothing less than discriminatory, to use a very mild term to express it.

As far as I am concerned personally I would be willing to see foreign-built ships, when purchased by American citizens, in all our coastwise trade, but I did not think that this emergency bill was a bill on which it was proper to undertake to make a revolutionary change in our present law. It would have delayed the passage of this emergency measure, however wise and right. But it is both bad and unwise to take advantage of a great emergency in order to seek special discriminatory benefits, and I was unwilling to take advantage of it, even for the purpose of changing the general law equally for all; but if the general law is to be changed for the benefit of the lumber of the State of Washington and the State of Oregon, then it ought to be changed for the benefit of the lumber of the States of Florida, Alabama, Mississippi, and Texas, and the same food that is fed to those who trade upon ships that go down to the sea from Portland and from Seattle ought to be dealt out to those who send the same and competing products out of the Gulf ports up to the Atlantic markets. There the two meet in competition in markets equally reached by all-way water routes.

I would have offered the amendment earlier, but I had no idea that as unequal a law or an amendment of as unequal operation as this would be adopted upon cool reconsideration by the Senate.

Mr. POINDEXTER. Mr. President, I should like to ask the Senator from Mississippi if there is any lack of adequate shipping facilities at the present time for the lumber of the Gulf ports to the Atlantic ports?

Mr. WILLIAMS. No, none; and up the other way, in extreme northwestern ports, either, just as soon as the Panama Canal is ready to be operated. Of course, at the present we have a great advantage in the water carriage as long as your lumber is to be carried around the Horn, but the minute the Panama Canal is opened we are all upon an equal footing. You will have every advantage except what nature gives us in shorter distance. That ought not to be taken from us. There will be equal abundance of shipping for both. What you are trying to do is to get an unfair advantage—taking advantage of a great public emergency to procure special benefit for yourselves or for your lumber dealers.

Mr. POINDEXTER. The proposition of the Senator from Mississippi would be very hard to oppose or resist if it was true that the shipping conditions from the Gulf ports to other coast ports were the same as those from the Pacific coast to the Atlantic coast. But they are entirely different, and it makes a need for this relief.

Mr. WILLIAMS. The shipping condition——

Mr. POINDEXTER. If the Senator will allow me just a few moments, I have a great bundle of letters and telegrams on my desk here now which I have not introduced because I think other information to the same effect has been put into the RECORD. They go to show that wheat is choking the elevator and warehouse capacity, that orders for lumber are piling up where there are no shipping facilities by which the orders can be supplied from the Pacific coast, and in order to get shipping facilities——

Mr. WILLIAMS. As far as I know, the shipments of lumber from Portland and Seattle and the Northwest to New York and Boston all around the Horn have not amounted to much at any time. To cure that condition is not what this so-called Jones amendment does. This amendment was offered here in contemplation of the opening of the Panama Canal, when the shipping facilities will be exactly the same for both of us and when the opportunity for shipments will be precisely the same. Now——

Mr. POINDEXTER. Mr. President——

Mr. WILLIAMS. If the Senator will pardon me one moment. However, I will yield to him now.

Mr. POINDEXTER. It will not be the same, because they will have to pay tolls in the canal. That is one difference. Another difference is this: Why did the Senator, with his usual ability, urge that coast shipping was controlled by a trust? The Senator said the great lines of shipping now plying between the Atlantic ports are controlled by trusts. There is nothing in the law which prevents that trust-controlled shipping, if it is controlled by a trust, from continuing to serve all the Atlantic ports and the ports between the Gulf and Atlantic ports.

Mr. WILLIAMS. I yielded to the Senator for a question.

Mr. POINDEXTER. Just a moment to finish the sentence. The law prohibits these ships, owned by the trust, from going through the Panama Canal. Consequently they can not be used in that way at all.

Mr. WILLIAMS. We would have to pay tolls, too, on all we would ship through the Panama Canal.

Mr. President, answering both points made by the Senator, though not quite in an interrogative form, I am not going further to thrash out the whole Panama tolls question again. This is my first proposition: The United States Government expended hundreds of millions of dollars to build a canal, and the people who will profit by it chiefly are the people of Washington and Oregon and California. They are the people who above every other people in the United States, at any rate, and perhaps in the whole world, will profit by the canal. It will give them ready and cheap access to Europe and our Atlantic coast, these constituting the richest and most valuable of all consumers of all products in the world.

Mr. POINDEXTER. Not any more than the people on the Atlantic coast.

Mr. WILLIAMS. The Senator must pardon me. I do not want a cross-fire debate while both are speaking at the same time. We have always had this ready and cheap access to Europe and to our own Atlantic coast. Then they came in here and with the same motive which now guides them in getting this Jones section upon this bill they desired to be exempted from tolls of a very moderate character that were required from everybody, that were required upon our products going to the Pacific coast as much as upon their products coming from the Pacific coast to the Atlantic and the Gulf. If it be true that the consumer is finally to pay the toll charges as he normally pays in the long run all other transit charges, then it affects us just as much as it does you to require tolls to be paid on coastwise ships passing through the Panama Canal. We will each buy from the other.

As to the trust, the Senator never heard me say that there was a coastwise shipping trust in the sense in which he is now using the word. I said that the coastwise shipping was a legalized monopoly, not that any one man or combination of men inside of the service controlled the whole service, because I do not believe they do. There is competition within the coastwise service, but the service itself is a legalized American monopoly. All foreigners are shut out of it entirely. So far as I am concerned, I would like to see that legalized monopoly destroyed; but I do not think this is the proper place to destroy it. I had tried, unsuccessfully, to destroy it once before, and did not think I could succeed now; but for the Senate to turn around and destroy the monopoly for the benefit of one set of shippers and producers in this country, and for one set of consumers in this country alone, leaving the remainder of them subject to the higher price brought about by the legalized monopoly is, in my opinion, unequal, discriminatory, and unjust.

I had no idea of applying for anything upon this bill that would give special privileges to the timber owners of Mississippi, who are sending their lumber all up the Atlantic coast and sending it to Chicago by rail.

Mr. GRONNA. Mr. President——

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from North Dakota?

Mr. WILLIAMS. In one moment. What is sauce fit for the goose is sauce fit for the gander; and if you are going to take advantage of this emergency bill for the purpose of helping to put profits into the pockets of the timber producers and shippers of Washington and Oregon, then it is but sounding a trumpet full of the voice of equality to say that you should do the same thing for those who ship lumber from the Gulf coast to the same ports. Now I yield to the Senator from North Dakota.

Mr. GRONNA. The Senator from Mississippi speaks of lumber. Is it not true that this provision will apply to grain or to the products of the farm as well as it will to lumber?

Mr. WILLIAMS. Oh, yes; the same thing would apply to your wheat; the same thing would apply to whatever you produce. Your wheat, paying high railroad rates, would have to meet on the Atlantic seaboard the North Pacific wheat carried to the same ports at cheap water rates, made yet cheaper by the Jones amendment.

Mr. GRONNA. Exactly.

Mr. WILLIAMS. And the same thing would apply to our cotton. We ship a vast proportion of the cotton crop of the South up to Fall River, Mass., up to Providence, R. I., up to all the ports that receive it for the cotton factories of New England. They use more of the raw material than we do ourselves; but I did not want to bring one product in by analogy with another, because it was easier to illustrate the injustice of the proposition by taking the one product, comparing it with itself, and thus confining the argument to that. You will, however, be giving an advantage to your producers of wheat over our producers of cotton if this Jones amendment be left unamended.

I am glad to see one thing. Every one of you upon both sides has admitted that it is a cost to both the American consumer and to the American producer to keep up this legalized coast shipping monopoly. It would be better for both the American producer and consumer, assuming that they divided the profits of the decrease of freightage, if the monopoly were abolished. But that is not the question here. The question here is which are you going to do, maintain it or abolish it? Either one you choose would be equal treatment of all. Take either horn of the dilemma—or, upon the other side, are you going to maintain it for some and abolish it for others? That is what you are attempting to do.

Mr. NELSON. Mr. President, will the Senator yield to me for a question?

Mr. WILLIAMS. Yes.

Mr. NELSON. If the Gulf of Mexico is a part of the Atlantic Ocean, does not the term "Atlantic coast" include the Gulf of Mexico?

Mr. WILLIAMS. No, sir. The Gulf of Mexico is a part of the Atlantic Ocean in the sense that the waters of one flow into the other. All the oceans of this world are one, for that matter. The Pacific and the Atlantic Oceans are one and the same, in the sense that each flows into the other around the Horn and through the Straits of Magellan, in South America. But water places on the earth have their distinctive names. The term "Atlantic coast" no more means "Gulf coast" than it means "Pacific coast," and neither one of them means the other any more than either means the coast of the Red Sea.

It seems to me, Mr. President, that we ought to do one of three things: Either let the present law alone, so far as this emergency bill is concerned, or abolish it by means of an amendment of the emergency bill, or else treat everybody equally in connection with the extent to which you do abolish it.

Mr. CHAMBERLAIN. If I may interrupt the Senator a moment, I want to say that, so far as I understand the purport and phraseology of the Jones amendment, the term "Atlantic coast" includes the Gulf coast. If there is any doubt about that, so far as the Northwest is concerned, we would ask to have that made unmistakable.

Mr. WILLIAMS. That would not cure my quarrel, although the term "Atlantic coast" can not possibly include the Gulf coast unless the Gulf coast is mentioned. My quarrel is not, if the Senator will pardon me, that products can not be shipped from Gulf ports around through the Panama Canal to Portland and to Seattle, and that products can not be shipped around through the Panama Canal from Portland and Seattle to Mobile and New Orleans; but my quarrel is that when it comes to where we compete in the markets of the North Atlantic coast in selling lumber to the northern Atlantic consumer of lumber—who is the chief consumer of it, by the way—the Jones amend-

ment, if left without further amendment, gives an advantage by law to your lumber over the lumber of my constituents.

The lumber men of Mississippi have never been specially friends of mine, because I voted as far back as 1893 to put lumber on the free list; and I voted to do so on the last tariff bill. I voted for that and, as far as practicable, have always voted against all special privilege granted by law; but I believe in being fair toward people, and not discriminating by law against them; and I therefore could not stand idly by here, so long as they are constituents of mine, and let this, in my opinion, unfair advantage be taken of them.

Mr. CHAMBERLAIN. If the Senator will allow me to interrupt him just a moment, I desire to say to him that as the law now is, the only competitor for the sale of lumber that the people in the South will now encounter will be the British Columbia lumber dealers. As a matter of fact, the testimony before the Interoceanic Canal Committee showed that the lumber from Victoria in foreign ships can be carried through the Panama Canal and landed in New York for about $3 a thousand less than it can possibly be shipped for from American ports.

Now, on this point I desire to say——

Mr. WILLIAMS. I did not yield for a speech.

Mr. CHAMBERLAIN. Very well; I will take my own time.

Mr. WILLIAMS. Mr. President, I want to answer the last statement of the Senator from Oregon. The reason why that can be done, if it can be done—and I expect that, as usual in a case of this sort, the testimony was interested testimony, like the testimony before the Finance Committee when the tariff is up—but if it can be done, the reason why it can be done is because of the lower cost of operation of ships sailing from Vancouver as compared with ships sailing from Portland and Seattle.

Mr. LANE. And the lower cost of the ships.

Mr. WILLIAMS. The cost of the ships can be no lower. A ship built in Vancouver can not possibly cost any less than a ship built in Portland or in Seattle.

Mr. LANE. The ships are not built in either of those two places. They are built in Europe and for almost 30 per cent less.

Mr. WILLIAMS. Oh, yes; foreign ships. I want to come to that and refer to the equalization of that cost, because the Senator is mistaken. The only inequality now left is the inequality in the cost of operation. I want to demonstrate that fact to the Senator right now. The inequality in the cost of the building of a ship has nothing to do with the case any more than have "the flowers that bloom in the spring," nor has it had since the amendment to the Panama Canal act giving the right to Americans to purchase ships abroad and operate them in the deep-sea trade became law.

Quoting from an authority upon this question, the special privileges complained of which foreign ships have are the means—I want the attention of my friend from Oregon to this—"the special privileges and the special advantages which foreign ships have are the means by which foreign ships are enabled forcibly to hold the crews which operate them at the lower wage rates of foreign ports." "Under treaties and under the statutes of the United States this Government uses its police power at the request of the foreign shipowners to capture and return seamen who attempt to quit the service of their ships," and, I will add, they keep the sailor from getting his pay for the work already done in reaching our ports, which is one-half of the work that he contracted to do. That is what makes the wages of the sailors operating a foreign ship cheaper and lower than the wages of the sailors operating an American ship.

Suppose this case, for example: A Japanese ship comes to Portland, Oreg., with a Japanese crew, or an Italian ship comes to New Orleans, La., with an Italian crew from Naples. Under the law of nature the wage rate upon the high seas would be a competing rate, or a rate made by competition; but that is not the case here. Under the laws of nature the pay of a seaman would depend upon the pay of the port at which the ship touched as much as upon the rate of wages at the port whence it sailed. If that Japanese crew landed at Portland, or if that Italian crew landed at New Orleans, and they met an American ship there waiting to sail back across the ocean, the American crew and the crews of the foreign ships would meet, and they would ask one another: "How much are you getting to go to the same port where we are bound?" The American would say, $2 plus; the Italian would say, "I am getting $1 plus"; and the Japanese sailor would say, "I am getting three-fourths of a dollar plus," or whatever it might be. Then would follow the natural effect.

The foreign sailors would decline to sail in his ship unless the shipowner paid him the same rate that the Americans were receiving to go in a ship just like it from the same port in this country to the same foreign port. The La Follette bill will cure that after it becomes a law.

So far as the inequality in the building of ships is concerned, we cured that in the canal act. I had the honor myself to draw the first amendment here looking to that end—because we there provided that ships built abroad could be purchased by American citizens and put under the American flag, provided they had been five years in the service. Therefore, so far as equalizing the cost of building the ship is concerned, that has already been done; but we find it did not result in any good, because we had not equalized the cost of the operations. If you want to equalize the cost of the operation, so far as pay of sailormen goes, you can do it by passing the La Follette bill and making it a part of the law of this land.

Mr. SAULSBURY. Mr. President——

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from Delaware?

Mr. WILLIAMS. Yes.

Mr. SAULSBURY. As supporting the argument of the Senator from Mississippi, who is always so clear-headed in matters of this kind, I desire to call attention to a somewhat ancient document to which we seem not to pay very special attention. The sixth clause of the ninth section of Article I of the Constitution of the United States provides:

> No preference shall be given by any regulation of commerce or revenue to the ports of one State over those of another.

It seems to me that it might be pertinent to call the attention of the Senate to that provision in connection with the shipment of lumber from different sections. I voted for the Jones amendment, because I do not believe in extending the closed coastwise trade further than it now exists. I shall vote against the amendment of my friend the Senator from Mississippi, because I do not want to tear the coastwise trade as it now exists up by the roots. It may not seem logical to cast the two votes; but I only wanted to call attention to the support which the Constitution of the United States, which may render the Jones amendment unconstitutional, gives the argument of the Senator from Mississippi.

Mr. WILLIAMS. My friend's position on the Jones amendment, in view of that argument, I do not quite understand. I am glad the Senator has called my attention to the fact that this amendment standing alone—or standing with mine—if the law did not extend uniformly to every port might possibly be obnoxious to that clause of the Constitution which the Senator has read; but I can not see how my friend from Delaware, having that notion in his head, voted for the Jones amendment, because the Constitution ought to be the highest law of the land, not only to the courts, but to Senators.

Mr. SAULSBURY. May I take a moment to explain to the Senator?

Mr. WILLIAMS. Yes.

Mr. SAULSBURY. I did not want to do in this bill what I think it is very necessary to do, and that is to reform our navigation laws generally somewhat upon the lines of the Jones amendment.

Mr. WILLIAMS. I do not either, and therefore I voted against the Jones amendment, because I thought to take advantage of this emergency bill for the purpose of reforming our general navigation laws was to take advantage of a great crisis in the history of the American people. I can not yet understand how my friend from Delaware, with that idea in his head, voted affirmatively instead of negatively——

Mr. JONES. Mr. President——

Mr. WILLIAMS. Because he was, at least, voting to reform the navigation laws to the extent that the Jones amendment goes. If the Senator from Washington will pardon me one moment, I was engaged in trying to show to the Senator from Oregon [Mr. LANE] when I was interrupted that there was no lack of equality between American ships and foreign-built ships, except the cost of operation. Now, let me finish that and then I will yield to the Senator.

I have shown already that there is no inequality in the cost of the ship, because we can buy it abroad and put it under the American flag, and we can buy it built in the same port at which the foreign competing ship is built; we may, indeed, buy the competing ship itself.

There is another entire equality and not inequality in the cost of supplies, except as to such little advantages as we ourselves have in being the main producers of sailors' food products of every description. That advantage there is somewhat upon our side. A trans-Atlantic or trans-Pacific ship will

and does buy its supplies in whichever of its terminal ports it can buy the quality it wants cheapest.

Now, one more thought——

Mr. McCUMBER rose.

Mr. WILLIAMS. I have not yet quite finished. It has been said that the wages of sailors are the "wages of the flag which floats over the ship." At present, by our own laws permitting the arrest and carrying back of the sailor to his ship, that is true; but if that law did not exist, then the wages of the sailor would be the wages of the highest-paid port from which he shipped plus the wages of the lowest-paid port divided by 2; in other words, he would come from the lowest-paid port with the lowest wage, and he would go back from the highest-paid port to the lowest-paid port with the highest wage—refusing to return unless he got it—and the two added together and divided by 2 would give his total wage.

I will say in frankness and fairness that there is one respect in which an American ship is operated at a greater expense than a foreign ship—one more only under the present laws—and that is that we require by law better and ampler provisions and greater air space for the sailors; but if the La Follette bill is passed, we will once more assert our jurisdiction over foreign shipping in our own ports, and a ship, whether or not it is foreign built and under a foreign flag or under our own, that leaves an American port, no matter how it came to it, must go back conforming to American standards as to cubic yards of air space and as to the food required by American law for a ship sailing from an American port, because all navigation of every description and all ships while in an American port and until they have gotten beyond the 3-league jurisdiction line are subject to American law if we but choose to make it so.

Now, so much answers the question which the Senator asked me. To sum it all up, the sole difference of cost between American ships and foreign ships to-day which gives an advantage to the foreign ships is the cost of operation. When a ship is purchased abroad and sails under the American flag in our deep-sea or coastwise trade, that inequality at once ceases to exist. Why? Because every ship built in America or built in Europe which flies the American flag is subject to exactly the same regulations as to atmospheric space and as to supplies and provisions. The fact that the ship was bought abroad cuts no figure in it, because we can buy them abroad. Portland and Seattle can buy them abroad, as well as British Columbia.

You can both buy at the Clyde; you can both buy in the Dutch shipyards; you can both buy in the German shipyards in times of peace. The minute that ship gets into the American trade under American registry the inequality of wages and other costs of operation ceases to exist, the inequality of cubic space for air purposes ceases to exist, the inequality of provisions furnished the sailor ceases to exist; so this point of the Senator from Oregon falls to the ground.

Mr. McCUMBER. Mr. President——

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from North Dakota?

Mr. WILLIAMS. One word. If, to quote another man, "you permit the foreign sailor merely to release himself when he reaches an American port," the difference in cost of operation will cease.

Now I yield to the Senator.

Mr. McCUMBER. Mr. President——

Mr. WILLIAMS. The Senator from Washington [Mr. JONES] wanted to interrupt me a few moments ago. I have finished that particular line of thought. I yield to him now.

Mr. JONES. I simply wanted to suggest that I think the Senator is a little bit unfair to us. I think probably he did not hear the argument on my amendment.

Mr. WILLIAMS. Oh, yes; I did.

Mr. JONES. I think if the Senator had heard all the argument——

Mr. WILLIAMS. Oh, I did not hear all of it—my heavens, no. There was too much of it.

Mr. JONES. If the Senator had heard all of it I do not think he would have charged us with insisting upon taking advantage of this opportunity for the special purpose of getting an advantage for our section, because I tried to show—I believe it anyhow, and I believe it sincerely—that there is an emergency on our coast and with reference to our industries just the same as there is an emergency on the Atlantic coast, and that this provision is warranted, with exactly the same parity of reasoning for our people and our industries as for the others.

I do not care to go into the matter again, because I tried to make it plain; but I do think the Senator is just a little bit unfair to charge that we are trying to take advantage of this emergency, because we are not.

Mr. WILLIAMS. Mr. President, every intelligent man is affected by the natural consequences of his own acts, and the Senator from Washington is one of the most intelligent men I have ever known. Here was a bill the broad purpose of which was to enable us to get our foodstuffs and cotton stuffs to Europe and to the other markets of the world, whether across the Pacific to the east or down the Pacific to the western coast of South America or down the Atlantic to the eastern coast of South America or across the Atlantic to Europe. It was a bill solely introduced for purposes of foreign commerce, and the Senator from Washington has injected into it a coastwise proposition, the direct result of which, and the necessary consequence of which, would be a special benefit to his lumber constituents, and that is all.

I heard a part of his argument, and the main part of it was just that. That is what he contended all the way through—that unless this sort of provision was adopted, his lumber people could not get their lumber around to Boston and New York. They are not getting it around there now, and they can not until they get the opportunity to go through the Panama Canal. So I do say that advantage was taken of a foreign-commerce bill, designed to meet a great crisis and emergency, to put upon it a permanent, discriminating, unequal provision for the benefit of a particular set of consumers and producers in a particular section of the United States, to wit, the section of the Senator from Washington. I believe that if the Supreme Court would rule correctly upon it—unfortunately, however, there are rulings the other way, too—it would hold it obnoxious to the clause of the Constitution which says that no advantage shall ever be given to the ports of one State over the ports of another; but in the Porto Rico cases and the Philippine cases they held that the Constitution did not accompany the flag and I do not know how far they are going to carry that principle.

Mr. GALLINGER. Mr. President, will the Senator permit me to interrupt him?

Mr. WILLIAMS. Yes.

Mr. GALLINGER. I am interested in the Senator's argument. I called attention, during the few minutes I occupied, to the very point that it was a discrimination. Now, Mr. President, there is an enormous traffic over the Great Lakes, and a great saving could be made by letting Canadian vessels do that business. Would it be any more violent for us to——

Mr. WILLIAMS. Every argument used by the Senator from Washington as to the advantage of foreign-built ships or foreign ships as against American ships applies equally well as to Canadian ships that come out of the St. Lawrence in contrast with American ships that come out of the Great Lakes and go to the same port, whether American or foreign.

Mr. GALLINGER. Undoubtedly.

Mr. WILLIAMS. Absolutely.

Mr. GALLINGER. There is no difference in the world.

Mr. WILLIAMS. The argument is an argument against the present law; but instead of moving to abolish the present law, which would have been the logical consequence, he moved to abolish it in part only; that is, in so far as it affects and benefits the extreme northwestern part of this Republic.

Mr. McCUMBER. Mr. President, will the Senator yield to me now?

Mr. WILLIAMS. Yes.

Mr. McCUMBER. I have tried three or four times to get the Senator to yield, but I have been cut in on by others.

Mr. WILLIAMS. By the way, I beg the Senator's pardon. I ought to have yielded to him some time ago, instead of to some other Senator, but the interruptions were so fast and furious I forgot that he had arisen first.

Mr. McCUMBER. I was about to suggest to the Senator practically what has been suggested in a mild form by the Senator from New Hampshire. I want to say first that I entirely agree with the Senator that we ought not to make a discrimination between any two ports. If we are going to have a law, it ought to apply to ships exactly the same whether they sail from Portland to New York or from Galveston to New York. There is nothing in the proposition that the coast cities are laboring under a disadvantage in passing through the canal, because while they may have the disadvantage of a longer haul and the 30 or 60 odd cents per ton that it will cost to get through the canal, at the same time they have a great advantage in the lumber and the manner of handling their lumber, in their immense trees, so that it costs less to produce a million feet of lumber there than it does down South. We can not equalize those conditions by making our freight rates different between different localities so as to make everything worth the same in the same market.

I want to make a suggestion to the Senator. Should he not, under the view he takes, modify his amendment so that it will

read "the Gulf or Great Lake ports"? Now, our grain is tied up. It is tied up so that we can not handle it properly at the present time. My colleague and I have just been talking the matter over upon his suggestion that we ought to ask the Senator from Mississippi to modify his amendment so that we can vote for equality of treatment all along our coast.

Mr. WILLIAMS. I am perfectly willing to do that, and I think the Senator is perfectly correct in asking it. I ask that the amendment may be modified so as to read "and from points upon the Gulf coast or from the Great Lake ports to points upon the Pacific coast, and from points upon the Pacific coast to points upon the Gulf coast or the Great Lake ports."

Mr. BORAH. Mr. President, in view of the fact that it is conceded by the distinguished Senator from Mississippi that this is a legalized monopoly and that we are dealing with it by piecemeal, will not the Senator offer an amendment repealing the law as an entirety?

Mr. WILLIAMS. Mr. President, I can not do that with justice to myself or to the present bill, for a very simple reason: I know that such an amendment will not be adopted; and I have hoped, from the sense of justice of Senators from all sections of the country, that if I carry the amendment only so far as I do now carry it, to wit, to make the breach proposed by the Senator from Washington apply to all of our coast instead of only to the Pacific coast, substantially, I may get the amendment to the amendment through.

Mr. JONES. Mr. President——

Mr. BORAH. Mr. President——

Mr. WILLIAMS. If the Senators will pardon me, when the canal bill was up I first worded my amendment so as to apply to coastwise and foreign trade both; and finding that I could not possibly get it through, I then confined it to deep-sea commerce; but there never was a day when I would not have been willing to abolish this or any other legalized monopoly. The greatest merchant-marine country in the world, Great Britain, will permit you or me to go there to-morrow with a ship that we have built anywhere in the world and enter the coastwise trade of Great Britain.

Mr. BORAH. Mr. President, there never has been an hour since the passage of the free-tolls bill that I would not vote to repeal this law, and I hope the Senator will offer an amendment to that effect. If he does, he will get a good deal of support over on this side.

Mr. WILLIAMS. I am always glad to get a few votes on that side; but I am a practical man, or try to be, and I know that I could not get that amendment adopted. Besides that, I do not think it is altogether fair to take advantage of a great crisis in order to try to change the permanent laws of the United States any further than is necessary to meet the emergency itself; nor would I have introduced an amendment just like the one I have introduced except for the fact that the Senator from Washington has introduced and has secured the passage of his amendment. So my sole object is to keep my people upon a footing of equality with his in so far as the navigation laws of the United States have anything to do with either one of them.

Mr. BORAH. The logic of it is that we ought to keep all the people upon an equality with each other.

Mr. WILLIAMS. That is very true.

Mr. BORAH. It is never too soon to get rid of that which is an injustice or a wrong; and in view of our present situation and our present condition of affairs I think the law ought to be repealed.

Mr. WILLIAMS. So do I, but I do not think we could stop here and discuss this thing two months. We want to get through this emergency legislation. We want to get it to the President just as soon as we can and get it signed and meet the present emergency. The Senator knows as well as I do that if we undertook to repeal the navigation laws of the United States we would be discussing the proposal two months. The interests involved are too great. The influence that they exercise is nearly omnipotent; indeed, hitherto has been omnipotent in both Houses of Congress. I want the emergency legislation to go through. I want immediately to meet the emergency. While I do not think this bill will meet it in full, and while I think the bill I introduced would, as this bill can not do any particular harm I am willing to vote for it. It can, and will moreover, do some good; and I want to get that good as quickly as I can.

If there has been any false step made in that respect, it was made by the Senator from Washington when he offered his amendment, and was made by the Senate when the Senate adopted his amendment. All I ask is that in so far as that is right its righteousness shall apply to us, and that in so far as it is wrong, if it is wrong for us, then it is wrong for him.

Mr. JONES. Mr. President, will the Senator yield to me?

Mr. WILLIAMS. Yes.

Mr. JONES. I do not know whether I exactly caught the force of the Senator's amendment or not; but I will say to him that my idea of my amendment has been all the time that it will allow the suspension of the coastwise laws between all ports on the west coast of the United States, or the Pacific coast, and all points on the east coast of the United States, or what might be called the Gulf and the Atlantic coast. That is, I had in mind the idea that the Gulf ports were a part of the Atlantic coast.

Mr. WILLIAMS. The Senator did not so express it.

Mr. JONES. If that is the purpose of the Senator's amendment, I will vote for it.

Mr. WILLIAMS. Oh, that is not the sole nor full purpose of my amendment.

Mr. JONES. That is what I thought.

Mr. WILLIAMS. I do not want to deceive the Senator from Washington. It would accomplish that purpose amongst others.

Mr. JONES. I wanted the Senator to understand my position clearly and to know that I wished to put the Pacific coast on the same basis as all the Atlantic coast, including the Gulf coast.

Mr. WILLIAMS. Then, if the Senator's amendment is going upon the statute books unamended by my amendment, he ought to change the language of it so as to read "the western ports and the eastern ports and the southern ports of the United States," and then he would cover them all. That is not my sole object, however. I want to be frank with the Senator. My next object is this: If you are going to take advantage of this bill to land your lumber in New York and Boston at a lower price, I want my people's lumber landed there by the same provision of the same bill at the same relative decrease of cost.

Mr. President, I have spoken longer than I intended to speak. The Senators have noticed, however, I suppose, that it was because of interruptions. I have also spoken with less logical continuity than I would have liked to speak, and this, too, for the same reason.

Mr. NEWLANDS. Mr. President, I wish to say a few words regarding this amendment.

I voted for the so-called Jones amendment with great reluctance. I would have much preferred to have the whole subject matter given a thorough investigation by proper committees, and then to have their deliberate judgment as to legislation regarding it; but the State I represent is in keen sympathy with the entire Pacific coast, and feels that it has been the victim of discriminatory legislation under the recent act amendatory of the Panama Canal act. We practically decided by that legislation that the commerce between the Pacific coast and the Atlantic coast was oversea commerce. We deprived that commerce between the States, passing through the Panama Canal, of the general benefit which the entire coastwise and internal commerce of the United States had had, namely, relief from any burden imposed by the United States directly upon commerce by reason of expenditures made by the United States in the improvement of waterways. We have expended upon the waterways of the United States over half a billion dollars, not a dollar of which has been charged in any way upon the tonnage transported in domestic commerce. We made a similar expenditure upon the Panama Canal, with a view to tying together the commerce of the Atlantic and the Pacific coasts; and we imposed upon that domestic commerce the charge of $1.20 a ton in compensation for expenditures made by the United States on what was a domestic waterway.

Now, having started with that discrimination we felt it was only fair to relieve the Pacific coast of the burden of the present condition and to give it the advantage of these vessels purchased in foreign countries, admitted to American registry, giving the people of the Pacific coast the advantage of transportation between the coasts upon those vessels. We had commenced discrimination already. We have now sought to extend that discrimination, or rather to equalize it, by giving the Pacific coast this advantage.

Mr. GALLINGER. Mr. President, just a word.

SEVERAL SENATORS. Let us vote.

Mr. GALLINGER. Well, we will vote after a while.

Just a word, Mr. President. I regret exceedingly that the Senator from Washington has asserted that the shipping interests of Boston have been here trying to prevent the legislation in which he was interested. I stated half a dozen times that it was a committee of business men. Very likely some of them may be interested in shipping, but they are business men and were headed by the mayor of that great city.

Mr. President, they came here, as they had a right to come. They would have been here sooner, no doubt, had they not received what seemed to be assurances, based upon fact, that the coastwise laws would not be disturbed in this legislation. I had that assurance from gentlemen whose names I will not now mention, and I believed that I was safe in giving that assurance to my constituents and to the people of New England. Those men came here as soon as they could come, and they came having a right to come, and their motives and their purposes ought neither to be misconstrued nor misrepresented.

Mr. President, I said the other day that this was not a fair way to deal with the coastwise laws of the United States; that if the Congress wants to repeal those laws, let it do it directly and in a square and honest way, and let us have the fight out covering the entire question.

I remarked the other day that the amendment of the Senator from Washington was the camel's head that was entering the tent. The amendment proposed by the Senator from Mississippi puts a part of the body of the animal into the tent, and the suggestion of the Senator from Iowa puts the entire camel there, and the coastwise laws will be blotted out by piecemeal.

Mr. President, it is not to the credit of the Senate of the United States, it is not to the credit of the Congress of the United States, that this great question is not met fairly and squarely and considered upon its merits as an entirety.

I meant to refer then to the provision of the Constitution, but forgot it. We can not give a preference to one port of the United States as against another port. That is precisely what we have done in the amendment that has been agreed to. But let that go. I do not know that it will ever be decided in the courts of the United States, but I believe that if it is contested it will be found to be, in the judgment of the Supreme Court of the United States, a direct violation of that provision of the Constitution.

Mr. President, the Senator from Mississippi is consistent in the amendment he has offered. I can not vote for it, because I am against all these propositions, but there is just as much reason why the Gulf ports should not be included in this legislation, and there is just as much reason why the Great Lakes should not be included in this proposition, because, open the commerce of the Great Lakes, mighty as it is, to the ships of Canada and you will get transportation across those lakes much cheaper than you can get it to-day, if that is your purpose.

But, Mr. President, my effort was unavailing. The votes that my amendment received were fewer than I anticipated, but I always acknowledge defeat gracefully, and I am prepared now to vote against this bill, inasmuch as the amendment of the Senator from Washington has been attached to it.

Mr. JONES. Mr. President, just a word. I did not intend in anything I said to convey the impression that I thought the business men or shipping men ought not to come down here to Washington, as they had a perfect right to do, or that they were here for an improper purpose. I do not think anything I said suggested anything of that sort. I am just as much in favor of gentlemen coming here and seeing us about this legislation as the Senator from New Hampshire. I think they have a right to come here, but I think I had a perfect right to direct attention to the fact that they were here pressing this matter.

Mr. GRONNA. Mr. President, I had regarded this bill as an emergency measure. I am not unaware of the fact that it would be a benefit to the interior of the country to have it apply to the Great Lakes, but I have not seen fit to offer such an amendment as was suggested by my colleague. I find no fault with the Senator from Washington for offering his amendment, but I believe, Mr. President, that this bill should be passed as an emergency measure and not a measure that will take care of one locality as against another. No one will deny that the Jones amendment provides for privileges to the coast that it denies to the interior of the country.

Mr. JONES. Mr. President, I deny that.

Mr. GRONNA. Mr. President, I believe I can demonstrate to the Senator that wheat and other products can be shipped from the Pacific coast to the Atlantic coast for perhaps one-third less than the cost of shipping our wheat from the interior.

The amendment of the Senator from Washington has no place upon this bill.

Mr. CHAMBERLAIN. May I interrupt the Senator?

Mr. GRONNA. I will be through in a moment.

Mr. CHAMBERLAIN. I just want to ask the Senator a question, in this connection.

Mr. GRONNA. I will be through in a moment. I voted to repeal the Panama Canal tolls provision for the simple reason that I did not believe in discrimination. This bill was introduced as an emergency measure, for the purpose of taking care of our oversea commerce; the Senator from Washington has succeeded, with his usual skill and ability, to get into the bill an amendment that will give a preference to the commerce on the Pacific coast. I now yield to the Senator from Oregon.

Mr. CHAMBERLAIN. The Senator says that we are getting wheat shipped by water from the Pacific coast to the Atlantic coast for a third less than from the interior. I may say to the Senator that that would be true whether this law passes or not. It is a benefit which the God of nature has given us in making rates cheaper between coast points than interior points, and particularly so where the competition is railway competition.

Mr. GRONNA. The Senator from Oregon must know, and he does know, that by the bill as it was reported from the committee the Pacific coast will have the same advantage that the Atlantic coast has.

Mr. McCUMBER. If my colleague will yield to me, I should like to suggest to the Senator from Oregon that if he has that natural advantage certainly he ought not then to ask for special advantages to exaggerate that difficulty.

Mr. CHAMBERLAIN. We deny we are doing that and insist that we are only asking that the same privileges be given to our section of the country by the bill.

Mr. McCUMBER. All we are asking is that the Great Lake section be accorded the same privileges as the rest of the country.

Mr. CHAMBERLAIN. I am not opposing that. I was just answering the suggestion made by the Senator's colleague.

Mr. GRONNA. I am merely making these observations for this reason: I have regarded this bill as purely an emergency measure, and I did not feel justified in offering an amendment that would give a special privilege to our section of the country, but when the Senators from the Pacific coast or from the Atlantic coast saw fit to burden this measure with amendments and with provisions that are discriminatory I believed that you would be willing to let it apply to the whole United States.

Mr. CHAMBERLAIN. Mr. President, I know how tired the Senate is, and I do not feel that it would be just to myself or to the Senate to make a speech, and I am not going to do it. I merely wish to make one or two observations in view of what the senior Senator from Mississippi [Mr. WILLIAMS] had to say. I tried to interject an observation while he was addressing the Senate, but he would not permit me to do it. The Senator waxes warm and talks loud whenever he addresses himself to the Pacific coast and to the Northwest. I do not know why he does it. I think he is reasonably friendly to the Members of the Senate from the Pacific Northwest, but whenever that subject is broached he seems to become eloquent and to grow angry and will not allow Senators from that section of the country to interrupt him. I have begun to think and our people have begun to think that the Senator is not friendly to the northwest section of the country.

The Senator opposed the construction of railroads in Alaska most eloquently, and now he opposes the Northwest and claims that Senators from the Northwest are asking something at the hands of the Senate that is sectional and unfair. None have been more devoted to the interests of the South than have those who come from my section of the country. We are always glad to assist the people of the South in anything that benefits them. As a matter of fact, when this bill was reported here it was argued at length and urged that the principal purpose of the bill was to do what? That it was to enable the South to get rid of its cotton crop. That was the argument which was made by our friends from the South. God knows there is not a man in the Senate who was more glad to render them assistance in that than I was, and no man will do more to assist them along that line than will I and my colleagues from the Northwest.

Not only was it localized by those who were insisting upon this emergency legislation, but it was practically based upon that proposition alone. Now, while there is legislation admitting foreign-built ships to American registry for the purpose of relieving the situation in the South, why not go a step further and admit these foreign-built ships to the coastwise trade when they have been admitted to American registry?

There is not a single provision in this bill that gives the Pacific coast any advantage over the Atlantic coast. As I said a while ago, while the lumber trade of the Northwest has been instanced by way of illustration only to show the hardships that have been imposed upon that industry in the Northwest, it is sought to be made to appear here that the lumber industry alone is the industry which is interested.

Mr. President, every vessel that goes through the Panama Canal from the Pacific coast ports laden with lumber will bring back some commodity from the Atlantic coast line in the form of structural steel or some commodity which can not go very well by rail.

I call the attention of the Senate to what I was addressing myself to when the Senator from Mississippi declined to permit me to interrupt him further. The Senator says that if the bill passes with the Jones amendment it will give the Pacific coast ports shipping lumber an advantage over the South coast ports. That is not true. As a matter of fact, the ships that are laden with lumber from British Columbia, from Vancouver, can unload lumber in New York cheaper than it is possible to unload lumber from American coastwise vessels from Puget Sound and Portland in the same Atlantic ports.

Not only that, Mr. President, but there is this, further, that I want to say: American coastwise vessels that go through the Panama Canal go through on exactly the same terms as the British ships which go from Vancouver. But aside from the fact that the British vessels can carry lumber around to the Atlantic coast cheaper, because of the cheaper construction of their vessels, as my colleague has stated, and because of the fact that they can operate them cheaper, they have this additional advantage and there is this handicap to American shipping: Rule 7 of the proclamation fixing charges upon vessels going through the Panama Canal has a provision charging the same rates for a deck load as is charged for the under-deck load. In other words, a lumber vessel loaded at Puget Sound for a port on the Atlantic coast pays an under-deck charge at the rate of $1.20 per ton, although two-thirds of her cargo is above deck. The American vessel laden at Portland, Oreg., pays $1.20 a ton for space under deck which is not occupied at all or which is practically unoccupied, whilst there is a charge for the upper-deck load of $1.20 per ton. That is practically two-thirds of the load of lumber. So taking a vessel with an under-deck capacity of 5,000 tons net registered tonnage, that vessel goes through the Panama Canal and pays at the rate of $1.20 per ton on 5,000 tons, and yet not a third of the 5,000 tons is under deck.

The lumber load is on the deck; and it would be compelled not only to pay on 5,000 tons under deck, but it pays about $1,600 for space above deck which is really not occupied by lumber. So the American ships loaded in Portland, Oreg., or on Puget Sound can not possibly compete with vessels loaded with lumber from southern ports which the Senator from Mississippi so eloquently enlarged upon.

Mr. WILLIAMS. Mr. President——

Mr. CHAMBERLAIN. I will not allow the Senator to interrupt me any more than he permitted me to interrupt him.

Mr. WILLIAMS. I told the Senator——

Mr. CHAMBERLAIN. I do not propose to be interrupted by the Senator at all.

The VICE PRESIDENT. The Senator from Oregon has the floor and declines to yield.

Mr. CHAMBERLAIN. The Senator very discourteously declined to permit me to interrupt him, and I do not propose to be interrupted by the Senator.

Mr. WILLIAMS. I told the Senator——

Mr. CHAMBERLAIN. I do not propose to permit the Senator to interrupt me.

The VICE PRESIDENT. The Senator from Oregon has the floor and can not be interrupted without his consent.

Mr. CHAMBERLAIN. That is all there is about it. There has not been a time when I have entered into any discussion with the Senator when he has not treated me with the same discourtesy. That is the reason why I suggested that the Senator seems to be unfriendly to my section of the country, because I had not been able to believe that he has an unfriendly feeling toward the Senators from that section.

So I say, Mr. President, it is impossible for the American coastwise vessel loading lumber at Seattle or Tacoma or Everett or Portland to compete with the lumber laden on a vessel from a southern port, for the reason, first, that the American vessel pays for going through the Panama Canal at the rate of $1.20 per ton, and, in addition to that, as I stated a while ago, it not only pays at the rate of $1.20 per ton for the load under deck, where it does not carry the load, but it pays the tonnage charge above deck, which places a handicap on a vessel of 5,000 tons of about $1,600 to $1,800. So the charges on the passage through the canal and the upper-deck charge make it impossible for a vessel loading with lumber on the northwest coast to compete with the Mississippi lumber.

But, Mr. President, so far as I am concerned, I was not opposed to the amendment of the Senator from Mississippi, because I assumed that when it spoke of the Atlantic coast points it meant the Gulf of Mexico, too. To us ignorant people from our section of the country we assumed that the Atlantic coast line extended as far south as the Gulf coast. So I am not opposed to that amendment.

I was simply led to make this observation, Mr. President, because I was not permitted to interrupt the Senator from Mississippi when he had the floor.

Mr. O'GORMAN. I ask unanimous consent——

Mr. WILLIAMS. I want to make a request of the Senator from New York. Let me interrupt him for a moment.

Mr. O'GORMAN. Yes.

Mr. WILLIAMS. I hold in my hand a couple of pages prepared by Andrew Furuseth upon the question of the difference of operation between American and foreign ships, and I want it appended as a part of my remarks.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The matter referred to is as follows:

INTERNATIONAL SEAMEN'S UNION OF AMERICA,
February 12, 1914.

DEAR SIR: I have received some requests for a further explanation of part of my letter of January 31, wherein I made reference to "certain special privileges" granted by our Government to foreign shipowners, and which have resulted disastrously to the foreign-going merchant marine of our own country. Therefore I again take the liberty of addressing you on the subject.

The "special privileges" are the means by which, while in our ports, foreign ships are enabled to forcibly hold the crews secured at the lower-wage rates of foreign ports. Under treaties and statutes our Government uses its police powers, at the request of foreign shipowners, to capture and return seamen who attempt to quit the service of their ships and keep sailors from getting their pay for work already done. Illustration: Naples to New York; Nagasaki to San Francisco. Thus the wage rate of foreign ships is forcibly kept lower than that prevailing at American ports.

This marks the one advantage which foreign ships now hold over American ships in the foreign trade and which prevents the proper growth of our merchant marine. Other conditions have been equalized.

The building cost was equalized by a clause in the Panama Canal act permitting American registry to foreign-built ships for purposes of the foreign trade, except that the admitted vessels were not admitted to the coastwise trade.

The cost of supplies is equal to all. An American ship trading between New York and Antwerp, for instance, purchases her supplies in Antwerp, if the cost there is lower than in New York.

The remaining item, and the most important, is that of labor cost on the vessel itself, i. e., the wages of the crew. If conditions can be brought about whereby the wage cost of operation will be equalized, the development of our merchant marine and our sea power will be unhampered. This is cured by the La Follette bill.

This is within the power of our Government. The present situation is entirely artificial. The remedy is to set free the economic laws governing wages, economic laws which, in their application to seamen, are now obstructed by treaties and statute law.

There has been a very common misapprehension that wages of seamen depend upon the flag under which they work. Their wages depend upon the port in which they are hired and sign shipping articles, regardless of the nationality of the vessel, and the wages in that port depends upon the standards of living in the country where the port is located. In other words, the economic law governing wages of seamen is exactly the same as that governing wages of any other class of workers.

Imagine two ships, one flying the American flag, the other a foreign flag, moored at the same dock in New York. The crew of the American vessel has been hired in New York at American wages, that of the foreign ship at some low-wage port in the Mediterranean. The two crews come into contact, each discovering the wages and conditions of the other.

What is the natural result? Unless prevented by force, the crew of the foreign vessel would either get the same wages as paid on the American vessel or they would quit. The foreigner would then have to hire a new crew at the wages of the port, not as the result of any organized action by the men, but as the result of individual desire inherent in human nature

The foreign owner would have gained no advantage by his refusal to pay the higher wages to the crew he brought here. Under such conditions ordinary business sense would quickly induce him to pay his crew in accordance with American standards in advance of arrival in an American port as the only way to retain their services, and thus avoid the cost involved in delaying his vessel for a new crew.

In 1884 Congress enacted a law intended to enable American shipowners to hire their crews in foreign ports, where wages are lowest, and to hold these crews in American ports, where wages were higher. It was an attempt to force wages down to the foreign standard, but it failed to accomplish its purpose. The whole pressure of American life was against it.

The way to successfully equalize the wage cost of operation is to permit the men on all vessels in our ports to release themselves, instead of assisting shipowners to forcibly hold them. Equalization will then follow a natural course upward to the higher level in response to economic conditions. Equalization downward by artificial means is impossible, and results only in men quitting the sea.

Let Congress reassert and maintain domestic jurisdiction over all vessels in our ports, enact standards of safety and skill, etc., based upon American conceptions, equally applicable to all and kept under control of our own Government, thus depriving foreign vessels of any special privileges. The wage cost of operation will be equalized, and so remain, and there will be no need of subsidies to rebuild the American merchant marine.

Respectfully submitted.

ANDREW FURUSETH,
President International Seamen's Union.

Mr. WILLIAMS. Will the Senator from New York excuse me one moment longer? The Senator from Oregon [Mr. CHAMBERLAIN] seems to have misunderstood me. I never intended to refuse to permit the Senator from Oregon to interrupt me at all. I merely asked him to hold off until I got through with the thought I was then engaged upon. He thoroughly misinterpreted what I did.

Mr. O'GORMAN. Mr. President, I ask unanimous consent that we proceed to vote on all the amendments and the bill not later than 6.45 this evening, and that in the meantime no Senator shall occupy more than five minutes in any remarks he may make.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Hollis	Overman	Stone
Borah	Hughes	Page	Swanson
Brady	James	Perkins	Thomas
Brandegee	Johnson	Pittman	Thompson
Bristow	Jones	Pomerene	Thornton
Bryan	Kern	Ransdell	Tillman
Chamberlain	Lane	Reed	Vardaman
Clapp	Lee, Md.	Shafroth	Walsh
Clarke, Ark.	Lewis	Sheppard	West
Colt	McCumber	Shively	White
Culberson	Martine, N. J.	Simmons	Williams
Cummins	Nelson	Smith, Md.	
Gallinger	Newlands	Smoot	
Gronna	O'Gorman	Sterling	

The VICE PRESIDENT. Fifty-three Senators have answered to their names. A quorum is present. The Senator from New York [Mr. O'GORMAN] submits a request for unanimous consent, which will be read by the Secretary.

The Secretary read as follows:

It is agreed by unanimous consent that at not later than 6.45 o'clock p. m. on this day, August 11, 1914, the Senate will proceed to vote upon any amendment that may be pending, any amendment that may be offered, and upon the bill H. R. 18202 through the remaining parliamentary stages to its final disposition; and that no Senator shall speak more than once or longer than five minutes upon the bill or any amendment offered thereto.

Mr. O'GORMAN. I desire to modify my request by placing a limit of two minutes instead of five minutes upon the time to be occupied in making speeches.

Mr. JAMES. Why not make the time for voting 6.30 p. m.?

Mr. O'GORMAN. If there be no objection, I will make it 6.30 p. m.

Mr. JAMES. I understand the Senator from Georgia [Mr. WEST] only desires to speak for a few moments.

Mr. WEST. I merely wish to make a brief statement. I do not desire to make an argument.

Mr. NEWLANDS. I wish to present an amendment.

The VICE PRESIDENT. Is there objection to the request for unanimous consent?

Mr. GALLINGER. What request for unanimous consent, the one as read?

The VICE PRESIDENT. The Secretary will read the unanimous consent as now proposed to be modified.

The Secretary read as follows:

It is agreed by unanimous consent that, at not later than 6 o'clock and 30 minutes p. m. on this day, August 11, 1914, the Senate will proceed to vote upon any amendment that may be pending, any amendment that may be offered, and upon the bill H. R. 18202 through the remaining parliamentary stages to its final disposition, and that no Senator shall speak more than once nor longer than two minutes upon the bill or any amendment offered thereto.

Mr. O'GORMAN. In deference to the desires and convenience of one of my colleagues, I ask that the original hour for beginning voting, 6.45 p. m., be retained.

Mr. WEST. Mr. President——

The VICE PRESIDENT. Is there objection to the unanimous-consent agreement? The Senator from Georgia.

Mr. WEST. It is not my purpose, Mr. President——

The VICE PRESIDENT. Is there objection to the unanimous-consent agreement?

Mr. WEST. I merely rose to address myself to the bill.

The VICE PRESIDENT. The question at hand is to determine whether or not the unanimous-consent agreement shall be entered into.

Mr. WEST. I thought that had already been done.

The VICE PRESIDENT. Is there objection? The Chair hears none; and the agreement is made.

Mr. WEST. Mr. President, it is not my purpose to enter upon any argument in this case. I have been impressed all along with the idea that this was a great emergency measure, and I have been anxious to support it because I think the country needs it; but I do think that the amendment put upon the bill on motion of the Senator from Washington [Mr. JONES] is unjust, unfair, and discriminatory, and that it should not have been tacked onto this great emergency measure. It gives three States on the western coast the advantage over the States in the South, inasmuch as it gives them proportionately a cheaper rate.

Mr. SMOOT. Mr. President, a parliamentary inquiry. Is there now an amendment pending to the bill?

The VICE PRESIDENT. There is.

Mr. SMOOT. I want to make a few remarks after that amendment is disposed of.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Mississippi [Mr. WILLIAMS]. [Putting the question.] The noes seem to have it.

Mr. WILLIAMS. I ask for a division, Mr. President.

The VICE PRESIDENT. All in favor of the amendment will rise. [A pause.] Those opposed will rise. [A pause.] The amendment is adopted.

Mr. GALLINGER. What is the vote, Mr. President?

The VICE PRESIDENT. For the information of the Senator from New Hampshire——

Mr. GALLINGER. And the Senate.

The VICE PRESIDENT. And the Senate, the Chair will state that the ayes were 22 and the noes were 15.

Mr. SMOOT. Mr. President, I had intended to offer the same amendment to the bill which I offered last Saturday, but I will refrain from doing so at this time, because the Senate has virtually recorded its wishes in regard to the principle involved in the amendment.

Mr. President, just a word in explanation of the vote which I intend to cast for this bill. I am utterly opposed to section 3 of the bill. If I thought that section was going to remain in the bill, I should vote against it, but I believe it will go out in conference. For that reason I shall cast my vote for the bill.

Mr. JONES. Mr. President——

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Washington?

Mr. SMOOT. I do.

Mr. JONES. I shou'd like to ask the Senator from Utah what reason he has for thinking that that provision, which was adopted by a vote of the Senate, will go out of the bill in conference?

Mr. SMOOT. It is merely an impression that I have. No one has said a word to me as to whether it will go out of or remain in the bill, but I think that that impression will prove to be well founded when the conference report is made to this body

Mr. NEWLANDS. Mr. President, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment proposed by the Senator from Nevada will be stated.

The SECRETARY. It is proposed to insert as a new section the following:

SEC. 6. The Secretary of the Navy is hereby authorized to purchase or to provide for the construction, either in the private shipyards of the United States or in the navy yards, or both, of 30 vessels suitable for use by the Navy either as auxiliary vessels, such as transports, fuel ships, dispatch boats, ammunition vessels, hospital ships, supply ships, and scouts, or for use on such commercial or mail lines as the Secretary of the Navy may now or hereafter be authorized by law to establish, not to cost in the aggregate to exceed $30,000,000; and the sum of $30,000,000, or so much thereof as may be necessary, is hereby appropriated, out of any money in the Treasury not otherwise appropriated, to carry into effect the provisions of this section.

Mr. SMOOT. Mr. President, a parliamentary inquiry. I understand that that is the same amendment which the Senator from Nevada offered when the bill was before the Senate as in Committee of the Whole?

Mr. NEWLANDS. It differs in some details.

Mr. SMOOT. I was going to say that if the amendment is the same, then, the right not having been reserved to offer it in the Senate, it would now be out of order.

Mr. GALLINGER. Oh, no.

Mr. NEWLANDS. The amendment has been changed in some particulars.

Mr. SMOOT. Then I shall not press the point of order.

Mr. NEWLANDS. Mr. President, I am aware that many Senators who are disposed to support this proposal as proper legislation are disinclined to do so as an amendment upon this bill, and I wish to say in that connection that this is probably the only opportunity that we shall have to write this measure into the statute books.

The Senate will recall that it has already passed a bill, called the Weeks bill, which provides for the utilization in commerce of certain ships belonging to the Navy, not only in commerce in South American ports but with European ports. We have the statement of the Secretary of the Navy that there are some 20 ships belonging to the Navy that can be thus utilized. This is simply supplemental to the legislation which the Senate has already enacted and which is now under consideration by the Naval Committee of the other House. It simply recognizes the fact that our fighting ships will not have in case of war the support of supply ships, and that our fighting ships would be useless in the ocean in case of war without the aid of supply ships. It proposes, therefore, as a matter of national defense, to start upon the program of adding to our Navy those auxiliary ships that are absolutely essential for the support of the fighting ships in case of war, meanwhile utilizing them during times of peace for commercial purposes.

The VICE PRESIDENT. The time of the Senator has expired.

Mr. O'GORMAN. Mr. President, I desire to say a word respecting the amendment just proposed by the Senator from Nevada. The proposal has merit, but it should not be made a part of this particular emergency bill. The purpose of the proposal is to furnish an auxiliary navy. The bill should go to the Committee on Naval Affairs, receive suitable consideration there, and then come into this body as an independent measure. I do not think it should form a part of this remedial and emergency legislation which we are about to enact.

Mr. BRYAN. Mr. President, I offer an amendment to section 3, which I should like to have the Secretary read.

The VICE PRESIDENT. The pending amendment is the one offered by the Senator from Nevada [Mr. NEWLANDS], which has not yet been disposed of.

Mr. BRYAN. Very well.

Mr. WILLIAMS. Mr. President, I want in a word to express my objection to the amendment offered by the Senator from Nevada. The pending bill is designed to increase the merchant marine, and the Senator introduces an amendment for the purpose of increasing the Navy. The proposals are precisely the opposite in the ends aimed at and ought not to be coalesced.

Mr. SHAFROTH. Mr. President, it seems to me, in view of the fact that this is an emergency measure, that the proposition of the Senator from Nevada ought not to prevail. In the event that we should become involved in war, we could do exactly as we did in the Spanish War; we have the right to go out and buy, and we have an unlimited market in which to buy transports. We had no difficulty whatever in obtaining them in 1898. When the Spanish-American War was over, the consensus of opinion of the Navy Department and of other departments of the Government was that we did not need the vessels which had been purchased, and therefore they were offered for sale and brought only 25 cents on the dollar. The chances are that that experience will be repeated.

We know that we are in need of revenue now; we are considering the proposition of raising more revenue; we are contemplating putting new revenue laws upon the statute books, and is it possible that we want to add twenty-five or thirty million dollars to the debt that already burdens us, when we know that the imports to the United States must be less, and that therefore the revenue to be derived from the duties on imports will be less? It seems to me that now is not the time to legislate with respect to this matter. If we want a measure of this kind, if it is the deliberate opinion of the Senate that there should be such legislation, it ought to be upon a bill of permanent nature and not upon an emergency measure.

The VICE PRESIDENT. The time of the Senator has expired.

Mr. BRISTOW. Mr. President, this bill as it has been amended, in my opinion, is a bad bill. We ought to have passed it as an emergency bill without amendments revising the shipping laws of the United States. It is certainly surprising to hear Senators refer to this as an emergency measure and at the same time advocate revising the shipping laws of the United States, with very little consideration, under the assumption that we need to do so as an emergency measure.

The amendment which the Senator from Nevada [Mr. NEWLANDS] has offered will be the most sensible provision that the bill will contain, in case the amendment is adopted. It would be of more use to the American people than all the rest of the provisions of the bill together. If it shall be incorporated into the bill, it will to a considerable extent alleviate the evil the bill contains as it is now formulated. I only hope that it will be adopted, and I intend to do everything I can to bring that about.

Mr. SHAFROTH. Mr. President, does the Senator believe that it will encourage the merchant marine if we have Government-owned rival lines plying between the same ports that privately owned vessels serve? Does the Senator think we can ever build up a merchant marine by pursuing such a course as that?

Mr. BRISTOW. We are now undertaking to revise our shipping laws in order to get a merchant marine that will carry our products abroad, and amendments have been attached to this bill that will destroy the coastwise shipping that we now have, so that the coastwise commerce of the United States will be in just as bad a condition as the over-seas trade is to-day. Under the guise of an emergency we are destroying all of the shipping we have got by bringing the foreigner to trade in our home ports; and now it is proposed to let the Government build ships so that there may be better facilities for caring for our coastwise trade.

The VICE PRESIDENT. The time of the Senator has expired.

Mr. BRANDEGEE. Mr. President, it is perfectly evident that emergencies, like hard cases, are very apt to make bad law. Whatever may be the emergency or merits of the pending legislation, whether it will fill the bill and provide what is necessary in the emergency, remains to be seen; but there is a disposition always at the end of a session, when some bill gets a showing of public sentiment behind it, to use that bill as a float or a life preserver to which to attach measures that might be hopeless in themselves, and to get them through in that way.

It seems to me that it does not require much judgment to perceive that if the country ought to appropriate $30,000,000 to the Navy, or to anything else, it ought to do so after some inspection and consideration, and that it ought not to be done here under the two-minute rule on this bill at this time in the evening. If $30,000,000 are to be appropriated for the Navy, the general board ought to consider the proposition and say to what vessels it shall be applied. Right along we have been voting down in connection with other bills amendments to increase the Navy along certain lines on the ground that it was against the interests of economy, and that we did not have the money to enter into any such venture.

I can not see that this will be wise legislation, and I hope the amendment will not prevail. The Senator from Nevada has already introduced the same provision in the form of a bill which has been referred to the Committee on Naval Affairs, where it belongs. If there is any merit in it, it will be discovered by the committee and by the department, and can then be acted upon as other similar measures are and ought to be.

Mr. STONE. Mr. President, I do not think this bill materially changes or affects our navigation laws except in so far as the third section is concerned. I was and am still opposed to that section, and if I had not been paired I would have voted against it to-day.

The Senator from New York, in charge of the measure, says that he appreciates the very great merit in the proposition submitted by the Senator from Nevada, but he thinks it ought not to go upon this bill. Why, Mr. President, this is the very bill of all others that it ought to go upon. It does not concern the merchant marine except in a very casual way. It is to provide certain classes of ships for the Navy as a part of the Naval Establishment. The use of those ships in commercial lines is temporary, and as soon as the temporary emergency passes they cease to be operated for commercial purposes. The very object of this bill, the one supreme purpose had in mind in the introduction and I should think in the passage of this bill is to secure facilities for transporting the cotton and other agricultural products of the country and the manufactured products of the country to foreign ports, now so much congested by reason of the lack of those facilities.

The VICE PRESIDENT. The time of the Senator from Missouri has expired. The question is on agreeing to the amendment offered by the Senator from Nevada. [Putting the question.] By the sound the noes seem to have it.

Mr. BRISTOW. I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CHAMBERLAIN (when his name was called). I transfer my general pair with the junior Senator from Pennsylvania [Mr. OLIVER] to the junior Senator from Kentucky [Mr. CAMDEN] and will vote. I vote "nay."

Mr. CULBERSON (when his name was called). I transfer my general pair with the senior Senator from Delaware [Mr. DU PONT] to the senior Senator from Alabama [Mr. BANKHEAD] and will vote. I vote "yea."

Mr. FALL (when his name was called). I have a pair with the senior Senator from West Virginia [Mr. CHILTON] and therefore withhold my vote. If I were at liberty to vote, I should vote "yea."

Mr. HOLLIS (when his name was called). I announce my pair with the junior Senator from Maine [Mr. BURLEIGH] and withhold my vote.

Mr. JAMES (when his name was called). I transfer my pair with the junior Senator from Massachusetts [Mr. WEEKS] to the junior Senator from Tennessee [Mr. SHIELDS] and will vote. I vote "nay."

Mr. REED (when his name was called). I am paired with the senior Senator from Michigan [Mr. SMITH] and therefore withhold my vote. If I were at liberty to vote, I should vote "yea."

Mr. SMITH of Georgia (when his name was called). I transfer my pair with the senior Senator from Massachusetts [Mr.

LODGE] to the senior Senator from Virginia [Mr. MARTIN] and will vote. I vote "nay."

Mr. SMITH of Maryland (when his name was called). Again announcing my pair, in the absence of the Senator with whom I am paired, I withhold my vote.

Mr. STONE (when his name was called). I have a general pair with the senior Senator from Wyoming [Mr. CLARK]. In his absence I withhold my vote.

Mr. THOMAS (when his name was called). I transfer my pair with the senior Senator from New York [Mr. ROOT] to the senior Senator from Nebraska [Mr. HITCHCOCK] and will vote. I vote "nay."

Mr. TILLMAN (when his name was called). I transfer my pair with the junior Senator from West Virginia [Mr. GOFF] to my colleague [Mr. SMITH] and will vote. I vote "yea."

Mr. WALSH (when his name was called). I have a general pair with the senior Senator from Rhode Island [Mr. LIPPITT]. In his absence I refrain from voting.

Mr. WILLIAMS (when his name was called). I have a pair with the senior Senator from Pennsylvania [Mr. PENROSE]. Being unable to procure a transfer of that pair, of course I must withhold my vote. If he were present and I were at liberty to vote, I should vote "nay."

The roll call having been concluded, the result was announced—yeas 20, nays 30, as follows:

YEAS—20.

Ashurst	Clarke, Ark.	Jones	Overman
Borah	Colt	Lane	Pittman
Brady	Culberson	Lewis	Poindexter
Bristow	Cummins	Martine, N. J.	Thompson
Clapp	Gronna	Newlands	Tillman

NAYS—30.

Brandegee	Lee, Md.	Saulsbury	Swanson
Bryan	McCumber	Shafroth	Thomas
Chamberlain	Nelson	Sheppard	Thornton
Gallinger	O'Gorman	Shively	Vardaman
Hughes	Page	Simmons	West
James	Perkins	Smith, Ga.	White
Johnson	Pomerene	Smoot	
Kern	Ransdell	Sterling	

NOT VOTING—46.

Bankhead	Goff	Norris	Smith, S. C.
Burleigh	Gore	Oliver	Stephenson
Burton	Hitchcock	Owen	Stone
Camden	Hollis	Penrose	Sutherland
Catron	Kenyon	Reed	Townsend
Chilton	La Follette	Robinson	Walsh
Clark, Wyo.	Lea, Tenn.	Root	Warren
Crawford	Lippitt	Sherman	Weeks
Dillingham	Lodge	Shields	Williams
du Pont	McLean	Smith, Ariz.	Works
Fall	Martin, Va.	Smith, Md.	
Fletcher	Myers	Smith, Mich.	

So Mr. NEWLANDS's amendment was rejected.

Mr. GALLINGER. Mr. President, I offer an amendment to follow the amendment agreed to, that was offered by the Senator from Mississippi [Mr. WILLIAMS].

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. At the end of section 3 it is proposed to insert the following:

Provided, That foreign-built vessels engaging in such coastwise trade shall be subject to all the laws, regulations, and rules of the United States Government pertaining to vessels of the United States in every respect as though such foreign-built vessels were vessels of the United States.

Mr. GALLINGER. Mr. President, that amendment is so just and so reasonable that I do not propose to debate it. I hope it will be agreed to.

Mr. O'GORMAN and Mr. WILLIAMS addressed the Chair.

The VICE PRESIDENT. The Senator from New York.

Mr. O'GORMAN. Mr. President, under the bill as it now stands, every one of these foreign-built vessels will be subject to every feature of the American law except where the President, by authority of this measure, suspends the law.

Mr. WILLIAMS. Mr. President, I was about to say just what the Senator from New York has said; that so far as everything except the present emergency is concerned these foreign-built ships, after they once enter the service, are subject to the rules and regulations of the service, and they are only exempt in so far as the provisions of this bill exempt them by the order of the President.

Mr. O'GORMAN. Mr. President, I call the attention of the Vice President to the fact that the hour has arrived when we should proceed, under the unanimous-consent agreement, to take a final vote.

Mr. GALLINGER. Oh, no; I think we are to vote on the amendments. I do not think the Senator can cut off amendments in that way. I want a vote on my amendment. I am not going to debate it.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from New Hampshire.

The amendment was rejected.

Mr. BRYAN. Mr. President, I send an amendment to the desk, and ask that it may be stated.

The VICE PRESIDENT. The Secretary will state the amendment.

The SECRETARY. As a substitute for section 3 as amended it is proposed to insert:

SEC. 3. The President is hereby authorized, whenever in his judgment the needs of domestic trade require, to suspend by order, so far and for such length of time as he may deem desirable, the provisions of law confining the coastwise trade to American-built ships, and permit foreign-built ships having an American register to engage in the coastwise trade.

The VICE PRESIDENT. The question is on agreeing to the amendment.

Mr. BRYAN. Mr. President, is debate out of order at this time?

The VICE PRESIDENT. The Chair thinks not. The Chair thinks, however, that it is confined to two minutes on the part of each Senator.

Mr. BRYAN. The amendment adopted, offered by the Senator from Mississippi, in regard to the Gulf ports and the ports of the Great Lakes, it seems to me, justifies the amendment which I offer, and which in effect authorizes the President to suspend the shipping laws as they affect domestic vessels.

I can illustrate the situation as it exists under section 3 as it now stands by referring to two cities in my own State. The city of Tampa is a Gulf port. The city of Key West is an Atlantic port. Foreign-built vessels manned by foreign crews could go out of Tampa under this bill, and they could not go out of the city of Key West, only a few miles away.

In order that the matter may be equitable and just as between the ports, I hope the amendment will be adopted.

Mr. WILLIAMS. Mr. President, I just want to say that under the terms of my amendment the Senator is mistaken, as the amendment was subsequently modified.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Florida.

The amendment was rejected.

Mr. CUMMINS. I offer the amendment which I send to the desk.

Mr. REED. Mr. President, I should like to have the terms of the unanimous-consent agreement read.

The VICE PRESIDENT. The Secretary will read it.

The Secretary read as follows:

It is agreed by unanimous consent that at not later than 6.45 o'clock p. m. on this day, August 11, 1914, the Senate will proceed to vote upon any amendment that may be pending, any amendment that may be offered, and upon the bill H. R. 18202, through the remaining parliamentary stages to its final disposition; and that no Senator shall speak more than once or longer than two minutes upon the bill or any amendment offered thereto.

Mr. GALLINGER. Let the amendment be stated.

The VICE PRESIDENT. The Secretary will state the amendment.

The SECRETARY. It is proposed to insert, after the word "title" in line 9, page 3, the following:

Provided, That no foreign-built ship hereafter purchased by an American corporation shall be admitted to United States registry unless a majority of the stock of such corporation is owned and held by citizens of the United States.

Mr. CUMMINS. Mr. President, I do not intend to repeat the argument that I have made more than once in regard to this subject. I believe we are committing a grave mistake when we allow, in the condition which now confronts us abroad, foreign ships to be nominally transferred to an American corporation merely to secure whatever protection there may be in the American flag. I think it is an invitation for fraud, and I must believe that it will be regarded as an unfriendly thing by the nations that may be interested in the subject.

I do not intend to ask for a roll call, but I will ask for a vote upon my amendment, and a division. I ask for a division.

The VICE PRESIDENT. All in favor of the amendment will rise. [A pause.] All opposed will rise. [A pause.] The ayes are 23, the noes are 21. The amendment is agreed to.

Mr. SIMMONS. Mr. President, is it in order to ask for the yeas and nays?

The VICE PRESIDENT. The Chair rules that it is not.

Mr. SIMMONS. Mr. President, I was on my feet preparatory to making that request when the Chair announced the result.

The VICE PRESIDENT. Yes; but the Senator did not address the Chair.

Mr. JAMES. The vote itself having disclosed the lack of a quorum, it is the duty of the Chair to direct a call of the Senate.

The VICE PRESIDENT. No; it is not the duty of the Chair to direct a call of the Senate.

Mr. SIMMONS. I ask for the yeas and nays.

Mr. CUMMINS. I call for the regular order.

Mr. SMITH of Georgia. I move to reconsider the vote.

Mr. SIMMONS. I insist that when a Senator is on his feet to call for the yeas and nays, and the Chair is speaking before he can possibly address the Chair, it is not right to deny a request for the yeas and nays.

Mr. BORAH. How could the Chair know what the intention of the Senator was? He did not address the Chair.

Mr. SIMMONS. I addressed the Chair as quickly as I could after the count was made. I could not prevent the count being made. A request had been made for a division. I had to let the Chair finish the count, and I could not ask for the yeas and nays until the count was made.

Mr. SMOOT. I call for the regular order.

Mr. JAMES. Mr. President, a point of order. The point of order I desire to make to the Chair is that when a count of the Senate discloses the lack of a quorum the Senate can not proceed further until the presence of a quorum is ascertained, and that can only be done by a call of the Senate.

The VICE PRESIDENT. The present occupant of the chair has decided that the only reason for a division is in order to satisfy the mind of the Chair as to whether the motion is carried or lost; that it is not even incumbent on the Chair to announce what is shown by the division. It is only for the purpose of satisfying the Chair as to the vote. There is a remedy when a Senator or Senators desire the yeas and nays—to request the yeas and nays.

Mr. JAMES. Mr. President, of course I do not care to appeal from the decision of the Chair, but heretofore I have always observed, although I have not been in the Senate very long, that when a count of this body disclosed the lack of a quorum the roll has always been called.

The VICE PRESIDENT. It has not been done since the present occupant of the Chair has been here. If it had been, we would be about two days behind time on the present bill now.

Mr. WILLIAMS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Mississippi will state it.

Mr. WILLIAMS. How is a Senator to know whether or not he wants the yeas and nays until after he has been informed by the Chair what the vote upon the division was?

The VICE PRESIDENT. The Chair is unable to tell the Senator from Mississippi whether he wants the yeas and nays or not except to tell him that he has a right to call for them if he wants them.

Mr. WILLIAMS. There is not any use in calling for the yeas and nays when the vote is on a Senator's side. He does not know whether he wants them or not until the vote is entered.

Mr. BORAH. Mr. President, I call for the regular order.

Mr. SMITH of Georgia. I move to reconsider the vote which was taken on this amendment.

The VICE PRESIDENT. The question is on the motion to reconsider. [Putting the question.] The ayes seem to have it.

Mr. CUMMINS. I call for a division.

Mr. BRISTOW. I call for the yeas and nays.

Mr. WILLIAMS. I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CHAMBERLAIN (when his name was called). Transferring my pair as heretofore, I vote "nay."

Mr. CULBERSON (when his name was called). Transferring my pair as before announced, I vote "yea."

Mr. FALL (when his name was called). Being informed that the Senator from West Virginia [Mr. CHILTON], with whom I am paired, would vote as I do, I vote "yea."

Mr. HOLLIS (when his name was called). I announce my pair with the junior Senator from Maine [Mr. BURLEIGH] and withhold my vote.

Mr. JAMES (when his name was called). I transfer my pair with the Senator from Massachusetts [Mr. WEEKS] to the Senator from Tennessee [Mr. SHIELDS] and vote "yea."

Mr. REED (when his name was called). I have a pair with the Senator from Michigan [Mr. SMITH]. I am unable to obtain a transfer, and I withhold my vote.

I will take this occasion to announce that my colleague [Mr. STONE] has been called from the Chamber by a matter of importance, and that he is paired with the Senator from Wyoming [Mr. CLARK].

Mr. SMITH of Georgia (when his name was called). I transfer my pair with the senior Senator from Massachusetts [Mr. LODGE] to the senior Senator from Virginia [Mr. MARTIN] and vote "yea."

Mr. SMITH of Maryland (when his name was called). Again announcing my pair, I withhold my vote.

Mr. THOMAS (when his name was called). I make the same transfer as on the previous roll call and vote "yea."

Mr. WALSH (when his name was called). In view of the absence of my pair, as heretofore announced, I withhold my vote.

Mr. WILLIAMS (when his name was called). Transferring my pair with the senior Senator from Pennsylvania [Mr. PENROSE] to the junior Senator from South Carolina [Mr. SMITH], I vote "yea."

The roll call was concluded.

Mr. WALSH. I find an opportunity to transfer my pair with the Senator from Rhode Island [Mr. LIPPITT] to the Senator from Georgia [Mr. WEST]. I vote "nay."

The result was announced—yeas 26, nays 25, as follows:

YEAS—26.

Brandegee	James	Ransdell	Thomas
Bryan	Johnson	Shafroth	Thompson
Clarke, Ark.	Kern	Sheppard	Thornton
Colt	McCumber	Shively	Vardaman
Culberson	Nelson	Simmons	Williams
Fall	O'Gorman	Smith, Ga.	
Hughes	Poindexter	Swanson	

NAYS—25.

Ashurst	Gallinger	Newlands	Smoot
Borah	Gronna	Overman	Sterling
Brady	Jones	Page	Walsh
Bristow	Lane	Perkins	White
Chamberlain	Lee, Md.	Pittman	
Clapp	Lewis	Pomerene	
Cummins	Martine, N. J.	Saulsbury	

NOT VOTING—45.

Bankhead	Gore	Oliver	Stephenson
Burleigh	Hitchcock	Owen	Stone
Burton	Hollis	Penrose	Sutherland
Camden	Kenyon	Reed	Tillman
Catron	La Follette	Robinson	Townsend
Chilton	Lea, Tenn.	Root	Warren
Clark, Wyo.	Lippitt	Sherman	Weeks
Crawford	Lodge	Shields	West
Dillingham	McLean	Smith, Ariz.	Works
du Pont	Martin, Va.	Smith, Md.	
Fletcher	Myers	Smith, Mich.	
Goff	Norris	Smith, S. C.	

So the motion to reconsider was agreed to.

The VICE PRESIDENT. The question recurs upon the amendment proposed by the Senator from Iowa [Mr. CUMMINS].

Mr. CUMMINS. Upon that I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CHAMBERLAIN (when his name was called). Transferring my pair as heretofore, I vote "yea."

Mr. CULBERSON (when his name was called). Again announcing my pair and its transfer, I vote "nay."

Mr. HOLLIS (when his name was called). I again announce my pair, and withhold my vote.

Mr. JAMES (when his name was called). Making the same transfer as on the former roll call, I vote "nay."

Mr. REED (when his name was called). I renew the announcement I made on the last vote.

Mr. SMITH of Georgia (when his name was called). Reannouncing the transfer of my pair as before, I vote "nay."

Mr. SMITH of Maryland (when his name was called). I again announce my pair with the Senator from Vermont [Mr. DILLINGHAM], and withhold my vote.

Mr. THOMAS (when his name was called). I make the same transfer as hitherto, and vote "nay."

Mr. WALSH (when his name was called). I again transfer my pair with the Senator from Rhode Island [Mr. LIPPITT] to the Senator from Georgia [Mr. WEST] and vote. I vote "yea."

Mr. WILLIAMS (when his name was called). Making the same announcement of my pair and the same transfer as on the last roll call, I vote "nay."

The roll call was concluded.

Mr. WILLIAMS. I wish to announce that the senior Senator from South Carolina [Mr. TILLMAN] is paired with the junior Senator from West Virginia [Mr. GOFF].

The result was announced—yeas 26, nays 25, as follows:

YEAS—26.

Ashurst	Cummins	Martine, N. J.	Saulsbury
Borah	Gallinger	Newlands	Smoot
Brady	Gronna	Overman	Sterling
Brandegee	Jones	Page	Walsh
Bristow	Lane	Perkins	White
Chamberlain	Lee, Md.	Pittman	
Clapp	Lewis	Pomerene	

NAYS—25.

Bryan	Johnson	Shafroth	Thompson
Clarke, Ark.	Kern	Sheppard	Thornton
Colt	McCumber	Shively	Vardaman
Culberson	Nelson	Simmons	Williams
Fall	O'Gorman	Smith, Ga.	
Hughes	Poindexter	Swanson	
James	Ransdell	Thomas	

NOT VOTING—45.

Bankhead	Gore	Oliver	Stephenson
Burleigh	Hitchcock	Owen	Stone
Burton	Hollis	Penrose	Sutherland
Camden	Kenyon	Reed	Tillman
Catron	La Follette	Robinson	Townsend
Chilton	Lea, Tenn.	Root	Warren
Clark, Wyo.	Lippitt	Sherman	Weeks
Crawford	Lodge	Shields	West
Dillingham	McLean	Smith, Ariz.	Works
du Pont	Martin, Va.	Smith, Md.	
Fletcher	Myers	Smith, Mich.	
Goff	Norris	Smith, S. C.	

So Mr. CUMMINS's amendment was agreed to.

The VICE PRESIDENT. The question is on concurring in the amendment made as in Committee of the Whole.

The amendment was concurred in.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

The VICE PRESIDENT. The question is, Shall the bill pass?

Mr. GALLINGER. Mr. President, before the final vote is taken, I was requested by the junior Senator from Massachusetts [Mr. WEEKS] to state that if the bill had been in its original form he would have voted for it, but he would have voted against it amended by the Jones amendment.

I was also requested to state that the senior Senator from Massachusetts [Mr. LODGE] would have voted against the amendments and would have also voted against the bill.

The junior Senator from Maine [Mr. BURLEIGH] would have voted against the amendments, but I am not informed whether he would have voted against the bill in its present form.

The bill was passed.

RECESS.

Mr. KERN. I move that the Senate take a recess until 11 o'clock to-morrow.

The motion was agreed to; and (at 7 o'clock and 15 minutes p. m.) the Senate took a recess until to-morrow, Wednesday, August 12, 1914, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES.

TUESDAY, *August 11, 1914.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Eternal God, our heavenly Father, enter Thou into our souls with all Thy quickening power and bring us closer to Thee and to one another. "Behold how good and how pleasant it is for brethren to dwell together in unity! It is like the precious ointment upon the head that ran down upon the beard, even Aaron's beard, that went down to the skirts of his garments; as the dew of Hermon, and as the dew that descended upon the mountains of Zion; for there the Lord commanded the blessing, even life forever more." The heart of the Nation pouring itself out in sympathy and prayer for the great sorrow of our President and his family typifies the higher, nobler in our being; the horrors of war enacted in scenes of carnage illustrates how easy it is to forget Thee and the nobler within us. Hasten the day, we beseech Thee, when all men can unite from their heart of hearts and say, "Our Father which art in heaven, hallowed be Thy name, Thy kingdom come, Thy will be done in earth as it is in heaven." Amen.

The Journal of the proceedings of Saturday, August 8, 1914, was read and approved.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Carr, one of its clerks, announced that the Senate had passed bill of the following title, in which the concurrence of the House of Representatives was requested:

S. 1693. An act to provide for the purchase of a site and the erection of a public building thereon at Claremont, in the State of New Hampshire.

The message also announced that the Senate had passed with amendments the bill (H. R. 1657) providing for second homestead and desert-land service, in which the concurrence of the House of Representatives was requested.

The message also announced that the President had, on August 8, 1914, approved and signed the following bill:

S. 23. An act for the relief of Clara Dougherty, Ernest Kubel, and Josephine Taylor, owners of lot No. 13, and of Mary Meder, owner of the south 17.10 feet front by the full depth thereof of lot No. 14, all of said property in square No. 724, in Washington, D. C., with regard to assessment and payment for damages on account of change of grade due to the construction of Union Station, in said District.

ENROLLED BILL SIGNED.

The SPEAKER announced his signature to enrolled bill of the following title:

S. 5313. An act to regulate the taking or catching of sponges in the waters of the Gulf of Mexico and the Straits of Florida outside of State jurisdiction; the landing, delivering, curing, selling, or possession of the same; providing means of enforcement of the same; and for other purposes.

ENROLLED JOINT RESOLUTION PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. ASHBROOK, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States for his approval the following House joint resolution:

H. J. Res. 288. Joint resolution to amend an act entitled "An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war," approved May 2, 1914.

SENATE BILL REFERRED.

Under clause 2 of Rule XXIV, Senate bill of the following title was taken from the Speaker's table and referred to its appropriate committee, as indicated below:

S. 1693. An act to provide for the purchase of a site and the erection of a public building thereon at Claremont, in the State of New Hampshire; to the Committee on Public Buildings and Grounds.

CLAIMS ARISING UNDER THE NAVY DEPARTMENT.

Mr. POU. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 14685) to satisfy certain claims against the Government arising under the Navy Department, with a Senate amendment thereto, and to concur in the Senate amendment.

The SPEAKER. The gentleman from North Carolina asks unanimous consent to take from the Speaker's table the bill (H. R. 14685) in reference to claims arising under the Navy Department, with a Senate amendment thereto, and concur in the Senate amendment. Is there objection?

Mr. MANN. Mr. Speaker, I reserve the right to object.

Mr. POU. Mr. Speaker, I would like to say to the gentleman from Illinois that the Senate added just one amendment, and I desire to have that concurred in.

Mr. MANN. Mr. Speaker, I would like to see the amendment in print before I agree to that. Let the bill remain on the Speaker's table and have it printed with the Senate amendment.

The SPEAKER. Is there objection to the bill remaining on the Speaker's table and having the bill printed with the Senate amendment?

There was no objection.

FREDERICK J. ERNST.

Mr. POU. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4405) for the relief of Frederick J. Ernst, with a Senate amendment thereto, disagree to the Senate amendment, and ask for a conference.

The SPEAKER. The gentleman from North Carolina asks unanimous consent to take from the Speaker's table the bill (H. R. 4405) for the relief of Frederick J. Ernst, with a Senate amendment thereto, disagree to the Senate amendment and ask for a conference. Is there objection?

There was no objection.

The SPEAKER appointed the following conferees: Mr. POU, Mr. MOTT, and Mr. STEPHENS of Mississippi.

LOGAN DAY.

Mr. FOSTER. Mr. Speaker, I ask unanimous consent to have printed in the RECORD an address delivered by my colleague [Mr. HILL] at Murphysboro, Ill., on Logan Day.

The SPEAKER. The gentleman from Illinois asks unanimous consent to have printed in the RECORD an address delivered by the gentleman from Illinois [Mr. HILL] at Murphysboro, Ill., on Logan Day. Is there objection?

There was no objection.

POSTAL AND CIVIL-SERVICE LAWS.

The SPEAKER. The unfinished business is the bill (H. R. 17042) to amend the postal and civil-service laws, and for other purposes, and the vote will be first taken on the Cullop amendment.

Mr. MANN. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 81, nays 162, answered "present" 6, not voting 183, as follows:

YEAS—81.

Abercrombie	Cox	Hensley	Rucker
Adair	Cullop	Hill	Russell
Adamson	Dent	Holland	Shackleford
Aiken	Difenderfer	Houston	Sisson
Baltz	Dixon	Hull	Stanley
Barkley	Eagle	Jacoway	Stedman
Barnhart	Edwards	Johnson, Ky.	Sumners
Blackmon	Ferris	Jones	Taylor, Ark.
Booher	Finley	Kitchin	Thomas
Brodbeck	Floyd, Ark.	Lever	Tribble
Buchanan, Tex.	Foster	Lieb	Underwood
Burgess	Fowler	McKellar	Watson
Burnett	Garner	Moon	Webb
Byrnes, S. C.	Garrett, Tenn.	Mulkey	Williams
Candler, Miss.	Garrett, Tex.	O'Hair	Wilson, Fla.
Cantrill	Goodwin, Ark.	Oldfield	Wingo
Caraway	Gray	Page, N. C.	Witherspoon
Carter	Gregg	Post	Young, Tex.
Claypool	Harris	Pou	
Cline	Hay	Quin	
Collier	Helm	Rubey	

NAYS—162.

Anderson	Fitzgerald	Lee, Pa.	Rouse
Avis	FitzHenry	Levy	Rupley
Bailey	French	Lewis, Md.	Scott
Baker	Gallagher	Linthicum	Scully
Barton	Gallivan	Lloyd	Seldomridge
Benkes	Gerry	Lobeck	Sells
Bell, Cal.	Gill	Logue	Sims
Borchers	Gilmore	Lonergan	Sinnott
Bowdle	Glass	McCoy	Slayden
Britten	Good	McGuire, Okla.	Sloan
Brockson	Gorman	McLaughlin	Small
Brown, W. Va.	Greene, Mass.	MacDonald	Smith, Idaho
Brumbaugh	Greene, Vt.	Maguire, Nebr.	Smith, J. M. C.
Bryan	Hamill	Mann	Smith, Minn.
Burke, S. Dak.	Hamilton, N. Y.	Mapes	Smith, Saml. W.
Burke, Wis	Hamlin	Miller	Smith, Tex.
Butler	Hammond	Mitchell	Sparkman
Campbell	Hardy	Mondell	Stafford
Cary	Hart	Moore	Stephens, Cal.
Coady	Haugen	Morgan, Okla.	Stevens, Minn.
Connelly, Kans.	Hayden	Morrison	Stone
Connolly, Iowa	Helgesen	Moss, Ind.	Stout
Coury	Helvering	Moss, W. Va.	Sutherland
Cooper	Howard	Murdock	Taggart
Curry	Howell	Murray, Mass.	Talbott, Md.
Danforth	Hulings	Neely, W. Va.	Talcott, N. Y.
Davis	Humphrey, Wash.	Nolan, J. I.	Tavenner
Deitrick	Igoe	Norton	Taylor, Colo.
Dillon	Johnson, Utah	Oglesby	Temple
Donohoe	Johnson, Wash.	O'Shaunessy	Ten Eyck
Donovan	Kahn	Patten, N. Y.	Thomson, Ill.
Doolittle	Keating	Payne	Towner
Drukker	Keister	Plumley	Townsend
Dunn	Kelly, Pa.	Prouty	Tuttle
Eagan	Kennedy, Iowa	Raker	Volstead
Edmonds	Kettner	Rayburn	Walsh
Esch	Kindel	Reilly, Conn.	Wilson, N. Y.
Evans	Kinkaid, Nebr.	Reilly, Wis.	Woods
Falconer	Kinkead, N. J.	Roberts, Mass.	Young, N. Dak.
Farr	Kirkpatrick	Roberts, Nev.	
Fergusson	La Follette	Rogers	

ANSWERED "PRESENT"—6.

Bartholdt	Harrison	Rothermel	Taylor, Ala.
Guernsey	Park		

NOT VOTING—183.

Ainey	Dale	Hawley	Mahan
Alexander	Davenport	Hayes	Maher
Allen	Decker	Heflin	Manahan
Ansberry	Dershem	Henry	Martin
Anthony	Dickinson	Hinds	Merritt
Ashbrook	Dies	Hinebaugh	Metz
Aswell	Dooling	Hobson	Montague
Austin	Doremus	Hoxworth	Morgan, La.
Barchfeld	Doughton	Hughes, Ga.	Morin
Bartlett	Driscoll	Hughes, W. Va.	Mott
Bathrick	Dupré	Humphreys, Miss.	Murray, Okla.
Beall, Tex.	Elder	Johnson, S. C.	Neeley, Kans.
Bell, Ga.	Estopinal	Kelley, Mich.	Nelson
Borland	Fairchild	Kennedy, Conn.	O'Brien
Broussard	Faison	Kennedy, R. I.	O'Leary
Brown, N. Y.	Fess	Kent	Padgett
Browne, Wis.	Fields	Key, Ohio	Paige, Mass.
Browning	Flood, Va.	Kiess, Pa.	Palmer
Bruckner	Fordney	Knowland, J. R.	Parker
Buchanan, Ill.	Francis	Konop	Patton, Pa.
Bulkley	Frear	Korbly	Peters, Mass.
Burke, Pa.	Gard	Kreider	Peters, Me.
Byrns, Tenn.	Gardner	Lafferty	Peterson
Calder	Georgs	Langham	Phelan
Callaway	Gillett	Langley	Platt
Cantor	Gittins	Lazaro	Porter
Carew	Godwin, N. C.	Lee, Ga.	Powers
Carlin	Goeke	L'Engle	Ragsdale
Carr	Goldfogle	Lenroot	Rainey
Casey	Gordon	Lesher	Rauch
Chandler, N. Y.	Goulden	Lewis, Pa.	Reed
Church	Graham, Ill.	Lindbergh	Riordan
Claney	Graham, Pa.	Lindquist	Sabath
Clark, Fla.	Green, Iowa	Loft	Saunders
Copley	Griest	McAndrews	Sherley
Covington	Griffin	McClellan	Sherwood
Cramton	Gudger	McGillicuddy	Shreve
Crisp	Hamilton, Mich.	McKenzie	Slemp
Crosser	Hardwick	Madden	Smith, Md.
Smith, N. Y.	Switzer	Vaughan	Whaley
Steenerson	Taylor, N. Y	Vollmer	Whitacre
Stephens, Miss.	Thacher	Walker	White
Stephens, Nebr.	Thompson, Okla.	Wallin	Willis
Stephens, Tex.	Treadway	Walters	Winslow
Stevens, N. H.	Underhill	Watkins	Woodruff
Stringer	Vare	Weaver	

So the amendment of Mr. CULLOP was rejected.

The Clerk announced the following pairs:

For the session:

Mr. TAYLOR of Alabama with Mr. HUGHES of West Virginia.

Mr. METZ with Mr. WALLIN.

Until further notice:

Mr. CLANCY with Mr. SHREVE.

Mr. CALLAWAY with Mr. WILLIS.

Mr. HUGHES of Georgia with Mr. MERRITT.

Mr. BARTLETT with Mr. GRIEST.

Mr. SAUNDERS with Mr. ANTHONY.

Mr. BULKLEY with Mr. FESS.

Mr. SHERWOOD with Mr. MOTT.

Mr. STEPHENS of Texas with Mr. BARTHOLDT.

Mr. ESTOPINAL with Mr. FREAR.

Mr. BELL of Georgia with Mr. CALDER.

Mr. MORGAN of Louisiana with Mr. LINDQUIST.

Mr. DALE with Mr. MARTIN.

Mr. ASHBROOK with Mr. AUSTIN.

Mr. LAZARO with Mr. PARKER.

Mr. STEPHENS of Nebraska with Mr. LEWIS of Pennsylvania.

Mr. FIELDS with Mr. LANGLEY.

Mr. BYRNS of Tennessee with Mr. BARCHFELD.

Mr. HARDWICK with Mr. J. R. KNOWLAND.

Mr. UNDERHILL with Mr. STEENERSON.

Mr. FLOOD of Virginia with Mr. FAIRCHILD.

Mr. FRANCIS with Mr. CHANDLER of New York.

Mr. GUERNSEY with Mr. MCGILLICUDDY.

Mr. SABATH with Mr. SWITZER.

Mr. RIORDAN with Mr. POWERS.

Mr. GOLDFOGLE with Mr. HINEBAUGH.

Mr. PETERSON with Mr. PETERS of Maine.

Mr. MONTAGUE with Mr. HINDS.

Mr. PARK with Mr. NELSON.

Mr. BATHRICK with Mr. BROWNE of Wisconsin.

Mr. DICKINSON with Mr. GRAHAM of Pennsylvania.

Mr. DOUGHTON with Mr. HAMILTON of Michigan.

Mr. GRAHAM of Illinois with Mr. KELLEY of Michigan.

Mr. ELDER with Mr. WINSLOW.

Mr. ASWELL with Mr. AINEY.

Mr. ALLEN with Mr. BURKE of Pennsylvania.

Mr. BUCHANAN of Illinois with Mr. COPLEY.

Mr. CLARK of Florida with Mr. FORDNEY.

Mr. DUPRÉ with Mr. GILLETT.

Mr. DECKER with Mr. GREEN of Iowa.

Mr. GRIFFIN with Mr. LAFFERTY.

Mr. HENRY with Mr. LANGHAM.

Mr. JOHNSON of South Carolina with Mr. HAWLEY.

Mr. KONOP with Mr. HAYES.

Mr. LEE of Georgia with Mr. MADDEN.

Mr. RAINEY with Mr. MANAHAN.

Mr. ALEXANDER with Mr. PAIGE of Massachusetts.

Mr. STEPHENS of Mississippi with Mr. TREADWAY.

Mr. STEVENS of New Hampshire with Mr. WALTERS.

Mr. WHALEY with Mr. WOODRUFF.

Mr. GOEKE with Mr. KIESS of Pennsylvania.

Mr. HEFLIN with Mr. LINDBERGH.

Mr. PADGETT with Mr. MORIN.

Mr. PALMER with Mr. PATTON of Pennsylvania.

Mr. PHELAN with Mr. MCKENZIE.

Mr. SHERLEY with Mr. PORTER.

Mr. REED with Mr. PLATT.

Mr. WALKER with Mr. VARE.

Mr. WATKINS with Mr. BROWNING.

Mr. DAVENPORT with Mr. KENNEDY of Rhode Island.

Mr. O'LEARY with Mr. SLEMP.

On this vote:

Mr. HARRISON (for the Cullop amendment) with Mr. DOREMUS (against the Cullop amendment).

Mr. GUERNSEY. Mr. Speaker, I find that I am paired with my colleague, Mr. MCGILLICUDDY. I answered "no" and would like to withdraw my vote and answer "present."

Mr. BARTHOLDT. Mr. Speaker, did the gentleman from Texas, Mr. STEPHENS, vote?

The SPEAKER. He did not; he is not here.

Mr. BARTHOLDT. In that case I desire to withdraw my vote. I voted "no," but I wish to be recorded as "present."

Mr. SHERWOOD. Mr. Speaker, I desire to be recorded as present.

The SPEAKER. Was the gentleman in the Hall of the House when his name should have been called?

Mr. SHERWOOD. I was not in the Hall when my name was called. I have just come in.

The SPEAKER. The gentleman can not vote.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time.

Mr. SAMUEL W. SMITH. Mr. Speaker, I move to recommit the bill with instructions which I send to the Clerk's desk.

The SPEAKER. The gentleman from Michigan moves to recommit the bill with instructions which the Clerk will report.

The Clerk read as follows:

MR SAMUEL W. SMITH moves to recommit the bill H. R. 17042 to the Committee on the Post Office and Post Roads, with instructions to report the same back forthwith with the following amendment:

Strike out, after the word "General," on page 4, line 5, the following language, to wit:

"And it shall be the duty of the Postmaster General to require all applicants for assistant postmasters in first and second class post offices, including those now in office who were carried into the service by Executive orders heretofore made, to take a competitive civil-service examination within 90 days, or as soon thereafter as practicable after the passage of this act, under the civil-service law, rules, and regulations, and the Postmaster General shall, under such law, rules, and regulations, appoint all assistant postmasters and all laws, rules, and regulations in conflict with this act are hereby repealed."

Mr. LEVY. Mr. Speaker, I desire to offer an amendment.

Mr. MOON. Mr. Speaker, I move the previous question on the motion to recommit.

The SPEAKER. The gentleman from Tennessee moves the previous question on the motion to recommit.

Mr. LEVY. Will the gentleman withhold that motion one moment? I have a motion to strike out the enacting clause.

Mr. MOON. I do not want the enacting clause stricken out.

The SPEAKER. The question is on ordering the previous question.

The question was taken, and the Speaker announced that the ayes appeared to have it.

Mr. MURDOCK. Division, Mr. Speaker.

The House divided; and there were—ayes 163, noes 15.

Accordingly the previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. SAMUEL W. SMITH. On that question, Mr. Speaker, I demand the yeas and nays.

Mr. LEVY. A parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. LEVY. Can I move to strike out the enacting clause?

The SPEAKER. The gentleman can not, after the previous question is ordered.

Mr. MURDOCK. The gentleman from New York himself voted for the previous question.

The yeas and nays were ordered.

The question was taken; and there were—yeas 112, nays 131, answered "present" 5, not voting 184, as follows:

YEAS—112.

Anderson	Farr	La Follette	Rogers
Avis	Fitzgerald	Lewis, Md.	Rupley
Barton	French	Linthicum	Scott
Bell, Cal.	Gallagher	Logue	Scully
Bowdle	Gilmore	McCoy	Seldomridge
Britten	Gittins	McGuire, Okla.	Sells
Bryan	Good	McLaughlin	Sinnott
Burke, S. Dak.	Greene, Mass.	MacDonald	Sloan
Butler	Greene, Vt.	Mann	Smith, J. M. C.
Campbell	Hamill	Mapes	Smith, Minn.
Cary	Hamilton, N. Y.	Miller	Smith, Saml. W.
Coady	Hammond	Mondell	Stafford
Connolly, Iowa	Hart	Moore	Stephens, Cal.
Conry	Helgesen	Morgan, Okla.	Stevens, Minn.
Cooper	Howell	Moss, W. Va.	Sutherland
Covington	Hulings	Murdock	Taggart
Curry	Humphrey, Wash.	Murray, Mass.	Talcott, N. Y.
Danforth	Johnson, Utah	Nolan, J. I.	Taylor, Colo.
Davis	Johnson, Wash.	Norton	Temple
Dillon	Kahn	Oglesby	Thomson, Ill.
Donohoe	Keating	O'Shaunessy	Towner
Drukker	Keister	Patten, N. Y.	Townsend
Dunn	Kelly, Pa.	Payne	Tuttle
Eagan	Kennedy, Iowa	Plumley	Volstead
Edmonds	Kettner	Prouty	Walsh
Esch	Kindel	Raker	Wilson, N. Y.
Evans	Kinkaid, Nebr.	Roberts, Mass.	Woods
Falconer	Kinkead, N. J.	Roberts, Nev.	Young, N. Dak.

NAYS—131.

Abercrombie	Barnhart	Buchanan, Tex.	Claypool
Adair	Benkes	Burgess	Cline
Adamson	Blackmon	Burke, Wis.	Collier
Aiken	Booher	Burnett	Cox
Alexander	Borchers	Byrnes, S. C.	Cullop
Bailey	Brockson	Candler, Miss.	Deitrick
Baker	Brodbeck	Cantrill	Dent
Baltz	Brown, W. Va.	Caraway	Difenderfer
Barkley	Brumbaugh	Carter	Dixon
Donovan	Harrison	Lonergan	Sims
Doolittle	Hay	McKellar	Sisson
Eagle	Hayden	Maguire, Nebr.	Slayden
Edwards	Helm	Mitchell	Smith, Tex.
Fergusson	Helvering	Moon	Sparkman
Ferris	Hensley	Morrison	Stanley
Finley	Hill	Moss, Ind.	Stedman
FitzHenry	Holland	Mulkey	Stone
Floyd, Ark.	Houston	Neely, W. Va.	Stout
Foster	Howard	O'Hair	Sumners
Fowler	Hull	Oldfield	Talbott, Md.
Gallivan	Humphreys, Miss.	Page, N. C.	Tavenner
Garner	Igoe	Park	Taylor, Ark.
Garrett, Tenn.	Jacoway	Post	Thomas
Garrett, Tex.	Johnson, Ky.	Pou	Tribble
Gerry	Jones	Quin	Underwood
Gill	Key, Ohio	Rayburn	Watson
Glass	Kirkpatrick	Reilly, Conn.	Webb
Goodwin, Ark.	Kitchin	Reilly, Wis.	Williams
Gray	Lee, Pa.	Rouse	Wilson, Fla.
Gregg	Lever	Rubey	Wingo
Hamlin	Lieb	Rucker	Witherspoon
Hardy	Lloyd	Russell	Young, Tex.
Harris	Lobeck	Shackleford	

ANSWERED "PRESENT"—5.

Bartholdt	Levy	Rothermel	Taylor, Ala.
Guernsey			

NOT VOTING—184.

Ainey	Doughton	Kent	Phelan
Allen	Driscoll	Kiess, Pa.	Platt
Ansberry	Dupré	Knowland, J. R.	Porter
Anthony	Elder	Konop	Powers
Ashbrook	Estopinal	Korbly	Ragsdale
Aswell	Fairchild	Kreider	Rainey
Austin	Faison	Lafferty	Rauch
Barchfeld	Fess	Langham	Reed
Bartlett	Fields	Langley	Riordan
Bathrick	Flood, Va.	Lazaro	Sabath
Beall, Tex.	Fordney	Lee, Ga.	Saunders
Bell, Ga.	Francis	L'Engle	Sherley
Borland	Frear	Lenroot	Sherwood
Broussard	Gard	Lesher	Shreve
Brown, N. Y.	Gardner	Lewis, Pa.	Slemp
Browne, Wis.	George	Lindbergh	Small
Browning	Gillett	Lindquist	Smith, Idaho
Bruckner	Godwin, N. C.	Loft	Smith, Md.
Buchanan, Ill.	Goeke	McAndrews	Smith, N. Y.
Bulkley	Goldfogle	McClellan	Steenerson
Burke, Pa.	Gordon	McGillicuddy	Stephens, Miss.
Byrns, Tenn.	Gorman	McKenzie	Stephens, Nebr.
Calder	Goulden	Madden	Stephens, Tex.
Callaway	Graham, Ill.	Mahan	Stevens, N. H.
Cantor	Graham, Pa.	Maher	Stringer
Carew	Green, Iowa	Manahan	Switzer
Carlin	Griest	Martin	Taylor, N. Y.
Carr	Griffin	Merritt	Ten Eyck
Casey	Gudger	Metz	Thacher
Chandler, N. Y.	Hamilton, Mich.	Montague	Thompson, Okla.
Church	Hardwick	Morgan, La.	Treadway
Clancy	Haugen	Morin	Underhill
Clark, Fla.	Hawley	Mott	Vare
Connelly, Kans.	Hayes	Murray, Okla.	Vaughan
Copley	Heflin	Neeley, Kans.	Vollmer
Cramton	Henry	Nelson	Walker
Crisp	Hinds	O'Brien	Wallin
Crosser	Hinebaugh	O'Leary	Walters
Dale	Hobson	Padgett	Watkins
Davenport	Hoxworth	Paige, Mass.	Weaver
Decker	Hughes, Ga.	Palmer	Whaley
Dershem	Hughes, W. Va.	Parker	Whitacre
Dickinson	Johnson, S. C.	Patton, Pa.	White
Dies	Kelley, Mich.	Peters, Mass.	Willis
Dooling	Kennedy, Conn.	Peters, Me.	Winslow
Doremus	Kennedy, R. I.	Peterson	Woodruff

So the motion to recommit was rejected.

The Clerk announced the following additional pairs:

Until further notice:

Mr. DOREMUS with Mr. PAIGE of Massachusetts.

Mr. GODWIN of North Carolina with Mr. SLEMP.

Mr. CARLIN with Mr. SMITH of Idaho.

Mr. SMALL with Mr. HAUGEN.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. MURDOCK. Mr. Speaker, the yeas and nays.

The SPEAKER. The gentleman from Kansas demands the yeas and nays. Those in favor of ordering the yeas and nays will rise and stand until counted. [After counting.] Twenty-one gentlemen have risen, not a sufficient number, and the yeas and nays are refused.

The question was taken, and the bill was passed.

On motion of Mr. MOON, a motion to reconsider the vote by which the bill was passed was laid on the table.

LEAVE OF ABSENCE.

The SPEAKER laid before the House the following requests for leave of absence:

Mr. BROUSSARD requests leave of absence for one week, on account of official business.

WASHINGTON, D. C., *August 9, 1911.*

Hon. CHAMP CLARK,
Speaker House of Representatives.

DEAR SIR: I ask leave of absence for two weeks, on account of sickness in family.

Very truly,

HENRY T. RAINEY.

The SPEAKER. Is there objection?

Mr. DONOVAN. Mr. Speaker, I object to the first one, in reference to Mr. BROUSSARD.

The SPEAKER. Is there objection to the second request? [After a pause.] The Chair hears none.

EXTENSION OF REMARKS.

Mr. LINTHICUM. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the bill which was just passed.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. LEVY, Mr. HAMILL, Mr. REILLY of Wisconsin, Mr. WALSH, Mr. SMALL, Mr. SELDOMRIDGE, Mr. CARY, Mr. CURRY, and Mr. J. M. C. SMITH made the same request.

The SPEAKER. Is there objection?

Mr. MANN. Mr. Speaker, I object.

ORDER OF BUSINESS.

Mr. FOSTER. Mr. Speaker, I present the following resolution from the Committee on Rules.

The SPEAKER. The Clerk will report the resolution.

Mr. LINTHICUM. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. LINTHICUM. Was objection made to my request?

The SPEAKER. No; not to the request of the gentleman; the rest were shut out.

Mr. LEVY. How about my request?

The SPEAKER. The gentleman from New York is included in the bunch. The Clerk will report the privileged resolution from the Committee on Rules.

The Clerk read as follows:

House resolution 536 (H. Rept. 1081).

Resolved, That immediately upon the adoption of this resolution the House shall resolve itself into the Committee of the Whole House on the state of the Union for the consideration in the order named of the following bills, to wit:

1. H. R. 16673. To provide for the development of water power and the use of public lands in relation thereto, and for other purposes. The first reading of the bill shall be dispensed with, and there shall not be exceeding four hours of general debate, to be equally divided between those who favor and those who oppose the same, one half of such time to be controlled by the gentleman from Oklahoma [Mr. FERRIS] and the other half by the gentleman from Wisconsin [Mr. LENROOT]. At the conclusion of such general debate the bill shall be considered in the Committee of the Whole House on the state of the Union and shall be read for amendment under the five-minute rule. After the bill shall have been perfected in the Committee of the Whole the same shall be reported to the House with such recommendations as the committee may make.

2. H. R. 14233. To provide for the leasing of coal lands in the Territory of Alaska, and for other purposes. The first reading of the bill shall be dispensed with, and there shall be not exceeding six hours of general debate on the bill, to be equally divided between those who favor and those who oppose the same, one half of such time to be controlled by the gentleman from Oklahoma [Mr. FERRIS] and the other half by the gentleman from Wisconsin [Mr. LENROOT]. At the conclusion of such general debate the bill shall be read for amendment under the five-minute rule. After the bill shall have been perfected in the Committee of the Whole the same shall be reported to the House with such recommendations as the committee may make.

3. H. R. 16136. To authorize exploration for and disposition of coal, oil, gas, potassium, or sodium. The first reading of the bill shall be dispensed with, and there shall not be exceeding four hours of general debate, to be equally divided between those who favor and those who oppose the same, one half of such time to be controlled by the gentleman from Oklahoma [Mr. FERRIS] and the other half by the gentleman from Wisconsin [Mr. LENROOT]. At the conclusion of such general debate the bill shall be considered in the Committee of the Whole House on the state of the Union and shall be read for amendment under the five-minute rule. After the bill shall have been perfected in the Committee of the Whole the same shall be reported to the House with such recommendations as the committee may make.

4. H. R. 12741. To provide for and encourage the prospecting, mining, and treatment of radium-bearing ores in lands belonging to the United States, for the purpose of securing an adequate supply of radium for Government and other hospitals in the United States, and for other purposes. The first reading of the bill shall be dispensed with, and there shall not be exceeding four hours of general debate, to be equally divided between those who favor and those who oppose the same, one half of such time to be controlled by the gentleman from Illinois [Mr. FOSTER] and the other half by the gentleman from Utah [Mr. HOWELL]. At the conclusion of such general debate the bill shall be considered for amendment under the five-minute rule. After the bill shall have been perfected in the Committee of the Whole the same shall be reported to the House with such recommendations as the committee may make.

5. S. 4628. Extending the period of payment under reclamation projects, and for other purposes. The first reading of the bill shall be dispensed with, and there shall be not exceeding two hours of general debate—to be divided equally between those who favor and those who oppose the bill, one half of such time to be controlled by the gentleman from Texas [Mr. SMITH] and the other half by the gentleman from Nebraska [Mr. KINKAID]. At the conclusion of such general debate the bill shall be considered in the Committee of the Whole House on the state of the Union and shall be read for amendment under the five-minute rule. After the bill shall have been perfected in the Committee of the Whole the same shall be reported to the House with such recommendation as the committee may make.

At the conclusion of the consideration of each bill above specified in the Committee of the Whole, the committee shall rise and report the same to the House, whereupon the previous question shall be considered as ordered upon each bill and amendments thereto to final passage, without intervening motion, except one motion to recommit on each of said bills.

The order of business provided by this resolution shall be the continuing order of business of the House until concluded, except that it shall not interfere with Calendar Wednesday, unanimous-consent, or District days, and business in order on Fridays, nor with the consideration of appropriation bills, nor with the consideration of conference reports on bills, nor the sending of bills to conference. All debate shall be confined to the subject matter of the bill then under consideration, and all Members speaking upon any of said bills shall have the right to revise and extend their remarks in the RECORD, and all Members shall have the right to print remarks on any of said bills during not exceeding five legislative days.

Mr. FOSTER. Mr. Speaker, I would like to inquire of the gentleman from Kansas if he desires any time.

Mr. CAMPBELL. Yes; we will want some time on this side for the consideration of the rule.

Mr. FOSTER. How much time does the gentleman want?

Mr. CAMPBELL. I note there has been some change made in the rule. For instance, one of the bills mentioned is not recorded as having been considered by the committee. That is H. R. 16136.

Mr. FOSTER. That is the bill for the leasing on lands for minerals?

Mr. MANN. The phosphate bill.

Mr. FOSTER. Coal and phosphate lands. What does the gentleman say about it?

Mr. CAMPBELL. I say that bill in the original rule——

Mr. FOSTER. The original—let me explain this to the gentleman from Kansas, that in writing this rule, which I did myself, I made a mistake, as the gentleman will recall, at the meeting of the Committee on Rules. Instead of getting the bill that was intended to put in there—it was a bill it was not supposed that we were getting, and that bill provided for the codification and revising the mineral laws of the United States and it was not intended so, and when we met this resolution was so changed to conform with what was intended. The gentleman will recall it has been quite a while since this rule was reported.

Mr. CAMPBELL. I do not recall that instance now.

Mr. FOSTER. I will say to the gentleman, that was a mistake of my own, and when it was found out it was corrected by writing this new rule, in which we included the bill which was intended at that time.

Mr. MANN. Was that action taken by the Committee on Rules or by my colleague?

Mr. FOSTER. No; by the Committee on Rules. No; I would not presume to take liberties of that kind.

Mr. MANN. Has my colleague taken any liberties with this rule?

Mr. FOSTER. Not without the consent of the Committee on Rules.

Mr. MANN. As ordered reported from the Committee on Rules?

Mr. FOSTER. I will state to the gentleman frankly that there was a provision here that the House should take a recess at 5 o'clock or 5.30 until 8 o'clock, and that general debate should extend not later than 11 o'clock, but, in the opinion of the Committee on Rules, all we were able to see, including the gentleman from Kansas and the gentleman from Pennsylvania, it was thought better that that part should be marked off the resolution, and the report is made accordingly. There was no objection by anyone.

Mr. MANN. May I ask my colleague a question in reference to the provisions of this rule?

Mr. FOSTER. Certainly.

Mr. MANN. Would it be convenient to give the numbers of the bills and the order in which they are to be considered now?

Mr. FOSTER. The rule——

Mr. MANN. Well, I know the rule does——

Mr. FOSTER. I think I can.

Mr. MANN. As the rule never has been printed it was not possible to follow all of this. It was not possible to follow the numbers as the Clerk was reading.

Mr. FOSTER. I will state to the gentleman this, that the first bill to be considered is the bill to provide for the development of water power and the use of public lands in relation thereto. That is H. R. 16673. The next bill to be considered is H. R. 14233, a bill to provide for the leasing of coal lands in the Territory of Alaska, and for other purposes; and the third is the bill (H. R. 16136) to authorize exploration for and disposition of coal, phosphate, oil, gas, potassium, or sodium. The next is the bill (H. R. 12741) to provide for and encourage the prospecting, mining, and treatment of radium-bearing ores in lands belonging to the United States, and so forth. And the

fifth bill, which was in the rule, and which I expect to move to strike out, was the bill which was passed here a short time ago, providing for the extension of payments on irrigation projects.

Mr. MANN. Then the rule as first reported does not contain the Senate bill 4373, which was in the original resolution?

Mr. FOSTER. No, sir; it does not, I will state to my colleague. That was a mistake in the resolution as introduced.

Mr. BURKE of South Dakota. Mr. Speaker, will the gentleman yield for a question?

Mr. FOSTER. I will.

Mr. BURKE of South Dakota. I would like to ask the gentleman whether or not the Committee on Rules considered including in this rule the bill that provides for the enlarged homestead, the 640-acre grazing homestead bill, a bill of considerable importance to the West and the country generally, and unanimously reported from the Committee on the Public Lands?

Mr. FOSTER. I do not remember that we did.

Mr. MURDOCK. Will the gentleman yield?

Mr. FOSTER. I will.

Mr. MURDOCK. Some time in June the newspapers carried the story that the Committee on Rules would have a meeting on July 1 to consider the Hobson amendment in regard to prohibition and suffrage. Then along about July 1 it was announced, unofficially, I think, that the Committee on Rules had postponed that meeting until August 1. Now, has the Committee on Rules had any meeting since?

Mr. FOSTER. They have not.

Mr. MURDOCK. There has been no meeting of the Committee on Rules in the last month?

Mr. FOSTER. Not to my knowledge.

Mr. MURDOCK. Can the gentleman say whether there is anything contemplated in that line?

Mr. FOSTER. I can not say.

Mr. MURDOCK. I want to say that the excuse given for the postponement to July 1 was that the gentleman from Texas [Mr. HENRY] was not here. He is back now.

Mr. FOSTER. I realize that.

Mr. WEBB. Mr. Speaker——

Mr. FOSTER. I yield to the gentleman from North Carolina.

Mr. WEBB. Last unanimous-consent day, yesterday a week ago, was set aside on account of emergency measures, and there are a number of important bills on the Unanimous Consent Calendar. An effort was made by the gentleman from Illinois to get unanimous consent to take up the Unanimous Consent Calendar after the passage of this Post Office bill which we have just passed to-day. Now, I want to ask the gentleman if there will be any disposition on the part of those who are supporting these four or five bills mentioned in the rule to agree to let us have next Monday and Tuesday, if necessary, to take up unanimous-consent measures?

Mr. UNDERWOOD. If the gentleman will allow me, I will state that I would object to at this time setting apart any day in the future for consideration of bills on the Calendar for Unanimous Consent. When the rule is adopted I will be glad to ask unanimous consent for consideration of the Unanimous Consent Calendar, if the gentleman will yield for that purpose. And when Tuesday comes, if there is no emergency measure before the House, I would be glad to do it then; but I do not think it would be wise to set apart a day in advance.

Mr. WEBB. I did not care to have any hard-and-fast agreement now; but I wanted to let the House know there are a good many bills that ought to be considered.

Mr. UNDERWOOD. I think the Unanimous Consent Calendar serves more Members than any other calendar; and I think it is perfectly justifiable that an opportunity for its consideration should be given.

Mr. TAYLOR of Colorado. Will that include any suspensions, where we can get consideration even though one man may object?

Mr. UNDERWOOD. I would not have objection to including suspensions. I do not know whether the House will want to do that or not.

Mr. CANDLER of Mississippi. Will the gentleman from Illinois please tell how many bills are included in this rule?

Mr. FOSTER. There are four bills.

Mr. CANDLER of Mississippi. And what do they cover?

Mr. FOSTER. They cover matters pertaining to the leasing of coal lands in Alaska and in the Western States, and water power, and the mining of radium-bearing ores——

Mr. CANDLER of Mississippi. All conservation bills?

Mr. FOSTER. All conservation bills.

Mr. ROGERS. I did not understand as the rule was being read whether it was the purpose to confine general debate to the bills themselves or whether it might take a wide range?

Mr. FOSTER. The general debate is to be confined to the bills themselves.

Mr. ROGERS. In all cases?

Mr. FOSTER. In all cases.

Mr. COLLIER. How much general debate will there be altogether on those four bills?

Mr. FOSTER. I think about 18 hours altogether.

Mr. BRYAN. Will the gentleman yield?

Mr. FOSTER. Yes.

Mr. BRYAN. I would like to ask the gentleman if there is any intention to include in this rule or any other rule the consideration of the seamen's bill, S. 132, which was reported over here from the Senate about a year ago or something over a year ago?

Mr. FOSTER. I will say to the gentleman frankly it was not so intended in this rule. I could not answer for the future. I understand, in regard to the seamen's bill, that they have been endeavoring as best they could—those who have it in charge—to get a bill that will be satisfactory to all parties. I hope that they may be able to get to it.

Mr. ALEXANDER. Mr. Speaker, will the gentleman allow me?

Mr. FOSTER. Yes.

Mr. ALEXANDER. If the gentleman from Washington [Mr. BRYAN] would get in touch with the work of his committee he would know that the committee has now about come to an agreement among all the parties interested on a common ground, and I already had the promise of the Speaker to recognize me to move to suspend the rules, following the consideration of the Unanimous Consent Calendar, and pass this bill.

Mr. BRYAN. I am acquainted with the work of the committee and know that we are probably about to make an agreement. I noticed that the gentleman announced the other day, at the last meeting of the committee, that he was about to make an agreement. Of course, I did not know that the Speaker consented to recognize anybody, and I was trying to find out what the plans are.

Mr. ALEXANDER. The Speaker has consented to recognize me. If we have the help of the gentleman from Washington and those having a peculiar interest in the legislation I think we shall have no trouble in passing the bill.

Mr. BRYAN. I have a peculiar interest in the bill, and my interest in the seamen's end of the proposition is not the least of my interest in the bill.

Mr. CAMPBELL. Mr. Speaker, I would like to have about 15 minutes on the discussion of the rule.

Mr. FOSTER. How much of the hour is remaining, Mr. Speaker? May I inquire how much of the hour has been consumed?

The SPEAKER. Thirty-five minutes.

Mr. FOSTER. Has 35 minutes been consumed?

The SPEAKER. Thirty-five minutes have been consumed, and 25 minutes are left.

Mr. CAMPBELL. I would like to have 15 minutes on the rule.

Mr. UNDERWOOD. Before the gentleman from Illinois [Mr. FOSTER] yields time I will ask the gentleman if he will not permit an amendment of the rule providing that this rule shall not interfere with the consideration of revenue bills or bills affecting the bonded indebtedness of the United States if it should be necessary to bring in bills of that kind?

Mr. FOSTER. I will state to the gentleman from Alabama that I had intended to offer an amendment to the rule providing, after the words "appropriation bills," an amendment to the effect that it should not interfere with the consideration of revenue bills. I want to strike out also that part of the rule referring to the consideration of the Senate bill that has already been agreed to. Can I offer these amendments, Mr. Speaker, before I yield time for debate? If so, Mr. Speaker, I offer an amendment before this debate begins now.

The SPEAKER. The gentleman from Illinois [Mr. FOSTER] offers an amendment, which the Clerk will report.

The Clerk read as follows:

After the words "appropriation bills," add the following: "or bills relating to the revenue and the bonded debt of the United States."

Mr. FOSTER. Does the gentleman want to vote on this now?

Mr. CAMPBELL. I think it should come later.

Mr. FOSTER. Mr. Speaker, I ask for a vote.

Mr. CAMPBELL. I suggest that the amendment be acted upon at the conclusion of the debate on the rule.

Mr. FOSTER. Then there is another amendment, providing for the consideration of Senate bill 4628. I would like to ask unanimous consent, if it is in order, that that be stricken out.

Mr. CAMPBELL. That is the bill that has already been considered by the House?

Mr. FOSTER. Yes; that is the bill that has already been considered by the House.

Mr. CAMPBELL. I have no objection to that being taken out of the rule.

Mr. FOSTER. Then, Mr. Speaker, I ask unanimous consent that the portion of the rule relating to Senate bill 4628 be stricken out.

The SPEAKER. The gentleman from Illinois [Mr. FOSTER] asks unanimous consent that the portion of the rule relating to Senate bill 4628 be stricken out of the rule. Is there objection?

There was no objection.

Mr. MANN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MANN. The rule provides that the time on one side on the three bills coming from the Committee on the Public Lands shall be controlled by the gentleman from Wisconsin [Mr. LENROOT]. Mr. LENROOT is at present detained from the House on account of the illness of his daughter. Now, if the rule should be adopted without change, would it be proper for the Chairman of the Committee of the Whole House in each case to recognize the next minority man on the committee, who would be Mr. FRENCH, of Idaho?

The SPEAKER. Undoubtedly the Chair will recognize the second man on the minority side of the committee.

Mr. MANN. With that statement of the Chair, I think that is sufficient.

Mr. TAYLOR of Colorado rose.

The SPEAKER. For what purpose does the gentleman from Colorado rise?

Mr. TAYLOR of Colorado. I would like to ask a question of the gentleman from Illinois [Mr. FOSTER]. Both of the gentlemen designated by the rule to have charge of the debate are in favor of the bills. I want to ask the gentleman whether or not those who are opposed to the bills will be given opportunity to present their objections?

Mr. FOSTER. I beg to state, Mr. Speaker, that the rule provides that the time shall be under the control of those gentlemen, but equally divided between those opposing and those in favor of the bill; so I judge that the men in control will be fair in that respect. How much time remains, Mr. Speaker?

The SPEAKER. You have half an hour left.

Mr. CAMPBELL. We want 20 minutes on this side.

Mr. FOSTER. Suppose we divide up and give you 15 minutes?

Mr. CAMPBELL. Oh, we are adopting a rule here now that relates to four very important matters. You can get your time extended, if necessary.

Mr. FOSTER. We would have only 10 minutes left. I yield to the gentleman 15 minutes.

The SPEAKER. The gentleman from Kansas [Mr. CAMPBELL] is recognized for 15 minutes.

Mr. FOSTER. Mr. Speaker, I would like to ask that at the end of the time the previous question shall be considered as ordered on the resolution.

The SPEAKER. The gentleman from Illinois asks unanimous consent that at the end of the hour the previous question be considered as ordered.

Mr. CAMPBELL. I shall object to that.

The SPEAKER. The gentleman from Kansas objects. The gentleman is recognized for 15 minutes.

Mr. CAMPBELL. Mr. Speaker, this rule undoubtedly challenges the attention of the House to the fact that we are again doing business by special rule. Most of the important legislation of this Congress has been by special rule. It was said, when we were "reforming" the rules of the House a few years ago, that automatically from that time on the business of the House would come up and be transacted, and no man would have to take his hat in his hand and bow on the doormat of the Speaker or of any committee of the House. Evidently the conditions have only been changed, so that it is now necessary to go to the Committee on Rules to secure time or opportunity for considering the business of the House.

Why this rule should be called up at this time it is difficult to understand. There may have been some reason for it at the time it was considered by the Committee on Rules, some two months ago, but to-day the call of the calendar would enable the House to consider every one of these bills as reached on the calendar. The rule itself provides that the general debate shall be upon the bills themselves. In view of the fact that Congress will probably remain in session for some weeks yet, a more liberal rule, enabling Members on this side to call attention to the delinquencies on the part of the majority, would have served a good purpose. But we have a special rule which provides for the consideration of legislation that should be considered on the call of the calendar. It shows Democratic incompetency.

I now yield five minutes to the gentleman from Illinois [Mr. MANN] and reserve the balance of my time.

The SPEAKER. The gentleman from Illinois [Mr. MANN] is recognized for five minutes.

Mr. MANN. Mr. Speaker, my colleague [Mr. FOSTER] introduced on June 9, 1914, House resolution 536, and has now reported that resolution from the Committee on Rules with a substitute, changing its provisions. The Committee on Rules acted on this resolution a month or two months ago. There has been no opportunity for anyone in the House to know what the Committee on Rules was going to report. They delay their report until the very last moment, and then bring a report before the House and ask consideration for it at once, and provide in the rule that immediately after the adoption of the rule the House shall proceed to the consideration of the bills.

One of the bills named in the substitute rule was not named in the original resolution. The order in which the bills are to be considered is changed in the substitute from the order in the original resolution. No one in the House, outside of the holy and mighty Committee on Rules, could know what was coming up this afternoon after this rule was adopted. That is Democratic efficiency and legislation. I hold in my hand a copy of the calendars of the House. It takes 11 pages to print the titles of the bills which are on the calendar of the Committee of the Whole House on the state of the Union. There are six pages of bills on the House Calendar and six pages on the Calendar for Unanimous Consent, not to mention those on the Private Calendar. One might come here and study the rules and practice of the House from the beginning of the Government until to-day, and know all about the rules providing for the consideration of business. He would find that those rules provide for a calendar for the Committee of the Whole House on the state of the Union, a House Calendar, a Private Calendar, a Calendar for Unanimous Consent. The rules also provide for a call of committees, for Calendar Wednesday, for a day to be devoted to the Private Calendar, and days to be devoted to the Calendar for Unanimous Consent. Then our Democratic majority dump in here at the very last moment, without the knowledge of anyone outside of the Committee on Rules, an omnibus rule for the consideration of bills in violation of the ordinary rules of the House. I dare say that no one in the House, outside of the Committee on the Public Lands, has read the bill that is first to come up. We had a dam bill here the other day which was fully considered, numerously amended, entirely changed in its provisions after good consideration; but it is proposed now immediately to bring into the House for consideration another dam bill from the Committee on the Public Lands, a bill that Members of the House have not considered, and that no one could tell was coming up this afternoon unless he was in the confidence of the Committee on Rules. That is the method we now have.

The old method was far preferable. Men could know something about the bills that might be considered; but now if you can manage to get a line on the Committee on Rules, or if you can get to be a member of the Committee on Rules, like my colleague from Illinois [Mr. FOSTER] who reports this rule, and if you can get a bill reported from your committee, you can get it considered in this way. I appreciate the modesty of my colleague. In his first rule which he introduced he proposed to take a bill off the Speaker's table—I do not know whether it was on the Speaker's table or not, but I think not—which never had been printed in the form in which it was proposed to be considered. He proposed to have the House take up that bill and consider it without even having the printed bill before any Member of the House. Well, the other members of the Committee on Rules thought that was going too strong, so they compromised with my colleague by letting him put one other bill from his committee into the rule.

I give fair warning to the House that if we are going to be run by the Committee on Rules, without any notice of what shall come up, without any attention being paid to the rules of the House, you must have quorums here to pass the bills. [Applause on the Republican side.] There are many Members in this House interested in bills on the calendars. They can not get bills considered which are on the Union Calendar, which are on the House Calendar, which are on the Unanimous Consent Calendar; but the Committee on Rules, without any notice, can bring any matter before the House. It is the most arbitrary, conscienceless proceeding that I have ever witnessed in this House, in my service in the House, and I am surprised that my colleague, who is very fair in the House, should have been caught reporting this rule, a rule that the chairman of

the Committee on Rules found was so strong that he would not report it, that the gentleman from Tennessee [Mr. GARRETT] found so radical that he would not report it, and had to make my poor colleague [Mr. FOSTER] report it, because he had one of the bills named in the rule.

Mr. FOSTER. Mr. Speaker, I am somewhat surprised at my colleague. It has been generally supposed in this House that he was the one Member among the 435 Members of the House who knew something about everything that goes on here. These bills have been on the calendar for a long time, and my colleague just found it out this morning.

Mr. MANN. Oh, I beg the gentleman's pardon. I have been over the bills. The gentleman need not get worried about that.

Mr. FOSTER. He says now that not one Member of the House has read these bills or knows anything about them except the members of the Committee on the Public Lands. I saw my colleague sit here for four long years and vote for every rule that came into the House from the Committee on Rules when his party was in power, and I never heard him raise his voice, no difference how strong those rules were. But now when this rule is liberal, permitting all the amendments that are possible under the five-minute rule, there is complaint. How will you ever satisfy some Members?

Has he become the leader of the Progressives of the House of Representatives on the question of rules and the liberality of the rules? Why, Mr. Speaker, there was a time in this House when there were some Progressives who took an active part when the Republicans were in the majority, but I never before heard my colleague accused of being so progressive that he could not stand a liberal rule like this. He is the one Member in all this House whom I would not have expected to be taken by surprise. There may be other Members who do not watch legislation as carefully as he does, and they might be taken by surprise; but now he gets up on this floor and pretends to be surprised that these important bills are coming up and feeling so bad for all the other Members of the House who did not know anything about them. It is really pitiful to hear him wail this morning on the question of the gag rule that is contained here, when it allows all possible debate. Why, they used to bring in a rule on that side of the House giving us 20 minutes' debate, or possibly none at all, and we were compelled to vote on a proposition without any amendment. I am very fond of my colleague, and I know he does good service in this House at times. I know that when he stops to reflect and consider about what is taking place here now, he will probably feel that that speech of his was made in a Pickwickian sense, and he will probably apologize to the House for making such a speech. [Laughter.]

Mr. CAMPBELL. Mr. Speaker, I yield to the gentleman from Illinois [Mr. MANN] two minutes in which to make his apology.

Mr. MANN. The trouble with my colleague [Mr. FOSTER] on the other side of the House is that he deals in imagination. There have been more rules brought in to this Congress from the Committee on Rules, I think, than there were during the 14 years of my service in this House previous to the Sixty-second Congress; and there have been more bills considered under special rules, I think, in this Congress than during the 14 years of my service prior to a Democratic House. The Committee on Rules in the old days very seldom interfered with the procedure under the regular rules of the House. It was not necessary. It is not necessary now. There are ways of doing business under the ordinary rules of the House, and we never appealed to the Committee on Rules for permission to transact the business of the House which the ordinary rules ought to provide for and do provide for, with any sort of efficient management on the side of the House that has the majority. I did not always vote for the rules, even in the old days, but they very seldom provided for the order of business in the consideration of bills.

But whenever anything comes up here now, when gentlemen on the other side of the House do something that is violative of all principles and justice and parliamentary law, they say, "We are following what the Republicans did in the old days." If that were true, it would be no excuse; but the trouble is that it is not true. The Republicans never had such vicious methods as the Committee on Rules has now adopted. The Committee on Rules meets some morning at a quarter to 12 o'clock and authorizes the reporting out of a rule covering half a dozen or more bills, and then the committee disbands and says that it can not be brought together, because they are afraid—afraid of taking up something. Then my colleague reports a rule and changes it without authority from the Committee on Rules. The rule reported here this morning is not the rule that was ordered reported by the Committee on Rules, and they have not had any meeting since.

Mr. FOSTER. Mr. Speaker, will the gentleman yield?

Mr. MANN. Yes.

Mr. FOSTER. Mr. Speaker, I was perfectly frank in stating that to the gentleman, and the gentleman might leave the impression that I have been dishonest with the House and had deceived it, and I have not done that, and the gentleman knows it.

Mr. MANN. I know that my colleague reported a rule, not as the Committee on Rules ordered it reported, changed it without authority, and why? I am not blaming him for striking out a bad provision in the rule, but this was done because the Committee on Rules is afraid to have a meeting. That is the reason.

Mr. FOSTER. I will state to the gentleman that it has been a long time since I noticed the rule, and after reading it this morning I went to gentlemen on that side of the House and consulted them about it.

Mr. MANN. Oh, yes; and that would have been authority, I suppose, to make a motion. The gentleman had no authority from the Committee on Rules.

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. FOSTER. Mr. Speaker, I could not rest under the charge that I have changed a rule after it has been reported from the committee without the consent of the members, and I brand as false any statement of that kind—that I have done it without the authority of the Committee on Rules. I have been honest and fair, and I will not stand under the imputation that I have changed a rule after it has been reported by the Committee on Rules without authority from that committee. I am surprised that my colleague should state that. I frankly stated the situation to the gentleman from Kansas [Mr. CAMPBELL] and the gentleman from Pennsylvania [Mr. KELLY] before the House met; went and talked to them about it, and as many members as I could find on this side, and they all willingly agreed to it. There was not an objection. That is all there is to it.

Mr. MANN. Mr. Speaker, will the gentleman yield?

Mr. FOSTER. Yes.

Mr. MANN. My statement was made upon the strength of the statement of my colleague, who himself stated what I said.

Mr. FOSTER. The gentleman asked me and I supposed that he had received the information from the gentlemen on that side of the House, when he asked about this change in the rule, and I frankly stated what had taken place. I do not know whether he did it or not, but that was my impression at the time, but I want to say to the gentleman from Illinois that I endeavor to stand as honorably, and I believe that I am as honorable, as he with reference to matters coming before the House.

Mr. NORTON. Mr. Speaker, will the gentleman yield?

Mr. FOSTER. No; not now.

The SPEAKER. The gentleman declines to yield.

Mr. FOSTER Mr. Speaker, I will ask the gentleman from Kansas to use some of his time.

Mr. CAMPBELL. Is it the intention of the gentleman from Illinois to close in one speech?

Mr. FOSTER. Yes.

Mr. CAMPBELL. Then, I yield five minutes to the gentleman from Wyoming [Mr. MONDELL].

Mr. MONDELL. Mr. Speaker, this House, under the management of our friends on the other side, having dawdled along and wasted its time for months, the Committee on Rules about two months ago concluded that if certain important measures were to be considered it would perhaps be necessary to have them considered by a special rule, it having been demonstrated that under the management of our friends on the other side that is about the only way in which legislation can be considered in this House. The committee met, I think, about two months ago to-day. They had under consideration what was known as the conservation bills, first and foremost among which is a bill for the conservation of the area in the West which may be cultivated and on which homes may be established. The committee as the result of its meeting made a report. It has never been entirely clear to any of us just what that report proposed, because it has not been printed, though two months have elapsed, but in any event the most important of all of the conservation bills, the bill which would give an opportunity for new homes in the West, which would give an opportunity for addition to the cultivated area of the country, is overlooked and forgotten. The gentleman from Illinois [Mr. FOSTER] says that, as he recalls it, it was not even considered by the committee. It certainly was in the minds of the members of the committee, because their attention had been called to it.

There was also before the committee at that time—or there had been called to the attention of the committee—two very

important propositions to give the people of this country an opportunity, if they saw fit, to amend the Constitution of the United States—one in the matter of the prohibition of the manufacture and sale of liquor and one preventing any State from in any way discriminating against women in the granting of the franchise. The committee was urged to pass on those important matters, but did not see fit to do so, although my understanding is that a number of the members of the committee were ready and willing and anxious to have those two matters reported and brought out. I think it was two months ago yesterday that the committee made this report, the exact character of which I, for one, have been in ignorance of up to a few moments ago, when the rule was read—not the original rule reported from the committee, as the gentleman from Illinois [Mr. MANN] has stated, but quite a different rule—a rule accompanied by a number of important amendments offered by the gentleman from Illinois [Mr. FOSTER], who offered the rule.

Naturally it would occur to us, if it were necessary to amend this rule, passed two months ago, for the adoption of which at that time there was no doubt good reason, if it were necessary to so radically amend this rule, why has the Committee on Rules not met and amended it? Why, the Committee on Rules has not desired to meet. The Committee on Rules has been dodging those who are anxious to have a constitutional amendment relating to the liquor traffic presented to us for consideration. Those good women who are anxious to have the people of the country given an opportunity to pass on the question of franchise have been importuning the committee at all times. We were told at the time of this meeting, on June 10, that there would be another meeting on August 1. The 1st of August came. This rule needed amendment. There were other matters that needed consideration by the Committee on Rules, but no meeting of the Committee on Rules was held then and no meeting has been held up to this time, although the Progressive and the Republican member on that committee have been ready at all times to meet with that committee and report out the legislation that the people demand shall be considered. The majority of the Committee on Rules has therefore been in this position before the House. It launches upon us at any time, without previous notice, an amended rule with regard to the consideration of four or five very important matters and refuses to meet for the purpose of considering matters that the people of the country are anxious to have passed upon. [Applause.]

The SPEAKER. The time of the gentleman has expired.

Mr. FOSTER. How much time have I remaining?

The SPEAKER. The gentleman has nine minutes left.

Mr. FOSTER. I yield five minutes to the gentleman from Tennessee [Mr. GARRETT].

Mr. GARRETT of Tennessee. Mr. Speaker, there is always something amusing to me in the discussion that a special rule brought into the House of Representatives evokes. Ever since I have been a Member of the House, beginning in the Fifty-ninth Congress, the bringing in of a special rule from the Committee on Rules has been made the occasion of political discussion, and intelligent, sensible men who exercise prudence and good judgment about everything else seem absolutely to lose their heads when the matter of a special rule brought in as authorized under the general rules of the House is presented for consideration and adoption if a majority of the House wishes to adopt it. Now, that has not been confined to one side of the Chamber. I listened with a good deal of interest to the speech of the gentleman from Illinois [Mr. MANN]—I always listen to the gentleman from Illinois with great interest. The gentleman makes a good speech, but I have heard a great many much better speeches made on this side of the House along the same lines a few years ago than was made by the gentleman from Illinois a few moments ago. Now, what is this proposition? In the first place, the legislation that is provided to be considered is nonpartisan in character. The three platforms, if I remember correctly, declare for legislation for the conservation of the natural resources of the country. We are enabling you, as well as ourselves, if we adopt this rule, to carry out the platform pledges made to the people. I do not understand that there is any party division upon the bills which the rule provides shall be brought before the House, but if there were a political division upon the bills, or a division in any respect, then this rule does not prevent amendment to every paragraph of them. Gentlemen say that they did not so frequently, when the Republican Party was in control of the House, bring in special rules. I do not remember whether it was with as much frequency as has been the case since the Democrats have been in control, but this I do remember, that when the Committee on Rules of a Republican House brought in a rule it was always one to remember. It never permitted amendments. I seldom saw in the years when the Republicans were in control of this House a time when they brought in a special rule that permitted an amendment to even be offered in the House. This does nothing of the kind. The last bill which we considered under a rule was not in its essential elements a political proposition, though there was a phase of it which was made political, but every opportunity was given to amend that bill. It has been the custom since the Democrats have been in control of the House in bringing in special rules to permit every amendment that might be offered under the general rules of the House.

The SPEAKER. The time of the gentleman has expired.

Mr. FOSTER. I yield the gentleman two minutes more.

Mr. GARRETT of Tennessee. And why should this be complained of? The gentleman says the Committee on Rules presents a program of legislation when that legislation might be brought here under the general rules of the House upon the call of committees. Perhaps so. This rule was agreed to, as has been stated, two months ago. No one was taken by surprise by this rule. Everyone, I think, understood that this rule had been agreed to and that it would be presented when the opportunity was afforded; but it does not lie in the mouth of the gentleman from Illinois, the leader of the minority, to complain of the rule in fixing the order of business upon these bills which are nonpartisan in character because just a few weeks ago the gentleman permitted, by unanimous consent, without objection being made, the dam bill to be fixed as the order of business, when it could have come up under the call of committees. Mr. Speaker, this rule is presented in the interest of orderly procedure, to the end that the committees of this House may have an opportunity to respond to the demand of the people of this country—a demand which has been insistent and crying for many years, a response to which was pledged in every party platform in the campaign of 1912. This rule simply affords an opportunity to carry out that pledge and respond to that demand. [Applause.]

Mr. FOSTER. Mr. Speaker, I move the previous question on the amendments and rule to final passage.

The SPEAKER. The gentleman from Illinois moves the previous question on the rule and amendments to final passage.

The question was taken; and the Speaker announced the noes seemed to have it.

On a division (demanded by Mr. FOSTER), there were—ayes 44, noes 38.

Mr. MANN. Mr. Speaker, I make the point of order there is no quorum present.

The SPEAKER. Evidently there is no quorum present. The Doorkeeper will close the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll.

The question was taken; and there were—yeas 166, nays 72, answered "present" 3, not voting 191, as follows:

YEAS—166.

Abercrombie	Donovan	Howard	Reilly, Conn.
Adair	Doolittle	Humphreys, Miss.	Reilly, Wis.
Adamson	Eagan	Igoe	Rubey
Aiken	Eagle	Jacoway	Rucker
Alexander	Edwards	Johnson, Ky.	Russell
Ansberry	Evans	Keating	Scully
Bailey	Fergusson	Kettner	Seldomridge
Baker	Ferris	Kinkead, N. J.	Shackleford
Baltz	Finley	Kirkpatrick	Sims
Barkley	Fitzgerald	Kitchin	Sinnott
Barnhart	FitzHenry	La Follette	Sisson
Beakes	Floyd, Ark.	Lee, Pa.	Slayden
Blackmon	Foster	Lesher	Small
Booher	Fowler	Lever	Smith, Tex.
Borchers	French	Lewis, Md.	Sparkman
Bowdle	Gallagher	Lieb	Stanley
Brockson	Gallivan	Linthicum	Stedman
Brodbeck	Garner	Lloyd	Stone
Brown, W. Va.	Garrett, Tenn.	Lobeck	Stout
Brumbaugh	Garrett, Tex.	Logue	Summers
Buchanan, Tex.	Gill	Lonergan	Taggart
Burgess	Gittins	McKellar	Talbott, Md.
Burke, Wis.	Glass	Maguire, Nebr.	Talcott, N. Y.
Burnett	Godwin, N. C.	Mitchell	Tavenner
Byrnes, S. C.	Goodwin, Ark.	Moon	Taylor, Ark.
Candler, Miss.	Gray	Morrison	Ten Eyck
Cantrill	Gregg	Moss, Ind.	Thacher
Caraway	Hamill	Mulkey	Thomas
Carter	Hamlin	Murray, Mass.	Townsend
Church	Hammond	Oglesby	Tribble
Claypool	Hardy	O'Hair	Tuttle
Cline	Harris	Oldfield	Underwood
Coady	Harrison	O'Shaunessy	Watson
Collier	Hart	Page, N. C.	Webb
Connelly, Kans.	Hay	Park	Williams
Conry	Hayden	Patten, N. Y.	Wilson, Fla.
Cox	Helm	Post	Wilson, N. Y.
Deitrick	Helvering	Pou	Wingo
Dent	Hensley	Quin	Witherspoon
Difenderfer	Hill	Raker	Young, Tex.
Dixon	Holland	Rauch	
Donohoe	Houston	Rayburn	

NAYS—72.

Anderson	Esch	Kinkaid, Nebr.	Rogers
Avis	Falconer	Levy	Scott
Barton	Farr	McLaughlin	Sells
Bell, Cal.	Good	MacDonald	Sloan
Britten	Greene, Mass.	Mann	Smith, Idaho
Bryan	Hamilton, N. Y.	Mapes	Smith, J. M. C.
Burke, S. Dak.	Haugen	Miller	Smith, Sami. W.
Butler	Helgesen	Mondell	Stafford
Campbell	Howell	Moore	Stephens, Cal.
Cary	Hulings	Morgan, Okla.	Stevens, Minn.
Cooper	Humphrey, Wash.	Moss, W. Va.	Sutherland
Curry	Johnson, Utah	Murdock	Taylor, Colo.
Danforth	Johnson, Wash.	Nolan, J. I.	Temple
Davis	Kahn	Norton	Thomson, Ill.
Dillon	Keister	Payne	Towner
Drukker	Kelly, Pa.	Plumley	Volstead
Dunn	Kennedy, Iowa	Roberts, Mass.	Woods
Edmonds	Kindel	Roberts, Nev.	Young, N. Dak.

ANSWERED "PRESENT"—3.

Rothermel	Sherwood	Taylor, Ala.

NOT VOTING—191.

Ainey	Driscoll	Kennedy, R. I.	Peters, Me.
Allen	Dupré	Kent	Peterson
Anthony	Elder	Key, Ohio	Phelan
Ashbrook	Estopinal	Kiess, Pa.	Platt
Aswell	Fairchild	Knowland, J. R.	Porter
Austin	Faison	Konop	Powers
Barchfeld	Fess	Korbly	Prouty
Bartholdt	Fields	Kreider	Ragsdale
Bartlett	Flood, Va.	Lafferty	Rainey
Bathrick	Fordney	Langham	Reed
Beall, Tex.	Francis	Langley	Riordan
Bell, Ga.	Frear	Lazaro	Rouse
Borland	Gard	Lee, Ga.	Rupley
Broussard	Gardner	L'Engle	Sabath
Brown, N. Y.	George	Lenroot	Saunders
Browne, Wis.	Gerry	Lewis, Pa.	Sherley
Browning	Gillett	Lindbergh	Shreve
Bruckner	Gilmore	Lindquist	Slemp
Buchanan, Ill.	Goeke	Loft	Smith, Md.
Bulkley	Goldfogle	McAndrews	Smith, Minn.
Burke, Pa.	Gordon	McClellan	Smith, N. Y.
Byrns, Tenn.	Gorman	McCoy	Steenerson
Calder	Goulden	McGillicuddy	Stephens, Miss.
Callaway	Graham, Ill.	McGuire, Okla.	Stephens, Nebr.
Cantor	Graham, Pa.	McKenzie	Stephens, Tex.
Carew	Green, Iowa	Madden	Stevens, N. H.
Carlin	Greene, Vt.	Mahan	Stringer
Carr	Griest	Maher	Switzer
Casey	Griffin	Manahan	Taylor, N. Y.
Chandler, N. Y.	Gudger	Martin	Thompson, Okla.
Clancy	Guernsey	Merritt	Treadway
Clark, Fla.	Hamilton, Mich.	Metz	Underhill
Connolly, Iowa	Hardwick	Montague	Vare
Copley	Hawley	Morgan, La.	Vaughan
Covington	Hayes	Morin	Vollmer
Cramton	Heflin	Mott	Walker
Crisp	Henry	Murray, Okla.	Wallin
Crosser	Hinds	Neeley, Kans.	Walsh
Cullop	Hinebaugh	Neely, W. Va.	Walters
Dale	Hobson	Nelson	Watkins
Davenport	Hoxworth	O'Brien	Weaver
Decker	Hughes, Ga.	O'Leary	Whaley
Dershem	Hughes, W. Va.	Padgett	Whitacre
Dickinson	Hull	Paige, Mass.	White
Dies	Johnson, S. C.	Palmer	Willis
Dooling	Jones	Parker	Winslow
Doremus	Kelley, Mich.	Patton, Pa.	Woodruff
Doughton	Kennedy, Conn.	Peters, Mass.	

So the previous question was ordered.

The Clerk announced the following additional pairs:

Until further notice:

Mr. CONNOLLY of Iowa with Mr. CRAMTON.

Mr. HULL with Mr. NELSON.

Mr. MCCOY with Mr. SMITH of Minnesota.

Mr. PALMER with Mr. PROUTY.

Mr. ROTHERMEL with Mr. RUPLEY.

Mr. CASEY with Mr. MCGUIRE of Oklahoma.

The result of the vote was announced as above recorded.

The SPEAKER. A quorum is present. The Doorkeeper will open the doors. The question is on agreeing to the amendment to the resolution.

The amendment was agreed to.

The SPEAKER. The question is on agreeing to the resolution as amended.

The resolution as amended was agreed to.

Mr. UNDERWOOD. Mr. Speaker, did the Speaker announce that the rule had been agreed to?

The SPEAKER. Yes.

Mr. UNDERWOOD. Mr. Speaker, I ask unanimous consent that for the remainder of this afternoon the Unanimous Consent Calendar may be in order.

The SPEAKER. The gentleman from Alabama [Mr. UNDERWOOD] asks unanimous consent that for the remainder of the afternoon the Unanimous Consent Calendar shall be in order. Is there objection?

Mr. MANN. Reserving the right to object, Mr. Speaker, I think that, in all courtesy and propriety, the House ought to adjourn on account of the burial of the wife of the President, and I shall not consent to anything that I can object to.

Mr. UNDERWOOD. Mr. Speaker, the gentleman has brought this question on the floor of the House—a thing which I did not intend to do. But I will state to the gentleman from Illinois that, so far as I am concerned and so far as this House is concerned, no man in the United States, or set of men, is more anxious to show regret at the death of the wife of the President, or more desirous of doing what is proper under the circumstances. But I wish to say to the House that one of the secretaries to the President on last Saturday stated to me over the telephone that the President of the United States did not desire that the funeral services in his own family should interfere with the business of either of the Houses of Congress, and preferred that the Houses remain in session. Under those circumstances I think it is proper and the right thing to do—for the House to continue in session.

Mr. MANN. Mr. Speaker, will the gentleman yield?

Mr. UNDERWOOD. I do.

Mr. MANN. Does not the gentleman think that it would be proper for the House and for the Members of the House, out of regard for their own feelings on the occasion, to express their sentiments without relying upon or asking the President to intimate whether he thinks the House should join with him in mourning or to express his opinion? It is for the House to determine.

Mr. UNDERWOOD. I do not think the gentleman from Illinois should have brought this question on the floor at all. The membership of this House has expressed its feeling in this matter. We adjourned the other day out of respect for the Nation's loss, and we adjourned over yesterday, the day of the funeral. The President of the United States has his views in reference to his own family matters, and I desire to respect them.

Mr. Speaker, I ask unanimous consent that the Unanimous Consent Calendar may be in order for the balance of the afternoon.

The SPEAKER. The gentleman from Alabama [Mr. UNDERWOOD] asks unanimous consent that the Unanimous Consent Calendar shall be in order for the remainder of the afternoon. Is there objection?

Mr. J. I. NOLAN. Mr. Speaker, I object.

The SPEAKER. The gentleman from California objects.

SPEAKER PRO TEMPORE FOR TO-MORROW.

The SPEAKER. The Chair announces that the gentleman from Georgia [Mr. ADAMSON] will preside as Speaker pro tempore to-morrow.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. CLARK of Florida, indefinitely, on account of illness in his family.

To Mr. PALMER, for one week, on account of sickness.

WATER POWER ON THE PUBLIC DOMAIN.

The SPEAKER. The House automatically resolves itself into the Committee of the Whole House on the state of the Union under the rule just adopted, with the gentleman from New York [Mr. FITZGERALD] in the chair.

Thereupon the House resolved itself into Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 16673, with Mr. FITZGERALD in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 16673, which the Clerk will report.

The Clerk read the title of the bill, as follows:

A bill (H. R. 16673) to provide for the development of water power and the use of public lands in relation thereto, and for other purposes.

The CHAIRMAN. The gentleman from Oklahoma [Mr. FERRIS] is recognized for two hours.

Mr. FERRIS. Mr. Chairman, section 1 of the pending bill authorizes the Secretary of the Interior to lease the reserved and unreserved Government lands of the United States, national parks excepted, for a term of not exceeding 50 years for the purpose of water-power development.

(a) The provision on page 2, from line 9 to 15, inclusive, requires the chief officer of the department who has jurisdiction over any of the reserve lands who finds that such lease for water-power and hydroelectric development will not injure or destroy or be inconsistent with the purposes for which the reservation was created. This is thought to be necessary to avoid conflict.

(b) The second provision of section 1, occurring on page 2 and within lines 16 to 20, inclusive, authorizes the Secretary of the Interior to grant preference to applications for lease by States, counties, and municipalities when the applications are

made for municipal uses and purposes. This is thought to be justice, for where a State, county, or municipality elects to develop hydroelectric power for their own use it is thought to be the highest use and in the interest of the public that they do not have to compete with some selfish corporation which might be able to marshal securities and become a more apt bidder therefor.

(c) The further provision in section 11, page 2, beginning in line 20 and including the remainder of the section, authorizes the Secretary of the Interior to issue temporary permits which authorize the occupation of the land for water-power development for a period not exceeding one year to enable the applicant to secure necessary engineering data, determine the feasibility of the project, and to finance the same; further, authorizing the extension of the one-year period when, in the discretion of the Secretary, unusual weather conditions or other conditions beyond the control of the applicant occur and make the same advisable. The advisability of this is apparent, due to the fact that much of this development has to be carried on on borrowed money. It requires time and engineering investigation to develop whether or not a project is feasible, whether or not the product can be disposed of, whether or not the money can be secured to develop it, whether or not water rights are in conflict, and, if so, time is required to purchase them. It is thought that such a provision and such authority vested in the Secretary is in the public interest and will bring about development of water-power resources; will not unduly tie up the property and cold storage it, so to speak, but will allow honest investors an opportunity to take the necessary preliminary steps looking to a final development of the property.

SECTION 2.

Section 2 provides that the lease shall contain a provision for the diligent, orderly, and reasonable development and continuous operation, subject to market conditions. Section 2 also enables the Secretary of the Interior, when he thinks it advisable, to put a provision in the lease denying to the operator or lessee the right to contract for the disposition of more than 50 per cent of the total output to any one consumer. It is thought to be of the highest importance that the lease, which is the original contract between the Government and the applicant, should bear all these provisions, which are almost sure to become more and more important during the life of the lease. It will also be observed that section 2 provides that the Secretary of the Interior may limit the amount of electrical energy that may be sold to any one person. It is thought wise to give him this power, but it was not thought the part of wisdom to make it mandatory. In some instances such a provision would be very helpful to ward off and break down monopoly where it exists, but where no monopoly exists it might be oppressive and unnecessary.

SECTION 3.

Section 3 provides that where hydroelectric power is generated in two or more States the regulation and control of service and of charges for service to consumers and of the issuance of stock and bonds by the lessee is conferred upon the Secretary of the Interior or committed to such body as may be provided for by Federal statute. This is thought extremely advisable; otherwise, where electricity is generated in more than one State and State control is ineffective and inoperative, then and in that event it is thought to be the part of wisdom to confer upon the Secretary of the Interior power to regulate the same. It was also thought important to have the legislation indicate that the time might come when Congress in its wisdom might elect to confer this power either upon the Interstate Commerce Commission or some other Federal water power commission that Congress might create. Then, and in that event, the power of the Secretary of the Interior would cease, and such power step in and take control as Congress might provide.

The provision occurring on page 4, beginning at the end of line 4, is an antimonopoly provision, which authorizes combinations in the interest of efficient service, but expressly prohibits combinations, agreements, arrangements, or understandings, expressed or implied, to limit the output of electrical energy, to restrain trade with foreign nations or between two or more States or within any one State, or to fix, maintain, or increase prices for electrical energy or service. It will be observed that it is an extremely difficult task to properly regulate monopoly in connection with water power, for numerous instances can be cited where to allow combinations and union of effort and enterprise is found to be strictly in the interest of the public; but, of course, the general rule is otherwise, and it was the thought of the committee in dealing with this intricate question that the widest latitude should be given to the Secretary of the Interior, and that by experience and personal contact with the subject he could handle the matter more intelligently without too many fetters and restraints.

SECTION 4.

Section 4 provides that without the written consent of the Secretary of the Interior the lessee or power development company shall not sell or deliver power to a distributing company, except in case of an emergency, and then only for a period not exceeding 30 days. It further provides that the lease shall not be assignable or transferable without the written consent of the Secretary of the Interior.

The provision occurring on page 4, section 4, line 17, expressly provides that the lessee shall be allowed to execute mortgages or trust deeds on the property for the purpose of financing the project. It expressly provides, however, that in the event of such transfer, whether voluntary or involuntary, it shall be subject to all the conditions of approval under which such rights were held as contained in the prior lease and in the act. This provision is thought to be imperative, due to the fact that much, if not quite all, of the development of hydroelectric energy must of necessity be done on borrowed capital, and it was not the wish of the committee to pass an act that would prevent financiers from financing the projects. It was the earnest wish of the committee and the proponents of this bill that the bill be made workable; that the bill be made attractive to capital, so that early and speedy development would occur, thereby reducing the cost of power to all who use it, and that the results intended would flow from the highest use of the natural resources bequeathed to us by nature.

SECTION 5.

Section 5 provides for the retaking of the property at the end of the lease and indicates just how the property is to be retaken. In a word, it provides that all nonperishable property, which is sure to increase in value rather than decrease, such as lands, water rights, rights of way, and good will, the actual cost shall be paid therefor. The section further provides that all other property, such as structures, machinery, etc., that are apt to depreciate rather than increase in value, it is thought to be in the interest of the public to provide that the fair value shall be paid therefor, so that in retaking the property the public will not be forced to pay more than the property is actually worth. Your committee feels sure that section 5 lays down the correct rule for a retaking of the property.

The section contains a provision on page 5, line 21, which expressly provides that the reasonable value referred to shall not include or be affected by the value of the franchise or good will or profits to be earned on pending contracts or any other intangible element. It was the thought of the committee that this was clearly in the interest of the public. It was thought that it was but common justice that when we lease the property of the Government for a term of years the lessee should not be permitted to heap up the unearned increment, the good will, and other intangible elements that naturally go along with a business of this sort. It is the thought that the only thing that distinguishes a lease from a grant in perpetuity is the ability of the Federal Government to retake it. Therefore, it is the thought of your committee that this recapture provision of this bill or any other bill is of the highest importance and one that should be looked into carefully.

SECTION 6.

Section 6 lays down the three specific things that the Federal Government can do at the expiration of any lease made under this act. First, the Federal Government may retake it and operate it itself; second, it may renew the lease to the original lessee upon such terms and conditions and for such term as may be authorized under the then existing applicable laws; third, the Secretary of the Interior, upon the expiration of the lease, may lease the property of the original lessee to a new lessee upon such new conditions, new terms, and for such new periods of time as the applicable laws of that date authorize, providing that the new lessee shall pay for the property according to the rule laid down in section 5 of this act. It is the thought that section 6 makes it sufficiently clear that at the expiration of the term the Federal Government will have a free hand to do what it desires to do with the property. It is thought that anything short of this would be giving away more than the public or Congress would intend to do. This section 6 merely magnifies the necessity of an appropriate recapture provision; for example, if the Federal Government elected to lease the property to a new lessee, one of the first controversies that would arise would be, Can I secure possession of the property, and what is the rate I must pay for the property of the preceding lessee? If the method of recapture was simple, easy, plain, and well understood and on equitable grounds, so that the lessee would not have to pay for watered stock and inflated values, then and in that

event prospective lessees for the property would be numerous, the rights would be valuable to the Government, and good results would flow in every direction.

But, on the other hand, if the method of recapture was onerous, complex, and difficult of understanding the rights of the Government would be of little or no value, applicants for the property would be few and hesitating, and the disaster that would come to the public by reason of such a provision would be that the original lessee would continue to hold the property and in all probability refuse to submit to new conditions, and while the Congress would have intended to issue a lease, would have in fact and in reality issued a grant in perpetuity, a thing that this Congress does not desire and a thing that the American people will not in silence permit to be done.

SECTION 7.

This section contemplates the arising of a condition which would warrant the lessee in contracting for the supply of electrical energy beyond the term of his lease. In that event the section authorizes the Secretary of the Interior, if he deems it for the public interest, to give his approval of the execution of such contracts, and in the event such approval is given the Government of the United States or the original lessee's successor is required to fulfill the term of the contract which extends beyond the life of the original lease. There will be a difference of opinion about the advisability of this section. It was the thought of your committee, however, that instances might arise where it would be highly necessary and important that the original lessee have more or less freedom in bidding for contracts in order to meet competition, and in some cases it might be necessary to go beyond the life of the lease. It is thought that the necessity for this is brought about by the fact that much of the water power potentiality is already in the hands of private persons, who of course can contract for service for terms indefinite in character. To not give the Government lessees under this act a fair opportunity to compete with the already entrenched water-power companies might be a burden and handicap on our Government lessees greater than we should inflict and might serve as an aid to power companies already entrenched, who would delight to longer be without competition and without additional development of electricity. I repeat, there will be a difference of opinion about this section, but the more the committee thought about it and the more we studied the situation the more we were convinced that to give the Secretary this power was sure to result in good, and the committee was unanimously of the opinion that it should be done.

SECTION 8.

Section 8 authorizes the Secretary of the Interior to enter into contracts with the lessee and to specify in the lease such charge of rental for all power developed by the lessee for any purpose, as may be deemed appropriate in each individual case. The section further provides that the proceeds from such hydroelectric development shall be paid into the reclamation fund, and after it has been used by the fund for one term and returned to the reclamation fund, one-half of the moneys so returned shall be turned over to the States to be appropriated by the State legislature for the benefit of the public schools and other educational institutions or for public improvement, or for both, as the legislature may elect.

Under the reclamation act of 1902 all proceeds from the sale of Government lands go into the reclamation fund, and inasmuch as the development of the water power on nonnavigable streams on the public lands of the United States, it would seem that the returns should likewise go into the reclamation fund. Under the terms of the reclamation act the moneys so used for reclamation purposes in each instance become a lien upon the land and are later returned to the fund for disposition as Congress may provide. Hence, it is thought that until water power reaches a higher state of development and until more of the arid lands of the West have been irrigated, it would seem advisable to use the proceeds for the further irrigation and development of the West and treat it as a fund derived from the sale of the public lands.

The provision commencing in line 19, page 7, provides that where water power is generated by municipalities for municipal purposes only that such leases shall be executed by the Secretary of the Interior without rental or charge. It also provides that for development of not in excess of 25-horsepower, leases may be issued to individuals or associations for mining or domestic uses without charge. It will be observed that this is a relaxation of the act where States, counties, or municipalities elect to construct, own, and operate their own light or power plant. It will be observed that the use is restricted for municipal purposes only and without profit.

It will further be observed that the small projects of less than 25 horsepower are used by individual settlers for pumping water and other domestic uses and that it was thought that it was not advisable for the Government to try to collect revenue therefrom. Many such minor plants are now in operation, and it was the thought of your committee that they should not be molested and that additional enterprises small in character would be advisable and without objection.

SECTION 9.

Section 9 is thought to be a provision which will insure regulation of hydroelectric power development within a State where the State has refused or failed for any cause to provide for a public utilities commission which would have power to regulate rates, service, issuance of stock and bonds, and so forth, and until such time as the State creates such a commission the Secretary of the Interior would have power to regulate it. This is thought to be no invasion of State rights or no trampling upon the laws of the States, for if for any reason the regulation of an intrastate project by the Secretary of the Interior is offensive to them the matter could readily be obviated by the enactment of a law providing for a public utilities commission, and surely no one would advocate that where the State did not regulate that the Federal Government should likewise be precluded from regulation.

SECTION 10.

Section 10 authorizes the Secretary of the Interior to allow lands that have been heretofore reserved for water-power purposes to be used for other and additional purposes, subject always to the superior right of the Government or its assignees to develop hydroelectric power thereon. It will be observed that many water-power sites have been withdrawn over the country under the Pickett Act of June 25, 1910. In some instances large areas were withdrawn, portions of which in all probability will not be necessary. It was therefore thought the part of wisdom to authorize the Secretary of the Interior to allow these lands to be used for other purposes, always reserving to the Federal Government the right of overflow and always subordinate to the superior use of hydroelectric development, and for this reason the section was incorporated. The provision in section 10, in line 4, page 9, provides that where locations, entries, or selections are filed or have been allowed the land shall proceed to patent, subject to a limitation to be inserted in the patent which shall preserve to the Federal Government all rights for power purposes.

SECTION 11.

Section 11 authorizes the Secretary of the Interior to examine books and accounts of lessees, and to require them to submit statements, representations, or reports, including information as to cost of water rights, lands, easements, and other property acquired, production, use, distribution, and sale of energy, all of which statements, representations, or reports so required shall be upon oath and upon such blanks as the Secretary of the Interior may require. It provides further that any person making any false statement, representation, or report under oath shall be subject to punishment as for perjury. It was the thought of your committee that as the Government was parting with this property for a long term of years that it ought to reserve to itself the right to know just what its lessees were doing with the property in each and every case, and it is thought that section 11 as written in the bill will accomplish that.

SECTION 12.

This section provides that whenever the terms of the lease are broken the lease may be canceled by a court of competent jurisdiction. There will be some difference of opinion as to whether the Secretary ought to have this summary power as distinguished from having it tried in a court, but the committee, after carefully considering it, was of the opinion that the lessee would have to incur such a large expense it was most too great a hazard to allow the lease to be canceled by the Secretary of the Interior. It was thought more advisable to have it adjudicated in a court of competent jurisdiction, and to do otherwise, it was thought, would frighten away development and be disastrous to the highest development of water power.

SECTION 13.

Section 13 authorizes the Secretary of the Interior to make such rules and regulations as are necessary to carry out the provisions of this act. This gives the Secretary full power to make appropriate rules and regulations applicable to the circumstances in each project. It was thought that market conditions and other conditions will make the several projects widely differ, and it was thought best to give the Secretary of the Interior full power to make rules and regulations applicable to

each individual case. It is apparently impossible and inadvisable to try to write into the statutes harsh general provisions which would be necessary in some instances and wholly inoperative and unworkable in others. The testimony of all the experts before the committee was to the effect that the greatest latitude should be given to the Secretary, so he can properly proceed in the widely differing cases.

SECTION 14.

Section 14 is a section disclaiming any intention on the part of the Federal Government to interfere with vested rights or the State laws with reference to water rights or the appropriate distribution of water used for irrigation or municipal purposes. It is thought that water-power development ordinarily will not in any way interfere with the rights of the States, but this disclaimer has put any doubts to rest that may have arisen in the premises.

SECTION 15.

Section 15 repeals acts in conflict with the legislation under consideration and excepts certain acts of Congress which it is not desired to repeal.

The proviso on page 11, beginning with line 3, shall not be construed as revoking or as affecting any permits or valid existing rights of way heretofore given or granted pursuant to law, but at the option of the permittee any permit heretofore given for the development, generation, transmission, or utilization of hydroelectric power may be surrendered and the permittee given a lease for the same premises under the provisions of this act.

Mr. JOHNSON of Washington. Mr. Chairman, I desire to make the point that a quorum is not present.

The CHAIRMAN. The gentleman from Washington makes the point that there is not a quorum present. The Chair will count. [After counting.] Sixty-five gentlemen are present—not a quorum.

Mr. FERRIS. Mr. Chairman, I move that the committee do now rise.

The CHAIRMAN. The gentleman from Oklahoma [Mr. FERRIS] moves that the committee do now rise. The question is on agreeing to that motion.

The question was taken, and the Chairman announced that the noes seemed to have it.

Mr. FERRIS. A division, Mr. Chairman.

The CHAIRMAN. The gentleman from Oklahoma demands a division.

The committee proceeded to divide.

Mr. FERRIS. Mr. Chairman, I demand tellers.

The CHAIRMAN. The gentleman from Oklahoma demands tellers.

Tellers were ordered, and the Chairman appointed Mr. FERRIS and Mr. JOHNSON of Washington to act as tellers.

The committee divided: and the tellers reported—ayes 5, noes 49.

The CHAIRMAN. The motion is rejected. A quorum is not present. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Aiken	Covington	Graham, Pa.	Langley
Ainey	Cramton	Green, Iowa	Lazaro
Allen	Crisp	Greene, Vt.	Lee, Ga.
Ansberry	Crosser	Griest	L'Engle
Anthony	Cullop	Griffin	Lenroot
Ashbrook	Dale	Gudger	Lewis, Pa.
Aswell	Davenport	Hamilton, Mich.	Lieb
Austin	Decker	Hamilton, N. Y.	Lindbergh
Baltz	Dershem	Hammond	Lindquist
Batchfeld	Dickinson	Hardwick	Lobeck
Bartlett	Dies	Hawley	Loft
Bathrick	Dooling	Hayes	McAndrews
Beall	Doremus	Heflin	McClellan
Bell, Ga.	Doughton	Henry	McGillicuddy
Borland	Driscoll	Hinds	McGuire, Okla.
Broussard	Dunn	Hinebaugh	McKellar
Brown, N. Y.	Dupré	Hobson	McKenzie
Brown, W. Va.	Elder	Howard	Madden
Browne, Wis.	Estopinal	Hoxworth	Mahan
Browning	Fairchild	Hughes, Ga.	Maher
Bruckner	Faison	Hughes, W. Va.	Manahan
Brumbaugh	Fess	Hulings	Martin
Buchanan, Ill.	Fields	Humphreys, Miss.	Merritt
Bulkley	Flood	Johnson, S. C.	Metz
Burke, Pa.	Fordney	Jones	Miller
Butler	Francis	Kelley, Mich.	Montague
Byrnes, S. C.	Frear	Kennedy, Conn.	Morgan, La.
Byrns, Tenn.	French	Kennedy, R. I.	Morin
Calder	Gard	Kent	Morrison
Callaway	Gardner	Key	Moss, Ind.
Cantrill	George	Kiess	Mott
Carew	Gillett	Kindel	Murray, Okla.
Carlin	Gittins	Kitchin	Neeley, Kans.
Carr	Goeke	Knowland, J. R.	Neely, W. Va.
Casey	Goldfogle	Konop	Norton
Chandler	Gordon	Korbly	O'Brien
Clancy	Gorman	Kreider	O'Leary
Clark, Fla.	Goulden	Lafferty	O'Shaunessy
Copley	Graham, Ill.	Langham	Padgett
Paige, Mass.	Rainey	Smith, Minn.	Vare
Palmer	Reed	Smith, N. Y.	Vaughan
Parker	Riordan	Stafford	Vollmer
Patton, Pa.	Roberts, Mass.	Steenerson	Walker
Peters, Me.	Rothermel	Stephens, Miss.	Wallin
Peters, Mass.	Rucker	Stephens, Nebr.	Walsh
Peterson	Rupley	Stephens, Tex.	Walters
Phelan	Sabath	Stevens, N. H.	Watkins
Platt	Saunders	Stringer	Weaver
Plumley	Sells	Switzer	Webb
Porter	Sherley	Talcott, N. Y.	Whaley
Post	Shreve	Taylor, N. Y.	Whitacre
Pou	Slemp	Thompson, Okla.	White
Powers	Small	Treadway	Willis
Prouty	Smith, Md.	Tuttle	Winslow
Ragsdale	Smith, Samuel W.	Underhill	Woodruff

The committee accordingly rose; and the Speaker having resumed the chair, Mr. FITZGERALD, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee finding itself without a quorum, he had directed the roll to be called, whereupon 213 Members answered to their names, and he reported the names of the absentees to be printed in the Journal and RECORD.

The SPEAKER. The committee will resume its session.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 16673) to provide for the development of water power and the use of public lands in relation thereto, and for other purposes, with Mr. FITZGERALD in the chair.

Mr. FERRIS. Mr. Chairman, there are certain salient provisions that I think every adequate water-power bill should contain. I shall try to enumerate them:

First. No legislation, Executive order, or departmental ruling should permit the patenting or the title in fee to pass out of the Federal Government under any conditions. The fee title should be reserved in perpetuity to the United States.

Second. The dam sites should be leased for a period of time not longer than 50 years, without any entangling alliances or phrases difficult to understand, on which the courts might quibble or debate as to the relative rights of the Federal Government and the lessee after the term has expired.

Third. The recapture provision should provide that all nonperishable property, such as land, water rights, dam sites, good will, and so forth, should go back to the Federal Government at actual cost, and that all perishable property in connection with the plant should come back to the Federal Government at the end of the lease at its fair value. In both cases the interest of the public is conserved and made certain.

Fourth. Strong, clear, well-understood provisions should be inserted in the lease contract for the revocation of the permit for a violation of the conditions thereof.

Fifth. Provisions should be inserted in the lease requiring diligence and prompt construction of the plant so that the property may not be held for speculative purposes.

Sixth. A royalty or rental for the use of dam sites and the property of the Federal Government should be required in all cases except for municipalities, at least sufficient to cover the cost of administration.

Seventh. The Federal Government should at all times maintain its paramountcy and full control.

Eighth. Annual reports should be exacted from the power companies, so that the public might at all times know of their acts and doings.

Ninth. The Federal Government should reserve to itself full power to fix rates for service, capitalization, bond issues, etc., in interstate projects and where there is no public utilities commission for this purpose in intrastate projects.

Tenth. Each lease, permit or consent of Congress should contain a provision that upon proof that any such permittees, lessees, or grantees have conspired to prevent the development of water power or to limit the output of already constructed plants the lease should be revocable in a court of competent jurisdiction.

ESTIMATED POTENTIAL HORSEPOWER IN THE UNITED STATES.

The estimates for the developed and undeveloped potential horsepower of the United States range from 20,000,000 to 200,000,000 horsepower. A more conservative estimate ranges from 28,000,000 to 35,000,000 horsepower. Only 6,000,000 horsepower have been developed and are now in use. Estimated products for 1905 produced by hydroelectric power $17,000,000,000, or seven times the total receipts of the railroads of the country.

LOCATION OF HYDROELECTRIC ENERGY BY GROUPS OF STATES.

North Atlantic group of States, 2,200,000 horsepower, or 7.9 per cent of the aggregate.

South Atlantic group of States, 2,300,000 horsepower, or 8.2 per cent of the aggregate.

North Central group of States, 1,700,000 horsepower, or 6 per cent of the aggregate.

South Central group of States, 1,500,000 horsepower, or 5.3 per cent of the aggregate.

Western group of States, 20,400,000 horsepower, or 72.6 per cent of the aggregate.

Mr. JOHNSON of Washington. Do those figures represent developed or undeveloped water power?

Mr. FERRIS. Both. It is the estimated potentiality.

Mr. JOHNSON of Washington. They represent water power in sight?

Mr. FERRIS. Yes; and of that amount 72.6 per cent is in the Western States.

Mr. JOHNSON of Washington. When the gentleman says Western States, what Western States does he mean—the 11 Western States?

Mr. FERRIS. The public-land States. Of course, some of the land or dam sites are in private ownership. I have not confined it to any certain number of States, but it is the western group of States. It is, of course, but an estimate, but it was carefully made by Mr. Merrill, of the department. His exact statement can be found in the House Public Lands Committee hearings at page 381. I will insert it here for the information of the House:

Various estimates have been made of the amount of developed and undeveloped water power in the United States, as you have heard in this hearing. The total has been variously stated by different estimators from 20,000,000 to 200,000,000 horsepower. Of course the 20,000,000 estimate was made by men who are very conservative, and the 200,000,000 by men who are very optimistic. My own judgment will agree closely with the figures given to you by Mr. Stillwell. He stated about 35,000,000. The figures which I had prepared for submission in this hearing total 28,000,000. Whether the total is that or some other figure depends upon whether you consider the power that could be developed at the present time in the present state of the industry, or whether you consider some problematical amount at some distant future under conditions that do not obtain at the present time.

The CHAIRMAN. Mr. Stillwell is an engineer of pretty wide experience?

Mr. MERRILL. Mr. Stillwell is, and I would say, parenthetically, that I would subscribe to 99 per cent of what he said.

The CHAIRMAN. He made a very good impression upon me.

Mr. MERRILL. Yes; he is an able engineer and has had a large experience.

The distribution which I have prepared upon the basis of 28,000,000 horsepower is approximately as follows:

The North Atlantic States, 2,200,000 horsepower, or 7.9 per cent of the total.

The South Atlantic States, 2,300,000 horsepower, or 8.2 per cent.

The North Central States, 1,700,000 horsepower, or 6 per cent.

The South Central States, 1,500,000 horsepower, or 5.3 per cent.

The Western States, 20,400,000 horsepower, or 72.6 per cent.

Whatever we may take as a total, whether it be the 28,000,000 or whether it be 200,000,000, the distribution will be closely in those percentages.

Mr. KENT. That includes the navigable waterways?

Mr. MERRILL. Yes.

Mr. TAYLOR of Colorado. Who made those estimates?

Mr. FERRIS. They were developed in the hearings, and they were made by the department's representative, who has given great attention to these water-power matters and who has charge of that service in the department.

Mr. TAYLOR of Colorado. The figures are not the result of a governmental official investigation, are they?

Mr. FERRIS. We have the figures from Mr. Merrill, of the Agricultural Department. So the figures are from the Government, and they are corroborated by the best engineers that can be had.

HISTORICAL DATA IN CONNECTION WITH WATER POWER.

The first hydroelectric plant established in the world, generating a single-phase current of 3,000 voltage, was at Ames, Colo., in 1890, but 24 years ago. The first act of Congress dealing with rights of way for hydroelectric energy was passed May 14, 1896, and the second act was on May 11, 1898; the third act was on February 15, 1901, and it is under this latter act that most of the development has taken place. It is commonly known as the revocable-permit act.

DIFFICULTY WITH EXISTING LAW AND NECESSITY FOR NEW LEGISLATION.

The first regulations on this subject were issued July 8, 1901, and were in fact but a mere notation on the record that the land had been segregated for water-power use. These first crude regulations soon ripened into good, careful, and painstaking ones, until to-day they have reached a marked degree of perfection, but the insecurity of the tenure, to wit, subject to be revoked at any moment by an executive officer without notice, has served as a scarecrow to capital, and it has been a stumblingblock in the administration of the law. Under the inadequate and inefficient laws relating to construction and development of water power, our great and unusual potentiality is not being conserved, but has been wasted and exploited. If these resources are to be developed, laws must be passed that are reasonably certain and definite, and such as will cause capital to undertake the task. They must, likewise, of course, work hand in hand with conditions that will fully protect the public interest.

TWO KINDS OF WATER POWER.

First, water power developed on the navigable streams of the country, more or less interlinked with navigation.

Second, water power developed on the nonnavigable streams where the Federal Government owns the dam site or the public lands over which the rights of way must traverse. The Adamson bill had to do with the former; this bill has to do with the latter.

WATER POWER A PUBLIC UTILITY.

There was a time when water-power development was considered a local, private enterprise in which only the local community was interested and only the local community had to do with its regulation. This theory has long since been exploded, and it is now generally admitted to be a public utility by all who have had occasion to study the subject.

Water power was once considered a private snap, but it is now one of the greatest modern agencies used in the development of this country. It will be interesting to the House to know that the total output of products manufactured by water power in this country in a single year amounted to $17,000,000,000. It will again be interesting to know that this is seven times more than the combined receipts of all the railroads of this country.

Mr. JOHNSON of Washington. When the gentleman states that sum as the aggregate does he mean the net, or everything?

Mr. FERRIS. I mean the value of the product manufactured from hydroelectric power. I am fortunate in this instance to have at my command the statement of Mr. Louis B. Stillwell, of New York City, who is and has been for years one of the leading engineers on water power in the United States. He is and has been the leading man for Mr. Westinghouse, who has blazed the way. I will print his exact statement as it was made before the House Public Lands Committee:

Referring to the question asked Mr. Townly as to the productive power of horsepower under average conditions, I have no statistics here later than 1905, but I have some for that year, and according to these statistics, which were compiled from the industrial census taken in that year, for each horsepower used in the United States a product worth $1,150 resulted. The wages paid averaged $248 per horsepower. The figures were used by Mr. Putnam and myself in some work prepared for the first congress of the governors held here at the White House under Mr. Roosevelt. In that year the manufacturing of products amounted to $1,152 for each horsepower installed, and the yearly wages of the men amounted to $248 per horsepower. The value of the product manufactured was nearly $17,000,000,000—seven times the total receipts of all the railroads.

So, it is evident at a glance from these figures that throughout the country in general the ratio of value of product per horsepower utilized in various States is surprising, and it is perfectly evident that no benefit can come to the public from the result of placing any tax on the development of water power. Even a slight acceleration of the rate of development of water power would be of great benefit to the people.

Mr. JOHNSON of Washington. Manufacturing plants and everything else.

Mr. FERRIS. Yes; it amounts to $17,000,000,000, or seven times the total receipts of all the railroads in the country.

Mr. JOHNSON of Washington. How much of that is in the 72 per cent out west?

Mr. FERRIS. I assume that it is in proportion, although I can only furnish the gentleman the statement above given.

Mr. JOHNSON of Washington. Do you think 72 per cent of the manufactures resulting from water power or anything else are in the Western States?

Mr. FERRIS. I do not think so; but if the gentleman will pardon me, I believe that if an adequate, efficient, modern, up-to-date, careful, painstaking water-power policy is adopted, the gentleman's State and the West generally will borrow from the East much of its manufacturing, and I believe it will make the gentleman's State and the gentleman's counties and the gentleman's cities thrive like a weed in a fallow soil. I think there is no doubt about it. Cheap power is such a potent factor in the development of a new country that the good that will or could flow from it can scarcely be realized.

Mr. JOHNSON of Washington. If this bill is intended to control the 72 per cent of water power which is in the 11 far Western States, is it not advisable that at least 100 Members of the House attend the discussion of the bill all the way through, inasmuch as the public domain belongs to all the people and now costs the people more than it is probably worth to them?

Mr. FERRIS. I agree with my friend heartily about the importance of this legislation. I do not agree that it costs them more than it is worth. I fear the argument of the gentleman would lead us to a "blessed be nothing" theory that would have but few followers. I want to present the views of the committee, and I shall try to represent them fairly.

I want them to go into the RECORD, so that at least the views of the committee may be fairly well before the House. I know how difficult it is for the Members to stay here, so I hope the gentleman will allow me to conclude, because my remarks will go into the RECORD, and those who are interested in the subject will study them. Of course, those who are not interested will not do so. It is also true that Members have duties more than they can carry and it is difficult for them to sit here through general debates. It is no discourtesy to me at all. I often absent myself with committee work and other duties when I am not conversant with matters being considered. I rather take the small attendance as a compliment to the committee. It shows their full trust in the Public Lands Committee.

Of course, it is true that while this is a dry subject it is so important to the entire country it ought to command their attention. It is the largest question before the American people to-day. I am happy the House is willing to trust us with so important a matter.

Mr. BRYAN. Will the gentleman yield for a question?

Mr. FERRIS. Yes.

Mr. BRYAN. In the gentleman's estimate of $17,000,000,000 as the total output of water power does he include the traffic, or the power that is used in moving cars and moving different forms of traffic over the country, or does he include simply manufacturing?

Mr. FERRIS. I assume that it includes all of the product sold, whether it be for carrying, lighting, manufacturing, or whatnot. Those figures came from Mr. Westinghouse's top-notch engineer, and even those figures were compiled back in 1905, for the conference of governors that was held at the White House in that year. Those figures were compiled by the best talent and the best engineers of the country at that time. I have no doubt if the figures were now compiled they would be greatly in excess of $17,000,000,000. I have not the items, but I assume that estimate includes every product that comes from the use of hydroelectric power. I have supplied the statement in toto so the House can analyze it. It was made in the presence of a horde of engineers, financiers, and department officers, and was concurred in by them. It is the largest unsolved question to-day.

I hope I display not too much egotism in asking Members interested in water power to consult the hearings held before our committee. I believe they contain almost the last word, at least so far as the development of water power has gone. We had before us the best engineers of this country. We had before us Hon. Franklin K. Lane, a student and a patriot on this subject. We had likewise before us ex-Secretary Fisher, who is a well-known authority on the subject. Also ex-Forester Gifford Pinchot, who is and has been thinking faster than the time in which he lives. He has been quite a pathfinder on this most interesting subject; Dr. George Otis Smith, head of the Geological Survey, a thorough-going, patriotic man; and Mr. Merrill, a brilliant student of the subject, from the Agricultural Department. I think it is not too much to say the hearings had before us, taken altogether is, considering the present state of power development, the last word on the subject. If those interested in the subject will read from page 381 to page 385 of the hearings they will be amazed at the concentration of capital in water power that has already taken place.

It is as near frenzied finance as can be described. No one would believe such concentration could take place in so short a time. I repeat, water-power development began in 1890, just 24 years ago. It is fairly in its swaddling clothes.

CONCENTRATION OF CAPITAL IN ELECTRIC DEVELOPMENT.

The Public Lands Committee hearings, on pages 381 to 385, disclose that abnormal, unusual, and almost inexplicable concentration has been going on in the water power of this country. It discloses that 90 per cent of the developed water power is now in the hands of 27 holding companies and 24 operating companies, so interlinked and intertwined with interlocked directorates that it is impossible to separate their interests or to fathom their power. The total amount of securities held by these 27 companies is $275,000,000. The names of these companies and much information about them appears from pages 656 to 671, inclusive. I do not call attention to this abnormal concentration of capital to startle or amaze, but it is a question worthy of comment, and worthy of intelligent thought. It shows that although this Congress may have slumbered in taking steps to provide for the development of water power, that capital and the water-power monopoly has not slept, but has been active, vigilant, and effective in gaining control thereof.

Mr. JOHNSON of Washington. Mr. Chairman, will the gentleman yield?

Mr. FERRIS. Yes; gladly.

Mr. JOHNSON of Washington. Does that apply to the public domain?

Mr. FERRIS. It applies to all—the public domain and the dam sites held in private.

Mr. JOHNSON of Washington. Anything in the public domain can be revoked by order.

Mr. FERRIS. Yes; but it is likewise true that much of it has already gone into private ownership. It left us while we were still unaware. Some of the best dam sites were frittered away before anyone knew of their great value. It is our duty to save what is left.

Mr. JOHNSON of Washington. Yes; and numerous projects have failed.

Mr. FERRIS. Yes; that is true; some from overcapitalization and some have not been able to get capital at all. It is not the duty of this House to become fanatical in any legislation that we may enact. It is also quite true that we should not let the present monopoly go on and charge exorbitant rates while our Government dam sites are withdrawn, unused, undeveloped, and in idleness. For myself I want to develop them. Much has been said that those who felt interested in the public interests were cold-storage advocates, but it is not the truth. They are the real developers, the real progressives, for to let these sites be given away in perpetuity would but give the water-power monopoly a chance to hold for speculation and to head off competition while they practice extortion on the public.

There is a solution to this problem. It can be solved. It must be solved. These assets must be used, must be developed, but they must not be given away to the few to the exclusion of the many.

Mr. LEVY. Mr. Chairman, will the gentleman yield?

Mr. FERRIS. Yes; willingly.

Mr. LEVY. I want to ask the gentleman if he has investigated the fact of whether we can secure any capital to build under the 50-year proviso?

Mr. FERRIS. We had numerous bankers and engineers before us who presented their views.

Mr. LEVY. Is it not the old feudal English system of leasing?

Mr. FERRIS. No; this is in keeping with the water-power development policy of most of the enlightened countries of the world. No country in the world wants to give away its water power without price or without regulation. I feel sure the gentleman does not desire to do so either.

Mr. LEVY. Is it fair, then, that at the end of 50 years you shall take this property and make no return?

Mr. FERRIS. Oh, the gentleman is mistaken; we pay them for it.

Mr. LEVY. But that is no protection.

Mr. FERRIS. Oh, yes; at the expiration of the term the Government may do three distinct things as provided in section 6 of the bill: First, the Government may take it, or, second, lease it to another party; third, it may be re-leased to the original lessee, and in either event the actual cost to be paid for the nonperishable property and the fair value for the perishable property. This is fair; this is clear; this is justice; this will not retard development; this will not give or fritter the property away.

Mr. LEVY. Would it not be fair to leave it to arbitration?

Mr. FERRIS. There are those gentlemen who advocate that, but we leave it to the courts. The court determines what shall be a fair value. Surely the gentleman will not shrink from the courts. They are the final arbiters for all of us.

Mr. LEVY. Do you leave it to the courts?

Mr. FERRIS. We do. In the case of a dispute they go into the court and the court adjudicates what the rights of the parties are. It is, of course, quite true that this bill does not contain all of the provisions that the water-power people want. I think this House would have torn to pieces and thrown out of the window a bill which permitted the water-power people to put in all of the provisions they wanted. Some of them wanted it in perpetuity and wanted it without cost. Is there any member of any political party here who would give away a natural resource in this country that can produce $17,000,000 in a single year? Is there anyone here who thinks the water power should be given away without cost, without regulation, and without return to the rest of us? I think not. Surely there can be but one opinion on that.

It may not be out of place to show how nonpolitical this water-power question really is. It is not a question for my side of the House to solve, it is not a question for the Republican side of the House to solve, or for the Progressive Party to solve, but it is a question for all of the people to solve. I shall now strive to show you why I make that statement.

THE THREE GREAT POLITICAL PARTIES ALL DECLARE FOR CONSERVATION.

The Democratic platform says:

We believe in the conservation and the development, for the use of all the people, of the natural resources of the country * * *. Such additional legislation as may be necessary to prevent their being wasted or absorbed by special or privileged interests should be enacted and the policy of their conservation should be rigidly adhered to * * *.

The Republican platform says:

We rejoice in the success of the distinctive Republican policy of the conservation of our natural resources, for their use by the people without waste and without monopoly. We pledge ourselves to a continuance of that policy.

The Progressive platform says:

We heartily favor the policy of conservation * * *. The natural resources of the Nation must be promptly developed and generously used to supply the people's needs, but we can not safely allow them to be wasted, exploited, monopolized, or controlled against the general good * * *. Natural resources whose conservation is necessary for the national welfare should be owned or controlled by the Nation.

On this question of conservation I think I owe it to the Progressive Party to say that the Progressive platform has the best platform of the three political parties.

Mr. JOHNSON of Washington. Mr. Chairman, I must insist on the presence of a quorum, in view of the importance of this question, and I make the point of order that there is no quorum present.

Mr. BRYAN. Oh, I make the point of order that that is dilatory. The gentleman just made it a while ago. We do not want to filibuster on this bill that is worth so much to us out in the West. This is no time to filibuster.

The CHAIRMAN. The gentleman from Washington makes the point of order that there is no quorum present. The Chair will count.

Mr. JOHNSON of Washington (during the counting). Mr. Chairman, I withdraw the point of no quorum.

The CHAIRMAN. The gentleman from Washington withdraws the point of no quorum.

Mr. FERRIS. Mr. Chairman, water power produced from falling water is, to my mind, our greatest natural resource. Unlike coal, oil, gas, wood, and other fuels, it is not consumed by use. It is a subject not too small for our best minds to deal with. It is a subject sufficiently intricate to demand our best attention. Constitutional lawyers and theorists have in the past differed about it and upon it, but the people of the country have been interested in only three things: First, good service; second, what should be paid for that service; and third, what is to be done with the money derived from that service. Up to this time no adequate, well-defined water-power policy has been brought forward and installed. A great and pressing demand for a solution has been present in the country for the last decade. It has been postponed already too long; this Congress should act.

To me, as I scan the growth of electrical energy and the various and multiplying uses of the product, no question coming before Congress has so much reason to expect that our attention will be riveted upon it. The stability of water power and the perpetuity of its blessings and beneficent influences can now be but partially fathomed or understood; we can but await in amazement for it to outstrip our expectations and fondest hopes. Every line that is incorporated in this bill should be analyzed, scanned, and understood by every Member of this House. What we do here is not for a single year, but for a term of 50 years. It is thought necessary to scan carefully the appropriation bills which are but for a single year. This legislation should be scanned 50 times as closely as an annual appropriation bill, due to the tenure of the law. If we make a mistake in an annual appropriation bill it is a mistake for a single year, but if we make a mistake in our water-power policy it is a mistake for 50 years. Hence, though our constituents might through generosity condone our error on an appropriation for a single year, it will require 50 times that generosity to excuse us for an error we make in our water-power policy, which extends for 50 years. The subject is of high importance; the necessity for action is great; further delays are so harmful that I urge with such earnestness as I have at my command that Congress now take up this task and deal with it carefully, painstakingly, effectively, and correctly. [Applause.]

Mr. Chairman, I ask unanimous consent to extend and revise my remarks in the RECORD.

The CHAIRMAN. The gentleman from Oklahoma asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. DONOVAN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman from Oklahoma has the floor, and the gentleman from Connecticut can not take him off the floor to make a parliamentary inquiry.

Mr. DONOVAN. But the gentleman made a motion to extend his remarks, and the rule provides for that—for five legislative days.

The CHAIRMAN. The gentleman is not stating a parliamentary inquiry, and is not in order.

Mr. J. M. C. SMITH. Mr. Chairman, will the gentleman from Oklahoma yield?

Mr. FERRIS. Certainly.

Mr. J. M. C. SMITH. Mr. Chairman, I am very much interested in the value of the product that is manufactured by water power, and I would like to inquire whether the value of the product is represented by the material and the labor and by the energy created by the water?

Mr. FERRIS. That is true. The combination of those things the gentleman mentions creates the power.

Mr. J. M. C. SMITH. Can the gentleman tell how much of those seventeen billion dollars is represented by material and also how much is represented by labor that is used in connection with it?

Mr. FERRIS. I regret that I do not have those figures at my command, although I think they are in the hearings.

Mr. BURKE of South Dakota. Mr. Chairman, will the gentleman yield for a question?

Mr. FERRIS. Yes; with pleasure.

Mr. BURKE of South Dakota. Mr. Chairman, the gentleman has indicated by his discussion upon this subject that he has given it a good deal of consideration. Can he inform us how much force will probably be added to the present Government force that we have if this law is put into operation?

Mr. FERRIS. I am very happy the gentleman asked that, because I submit the House would certainly like to know in reference to that matter, and I want to state to the gentleman that in the Interior Department and in the Agriculture Department there is a well-organized, well-defined force that is now carrying forward this work, and they say they can carry it forward under this law without additional agents and additional expense. The gentleman will recall that there is now the act of 1901, known as the revocable permit act, under which these grants of water power came in. They tell us that no additional increase will be required and none is asked. This is not a scheme to create jobs. It is some necessary legislation that will enable the present force to open the West.

Mr. HAMLIN. Mr. Chairman, will the gentleman yield for a question?

Mr. FERRIS. Certainly.

Mr. HAMLIN. I am very much interested in the gentleman's statement on this question, and he, I think, has given a very clear, cogent statement, but I think that what gentlemen will be interested in knowing will be the cost to the consumer after the energy is developed. Is there anything in the bill that will safeguard the cost to the consumer after these permits are granted to these companies?

Mr. FERRIS. Yes; the Secretary of the Interior is given power to look after that. They are required to render an annual accounting of what they are doing with the power, and he has the right to revise and fix those rates.

Mr. HAMLIN. He has the right to fix the rates to be charged the consumer.

Mr. FERRIS. And in addition to that, the local utility commissions also.

Mr. HAMLIN. That is true.

Mr. FERRIS. So, if the gentleman will allow me further, the passage of this bill or some similar ones that will develop additional water power is sure to put new and additional powers in competition with the present entrenched water-power companies that will bring reduced rates on power to the consumers, the very thing the gentleman desires. As the matter now stands, a large part of the water power of the country is now held up by withdrawals awaiting the time when Congress shall step in and put some law on the statute books that will work out this proposition. The Agriculture Department and the Interior Department say the existing law is very ineffective and inadequate. Almost a dead standstill in development on Government dam sites is due to the revocable-permit law. The insecurity of tenure is the difficulty. Both the Agriculture Department and the Interior Department came before us and plead for a new law that would accomplish development, the thing desired everywhere. There is no difference of opinion about the necessity of legislation. Every one advocates it, and there is not as much real disagreement about it as might be

expected. Of course, the power companies want all they can get. It is our duty to see to it that they do not get it all.

Mr. FOWLER. Mr. Chairman, will the gentleman yield?

Mr. FERRIS. I yield with pleasure.

Mr. FOWLER. The gentleman has undoubtedly given a great deal of time and study to this measure, and I would like to know if he has arrived at any conclusion as to what per cent of the profits the Secretary may impose as a cost for this water power?

Mr. FERRIS. It is very proper the gentleman should ask me that question, and it is very proper for me to try to answer it. The gentleman knows that is quite a difficult question.

Mr. FOWLER. It is.

Mr. FERRIS. To lay down any fixed proposition, especially in dealing with these widely differing cases, is difficult. For example, small projects sufficient to pump water to irrigate a garden, and a project here that is to irrigate small inaccessible areas in the West and to light small towns and cities of the West, in such cases the charge should be nominal, or at best only enough to pay for administration. On the other hand, where a well-entrenched, profit-making concern, the rule as to rents, royalties, and so forth, would be altogether different. At the present state of development it is almost impossible to lay down a hard-and-fast rule. Secretary Lane, Secretary Fisher, and the engineers thought best to let the Secretary of the Interior have some latitude, so that on the little projects calling for 25 or 50 horsepower to irrigate a garden or field it should be on the basis of a nominal price in reference to royalty, and, on the other hand, when it was a great, strong, well-conceived, well-organized, money-making concern, why, we should deal with that justly, but in an entirely different way. Taking the views of these well-known authorities and others who appeared before us, it was considered by the committee wise for the present to leave it to the Secretary of the Interior to work out, until such time as Congress might have sufficient information before it to step in and fix a rate on which it could and would stand.

Mr. FOWLER. The gentleman's bill does not prevent Congress in the future from exercising that right?

Mr. FERRIS. Not at all. It invites it.

Mr. JOHNSON of Washington. Would not the rate of interest that will have to be paid for capital to go in and develop the 72 per cent of the Nation's water power which lies in the far West have to be considered?

Mr. FERRIS. It is true, those things, the market conditions, and so forth, all have a great deal to do with the rate that should be charged. It is almost impossible to lay down a hard and fast rule as to what would be a just rate in all cases. I think it would be extremely unwise to attempt to write into the law a fixed and arbitrary rate. It would be unworkable and abortive of the ends desired. In some cases inferior, inaccessible areas of sage-brush land, which without water is totally worthless, by pumping water from wells by cheap power from hydroelectric energy these worthless tracts of land can be converted into fertile alfalfa fields, 10 acres of which will support a family. In this case no one would advocate that the chief aim of the law should be the rate or amount of rental that could be secured to the Government. It would be more of a question of how much of the cheap power could be utilized to produce foodstuff to feed the world. The question of rental during the present state of development of water power is not the paramount issue. I want the principle preserved inviolate of our right to do so, but the fixing of an exact rate in the law to govern in all cases is not, I think, the large question here at all.

Mr. FOWLER. In your opinion where there is 500 horsepower generated, and where there is a sale for the whole of it, what do you think ought to be a reasonable charge, or that the beneficiary of the franchise could afford to pay?

Mr. FERRIS. I am very glad indeed to give the gentleman my opinion, but I would not ask that my opinion govern; others will differ with me. What should be charged depends on market conditions, expense of operation, feasibility of the dam site, storage, and so many things my opinion would be worth but little. I think the royalty, the rental, or the charge should sooner or later be based upon the earning power of the concern.

Mr. FOWLER. I think so, too.

Mr. FERRIS. Let me say to the gentleman that with only 6,000,000 horsepower now in use, which is only a small per cent of the total potentiality of the horsepower in this country, it would seem appropriate to me that for the first few years the charge be light so that the greatest possible development would get into motion. At all times retaining our full right to charge, so that when we shall finally come to lay down an adequate policy, as we are certain soon to do, we can then deal with it in the last detail.

The time will soon come when the country will fully appreciate Secretary Lane, who has taken the lead in pressing this conservation program to action. His tireless and effective work will open the West. The previous administrations withdrew the West, awaiting its intelligent opening and development. Secretary Lane is taking up the work left for him to do in a clear-headed, masterly way.

I repeat both East and West will live to bless him for putting in motion that program of conservation which is more far-reaching for good than we can now fathom or understand.

Mr. JOHNSON of Washington. Mr. Chairman, I desire to make the point of no quorum.

Mr. BRYAN. Mr. Chairman, a parliamentary inquiry. Is it not a fact——

Mr. JOHNSON of Washington. I make the point of no quorum, Mr. Chairman.

The CHAIRMAN. The gentleman from Washington makes the point that there is no quorum present.

Mr. BRYAN. I make the point that the motion is dilatory. It has come repeatedly from the gentleman.

The CHAIRMAN. The Chair overrules the point of order made by the gentleman from Washington [Mr. BRYAN]. The Chair will count. [After counting.] Fifty-two Members are present, not a quorum.

Mr. FERRIS. Mr. Chairman, I move that the committee do now rise.

The question was taken, and the Chair announced that the noes seemed to have it.

Mr. GARRETT of Tennessee and Mr. HAMLIN demanded a division.

The committee divided; and there were—ayes 39, noes 8.

Mr. FERRIS. Tellers, Mr. Chairman.

Tellers were ordered, and Mr. FERRIS and Mr. JOHNSON of Washington took their places as tellers.

The committee again divided; and the tellers reported—ayes 16, noes 30.

So the committee refused to rise.

The CHAIRMAN. There is not a quorum present, and the Clerk will call the roll.

The roll was called, and the following Members failed to answer to their names:

Aiken	Dunn	Kindel	Porter
Ainey	Dupré	Kitchin	Post
Allen	Edmonds	Knowland, J. R.	Pou
Anthony	Elder	Konop	Powers
Ashbrook	Estopinal	Korbly	Prouty
Aswell	Fairchild	Kreider	Ragsdale
Austin	Faison	Lafferty	Rainey
Barchfeld	Fess	Langham	Reed
Bartholdt	Fields	Langley	Riordan
Bartlett	Flood, Va.	Lazaro	Roberts, Mass.
Bathrick	Fordney	Lee, Ga.	Rucker
Beall, Tex.	Francis	L'Engle	Rupley
Bell, Ga.	Frear	Lenroot	Sabath
Borland	Gallivan	Lever	Saunders
Brockson	Gard	Lewis, Pa.	Sells
Broussard	Gardner	Lindbergh	Sherley
Brown, N. Y.	George	Lindquist	Shreve
Brown, W. Va.	Gillett	Loft	Sims
Browne, Wis.	Goeke	McAndrews	Sinnott
Browning	Goldfogle	McClellan	Slemp
Bruckner	Gordon	McCoy	Sloan
Brumbaugh	Gorman	McGillicuddy	Small
Buchanan, Ill.	Goulden	McGuire, Okla.	Smith, Md.
Bulkley	Graham, Ill	McKenzie	Smith, Minn
Burke, Pa.	Graham, Pa.	Madden	Smith, N. Y.
Burke, Wis.	Green, Ia.	Mahan	Stanley
Butler	Greene, Mass.	Maher	Steenerson
Byrns, Tenn.	Gregg	Manahan	Stephens, Miss.
Calder	Griest	Martin	Stephens, Nebr.
Callaway	Griffin	Merritt	Stephens, Tex.
Cantrill	Gudger	Metz	Stevens, N. H.
Carew	Hamilton, Mich.	Montague	Stringer.
Carlin	Hamilton, N. Y.	Morgan, La.	Switzer
Carr	Hardwick	Morin	Talbott, Md.
Carter	Hawley	Moss, Ind.	Talcott, N. Y.
Casey	Hayes	Moss, W. Va.	Taylor, Ala.
Chandler, N. Y.	Heflin	Mott	Taylor, N. Y.
Clancy	Helvering	Murray, Okla.	Thompson, Okla.
Clark, Fla.	Henry	Neeley, Kans.	Treadway
Claypool	Hinds	Neely, W. Va.	Underhill
Collier	Hinebaugh	Nelson	Vare.
Copley	Hobson	O'Brien	Vaughan
Covington	Houston	O'Hair	Vol'mer
Crisp	Hoxworth	O'Leary	Walker
Crosser	Hughes, Ga.	O'Shaunessy	Wallin
Dale	Hughes, W. Va.	Padgett	Walsh
Danforth	Humphreys, Miss.	Paige, Mass.	Walters
Davenport	Johnson, S. C.	Palmer	Watkins
Decker	Johnson, Utah.	Parker	Weaver
Dershem	Jones	Patton, Pa.	Whaley
Dickinson	Kelley, Mich.	Peters, Me.	Whitacre
Dies	Kennedy, Conn.	Peters, Mass.	White
Dooling	Kennedy, R. I.	Peterson	Willis
Doremus	Kent	Phelan	Winslow
Doughton	Key, Ohio	Platt	Woodruff
Driscoll	Kies, Pa.	Plumley	Woods

The committee rose; and Mr. SLAYDEN, having assumed the chair as Speaker pro tempore, Mr. FITZGERALD, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee having under consideration the bill (H. R. 16673) to provide for the development of water power and the use of public lands in relation thereto, and for other purposes, and finding itself without a quorum, he had caused the roll to be called, whereupon 203 Members—a quorum—had answered to their names, and he presented therewith a list of the absentees.

The SPEAKER pro tempore. The Chairman of the Committee of the Whole House on the state of the Union reports that that committee having had under consideration the bill H. R. 16673, and finding itself without a quorum, he had caused the roll to be called, whereupon 203 Members—a quorum—responded to their names. The names of the absentees will be entered on the Journal. The committee will resume its session.

The committee resumed its session.

The CHAIRMAN. The gentleman from Oklahoma [Mr. FERRIS] has used 55 minutes.

Mr. FERRIS. Mr. Chairman, will the gentleman from Idaho [Mr. FRENCH] use some of his time?

The CHAIRMAN. The gentleman from Idaho [Mr. FRENCH] is recognized for two hours.

Mr. FRENCH. Mr. Chairman, I yield 40 minutes to the gentleman from Wyoming [Mr. MONDELL].

The CHAIRMAN. The gentleman from Wyoming is recognized for 40 minutes.

Mr. MONDELL. Mr. Chairman, in arising to announce my opposition to the form and many of the features of the so-called water-power bill I desire to emphasize the fact that I would greatly prefer, if my obligations to the people I represent permitted, to give my approval to the measure as presented by the Committee on the Public Lands. As gentlemen know, I served on that committee for many years, was for a time its chairman, and have the highest regard for and sustain the most friendly personal relations with the members of that committee without regard to party. I realize the careful consideration which the members of the committee have given to this matter and the earnestness of their desire to preserve the public interest in connection with the legislation; therefore my natural inclination is to give the benefit of the doubt to the provisions of a measure to which a majority of the committee has given its assent. I can not do so, however, in this case and perform my duty as I see it to my own constituents and to the people of the Western States generally, who are affected by the measure.

HOW WE LEGISLATE.

I think it may perhaps serve a useful purpose in this connection to call attention to the fact—at least to express the opinion—that Congress and its committees have adopted a policy or fallen into a habit, whichever it may be considered, in the consideration of legislative questions which is not conducive to good legislation, and which to a very considerable and dangerous extent handicaps committees and their members in the consideration and reporting of legislative propositions. I refer to the practice of having bills drafted in the executive departments and discussed and considered to a greater or less extent under the advice and guidance of administrative officers of the Government. That practice has grown tremendously in the last few years and has been particularly noticeable in this Congress. After more or less consultation, more often less than more, with Members interested in legislation or responsible for its enactment, the department draws a bill. It naturally reflects very largely the view of department officials. When the time comes for consideration of the measure in the committee, the hearings are attended, generally on invitation, by departmental heads, bureau chiefs, and clerks, and their views are heard at length; oftentimes at such length that the committee more or less wearies of its hearings by the time the departmental view is fully stated, and pressure for time and desire to complete consideration frequently prevents the hearing of others. During the detailed consideration of the bill by sections, bureau officials stand ready to confer, to offer suggestions when requested, and thus guide the deliberations of the committee along the lines of their views.

Now, all this may be very proper and helpful, within reasonable limitations. I have no desire whatever to minimize the value of the advice of men who have studied subjects from an administrative standpoint. They can render a valuable service in giving legislators the benefit of their experience in administration. But these practices, carried to the extent that they frequently are, are neither in harmony with the spirit of our institutions nor conducive to that untrammeled initiative and full and free consideration of measures which is essential to good legislation and to the complete separation of legislative and administrative functions. It results in legislation reflecting far more, both in its plan and detail, the opinions of a Government bureau than the collective view of Congress or its committees. Once give a legislative program a certain slant through the introduction of a bill, and follow that up with a continued nursing during the period of consideration by those who approve that slant, and it is almost impossible for even a majority of a committee to mold the legislation to their complete liking. The most that can be done, unless there is a majority entirely hostile to the whole tenor of the legislation, is to somewhat modify and amend it, so that while it may be less objectionable than originally, it will still fail to adequately express the views of a majority of the committee which reports it. These general observations apply to a greater or less extent to this legislation and to some of the bills that are to follow, notably the coal and oil leasing bill.

SCOPE OF THE BILL.

Mr. Chairman, a few days ago the House concluded the consideration of a bill intended by its author to promote and encourage the development of hydroelectric energy on navigable streams. We have before us now for consideration a bill which purports to encourage the development of water powers on the public lands from the waters of nonnavigable streams. The former bill applies to all the country wide wherever navigable waters flow. The bill before us applies to the public-land States, and in the public-land States I understand was intended to be confined to the nonnavigable streams. There is some doubt whether its provisions so limit it. Legislation relative to such water-power development is needed. We have two general right-of-way acts. The act of March 3, 1891, relates primarily to rights of way for irrigation, and by an amendment of that act, passed in May, 1898, it is possible to develop water powers subsidiary to the main purpose of irrigation. We have also the general right-of-way act of February 15, 1901, which is the act under which most of the water-power development on public lands is had in the public-land States.

That act is a general statute which has worked well, except for one fatal limitation contained in it. Under that act the Secretary of the Interior is authorized to revoke permits at any time. I think that at the time that act was passed it was not the thought of anyone who voted for it that any right granted under it would be revoked except for some violation of the direct or implied terms of the permit. But some years ago an outgoing Secretary of the Interior did revoke quite a number of important permits issued under that act, reminding all those who might seek rights of way under that act of the fact that their permits were revokable and might be revoked without any reason being given for the revocation.

And so it seems to be necessary to have some legislation whereby we may secure rights of way over public lands in the West for the development of water power. All that is asked of the Federal Government is to give those who seek to develop water power in the public-land States an opportunity to use the public lands for that entirely legitimate and useful purpose.

WATER RIGHTS UNDER STATE CONTROL.

Let us not forget that the primary and essential right upon which any enterprise of this character is based in the public-land States is a right received from the people of the State and not from the Federal Government. The people of the Commonwealths of the West are the owners and proprietors of all the waters within their borders, and the only right that any individual can have or secure, at least in the majority of the public-land States, is the right to use the water at a certain designated place for a specific and useful purpose; and the right continues so long as at that place for that purpose those waters are beneficially applied. The Federal Government can give no grant of right to build power plants on public lands in the Western States that will carry with it any right to divert a drop of water or to use a drop of water for the turning of any wheel or turbine. That right, under the laws of the States, recognized by the Federal Constitution and the courts, must be secured from the people through the authorities they have provided in the States. That right in all of the States is perpetual, so long as the water shall be used at that place for that beneficial purpose.

AN EXCISE TAX.

The bill before us seems to be based on the theory that in some way or other the Federal Government, as the proprietor of lands, may lay an excise tax upon the use of the water which

the people of the States own. It seems to be based on the theory that the Federal Government can establish an excise tax, not uniform over all of the States, not uniform in the States to which it applies, but applied to certain specific enterprises, by reason of the fact that they are partly or wholly located on the public land. It seems to be assumed that the Federal Government has this right, whether the public land used be one acre out of ten thousand utilized for the enterprise; whether that one acre shall be essential to the development of the water power, or simply needed for a right of way to carry a pole line to some point of distribution.

It is proposed in this legislation that the Federal power shall extend, in the matter of fixing an excise tax, to all enterprises, near or remote, important or unimportant, material or immaterial, that are connected with the project. Over all of these it is proposed that the vast, unregulated, unlimited power of the Secretary of the Interior shall extend. The people whose product, water, is the prime necessity for the undertaking, the people who are to be served, the people who are to pay the bills, are to have no say about it from the beginning to the end. A member of the President's Cabinet, the Secretary of the Interior, is to have full and complete control in every matter of charge and requirement relative to all the enterprises that may find it necessary to use any of the public lands.

Mr. BURKE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. MONDELL. I will.

Mr. BURKE of South Dakota. Will the gentleman state whether or not, or to what extent, this law differs from the existing law, with reference to recognizing the right of the Federal Government to control the water in the nonnavigable streams upon the public domain? Does this go any further in that particular than the existing law?

Mr. MONDELL. Well, that is somewhat a question of opinion, as the gentleman from South Dakota knows. The present right-of-way acts do not pretend, and can not in their operation, in any wise affect the right of the States to control the use of water.

They are simply acts granting a right to use a certain portion of the public domain for a certain purpose; and while the Secretary of Agriculture under one of those acts has assumed the right to make certain charges, and under coercion some have agreed to such charges, the fact is there is nothing in the law that in any wise conflicts or comes in contact with the right of a State to say who shall use the water and how it shall be used. There is in this act a section—section 14—which was evidently intended to negative the clear intent of the balance of the act by the adoption of a self-denying ordinance to the effect—

That nothing in this act shall be construed as affecting or intended to affect or to in any way interfere with the laws of any State relating to the control, appropriation, use, or distribution of water used in irrigation or for municipal or other uses, or any vested right acquired thereunder.

It is somewhat similar to the provision contained in the reclamation law, but that provision is all-sufficient as it stands in the reclamation law, for there is nothing in that law that need raise the question of the right of the State to control the use of water. Section 8 of that statute is simply a recital of what is the law and recognizes the conditions under which the Secretary of the Interior is to proceed to the development of his enterprises.

Mr. TAYLOR of Colorado. Does not the gentleman think that section is exceedingly important to the West to remain in the bill?

Mr. MONDELL. I agree with my friend from Colorado, who, with other western Members, was instrumental in having this section placed in the bill, that it is not only exceedingly important that it remain in the bill, but that it is even more important that other provisions of the bill in conflict with it should go out. It would also be well if this provision of the bill could be so broadened as to clearly express the fact that nothing contained in this legislation should, and nothing contained in it can, in fact, interfere with the right of a State to regulate the use of nonnavigable water for all purposes within its boundaries.

Mr. TAYLOR of Colorado. I may say that the thought before the committee was that language which we put in the Hetch Hetchy bill—and I think I may claim the credit for inserting it in both of the bills—was for the express protection of the States; and inasmuch as it went as far and in language substantially the same as section 8 of the reclamation law, we thought that the courts would construe that it was the intention of Congress to protect our rights.

Mr. MONDELL. I think the gentleman of the West did right in inserting this section in the bill. I think it should be still broader, in view of the fact that so many things the act proposes amount seemingly to a control of the waters of the States.

Mr. JOHNSON of Washington. Will the gentleman yield?

Mr. MONDELL. I yield to the gentleman from Washington.

Mr. JOHNSON of Washington. I desire to make the point that there is no quorum present.

Mr. BRYAN. I make the point of order that that is dilatory.

Mr. FERRIS. Does the gentleman insist upon his point of order? I hope he will let the gentleman from Wyoming [Mr. MONDELL] conclude his speech.

Mr. JOHNSON of Washington. I insist on the point of no quorum.

Mr. FERRIS. I move that the committee do now rise.

The motion was agreed to.

The committee accordingly rose; and Mr. UNDERWOOD having taken the chair as Speaker pro tempore, Mr. FITZGERALD, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 16673) to provide for the development of water power and the use of public lands in relation thereto, and for other purposes, and had come to no resolution thereon.

LEAVE TO EXTEND REMARKS.

Mr. SLOAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by introducing some statistics supplementary to others that are already in——

Mr. FITZGERALD. On what subject?

Mr. SLOAN. On the subject of agricultural imports.

The SPEAKER pro tempore. The gentleman from Nebraska asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

ADJOURNMENT.

Mr. FERRIS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 2 minutes p. m.) the House adjourned until Wednesday, August 12, 1914, at 12 o'clock noon.

EXECUTIVE COMMUNICATION.

Under clause 2 of Rule XXIV, a letter from the Commissioners of the District of Columbia, transmitting, pursuant to law, a report of the official proceedings of the Public Utilities Commission of the District of Columbia for the 10 months ending December 31, 1913, was taken from the Speaker's table and referred to the Committee on the District of Columbia.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. STOUT, from the Committee on the Public Lands, to which was referred the bill (S. 655) authorizing the Secretary of the Interior to survey the lands of the abandoned Fort Assiniboine Military Reservation and open the same to settlement, reported the same without amendment, accompanied by a report (No. 1079), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. BYRNES of South Carolina: A bill (H. R. 18308) to amend "An act to amend section 27 of an act approved December 23, 1913, and known as the Federal reserve act," approved August 4, 1914; to the Committee on Banking and Currency.

By Mr. McKELLAR: A bill (H. R. 18309) to amend an act providing for the establishment of Federal reserve banks, and for other purposes approved December 23, 1913; to the Committee on Banking and Currency.

By Mr. LONERGAN: A bill (H. R. 18310) to acquire a site for a public building at Hartford, Conn.; to the Committee on Public Buildings and Grounds.

By Mr. TAYLOR of Colorado: A bill (H. R. 18311) for the relief of homestead entrymen under the reclamation projects of the United States; to the Committee on the Public Lands.

By Mr. BOWDLE: A bill (H. R. 18312) authorizing the Secretary of the Treasury to contract for the building of, or to purchase merchant vessels, designed primarily for the South American trade, and providing for their operation; to the Committee on the Merchant Marine and Fisheries.

By Mr. BRYAN: A bill (H. R. 18313) to authorize the President of the United States to acquire, own, operate, and maintain an American merchant marine; to the Committee on the Merchant Marine and Fisheries.

By Mr. SELLS: A bill (H. R. 18314) to amend an act entitled "An act to enable any State to cooperate with any other State or States, or with the United States, for the protection of the watersheds of navigable streams, and to appoint a commission for the acquisition of lands for the purpose of conserving the navigability of navigable rivers," approved March 1, 1911; to the Committee on Agriculture.

By Mr. DOOLITTLE: A bill (H. R. 18315) for the purchase of a site and the erection thereon of a public building at Marion, Kans.; to the Committee on Public Buildings and Grounds.

By Mr. DONOHOE: Resolution (H. Res. 588) to appoint a committee of Members of the House of Representatives to investigate whether there exists combination, understanding, or agreement between sellers, dealers, or packers of foodstuffs to advance prices of such necessities to consumers in the United States; to the Committee on Rules.

By Mr. KELLY of Pennsylvania: Resolution (H. Res. 589) requesting the Secretary of Commerce to furnish information as to the increase of prices in foodstuffs, said to be due to the war in Europe; to the Committee on Interstate and Foreign Commerce.

By Mr. MOORE: Resolution (H. Res. 590) requesting the Secretary of Agriculture and the Secretary of Commerce to forward information relating to the increase in cost of food supplies; to the Committee on Interstate and Foreign Commerce.

By Mr. FARR: Joint resolution (H. J. Res. 318) authorizing the Secretary of Commerce to investigate the cause or causes of advances in the price of foodstuffs; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BAILEY: A bill (H. R. 18316) for the relief of Henry H. Bagley; to the Committee on Military Affairs.

By Mr. GRAHAM of Pennsylvania: A bill (H. R. 18317) granting an increase of pension to Charles Stackhouse; to the Committee on Invalid Pensions.

By Mr. HUMPHREYS of Mississippi: A bill (H. R. 18318) granting an increase of pension to Lou Emma Newsom; to the Committee on Invalid Pensions.

By Mr. IGOE: A bill (H. R. 18319) granting a pension to Helena Brandt; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18320) granting an increase of pension to Stephen G. Garlock; to the Committee on Invalid Pensions.

By Mr. JACOWAY: A bill (H. R. 18321) for the relief of the heirs of Lovick Lambeth, deceased; to the Committee on War Claims.

By Mr. JOHNSON of Kentucky: A bill (H. R. 18322) for the relief of Jennie D. Claybrooke, executrix of the estate of James R. Claybrooke, deceased; to the Committee on War Claims.

By Mr. KETTNER: A bill (H. R. 18323) granting a pension to William Henry Gray; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18324) granting an increase of pension to John D. Sunderland; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18325) for the relief of G. L. Harrison; to the Committee on Pensions.

By Mr. LONERGAN: A bill (H. R. 18326) granting an increase of pension to Margaret Shinners; to the Committee on Invalid Pensions.

By Mr. McGILLICUDDY: A bill (H. R. 18327) granting a pension to Carrie M. Eveleth; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18328) granting an increase of pension to Winnifred T. Cavender; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18329) granting an increase of pension to John C. Steele; to the Committee on Invalid Pensions.

By Mr. OGLESBY: A bill (H. R. 18330) granting an increase of pension to Helen R. Cantwell; to the Committee on Pensions.

By Mr. PROUTY: A bill (H. R. 18331) granting an increase of pension to William Howell; to the Committee on Invalid Pensions.

By Mr. SELLS: A bill (H. R. 18332) granting an increase of pension to Mary A. Campbell; to the Committee on Pensions.

Also, a bill (H. R. 18333) granting an increase of pension to Alice R. Jones; to the Committee on Pensions.

By Mr. STEPHENS of California: A bill (H. R. 18334) for the relief of Joseph Willett; to the Committee on Military Affairs.

By Mr. WINGO: A bill (H. R. 18335) granting an increase of pension to Sarah E. Howell; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Petition signed by certain citizens of Connecticut, urging the passage of the Hobson prohibition amendment; to the Committee on Rules.

Also, resolution of the Texas Cottonseed Crushers' Association, respecting the repeal of the present oleomargarine law, etc.; to the Committee on Ways and Means.

By Mr. BARTON: Petitions of citizens of Superior, Nebr., relative to adjustment of the polar contention; to the Committee on Naval Affairs.

By Mr. DALE: Petition of Central Federated Union, New York City, favoring passage of House bill 10735, to create bureau of labor safety in the Department of Labor; to the Committee on Labor.

By Mr. FINLEY: Petition of business men of Chester, S. C., favoring the passage of House bill 5308, relative to taxing mail-order houses; to the Committee on Ways and Means.

Also, papers in support of bill granting relief to sufferers from hail storm in York and Cherokee Counties, S. C.; to the Committee on Appropriations.

Also, petition of business men of Fort Mill, Gaffney, Camden, Kershaw, Lancaster, Yorkville, Clover, Blacksburg, Winnsboro, Ridgeway, and Bethune, S. C., favoring House bill 5308, to tax mail-order houses; to the Committee on Ways and Means.

By Mr. GARNER: Resolutions of Texas Cottonseed Crushers' Association, for the repeal of the present Federal oleomargarine law and as to our foreign trade and as to the importation of Chinese cottonseed oil; to the Committee on Ways and Means.

By Mr. GILL: Petitions of W. H. Williams and others of St. Louis, Mo. protesting against national prohibition; to the Committee on Rules.

By Mr. GILMORE: Memorial of American Optical Association, favoring the passage of House bill 13305, the Stevens standard-price bill; to the Committee on Interstate and Foreign Commerce.

By Mr. GRAHAM of Pennsylvania: Memorial of American Optical Association, favoring the passage of House bill 13305, the Stevens standard-price bill; to the Committee on Interstate and Foreign Commerce.

By Mr. IGOE: Petition of Ballard-Messmore Grain Co. and Schreiner Grain Co., both of St. Louis, Mo., favoring the passage of the Pomerene bill of lading bill; to the Committee on Interstate and Foreign Commerce.

Also, petitions of George H. Bayne, of Paterson, N. J.; the Woman's Home Missionary Society of the Wilmington Conference of the Methodist Episcopal Church, of Middletown, Del.; and the Methodist Episcopal Church of Baltimore, Md., protesting against railroad freight yard across from Sibley Hospital in Washington, D. C.; to the Committee on the District of Columbia.

By Mr. JACOWAY: Papers relative to bill for relief of Mrs. Emma Huckaby; to the Committee on War Claims.

By Mr. KENNEDY of Connecticut: Petition of executive board of the Manufacturers' Association of Bridgeport, Conn., opposing further extension of the parcel-post system; to the Committee on the Post Office and Post Roads.

By Mr. MAGUIRE of Nebraska: Petition of business men of Union, Nebr., favoring the passage of House bill 5308, relative to taxing mail-order houses; to the Committee on Ways and Means.

By Mr. J. I. NOLAN: Resolutions of the American Optical Association, indorsing the Stevens standard-price bill (H. R. 13305); to the Committee on Interstate and Foreign Commerce.

By Mr. OGLESBY: Petition of 120 citizens of Yonkers, N. Y., favoring national prohibition; to the Committee on Rules.

By Mr. O'SHAUNESSY: Petition of C. P. Blakburn & Co., of Baltimore, Md., favoring passage of the Pomerene bill of lading bill; to the Committee on Interstate and Foreign Commerce.

Also, petition of sundry citizens of Providence, R. I., favoring the Bristow-Mondell resolution enfranchising women; to the Committee on the Judiciary.

By Mr. PROUTY: Petition of citizens of Des Moines and Indianola, Iowa, asking for an adjustment of the polar contention; to the Committee on Naval Affairs.

By Mr. RAKER: Memorial of Seventeenth Annual Optomeric Congress, at St. Louis, Mo., favoring the passage of House bill

13305, the standard-price bill; to the Committee on Interstate and Foreign Commerce.

By Mr. REILLY of Connecticut: Memorial of American Optical Association, favoring passage of House bill 13305, the Stevens standard-price bill; to the Committee on Interstate and Foreign Commerce.

Also, petition of Central Federated Union, New York City, favoring bureau of labor safety in the Department of Labor; to the Committee on Labor.

By Mr. J. M. C. SMITH: Petitions of four citizens of Kalamazoo, Mich., protesting against publication of Federal documents exploiting a single school of medicine; to the Committee on Education.

Also, petitions of four citizens of Albion, Mich., favoring appointment of a national motion-picture commission; to the Committee on Education.

Also, petitions of four citizens of Albion and one citizen of Battle Creek, Mich., favoring national prohibition; to the Committee on Rules.

By Mr. STEPHENS of California: Petition of citizens of California, favoring national prohibition; to the Committee on Rules.

Also, petition of Shipowners' Association of the Pacific Coast, favoring legislation to permit foreign-built vessels to take out American registry to engage in foreign and coastwise trade; to the Committee on the Merchant Marine and Fisheries.

Also, petition of Merchants' Association of San Diego, Cal., favoring the Stevens standard-price bill; to the Committee on Interstate and Foreign Commerce.

Also, petition of Chamber of Commerce, Imperial Valley, Cal., favoring improvements to Colorado River; to the Committee on Rivers and Harbors.

By Mr. THOMSON of Illinois: Petition of citizens of Chicago, Ill., protesting against the passage of the Sunday-observance bill; to the Committee on the District of Columbia.

Also, petition of citizens of Chicago, Ill., favoring passage of House bill 12928, retaining section 6; to the Committee on the Post Office and Post Roads.

By Mr. TOWNER: Petition of 154 citizens of Osceola, Iowa, asking consideration of the Poindexter resolution with regard to polar contentions of Dr. Frederick A. Cook; to the Committee on Naval Affairs.

SENATE.

WEDNESDAY, *August 12, 1914.*

(Legislative day of Tuesday, August 11, 1914.)

The Senate reassembled at 11 o'clock a. m. on the expiration of the recess.

PROPOSED ANTITRUST LEGISLATION.

Mr. CULBERSON. I ask that the unfinished business, House bill 15657, be laid before the Senate and proceeded with.

The Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes, which had been reported from the Committee on the Judiciary with amendments.

Mr. STONE. Mr. President, I make the point of no quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Hitchcock	O'Gorman	Smoot
Brady	Hollis	Overman	Sterling
Brandegee	Hughes	Page	Stone
Bryan	James	Perkins	Thomas
Burton	Johnson	Pittman	Thompson
Chamberlain	Jones	Poindexter	Thornton
Clark, Wyo.	Kern	Pomerene	Tillman
Clarke, Ark.	Lane	Saulsbury	Vardaman
Culberson	McCumber	Shafroth	Walsh
Cummins	Martine, N. J.	Sheppard	West
Gallinger	Myers	Simmons	White
Gronna	Nelson	Smith, Ga.	

Mr. PAGE. I wish to announce the unavoidable absence of my colleague [Mr. DILLINGHAM] and to state that he is paired with the senior Senator from Maryland [Mr. SMITH].

Mr. CLARK of Wyoming. I desire to announce the unavoidable absence of my colleague [Mr. WARREN]. He is paired with the senior Senator from Florida [Mr. FLETCHER]. I will let this announcement stand for this legislative day.

Mr. MARTINE of New Jersey. I was requested to announce the absence of the Senator from West Virginia [Mr. CHILTON] on official business. He is paired with the Senator from New Mexico [Mr. FALL]. I ask that this announcement may stand for the day.

Mr. WHITE. I wish to announce the necessary absence of my colleague [Mr. BANKHEAD] and to state that he is paired. This announcement may continue for the day.

Mr. JONES. The junior Senator from Michigan [Mr. TOWNSEND] is necessarily absent. He is paired with the junior Senator from Arkansas [Mr. ROBINSON]. I make this announcement for the day.

I also desire to announce that the senior Senator from Wisconsin [Mr. LA FOLLETTE] is absent on account of illness.

Mr. JAMES. I wish to announce the unavoidable absence of my colleague [Mr. CAMDEN] and to state that he is paired. This announcement may stand for the day.

Mr. GALLINGER. I desire to announce the unavoidable absence of the junior Senator from Maine [Mr. BURLEIGH] because of a death in his family, and also the unavoidable absence of the junior Senator from Massachusetts [Mr. WEEKS].

Mr. SMOOT. I desire to announce the unavoidable absence of my colleague [Mr. SUTHERLAND] and also of the junior Senator from Wisconsin [Mr. STEPHENSON]. I will let this announcement stand for the day.

The VICE PRESIDENT. Forty-seven Senators have answered to the roll call. There is not a quorum present. The Secretary will call the roll of absentees.

The Secretary called the names of the absent Senators.

Mr. BRYAN. My colleague [Mr. FLETCHER] is unavoidably absent. He is paired with the junior Senator from Wyoming [Mr. WARREN].

Mr. SWANSON entered the Chamber and answered to his name.

The VICE PRESIDENT. Forty-eight Senators have answered to the roll call. There is not a quorum present. The Sergeant at Arms will carry out the instruction of the Senate heretofore given and request the attendance of absent Senators.

Mr. WILLIAMS entered the Chamber and answered to his name.

The VICE PRESIDENT. Forty-nine Senators have answered to the roll call. There is a quorum present.

Mr. CULBERSON. I ask unanimous consent that the formal reading of the bill may be dispensed with.

The VICE PRESIDENT. And that it be read for action on the committee amendments?

Mr. CULBERSON. And that it be read for action on the amendments of the committee first.

Mr. GALLINGER. It is not a very long bill, and I think it ought to be read. The Senate ought to know what is in it.

The VICE PRESIDENT. There is objection?

Mr. GALLINGER. I object.

The VICE PRESIDENT. The Secretary will read the bill.

EXECUTIVE SESSION.

Mr. STONE. Mr. President, I have conferred with the Senator from Texas [Mr. CULBERSON] in regard to the matter, and it is agreeable to him to have the Senate transact some executive business that ought to be done at once. It may not take very long. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 7 hours and 5 minutes spent in executive session the doors were reopened.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House disagrees to the amendment of the Senate to the bill (H. R. 18202) to provide for the admission of foreign-built ships to American registry for foreign trade, and for other purposes, asks a conference with the Senate on the disagreeing votes of the two Houses thereon, and had appointed Mr. ALEXANDER, Mr. HARDY, Mr. UNDERWOOD, Mr. GREENE of Massachusetts, and Mr. MANN managers at the conference on the part of the House.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1644) for the relief of May Stanley, and for other purposes.

The message further announced that the House had passed a bill (H. R. 17042) to amend the postal and civil-service laws, and for other purposes, in which it requested the concurrence of the Senate.

BILL INTRODUCED.

A bill was introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. GALLINGER:

A bill (S. 6260) granting an increase of pension to Lovina P. Nudd (with accompanying papers), to the Committee on Pensions.

HOUSE BILL REFERRED.

H. R. 17042. An act to amend the postal and civil-service laws, and for other purposes, was read twice by its title and referred to the Committee on Post Offices and Post Roads.

REGISTRY OF FOREIGN-BUILT VESSELS.

The VICE PRESIDENT laid before the Senate the action of the House of Representatives disagreeing to the amendment of the Senate to the bill (H. R. 18202) to provide for the admission of foreign-built ships to American registry for the foreign trade, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. O'GORMAN. I move that the Senate insist upon its amendment, agree to the conference asked for by the House, the conferees on the part of the Senate to be appointed by the Chair.

The motion was agreed to; and the Vice President appointed Mr. O'GORMAN, Mr. THORNTON, Mr. SHIELDS, Mr. PERKINS, and Mr. BORAH conferees on the part of the Senate.

RECESS.

Mr. SWANSON. I move that the Senate take a recess until to-morrow at 11 o'clock a. m.

The motion was agreed to, and (at 6 o'clock and 18 minutes p. m.) the Senate took a recess until to-morrow, August 13, 1914, at 11 oclock a. m.

NOMINATIONS.

Executive nominations received by the Senate August 12 (legislative day of August 11), 1914.

COLLECTOR OF CUSTOMS.

George Bleistein, of Buffalo, N. Y., to be collector of customs for customs collection district No. 9, in place of Frederick O. Murray, whose term of office expired by limitation March 31, 1914.

SURVEYOR OF CUSTOMS.

Thomas E. Rush, of New York City, to be surveyor of customs in the district of New York, in place of Nelson H. Henry, whose term of office expired by limitation June 13, 1914.

APPOINTMENTS IN THE ARMY.

MEDICAL RESERVE CORPS.

To be first lieutenants with rank from August 6, 1914.

Grover Cleveland Buntin, of Illinois.
George Davies Chunn, of Arkansas.
Frank Henry Dixon, of the District of Columbia.
William Daniel Heaton, of Nebraska.
Augustus Benjamin Jones, of Georgia.
Harry Dumont Offutt, of Maryland.
Thomas Iliff Price, of New York.
Lloyd Earl Tefft, of New York.
Herman Gustave Maul, of Colorado.

APPOINTMENTS IN THE PUBLIC HEALTH SERVICE.

Robert L. Allen to be assistant surgeon in the Public Health Service. (New office.)

Ora H. Cox to be assistant surgeon in the Public Health Service. (New office.)

Thomas E. Hughes to be assistant surgeon in the Public Health Service. (New office.)

Marion S. Lombard to be assistant surgeon in the Public Health Service. (New office.)

Carl Michel to be assistant surgeon in the Public Health Service. (New office.)

William F. Tanner to be assistant surgeon in the Public Health Service. (New office.)

William C. Witte to be assistant surgeon in the Public Health Service. (New office.)

James F. Worley to be assistant surgeon in the Public Health Service. (New office.)

CONFIRMATIONS.

Executive nominations confirmed August 12 (legislative day of August 11), 1914.

ASSISTANT SECRETARY OF THE TREASURY.

Andrew J. Peters to be Assistant Secretary of the Treasury.

ASSISTANT SECRETARY OF AGRICULTURE.

Carl Schurz Vrooman to be Assistant Secretary of Agriculture.

UNITED STATES CIRCUIT JUDGE.

Victor B. Woolley to be United States circuit judge, third circuit.

COLLECTOR OF CUSTOMS.

Thomas F. Thomas to be collector of customs for the district of Utah and Nevada.

REGISTER OF THE LAND OFFICE.

Shober J. Rogers to be register of the land office at Carson City, Nev.

POSTMASTERS.

CALIFORNIA.

T. B. Cutler, Crescent City.
M. P. Meacham, Altadena.
Charles E. Noggle, Monterey.
Lillian P. Stephenson, Big Creek.

INDIANA.

George E. Endres, Bloomfield.

KANSAS.

Robert L. Notson, Herington.

MICHIGAN.

Edward Austin, Battle Creek.

MONTANA.

Dan Sullivan, Shelby.

NORTH DAKOTA.

Charles S. Ego, Lisbon.
Samuel Loe, Northwood.

PENNSYLVANIA.

Jacob T. Born, Wilmerding.
Victor E. Gill, Latrobe.
Frank M. Longstreth, Lansdowne.
William H. Nelson, Chester.
Granville L. Rettew, West Chester.

WISCONSIN.

J. D. Burns, Colfax.
Marcus T. Syverson, Tomah.

HOUSE OF REPRESENTATIVES.

WEDNESDAY, *August 12, 1914.*

The House was called to order by the Speaker pro tempore, Mr. ADAMSON.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

We lift up our hearts to Thee, O God our Father, in fervent prayer for our great and growing Republic, that the trend of her life may ever be directed to right, truth, and justice. To this end eliminate unwarranted selfishness, avarice, greed, and vainglory. Deepen the springs of her life, widen her intellectual horizon, quicken her conscience, strengthen her religious zeal and fervor, that she may move onward, the vanguard of yet higher, grander civilization, under the spiritual lead of our Lord Jesus Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

POSTAL AND CIVIL-SERVICE LAWS.

Mr. MOON. Mr. Speaker, I ask unanimous consent to address the House for five minutes on a matter that I feel in justice ought to be called to its attention.

The SPEAKER pro tempore. The gentleman from Tennessee asks unanimous consent to address the House for five minutes. Is there objection?

There was no objection.

Mr. MOON. Mr. Speaker, possibly I ought not to notice an article in the Washington Herald of this date, an editorial upon the subject of the railway mail pay, but it is a practical reproduction of some 50 editorials in as many papers throughout the United States that were published before the disposition by the House yesterday of the bill amending the postal and civil-service laws. I have not the pleasure of the acquaintance of the very able and usually accurate editor of the Washington Herald, but I have read this paper with a good deal of interest, and I have usually found it fair and accurate. But this article would seem to have been inspired. It is along the lines of the others that are assaulting the Committee on the Post Office and Post Roads and the Post Office Department, and now this House. This discussion in the newspapers of the bill which the House passed yesterday has been along the same lines. I have no feelings in reference to the matter. I simply desire to correct the errors contained in the editorial, which is evidently intended for the purpose of influencing the Senate, if possible, in its action upon

this bill. The editorial is headed "Railways and the mails." It says:

It may reasonably be assumed that not even Senator CUMMINS or Senator LA FOLLETTE will find fault with the activities of the committee on railway mail pay in seeking to restrain Congress from taking hasty action upon the Moon bill, which would compel the railroads to transport the mails at a rate of compensation to be determined by the Postmaster General.

The bill stated no such thing. It requires the mail to be carried at rates fixed by Congress, adequate and sufficient rates, in our opinion. Next:

The railroads are opposing the Moon bill for the excellent reason that the author of the measure has estimated that its effect would be to reduce the mail-carrying revenues of the roads $3,000,000 a year, and this item has assumed serious proportions since the disappointing decision of the Interstate Commerce Commission regarding increased freight rates.

The author of the bill has made no such statement. The fact is that the pay, in the aggregate, to the railroad companies, under the bill which this House passed yesterday, will be about $587,000 a year more than for the fiscal year 1915 under the regular Post Office appropriation bill. The department hopes to recoup that now, however, by the handling of the mails, and it can do it. The plan of the bill is entirely different from the old measure. The editorial says further:

The railroads have many other reasons for objecting to the Moon bill—concerning which they were denied a hearing—and among them is one which especially appeals to the common sense of the public. For two years past a congressional commission, of which Hon. Jonathan Bourne, jr., is chairman, has been conducting an exhaustive investigation into the question of compensation for mail carrying, and now when the commission is about ready to submit its report to Congress, action is being urged on the Moon bill, prepared without reference to the work of the Bourne commission.

A hearing was not denied. No hearing was ever asked for by the railroads of the Post Office Committee on this particular bill until it was reported. A full and complete hearing of all of the questions was had before the commission or the joint committee known as the Bourne committee. The Members of the House on that committee are supporting the bill which is referred to here. The department acted in conjunction with the committee and with the Post Office Committee. Every fact that they knew was known to us, and the full benefit of all of the action of that committee was known to the House committee. The fact is that the report was ordered in May last, and has been delayed evidently for no other purpose than to prevent action on the bill. I quote further from the editorial:

Such proceeding surely indicates the absence of any desire to ascertain the truth, to profit by an investigation of an extremely intricate subject, or to legislate with any regard for the equities of the case. Two years' work of a congressional commission is to count for naught.

When the joint committee's plan is identical with the plan of the Post Office Department, identical with the plan that this House has acted upon in the bill passed yesterday, it is very clear that this editor is in serious error.

The SPEAKER pro tempore. The time of the gentleman from Tennessee has expired.

Mr. MOON. Mr. Speaker, I ask unanimous consent to proceed for three minutes more in order that I may finish the editorial.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. MOON. Mr. Speaker, quoting further from the editorial:

The present system of determining the rates to be paid the roads by a weighing process every four years at a large expense to the Government is antiquated and indefensible—

We think so, too, and this House thinks so, and it acted in accordance with that thought yesterday—

and apparently inflicts an injustice upon the roads, whose officials claim they are at present underpaid about $15,000,000 a year.

Why did the roads want to continue that plan if that were so? We say that they have been overpaid and not underpaid, but I will not stop to discuss that phase of it. The debate, tables, and testimony show they are overpaid now. Continuing the editorial:

The Moon bill perpetuates the objectionable features of the present system and reduces the roads' revenue by several million dollars annually.

It does not reduce the compensation to the roads, it does not perpetuate the present system. The purpose of the bill is the destruction of the present system and the adoption of a system entirely different. It adopts the space system and abolishes the old quadrennial weighing system. This is the main feature of the bill. To quote further:

Whatever may be the view of the postal authorities and the advocates of the Moon bill, it is a safe assertion that the American people are making no demand that the railroads carry the mails at a loss.

No; they are not making any such demand, but more than 10,000 of them, by private letters to this committee, demand that these roads shall not be overpaid, and that the system shall be changed. The editorial continues:

They, of course, can not refuse to perform this public service, and in their present condition of depleted revenues and increased operating expenses it certainly would appear to be an injustice to deny them a hearing upon a measure that would compel them to transport the mail at a rate which they claim can be so determined by the Postmaster General as to amount to confiscation.

The Postmaster General can not do anything of the sort, nor could a constitutional law be passed that would do so. The rate is adequate and complete.

The editorial then concludes as follows:

At all events, intelligence and simple economies dictate that action on the Moon bill should await the forthcoming report of the congressional commission.

That report has been promised week after week. It has not come. We know just what has been ordered to be reported, and this bill here, which was passed by this House yesterday, urged by the Post Office Department, adopted by the committee, is along the lines that this commission will report, there being a variance of only perhaps half a cent on several items, and difference on terminal and other charges and slight difference in other respects, as to compensation for use of cars. The new plan adopted in the bill has the approval of the joint committee, the Post Office Department, and the House Post Office and Post Roads Committee.

As I remarked, Mr. Speaker, perhaps I ought not to call attention to this at all and ought to pass it unnoticed, but the continued and systematic repetition of these incorrect statements in reference to this matter justifies the correction in the House of the errors in the press.

EXTENSION OF REMARKS.

Mr. WINGO. Mr. Speaker——

The SPEAKER pro tempore. For what purpose does the gentleman rise?

Mr. WINGO. To ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas? [After a pause.] The Chair hears none.

LEAVE OF ABSENCE.

The SPEAKER pro tempore laid before the House the following applications for leave of absence:

JOHNSTOWN, PA., *August 8, 1914.*

Hon. CHAMP CLARK,
Speaker House of Representatives, Washington.

MY DEAR MR. SPEAKER: Will you kindly present my application for leave of absence, indefinitely, on account of illness in my immediate family.

Yours, truly, ANDERSON H. WALTERS.

AUGUST 12, 1914.

Hon. CHAMP CLARK,
Speaker House of Representatives.

MY DEAR SPEAKER: I respectfully ask leave of absence for three weeks owing to the death of my daughter.

Very respectfully,
JOHN J. ESCH.

The SPEAKER pro tempore. If there is no objection, the requests will be granted. [After a pause.] The Chair hears no objection.

Does the gentleman from Missouri [Mr. ALEXANDER] desire to be recognized?

MAY STANLEY.

Mr. POU. Mr. Speaker——

The SPEAKER pro tempore. For what purpose does the gentleman rise?

Mr. POU. I would like to call up the conference report on Senate bill 1644.

Mr. SLAYDEN. Mr. Speaker, this being Calendar Wednesday H. R. 12796 is the unfinished business and comes up automatically.

The SPEAKER pro tempore. The Chair understands, if the gentleman from Texas will permit, that this is Calendar Wednesday, but it has been the custom to permit gentlemen to call up conference reports by unanimous consent.

Mr. SLAYDEN. I beg the Chair's pardon. I did not hear the statement.

The SPEAKER pro tempore. The gentleman from North Carolina wishes to call up a conference report by unanimous consent. That has been the custom.

Mr. POU. I simply want to move to concur in the conference report. It has been printed and is in the RECORD of this morning.

Mr. MANN. This being Calendar Wednesday will not the gentleman ask unanimous consent?

The SPEAKER pro tempore. The Chair does not think that would be in order without unanimous consent.

Mr. POU. Well, I will ask unanimous consent to agree to the conference report.

The SPEAKER pro tempore. The gentleman first asks to take up the conference report for consideration?

Mr. POU. Yes, sir.

Mr. SLAYDEN. I would like to ask the gentleman how long he thinks it will take on this?

Mr. POU. So far as I am concerned I do not want any time at all.

The SPEAKER pro tempore. What is the number of the bill?

Mr. POU. Senate bill 1644. The report of the conferees is in the RECORD this morning. This is one of those personal-injury matters.

Mr. SLAYDEN. Is it likely to lead to debate?

Mr. POU. I think not.

The SPEAKER pro tempore. The gentleman from North Carolina requests unanimous consent for the present consideration of the conference report which the Clerk will report.

The Clerk read the conference report and statement, as follows:

CONFERENCE REPORT (NO. 1080).

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1644) for the relief of May Stanley, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendment numbered 2.

Amendment numbered 1: That the Senate recede from its disagreement to the amendment of the House numbered 1, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert "$3,000"; and the House agree to the same.

EDWD. W. POU,
GEO. C. SCOTT,
Managers on the part of the House.

N. P. BRYAN,
COE I. CRAWFORD,
Managers on the part of the Senate.

STATEMENT.

The House of Representatives receded from its amendment to pay May Stanley, widow of Will H. Stanley, $2,000 for salary on account of the loss of her husband and agree to fix the amount at $3,000, and a sum not to exceed $500, or so much thereof as may be necessary, to pay for medical and other necessary expenses, including funeral and administration expenses, incurred in connection with the death of the said Will H. Stanley.

EDWD. W. POU,
GEO. C. SCOTT,
Managers on the part of the House.

The SPEAKER pro tempore. Is there objection to the request?

Mr. POU. And I ask unanimous consent that the conference report be agreed to.

Mr. SLAYDEN. Mr. Speaker, what attitude will that be to the bill which is the unfinished business?

The SPEAKER pro tempore. That does not affect it at all. The regular order of unfinished business will come up immediately.

Is there objection to the request of the gentleman from North Carolina that present consideration be given to the conference report? [After a pause.] The Chair hears none. Now, the request is that the conference report be agreed to. Is there objection? [After a pause.] The Chair hears none. This being Calendar Wednesday, the unfinished business is H. R. 12796, and the House automatically resolves itself into the Committee of the Whole House on the state of the Union, with the gentleman from Kentucky [Mr. JOHNSON] in the chair.

CALENDAR WEDNESDAY—REMOVAL OF BOTANIC GARDEN.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 12796, with Mr. JOHNSON of Kentucky in the chair.

The CHAIRMAN. The Clerk will report the bill by title.

The Clerk read as follows:

A bill (H. R. 12796) to provide for the removal of the Botanic Garden to Rock Creek Park, and for its transfer to the control of the Department of Agriculture.

Mr. SLAYDEN. Mr. Chairman, I want to make an effort to see if we can agree in regard to time. I ask unanimous consent that general debate be closed now and the bill taken up and read for amendment.

Mr. HOWARD. Mr. Chairman——

The CHAIRMAN. The gentleman from Texas asks unanimous consent that general debate now close upon the bill and it be taken up under the five-minute rule. Is there objection?

Mr. HOWARD. Mr. Chairman, reserving the right to object, there are two or three gentlemen present who desire to discuss this bill under general debate. I have no motive in delaying a vote upon this bill any longer than is necessary to intelligently discuss this question, which I think is rather important, and therefore, unless the gentleman from Texas can designate some time for general debate, I will be forced to object.

Mr. SLAYDEN. What time would the gentleman suggest as being reasonable to carry out the desires of those gentlemen?

Mr. HOWARD. On last Wednesday the gentleman from North Carolina, as I understand it, was on his feet, and he had, I think, 32 minutes remaining of his hour—that is, of the time that would be allotted to Members under the one hour for recognition.

Mr. SLAYDEN. That statement is correct.

Mr. HOWARD. And I had, I think, 36 minutes left.

The CHAIRMAN. Thirty-five minutes.

Mr. HOWARD. The gentleman from Illinois [Mr. FOWLER] desires some time, so I am informed.

Mr. SLAYDEN. How much does he want?

Mr. HOWARD. Can the gentleman from Illinois give any idea of the amount of time he would like to have? We are trying to reach some agreement.

Mr. FOWLER. I think I can say all I want to in 20 or 25 minutes.

Mr. SLAYDEN. Let me ask the gentleman from Georgia if it will be agreeable to close this debate at 2 o'clock?

Mr. HOWARD. It will be perfectly so to me.

Mr. SLAYDEN. Then I ask unanimous consent to close the general debate at 2 o'clock.

The CHAIRMAN. The gentleman from Texas asks unanimous consent that debate be closed at 2 o'clock. Is there objection?

Mr. MANN. Reserving the right to object, how is that time to be controlled?

Mr. SLAYDEN. The gentleman from Georgia [Mr. HOWARD] has a mortgage on 35 minutes of it and the gentleman from North Carolina [Mr. PAGE] 32 minutes, or such a matter.

Mr. MANN. Can the Chair inform me how much time I have remaining?

The CHAIRMAN. The Chair can inform the gentleman from Illinois that he did not reserve his time.

Mr. SLAYDEN. In order that the gentleman from Illinois [Mr. MANN] may have time, I amend that request to make the time for closing the debate 2.30 p. m. Is that satisfactory?

Mr. MANN. I take it that there will be some opportunity under the five-minute rule if gentlemen desire to be heard.

Mr. SLAYDEN. Make it 2.30, then. That will be quite satisfactory.

Mr. FOWLER. And the other gentleman from Illinois also may have 30 minutes.

Mr. SLAYDEN. We are providing for that, I will say to the gentleman.

Mr. MANN. I think you had better fix how the time is to be controlled, and then gentlemen will all know how much they are going to have.

Mr. SLAYDEN. I will say that I suggest, then, Mr. Chairman, that the time be controlled by the gentleman from Georgia [Mr. HOWARD] and by myself.

The CHAIRMAN. In order to avoid future dispute about it, does the request now made by the gentleman from Texas [Mr. SLAYDEN] do away with the time which has been reserved by the gentleman from Georgia [Mr. HOWARD] and the gentleman from North Carolina [Mr. PAGE]?

Mr. MANN. As I understand the gentleman's request now, it is that there shall be two hours more of general debate, one-half to be controlled by himself and one-half by the gentleman from Georgia [Mr. HOWARD].

Mr. SLAYDEN. Is that satisfactory?

Mr. HOWARD. That is satisfactory to me, if it is to the other gentlemen.

The CHAIRMAN. The gentleman from Texas asks unanimous consent that debate be closed in two hours—one half to be controlled by the gentleman from Georgia [Mr. HOWARD] and the other half by the gentleman from Texas [Mr. SLAYDEN]. Is there objection? [After a pause.] The Chair hears none.

Mr. SLAYDEN. Mr. Chairman, I will ask the gentleman from Georgia if he wants to consume some time now?

Mr. HOWARD. Mr. Chairman, I have a substitute for the committee's bill that I would like to have the Clerk read now in order that we may discuss the substitute together with the original bill.

The CHAIRMAN. The Clerk will report the substitute offered by the gentleman from Georgia [Mr. HOWARD].

The Clerk read as follows:

A bill (H. R. 12796) to provide for the removal of the Botanic Garden to Potomac Park and for its transfer to the control of the Department of Agriculture.

Be it enacted, etc., That for the purpose of establishing and maintaining a national arboretum and botanical garden in Potomac Park the Botanic Garden is hereby transferred from the direction and control of the Joint Committee on the Library to the direction and control of the Secretary of Agriculture, and he is authorized to remove to Potomac Park the plants, structures, and all that pertains to the Botanic Garden in its present location.

SEC. 2. That so much of Potomac Park, east of Washington & Southern Railway, as may be needed for the purposes of an arboretum and botanic garden is hereby transferred from the joint direction and control of the Commissioners of the District of Columbia and the Chief of Engineers of the United States Army to the direction and control of the Secretary of Agriculture.

SEC. 3. That the chairman of the Senate Committee on the Library and the chairman of the House Committee on the Library, the Secretary of Agriculture, and the Engineer Commissioner of the District of Columbia shall select and cause to be surveyed that portion of Potomac Park as may be necessary and set same apart for a botanic garden and arboretum.

SEC. 4. That all unexpended appropriations in relation to the Botanic Garden which shall be available at the time this act takes effect shall be available for expenditure for the transfer of the Botanic Garden to the new site and for other purposes incident to its removal and maintenance.

SEC. 5. That all laws or parts of laws not consistent with or that are repugnant to this act are hereby repealed.

Mr. HOWARD. Mr. Chairman, I would like for the Chair to notify me when I have consumed 10 minutes.

Mr. Chairman and gentlemen of the committee, the only difference now between us upon the question of the removal of the Botanic Garden is the location of the garden and the acreage necessary to be used in a botanic garden. Now, there are certain questions that I want to present to you, consuming as little time as it is possible for me to consume, relative to the removal of this garden.

In the first place, 400 acres for a botanic garden is absolutely preposterous. Now, if you are going to establish a ranch for raising cattle or sheep, there might be some excuse in taking 400 acres. Now, let me tell you what it means to take out of Rock Creek Park 400 acres for this Botanic Garden, and if I can get the attention of gentlemen on the floor of this House relative to the situation as it now stands I feel absolutely assured that this bill will not pass in its present state. For instance, to take 400 acres of Rock Creek Park out of the park and appropriate it for this Botanic Garden means this—and, Mr. Chairman and gentlemen, I promise you that I will not impose upon your good nature beyond a very short time.

Mr. MILLER. Will the gentleman yield for a question?

Mr. HOWARD. Yes.

Mr. MILLER. Can the gentleman inform the committee about how many acres are in the Potomac Park east of the Southern Railroad bridge?

Mr. HOWARD. I was down there yesterday, and, according to Georgia acreage, I would say that from the east side of what they call the Long Bridge down to the point at the War College, taking into consideration the width of it, there are at least 125 acres. That is my guess.

Mr. MILLER. I asked if the gentleman had taken into consideration the advisability of including in the proposed Botanic Garden all that part of Potomac Park now east of the stone bridge over the lagoon, a region that is now utilized by the Department of Agriculture, as I am informed, as a nursery for the propagation of plants and shrubs and for experimentation with the growth of various kinds of plants and shrubs?

Mr. HOWARD. That very question was discussed here, I will say to the gentleman from Minnesota, the other day, and several gentlemen took the position that this particular portion of Potomac Park was unsuited for a botanic garden.

I stated then that, so far as I could ascertain, all sorts of shrubs and trees were now being grown down there, either in nursery rows or for propagation, I do not know which. But they are there. Now, my substitute for the original bill simply provides that they shall use so much of this particular portion of Potomac Park as may be necessary for usage as a botanic garden.

Now, let us get back to the practical situation. I said the other day that this removal of the Botanic Garden would eventually cost the taxpayers of this country millions of dollars, and my friend from Illinois [Mr. MANN] seemed to hoot at the idea. Now, let me tell you what is behind this whole business; I mean what will be the ultimate result of the removal of this Botanic Garden from its present location to Rock Creek Park. In the first place they want to take out of Rock Creek Park the enormous acreage of 400 acres. Now, every practical man on the floor of this House knows that it is an absolute impossibility, unless the Government of the United States wants to expend millions and millions of dollars, to consume 400 acres in what we might call a botanic garden. It is preposterous to think of the use of 400 acres for that purpose.

But there is another proposition. In that 400 acres now proposed to be taken out of Rock Creek Park there are several miles of fine roads, the present expense of which is equally divided between the District of Columbia and the United States Government on the half-and-half plan. The minute the 400 acres are removed from Rock Creek Park and exclusive jurisdiction thereof is given to the United States Government over that 400 acres, then Uncle Sam, and not the District of Columbia, will pay for the entire maintenance of all those roads out there.

Now, I said the other day—and I do not desire to cast any undue reflection on what they call the Fine Arts Commission—that 75 per cent of that commission live in the districts of the gentlemen from Massachusetts. The other 25 per cent live in the State of New York. They have no fixed interest in the District of Columbia. They do not care anything about the expense incident to the removal of statues or the placing of statues, or the confiscation of private property to the public use, or what the cost of it is. They are not interested in the District of Columbia.

Now, let us see. I want to give you gentlemen one illustration of the business sagacity and the fine art of selection that these gentlemen have indulged in in years past. Take this magnificent National Museum down here. How many millions of dollars went into that magnificent building I do not know. I have never been able to ascertain. But what did they do in the selection of a site whereon to place that building? They went back there behind the old markets. They picked out the most unsightly place in Washington. They put it behind a lot of buildings that front on Pennsylvania Avenue, which I venture the assertion have not paid 2 per cent on the money invested in them.

Mr. COX. Mr. Chairman, will the gentleman yield for a question?

Mr. HOWARD. Yes.

Mr. COX. Does not the gentleman think that this will likely occur if this bill passes and 400 acres are granted for this purpose, that in a very few years a powerful pressure will be brought to bear upon Congress—"Oh, the Rock Creek Park is not large enough; you have got to buy more land"?

Mr. HOWARD. I believe that is what will be done, but I am now discussing present plans. Let me finish about the National Museum Building. They put that magnificent building down there in the back yard of these ramshackle old buildings. For what purpose? For only one purpose on the face of the earth, and that was to force Congress to buy all the property in front of those buildings at exorbitant prices and build a beautiful park running out and abutting on Pennsylvania Avenue. That is what it was done for. There was no other reason on earth, because the only justification for putting that building where they did put it was that they had assurances that in the future they could make it look at least like the respectable sections of the city of Washington by purchasing this property on the Avenue at outrageous prices to the Government.

Now, what else? I say when you withdraw 400 acres of land from Rock Creek Park you place upon the Federal Government the burden of maintaining all the roads and bridges and all the appurtenances necessary for transportation through that park.

But that is not all. When I say the expenses incident to the removal of this park would amount to millions, I mean exactly what I say, and I am going to demonstrate it to you. I will put it in the RECORD, and salt it down for future consumption, that in less than two years after we do this and place the Botanic Garden in Rock Creek Park a concentrated effort will be made in Congress to extend Sixteenth Street to the Military Road. "Oh," but they will say to the committee, "we are obliged to extend Sixteenth Street, because that is the most available way to get to this magnificent Botanic Garden." But, incidentally, when the Government is expending its hundreds of thousands of dollars in extending Sixteenth Street you are enhancing the private property of a crowd of real-estate speculators to the extent of from 50 to 150 per cent. Then they want to say to us, "Pick up the Botanic Garden and move it."

It has been made fun of here on the floor of the House. One gentleman went so far as to say he could carry off everything of value down there in a crocus sack on his back.

The CHAIRMAN. In accordance with the gentleman's request, the Chair will remind him that he has consumed 10 minutes.

Mr. HOWARD. Very well. I yield myself five minutes more, Mr. Chairman, if you please.

Now, let us see what they have got down here and what they are going to do with it when they get it out there. They have got down there now as a nucleus to start with about 5 acres; yet they want 400 acres. I say they will be asking for double and treble the appropriations that they have asked for in the past, and that all these things I have mentioned will be incident to it.

Mr. HAY. Will the gentleman allow me to ask him a question?

Mr. HOWARD. With pleasure.

Mr. HAY. What is the area of the largest botanic garden of which the gentleman has any knowledge?

Mr. HOWARD. I am not certain, but I believe it to be about 150 acres

Mr. SLAYDEN. If the gentleman will permit me, I have a list of them here.

Mr. HOWARD. I wish the gentleman would give the gentleman from Virginia the information. I saw a statement of them the other day, and I thought about 150 acres was the largest.

Mr. SLAYDEN. One belonging to the Dutch Government has an area of 336 acres.

Mr. HOWARD. That is the largest one in the world, is it not?

Mr. SLAYDEN. I see that there is one of 394 acres.

Mr. COOPER. Mr. Chairman, it is impossible to hear the conversation going on over there.

Mr. SLAYDEN. The gentleman is asking the size of the various botanic gardens in the world.

Mr. COOPER. Will the gentleman please repeat his statement? Nobody could hear it.

Mr. SLAYDEN. The botanic garden of the Dutch Government is 336 acres. The Royal Botanic Garden at Kew, near London, contains 260 acres. The Arnold Arboretum at Boston contains 220 acres, and in conjunction with it is a farm which is used for a botanic garden, I am told, which contains 394 acres. The New York Botanic Garden contains 250 acres.

Mr. BURNETT. May I ask the gentleman a question?

Mr. HOWARD. Yes.

Mr. BURNETT. In all these gardens a certain part of the area is used for propagation purposes. Now, is it not true that we have propagating gardens somewhere else, and that it is not intended to create a propagation garden if the Botanic Garden is moved elsewhere?

Mr. SLAYDEN. I have no such purpose in mind.

Mr. BURNETT. Is it not a fact that we have propagating gardens elsewhere?

Mr. HOWARD. I understand that to be a fact.

Mr. BURNETT. And this garden down here is a mere ornament, and that is about all it will be, if it is removed to Rock Creek Park.

Mr. HOWARD. Yes.

Mr. BURNETT. Why not keep the ornament down here, then?

Mr. HOWARD. I want to discuss that.

Mr. SPARKMAN. What is the acreage of Rock Creek Park?

Mr. HOWARD. I understand it is 2,200 acres.

Now, Mr. Chairman and gentlemen of the committee, one other suggestion and I am done for the present. The question of isolation of the upper end of Rock Creek Park is another question that I think we ought to discuss.

Mr. COOPER. Will the gentleman yield for one question?

Mr. HOWARD. With pleasure.

Mr. COOPER. The gentleman remembers that in the last Congress, or perhaps in the preceding session of this Congress, the House unanimously voted to permit the ladies to erect the George Washington Memorial Hall, on the site of the old Pennsylvania Station, in the Mall.

Mr. HOWARD. Yes; I remember that.

Mr. COOPER. A bill providing for that was introduced by the distinguished gentleman from Alabama [Mr. UNDERWOOD], and every man in the House, Republican and Democrat, voted for it. It became a law. That bill expressly provides that the south front of the George Washington Memorial Hall must be on a line with the south front of the museum about which the gentleman spoke. This requirement is in accord with the plans of the Fine Arts Commission for the beautification of Washington. The gentleman from Georgia himself voted for the bill. There was no real estate speculation about that.

Mr. HOWARD. And I presume when the Washington Memorial is constructed on the site of the old Pennsylvania Station they will want to buy the St. James Hotel and the Howard House on the opposite corners, so that they can have plenty of width to see the Washington Memorial. That is usually the way they do things in Washington.

But I am coming to the question of the isolation of this park. They want to get away in the northwest corner of Rock Creek Park. They want to locate the Botanic Garden there. I said the other day that it was absolutely impossible to reach that particular part of Rock Creek Park conveniently by street car transportation, by the Democratic way of riding, and I still maintain that the nearest point to the northwest part of Rock Creek Park that can be reached by street car service is nearly a mile.

Mr. THACHER. Will the gentleman yield?

Mr. HOWARD. Yes.

Mr. THACHER. Has the gentleman been out there on the trolley car? How did he get there?

Mr. HOWARD. When I do not walk I ride, the nearest way I can get to it.

Mr. THACHER. I think the gentleman ought to be fair.

Mr. HOWARD. I live very near Rock Creek Park. I live on Ontario Road, and as a rule I walk down there.

Mr. THACHER. Does not the gentleman know that he can take the Piney Branch car on the Fourteenth Street line, which stops at the circle that is about a block away from the reservoir?

Mr. HOWARD. But the gentleman will admit that you have not picked out any particular 400 acres. Now, suppose you pick it out where you say you are going to pick it out, where these vacant fields are that are being cultivated, where the new-mown hay is that the gentleman smelled out there, and all that. I say you can not pick out 400 acres, unless you do it in a strip entirely across the north end of that park, that will bring the general public nearer than a mile from a street car line.

Mr. DAVIS. Will the gentleman yield to me?

Mr. HOWARD. Certainly.

Mr. DAVIS. The gentleman has laid a great deal of stress on the keeping of Rock Creek Park in repair. Does the gentleman know what the expense is annually and the amount contained in the last appropriation bill for that purpose?

Mr. HOWARD. I do not.

Mr. DAVIS. It is $18,000; and does the gentleman know that a very little of that is applied to the roads in Rock Creek Park, and that the annual expense of keeping the roads in the 400 acres in repair would not exceed $500 or $1,000 per annum? I will inform the gentleman that those are the facts.

Mr. HOWARD. Will the gentleman please give me some idea of what the construction of those magnificent roads originally cost?

Mr. DAVIS. The gentleman said that the total cost would fall upon the Government.

Mr. HOWARD. Yes; every cent in these 400 acres.

Mr. DAVIS. It is a very small amount.

Mr. HOWARD. That would be true if the Government simply maintained the roads that are already there.

Mr. DAVIS. But you limited yourself to the extent of keeping the roads in repair.

Mr. HOWARD. There is a great deal of difference between the District of Columbia having to pay one half of the cost and a poor old man—the people—the other half.

Mr. DAVIS. Which would not amount to a thousand dollars, if the Government kept all of the roads on this 400 acres.

Mr. HOWARD. Those roads in Rock Creek Park cost not one cent less than $10,000 a mile to construct.

The CHAIRMAN. The time of the gentleman from Georgia has again expired.

Mr. HOWARD. Mr. Chairman, I have been interrupted so much that I will have to yield myself five minutes more.

Mr. DAVIS. Will the gentleman yield for just one more question?

Mr. HOWARD. Yes.

Mr. DAVIS. I want to ask the gentleman if he thinks the United States Government ought to maintain a botanic garden at all?

Mr. HOWARD. I think if they are going to maintain one they ought to maintain one upon conservative and economic lines, and not a foolhardy proposition to go out here and incorporate the whole face of the earth into a botanic garden.

Mr. DAVIS. Is the gentleman satisfied with the present botanic garden?

Mr. HOWARD. Perfectly so.

Mr. DAVIS. Very well; that is all I want to know. I desired to ascertain the gentleman's views as to what constitutes a suitable botanic garden for this great country.

Mr. HAY. Mr. Chairman, will the gentleman yield?

Mr. HOWARD. Yes.

Mr. HAY. The gentleman is aware of the fact that the Agricultural Department controls 1,500 acres of land out at Arlington?

Mr. HOWARD. I am.

Mr. HAY. In the Arlington reservation, which is easily accessible and has a fine military road leading to it. I want to ask the gentleman if it has occurred to him that there is a large portion of those 1,500 acres which is not now utilized, and that the Botanic Garden could be moved there, if it is to moved anywhere?

Mr. HOWARD. It could be. That is another admirable place to put it; but the reason I suggested Potomac Park is this: This present strip of land that I have in view for the location of the Botanic Garden is now unsightly. The Government will have to spend much more money and will spend large sums of money in its improvement.

While they are spending this large sum of money to beautify this undeveloped part of Potomac Park, why not spend the money for the purpose of establishing down there the Botanic Garden, where it will be accessible to your constituents and to my constituents when they come here and want to go and see the Botanic Garden? All that they would have to do would be to get on a street car at the corner of Fifteenth Street and Pennsylvania Avenue and go down on this street car line for a nickle and see the park without any inconvenience.

Mr. CARAWAY. But that would not benefit the street car line running out there to the circle if it was put in Potomac Park.

Mr. HOWARD. Not at all. It would not benefit the street car line running out that way. But, I say, give me one good reason why we should mar the beauty of Rock Creek Park that is so sacred to many of these people in Washington and to so many Members of this House. For years they have tried to sell the Government 400 acres for that Rock Creek Park, and they tumbled in price from the original offer to the Government at $100,000 a clip, and every year they have tumbled in price from $50,000 to $75,000; and finally the Government purchased the 400 acres of land and added it to the park, and my distinguished friend from Tennessee [Mr. SIMS] lost hours of sleep, and I am informed that he became almost a nervous wreck fighting these real estate owners that tried to sell the Government these 400 acres of land at an exorbitant price.

And now it is proposed by Congress after years of fighting over the acquisition of these 400 acres, after it was said to be absolutely necessary that it should be a part of Rock Creek Park, that it was essential to its everlasting beauty, that if we did not get it we would never get it, that now is the accepted time, I say now, after we have got it, it is proposed to take it away and make a botanic garden out of it. Do not you know, gentlemen of the committee, that as soon as you take it away from them you will find that they are like the nigger baby with the hookworm—they can not be satisfied, and they will be crying for 400 acres more?

Mr. COOPER. Mr. Chairman, will the gentleman yield?

Mr. HOWARD. Yes.

Mr. COOPER. Permit me to suggest to the gentleman that he is entirely mistaken about the 400 acres being the same as the gentleman from Tennessee [Mr. SIMS] talks about, because they are not the same at all.

Mr. HOWARD. I am not conversant with all of the facts, but I know that 400 acres were involved, and I know that my good friend SIMS appeared in the RECORD more than once fighting the acquisition of that land. Where it is located I do not know, and the gentleman from Wisconsin will not deny the fact that they decreased their original price nearly 50 per cent from what they originally offered it to the Government for.

Mr. COOPER. Mr. Chairman, will the gentleman yield?

Mr. HOWARD. Yes.

Mr. COOPER. One of the greatest wrongs ever done by this House was permitting to go unrebuked the accusation that the land for the proposed extension of Rock Creek Park was first offered at $600,000 and then reduced to $423,000. In a speech I called attention to the fact that there was no such reduction made in the price of that land and that the attack on Mr. Glover for making such alleged reduction was absolutely without justification in fact. The House ought not to have permitted that accusation to go unrebuked.

Mr. HOWARD. Oh, I can not yield for a speech.

Mr. COOPER. But the gentleman is reiterating a baseless slander against an innocent man.

Mr. HOWARD. I am glad that the gentleman has corrected me, because I have mentioned no individual. I have mentioned what appeared in the RECORD. It is in the RECORD, and if the RECORD of this Congress—and the gentleman has been here a long time—can not be relied upon for information, in the name of God where can we go to get accurate information about the deliberations of this body? [Applause.]

The CHAIRMAN. The time of the gentleman from Georgia has again expired.

Mr. HOWARD. I will yield myself two minutes more.

Mr. COOPER. Mr. Chairman, will the gentleman yield?

Mr. HOWARD. I refuse to yield, because I want to answer the gentleman's question—not his question, but his speech. Mr. Chairman, they brought in the question of baseless statements about prices for real estate. I made no statement about any individual. I do not know any of those who attempted to extract exorbitant prices from this Government for real estate, but I do know, and the gentleman from Wisconsin knows, and every gentleman upon the floor of this House knows, that when the Government of the United States attempts to do anything around the District of Columbia the people who are mostly benefited by that beneficent work try most to exact and drive the hardest bargains.

Mr. HULINGS. Mr. Chairman, will the gentleman yield?

Mr. HOWARD. Yes.

Mr. HULINGS. Will the gentleman inform the House whether the anticipated cost of this transfer has been arranged for in the new bill that is to come in here for additional taxation?

Mr. HOWARD. I do not know. Now, the gentleman from Wisconsin says that I have repeated a baseless slander. Why, it was charged in the campaign in my State, upon authority of the CONGRESSIONAL RECORD, that certain people have been mixed up in this Rock Creek proposition, that it seethed with rottenness to the extent that the man in the moon had to hold his nose when he came over Rock Creek Park, on account of what was attempted to be done here on that particular proposition. Talk about a baseless slander. There are some folks in this country you can not slander. People who attempted to pocket an unjust profit of $200,000 from the pockets of the taxpayers of this country you can not slander.

Now, Mr. Chairman, in conclusion for the present, I do not know what the gentleman from Wisconsin might say, but I say that this is the most useless expenditure of the people's money. They are putting it out there where nobody can see it. They have got land available within the sight of this Capitol, a magnificent piece of land that can be improved, and one of the most beautiful botanic gardens in the country or in the world can be made down there. Why not do it? Why go out here and give these people an opportunity again? [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. SLAYDEN. Mr. Chairman, how much time has the gentleman from Georgia used?

The CHAIRMAN. Twenty-two minutes.

Mr. SLAYDEN. Mr. Chairman, I yield 10 minutes to the gentleman from Tennessee [Mr. SIMS.]

Mr. SIMS. Mr. Chairman, there is no use in getting excited or heated up about a thing of this sort. We ought to look at it from the standpoint of the country's good, that is the only thing that ought to be considered. Now, I am not discussing the question of whether or not the Botanic Garden is to be moved from where it is now located. I suppose that is settled. I have not studied with reference to whether it should be moved or not; but I am taking for granted that that question is settled. Now, we have a bill brought in by the committee which has jurisdiction of this subject and has thoroughly investigated this matter and it has had the aid of experts, gentlemen who are supposed to have no feeling and no private interest to serve, but who look at it from the standpoint of expert knowledge. These gentlemen have said that the place to reestablish the Botanic Garden is a section of land now embraced within the boundaries of Rock Creek Park. They give their reasons in detail why that is a good place for the garden. I do not know how to compare it with the place which is spoken of down on the Potomac River, which is a low, level, flat country. There is no proposition pending unless by way of a substitute to establish it there.

Mr. BURNETT. Will the gentleman permit a question?

Mr. SIMS. Certainly.

Mr. BURNETT. Did not some of the same experts work on this thing when the gentleman was a Member of the District Committee, and who advised the acquisition of this land out there?

Mr. SIMS. I can not remember whether that is true or not. But the gentleman from Georgia is wholly mistaken in one thing, and that is that there was 400 acres of land acquired by anybody for Rock Creek Park. There was a bill pending here for a great many years to acquire 100 acres—as I remember, ninety-nine and some odd acres—which, no doubt, is the tract the gentleman has in mind——

Mr. HOWARD. What is the price?

Mr. SIMS. Which was just above where Massachusetts Avenue crosses Rock Creek and lying out toward where there is a school, and widened out at that end, but narrowed toward Rock Creek; and it is said that it was sought to be a part of Rock Creek Park, but Rock Creek Park proper is a mile or more from that place, and the whole Zoological Park lies between this proposed acquisition and Rock Creek Park.

Mr. HOWARD. Will the gentleman yield?

Mr. SIMS. Yes.

Mr. HOWARD. Some of these bills were introduced by my distinguished predecessor. Now, is it not a fact that in each one of those bills every year the price was materially reduced in each bill as to the amount asked in the appropriation for the acquisition of the land?

Mr. SIMS. As to the 98 or 99 acres lying just above Massachusetts Avenue and below Connecticut Avenue, narrowing toward the creek and widening out in the hill part, I do not really know who introduced the first bill. I do not remember whether there were any separate bills or not, but it had no physical connection whatever with Rock Creek Park, the entire Zoological Garden of 2,200 or 2,300 acres lies between this strip and Rock Creek Park, and I thought at the time when it was proposed and talked about in connection with Rock Creek Park that it was to furnish some excuse for acquiring it. Now, this part where the Botanic Garden is to be located is some place at least 2 or 3 miles away from this so-called addition to Rock Creek Park, and never has been acquired and never will be for that purpose.

Mr. HOWARD. Was all the original 2,200 acres acquired at one time for the park?

Mr. SIMS. I do not remember——

Mr. HOWARD. Does the gentleman mean to convey to the House the proposition that at no time a specified tract of 400 acres was acquired?

Mr. SIMS. I do not know what tract the gentleman refers to, but the tract he called my name in connection with at one time was the 100 acres which is at least a mile away from Rock Creek Park. Now, in reference to the place where the Botanic Garden is to be located under this bill, I went out there and looked at the ground in company with the gentleman from Missouri, Dr. BARTHOLDT.

The ground is hill and valley, some of it agricultural land, and if it is beautified for any purpose it will require an expenditure of money. Now, the locating of the Botanic Garden, as it is called, upon that land would absolutely have no effect, so far as detracting from it as a park feature is concerned. It is wholly consistent with it and harmonizes with it. They will simply require some additions to it by way of shrubs and plants, if made into a botanic garden, that perhaps would not be put there merely for park purposes. It is now a park, and those fields have nothing on them, and when they have to be utilized for park purposes will have to be reforested with trees of some kind. This is Government land. We already own it. It requires no expenditure of money to acquire the land, and it can be treated so as to harmonize it with the further improvement of the park. The roadways, driveways, and pathways, if any are there, and everything connected with a park as a park will remain after it is utilized for a botanic garden.

Mr. BLACKMON. Will the gentleman yield?

Mr. SIMS. I will yield to the gentleman.

Mr. BLACKMON. If this proposition should go through, would it remove the Botanic Garden down on the Avenue that we now have?

Mr. SIMS. I understand the object of the bill is to take many of the plants and shrubs that are down here in our so-called Botanic Garden and place them within this 400 acres of land to be used for a botanic garden.

Mr. BLACKMON. One other question, if the gentleman will kindly permit. Is there any provision made in this bill for making it possible for the people who come here to visit the Botanic Garden when it is moved out to Rock Creek Park?

Mr. SIMS. I have never seen a bill in Congress that provided means for people to travel to any particular improvement within the District of Columbia at public expense or otherwise.

There is a street car line called the Fourteenth Street car line, double track, underground trolley, that runs out near the reservoir, perhaps not more than a block or so, and the reservation on which the reservoir is placed is Government property and, I am informed, joins Rock Creek Park; so that the means of going to this Botanic Garden will be at present, if no other roads are built, on the Fourteenth Street double track, underground trolley line, that will carry the people within a block or two—I do not know just where this garden will be located with reference to the car line.

Mr. BLACKMON. I was sure that by legislation you would not provide means for the general public to get out to this particular place, but what I wanted to know was whether or not it would be accessible to the general public coming here if it was removed to Rock Creek Park?

Mr. SIMS. It will be accessible to the extent of the Fourteenth Street car line. I have been informed, although I do not know how reliably, that there is another line to be built that will carry them even nearer.

Every effort we have made in this House to build a trolley car line to Rock Creek Park in order that the common people, like we assume to be, can go out there has been opposed most bitterly in this House by the gentlemen who want to hold that place as sacred to those only who have automobiles or other means of vehicle travel to get to it.

Mr. HOWARD. Will the gentleman yield right there?

Mr. SIMS. Yes.

Mr. HOWARD. We own the Potomac Park property. For the very reason that only those who can take automobiles can reach it, they propose to put this beautiful Botanic Garden out at Rock Creek Park.

Mr. SIMS. The people can reach it with the existing street car lines. I have not said much about this property down here on the Potomac River, because I know but little about it. I assume that it is better to move it where it will harmonize with existing plans of improvement than to move it to where there is no park, and not suitable, according to the opinions of experts who are qualified on this subject, simply to keep what they call Rock Creek Park intact, and especially a portion of that park that has not been yet thought necessary to improve as a park.

Mr. SLAYDEN. As a matter of fact, do not the street cars go nearer to the site that is supposed to be selected in Rock Creek Park than they do to the proposed site in Potomac Park?

Mr. SIMS. I do not know of any street car lines that go nearer to Potomac Park, but there may be.

Mr. PAGE of North Carolina. Will the gentleman permit a question?

Mr. SIMS. I would like to do so, but my time has been occupied largely with questions that have been asked me and not much with my answers.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Crockett, one of its clerks, announced that the Senate had passed with amendment the bill (H. R. 18202) to provide for the admission of foreign-built ships of American registry for the foreign trade, and for other purposes, in which the concurrence of the House of Representatives was requested.

The message also announced that the Senate had passed bill of the following title, in which the concurrence of the House of Representatives was requested:

S. 3342. An act for the enlargement, and so forth, of the Wall Street front of the assay office in the city of New York.

The message also announced that the Senate had insisted upon its amendment to the bill (H. R. 4403) for the relief of Frederick J. Ernst, disagreed to by the House of Representatives, had agreed to the conference asked by the House on the disagreeing votes of the two Houses thereon, and had appointed Mr. BRYAN, Mr. WHITE, and Mr. STERLING as the conferees on the part of the Senate.

REMOVAL OF BOTANIC GARDEN.

The committee resumed its session.

Mr. SLAYDEN. Mr. Chairman, I will ask the gentleman from Georgia [Mr. HOWARD] if he wants to use some of his time?

Mr. HOWARD. I will yield five minutes to the gentleman from Alabama [Mr. BURNETT].

The CHAIRMAN. The gentleman from Alabama [Mr. BURNETT] is recognized for five minutes.

Mr. BURNETT. Mr. Chairman, I know that every member of the Committee on the Library is absolutely sincere and incorruptible, and there is not one of them who, in my judgment, would give his support to a proposition merely for the purpose of benefiting any real estate scheme. Yet there is no doubt in my mind but that the result of this proposition would be the enhancement of real estate in the hands of certain people, and that those who have started this agitation want to forward some real estate interests.

It looks like it might be a fight between two real estate interests. I do not believe, so far as I am concerned, that there is any necessity for removing the Botanic Garden from its present location. The Grant statue will have plenty of room down there, and then they can cut off enough to make a conservatory where the people may see the beauties of the Botanic Gardens without having to go miles to see it. All who are familiar with these matters know that the Government has established its propagating gardens at another place. If the Botanic Garden is moved, why not have it located so that our constituents, some of whom may come here from a distance of a thousand miles, can have an opportunity to look at these beauties that the Government has prepared to exhibit to them? If we move it, let it be placed down in Potomac Park, and not hidden from the view of people who are taxed to keep it up.

I have never been a member of one of the committees having charge of the park extensions, and have had very little knowledge of those who are trying to ply these real estate schemes; but last winter, when some thought that I would perhaps be chairman of the Committee on Public Buildings and Grounds, inasmuch as I was the ranking member of that committee after Mr. SHEPPARD, of Texas, left the House, one of the people who owns large real estate in the direction of Rock Creek Park telephoned to me one day. I had never met the party before.

The party asked myself and my wife to take an automobile ride. I said, "All right, we will go"; and just before we left the hotel I said to my wife, "There is something in this which I do not understand. They are looking out for suckers, evidently, and perhaps I am one that they think they can play."

As soon as we were in the automobile the party began talking about the purchase of a splendid mansion for the Vice President's home that the party had just constructed. I said at the outset: "I will not be chairman of the Committee on Public Buildings and Grounds, because I already have a chairmanship which, I think, is more important." I also stated that I was opposed to buying a home for the Vice President. However, we went out to Rock Creek Park, and when we got there this party began talking about how important it was that the Botanic Garden should be moved out there. When it was found that I was not being interested by the plea for the purchase of a home for the Vice President nor in the removal of the Botanic Garden the party lost interest in me at once.

Mr. Chairman, are we to follow every one of these real estate schemes that are put up to Congress? Why not locate this Botanic Garden down in Potomac Park, if it is to be moved? It is only a mile down there, and accessible to anybody who comes here and stops in the central part of the city. Why should we be the champions—innocent, perhaps—of every one of these propagandists who have been working the city of Washington and bleeding the Government for 40 years? Ever since I came here, 16 years ago, I have been hearing of these same schemes; and now, Mr. Chairman, it seems here is another one.

This is Government property that is asked to be taken, but it is property which, if improved, will greatly enhance the value of somebody else's adjoining property. Why not utilize the ground we already have in Potomac Park? Or why not do what seems to me to be the reasonable thing—retain the present Botanic Gardens as an ornament, not attempting to keep up the propagating gardens there? We have land over in Virginia, where the Government farm is, and much of that land could easily be devoted to this purpose. Why should we become parties to the schemes of either one of these great conflicting and jealous-hearted groups of real estate owners?

Mr. SLAYDEN. Mr. Chairman, will the gentleman yield there?

The CHAIRMAN. Does the gentleman from Alabama yield to the gentleman from Texas?

Mr. BURNETT. Yes; with pleasure.

Mr. SLAYDEN. I wish to ask the gentleman from Alabama if he does not know that the purpose of a botanic garden is not necessarily ornamental, but that in addition to the ornamental features of it, it is presumed to have, and in other parts of the world does have, a useful function in the development of plants for drugs and for use in the pharmacopœia, and that it would be impossible to do that sort of thing on the limited area down here? Moreover, Congress has decreed by act that the fence shall be removed, and the Botanic Garden necessarily would have to go to some place where the plants would be protected.

Mr. BURNETT. Protected from what, Mr. Chairman?

Mr. SLAYDEN. It is not merely an ornament.

Mr. BURNETT. We have the propagating grounds already at another place. Is there any reason, economic or otherwise, why the propagating features of the Botanic Garden should be in exactly the same locality as the ornamental part of the garden? I think not.

The gentlemen supporting this bill would spend hundreds of thousands of dollars to remove the propagating gardens that we already have established, Mr. Chairman, to a place which would mean hiding it from the view of our constituents who come here and want to see the beauties of Washington and the beauties that Uncle Sam has prepared for them. At the same time that we vote for this bill we play into the hands of some real estate sharks, who think this Government is run to fill their greedy tills. [Applause.]

Mr. HOWARD. Mr. Chairman, I want to use sufficient time to place in the RECORD a certain statement in reply to a statement that the gentleman from Wisconsin [Mr. COOPER] thought proper to make a moment ago, that I made a baseless and unfounded statement, and that it was or was not mine. I want to put in the RECORD an extract from a certain debate that took place on the floor of the House on March 3, 1909, when the discussion of the act for the acquisition of additional land for Rock Creek Park took place. It is to be found on page 3292 of the CONGRESSIONAL RECORD of March 3, 1909. Mr. ANDRUS, of New York, was speaking, and here is what he said:

Mr. Speaker, I have had some experience, having bought a few lots during my life, and I found the assessors' value, as a rule, a pretty good criterion on which to act. On March 30, 1906, evidently a conscience was pricked, and a bill—H. R. 5102—was introduced for $550,000—$50,000 less. On February 16, 1907, conferees of the House and the Senate came to an agreement of $475,000, but it was not satisfactory to the House Committee on Public Buildings and Grounds, and the matter dropped with the expiration of the Fifty-ninth Congress.

The thing took on new life, and on January 27, 1908, the bill S. 4441 was reported for $423,000—a gradual coming down. That bill went directly to one of the appropriation committees, and on May 26 last, under a suspension of the rules, it was defeated by a vote of 57 for and 164 against.

Mr. NORRIS. That was this same bill?

Mr. ANDRUS. This same bill that is brought up to-day. Now, what have the Government and the people lost in these three years? We are talking now about $423,000 as against $600,000 three years ago, a saving to some one of $177,000. The interest on $600,000 for three years at 2 per cent is $36,000. It makes a total of $213,000. It may be a small sum in this House, but, Mr. Chairman, there are 10,000 boys in my district who would be exceedingly happy if in a legitimate way they could make that money in three years. [Applause.]

Mr. COOPER. Mr. Chairman, I ask that I have an opportunity to reply to the speech of the gentleman from Georgia [Mr. HOWARD].

The CHAIRMAN. For what purpose does the gentleman rise?

Mr. COOPER. I rise to reply to the gentleman from Georgia.

The CHAIRMAN. From whom does the gentleman get time?

Mr. COOPER. Can I get time from the gentleman from Texas?

Mr. SLAYDEN. I yield five minutes to the gentleman from Wisconsin [Mr. COOPER].

The CHAIRMAN. The gentleman from Wisconsin [Mr. COOPER] is recognized for five minutes.

Mr. COOPER. Mr. Chairman, I want to tell my good friend from Georgia [Mr. HOWARD], who is usually fair-minded, that for him to quote a baseless statement does not fortify his original wrongful position. The gentleman whom he quoted, Mr. Andrus, made a mistaken statement, devoid of facts to support it, and on the 9th of May, 1913, I brought the mistake to the attention of the House.

One of the troubles in debate is the superficial way in which men sometimes investigate. It was a very careless, superficial investigation which caused Mr. Andrus to make a mistaken charge against the character of a resident of this city. He asserted that $600,000 was asked for a certain piece of property to add to Rock Creek Park, but that a gradual reduction in the price was made, because, as Mr. Andrus alleged, "a conscience was pricked," until the price was brought down to $423,000. Now, that statement was an inexcusable blunder. Here is the way Mr. Glover disposed of it, before a committee of the House, under oath:

Mr. Chairman, the statement that I offered that property to the Congress of the United States at $600,000; that I was pricked by conscience and reduced the sum to $550,000; that it was embodied in any bill by my authority at $475,000; or, as Mr. SIMS says, is now before the House at $435,000, is an unqualified falsehood. I never offered the property save at the one single price of $420,000, plus the $3,000 added by the Commissioners of the District of Columbia.

As that charge stands, I can well understand why Maj. Judson has had to defend my character before some Members of the House. It leaves me, instead of being a public-spirited citizen, a man with an option on a piece of property at $420,000 endeavoring to palm it off on the Government of the United States at $600,000.

I do not believe, Mr. Chairman, that these gentlemen intended to make an untrue statement, but the bill was before them. Here is the identical bill, and the last clause of that bill says that the price of that land was $432,000.

It was one of the most valuable pieces of property that could, under any conceivable circumstances, have been bought by the Government of the United States, beautiful in its magnificent woodland and its

splendid springs, and with the pieces of property already owned by the Government of the United States it would have given about 4,000 feet front from Rock Creek to Thirty-fourth Street on that magnificent avenue.

This property to-day is selling somewhere from about two to four millions of dollars. It is selling from 60 to 75 to 90 cents, or nearly a dollar, per square foot. And I think very much more than that is asked for some of it. It was one of those mistakes which can never be rectified. It has already been laid out in streets and a large sum expended in its improvement. But it is rather an unfair advantage to take of a man who can not get before the House of Representatives to make a statement that could so easily be disproved by the gentleman who refers to the very bill itself that calls for not $600,000 or $435,000 or $550,000, or any other sum, but the exact sum that I offered this property to the Government at all three of the sessions that it was before the Congress of the United States.

Mr. Chairman, I called the attention of the House to the fact that it was Meridian Hill property which was offered at $600,000, and later gradually reduced in price to $423,000, but that the proposed addition to Rock Creek Park was never offered except at one price, $420,000. Mr. Glover never had any interest whatever in the Meridian Hill property.

Those are the facts.

Now, I hope that my friend from Georgia [Mr. HOWARD] will not consider that he has strengthened his original statement any by the baseless quotation which he has made. He has not fortified himself any by merely quoting from another gentleman whose statement was equally devoid of facts to support it. I investigated this matter thoroughly, got an opportunity to extend my remarks in the RECORD, and after weeks of investigation printed a speech which appears in the appendix in volume 50, part 7, first session, Sixty-third Congress, and called attention to the fact that this mistake was made and a great wrong done to an innocent man. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. SLAYDEN. Does the gentleman from Georgia wish to occupy the floor?

Mr. HOWARD. I will ask the gentleman from Texas to yield some of his time.

Mr. SLAYDEN. I yield to the gentleman from California [Mr. KAHN] 10 minutes.

Mr. KAHN. Mr. Chairman, the gentleman from Georgia [Mr. HOWARD] and the gentleman from Alabama [Mr. BURNETT] are of the opinion that the present Botanic Garden is sufficient for the needs of this country. There is not a capital in the world of any consequence that has not an infinitely better and finer botanic garden than has this capital of what we are pleased constantly to refer to as the greatest Nation on the face of God's footstool. Even the city of Manila, over in the Philippine Islands, has a much larger and a much more beautiful botanic garden than has this Capital of a great Nation. The gentleman from Georgia [Mr. HOWARD] and the gentleman from Alabama [Mr. BURNETT] seem to be of the opinion that the Botanic Garden should be moved down to the Potomac Flats. If such a policy were adopted, it would defeat the very purpose of a botanic garden.

In the first place, the Potomac Flats constitute low-lying ground—made ground. The soil there has been drawn from the bed of the Potomac River by a suction dredge. The whole area down there has been filled in. No one can tell when a freshet on the Potomac will wash it out. Such things have happened, and may happen again. A flood may come along any year and do irreparable damage. Through such a calamity the work of years could easily be destroyed in a few hours. We hope that we will never again have a flood here in the city of Washington, and yet no man can look into the future. A great ice jam in the Potomac at Long Bridge might cause an overflow that would wash out many acres of the low-lying soil along the Potomac River. The soil down there, in fact, is nothing but silt, with neither rocks nor clay to hold it against a great rush of water.

But that is not all. The purpose of a botanic garden is educational as much as anything else. The trees and shrubs and plants are brought from all sections of the world. They are planted for the purpose of observation and study by the botanists and scientists of the country. In order to study them thoroughly they should be planted in soil where the conditions are natural, with rocks, clay, gravel, loam—all of the various conditions that are found in the soil that one finds in this vicinity. The trees must be watched year after year, to find out just what progress they make in this climate and in this soil, which are probably far different from the climate and soil to which they are indigenous.

The high grounds of Rock Creek Park are admirably suited and adaptable to a botanic garden. When the matter was up last Wednesday my friend from Illinois, Mr. BALTZ, stated that in his opinion there is no good soil in that section of the city. As a matter of fact, Rock Creek Park has a magnificent growth of trees. There are few sections of the country that have a more beautiful growth of natural forest, and a botanic garden is largely devoted to the growth of forest trees and shrubbery.

Mr. BALTZ. Mr. Chairman, will the gentleman yield?

Mr. KAHN. Certainly.

Mr. BALTZ. Is it the intention of Congress to move the Botanic Garden from where it is now because the soil there is not fitted for a botanic garden?

Mr. KAHN. Not at all. That is not the question involved in this controversy. It is the purpose of Congress to move it because it has outgrown its usefulness in its present location. I merely refer to the fact that the gentleman contended that there was no good soil in that section of the city to emphasize my contention that natural conditions are the best kinds of conditions for a successful botanic garden.

The splendid growth of sycamores, maples, locusts, chestnut, and oak trees that one finds all over Rock Creek Park, and the laurel, dogwood, and other shrubs one finds there show that the soil is admirably suited to the very purpose of a botanic garden. Of course, many of the exotic plants must be propagated and grown in hothouses. That is the case even in the present location.

Mr. BALTZ. Is it not true that the soil is gravelly all through that country?

Mr. KAHN. It does not make any difference what the character of the soil is. It has produced a splendid growth of trees and shrubs, and those are what we want to grow in a botanic garden.

Reference has been made here to some real-estate speculation. I have never heard that any real-estate speculator is interested one way or the other in the removal of this garden from its present location. Certainly, no one has ever spoken to me on the subject. I do not know whether anyone has ever spoken to any Member of the House upon the subject, but Rock Creek Park to-day is nearer the present car lines than the site proposed by my friend from Georgia [Mr. HOWARD].

The walking difference is greater from the Alexandria car line to the location that he would set apart in Potomac Park than it is from the Fourteenth Street car line to Rock Creek Park, up in the northwest section of our city.

Of course, everyone desires to save money for the Government. But it will cost the Government no more to maintain a botanic garden in Rock Creek Park than in Potomac Park. It is idle and misleading to talk of additional expense if the former site be selected. The population of London is proud of its Kew Gardens. The population of the entire United Kingdom is proud of the Kew Gardens, and the population of the entire United States will be proud and should be proud of a proper botanic garden in the city of Washington. The gentleman from Georgia [Mr. HOWARD], I am afraid, has not traveled far. I doubt whether he has ever seen any other botanic garden than the one here in the city of Washington. I may be mistaken, but from what he said upon this subject on this floor I am satisfied that he has never seen any other than the one in Washington. In my judgment, this Government can well afford to remove this Botanic Garden into Rock Creek Park. That park to-day is worthy of this Capital. Improvements to it by way of a botanic garden worthy of this Nation will make it infinitely more beautiful than it is now. Mr. Chairman, we are building for the ages. Let us have the vision of American statesmen. Let us imagine Washington in its glory a thousand years hence. We must not take a narrow, contracted view of this question. We must look at it in a broad light. That is what the American people expect of us when we legislate for their Capital.

The low lands of the Potomac can play a very important part in the development of this city. To my mind, one of the best uses that those lands could be put to would be the laying out of a golf course for the average citizen who can not afford to belong to some high-priced golf club in order to take a little recreation. It would be well to lay out baseball grounds down there and tennis courts down there. It would be well to lay out a track for the young men who want to race and a gymnasium for those who want to develop their muscles. It ought to be given over to recreation and athletics. Potomac Park would serve an infinitely better purpose for the people of this District and for the people of this country if it were put to some uses of that kind. The District Commissioners have already laid out some tennis courts in one section of those grounds, and they have laid out polo grounds in another section of that park. Those things are useful; they are beneficial.

Mr. HOWARD. Mr. Chairman, will the gentleman yield?

Mr. KAHN. Yes.

Mr. HOWARD. Will the gentleman please state to the House about what percentage of the people of Washington and of the United States play polo? For the Lord's sake, will he do that?

Mr. KAHN. I do not know what the percentage is, but the mere fact that there is a ground there that enables those who want to play polo to play it to their heart's content is a good thing in my judgment. I do not care how small the percentage may be of those who play. The grounds are there for all those who want to take advantage of them. The numbers who avail themselves of the opportunity do not count with me. I know they are used for that purpose, and the players afford entertainment and enjoyment to hundreds of interested spectators.

Mr. Chairman, I do not suppose there is a single city in this Union that has the good fortune to possess a large park that has not experienced all kinds of difficulties in securing the necessary appropriations for its purchase and the necessary legislation for its maintenance. And yet, what city would part with its park system after it once has been established? When Central Park was laid out in New York City, it was considered far out of town. To-day it is in the very heart of that magnificent metropolis, a pleasure to thousands of its citizens, a pride to all its inhabitants.

Some 20 years ago the city of London purchased an area of superb beech trees known as the "Burnham Beeches." They are probably 20 miles distant from the present center of the British capital. The people of England have simply looked forward. They feel that in the years to come their capital city will be extended to the Burnham Beeches, and that these will make a beautiful park for generations yet unborn. I hope this House will take a broad view of this question. I hope it will make no mistake in the selection of a proper site for a botanic garden that shall be worthy of this great American commonwealth; and, in my humble judgment at least, the Rock Creek Park site is much more desirable for such a garden than the site on the bank of the Potomac River.

Mr. HOWARD. Mr. Chairman, I would like to use some time myself in order to reply to something the gentleman from Wisconsin [Mr. COOPER] has said. I notice that he is now on the floor. I wish to again call the attention of the gentleman from Wisconsin to the record. I have prepared briefs of evidence long enough to have acquired a habit of trying to stick to the record and to state the record accurately. The gentleman has brought in an individual here that I do not know, and upon whom I have cast no reflections. He has attempted to put me in the position of misstating a fact. If the gentleman says that the gentleman from New York, Mr. Andrus, with whom I did not have acquaintance, willfully misstated the truth about this transaction, the gentleman should place in the same category the gentleman from Tennessee [Mr. SIMS], the gentleman from Minnesota, Mr. Nye, the gentleman from Alabama [Mr. HEFLIN], the gentleman from Kentucky [Mr. SHERLEY], and the gentleman from Missouri [Mr. BARTHOLDT], because they all stated that great reductions in the price of this land had been made as compared to the original price asked.

Mr. COOPER. The gentleman can also put in that list the gentleman from Wisconsin [Mr. COOPER]. I voted that way, because I relied upon the gentleman from New York, Mr. Andrus, a member of the District Committee, having the matter in charge. He was mistaken and misled us all, as the facts, on investigation, plainly demonstrate.

Mr. HOWARD. The gentleman from Wisconsin [Mr. COOPER] is recorded as having voted in the negative.

Mr. COOPER. Surely.

Mr. HOWARD. Now, what are the facts about this. Mr. Nye, of Minnesota, said this, and I want this to go in the RECORD:

> Mr. NYE. Mr. Speaker, if we really want economy, we ought to defeat this bill, because the price of the property has declined $200,000 in the last three years, and if we wait long enough we will get it perhaps for what it is worth. [Laughter.] It has declined $200,000 in a time of the greatest prosperity known in the history of this country. I am opposed to it, for this reason: As a new Member of this House I am appalled at the manner in which legislation is sluiced through here the last minute of the session, legislation which carries millions of dollars, and at the last moment a real-estate scheme is sprung upon us. [Applause.] I am opposed to the bill and I hope it will be beaten more overwhelmingly than it was last session. [Applause.]

Mr. COOPER. Will the gentleman permit an interruption?

Mr. HOWARD. If the gentleman will wait just a second, then I will yield. I read from the report. It is Calendar No. 2811, near the bottom of the third page, says Mr. Andrus, quoting:

> The price named in the bill, $600,000, for about 437,000 square feet of land, or about $1.37 a square foot, is in excess of the estimated value of the land by the board of assessors, their value being $230,000.

Now, that is the record. The gentleman from Missouri [Mr. BARTHOLDT], whom I see sitting before me, at that time chairman of the great Committee on Public Buildings and Grounds, made a statement here, which you will find on page 3792. He corroborated what Mr. Andrus stated about it, and Mr. SIMS corroborated what was stated about it, and Mr. Clayton and Mr. HEFLIN, they all corroborated it. Now, the gentleman from Wisconsin comes in here with the usual method of his, of "shoo, fly; don't bother me, and get out of my way or I will run over you; you do not know what you are talking about," and says I have misrepresented somebody, and Mr. Andrus had before him the report of the committee, and the evidence of Mr. Glover before the committee, which is as follows:

> The CHAIRMAN. How is it, Mr. Glover, with respect to the 88 or 98 acres; would it be possible for you to have the option renewed another year?
>
> Mr. GLOVER. No, sir; that is out of the question, Mr. TAWNEY. They have assessed this ground at $7,500 an acre. The assessment has gone up tremendously.
>
> Mr. FITZGERALD. The assessed valuation of it?
>
> Mr. GLOVER. Yes; they have put it up enormously, and justly so. It is a pretty fine piece of ground. Bell told me the other day that they hardly knew what to do about this thing.
>
> The CHAIRMAN. You think it would be impossible to renew the option?
>
> Mr. GLOVER. Absolutely.
>
> The CHAIRMAN. When will the option expire?
>
> Mr. GLOVER. With this session of Congress.

It was a question of take it now or never, at $1.37 a square foot, for 437,000 square feet, or forever hold your peace and lose this land, and yet in the face of that record the distinguished gentleman from Wisconsin has got the unmitigated gall to denounce his former colleagues and says I am trying to besmirch the character of a gentleman of this town. I now yield 10 minutes to the gentleman from Illinois [Mr. FOWLER].

Mr. FOWLER. Mr. Chairman, I have had my sense of propriety and justice shocked occasionally here on the floor of this House, but I never had it outraged before like the proposition presented in this bill. I am a great lover of nature. I am happier there than anywhere else. When a boy I used to run away from home in order that I might get out and study the birds, bugs, worms, and the flowers. I do not think that there is any man on the floor of this House who appreciates nature any more than I, and I do not think there is any man here who would go any further for the purpose of propagating nature's flowers, plants, and animals than I. Mr. Chairman, the proposition of removing the Botanic Garden over to Rock Creek Park is a mammoth proposition. It is no little affair. The conception of the gentlemen who favor this proposition is much larger than a botanical garden and an arboretum. The cue was sounded by the gentleman from California when he said that they intended to add to it a playground for entertainment. Not only do they expect to add a playground to it, but they expect to add whatever may come up in the future that can be carried by Congress for it. Mr. Chairman, let us see what a botanic garden is—I mean a botanic garden in the sense of the one under consideration. It is a place for the purpose of raising, propagating, and perpetuating flowers and plants for the benefit of Members of Congress, members of the Supreme Court, the President, and his Cabinet. That was the original idea, as we understand, for a national botanic garden, but the definition has been revised of late years, and, in addition to the definition which I have already given, it is for all of those whom I have mentioned and for their special friends and relatives who may call on them for a share in those beauties. That is the botanic garden that we are talking of here to-day, and they call it a national botanic garden. Why, my colleague from Illinois [Mr. MANN], on the floor of this House in the discussion some time ago, said that he was interested in the Botanic Garden because he had been raised in a botanic garden. He further said he was interested in the Botanic Garden because he had visited the one down here so often that every time he went down there he was so familiar that each individual plant and flower in it appeared to say, "Good morning." We are asked now to extend it. Oh, they say that Washington has outgrown the little garden down here where Grant's Monument has been located. Yes; some time in the past encroachments were allowed to be made, and I am not criticizing because that monument is placed there, but undoubtedly the encroachment was made with the design of some men of removing the garden to some other place.

Now, what is the proposition? To put it under the Agricultural Department? Yes. That is the great dumping ground for everything nowadays, a department which was designed for the farmers of this country, a department which is second to none in importance in this country, a department which is needed as much as any other department in this country, and yet is being subordinated to every crank proposition that can be drummed up. Why, this Congress put seismology under one of the branches or bureaus of the Agricultural Department. Now it is proposed to put the Botanic Garden under the direction and control of the Agricultural Department, to take away the

means and abilities of those men who are charged by this Government with the high responsibility of making improvements in farming to-day and reduce it to scientific methods. Yes; to take their minds and their ability away from these duties in order that we may build up a botanic garden out in Rock Creek Park, so that the Members of Congress may get more flowers and plants; so that the members of the Supreme Court and their friends can have more flowers and plants; and so that all who have been sharing in these beauties and favors may have an opportunity to spend more for their friends and more for their relatives.

I beg your pardon for using the term "graft," because I want to use it mildly; but it will be one of the greatest graft heritages of future Congresses. Ah, you say that 400 acres will be an addition to Rock Creek Park, if you can provide it with flowers and an arboretum. I warn you now, my colleagues, that if you put that flower bed over there and an arboretum it will be a "money-eatum," running into the millions before we are done with it. Four hundred acres, practicaly as it fell from the plastic hand of nature, must be reclaimed and prepared before flower beds can be planted and cultivated with any success. It will take money to do this, and the extent of the flower beds and the extent of the arboretum will not end with the 400 acres. Some time in the future some men, like my colleague from Illinois [Mr. MANN], will get an idea that there is not enough down there to say good morning to him, and he will want some more, and will bring in a bill for an addition. As a matter of fact, gentlemen, a botanic garden for the purpose for which this bill proposes is not right in principle. I do not care nor quibble about its location. A botanic garden for the purpose of everybody would be a different proposition, but a botanic garden for Members of Congress is selfish and unjustifiable.

Mr. Chairman, the friends of this bill have incorporated into the report a letter from Dr. Galloway. I presume that Dr. Galloway is an authority. He ought to be an authority on the lily. Some four years ago, while he was acting in the capacity of chief of the Bureau of Plant Industry, he went down to the Bermuda Islands for the purpose of studying the Bermuda lilies. He stayed down there a while, and came back and was sent to southern California for the purpose of studying the calla lily, which grows wild out there. Then he came back to Washington and went to Japan for the purpose of studying the lilium superbum; so that I presume the doctor is an authority, and that is the reason why the friends of this bill have incorporated his letter in the report.

Mr. MOORE. Will the gentleman yield?

Mr. FOWLER. I dislike to yield, because I have only three minutes.

Mr. MOORE. Will the gentleman kindly inform us what it was that the doctor studied. We were unable to hear on this side.

The CHAIRMAN. The gentleman declines to yield.

Mr. FOWLER. The doctor spent a good deal of money, I understand, about $5,000, belonging to the Agricultural Department, for the purpose of going to Japan.

Mr. MOORE. To study what?

Mr. FOWLER. To study the lilium superbum.

Mr. MOORE. That is what we wanted to know.

Mr. FOWLER. And that is the reason why he is relied upon as authority, I presume, and I suppose that he is the greatest authority that they have for removing the Botanic Garden to Rock Creek Park.

Now, I am going to vote against this bill. And I invite every Member of the House to do likewise. It should be defeated by a unanimous vote, and I hope it will be.

Mr. Chairman, I yield back the remainder of my time.

Mr. SLAYDEN. Mr. Chairman, for the purpose of permitting the gentleman from Missouri [Mr. ALEXANDER] to get a bill to conference, I move that the committee do now rise.

The motion was agreed to; and Mr. GARRETT of Texas having resumed the chair as Speaker pro tempore, Mr. JOHNSON of Kentucky, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 12796) to provide for the removal of the Botanic Garden to Rock Creek Park, and for its transfer to the control of the Department of Agriculture, and had come to no resolution thereon.

ADMISSION OF FOREIGN-BUILT SHIPS TO AMERICAN REGISTRY.

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent that the Senate amendments to H. R. 18202 be taken from the Speaker's table, that we disagree to the Senate amendments, and ask for a conference.

The SPEAKER pro tempore. The gentleman from Missouri asks unanimous consent that the Senate amendments to the bill H. R. 18202 be disagreed to, and that the bill be sent to conference. Is there objection?

Mr. MANN. Reserving the right to object, does not the gentleman think it might be well to have a little statement of what this is—I mean the matters in dispute—for the benefit of the country?

Mr. ALEXANDER. The purpose of asking for a conference is to consider the Senate amendments to this bill, to which I have asked the House to disagree. The Senate amended the bill as it passed the House in several important particulars.

Mr. MOORE. Will the gentleman state what this bill is?

Mr. ALEXANDER. If the gentleman will please wait a minute, I will undertake to do so.

I will state for the information of the House that the Senate has added section 3 to the bill H. R. 18202, as follows:

SEC. 3. The President is hereby authorized, whenever in his judgment the needs of domestic trade require, to suspend by order, so far and for such length of time as he may deem desirable, the provisions of law confining the trade from points on the Atlantic coast to points on the Pacific coast and from points on the Pacific coast to points on the Atlantic coast, and from points on the Gulf coast or from the Great Lake ports to points on the Pacific or the Atlantic coast, and from points on the Pacific or Atlantic coast to points on the Gulf coast or to ports on the Great Lakes, to American-built ships, and permit foreign-built ships having an American register to engage in the trade between said points.

That is a new provision which has been inserted in the bill by the Senate. Also a provision has been inserted in the bill admitting to American registry a vessel for the use of the American Red Cross. Also a provision permitting naval officers of the United States, active or retired, and men serving or employed in the Navy of the United States, upon application made by them to the Secretary of the Navy, to accept such temporary service on board vessels registered under the terms of the act as may not be detrimental to the naval efficiency of the United States, without prejudice to their rank or status in the naval service or any loss, prejudice, or detriment whatever.

Also there is a provision inserted by the Senate that the Secretary of the Navy is authorized to direct the navy yards to be used for the purpose of repairing and keeping in a seaworthy condition all merchant vessels now or hereafter registered under the American flag.

These are all new and very important provisions that have been inserted in the Senate, and matters to which, of course, we desire to give careful consideration in the conference.

Mr. MANN. Will the gentleman yield a little time to me?

Mr. ALEXANDER. I will yield to the gentleman five minutes.

Mr. MANN. Mr. Speaker, I shall not object to the request of the gentleman from Missouri [Mr. ALEXANDER] to send this bill to conference after a formal disagreement to the Senate amendments. I have discussed the matter with a good many Members on this side of the House, and every one, I think, concedes that that is the only practical method of procedure—for the House to pass the bill to meet the emergency in reference to our foreign trade. The Senate has added various amendments to that which are not—many of them, at least—for the purpose of meeting an emergency, but for the purpose of enacting permanent legislation. Of course the original House bill was in the form of permanent legislation, because it was thought advisable to put it in that form rather than enact it as a temporary measure, owing to the chance of foreign complications if it were stated to be merely a temporary measure.

One of the provisions of the bill as it comes from the Senate opens up a very interesting question, which, I think, could not well be disposed of without careful deliberation. It is proposed by the so-called Jones amendment, as amended by the so-called Williams amendment, to authorize foreign-built vessels admitted to American registry to carry on commerce between the Pacific coast and the Atlantic coast, and also to carry on commerce between the Gulf coast and the Atlantic or Pacific coasts and also to carry on commerce between the Lake ports and the Atlantic and Pacific coasts. Under the terms of this amendment it would be possible for foreign-built ships admitted to American registry to carry grain or other freight from Galveston or New Orleans to New York, or from Tampa, Fla., to New York, while the same privilege was denied to vessels running from Jacksonville to New York; or vessels on the Lake ports might have freight carried by way of the Welland Canal from Lake ports to the Atlantic coast or to the Pacific coast by foreign-built vessels, but those same vessels could not carry commerce between the Lake ports and the Gulf ports.

Outside of the economic feature involved, there is a constitutional feature involved. The provision of the Constitution is—

No preference shall be given by any regulation of commerce or revenue to the ports of one State over those of another.

Now, this is a regulation of commerce. Suppose we had said in the bill that ports lying west of the mouth of the Mississippi River might have their commerce carried in foreign-built ships, without giving the same privilege to the ports on the Mississippi River or those lying east of the Mississippi River, so that you gave a preference to Galveston over New Orleans and Mobile. Anyone could see that that would be giving preference to the ports in Texas, at Galveston and other ports, over ports lying east thereof.

It is quite as easy to see that you are giving a preference to the ports on the Gulf, it seems to me, as it would be over ports on the Atlantic coast. I do not undertake to say whether giving the preference right to the ports on the Pacific coast and on the Atlantic coast in regard to trade between the two would be giving a preference to ports of one State over those of another. But the provisions of this bill as it stands now with the Senate amendments, in my judgment, are unconstitutional, and would probably render the whole bill unconstitutional if it were enacted into law.

There is another feature of the bill, giving authority to the navy yards to repair merchant-marine vessels under regulations to be established, it not even being required that the owners of the vessels shall pay for the repairs, although I assume it was intended to have a regulation to that effect, if it becomes necessary. If our fleet under the American flag grows so rapidly that the private shipyards are unable to fairly take care of the repairs of vessels, I would be in favor of permitting those vessels to be repaired at the navy yards temporarily. But I do not believe that the Government is called upon as a permanent policy to start in to repair merchant-marine vessels.

I say these things because I think the country in part will want to know why there is any delay in the final consideration of this bill, and it seems to me—and I agree thoroughly with the gentlemen on the other side—that the Senate amendments ought to be sent to conference instead of being concurred in now.

Mr. FALCONER. Mr. Speaker, I want to ask if this amendment has been printed or the bill printed?

The SPEAKER pro tempore (Mr. ADAMSON). The gentleman from Missouri [Mr. ALEXANDER] is entitled to the floor.

Mr. ALEXANDER. I hope that there will be no further delay on this proposition.

Mr. MANN. I can furnish the gentleman with a copy of the Senate amendment, which is a copy of the engrossed print. It has not been printed for the document room.

Mr. ALEXANDER. It is not available yet for general distribution.

Mr. FALCONER. I do not want to delay the passage of the bill, but I would like to get information as to the Senate amendment.

Mr. HUMPHREY of Washington. Mr. Speaker, I was not on the floor when the gentleman from Missouri rose. Is this a request for unanimous consent to send the bill to conference?

Mr. ALEXANDER. Yes.

Mr. HUMPHREY of Washington. Will the gentleman yield to me a minute so that I can say a word or two?

Mr. ALEXANDER. I will yield to the gentleman two minutes.

The SPEAKER pro tempore. The gentleman from Washington [Mr. HUMPHREY] is recognized for two minutes.

Mr. HUMPHREY of Washington. Mr. Speaker, I agree with the gentleman from Illinois [Mr. MANN] and with the gentleman from Missouri [Mr. ALEXANDER] that this matter ought to be expedited. While I think we will get practically no relief under it, yet at the same time, as the administration wants it, I think we ought to pass the bill promptly.

What I did want to say is that I would like to have some understanding about debate when it returns to the House. It is a matter of very great importance, and we ought to have some time to debate it when it comes back.

Mr. ALEXANDER. I do not think there will be any trouble about having reasonable debate.

Mr. HUMPHREY of Washington. In regard to the provision of which the gentleman from Illinois [Mr. MANN] speaks, I had a conversation this morning over the telephone—if I may violate the rules to that extent by referring to it—with Senator JONES. His construction of that amendment does not agree with the construction that apparently the gentleman from Illinois places upon it and with the construction that I am constrained to place upon it. I believe it is a very serious question whether that amendment is not a violation of the provision of the Constitution which was read by the gentleman from Illinois. That is another reason why I think the bill ought to be sent to conference. The conferees would probably be able to thrash out that question.

That is all I have to say under the circumstances. I have no objection to its going to conference.

Mr. ALEXANDER. Mr. Speaker, I ask that the Chair put the request to the House.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri [Mr. ALEXANDER] that the House disagree to the Senate amendment to the bill (H. R. 18202) to provide for the admission of foreign-built ships to American registry for the foreign trade, and for other purposes, and ask for a conference?

There was no objection; and the Speaker pro tempore announced as the conferees on the part of the House Mr. ALEXANDER, Mr. HARDY, Mr. UNDERWOOD, Mr. GREENE of Massachusetts, and Mr. MANN.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Crockett, one of its clerks, announced that the Senate had insisted upon its amendment to the bill (H. R. 18202) to provide for the admission of foreign-built ships to American registry for the foreign trade, and for other purposes, disagreed to by the House of Representatives, had agreed to the conference asked by the House on the disagreeing votes of the two Houses thereon, and had appointed Mr. O'GORMAN, Mr. THORNTON, Mr. SHIELDS, Mr. PERKINS, and Mr. BORAH as the conferees on the part of the Senate.

REMOVAL OF BOTANIC GARDEN.

The SPEAKER pro tempore. The House automatically resolves itself into Committee of the Whole House on the state of the Union, with Mr. JOHNSON of Kentucky in the chair.

Mr. TEN EYCK. Mr. Chairman, I now yield 10 minutes to the gentleman from Missouri [Mr. BARTHOLDT].

Mr. BARTHOLDT. Mr. Chairman, I do not think I shall require 10 minutes, because nearly all that could be said on this subject has been said. I want to call attention, however, to the main issue involved in this bill, an issue which should not be beclouded by any charges of real-estate speculations or anything of the kind. Insinuations of this character are a matter entirely foreign to the members of the Committee on the Library, and probably to the majority of the Members on this floor. Certainly if every improvement in this District were to be halted merely because somebody would profit by it, owing to the enhancement of real estate values, there would never be any improvement at all. As Rock Creek Park is already an established park, it is incomprehensible to me how any real estate could be benefited by using part of it as a botanic garden.

The question is, Shall we have a National Botanic Garden or not? Shall we have an institution worthy of our country or not? Shall we emulate the example of the other civilized nations of the world in establishing a botanic garden, and by so doing promote the cultivation of flowers so conducive to love of home and of country? When last year I had the pleasure of making a trip through the old fatherland I was surprised to find nearly every vacant space, every back yard, and every window covered with flowers, so that I realized how literally true it is when that country is called "the land of flowers." I was told that this cultivation of flowers was being promoted mainly by the great botanic gardens which are to be found in nearly all the larger cities of the country. I could not help but feel that we in the United States are certainly somewhat behind in that respect, and I made up my mind that if ever I would have a chance during my incumbency as a Member of this House to favor a proposition to give us a botanic garden worthy of the name and worthy of this country, I would certainly vote for it.

The Committee on the Library, of which I am a member, have carefully considered the best sites that might be selected for such a purpose. The Potomac Flats have been considered, but experts tell us that it would be absolutely useless to locate the Botanic Garden there, because they need undulating ground for the purpose of cultivating trees, flowers, shrubbery, and so on. Besides, that site is not large enough. If the Congress wants to appropriate money for the purpose of establishing another park, well and good. We can beautify the Potomac Flats for that purpose, but it would not be what we want—namely, a botanic garden. The assertion repeatedly made during this discussion, that it would cost millions, is absurd on the face of it. Dr. Galloway estimates that no increase of the appropriation which is now being made for the Botanic Garden will be necessary if we transfer it to Rock Creek Park, and that appropriation amounts to about $30,000. When once that garden is established on the scale contemplated, it will be practically self-sustaining, from the fact that we will sell plants and flowers

and trees to all the municipal and private parks all over the country, as is being done by the great botanic gardens in Europe.

Now, I want to refer for just one minute to this bugaboo of a real estate speculation. My friend from Georgia [Mr. HOWARD] seems actually to be laboring under the impression that there is a real estate speculation connected with this proposition. He would come very much nearer the truth, however, if he asserted that the opposition to this bill is created by real estate speculators; that behind the opposition to this bill stands the ring of real estate men who do not want us to locate that establishment in Rock Creek Park. The real estate men of Washington can not get it into their heads that any great improvement should be made in this city without the Government going into its pocket and paying money for the site; and that is what is behind this opposition, my friends. They simply play out the Potomac Flats now. They say, "Let us have the Botanic Garden in the Potomac Flats rather than in Rock Creek Park," which means that they will succeed in killing this bill. After they have killed this bill they will say, "Oh, well; Potomac Flats would not do for a great national botanic garden," and then they will get you to vote for an appropriation to purchase a site in this city or outside of its limits for that purpose. Therefore I think I am justified in saying that behind the opposition to this bill are the real estate speculators of this city.

Mr. BURNETT. If the substitute of the gentleman from Georgia [Mr. HOWARD] is adopted, for the Potomac Flats, there would be no real estate speculation in that, would there?

Mr. BARTHOLDT. They would soon find that that site would not do for a botanic garden.

Mr. BURNETT. They would have to repeal that, would they not, before they could go anywhere else?

Mr. BARTHOLDT. If that substitute is adopted, it simply means to establish a new park here in the city; but it could not possibly be used for the purposes for which this is to be used, and for which the department wants to use it, namely, a great botanic garden.

Mr. BURNETT. The gentleman spoke about the botanic gardens in Europe. Did he ever visit the botanic gardens at Marseille, in France?

Mr. BARTHOLDT. No; I never did.

Mr. BURNETT. If the gentleman had visited them, he would have found that there, where there are the greatest propagating gardens, I suppose, in Europe, it is a flat and low country around Marseille, where they propagate a great many of the seeds of the fine geraniums and plants of that kind that are sent to this country. It is a low, flat country.

Mr. BARTHOLDT. I must say that I have been induced to favor this bill just because Rock Creek Park is so exceptionally adapted for the purpose of establishing a botanic garden, and just because it will not be necessary, if we locate the garden in that park, to put our hands into the Treasury and purchase additional land for that purpose.

Mr. HOWARD. Mr. Chairman, will the gentleman yield?

Mr. BARTHOLDT. Certainly.

Mr. HOWARD. Will the gentleman state why, in his opinion, Potomac Park is absolutely unsuited for botanic gardens?

Mr. BARTHOLDT. Because the ground is flat. It is not what we want to see in a botanic garden. We should have undulating grounds, nurseries, shrubberies, and full cultivation, and you can not have that on flat ground.

Mr. HOWARD. Could they not move all of that over where they ought to have it now?

Mr. BARTHOLDT. The fact is that in Kew, where the great botanic gardens of England are located, they had to wait pretty nearly half a century before they could have trees such as we fortunately have now in Rock Creek Park. They had to expend millions of dollars for the purpose of providing the very hills which nature has provided in Rock Creek Park, and therefore I can not help but think that anyone who would oppose the selection of Rock Creek Park for that purpose must be actuated by some motive, no doubt unwittingly, which will eventually lead him to vote for an appropriation of money to purchase a site for a botanic garden.

Mr. HOWARD. Why do they want trees? I thought the purpose of establishing a botanic garden was to propagate these things, and those the gentleman says we have already.

Mr. BARTHOLDT. Oh, we propagate trees.

Mr. HOWARD. I thought it was for rare plants, shrubs, and all that sort of thing.

Mr. SLAYDEN. Mr. Chairman, the bill specifically calls for an arboretum—tree cultivation, as well as plant.

Mr. BARTHOLDT. Mr. Chairman, I want now to call attention to a statement made by an expert, who, I believe, enjoys the confidence and respect of every Member on the floor of this House.

Dr. B. T. Galloway, Acting Secretary of Agriculture, says:

Rock Creek Park offers a peculiarly suitable location for a national arboretum and botanical garden, in that it has a variety of soils and exposures which are essential for the proper cultivation of a wide variety of plant species, and already contains a remarkable collection of native trees and shrubs. We would not for a moment consider any work in Rock Creek Park which would tend to destroy its natural beauty. On the contrary, our object would be to enhance the beauty of the park through the gradual accumulation of collections of plants in such way that they would serve a useful purpose to the whole country, as well as enhance the beauty of the local surroundings.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. SLAYDEN. Mr. Chairman, I will ask the gentleman from Georgia to use some more time now.

Mr. HOWARD. The gentleman has one more speech, or how many?

Mr. SLAYDEN. Oh, I have two or three.

Mr. STAFFORD. How much time remains, Mr. Chairman?

The CHAIRMAN. The gentleman from Texas has 25 minutes and the gentleman from Georgia 13 minutes.

Mr. SLAYDEN. Mr. Chairman, I yield five minutes to the gentleman from Wyoming [Mr. MONDELL].

Mr. MONDELL. Mr. Chairman, we have been maintaining for quite a number of years what we have called, as a matter of courtesy, a botanic garden. The area available where the garden is now located has long been realized to be altogether insufficient for the purpose of a national botanic garden, and the necessity for the removal of the garden is increased by the fact that we have recently placed the Grant Monument in the garden, taking a considerable portion of the altogether too limited space which we had there. It is therefore necessary to move the Botanic Garden. It has been suggested that we place it down in the water-logged swamp at the lower end of Potomac Park. I assume that anyone who has any conception of what a botanic garden ought to be, who has visited that tract, realizes how improper it would be, how altogether destructive of the objects sought, it would be to place it there. Some have suggested that the garden might be placed across the river on the lowlands below Arlington. That would be a better location, and yet not a satisfactory one. Fortunately, we have in Rock Creek Park a location ideal in every way, a tract fronting on one of the finest streets in the city, easily accessible by street cars, several hundred acres of beautiful woodland, open glade, valley, and hill slope; lands with a variety of soil; lands sloping in various directions, fertile as any lands in this immediate vicinity; in every way adapted for the purposes which we seek to serve in the establishment of a national botanic garden. It is exceedingly fortunate that we have those lands. If we had not owned them, we would have needed to acquire them. I am familiar with them. I have been over the tract quite recently, carefully, and I must say that there is no place near Washington so admirably suited in every way for the location of this governmental institution. We ought to have a good botanic garden, one which will be a credit to the Nation; a place where we can gather the beautiful and useful plants of all the earth—such, at least, as will grow in this climate—a show place, and yet a garden useful to all of the people of the country, giving them an idea of what nature produces throughout the world, and an opportunity to select, for the beautification of their own homes and gardens and surroundings, these plants gathered here from the ends of the world. It is very fortunate, Mr. Chairman, that we own this location; and it is very fortunate that at this time, when it is necessary to remove the garden from its present location, that we are proposing to move it to Rock Creek Park. [Applause.]

Mr. SLAYDEN. Mr. Chairman, I want to consume just a few minutes myself, and then the gentleman from Georgia will close, and after that I will yield to the gentleman from Illinois [Mr. MANN].

Mr. Chairman, there seems to be a general misapprehension as to what a botanic garden is or should be. A botanic garden is not a mere rose garden, nor is it a place for the cultivation of lilies. If that were true, perhaps the place suggested by my friend from Georgia would be entirely appropriate, but I have been told by certain people in Washington—among others, by the present superintendent of the Botanic Garden—that these flat lands are utterly unsuited even for the cultivation of some flowers. Roses, for example, do not do well down there. As has been mentioned by the gentleman from Missouri [Mr. BARTHOLDT], all qualified writers and experts on botanic gardens say that there should be hills and valleys, running streams, if possible, and a topographical variety. Rock Creek Park nearly everywhere offers those conditions. It is not in the mind of the committee to put this Botanic Garden at any particular spot

in Rock Creek Park, but, perhaps, about halfway between the limits of this park running from the south to the north. There is a Zoological Park at the south end, and the reservoir up toward the north. Within that section, it is stated, can be found all of the conditions laid down by botanic experts as necessary for the proper development of a botanic garden. In the four or five minutes I want to use I can only briefly refer to one or two questions that have been raised.

Some gentlemen seem to have in their minds a suspicion that other gentlemen are either interested in real estate transactions or that they have been unwittingly made the tools of people who are. Well, I repudiate that for every member of the committee, and I think I can repudiate it for practically every Member of this House. I have been here as a Member of Congress for 18 years and I have never owned an inch of real estate in the District of Columbia. I never expect to own an inch of real estate in the District of Columbia. I have no interest in the development of the city in any one direction, but it does occur to me, Mr. Chairman, that it is impossible to make any improvement of any kind—north, south, east, or west—that incidentally and unavoidably will not confer benefit upon property owners in that neighborhood. That is one of the things we can not avoid, but it offers no sound reason, in my judgment, for undertaking to create a suspicion of interest in the mind of anyone. Sixteenth Street is extended already for a considerable distance beyond the point that some gentlemen have in mind as the place where the Botanic Garden should be placed. Of course it will ultimately be extended if the District of Columbia goes on growing and if the city of Washington continues to grow in the future as it has in the past. I do not know that I feel any particular interest in the growth of the city of Washington. It is big enough now. It is quite as big as any city ought to be, in my judgment, but it will grow, no matter what my personal views are, and as it grows streets will be opened and the development will extend in all directions, and it is no reason for opposing a project which is an honest one in every particular. Gentlemen ask also what good reason there is for marring the beauty of Rock Creek Park. There is no good reason that can be offered. There is no good reason of any kind which could possibly be offered for such a thing. Some people believe that the putting of a botanic garden in Rock Creek Park will mar the beauty of that particular park and lessen the enjoyment of the people in it. If it did so, I would be opposed to it, but I believe that the putting of the Botanic Garden in Rock Creek Park will beautify the park itself and will add to the pleasure of the people who visit it.

It is not intended to use 400 acres of land in the cultivation of plants. That was an arbitrary figure put into the bill by the author. It may be wrong. It may be too little, and, as I said in my opening remarks last Wednesday, it may be too much. I do not pretend to know about that. It makes no difference to me if the area be reduced.

I have no special interest in that. It is not intended, if the 400 acres are conceded by the House, that the whole 400 acres shall be put into a plant garden. It is highly probable that in 100 years from now there will not be 100 acres of that land devoted to the cultivation of plants. A large part of the 400 acres is already covered by forest, and as this is frankly a bill for the cultivation of trees as well as plants, it would be foolish, and no one would dream of destroying the native forest trees. We want them to stand. One of the most economical things we can take up in this country is the cultivation of our forests. How to conserve our forests, how to grow other trees to take their places when these are gone, is important. One hundred years ago Europe destroyed her great forests. The result was a bad effect upon the climate of such countries as Spain, for example, and in the last 40 years or so the great European nations have devoted much time and thought and money and the skill of its learned men to the reforestation of those countries. We ought to be prepared to do the same thing; and in order to do it intelligently, we must have scientific research and advice. The land which it is proposed to take in Rock Creek, or which has been suggested to be taken, because it is not specifically defined anywhere, offers, so soil experts say, an excellent opportunity and splendid conditions for the cultivation of plants; and the idea in the minds of those of us who are interested in this project was that when we get such a project established it will develop into a great establishment and be of immense economical advantage. We not only cultivate flowers in botanic gardens, but we cultivate plants for other reasons; we cultivate plants out of which drugs are made; we cultivate plants which will add to the health and comfort of our fellow citizens.

Now, Mr. Chairman, how much time have I used?

The CHAIRMAN. The gentleman has used eight minutes.

Mr. SLAYDEN. I will yield the floor to my friend from Georgia [Mr. HOWARD].

Mr. HOWARD. Mr. Chairman, I will yield the remainder of my time—13 minutes—to the gentleman from North Carolina [Mr. PAGE].

Mr. DONOVAN. Mr. Chairman, I wish to make the point of no quorum.

The CHAIRMAN. The Chair will count. [After counting.] Sixty-two gentlemen are present—not a quorum.

Mr. KINKEAD of New Jersey. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. KINKEAD of New Jersey. Is it too late now if the gentleman should withdraw his point?

The CHAIRMAN. The gentleman has not indicated a wish to withdraw it.

Mr. KINKEAD of New Jersey. But the gentleman is in a receptive mood, Mr. Chairman.

The CHAIRMAN. The Clerk will call the roll.

The roll was called, and the following Members failed to answer to their names:

Ainey	Esch	Humphreys, Miss.	Peterson
Anderson	Estopinal	Jacoway	Phelan
Anthony	Fairchild	Johnson, S. C.	Platt
Ashbrook	Faison	Johnson, Utah.	Plumley
Aswell	Fess	Jones	Porter
Austin	Fields	Kelley, Mich.	Powers
Barchfeld	Finley	Kennedy, Conn.	Prouty
Bartlett	Fitzgerald	Kennedy, R. I.	Ramsdale
Bathrick	Flood, Va.	Kent.	Rainey
Beall, Tex.	Fordney	J. R. Knowland	Riordan
Bell, Ga.	Francis	Konop	Sabath
Borland	Frear	Korbly	Saunders
Broussard	French	Lafferty	Sells
Brown, N. Y.	Gard	Langham	Shackleford
Brown, W. Va.	Gardner	Langley	Sherley
Browne, Wis.	George	Lazaro	Shreve
Browning	Gillett	Lee, Ga.	Slemp
Bruckner	Glass	L'Engle	Smith, Md.
Bulkley	Goeke	Lenroot	Smith, N. Y.
Burke, Pa.	Goldfogle	Lever	Sparkman
Butler	Goodwin, Ark.	Lewis, Pa.	Stanley
Byrns, Tenn.	Gordon	Lindbergh	Steenerson
Calder	Gorman	Lindquist	Stephens, Miss.
Callaway	Goulden	Linthicum	Stephens, Nebr.
Carew	Graham, Ill.	Loft	Stephens, Tex.
Carlin	Graham, Pa.	McAndrews	Stevens, N. H.
Carr	Green, Iowa	McClellan	Stringer
Chandler, N. Y.	Gregg	McGillicuddy	Switzer
Clancy	Griest	McGuire, Okla.	Taylor, N. Y.
Clark, Fla.	Griffin	McKenzie	Townsend
Coady	Gudger	Madden	Treadway
Copley	Hamill	Mahan	Tuttle
Covington	Hamilton, Mich.	Maher	Underhill
Cramton	Hamilton, N. Y.	Martin	Vare
Crisp	Hardwick	Merritt	Vollmer
Crosser	Haugen	Miller	Walker
Dale	Hawley	Montague	Wallin
Davenport	Hayes	Morgan, La.	Walters
Decker	Heflin	Morin	Watkins
Dershem	Helgesen	Mott	Weaver
Dickinson	Henry	Murray, Okla.	Webb
Dies	Hill	Neeley, Kans.	White
Difenderfer	Hinds	Neely, W. Va.	Willis
Dooling	Hinebaugh	Nelson	Winslow
Doremus	Hobson	O'Leary	Woodruff
Doughton	Howell	Padgett	Woods
Driscoll	Hoxworth	Parker	
Dupré	Hughes, Ga.	Patton, Pa.	
Elder	Hughes, W. Va.	Peters, Me.	

Thereupon the committee rose; and Mr. ADAMSON having assumed the chair as Speaker pro tempore, Mr. JOHNSON of Kentucky, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 12796, and finding itself without a quorum, he had caused the roll to be called, and 239 gentlemen answered to their names, and that he presented therewith a list of the absentees.

The SPEAKER pro tempore. The committee will resume its session.

The CHAIRMAN. The gentleman from North Carolina [Mr. PAGE] is recognized for 13 minutes.

Mr. PAGE of North Carolina. Mr. Chairman and gentlemen of the committee, when this bill was under consideration on last Wednesday, and I submitted some reasons why in my judgment it should not pass, I did not at that time expect to have anything more to say upon the bill. For the benefit of a number of members of the committee who may not have been here during the discussion and who may not for themselves have examined the provisions of the bill pending, I will say that this is a proposition for the removal of the National Botanic Garden, now located at the foot of Capitol Hill, the proposition being to remove it to Rock Creek Park, and by the provisions of the pending bill appropriating 400 acres of land within the park for the purpose of a botanic garden.

This 400 acres, by the terms of the bill and by the statements made by those gentlemen who are favoring its passage, has not

been selected. It might be, if the bill passes as it is now worded, that any 400 acres of the 2,200 comprising the Rock Creek Park might be selected for the purpose indicated. True, it is stated that it is proposed to establish this Botanic Garden in the northern end of Rock Creek Park.

Some gentlemen have stated that if this bill becomes a law it is proposed to establish this garden near the reservoir at the head of Sixteenth Street. Other gentlemen have named other localities within the park. The truth is, there has been no spot within this park of more than 2,000 acres that has been selected for the purpose of carrying out the provisions of the bill now pending, and, as I said a while ago, it might be located anywhere within this park, in the very center of it, for that matter, if in the wisdom of this commission that is named under the terms of the bill they so direct.

Mr. Chairman, so far as I am concerned, I believe that the National Government might continue to exist for a little while longer without a botanic garden upon the scale that is contemplated here, or, for that matter, without any botanic garden at all. There is a question in my mind as to whether or not it is a proper and legitimate channel for the expenditure of money from the National Treasury. My friend, the gentleman from Texas [Mr. SLAYDEN], the chairman of the committee, in his remarks only a few minutes ago made the statement that it was proposed, in connection with the cultivation of plants and flowers, to investigate the forestry conditions, the growth of trees and the methods for the preservation of trees, and for the preservation of the forests of the country. Why, certainly my friend from Texas forgot that already in the Department of Agriculture there is a Bureau of Forestry, that is provided for by appropriation and that is actively engaged in the very scientific research in the very direction that he has pointed out is to be carried on by this bill if it becomes a law. Why, gentlemen of the committee, it is making possible a duplication of work that is already being appropriated for and carried on at great expense to the Government. Are there not enough duplications already in the activities of the National Government from appropriations that are made to the various departments by the Congress? Certainly, if the gentleman's statement is to be taken at its face value, here we are to appropriate money to scientifically study the question of forestry and the preservation of our forests, in spite of the fact that we already have a bureau in the Department of Agriculture for this very purpose.

The gentleman from Missouri [Mr. BARTHOLDT] was making comparisons of our country with foreign countries in the matter of appropriations for the preservation and care of botanic gardens. Why, gentlemen of the committee, it seems to me that not only in this direction but also in a great many others we have already gone out of our way imitating foreign Governments to our hurt. I do not believe that we are called upon to imitate every foreign Government in every branch of its activities in the expenditure of money from the National Treasury.

There is another matter in connection with this proposed appropriation. Why establish it in the National Capital? Why locate it in Washington, to be placed under the Department of Agriculture—a department that is supposed to have the care of the agricultural interests of this great country of ours? But no; when this is placed under its charge—and I believe if we are to have a botanic garden it ought to be under the charge of the Agricultural Department—it must be established in the city of Washington. Why? Can anybody tell me why it ought to be placed here in preference to any other place, possibly over places more centrally located, from which a larger constituency would derive benefit than if placed here? Oh, no; there is always an influence here that brings within the District of Columbia an appropriation for anything that takes money out of the National Treasury.

Now, let us see what this means. Here is the Rock Creek Park, maintained by appropriations chargeable half to the United States Treasury and half to the District of Columbia. Situated within this great park is the National Zoological Park. The maintenance of that park and the appropriations for it are made half from the National Treasury and half from taxes derived from property in the District of Columbia. Now, it is proposed by this bill to take out 400 acres from this park, maintained by both the Nation and the city, and place the entire cost of its maintenance, the building of its roads, and all that, upon the National Treasury, contributed to by your constituents and mine wholly.

Mr. SLAYDEN. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from North Carolina yield to the gentleman from Texas?

Mr. PAGE of North Carolina. Yes; I yield to the gentleman.

Mr. SLAYDEN. Mr. Chairman, the gentleman, I suppose, wants to be perfectly accurate in his statements?

Mr. PAGE of North Carolina. Certainly I do not want to make an inaccurate statement.

Mr. SLAYDEN. It does not take out 400 acres. It simply fixes a limit beyond which they can not go.

Mr. PAGE of North Carolina. Did the gentleman ever know of a limit fixed and any department of this Government given the discretion when it did not "go the limit"? [Laughter.]

Mr. SLAYDEN. Well, I think there have been cases of that kind.

Mr. PAGE of North Carolina. The gentleman from Texas is asked how much this 400-acre garden is going to cost, and he makes the statement, based upon the opinion of one man only, that it will cost no more to maintain a 400-acre botanic garden than it costs now to maintain a 5-acre garden at the foot of Capitol Hill.

Mr. SLAYDEN. Mr. Chairman, will the gentleman yield again?

Mr. PAGE of North Carolina. Yes.

Mr. SLAYDEN. The gentleman raised the question a moment ago as to whether it was the proper thing for the Government to make an appropriation for the Botanic Garden. Has the gentleman taken that position as a member of the Committee on Appropriations? Has he not as a member of that committee voted for appropriations for an alleged botanic garden?

Mr. PAGE of North Carolina. Oh, I voted for that established institution, as I have for many others that my judgment did not approve.

Mr. SLAYDEN. This is an established institution.

Mr. PAGE of North Carolina. I understand that, and I have voted for it; and I will be frank to say to the gentleman that if I had the slightest idea that this botanic garden could be maintained on the scale proposed in this bill for the modest appropriation that is now being made I should not oppose this bill. But I know enough, and other Members of this House know enough, to know that in spite of the expressed opinion of one man, a botanic garden can not be established and maintained upon even 100 acres of ground anywhere and cost no more than the appropriation that is now being made for its maintenance upon 5 or 6 acres of ground. It is preposterous upon its face; and while I do not know or pretend to say what the tax on the National Government will be if this bill becomes a law, yet I am satisfied it will be multiplied many times over the present appropriation for the maintenance of this garden.

I want to say to the members of this committee that you may or I may or any of us may desire the maintenance of a botanic garden for the purpose of furnishing us plants and flowers that we may in turn furnish a few to our constituents; but I want to say to you that whatever this appropriation may be for the maintenance of this 400-acre garden that is to be laid out within Rock Creek Park, for which your constituents and mine are expected to contribute the expense of its maintenance, they will derive practically no benefit, because if it is put there, not one in twenty of them who come to the city of Washington will ever see it. Much has been said here as to its accessibility to the general public if it is located where most of the Members who have spoken on the subject have said it will be located, near the reservoir at the head of Sixteenth Street. If it is located there, it will be adjacent to the largest undeveloped real estate proposition there is in the District of Columbia. I have no idea that any gentleman interested in this bill has been biased in the slightest degree because of that fact, nor has he any interest in it; but nevertheless it is true, and, incidentally or otherwise, the largest benefit that will flow out of the establishment of this Botanic Garden will be the benefit that will come to the adjacent private property owners in that section of the city.

Mr. Chairman, I am not obsessed with the substitute offered by my friend from Georgia [Mr. HOWARD], because I do not know, nor is my mind fully made up, that we want to go out on so large a scale in the establishment of a botanic garden for the benefit of a few people in this country. My friend from Texas [Mr. SLAYDEN] says it is to be made a source of profit; that they are to grow plants and sell them to other botanic gardens, and to individuals, I imagine. Well, they must sell to somebody if it is to become a source of profit. Who ever knew the Government to sell anything for pay?

Mr. SLAYDEN. The gentleman misunderstood me.

Mr. PAGE of North Carolina. I am sorry if I did.

Mr. SLAYDEN. I said a source of economic value. If I used the word "profit" I think the context will show that that was the sense in which I used it.

Mr. PAGE of North Carolina. I understood him in a different way when he was on the floor; but even in the sense in which the gentleman explains, suppose it was for the cultivation of plants for medical purposes, why, we have a Bureau of Plant

Industry in the Department of Agriculture, largely appropriated for, and manned by experts chosen for that purpose, to point out to the people the economic value of the growth of plants. Gentlemen of the committee, there is but one purpose, and that is an esthetic one, to grow flowers and ornamental plants for the beautification of a certain spot in the District of Columbia, largely for the benefit of the population of the District of Columbia, and incidentally for the Members of the House of Representatives and the Senate, and others who can draw upon it for the sending out of these plants. I do not believe we can justify the appropriations that will grow, in proportion to the value of the institution, and I very much hope that this bill will be voted down by the membership of this committee. [Applause.]

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. SLAYDEN. Mr. Chairman, I yield one minute to the gentleman from Massachusetts [Mr. THACHER].

The CHAIRMAN. The gentleman from Massachusetts is recognized for one minute.

Mr. THACHER. Mr. Chairman, brevity is the soul of wit, and I will say all I can in one minute.

The gentlemen opposed to this bill have been very eloquent, indeed, but not in all cases very logical. They have criticized the Committee on the Library very severely. Our judgment has been impugned. The expression "land sharks" has been thrown over our heads, and in the same breath some of these gentlemen have criticized our committee because the bill removes the Botanic Garden from the control of the Committee on the Library and puts the Botanic Garden under the control of the Secretary of Agriculture. If these gentlemen have apparently so little confidence in our Committee on the Library, why do they object to removing the control of this botanic garden from our committee to the Secretary of Agriculture? The gentlemen on this committee have studied the question carefully, and they have made a unanimous report in favor of the removal. The distinguished gentleman from Illinois [Mr. FOWLER] says, with a great deal of heroism, that he will volunteer as general to lead a charge against the committee and the bill, and he asks all the Members of the House to join in this onslaught against the committee. I ask all the Members here who believe in the committee, who believe we know what we are talking about, and that we are not engaged in a wild-goose chase, to stand by the committee and vote for this bill.

Mr. SLAYDEN. I yield the remainder of my time to the gentleman from Illinois [Mr. MANN].

The CHAIRMAN. The gentleman from Illinois [Mr. MANN] is recognized for 11 minutes.

Mr. MANN. Mr. Chairman, the Botanic Garden down here has got to be removed or else abolished. Everyone knows that. It can not remain where it is. I think everyone is conversant with that fact. Some time ago the Committee on the Library, which has jurisdiction over the Botanic Garden, took up the question of what should be done with it. The appropriations for the Botanic Garden are now made through the Committee on Appropriations, and the Joint Committee on the Library has control of the operation of the garden and the expenditure of the appropriation. The gentleman from Texas [Mr. SLAYDEN], chairman of the House wing of the Joint Committee on the Library, took up the matter with Dr. Galloway, the Assistant Secretary of Agriculture, who had been for many years the Chief of the Bureau of Plant Industry. Those of us who have been in the House for years and who have known Dr. Galloway well would, I think, pay more attention to his judgment on a matter affecting plants and plant industry than we would to anybody else in the United States. He had no politics in him. It was the merits of a proposition which appealed to him, and he was the best-informed man that I ever met in reference to plants generally. He gathered together a number of the chiefs of the bureaus in the Department of Agriculture and asked them for their judgment, what, if anything, should be done in reference to the Botanic Garden—whether it would be advisable, in their opinion, to put it in the Department of Agriculture; that is, whether it would work harmoniously and economically with the other work of the Department of Agriculture, or whether it would be better to be entirely separated and maintained as an institution apart from any other Government department; and if it were to be moved, where, in their opinion, would be the cheapest and best place to put it.

We have our notions and we have to act upon them, but I believe that everyone here will say that if they had to leave it to somebody on the outside to determine they could not select anybody, in their opinion, better qualified to determine it than Dr. Galloway, the Assistant Secretary of Agriculture, and the chiefs of the bureaus in that department concerned with plant industry. After consultation among themselves, after visiting various localities around Washington, these gentlemen reported to Dr. Galloway and he reported to Mr. SLAYDEN that, in the opinion of the officials of the Department of Agriculture, the Botanic Garden might well be placed under the control of the Department of Agriculture, and that it would work in harmoniously with the other work of that department. They also recommended that they be permitted, if they had the Botanic Garden, to establish it in the north 400 acres of Rock Creek Park. That is a section of the park that has not been developed. There are no roads through it. I have heard gentlemen here on the floor say that they have driven through there in automobiles. There are no roads through it. They were mistaken about the locality. There has been no development of Rock Creek Park at all in that section as yet, but it is owned as a part of Rock Creek Park. Gentlemen say—and I was rather surprised at my level-headed friend from North Carolina [Mr. PAGE] saying it—that the establishment of the Botanic Garden up there would benefit the adjoining property. It is a matter of absolute indifference to adjoining property owners whether a park is developed as a park or as a botanic garden. The park is there. It will be developed. It will be developed, probably, before the adjoining property is developed to any extent. It will be developed as a park if it is retained as a park. If it is retained or established as a botanical garden, it will still be developed along precisely the same lines as it would be if it remained a part of Rock Creek Park, except that in certain vacant spaces up there there will be plants and trees planted as a botanic garden without interfering with the other developments of property and without interfering with the woods which are there. There can be no real estate speculation in it. It can be of no possible interest to the people who own property around the park, because it can make no difference in the value of their property whether the roads that run through that park and the development there run through it as a part of Rock Creek Park or as a part of a botanic garden laid out on park grounds.

Of course no one supposes that they need 400 acres for the purpose of planting; no one has dreamed of that. No one desires to interfere with the natural woods up there. Certainly no lover of nature or lover of a park wishes to interfere with the natural forest that is there, but there are places up there which used to be under cultivation, some of which are now vacant and some of which are now covered with small scrub pines, of no value as woods or forest for beauty, which can be used for the planting of trees or shrubs or perennial flowering plants and of annual flowering plants—of all those things which go to make up a botanic garden—and the Department of Agriculture says that it can be done without much expense. There is no reason for spending any large sum of money. Of course, if you charge against the Botanic Garden the cost in the end of constructing roads up there, it will add that much, but the roads will be built through this end of the park sooner or later without regard as to whether it is a botanic garden or a park.

Mr. PAGE of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. MANN. Yes.

Mr. PAGE of North Carolina. The building of roads under present conditions would be paid for out of the joint treasury of the District of Columbia and the Federal Government, while the building of roads within these 400 acres would come entirely out of the Federal Treasury.

Mr. MANN. Mr. Chairman, I did not yield to the gentleman to make an argument.

Mr. PAGE of North Carolina. I merely asked that as a question.

Mr. MANN. I had hoped that the gentleman would develop that argument in his speech, as I had asked him to do it. The consensus of opinion of all these people who examined this subject was that it could be located in Rock Creek Park for less money and maintained at less expense than it could anywhere else, and that it was a better place for a botanic garden or arboretum than any of the other places which were suggested. No one would propose that we go and buy another piece of ground. I think no one in the House has ever proposed that, although that is what the people in the Botanic Garden at one time desired to do. There was the proposition suggested of taking the lower end of the new extension of Potomac Park and placing the Botanic Garden under the jurisdiction of the Superintendent of Public Buildings and Grounds, who is in the War Department. I went with him and examined that part of Potomac Park, and I am quite willing to say that I do not think it is the best place. You could establish a botanic garden there, as

is suggested in the substitute proposed by the gentleman from Georgia [Mr. HOWARD], but if you did and should pass the bill, it would surely be under the jurisdiction of the War Department. That park is under the War Department. I do not think that it is practicable to secure legislation which would take that part of Potomac Park out from under the jurisdiction of the War Department. I do not believe that the War Department is the best department to have charge of a botanic garden as against the Agricultural Department.

If we locate the Botanic Garden in Rock Creek Park, I think that we should charge one-half of the cost of its expense to the District of Columbia. We have the Zoo, which is practically a portion of Rock Creek Park, although under a separate management. The District of Columbia pays half of the cost of the maintenance of the Zoo, the purchase and maintenance of animals, the construction of roads. The District pays half the cost. The District of Columbia pays half the cost of the maintenance of Rock Creek Park. I think that when we establish in Rock Creek Park a national arboretum or a botanic garden, whichever you please, there is no reason why the cost and maintenance of it should not be charged to the District of Columbia, as is the maintenance of any other park in the District of Columbia. I think that when you locate this in Rock Creek Park, if we do, and when the appropriation is made, it should provide that one half of it shall be paid for out of the District treasury and the other half out of the Federal Treasury. That of itself is an argument in favor of the economy of the proposition. We have the example of the Zoo to follow. No objection is made to that. We can properly charge one-half of the expense of the Botanic Garden to the District of Columbia if we locate it in Rock Creek Park as a part of the park, while if we locate it anywhere else the whole expense will fall upon the National Treasury.

Gentlemen who are in favor of economy can not very well say that they are opposed to charging one-half of its expense to the District of Columbia and then vote to pay all of the expense out of the Federal Treasury. [Applause.]

The CHAIRMAN. All time has expired, and the Clerk will report the bill under the five-minute rule.

Mr. DAVIS. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman rise?

Mr. DAVIS. I rise to ask unanimous consent to extend my remarks in the RECORD on the subject of waterways in general, and particularly in reference to the Duluth and Mississippi waterways.

The CHAIRMAN. Is there objection to the request of the gentleman. [After a pause.] The Chair hears none, and leave is granted.

The Clerk read as follows:

Be it enacted, etc., That for the purpose of establishing and maintaining a national arboretum and botanical garden in Rock Creek Park the Botanic Garden is hereby transferred from the direction and control of the Joint Committee on the Library to the direction and control of the Secretary of Agriculture, and he is authorized to remove to Rock Creek Park or otherwise dispose of the plants, structures, and all that pertains to the Botanic Garden in its present location as he may deem proper.

Mr. COOPER. Mr. Chairman, I move to strike out the last word. Mr. Chairman, I think it most unfortunate that in supporting this bill its friends should be accused of supporting a measure which has back of it some sort of a real-estate scheme. Personally I believe that no accusation could be more ill-founded, more absolutely devoid of facts to substantiate it. I knew nothing about this proposition—had never heard of the bill—until the distinguished gentleman from Texas, the chairman of the Committee on the Library, called it up one week ago to-day. I never have owned, nor do I expect ever to own, even so much as the slightest interest in any real estate in the city of Washington nor elsewhere in the District of Columbia. Like the gentleman from Texas, I have no interest in the city of Washington except to see it become all that it ought to be as the capital city of the greatest Republic the world has ever known. That is all.

Now, the gentleman from Georgia [Mr. HOWARD], for whom I have the highest personal respect, spoke with much vehemence, and broadly intimated that back of the pending bill there is a real-estate scheme, and he especially and very strongly insisted that he was correct in his original charge that the land for the addition proposed to be made to Rock Creek Park a few years ago was first offered for $600,000, and that afterwards the price was reduced to $423,000. Mr. Chairman, I propose to show that in that statement the gentleman from Georgia is entirely mistaken.

Now, the pending bill relates to a botanic garden, which it is proposed to establish in Rock Creek Park; and, therefore, when the gentleman from Georgia referred in pointed terms to a great reduction from $600,000 to $423,000 which he said was made in the price of land offered a few years ago for a proposed park extension in this city, those gentlemen who heard him at once thought of the proposed addition to Rock Creek Park which came before the House in March, 1909, and of the charge then made here by Mr. Andrus, a Member from New York, that $600,000 had first been demanded for certain land to extend Rock Creek Park, but that, as he said, "evidently somebody's conscience had been pricked," so that on the 3d of March, 1909, the price had been reduced to $423,000.

Mr. HOWARD. Will the gentleman yield?

Mr. COOPER. The gentleman declined to yield to me. Let me finish this first.

Mr. HOWARD. I yielded to the gentleman to make a whole speech in my time.

Mr. COOPER. The gentleman will have opportunity later in the five-minute debate. I have only five minutes.

In his last speech the gentleman read from the RECORD and charged that I was utterly mistaken in my statement that the reduction from $600,000 to $423,000 did not relate to the proposed Rock Creek Park extension, but to land on Meridian Hill. Mr. Chairman and gentlemen, bear in mind that the land offered for a park on Meridian Hill was on the east side of Sixteenth Street, about opposite the Henderson property, but not near Rock Creek Park. That is the land, and the only land, the price of which was at first $600,000 and then reduced to $400,000.

Now, the land for the proposed Rock Creek Park addition was not near Meridian Hill, but extended from the present park across Connecticut Avenue to Massachusetts Avenue. That land never was offered for but one price—$420,000, with $3,000 added by the commissioners for necessary expenses.

Notwithstanding these indisputable facts, the gentleman from Georgia declared with great earnestness that I had "unmitigated gall"—those were his words—in the face of the record to say that no reduction at all ever had been made in the price asked for the land for the extension of Rock Creek Park, but that the reduction was made on the Meridian Hill property. And yet, Mr. Chairman, any intelligent person will, upon investigation, find the facts to be exactly as I have stated them.

The gentleman from Georgia also referred to the fact that in March, 1909, I voted against the bill to extend Rock Creek Park. It is true, I did vote against it. I believed the statement made by Mr. Andrus and another gentleman that at first $600,000 had been demanded of the Government and that in the course of time the price had been cut down to $423,000, because, as the gentleman from New York, Mr. Andrus, directly charged, "somebody's conscience had been pricked." Yes; it is true, I did vote against the bill. It is also true that I was mistaken—misled utterly as to the facts. I found this when I looked up the record. I looked up the record, because I read the testimony given by Mr. Glover before a committee of this House, from which testimony, if true, it was clear that a great wrong had been done him.

The CHAIRMAN. The time of the gentleman has expired.

Mr. COOPER. Mr. Chairman, I ask unanimous consent for five minutes more.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none, and the gentleman is recognized for five minutes.

Mr. COOPER. In a speech found in the RECORD, Appendix, page 183, first session Sixty-third Congress, volume 50, part 7, I said [reading]:

On March 3, 1909, I voted against the bill to extend Rock Creek Park, my vote being influenced by statements made in the debate by the gentleman from Tennessee [Mr. SIMS] and the gentleman from New York, Mr. Andrus. Their speeches began the controversy by making charges and impugning motives.

Now, I beg the gentlemen to listen [reading]:

It now appears that the whole controversy turned on the confusion by these gentlemen of the Massachusetts Avenue project with the Meridian Hill project. The Massachusetts Avenue project called for an appropriation of $423,000. No more ever was asked for it. The other project called originally for an appropriation of $600,000. Both gentlemen confused the two, as the gentleman from Tennessee [Mr. SIMS] in subsequent speeches admitted.

Now, Mr. Chairman, the gentleman from Tennessee [Mr. SIMS] himself, on the 15th of January, 1913, when his attention had been called to the fact that he and the gentleman from New York, Mr. Andrus, had been mistaken in what they had said on March 3, 1909, about the alleged reduction in price on the land for Rock Creek Park, rose on this floor and admitted his mistake. And here is his language; I will read it. I quoted from it in a speech which will be found on page 183

of that RECORD, volume 50, first session Fifty-third Congress. In explaining his mistake the gentleman from Tennessee said:

"I heard the remarks of the gentleman from New York, Mr. Andrus, and I was yielded five minutes, in which I discussed the bill as best I could * * *. Now, the facts were that the bill was for $423,000. I am quoted in the RECORD as saying $435,000.

He then proceeded and admitted his mistake:

Now, at nearly the hour of midnight, on the last day of the session, on a motion to suspend the rules, when there was no time to investigate and understand anything, almost anyone was liable to be misled. But the gentleman from New York, Mr. Andrus, spoke before I did, and read from a report by Senator GALLINGER.

Then the gentleman from Tennessee [Mr. SIMS] proceeded:

But as that bill, which this report accompanied, also embraced another tract of land known as the Meridian Hill tract, the two being together, the gentleman from New York, Mr. Andrus, made the mistake of reading from that part of the Senate report which referred to the Meridian Hill property instead of this Rock Creek Park addition.

And yet, Mr. Chairman, out of that mistake made originally by the gentleman from New York, Mr. Andrus, came all the subsequent well-remembered trouble on this floor and elsewhere. They charged a highly respected citizen with duplicity, charged him practically with corruption. He bitterly resented the statements made about him, and the facts show that his resentment was amply justified.

Mr. Chairman, I have gone into this subject at this time because at the very outset friends of the bill were accused of supporting a real-estate scheme—an utterly baseless accusation that was followed by the repeated reference to the proposed Rock Creek Park extension of 1909.

As I have said, I knew nothing about the bill now before us until it came up a week ago to-day. No resident of the District of Columbia ever has spoken to me on the subject of this bill. I support the bill because it appeals to my judgment as being worthy of support. I know that either the Botanic Garden at the foot of the hill here ought to be done away with or else that the word "National" ought to be taken from it. As I remarked the other day, constituents of mine who have visited it have always come away laughing. It amounts to nothing—that is, to nothing deserving the word "National."

Carry out the commission plans. Take down that old brick wall and iron fence. Remove all else that is unsightly. Make it a place worthy of the memorial to Ulysses S. Grant. The commission plan suggests, I believe, that it be called "Union Square." Experts competent to judge declare that if improved in accordance with that plan it will be one of the most beautiful squares of its size in the world. To-day, viewed from any neighboring street, it is unsightly—unworthy to be called the National Botanic Garden.

Mr. MURDOCK. Will the gentleman yield?

Mr. COOPER. Yes.

Mr. MURDOCK. The gentleman says that he is in favor of moving the Botanic Garden. To where does he propose to move it?

Mr. COOPER. I rely largely on the judgment of Dr. Galloway and the statement of the distinguished gentleman from Illinois [Mr. MANN], who says that Dr. Galloway's recommendations, which appear in his letter in the committee report on this bill, were based on the report of experts of the doctor's selection from the Department of Agriculture.

Mr. MURDOCK. Where did they want it to go?

Mr. COOPER. They want it to go to Rock Creek Park.

Mr. HOWARD. Mr. Chairman, I had hoped that the controversy existing between the gentleman from Wisconsin [Mr. COOPER] and myself about the attempt of certain real-estate owners in Washington to exact exorbitant prices from the people for real estate that they wanted to sell to the Government had about ended; but, like the Irishman's calf, I reckon you would have to pull his ears off to get him up to suckle and pull his tail off to get him loose [laughter], and there is no way of getting rid of him. The controversy between the gentleman from Wisconsin and myself is about the difference between "Come down, Stephen," and "Stephen, come down." [Laughter.]

I stated originally here this morning that an effort was made at one time to get, by exorbitant prices, out of the Government nearly $200,000 in profit. I did not say by whom, and I did not care by whom. I do not know the gentleman that the gentleman from Wisconsin has mentioned from a sack of meat suit. I do not know whether it is Mr. Glover or who he is. I say that several distinct attempts were made by a parcel of people engaged in selling real estate to rob the Government of nearly $200,000 in the sale of some property.

Now, why do I say that? On page 3792 of the CONGRESSIONAL RECORD of March 3, 1909, it is stated that various efforts were made through bills introduced in Congress to purchase a piece of property; whether it was property contiguous to Rock Creek Park or whether it was some hill on Massachusetts Avenue, I care not. But in Senate bill 5289 there was a proposition to sell a piece of property at $600,000. In House bill 5102, the next year, a proposition was made to sell the same property for $550,000. In Senate bill 4441 another proposition was made to sell the same identical piece of property to the Government for $423,000. What matters it whether it be Rock Creek property, or Massachusetts Avenue property, or Meridian Hill property, or whether it be in the northwest, or northeast, or southeast? Whatever the property was, an effort was made by a crowd of gentlemen interested in real estate to exact an exorbitant price from the Government because they had the power to do it and the influence to do it through such gentlemen as the gentleman from Wisconsin [Mr. COOPER] has cast aspersions upon, saying that Mr. Andrus, formerly an honored Member of this House, was mistaken when he stated the proposition on this floor. I do not know where to go for information if we can not go to the RECORD.

I take it from the RECORD. Here it is in cold type, and I say that not only did the gentleman from New York, Mr. Andrus, but also the gentleman from Massachusetts, Mr. Lovering, and the gentleman from Alabama, Mr. HEFLIN, and others fell into making the grievous mistake of charging these people with an attempt to filch money from the Government by the sale of property that was not worth the money asked, and then reduced the price.

Now, I say that this effort to change the site of the Botanic Garden and move it to Rock Creek Park will benefit the property owners out there, because it is an improvement, and every improvement enhances the value of surrounding property incidentally. The question as presented by the gentleman from North Carolina [Mr. PAGE] appeals more forcibly to me, and that is in determining whether I want a botanic garden or not; the question is whether or not it will ever be worth the snap of my finger as a general proposition to the taxpayers of my district and the people of my great State. Why should I be called upon to vote to establish a botanic garden in Washington? What benefit will ever accrue to my constituents from the enormous expenditures of money that will be necessary to carry on the plan as set out in this bill? What my people are interested in is cotton, corn, and potatoes; and when they get to trees they like to talk about locust trees and persimmon trees and trees of that sort that they know something about. When you go to talking about trees with Latin names a yard long they have no use for them [laughter]; and I say that so far as this proposition is concerned I hope my substitute will be voted down, and I hope this bill will be voted down, and I will vote readily and willingly to abolish the Botanic Garden if this is a sample of what is to follow in future years in extravagant appropriations for its maintenance. [Applause.]

Mr. SLAYDEN. Mr. Chairman, I move that all debate on this paragraph be closed.

The CHAIRMAN. The gentleman from Texas [Mr. SLAYDEN] moves that all debate on this paragraph be closed. The question is on agreeing to that motion.

The motion was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 3. That the chairman of the Senate Committee on the Library and the chairman of the House Committee on the Library and the Engineer Commissioner of the District of Columbia shall select and cause to be surveyed that portion of Rock Creek Park, not in excess of 400 acres, herein set apart for a botanic garden and arboretum.

With a committee amendment, as follows:

Page 2, line 13, after the word "Library," insert the words "the Secretary of Agriculture."

Mr. HOWARD. Mr. Chairman, I propose an amendment to line 16, page 2. After the words "excess of" strike out the word "four" and insert "one."

The CHAIRMAN. The committee amendment will be voted on first. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

Mr. HOWARD. Now, Mr. Chairman, I propose an amendment to line 16, page 2. After the word "of" strike out the word "four" and insert the word "one," so that the line as amended will read "excess of 100 acres."

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Georgia [Mr. HOWARD].

The Clerk read as follows:

Page 2, line 16, strike out the word "four" and insert the word "one."

Mr. HOWARD. Mr. Chairman, in order to make this amendment effective it will be necessary also to offer an amendment to the same effect in line 4 of page 2, section 2, after the word "of."

The reason I offer this amendment is this, Mr. Chairman: I think it is perfectly preposterous for this Government to attempt to maintain a botanic garden consisting of 400 acres. I think it is absolutely absurd for us to expend upon this one proposition the amount of money that will be necessary properly to care for and maintain 400 acres of land in a botanic garden. One hundred acres will be ample. As a matter of fact, it will be more than will be used by this Government in a botanic garden in 100 years. One hundred acres of land is a large body of land, if anybody has ever walked over it or plowed over it, and it will take them 25 years to get that 100 acres in a condition where we can present it to the people of this country as a real botanic garden.

If they undertake to incorporate 400 acres into this garden, it will take four times the amount of money that it would take to care for this 100 acres, and I think it is foolish for us to attempt to maintain a garden of this size, when, since 1836, we have been perfectly content with a little garden here containing 5 acres.

Mr. SLAYDEN. Mr. Chairman, I think the gentleman is very much mistaken in some of his statements, and probably correct in others. I do not believe that in 25 years there will be 100 acres in plants in the proposed botanic garden; but we have endeavored to make plain to gentlemen that it is not in the mind of anyone to have 400 acres of plants in this botanic garden, but that we are merely undertaking to define an area to be transferred to the keeping of the Department of Agriculture, to be known as the Botanic Garden. There is nothing compelling the immediate development of every acre of that land, and its planting in flowers or shrubs, or anything of that kind. Indeed, every man who has had anything to say about this bill in support of it has undertaken to convey to gentlemen who oppose the idea that it was not intended to disturb any part of the forest area within that 400 acres—and my impression is that at least 75 per cent of it is forest. I appeal to the gentleman from Illinois [Mr. MANN] to know if that is not true of any part of Rock Creek Park?

Mr. MANN. I should say that more than 75 per cent is in forest.

Mr. SLAYDEN. At least 75 per cent. I think that 100 acres is entirely too small for a botanic garden. This is not intended to be the development of a day or a year or a decade. It is presumed that in making provision for the Botanic Garden, made necessary by the order to remove it from the present site and to tear down the fence, which would expose such plants as are there to depredation by boys and irresponsible people, we are building for all time. We take it for granted that the Government is going to live, and that there will be a development in the future, and a long time in the future it may be before we will reach the limit of the 400 acres and have it all developed in some way or other.

Again I call attention to the area of other botanic gardens. That at Kew, near London, contains 260 acres. That was founded 160 years ago. And, Mr. Chairman, let me say that my information is that the ground on which the botanic garden was placed was flat in the beginning, and at great expense hills were made. They wanted the variety of soil and appearance and the variety of exposures referred to by Dr. Galloway in his letter, and they had to do artificially and at great expense what we have provided for us without any cost.

The great garden at Batavia, in Java, contains 336 acres. It belongs to the general Dutch Government. The New York Botanic Garden, which is jointly controlled by the city of New York and the New York Botanic Garden Corporation, contains 250 acres. I did not think it proper that the Government of the United States should, in laying down a plan for the future, be so moderate in its demands as to be second, third, fourth, or fifth to the work done by other and less important Governments in the same line and second in importance even to the great State of New York. I hope that the amendment offered by the gentleman from Georgia [Mr. HOWARD] will not prevail.

The CHAIRMAN. The question is on the adoption of the amendment offered by the gentleman from Georgia [Mr. HOWARD] to strike out "four" and insert in lieu thereof "one."

The question being taken, the Chairman announced that the noes appeared to have it.

Mr. HOWARD. Division, Mr. Chairman.

The committee divided; and there were—ayes 47, noes 49.

Mr. PAGE of North Carolina. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chairman appointed Mr. HOWARD and Mr. SLAYDEN.

The committee again divided; and the tellers reported—ayes 55, noes 65.

Accordingly the amendment was rejected.

Mr. HOWARD. Mr. Chairman, I desire to offer the following amendment in line 16: After the word "of," strike out "four" and insert "two."

The CHAIRMAN. The gentleman from Georgia offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amend, page 2, line 16, by striking out the word "four" and inserting "two."

The question being taken, the Chairman announced that the noes appeared to have it.

Mr. HOWARD. Division, Mr. Chairman.

The committee divided; and there were—ayes 51, noes 69.

Accordingly the amendment was rejected.

The Clerk read as follows:

SEC. 4. That all unexpended appropriations in relation to the Botanic Garden which shall be available at the time this act takes effect shall be available for expenditure for the transfer of the Botanic Garden to the new site and for other purposes incident to its removal and maintenance.

Mr. BAILEY. Mr. Chairman, I desire to offer the following amendment:

The CHAIRMAN. The Clerk will report the amendment which the gentleman from Pennsylvania sends up.

The Clerk read as follows:

Page 2, line 18, strike out all of section 4 and insert in lieu thereof the following:

"SEC. 4. That the cost of making the transfer of the Botanic Garden to the new site shall be assessed against the property benefited, in proportion to the benefits, the cost of maintenance to be borne in equal proportions by the Federal Government and the District of Columbia."

Mr. SLAYDEN. Mr. Chairman, I make the point of order that that amendment is not germane in any respect to the bill.

The CHAIRMAN. The Chair will hear the gentleman from Texas on his point of order.

Mr. SLAYDEN. Mr. Chairman, I am not very familiar with the rules, and I can not refer to any precedent, but I am under the general impression that an amendment must be germane to the bill; and as I caught the reading of the amendment, it assumes that there is going to be some benefit to property in some section of the District of Columbia by the putting of a botanic garden in Rock Creek Park, and then it proposes to have taxed against that property which may be benefited, but which, I think, will not be, the cost of removing the present plant to the new site. Now, as a matter of fact, that is not germane to the section or the bill.

Mr. MANN. Will the gentleman yield for a question?

Mr. SLAYDEN. Certainly.

Mr. MANN. Of course this is purely a parliamentary proposition?

Mr. SLAYDEN. Yes.

Mr. MANN. The bill provides for the removal of the Botanic Garden, and it provides that certain unexpended appropriations may be used for that purpose. Does not the gentleman think that, as far as the parliamentary point of view is concerned, it is quite within the power of the committee, as a germane proposition, to say that the cost of removal shall be raised in some other way?

Mr. SLAYDEN. I did not catch the gentleman's question.

Mr. MANN. Is it not just as germane to the purpose of the bill to say that the cost of removal shall be raised by special assessment, if Congress chooses to commit such an absurdity, as it is to say that it is to be raised by appropriations already made, so far as germaneness is concerned?

The CHAIRMAN. The Chair is ready to rule. Section 4 of the bill provides that an unexpended balance of an appropriation heretofore made shall be used to pay these expenses. The amendment offered by the gentleman from Pennsylvania provides for another way to pay the expenses. The Chair, therefore, holds that it is germane, and the point of order is overruled.

Mr. SLAYDEN. I hope the amendment will be voted down.

Mr. BAILEY. Mr. Chairman, I desire to say only a few words, and that is to the effect that if it be true, as has been charged here upon this floor repeatedly during the debate upon this bill, that land speculators are interested in this matter, the amendment which I offer will effectively pull the teeth of those who are supposed to be in the way of benefiting pecuniarily by this improvement. It has been said on this floor repeatedly to-day, as it was said last Wednesday, that the removal of this Botanic Garden would greatly enhance the land values in that particular neighborhood, and we have been informed to-day that there are large bodies of undeveloped land in that section which would be brought under development by the stimulus of this improvement.

The gentleman from Illinois [Mr. MANN] denounces as absurd the proposition which is put forth in my amendment, but that very proposition in other forms has been applied in many cases,

and, if I mistake not, in the gentleman's own city—my own city once, and a city of which I am still as proud as I was when I lived there. If I am not sadly mistaken, when Lincoln Park in Chicago was laid out, many years ago, this very principle of betterment was applied. I am not quite sure of that, but I think I am not mistaken.

Mr. MANN. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. Yes.

Mr. MANN. I did not characterize as absurd the proposition to raise by special assessment the money for the establishment of a park. The gentleman is correct. All of our parks in Chicago practically were paid for by special assessment.

Mr. BAILEY. I understood the gentleman to characterize the special-assessment proposition as absurd?

Mr. MANN. Not at all.

Mr. BAILEY. I thought it very strange, coming from the gentleman from Illinois.

Mr. MANN. Mr. Chairman, the gentleman's proposition is to strike out of the bill the section that makes an unexpended appropriation available for the removal of the park, and to provide that the cost of the removal of the park shall be by special assessment levied upon property benefited, when there will be no property benefited. That is the reason the proposition from my point of view is absurd. There would be no way of moving the Botanic Garden if the bill should pass with the gentleman's amendment in it.

Mr. OGLESBY. Mr. Chairman, will the gentleman yield?

Mr. MANN. Certainly.

Mr. OGLESBY. Will the gentleman not ask that the amendment be again reported? A great many of us did not hear it.

Mr. MANN. I can tell what it is in a word. The proposition of the gentleman from Pennsylvania is to strike out of the bill a section which authorizes, in the removal of the garden, the use of an unexpended appropriation for the maintenance of the Botanic Garden, and to insert in place of it a provision that the cost of removing the Botanic Garden shall be raised by special assessment levied upon the property benefited.

Mr. OGLESBY. Then I would like to ask the gentleman this question: Would not that be substantially nugatory legislation, in that no machinery is provided for the collection or levying of this assessment in any way?

Mr. MANN. I do not know about that; but I assume special assessment was to be levied under the law in the District of Columbia. If not, that could be easily corrected; but when you strike out of the bill the use of the money which can be used, the unexpended balance, and leave no money that can be used at all until you raise it by special assessment upon property which is specially benefited, and there is no property specially benefited, it is much easier to vote to strike out the enacting clause, because that is what it would amount to; and those gentlemen who believe that the enacting clause ought to be stricken out of the bill ought to vote for the amendment, while those who believe that the bill ought to be passed in some form ought to vote against the amendment.

Mr. SLAYDEN. Mr. Chairman, will the gentleman yield?

Mr. MANN. Certainly.

Mr. SLAYDEN. The gentleman understands that when we authorized the fence to be removed around the old Botanic Garden, a bid was received for its removal, and some one agreed to remove the fence for the old material. I think that when the gentleman and I were at the Department of Agriculture we were told that the cost of the removal of the garden from down here to any place that might be selected in Rock Creek Park would be trivial.

Mr. MANN. Purely nominal.

Mr. SLAYDEN. How could that be assessed?

Mr. MANN. The cost of the assessment would be more than the cost of removal, because there is no intention to remove most of it. Most of it is not worth carrying out.

The CHAIRMAN. The question is on the adoption of the amendment.

The question was taken, and the amendment was rejected.

The Clerk read as follows:

SEC. 5. That all laws or parts of laws not consistent with or that are repugnant to this act are hereby repealed.

Mr. SLAYDEN. Mr. Chairman, I move that the committee do now rise and report the bill as amended to the House with the recommendation that the amendment be agreed to, and that the bill as amended do pass.

Mr. HOWARD. Mr. Chairman, I would like to make a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOWARD. What became of my substitute? [Laughter.]

Mr. STAFFORD. Mr. Chairman, a parliamentary inquiry.

Mr. HOWARD. The Chair has one already.

Mr. STAFFORD. Has the substitute offered by the gentleman from Georgia ever been offered as a substitute during the consideration of the bill under the five-minute rule?

The CHAIRMAN. Before we reached the consideration of the bill under the five-minute rule, the substitute offered by the gentleman from Georgia was sent up and was read for information.

Mr. MANN. What is the motion now?

Mr. SLAYDEN. That the committee rise and report the bill back.

Mr. MANN. I think the gentleman from Texas ought to withdraw that motion and permit the gentleman from Georgia to offer his substitute.

Mr. SLAYDEN. I will say to the gentleman that the gentleman from Georgia submitted a parliamentary inquiry, and I was waiting for a decision on that question.

Mr. HOWARD. Mr. Chairman, I think the proposition of the gentleman from Wisconsin at this time is pertinent for this reason: I asked unanimous consent at the outset of the debate to offer a substitute and to have that substitute pending and to be considered as offered to the original bill, to which there was no objection.

Mr. MANN. Well, the matter was never submitted to the House, and the gentleman knows that perfectly well; but I think the gentleman ought to have an opportunity to offer his substitute if he has been misled in any way.

Mr. SLAYDEN. Mr. Chairman, I am perfectly willing to withdraw the motion to rise and report the bill back with a favorable recommendation.

The CHAIRMAN. Without objection, the substitute sent heretofore to the Clerk's desk by the gentleman from Georgia will now be offered. The Clerk will report it.

The Clerk read as follows:

A bill (H. R. 12796) to provide for the removal of the Botanic Garden to Potomac Park and for its transfer to the control of the Department of Agriculture.

Be it enacted, etc., That for the purpose of establishing and maintaining a national arboretum and botanical garden in Potomac Park the Botanic Garden is hereby transferred from the direction and control of the Joint Committee on the Library to the direction and control of the Secretary of Agriculture, and he is authorized to remove to Potomac Park the plants, structures, and all that pertains to the Botanic Garden in its present location.

SEC. 2. That so much of Potomac Park, east of Washington & Southern Railway, as may be needed for the purposes of an arboretum and botanic garden is hereby transferred from the joint direction and control of the Commissioners of the District of Columbia and the Chief of Engineers of the United States Army to the direction and control of the Secretary of Agriculture.

SEC. 3. That the chairman of the Senate Committee on the Library and the chairman of the House Committee on the Library, the Secretary of Agriculture, and the Engineer Commissioner of the District of Columbia shall select and cause to be surveyed that portion of Potomac Park as may be necessary and set same apart for a botanic garden and arboretum.

SEC. 4. That all unexpended appropriations in relation to the Botanic Garden which shall be available at the time this act takes effect shall be available for expenditure for the transfer of the Botanic Garden to the new site and for other purposes incident to its removal and maintenance.

SEC. 5. That all laws or parts of laws not consistent with or that are repugnant to this act are hereby repealed.

The CHAIRMAN. The question is on the adoption of the substitute.

The question was taken, and the Chairman announced the noes seemed to have it.

On a division (demanded by Mr. HOWARD) there were—ayes 23, noes 64.

So the substitute was rejected.

Mr. SLAYDEN. Mr. Chairman, I renew my motion that the committee rise and report the bill as amended back to the House, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

The committee accordingly rose; and Mr. ADAMSON having resumed the chair as Speaker pro tempore, Mr. JOHNSON of Kentucky, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 12796, and had directed him to report the same back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

Mr. SLAYDEN. Mr. Speaker, I move the previous question on the bill and amendment to final passage.

The SPEAKER pro tempore. The question is on the amendment.

The question was taken, and the amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken, and the Speaker pro tempore announced the noes appeared to have it.

On a division (demanded by Mr. SLAYDEN) there were—ayes 71, noes 44.

Mr. HOWARD. Mr. Speaker, I make the point of no quorum.

The SPEAKER pro tempore. The gentleman from Georgia makes the point of no quorum. Evidently there is no quorum, and the Clerk will call the roll.

The question was taken; and there were—yeas 137, nays 88, answered "present" 3, not voting 204, as follows:

YEAS—137.

Abercrombie	Falconer	La Follette.	Rupley
Adamson	Farr	Lee, Pa.	Russell
Aiken	Fergusson	Levy	Scott
Allen	French	Logue	Seidomridge
Anderson	Gallagher	Lonergan	Sells
Ansberry	Gallivan	McCoy	Sims
Avis	Garner	McLaughlin	Sinnott
Baker	Gerry	MacDonald	Slayden
Barkley	Gill	Mahan	Sloan
Barnhart	Gilmore	Manahan	Small
Barton	Good	Mapes	Smith, Idaho
Beakes	Greene, Vt.	Metz	Smith, J. M. C.
Bell, Cal.	Hamill	Miller	Smith, Minn.
Britten	Hammond	Mitchell	Smith, Tex.
Bryan	Harris	Mondell	Sparkman
Buchanan, Ill.	Hart	Morgan, Okla.	Stafford
Burgess	Haugen	Morrison	Stanley
Burke, S. Dak.	Hayden	Murdock	Stephens, Cal.
Cantor	Helgesen	Murray, Mass.	Stevens, Minn.
Cary	Humphrey, Wash.	Nelson	Sutherland
Casey	Humphreys, Miss.	Nolan, J. I.	Taggart
Conry	Igoe	O'Brien	Talcott, N. Y.
Cooper	Johnson, Utah	Oglesby	Temple
Curry	Johnson, Wash.	O'Hair	Ten Eyck
Danforth	Kahn	Paige, Mass.	Thacher
Davis	Keister	Patten, N. Y.	Thomson, Ill.
Deitrick	Kelley, Mich.	Payne	Volstead
Dillon	Kelly, Pa.	Peters, Mass.	Walsh
Donohoe	Kennedy, Iowa	Plumley	Whaley
Drukker	Kettner	Raker	Williams
Dunn	Key, Ohio	Reed	Wilson, N. Y.
Eagan	Kiess, Pa.	Reilly, Conn.	Young, N. Dak.
Eagle	Kindel	Roberts, Mass.	
Edmonds	Kinkaid, Nebr.	Roberts, Nev.	
Evans	Kirkpatrick	Rogers	

NAYS—88.

Adair	Cullop	Howard	Rayburn
Bailey	Dent	Hull	Reilly, Wis.
Baltz	Donovan	Johnson, Ky.	Rouse
Blackmon	Doolittle	Keating	Rubey
Boober	Edwards	Kitchin	Shackleford
Borchers	FitzHenry	Lesher	Sisson
Bowdle	Floyd, Ark.	Lieb	Stedman
Brockson	Foster	Lobeck	Stone
Brodbeck	Fowler	McKellar	Stout
Buchanan, Tex.	Garrett, Tenn.	Maguire, Nebr.	Sumners
Burke, Wis.	Garrett, Tex.	Moon	Tavenner
Burnett	Godwin, N. C.	Moss, Ind.	Taylor, Ark.
Byrnes, S. C.	Gray	Mulkey	Taylor, Colo.
Campbell	Hamlin	Norton	Thomas
Candler, Miss.	Harrison	Oldfield	Thompson, Okla.
Caraway	Hay	O'Shaunessy	Tribble
Carter	Helm	Page, N. C.	Vaughan
Claypool	Helvering	Park	Webb
Cline	Hensley	Post	Wilson, Fla.
Connelly, Kans.	Hill	Pou	Wingo
Connolly, Iowa	Holland	Quin	Witherspoon
Cox	Houston	Rauch	Young, Tex.

ANSWERED "PRESENT"—3.

Glass	Mann	Taylor, Ala.

NOT VOTING—204.

Ainey	Clancy	Flood, Va.	Hinds
Alexander	Clark, Fla.	Fordney	Hinebaugh
Anthony	Coady	Francis	Hobson
Ashbrook	Collier	Frear	Howell
Aswell	Copley	Gard	Hoxworth
Austin	Covington	Gardner	Hughes, Ga.
Barchfeld	Cramton	George	Hughes, W. Va.
Bartholdt	Crisp	Gillett	Hulings
Bartlett	Crosser	Gittins	Jacoway
Bathrick	Dale	Goeke	Johnson, S. C.
Beall, Tex.	Davenport	Goldfogle	Jones
Bell, Ga.	Decker	Goodwin, Ark.	Kennedy, Conn.
Borland	Dershem	Gordon	Kennedy, R. I.
Broussard	Dickinson	Gorman	Kent
Brown, N. Y.	Dies	Goulden	Kinkead, N. J.
Brown, W. Va.	Difenderfer	Graham, Ill.	Knowland, J. R.
Browne, Wis.	Dixon	Graham, Pa.	Konop
Browning	Dooling	Green, Iowa	Korbly
Bruckner	Doremus	Greene, Mass.	Kreider
Brumbaugh	Doughton	Gregg	Lafferty
Bulkley	Driscoll	Griest	Langham
Burke, Pa.	Dupré	Griffin	Langley
Butler	Elder	Gudger	Lazaro
Byrns, Tenn.	Esch	Guernsey	Lee, Ga.
Calder	Estopinal	Hamilton, Mich.	L'Engle
Callaway	Fairchild	Hamilton, N. Y.	Lenroot
Cantrill	Faison	Hardwick	Lever
Carew	Ferris	Hardy	Lewis, Md.
Carlin	Fess	Hawley	Lewis, Pa.
Carr	Fields	Hayes	Lindbergh
Chandler, N. Y.	Finley	Heflin	Lindquist
Church	Fitzgerald	Henry	Linthicum
Lloyd	Neely, W. Va.	Saunders	Townsend
Loft	O'Leary	Scully	Treadway
McAndrews	Padgett	Sherley	Tuttle
McClellan	Palmer	Sherwood	Underhill
McGillicuddy	Parker	Shreve	Underwood
McGuire, Okla.	Patton, Pa.	Slemp	Vare
McKenzie	Peters, Me.	Smith, Md.	Vollmer
Madden	Peterson	Smith, N. Y.	Walker
Maher	Phelan	Smith, Saml. W.	Wallin
Martin	Platt	Steenerson	Walters
Merritt	Porter	Stephens, Miss.	Watkins
Montague	Powers	Stephens, Nebr.	Watson
Moore	Prouty	Stephens, Tex.	Weaver
Morgan, La.	Ragsdale	Stevens, N. H.	Whitacre
Morin	Rainey	Stringer	White
Moss, W. Va.	Riordan	Switzer	Willis
Mott	Rothermel	Talbott, Md.	Winslow
Murray, Okla.	Rucker	Taylor, N. Y.	Woodruff
Neeley, Kans.	Sabath	Towner	Woods

So the bill was passed.

The Clerk announced the following pairs:

For the session:

Mr. UNDERWOOD with Mr. MANN.

Mr. BARTLETT with Mr. BUTLER.

Mr. GLASS with Mr. SLEMP.

Mr. METZ with Mr. WALLIN.

Mr. SCULLY with Mr. BROWNING.

Mr. TAYLOR of Alabama with Mr. HUGHES of West Virginia.

Until further notice:

Mr. ALEXANDER with Mr. CRAMTON.

Mr. CARLIN with Mr. GREENE of Massachusetts.

Mr. COLLIER with Mr. WOODS.

Mr. CANTRILL with Mr. GRIEST.

Mr. DIFENDERFER with Mr. HOWELL.

Mr. DOREMUS with Mr. KREIDER.

Mr. FERRIS with Mr. HULINGS.

Mr. FINLEY with Mr. MCGUIRE of Oklahoma.

Mr. FITZGERALD with Mr. MOORE.

Mr. GODWIN of Arkansas with Mr. MOSS of West Virginia.

Mr. GRAHAM of Illinois with Mr. PATTON of Pennsylvania.

Mr. DIXON with Mr. PROUTY.

Mr. LEVER with Mr. SHREVE.

Mr. HEFLIN with Mr. SAMUEL W. SMITH.

Mr. RAINEY with Mr. TOWNER.

Mr. DERSHEM with Mr. LAFFERTY.

Mr. FRANCIS with Mr. CHANDLER of New York.

Mr. DECKER with Mr. GREEN of Iowa.

Mr. JOHNSON of South Carolina with Mr. HAWLEY.

Mr. KONOP with Mr. HAYES.

Mr. LEE of Georgia with Mr. MADDEN.

Mr. STEPHENS of Mississippi with Mr. TREADWAY.

Mr. WHALEY with Mr. WOODRUFF.

Mr. STEVENS of New Hampshire with Mr. WALTERS.

Mr. PADGETT with Mr. MORIN.

Mr. PHELAN with Mr. MCKENZIE.

Mr. SHERLEY with Mr. PORTER.

Mr. WALKER with Mr. VARE.

Mr. DAVENPORT with Mr. KENNEDY of Rhode Island.

Mr. DUPRÉ with Mr. GILLETT.

Mr. CLARK of Florida with Mr. FORDNEY.

Mr. BUCHANAN of Illinois with Mr. COPLEY.

Mr. ALLEN with Mr. BURKE of Pennsylvania.

Mr. ASWELL with Mr. AINEY.

Mr. DOUGHTON with Mr. HAMILTON of Michigan.

Mr. ELDER with Mr. WINSLOW.

Mr. DICKINSON with Mr. GRAHAM of Pennsylvania.

Mr. BATHRICK with Mr. BROWNE of Wisconsin.

Mr. MONTAGUE with Mr. HINDS.

Mr. PETERSON with Mr. PETERS of Maine.

Mr. GOLDFOGLE with Mr. HINEBAUGH.

Mr. RIORDAN with Mr. POWERS.

Mr. SABATH with Mr. SWITZER.

Mr. MCGILLICUDDY with Mr. GUERNSEY.

Mr. FLOOD of Virginia with Mr. FAIRCHILD.

Mr. UNDERHILL with Mr. STEENERSON.

Mr. HARDWICK with Mr. J. R. KNOWLAND.

Mr. BYRNS of Tennessee with Mr. BARCHFELD.

Mr. FIELDS with Mr. LANGLEY.

Mr. STEPHENS of Nebraska with Mr. LEWIS of Pennsylvania.

Mr. LAZARO with Mr. PARKER.

Mr. ASHBROOK with Mr. AUSTIN.

Mr. DALE with Mr. MARTIN.

Mr. MORGAN of Louisiana with Mr. LINDQUIST.

Mr. BELL of Georgia with Mr. CALDER.

Mr. ESTOPINAL with Mr. FREAR.

Mr. STEPHENS of Texas with Mr. BARTHOLDT.

Mr. SHERWOOD with Mr. MOTT.

Mr. BULKLEY with Mr. FESS.

Mr. SAUNDERS with Mr. ANTHONY.

Mr. HUGHES of Georgia with Mr. MERRITT.
Mr. CALLAWAY with Mr. WILLIS.
Mr. CLANCY with Mr. HAMILTON of New York.
Mr. MANN. I am paired with the gentleman from Alabama, Mr. UNDERWOOD, who is engaged in a conference. I desire to withdraw my vote of "yea" and be recorded as answering "present."
The name of Mr. MANN was called, and he answered "Present."
Mr. HOWARD. Mr. Speaker, a parliamentary inquiry.
The SPEAKER pro tempore. The gentleman will state it.
Mr. HOWARD. Is it not a fact that under a roll call of this sort Members voting have to qualify?
The SPEAKER pro tempore. The point of no quorum was made.
Mr. REILLY of Connecticut. And the gentleman made it himself. [Laughter.]
The SPEAKER pro tempore. A quorum is present. The Doorkeeper will open the doors.
On motion of Mr. SLAYDEN, a motion to reconsider the vote by which the bill was passed was laid on the table.
The SPEAKER pro tempore. Has the Library Committee any other bills to be brought up? If not, the Clerk will call the Committee on Printing.
The Clerk called the Committee on Printing.

CODIFICATION OF PUBLIC PRINTING LAWS.

Mr. BARNHART. Mr. Speaker, I call up the bill (H. R. 15902) to revise and codify the laws relating to public printing and binding and the distribution of Government publications.
The SPEAKER pro tempore. The gentleman from Indiana [Mr. BARNHART] calls up the bill H. R. 15902. The Clerk will report it.
The Clerk read the title of the bill, as follows:
A bill (H. R. 15902) to revise and codify the laws relating to public printing and binding and the distribution of Government publications.
The SPEAKER pro tempore. Is that a Union Calendar bill?
Mr. BARNHART. Yes; it is.
The SPEAKER pro tempore. Then the House automatically goes into Committee of the Whole House on the state of the Union, and the gentleman from Missouri [Mr. SHACKLEFORD] will take the chair.
Thereupon the House resolved itself into Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 15902) to revise and codify the laws relating to the public printing and binding and the distribution of Government publications, with Mr. SHACKLEFORD in the chair.
Mr. BRYAN. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD by inserting a letter from Mr. Samuel Gompers.
The CHAIRMAN. The gentleman should have done that before we went into committee. The Chair is informed that it is not in order to transact business of that kind in committee. The House is in Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 15902, which the Clerk will report.
Mr. BARNHART. Mr. Chairman, I would like to ask my colleague——
Mr. MANN. Mr. Chairman, has the bill been reported?
Mr. BARNHART. Not yet.
Mr. MANN. I ask for the regular order.
The CHAIRMAN. It has been reported by title. The Clerk will report the bill.
The Clerk again read the title of the bill.
Mr. MANN. Mr. Chairman, of course it would take some time to read this bill on the first reading, and I suggest that the gentleman from Indiana [Mr. BARNHART] ask unanimous consent to dispense with the first reading and say that he will move to rise after that; otherwise I shall object.
Mr. BARNHART. That was what I was going to do. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.
The CHAIRMAN. The gentleman from Indiana [Mr. BARNHART] asks that the first reading of the bill be dispensed with. Is there objection?
Mr. MURDOCK. Reserving the right to object, Mr. Chairman, will the bill be printed in the RECORD?
Mr. MANN. Oh, my, no. It is 125 pages of fine print.
Mr. MURDOCK. Will it ever appear in the RECORD?
Mr. MANN. That part of it will appear where it is read for amendment.
Mr. MURDOCK. Otherwise not?
Mr. MANN. Otherwise not.
Mr. MURDOCK. I shall not object. I do not want to encumber the RECORD.
The CHAIRMAN. Is there objection?
There was no objection.
Mr. BARNHART. Mr. Chairman, I move that the committee do now rise.
The motion was agreed to.
Accordingly the committee rose; and Mr. ADAMSON, as Speaker pro tempore, having resumed the chair, Mr. SHACKLEFORD, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 15902) to revise and codify the laws relating to the public printing and binding and the distribution of Government publications, and had come to no resolution thereon.

IMPORTATION OF CHEMICALS, DYESTUFFS, ETC.

Mr. METZ rose.
The SPEAKER pro tempore. For what purpose does the gentleman from New York rise?
Mr. METZ. I rise for the purpose of asking unanimous consent to address the House for a few minutes on a matter of the utmost importance to every Member.
The SPEAKER pro tempore. How much time does the gentleman desire?
Mr. METZ. Five minutes.
The SPEAKER pro tempore. The gentleman from New York [Mr. METZ] asks unanimous consent to address the House for five minutes. Is there objection?
There was no objection.
Mr. BRYAN. Mr. Speaker, before the gentleman begins his speaking may I ask unanimous consent to extend my remarks in the RECORD by inserting a letter from Mr. Samuel Gompers on the seamen's bill?
The SPEAKER pro tempore. The gentleman from Washington [Mr. BRYAN] asks unanimous consent to extend his remarks in the RECORD by inserting a letter from Mr. Samuel Gompers on the seamen's bill. Is there objection?
There was no objection.
The SPEAKER pro tempore. The gentleman from New York [Mr. METZ] is recognized.
Mr. METZ. Mr. Speaker and gentlemen, my purpose in rising is to call the attention of the Members of the House to a situation that is going to confront us in the very near future that will vitally affect every one of us and every one of our districts. It is the question of the importation of dyestuffs and materials involved in the manufacture of cotton, wool, silk, leather, paints, and printing inks.
There is in this country to-day not more than 60 days' supply. In the last 10 days I have had at least 25 per cent of the manufacturers of cotton, silk, and woolen goods in my office, begging for enough goods to keep them going. I mention this as an important fact, for we have got to shut down our mills or run only on part time within 60 days, unless we are relieved from abroad by shipments of the chemicals used in making our goods. Those products come mainly from Germany. I took the matter up with the Department of State and the Department of Commerce this morning, advising the officials there to get in touch with our consuls in Germany, especially those at Frankfort, Mannheim, and Cologne, along the Rhine, where all these large chemical plants are located. Those goods are usually shipped in Dutch bottoms down the Rhine to Rotterdam, and from there are transshipped to New York. Those ships are neutral. The goods are not contraband.
We ought to keep the State Department in communication with our consuls at those points, with a view to keeping open the transit of those products from abroad. It not only affects commerce, but it affects the men who use those things. It affects not only the running of the mills, but many pharmaceutical and medicinal preparations. The United States Army sent in to me yesterday for 2,000 vials of a certain remedy, and they got only 200, and the men are in the hospitals awaiting treatment and in need of them, and the Navy is in the same position. To this extent it affects our own Government already.
It is a very serious situation that confronts us, and we ought to do all we can to see to it that our mills are kept running by getting a supply of the necessary materials as long as we can by getting them through neutral bottoms. I have tried for three or four days to get cable advices, but have been unable to get them. Everything passes through London.
We should be advised and kept in touch with the situation abroad by our consuls in this crisis. It is a very serious crisis, indeed, and does not fully appear as yet, but in 60 days one-half or even all of our mills will be running on half time, or be entirely closed. What that will mean to our working people in this country I leave to you to comprehend. It is a situation that is, indeed, very serious.

Mr. O'SHAUNESSY. Mr. Speaker, will the gentleman yield?

The SPEAKER pro tempore. Does the gentleman from New York yield to the gentleman from Rhode Island?

Mr. METZ. Yes; I yield to the gentleman.

Mr. O'SHAUNESSY. Are any of these dyestuffs manufactured in America?

Mr. METZ. A very small quantity; but the raw materials for them are made abroad; those chemicals with the long, unpronounceable names, which the gentleman from New York [Mr. PAYNE] has at the tip of his tongue, are made mostly in Germany for the supply of the whole world.

Mr. MURDOCK. Are those plants running?

Mr. METZ. No; probably they are not running.

Mr. PAYNE. The gentleman is speaking of foreign plants?

Mr. METZ. Yes; I mean the foreign plants. They are probably not running, and they are not now manufacturing these goods. But they must have at least two or three months' supply on hand to supply the mills of the world. Now, the mills of the world have stopped. Russia, which is ordinarily a large consumer, has stopped. Austria is a large consumer. Belgium, France, England, and Germany are large consumers. They have all stopped. The only consumers left are Switzerland on silk goods, and to a very small extent Spain and Italy. We are the only important consumer left.

Mr. MURDOCK. Will the gentleman yield for a question?

Mr. METZ. Yes.

Mr. MURDOCK. Even in the event that we do get these shipments of these dyestuffs and these chemicals, in the course of three months there will be no supply left, will there?

Mr. METZ. Yes; for this reason: The supply on hand at the works is an amount sufficient to supply the normal demands of the world for two or three months, which will be sufficient to keep us alone going for a year, and there is no one else to use this supply at present. The goods are there on hand, made for the purpose of supplying the whole world. Now, if they are brought here in neutral bottoms, they will keep us going.

Mr. O'SHAUNESSY. Will the gentleman yield for a question?

Mr. METZ. Yes.

Mr. O'SHAUNESSY. Can these dyestuffs be manufactured in this country?

Mr. METZ. No; you can not build a plant overnight. These plants have taken 50 years to build.

Mr. STAFFORD. Will the gentleman yield for a question?

Mr. METZ. Yes.

Mr. STAFFORD. As I understand, the problem is to get the ships to convey these things over here.

Mr. METZ. No; the problem is that their shipments shall be maintained in neutral bottoms. The Dutch lines are running. There are enough ships in the Dutch lines that can bring them right along. The Holland-American Line can bring them right down the Rhine to Rotterdam, and from there to the United States. The question is to get in touch with them and keep them going.

Mr. REILLY of Connecticut. Will the gentleman yield for a question?

Mr. METZ. Yes.

Mr. REILLY of Connecticut. If you can not get any communication over there, how do you know the condition exists that you speak about?

Mr. METZ. I know it exists. I can not get into communication with them, but the State Department ought to be able to get into communication with them through its own ambassadors and consuls. It is high time that the United States take steps to communicate with its ambassadors and consuls, and that is all the communication I want to maintain.

Mr. REILLY of Connecticut. How do you know that the factories over there are closed?

Mr. METZ. Certainly they must be, at least, practically closed. I know, further, that in letters of July 30 from Germany no mention is made of anticipated trouble and the next day the war was on.

Mr. LEVY. What does the gentleman from New York recommend?

Mr. METZ. I do not recommend anything, except simply to state that I have asked the State Department and the Department of Commerce to cooperate, with a view to getting information through our consuls abroad, so that we may know what to tell the people who are so vitally interested in this matter. We have an opportunity for great development, and if we can keep our commerce going in neutral bottoms we are all right. If we are going to be cowed and not allow it, we shall be all wrong, and the trouble will fall on us. That is all there is to it.

Mr. CONRY. Will the gentleman yield for a question?

Mr. METZ. Certainly.

Mr. CONRY. Has the gentleman any suggestion whatever to make of a remedy?

Mr. METZ. Not until we get in touch with our consuls, who are located right where these mills are located, at the places I have mentioned.

Mr. DOOLITTLE. Is the State Department now cooperating?

Mr. METZ. I asked them this morning, and they agreed to cable at once. They realize the gravity of the situation. The Secretary of Commerce also understands the importance of this, and he is going to keep his agents there. But I want the Members of Congress to know, so that their own constituents may have the benefit. We want them to know that we are doing all we can to keep this thing going and to keep their plants running. If these materials can not be obtained, it means the shutting down of their plants and the throwing out of employment of hundreds of thousands of American men and women who are working in these mills. That is all I have to say, Mr. Speaker, and I thank the House for its courtesy. [Applause.]

LEAVE TO EXTEND REMARKS.

Mr. DOOLITTLE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on general conditions.

The SPEAKER pro tempore. The gentleman from Kansas asks unanimous consent to extend his remarks in the RECORD on general conditions. Is there objection?

There was no objection.

ADJOURNMENT.

Mr. BARNHART. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 30 minutes p. m.) the House adjourned until Thursday, August 13, 1914, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. OLDFIELD, from the Committee on Patents, to which was referred the bill (H. R. 15989) to revise and amend the laws relating to patents, reported the same without amendment, accompanied by a report (No. 1082), which said bill and report were referred to the House Calendar.

Mr. SUMNERS, from the Committee on Public Buildings and Grounds, to which was referred the bill (H. R. 18172) to increase the limit of cost of the United States post-office building at Seymour, Ind., reported the same without amendment, accompanied by a report (No. 1083), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. EDMONDS: A bill (H. R. 18336) to authorize the President of the United States to build or acquire steamships for use as naval auxiliaries and transports, and to arrange for the use of these ships when not needed for such service, and to make appropriation therefor; to the Committee on the Merchant Marine and Fisheries.

By Mr. WHALEY: A bill (H. R. 18337) to authorize one-half of the water of the Santee River to be diverted and flowed into the Cooper River for the purpose of maintaining a canal connecting these two rivers; to the Committee on Interstate and Foreign Commerce.

By Mr. MOSS of West Virginia: A bill (H. R. 18338) providing for the purchase or construction of vessels for the Navy, to be used for mail, passenger, and freight service in time of peace and as auxiliary ships of the Navy in time of war; to the Committee on the Merchant Marine and Fisheries.

By Mr. LEWIS of Maryland: A bill (H. R. 18339) to authorize the establishment of a bureau of marine insurance in the Department of Commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. IGOE: Joint resolution (H. J. Res. 319) proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. HOWARD: Joint resolution (H. J. Res. 320) requesting the Secretary of Commerce to submit to Congress statement showing amount of foodstuff exported during month preceding the European disturbances and amount exported since the existence of such disturbances, and other information; to the Committee on Interstate and Foreign Commerce.

By Mr. KINKEAD of New Jersey: Concurrent resolution (H. Con. Res. 45) authorizing the printing of 17,000 copies of the proceedings upon the unveiling of the statue of Commodore John Barry in Washington, May 16, 1914; to the Committee on Printing.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BROCKSON: A bill (H. R. 18340) for the relief of Isaac T. Cooper; to the Committee on Military Affairs.

Also, a bill (H. R. 18341) granting an increase of pension to John C. Short; to the Committee on Invalid Pensions.

By Mr. FOWLER: A bill (H. R. 18342) granting an increase of pension to John Turner; to the Committee on Invalid Pensions.

By Mr. GUDGER: A bill (H. R. 18343) granting a pension to James B. Anders; to the Committee on Pensions.

By Mr. HAMMOND: A bill (H. R. 18344) granting an increase of pension to Erasmus D. Miller; to the Committee on Invalid Pensions.

By Mr. KIESS of Pennsylvania: A bill (H. R. 18345) granting a pension to Hannah E. Bush; to the Committee on Pensions.

By Mr. LANGLEY: A bill (H. R. 18346) for the relief of Rachel Preston, administratrix of the estate of Martin Preston, deceased; to the Committee on War Claims.

By Mr. McGILLICUDDY: A bill (H. R. 18347) granting an increase of pension to Sarah D. Edwards; to the Committee on Invalid Pensions.

By Mr. OLDFIELD: A bill (H. R. 18348) granting an increase of pension to Lucy Brokaw; to the Committee on Invalid Pensions.

By Mr. ROBERTS of Massachusetts: A bill (H. R. 18349) for the relief of the widow of Frank J. Sargent, deceased; to the Committee on Claims.

By Mr. SLAYDEN: A bill (H. R. 18350) for the relief of Cynthia E. Jett; to the Committee on War Claims.

By Mr. STEPHENS of Texas: A bill (H. R. 18351) for the relief of J. C. Elliott; to the Committee on War Claims.

By Mr. TEN EYCK: A bill (H. R. 18352) granting a pension to Isaac Kestbaum; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18353) for the relief of Alfred D. Brink; to the Committee on Military Affairs.

By Mr. WOODS: A bill (H. R. 18354) granting an increase of pension to James Patrick; to the Committee on Invalid Pensions.

By Mr. GREGG: Resolution (H. Res. 591) referring certain claims to the Court of Claims for finding of facts and conclusions of law under section 151 of the act of March 3, 1911, entitled "An act to codify, revise, and amend the laws relating to the judiciary"; to the Committee on War Claims.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. ESCH: Petition of the Central Federated Union of New York City, favoring passage of House bill 10735, to create a bureau of labor safety in the Department of Labor; to the Committee on Labor.

By Mr. FESS: Petition of the Clinton County (Ohio) Teachers' Association, favoring national prohibition; to the Committee on Rules.

Also, petitions of 64 citizens of Wilmington, Ohio, protesting against national prohibition; to the Committee on Rules.

By Mr. GOOD: Petition of the Sioux Valley Medical Association, relative to House bill 6282, the Harrison antinarcotic bill; to the Committee on Ways and Means.

By Mr. HELVERING: Petitions of 24 members of the United Brethren Church of Minneapolis, Kans., and 36 members of the Christian Church of Hope, Kans., favoring national prohibition; to the Committee on Rules.

By Mr. KIESS of Pennsylvania: Petition of sundry citizens of the fifteenth congressional district of Pennsylvania, favoring national prohibition; to the Committee on Rules.

By Mr. LONERGAN: Petition of Mr. Warren D. Chase, of Hartford, Conn., favoring House bill 13305, Stevens standard-price bill; to the Committee on Interstate and Foreign Commerce.

By Mr. MERRITT: Letter from Mr. Frank W. Ames, of Morristown, N. Y., in behalf of the Young People's Society for Christian Endeavor of the Presbyterian Church of Morristown, favoring national prohibition; to the Committee on Rules.

Also, letter from Rev. C. E. Torrance, of Ticonderoga, N. Y., in behalf of the congregation of the Methodist Episcopal Church, favoring national prohibition; to the Committee on Rules.

By Mr. O'SHAUNESSY: Petition of Anna Williams and others, of Providence, R. I., favoring national prohibition; to the Committee on Rules.

Also, petition of Julia K. Smith, of Newport, R. I., favoring the Bristow-Mondell resolution enfranchising women; to the Committee on the Judiciary.

Also, petition of the New England Shoe and Leather Association, protesting against passage of antitrust bills at this session of Congress; to the Committee on the Judiciary.

Also, memorial of the American Optical Association, favoring the passage of House bill 13305, the Stevens standard-price bill; to the Committee on Interstate and Foreign Commerce.

Also, petitions of the Wilsey Grain Co., of Lincoln, Nebr.; the E. E. Rvahen Grain Co., of Kansas City; the Schreiner Grain Co., the Toberman Mackey Co., and the Ballard-Messmore Grain Co., of St. Louis, Mo.; the Baker & Holmes Co., of Jacksonville, Fla.; the Pollock Grain Co., of Middle Point, and the Goemann Grain Co., of Mansfield, Ohio; and W. P. Anderson & Co., of Chicago, Ill., favoring passage of the Pomerene bill-of-lading bill; to the Committee on Interstate and Foreign Commerce.

Also, petitions of Irving Winsor and others, of Greenville, R. I., favoring national prohibition; to the Committee on Rules.

By Mr. REILLY of Connecticut: Petition of the Bridgeport (Conn.) Manufacturers' Association, protesting against the extension of parcel-post weight limit; to the Committee on the Post Office and Post Roads.

By Mr. STEPHENS of California: Memorial of the City Council of Los Angeles, Cal., indorsing House resolution 5139, relative to retirement of civil-service employees; to the Committee on Reform in the Civil Service.

Also, petition of the Vincent Methodist Brotherhood, of Los Angeles, Cal., favoring national prohibition; to the Committee on Rules.

Also, memorial of 65 parishes of the Episcopal Church in southern California, favoring the Palmer-Owen child-labor bill; to the Committee on Labor.

By Mr. YOUNG of North Dakota: Petitions of 30 citizens of Fenwick, 70 citizens of Braddock, 50 citizens of Lehr, 140 citizens of Roth, 90 citizens of Wishek, 40 citizens of Monango, 75 citizens of Ellendale, 30 citizens of Silver Leaf, 30 citizens of Ludden, and sundry citizens of Napoleon, all in the State of North Dakota, favoring national prohibition; to the Committee on Rules.

SENATE.

THURSDAY, *August 13, 1914.*

(Legislative day of Tuesday, August 11, 1914.)

The Senate reassembled at 11 o'clock a. m. on the expiration of the recess.

EXECUTIVE SESSION.

The VICE PRESIDENT. Pursuant to the order of the Senate, the Sergeant at Arms will clear the galleries and close the doors.

The galleries having been cleared and the doors closed, the Senate resumed the consideration of executive business. After 5 hours and 18 minutes spent in executive session the doors were reopened.

While the doors were closed, as in legislative session,

PURCHASE OF SILVER BULLION.

Mr. SMOOT. I ask unanimous consent to introduce a bill, it being a matter of emergency.

The bill (S. 6261) authorizing the Secretary of the Treasury to purchase not to exceed 25,000,000 ounces of silver bullion, and for other purposes, was read twice by its title and referred to the Committee on Finance.

REGISTRY OF FOREIGN-BUILT VESSELS (S. DOC. NO. 564.)

Mr. O'GORMAN submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 18202) to provide for the admission of foreign-built ships to American registry for the foreign trade, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with the following

amendment: In lieu of the matter proposed by the Senate insert the following:

"That section 4132 of the Revised Statutes of the United States as amended by the act entitled 'An act to provide for the opening, maintenance, protection, and operation of the Panama Canal and the sanitation and government of the Canal Zone,' approved August 24, 1912, is hereby amended so that said section as amended shall read as follows:

"'SEC. 4132. Vessels built within the United States and belonging wholly to citizens thereof; and vessels which may be captured in war by citizens of the United States and lawfully condemned as prize, or which may be adjudged to be forfeited for a breach of the laws of the United States; and seagoing vessels, whether steam or sail, which have been certified by the Steamboat-Inspection Service as safe to carry dry and perishable cargo, wherever built, which are to engage only in trade with foreign countries or with the Philippine Islands and the islands of Guam and Tutuila, being wholly owned by citizens of the United States or corporations organized and chartered under the laws of the United States or of any State thereof, the president and managing directors of which shall be citizens of the United States, and no others, may be registered as directed in this title.'

"Foreign-built vessels may engage in the coastwise trade if registered pursuant to the provisions of this act within two years from its passage: *Provided*, That such vessels so admitted under the provisions of this section may contract with the Postmaster General under the act of March 3, 1891, entitled 'An act to provide for ocean mail service between the United States and foreign ports, and to promote commerce,' so long as such vessels shall in all respects comply with the provisions and requirements of said act.

"SEC. 2. Whenever the President of the United States shall find that the number of available persons qualified under now existing laws and regulations of the United States to fill the respective positions of watch officers on vessels admitted to registry by this act is insufficient, he is authorized to suspend by order, so far and for such time as he may find to be necessary, the provisions of law prescribing that all the watch officers of vessels of the United States registered for foreign trade shall be citizens of the United States.

"Whenever, in the judgment of the President of the United States, the needs of foreign commerce may require, he is also hereby authorized to suspend by order, so far and for such length of time as he may deem desirable, the provisions of the law requiring survey, inspection, and measurement by officers of the United States of foreign-built vessels admitted to American registry under this act.

"SEC. 3. With the consent of the President and during the continuance of hostilities in Europe, any ship chartered by the American Red Cross for relief purposes shall be admitted to American registry under the provisions of this act and shall be entitled to carry the American flag. And in the operation of any such ship the President is authorized to suspend the laws requiring American officers, if such officers are not readily available.

"SEC. 4. This act shall take effect immediately."

JAMES A. O'GORMAN,
J. R. THORNTON,
JOHN K. SHIELDS,
WILLIAM E. BORAH,
Managers on the part of the Senate.
J. W. ALEXANDER,
RUFUS HARDY,
O. W. UNDERWOOD,
Managers on the part of the House.

Mr. O'GORMAN. I ask that the conference report may lie on the table and be printed.

The PRESIDING OFFICER (Mr. LEA of Tennessee in the chair). The conference report will lie on the table and be printed.

PRESIDENTIAL APPROVALS.

A message from the President of the United States, by Mr. Latta, executive clerk, announced that the President had approved and signed the following acts:

On August 13, 1914:

S. 4628. An act extending the period of payment under reclamation projects, and for other purposes;

S. 4969. An act granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy and of wars other than the Civil War, and to certain widows and dependent relatives of such soldiers and sailors;

S. 5278. An act granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy and of wars other than the Civil War, and to certain widows and dependent relatives of such soldiers and sailors;

S. 5501. An act granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy and of wars other than the Civil War, and to certain widows and dependent relatives of such soldiers and sailors; and

S. 5899. An act granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy and of wars other than the Civil War, and to certain widows and dependent relatives of such soldiers and sailors.

After the doors were reopened,

AMERICAN-HAWAIIAN STEAMSHIP CO.

Mr. CULBERSON obtained the floor.

Mr. JONES. Mr. President, I ask the Senator from Texas to yield to me for just a moment to have a short telegram read into the RECORD in answer to a statement that was put into the RECORD the other day in a telegram which I submitted with reference to the American-Hawaiian Steamship Co.

Mr. CULBERSON. Very well.

Mr. JONES. I think it but justice that this telegram should be read and placed in the RECORD.

The VICE PRESIDENT. In the absence of objection, the Secretary will read as requested.

The Secretary read as follows:

NEW YORK, *August 12, 1914.*

WESLEY L. JONES, *Washington, D. C.:*

We beg to emphatically deny the report that we have given all of the lumber space in our ships to one concern. We are ready to take lumber from anyone when our service is established.

AMERICAN-HAWAIIAN STEAMSHIP CO.

AMELIA ERICKSON.

Mr. STERLING. Mr. President——

The VICE PRESIDENT. Does the Senator from Texas yield to the Senator from South Dakota?

Mr. CULBERSON. For what purpose?

Mr. STERLING. If the Senator will yield to me, I should like to submit a resolution and have it referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

The VICE PRESIDENT. Is there any objection?

Mr. CULBERSON. I do not object.

The resolution, S. Res. 440, was read and referred to the Committee to Audit and Control the Contingent Expenses of the Senate, as follows:

Resolved, That the Secretary of the Senate be, and he hereby is, authorized and directed to pay to Amelia Erickson, widow of John L. Erickson, late a messenger to Senator STERLING, a sum equal to six months' salary at the rate he was receiving by law at the time of his death, said sum to be considered as in lieu of funeral expenses and other allowances.

BILL INTRODUCED.

A bill was introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BURTON:

A bill (S. 6262) granting an increase of pension to Robert De Gray; to the Committee on Pensions.

PROPOSED ANTITRUST LEGISLATION.

Mr. CULBERSON. I ask that the unfinished business be proceeded with.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes.

Mr. CULBERSON. I ask unanimous consent that the formal reading of the bill may be dispensed with.

The VICE PRESIDENT. And that the bill be read for amendment?

Mr. CULBERSON. I will bring that question up later, Mr. President. I desire to present one proposition at a time.

Mr. SMOOT. Mr. President, if we proceed with the bill at all, after the formal reading has been dispensed with, it will be for the consideration of committee amendments, and I think the Senator from Texas ought to include that in his request. Then, of course, any Senator can speak on any amendment.

The VICE PRESIDENT. As the Chair recalls, the Senator from Texas has once before preferred the same request, and there was objection.

Mr. CULBERSON. By the Senator from New Hampshire [Mr. GALLINGER].

Mr. NELSON. The Senator from New Hampshire objected. The Chair is correct in that statement.

The VICE PRESIDENT. The Senator from New Hampshire objected.

Mr. NELSON. And in view of his objection and on his account, I shall have to object now.

Mr. CULBERSON. I do not think the Senator from New Hampshire would object if he were present; but in view of the objection of the Senator from Minnesota, the bill must be read.

The VICE PRESIDENT. The Secretary will read the bill.

The Secretary read the bill, as follows:

Be it enacted, etc., That "antitrust laws" as used herein includes the act entitled "An act to protect trade and commerce against unlawful restraints and monopolies," approved July 2, 1890; sections 73 to 77, inclusive, of an act entitled "An act to reduce taxation, to provide revenue for the Government, and for other purposes," of August 27, 1894; an act entitled "An act to amend sections 73 and 76 of the act of August 27, 1894, entitled 'An act to reduce taxation, to provide revenue for the Government, and for other purposes,'" approved February 12, 1913; and also this act.

"Commerce" as used herein means trade or commerce among the several States and with foreign nations, or between the District of Columbia or any Territory of the United States and any State, Territory, or foreign nation, or between any insular possessions or other places under the jurisdiction of the United States, or between any such possession or place and any State or Territory of the United States or the District of Columbia or any foreign nation, or within the District of Columbia or any Territory or any insular possession or other place under the jurisdiction of the United States.

The word "person" or "persons" wherever used in this act shall be deemed to include corporations and associations existing under or authorized by the laws of either the United States, the laws of any of the Territories, the laws of any State, or the laws of any foreign country.

SEC. 2. That any person engaged in commerce who shall, either directly or indirectly, discriminate in price between different purchasers of commodities in the same or different sections or communities, which commodities are sold for use, consumption, or resale within the United States or any Territory thereof or the District of Columbia or any insular possession or other place under the jurisdiction of the United States with the purpose or intent thereby to destroy or wrongfully injure the business of a competitor of either such purchaser or seller shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine not exceeding $5,000 or by imprisonment not exceeding one year, or by both, in the discretion of the court: *Provided*, That nothing herein contained shall prevent discrimination in price between purchasers of commodities on account of differences in the grade, quality, or quantity of the commodity sold, or that makes only due allowance for difference in the cost of transportation: *And provided further*, That nothing herein contained shall prevent persons engaged in selling goods, wares, or merchandise in commerce from selecting their own customers, except as provided in section 3 of this act.

SEC. 3. That it shall be unlawful for the owner, operator, or transporter of the product or products of any mine, oil or gas well, reduction works, refinery, or hydroelectric plant producing coal, oil, gas, or hydroelectric energy, or for any person controlling the products thereof, engaged in selling such product in commerce to refuse arbitrarily to sell such product to a responsible person, firm, or corporation who applies to purchase such product for use, consumption, or resale within the United States or any Territory thereof or the District of Columbia or any insular possession or other place under the jurisdiction of the United States, and any person violating this section shall be deemed guilty of a misdemeanor and shall be punished as provided in the preceding section.

SEC. 4. That any person engaged in commerce who shall lease or make a sale of goods, wares, merchandise, machinery, supplies, or other commodities for use, consumption, or resale within the United States, or any Territory thereof or the District of Columbia or any insular possession or other place under the jurisdiction of the United States, or fix a price charged therefor, or discount from, or rebate upon such price, on the condition, agreement, or understanding that the lessee or purchaser thereof shall not use or deal in the goods, wares, merchandise, machinery, supplies, or other commodities of a competitor or competitors of the lessor or seller shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine not exceeding $5,000, or by imprisonment not exceeding one year, or by both, in the discretion of the court.

SEC. 5. That any person who shall be injured in his business or property by reason of anything forbidden in the antitrust laws may sue therefor in any district court of the United States in the district in which the defendant resides or is found or has an agent, without respect to the amount in controversy, and shall recover threefold the damages by him sustained, and the cost of suit, including a reasonable attorney's fee.

SEC. 6. That whenever in any suit or proceeding in equity hereafter brought by or on behalf of the United States under any of the antitrust laws there shall have been rendered a final judgment or decree to the effect that a defendant has entered into a contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce, or has monopolized, or attempted to monopolize or combined with any person or persons to monopolize, any part of commerce, in violation of any of the antitrust laws, said judgment or decree shall, to the full extent to which such judgment or decree would constitute in any other proceeding an estoppel as between the United States and such defendant, constitute against such defendant conclusive evidence of the same facts, and be conclusive as to the same questions of law in favor of any other party in any action or proceeding brought under or involving the provisions of any of the antitrust laws.

Whenever any suit or proceeding in equity is hereafter brought by or on behalf of the United States, under any of the antitrust laws, the statute of limitations in respect of each and every private right of action, arising under such antitrust laws, and based, in whole or in part, on any matter complained of in said suit or proceeding in equity, shall be suspended during the pendency of such suit or proceeding in equity.

SEC. 7. That nothing contained in the antitrust laws shall be construed to forbid the existence and operation of fraternal, labor, consumers, agricultural, or horticultural organizations, orders, or associations instituted for the purposes of mutual help, and not having capital stock or conducted for profit, or to forbid or restrain individual members of such organizations, orders, or associations from carrying out the legitimate objects thereof; nor shall such organizations, orders, or associations, or the members thereof, be held or construed to be illegal combinations or conspiracies in restraint of trade, under the antitrust laws.

Nothing contained in the antitrust laws shall be construed to forbid associations of traffic, operating, accounting, or other officers of common carriers for the purpose of conferring among themselves or of making any lawful agreement as to any matter which is subject to the regulating or supervisory jurisdiction of the Interstate Commerce Commission, but all such matters shall continue to be subject to such jurisdiction of the commission, and all such agreements shall be entered and kept of record by the carriers, parties thereto, and shall at all times be open to inspection by the commission, but no such agreement shall go into effect or become operative until the same shall have first been submitted to, and approved by, the Interstate Commerce Commission: *Provided*, That nothing in this act shall be construed as modifying existing laws prohibiting the pooling of earnings or traffic, or existing laws against joint agreements by common carriers to maintain rates.

SEC. 8. That no corporation engaged in commerce shall acquire, directly or indirectly, the whole or any part of the stock or other share capital of another corporation engaged also in commerce, where the effect of such acquisition is to eliminate or substantially lessen competition between the corporation whose stock is so acquired and the corporation making the acquisition, or to create a monopoly of any line of trade in any section or community.

No corporation shall acquire, directly or indirectly, the whole or any part of the stock or other share capital of two or more corporations engaged in commerce where the effect of such acquisition, or the use of such stock by the voting or granting of proxies or otherwise, is to eliminate or substantially lessen competition between such corporations, or any of them, whose stock or other share capital is so acquired, or to create a monopoly of any line of trade in any section or community.

This section shall not apply to corporations purchasing such stock solely for investment and not using the same by voting or otherwise to bring about, or in attempting to bring about, the substantial lessening of competition. Nor shall anything contained in this section prevent a corporation engaged in commerce from causing the formation of subsidiary corporations for the actual carrying on of their immediate lawful business, or the natural and legitimate branches or extensions thereof, or from owning and holding all or a part of the stock of such subsidiary corporations, when the effect of such formation is not to eliminate or substantially lessen competition.

Nothing contained in this section shall be held to affect or impair any right heretofore legally acquired: *Provided*, That nothing in this paragraph shall make stockholding relations between corporations legal when such relations constitute violations of the antitrust laws.

Nor shall anything herein contained be construed to prohibit any railroad corporation from aiding in the construction of branch or short line railroads so located as to become feeders to the main line of the company so aiding in such construction or from acquiring or owning all or any part of the stock of such branch line, nor to prevent any railroad corporation from acquiring and owning all or any part of the stock of a branch or short line railroad constructed by an independent company where there is no substantial competition between the company owning the branch line so constructed and the company owning the main line acquiring the property or an interest therein, nor to prevent any railroad company from extending any of its lines through the medium of the acquisition of stock or otherwise of any other railroad company where there is no substantial competition between the company extending its lines and the company whose stock, property, or an interest therein is so acquired.

A violation of any of the provisions of this section shall be deemed a misdemeanor, and shall be punishable by a fine not exceeding $5,000, or by imprisonment not exceeding one year, or by both, in the discretion of the court.

SEC. 9. That from and after two years from the date of the approval of this act no person who is engaged as an individual, or who is a member of a partnership, or is a director or other officer of a corporation that is engaged in the business, in whole or in part, of producing or selling equipment, materials, or supplies to, or in the construction or maintenance of, railroads or other common carriers engaged in commerce, shall act as a director or other officer or employee of any other corporation or common carrier engaged in commerce to which he, or such partnership or corporation, sells or leases, directly or indirectly, equipment, materials, or supplies, or for which he or such partnership or corporation, directly or indirectly, engages in the work of construction or maintenance; and after the expiration of said period no person who is engaged as an individual or who is a member of a partnership or is a director or other officer of a corporation which is engaged in the conduct of a bank or trust company shall act as a director or other officer or employee of any such common carrier for which he or such partnership or bank or trust company acts, either separately or in connection with others, as agent for or underwriter of the sale or disposal by such common carrier of issues or parts of issues of its securities, or from which he or such partnership or bank or trust company purchases, either separtely or in connection with others, issues or parts of issues of securities of such common carrier.

That from and after two years from the date of the approval of this act no person shall at the same time be a director or other officer or employee of more than one bank, banking association, or trust company organized or operating under the laws of the United States either of which has deposits, capital, surplus, and undivided profits aggregating more than $2,500,000; and no private banker or person who is a director in any bank or trust company, organized and operating under the laws of a State, having deposits, capital, surplus, and undivided profits aggregating more than $2,500,000, shall be eligible to be a director in any bank or banking association organized or operating under the laws of the United States. The eligibility of a director, officer, or employee under the foregoing provisions shall be determined by the average amount of deposits, capital, surplus, and undivided profits as shown in the official statements of such bank, banking association, or trust company, filed as provided by law during the fiscal year next preceding the date set for the annual election of directors, and when a director, officer, or employee has been elected or selected in accordance with the provisions of this act it shall be lawful for him to continue as such for one year thereafter under said election or employment.

No bank, banking association, or trust company organized or operating under the laws of the United States in any city or incorporated town or village of more than 100,000 inhabitants, as shown by the last preceding decennial census of the United States, shall have as a director or other officer or employee any private banker or any director or other officer or employee of any other bank, banking association, or trust company located in the same place: *Provided*, That noth-

ing in this section shall apply to mutual savings banks not having a capital stock represented by shares: *Provided further*, That a director or other officer or employee of such bank, banking association, or trust company may be a director or other officer or employee of not more than one other bank or trust company organized under the laws of the United States or any State where the entire capital stock of one is owned by stockholders in the other: *And provided further*, That nothing contained in this section shall forbid a director of class A of a Federal reserve bank, as defined in the Federal reserve act, from being an officer or director, or both an officer and director, in one member bank.

That from and after two years from the date of the approval of this act no person at the same time shall be a director in any two or more corporations, either of which has capital, surplus, and undivided profits aggregating more than $1,000,000, engaged in whole or in part in commerce, other than common carriers subject to the act to regulate commerce, approved February 4, 1887, if such corporations are or shall have been theretofore, by virtue of their business and location of operation, competitors, so that an elimination of competition by agreement between them would constitute a violation of any of the provisions of any of the antitrust laws. The eligibility of a director under the foregoing provision shall be determined by the aggregate amount of capital, surplus, and undivided profits, exclusive of dividends declared but not paid to stockholders, at the end of the fiscal year of said corporation next preceding the election of directors, and when a director has been elected in accordance with the provisions of this act it shall be lawful for him to continue as such for one year thereafter.

When any person elected or chosen as a director or officer or selected as an employee of any bank or other corporation subject to the provisions of this act is eligible at the time of his election or selection to act for such bank or other corporation in such capacity his eligibility to act in such capacity shall not be affected and he shall not become or be deemed amenable to any of the provisions hereof by reason of any change in the affairs of such bank or other corporation from whatsoever cause, whether specifically excepted by any of the provisions hereof or not, until the expiration of one year from the date of his election or employment.

That any person who shall violate any of the provisions of this section shall be guilty of a misdemeanor and shall be punished by a fine of not exceeding $100 a day for each day of the continuance of such violation, or by imprisonment for such period as the court may designate, not exceeding one year, or by both, in the discretion of the court.

SEC. 10. That any suit, action, or proceeding under the antitrust laws against a corporation may be brought not only in the judicial district whereof it is an inhabitant, but also in any district wherein it may be found or has an agent.

SEC. 11. That in any suit, action, or proceeding brought by or on behalf of the United States subpœnas for witnesses who are required to attend a court of the United Statse in any judicial district in any case, civil or criminal, arising under the antitrust laws may run into any other district: *Provided*, That in civil cases no writ of subpœna shall issue for witnesses living out of the district in which the court is held at a greater distance than 100 miles from the place of holding the same without the permission of the trial court being first had upon proper application and cause shown.

SEC. 12. That whenever a corporation shall violate any of the provisions of the antitrust laws, such violation shall be deemed to be also that of the individual directors, officers, or agents of such corporation who shall have authorized, ordered, or done any of the acts constituting in whole or in part such violation, and such violation shall be deemed a misdemeanor, and upon conviction therefor of any such director, officer, or agent he shall be punished by a fine of not exceeding $5,000 or by imprisonment for not exceeding one year, or by both, in the discretion of the court.

SEC. 13. That the several district courts of the United States are hereby invested with jurisdiction to prevent and restrain violations of this act, and it shall be the duty of the several district attorneys of the United States, in their respective districts, under the direction of the Attorney General, to institute proceedings in equity to prevent and restrain such violations. Such proceedings may be by way of petition setting forth the case and praying that such violation shall be enjoined or otherwise prohibited. When the parties complained of shall have been duly notified of such petition, the court shall proceed, as soon as may be, to the hearing and determination of the case; and pending such petition, and before final decree, the court may at any time make such temporary restraining order or prohibition as shall be deemed just in the premises. Whenever it shall appear to the court before which any such proceeding may be pending that the ends of justice require that other parties should be brought before the court, the court may cause them to be summoned, whether they reside in the district in which the court is held or not, and subpœnas to that end may be served in any district by the marshal thereof.

SEC. 14. That any person, firm, corporation, or association shall be entitled to sue for and have injunctive relief, in any court of the United States having jurisdiction over the parties, against threatened loss or damage by a violation of the antitrust laws, when and under the same conditions and principles as injunctive relief against threatened conduct that will cause loss or damage is granted by courts of equity, under the rules governing such proceedings, and upon the execution of proper bond against damages for an injunction improvidently granted and a showing that the danger of irreparable loss or damage is immediate, a preliminary injunction may issue: *Provided*, That nothing herein contained shall be construed to entitle any person, firm, corporation, or association, except the United States, to bring suit in equity for injunctive relief against any common carrier subject to the provisions of the act to regulate commerce, approved February 4, 1887, in respect of any matter subject to the regulation, supervision, or other jurisdiction of the Interstate Commerce Commission.

SEC. 15. That no preliminary injunction shall be issued without notice to the opposite party.

No temporary restraining order shall be granted without notice to the opposite party unless it shall clearly appear from specific facts shown by affidavit or by the verified bill that immediate and irreparable injury, loss, or damage will result to property or a property right of the applicant before notice could be served or hearing had thereon. Every such temporary restraining order shall be indorsed with the date and hour of issuance, shall be forthwith filed in the clerk's office and entered of record, shall define the injury and state why it is irreparable and why the order was granted without notice, and shall by its terms expire within such time after entry, not to exceed 10 days, as the court or judge may fix. In case a temporary restraining order shall be granted without notice in the contingency specified, the matter of the issuance of a preliminary injunction shall be set down for a hearing at the earliest possible time and shall take precedence of all matters except older matters of the same character; and when the same comes up for hearing the party obtaining the temporary restraining order shall proceed with his application for a preliminary injunction, and if he does not do so the court shall dissolve his temporary restraining order. Upon two days' notice to the party obtaining such temporary restraining order the opposite party may appear and move the dissolution or modification of the order, and in that event the court or judge shall proceed to hear and determine the motion as expeditiously as the ends of justice may require.

Section 263 of an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911, is hereby repealed.

Nothing in this section contained shall be deemed to alter, repeal, or amend section 266 of an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911.

SEC. 16. That, except as otherwise provided in section 14 of this act, no restraining order or interlocutory order of injunction shall issue, except upon the giving of security by the applicant in such sum as the court or judge may deem proper, conditioned upon the payment of such costs and damages as may be incurred or suffered by any party who may be found to have been wrongfully enjoined or restrained thereby.

SEC. 17. That every order of injunction or restraining order shall set forth the reasons for the issuance of the same, shall be specific in terms, and shall describe in reasonable detail, and not by reference to the bill of complaint or other document, the act or acts sought to be restrained, and shall be binding only upon the parties to the suit, their agents, servants, employees, and attorneys, or those in active concert with them, and who shall, by personal service or otherwise, have received actual notice of the same.

SEC. 18. That no restraining order or injunction shall be granted by any court of the United States, or a judge or the judges thereof, in any case between an employer and employees, or between employers and employees, or between employees, or between persons employed and persons seeking employment, involving, or growing out of, a dispute concerning terms or conditions of employment, unless necessary to prevent irreparable injury to property, or to a property right, of the party making the application, for which injury there is no adequate remedy at law, and such property or property right must be described with particularity in the application, which must be in writing and sworn to by the applicant or by his agent or attorney.

And no such restraining order or injunction shall prohibit any person or persons from terminating any relation of employment, or from ceasing to perform any work or labor or from recommending, advising, or persuading others by peaceful means so to do; or from attending at or near a house or place where any person resides or works, or carries on business or happens to be, for the purpose of peacefully obtaining or communicating information, or of peacefully persuading any person to work or to abstain from working; or from ceasing to patronize or to employ any party to such dispute, or from recommending, advising, or persuading others by peaceful means so to do; or from paying or giving to, or withholding from, any person engaged in such dispute, any strike benefits or other moneys or things of value; or from peaceably assembling at any place in a lawful manner, and for lawful purposes; or from doing any act or thing which might lawfully be done in the absence of such dispute by any party thereto; nor shall any of the acts specified in this paragraph be considered or held unlawful.

SEC. 19. That any person who shall willfully disobey any lawful writ, process, order, rule, decree, or command of any district court of the United States or any court of the District of Columbia by doing any act or thing therein, or thereby forbidden to be done by him, if the act or thing so done by him be of such character as to constitute also a criminal offense under any statute of the United States, or at common law, shall be proceeded against for his said contempt as hereinafter provided.

SEC. 20. That whenever it shall be made to appear to any district court or judge thereof, or to any judge therein sitting, by the return of a proper officer on lawful process, or upon the affidavit of some credible person, or by information filed by any district attorney, that there is reasonable ground to believe that any person has been guilty of such contempt, the court or judge thereof, or any judge therein sitting, may issue a rule requiring the said person so charged to show cause upon a day certain why he should not be punished therefor, which rule, together with a copy of the affidavit or information, shall be served upon the person charged, with sufficient promptness to enable him to prepare for and make return to the order at the time fixed therein. If upon or by such return, in the judgment of the court, the alleged contempt be not sufficiently purged, a trial shall be directed at a time and place fixed by the court: *Provided, however*, That if the accused, being a natural person, fail or refuse to make return to the rule to show cause, an attachment may issue against his person to compel an answer, and in case of his continued failure or refusal, or if for any reason it be impracticable to dispose of the matter on the return day, he may be required to give reasonable bail for his attendance at the trial and his submission to the final judgment of the court. Where the accused person is a body corporate, an attachment for the sequestration of its property may be issued upon like refusal or failure to answer.

In all cases within the purview of this act such trial may be by the court, or, upon demand of the accused, by a jury; in which latter event the court may impanel a jury from the jurors then in attendance, or the court or the judge thereof in chambers may cause a sufficient number of jurors to be selected and summoned, as provided by law, to attend at the time and place of trial, at which time a jury shall be selected and impaneled as upon a trial for misdemeanor; and such trial shall conform, as near as may be, to the practice in criminal cases prosecuted by indictment or upon information.

If the accused be found guilty, judgment shall be entered accordingly, prescribing the punishment, either by fine or imprisonment, or both, in the discretion of the court. Such fine shall be paid to the United States or to the complainant or other party injured by the act constituting the contempt, or may, where more than one is so damaged, be divided or apportioned among them as the court may direct, but in no case shall the fine to be paid to the United States exceed, in case the accused is a natural person, the sum of $1,000, nor shall such imprisonment exceed the term of six months.

SEC. 21. That the evidence taken upon the trial of any person so accused may be preserved by bill of exceptions, and any judgment of conviction may be reviewed upon writ of error in all respects as now provided by law in criminal cases, and may be affirmed, reversed, or modified as justice may require. Upon the granting of such writ of error, execution of judgment shall be stayed, and the accused, if thereby sentenced to imprisonment, shall be admitted to bail in such reasonable

sum as may be required by the court, or by any justice, or any judge of any district court of the United States or any court of the District of Columbia.

SEC. 22. That nothing herein contained shall be construed to relate to contempts committed in the presence of the court, or so near thereto as to obstruct the administration of justice, nor to contempts committed in disobedience of any lawful writ, process, order, rule, decree, or command entered in any suit or action brought or prosecuted in the name of, or on behalf of, the United States, but the same, and all other cases of contempt not specifically embraced within section 19 of this act, may be punished in conformity to the usages at law and in equity now prevailing.

SEC. 23. That no proceeding for contempt shall be instituted against any person unless begun within one year from the date of the act complained of; nor shall any such proceeding be a bar to any criminal prosecution for the same act or acts; but nothing herein contained shall affect any proceedings in contempt pending at the time of the passage of this act.

DEALING IN COTTON FUTURES.

Mr. ASHURST obtained the floor.

Mr. SMITH of Georgia. Mr. President——

Mr. ASHURST. I yield to the Senator from Georgia for a moment.

Mr. SMITH of Georgia. The conference report on Senate bill 110, regulating the dealing in cotton futures, was presented to the Senate by me on July 24 and ordered to lie on the table and to be printed in the RECORD. I move that we now take it up for consideration.

The VICE PRESIDENT. Is there any objection? The Chair hears none.

Mr. SMITH of Georgia. I ask for the adoption of the conference report.

Mr. CULBERSON. Mr. President, I presume that can be done without prejudice to the unfinished business. A conference report is in order at any time.

The VICE PRESIDENT. No; a conference report is not in order at any time, so far as taking it up is concerned.

Mr. SMITH of Georgia. It is in order to move to take it up at any time. I desire to state that I do not think it will take 10 minutes to dispose of the report.

Mr. CULBERSON. The rule distinctly says that a conference report can be made at any time.

The VICE PRESIDENT. Yes; and it has been made; but the motion now is to take up the conference report, which is a different thing.

Mr. JONES. I simply wish to ask the Senator whether he knows of any opposition to the report.

Mr. SMITH of Georgia. I do not.

The VICE PRESIDENT. The question is on the motion of the Senator from Georgia that the Senate take up the conference report.

The motion was agreed to, and the Senate proceeded to consider the conference report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 110) to regulate trading in cotton futures and provide for the standardization of "upland" and "gulf" cottons separately, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House, and agree to the same amended as follows:

In section 3, line 4, of the amendment strike out "1 cent" and insert in lieu thereof "2 cents."

In section 5, seventh line of fifth page, of the amendment, after the comma following "thereof," strike out all the rest of the paragraph and in lieu thereof insert the following: "fixed, assessed, collected, and paid, in such manner and in accordance with such rules and regulations as may be prescribed by the Secretary of Agriculture."

In section 5, twenty-second line on the fifth page, of the amendment, after "heard," insert the following: "by him or such officer, officers, agent, or agents of the Department of Agriculture as he may designate."

In section 9 of the amendment strike out the sentence beginning "That," in line 10 of page 8, and insert in lieu thereof the following:

"That the Secretary of Agriculture is authorized, from time to time, to establish and promulgate standards of cotton by which its quality or value may be judged or determined, including its grade, length of staple, strength of staple, color, and such other qualities, properties, and conditions as may be standardized in practical form, which, for the purposes of this act, shall be known as the 'Official cotton standards of the United States,' and to adopt, change, or replace the standard for any grade of cotton established under the act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1909 (35 Stat. L., p. 251), and acts supplementary thereto: *Provided*, That any standard of any cotton established and promulgated under this act by the Secretary of Agriculture shall not be changed or replaced within a period less than one year from and after the date of the promulgation thereof by the Secretary of Agriculture: *Provided further*, That, subsequent to six months after the date section 3 of this act becomes effective, no change or replacement of any standard of any cotton established and promulgated under this act by the Secretary of Agriculture shall become effective until after one year's public notice thereof, which notice shall specify the date when the same is to become effective."

At the end of section 10 of the amendment insert a new paragraph, as follows:

"This section shall not be construed to apply to any contract of sale made in compliance with section 5 of this act."

In section 11, line 8, of the amendment strike out "1 cent" and insert in lieu thereof "2 cents."

In section 11, first line on page 11, of the amendment strike out "quality" and insert in lieu thereof "quantity."

In section 20, line 9, of the amendment strike out "and" preceding "to."

In section 20, line 10, of the amendment strike out "permanent."

In section 20, line 12, strike out "and he shall" and insert in lieu thereof "to."

In section 20, line 13, of the amendment strike out "including" and insert in lieu thereof "to pay."

In section 20, line 13, of the amendment strike out "the employment of" and insert in lieu thereof "to employ."

In section 20, line 15, of the amendment, after the period, insert the following:

"The Secretary of Agriculture is hereby directed to publish from time to time the results of investigations made in pursuance of this act."

In section 21, line 5, of the amendment strike out "three" and in lieu thereof insert "six."

In section 21, line 6, of the amendment strike out the period and insert: ": *Provided*, That nothing in this act shall be construed to apply to any contract of sale of any cotton for future delivery mentioned in section 3 of this act which shall have been made prior to the date when said section 3 becomes effective."

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the title and agree to the same.

HOKE SMITH,
MORRIS SHEPPARD,
JAMES H. BRADY,
Managers on the part of the Senate.

A. F. LEVER,
GORDON LEE,
G. N. HAUGEN,
Managers on the part of the House.

Mr. SMITH of Georgia. I move the adoption of the report.

The report was agreed to.

PROPOSED ANTITRUST LEGISLATION.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes.

Mr. ASHURST. Mr. President, I gave notice one week ago to-day that I would address the Senate upon House bill 15657, which had been favorably reported from the Committee on the Judiciary some time prior thereto. When, however, the shipping bill came before the Senate I felt it to be my duty, important as the pending bill is, not to project myself and my remarks into the time which was needed for the discussion of the shipping bill, because of the crisis which presented itself at that time. Subsequently the matter of the treaties for the advancement of the cause of general peace came before the Senate in executive session, and my notice was still further continued for a couple of days.

I am pleased, indeed, that intervening between the present moment and a week ago, when I gave my notice, two great subjects of legislation have been consummated—the shipping bill and the ratification of the peace treaties. Both were especially important, in view of certain eventualities in Europe; and I venture to make the observation at this time, in reply to some who have criticized the administration's policy of "watchful waiting," what a pity it is that in some of the chancelleries of Europe there could not have been exercised some of that "watchful waiting" which we all now commend, but which, while the waiting was going on, some persons apparently did not favor.

I rise, Mr. President, as I stated, to speak in behalf of House bill 15657; and as the hour is obviously late and Senators weary, I shall proceed as rapidly as I may, but after I shall have concluded, if it appears obvious that there are any historical inaccuracies in my remarks, I shall be glad to have them corrected.

There is a general impression that section 7 is the labor section of the bill. While that is true, sections 15 to 23, inclusive, are also denominated as the labor sections of the bill.

Some time since I clipped from Collier's Weekly the following interesting and pertinent article, entitled "Labor and the trusts":

The country was horrified recently by the discovery that the Steel Trust, which had paid fabulous sums to promoters and stockholders, worked many of its employees 12 hours a day 7 days in the week—worked them, too, at such low wages that, even if a man toiled his 12 hours each of the 365 days in the year, he could not earn enough to provide a decent living for a small family. The doctrine of legalized monopoly threatens to perpetuate the cause which made such conditions possible and which must breed similar evils in the future. That cause is the huge overweening power of the great trusts, the inexhaustible resources of organized capital, which enable it to prevent the organization of labor and to make the term "ironmaster" a reality. America must breed only freemen. It must develop citizens. It can not develop citizens unless the workingman possesses industrial liberty; and industrial liberty for the workingman is impossible if the right to organize be denied. Without the right to organize, short hours, high wages, and the best of working conditions, whether introduced by legislation or by the welfare departments of great corporations, can do no more than make slavery luxurious.

The great trusts have made the extermination of organized labor from their own works the foundation stone of their administration. Read this resolution, passed by the Steel Trust in 1901:

"That we are unalterably opposed to any extension of union labor and advise subsidiary companies to take firm positions when these questions come up and say they are not going to recognize it—that is, any extension of unions in mills where they do not now exist."

Here is a Steel Trust advertisement:

"Wanted—Sixty-two house men, tinners, catchers, and helpers to work in open shops; Syrians, Poles, and Roumanians preferred; steady employment and good wages to men willing to work; fare paid and no fees charged for this work. Central Employment Bureau, 628 Pennsylvania Avenue."

The result is that about 80 per cent of the unskilled laborers in the steel and iron business are foreigners of these classes. This ability of the great combinations of capital to overcome combinations of workingmen is confidently relied upon by the advocates of trusts as one of the savings of combination. Montague, in his Trusts of To-day, in explaining the trusts' "improved position in dealing with labor," says:

"By its preponderant influence in the business, the trust has an enormous advantage in its dealings with combined labor. In 1899, during the smelters' strike in Colorado, the American Smelting & Refining Co. closed the mills in which the strikers had been employed and transferred the work to its other mills; the effect was immediately to break the strike. The United States Steel Corporation had similar success in 1901 with the Amalgamated Association of Iron and Steel Workers. *Had the association been dealing with competing employers*, each eager to keep his mills running and to get orders which his recalcitrant rivals could not accept, *its demands would soon have been granted.*"

The success of the German Steel Trust appears to be due in part to this same ability to frustrate the aspirations of the workingman, as shown by the following passage quoted in President Van Hise's Concentration and Control:

"Another advantage obtained by the members from the existence of the cartel [trust] is in dealing with strikes and labor difficulties. Whenever a strike threatens the concern can transfer its quota to some other mill where there are no labor difficulties. Furthermore, the syndicate contract contains a provision releasing the mill from obligation to deliver goods whenever a strike is on. *Such an arrangement would have been impossible under the competitive system*, and losses growing out of strikes would undoubtedly have been much greater if the syndicate had not existed."

The italics in these quotations are ours. The labor policy of the Steel Trust is not exceptional. The Harvester Trust, the Beef Trust, the Smelter Trust, the Tobacco Trust, the Sugar Trust, and many others can all boast of their triumphs over organized labor. Denial to labor of the right to combine is a policy common to the great combinations of capital; and against that policy labor battles in vain. Its loosely banded, ill-provisioned forces, however valiant and self-sacrificing, are no match for the compact power of the huge trusts, with inexhaustible resources of money and of brains. Too great inequality in power is necessarily destructive of liberty—be it political or industrial. There is but one choice. We must keep democracy, or we must pass rapidly on to state socialism.

By the provisions of this bill United States courts are prohibited—

First. From issuing injunctions against persons on account of their ceasing to perform any work or labor.

Second. From issuing injunctions to prevent laborers from recommending, advising, or persuading others by peaceful means to cease work.

Third. From issuing injunctions enjoining laboring men from attending at or near a house or place where any person resides or works or carries on business or happens to be for the purpose of peacefully obtaining or communicating information or peacefully persuading any person to work or to abstain from work.

Fourth. From issuing injunctions enjoining laboring men from ceasing to patronize any party to a labor dispute.

Fifth. From issuing injunctions enjoining laboring men from recommending, advising, or persuading others by peaceful means so to do.

Sixth. From issuing injunctions enjoining laboring men from paying or giving to or withholding from any person engaged in any labor dispute any strike benefits or other moneys or other things of value.

Seventh. From issuing injunctions enjoining laboring men from peacefully assembling at any proper place in a lawful manner and for lawful purposes.

Eighth. From issuing injunctions enjoining laboring men from doing any act or thing which might lawfully be done in the absence of such labor dispute by any party thereto.

In other words, this proposed legislation purposes to place the laboring men upon the same equality under the law with every other citizen and requires an injunction in a case growing out of a labor dispute to be issued upon the same bill or cause of action and the same evidence as in any other case where a labor dispute is not involved. The injunction provisions of this bill give to labor a bill of rights on eight different propositions.

This legislation is rendered necessary by reason of the fact that some of the Federal courts have abused the writ of injunction, and in some instances have gone so far afield as to issue writs of injunction prohibiting laboring men from exercising the rights guaranteed by the Constitution of the United States to all persons in the United States.

SHERMAN ANTITRUST LAW.

The material advances in inventions, discoveries, transportation, and the mechanical sciences and arts during the nineteenth century were the cause of great increases in interstate commerce and in all its numerous ramifications and multiplications. These advances created, promoted, and enhanced opportunities for personal acquirement of disproportionate wealth, which opportunities, of course, strong and cunning men, as in every other age of the world, seized upon and employed to advance their own fortunes. Toward the close of the nineteenth century farseeing statesmen horoscoped the future and foretold that unless checked by law the then existing system would soon operate to put into the hands of a small minority of men in our Nation most, if not all, of the property which labor produced. Then arose a wide discussion as to the nature of the remedy to be applied. The discussion which took place was interesting and instructive, and it was pointed out that in the Governments of ancient as well as modern times grabbing and grasping monopolists sought by various ways and means and through various devices to acquire a disproportionate share of the wealth in the Nation.

In the examination of the various remedies proposed to curb monopoly there was pointed out and discussed the manner as to how in England the monopolies began to oppress the people during the reign of Queen Elizabeth, and we recall that in the colloquial debates in the English Parliament during the reign of Elizabeth on the bill introduced in Parliament for the purpose of checking and restraining her exercise of the royal prerogative with respect to granting monopolies to particular persons, Sir Francis Bacon delivered a speech, wherein he said:

With regard to monopolies, the case hath ever been to humble ourselves to Her Majesty and by petition desire to have our grievances remedied, especially when the remedy touched her so nigh in point of prerogative. I say, and I say it again, that we ought not to deal, to judge, or meddle with Her Majesty's prerogative. I wish, therefore, every man to be careful of this business.

This effusion by Sir Francis Bacon is precisely such a speech as we would expect to find the histories record of him. It was in keeping with his sycophantic and fawning spirit, which was always fearful, even to a fault, of offending the rich and powerful.

During the discussion of the bill Mr. Francis More said:

I know the Queen's prerogative is a thing curious to be dealt withal; yet all grievances are not comparable. I can not utter with my tongue or conceive with my heart the great grievances that the town and country for which I serve suffereth by some of these monopolies. It bringeth the general profit into a private hand, and the end of all this is beggary and bondage to the subjects. Out of the spirit of humiliation do I speak it, there is no act of hers that has been or is more derogatory to her own majesty, more odious to the subjects, more dangerous to the Commonwealth, than the granting of these monopolies.

Also, during the discussion of that bill, Mr. Martin said:

I do speak for a town that grieves and pines, for a country that groaneth and languisheth, under the burden of monstrous and unconscienceable monopolies of starch, tin, cloth, oil, vinegar, salt, and I know not what—nay, what not! The principalist commodities, both of my town and country, are engrossed into the hands of these bloodsuckers of the Commonwealth. Such is the state of my own town and country; the traffic is taken away; the inward and private commodities are taken away and dare not be used without the license of these monopolitans. If these bloodsuckers be let alone to suck up the best and principalist commodities which the earth there hath given us,

what will become of us, from whom the fruits of our own soil and the commodities of our own labor shall be taken by warrant of supreme authority, which the poor subject dare not gainsay?

Thus we observe that the people of our Nation are not the only people that have suffered from the greediness of some members of the human family.

The history of the Sherman antitrust law is instructive, and a short review of the parliamentary history of that law is pertinent to the present discussion.

On February 28, 1890, Fifty-first Congress, Senator Sherman, of Ohio, introduced his antitrust bill in the Senate. It was referred to the Committee on Finance. On March 22, 1890, the Committee on Finance introduced a substitute for the Sherman bill. On March 25, 1890, Senator Morgan, of Alabama, moved to commit the bill to the Judiciary Committee; it failed to carry on a vote of 16 yeas to 28 nays. On March 25, 1890, Senator Sherman offered a proviso to be added at the end of the first section of the bill, as follows:

Provided, That this act shall not be construed to apply to any arrangements, agreements, or combinations between the laborers, made with a view of lessening the number of hours of labor or the increasing of their wages; nor to any arrangements, agreements, or combinations among persons engaged in horticulture or agriculture, made with a view of enhancing the price of agricultural or horticultural products.

The amendment was agreed to in the Senate without any opposing votes.

On March 26, 1890, Senator Stewart, of Nevada, made the following comprehensive statement:

The original bill has been very much improved, and one of the great objections has been removed from it by the amendment offered by Senator Sherman (for Senator George), which relieves the class of persons who would have been first prosecuted under the original bill without the amendment.

Senator Stewart then added:

The bill ought now in some respects to be satisfactory to every person who is opposed to the oppression of labor and desires to see it properly rewarded.

During the debates in Congress on the Sherman antitrust law it was not suggested nor even hinted, so far as may be ascertained from the debates that have come down to us in the CONGRESSIONAL RECORD, that the exemption of labor organizations from the provisions of that law was improper class legislation. I do not assert that the contrary does not appear. I simply say, so far as I have been able to ascertain from the debate in the CONGRESSIONAL RECORD, that it does not appear. It was not the intention of the legislators to apply the Sherman antitrust law to labor organizations, although the courts, by strained and harsh constructions, have sought to apply it to labor organizations.

By judicial interpretations and legal precedents, and especially by the decision of the United States Supreme Court in the Danbury Hat case, the terms of the law intended to apply to persons dealing in commodities were interpreted to apply to the energies and activities of associated laborers. Thus under the Sherman antitrust law labor organizations may be dissolved, their members fined or imprisoned, and the labor organizations mulcted by damages in civil suits.

In order, therefore, to secure to the workers the legal right to organized existence it is necessary by substantive law to remove and exempt the organizations of labor from the provisions of the antitrust laws, and section 7 and sections 15 to 23, inclusive, of the Clayton bill, H. R. 15657, provide for such exemption.

The proper energies and reasonable activities of labor organizations have been greatly injured and hindered by the improper use and the abuse of the injunction, because some courts have proceeded upon the hypothesis that labor power is property, such as mechanical and electrical contrivances, cattle, horses, and so forth. Some courts of equity have usurped jurisdiction and power to restrain laborers from doing the things they had a lawful right to do, and which in many instances it was necessary for them to do to promote their own interests and rise above the conditions of serfdom; for instance, injunctions have forbidden laborers to use the public highways and have forbidden them peacefully to consider their own condition. Laborers have been forbidden by injunction to pay strike benefits or to exercise the right of free speech. Therefore, in order to prevent any further abuse of this judicial power, these provisions of sections 7 and 15 to 23, inclusive, of the Clayton bill have been written in this proposed legislation, and are known as the "laborers' bill of rights."

In this pending bill, disguise it as we may, dodge and evade as we may, there is one great question we must meet and settle, and that is the question as to whether this proposed law shall be directed against the combinations of capital that the Sherman antitrust law was designed to be directed against or whether the antitrust laws shall be shifted, partially at least, and turned as an engine of oppression and destruction against some of the very people they are designed to protect.

A vast deal of discussion has occurred regarding what class of people the antitrust legislation was directed against, but those who search the records with even a moderate degree of diligence will be rewarded by complete freedom from any doubt upon the subject. The statesmen who framed this legislation—the Sherman law—had no doubt as to whom the legislation was directed against.

Senator Sherman, the nominal author of the Sherman law, had no doubt as to this question, and in the debate in the Senate, on March 24, 1890, he said:

Now, let us look at it. The bill as reported contains three or four simple propositions which relate only to contracts, combinations, agreements made with a view and designed to carry out a certain purpose which the laws of all the States and of every civilized community declare to be unlawful. It does not interfere in the slightest degree with voluntary associations made to affect public opinion to advance the interests of a particular trade or occupation. It does not interfere with the Farmers' Alliance at all, because that is an association of farmers to advance their interests and to improve the growth and manner of production of their crops and to secure intelligent growth and to introduce new methods. No organizations in this country can be more beneficial in their character than farmers' alliances and farmers' associations. They are not business combinations. They do not deal with contracts, agreements, and so forth. They have no connection with them. And so the combinations of workingmen to promote their interests, promote their welfare and increase their pay, if you please, to get their fair share in the division of production, are not affected in the slightest degree, nor can they be included in the words or intent of the bill as now reported.

Notwithstanding the disclaimer on the part of Senator Sherman and many others in the Senate at that time as to the class of people designed to be reached by that legislation, Senator George introduced an amendment at that time as follows:

Provided, That this act shall not be construed to apply to any arrangements, agreements, or combinations between the laborers, made with a view of lessening the number of hours of labor or the increasing of their wages; nor to any arrangements, agreements, or combinations among persons engaged in horticulture or agriculture, made with a view of enhancing the price of agricultural or horticultural products.

Although Senator Sherman and many others at that time emphatically stated that the language of the bill was plain without such an amendment, the amendment was finally incorporated in the bill as it passed the Committee of the Whole in the Senate. The bill was thereupon sent to the Judiciary Committee, and when it returned from the Judiciary Committee it was passed without this amendment, which had been stricken out in the committee as unnecessary. I assert that it was the contemporaneous opinion of Senators at that time that the amendment was unnecessary.

When the bill was being debated in the Senate Senator Hoar expressed the general attitude of the students of the question at that time in the following words which remove all doubt. Speaking in the Senate on March 27, 1890, Senator Hoar said:

When you are speaking of providing to regulate the transactions of men who are making corners in wheat, or in iron, or in woolen or in cotton goods, speculating in them or lawfully dealing in them without speculation, you are aiming at a mere commercial transaction, the beginning and end of which is the making of money for the parties, and nothing else. That is the only relation that transaction has to the State. It is the creation or diffusion or change of ownership of the wealth of the community. But when a laborer is trying to raise his wages or is endeavoring to shorten the hours of his labor, he is dealing with something that touches closely, more closely than anything else, the Government and the character of the State itself.

The maintenance of a certain standard of profit in dealing in large transactions in wheat or cotton or wool is a question whether a particular merchant or a particular class of merchants shall make money or not; but the question whether the standard of the laborer's wages shall be maintained or advanced, or whether the leisure for instruction, for improvement shall be shortened or lengthened is a question which touches the very existence and character of government of the State itself. The laborer who is engaged lawfully and usefully and accomplishing his purpose in whole or in part in endeavoring to raise the standard of wages is engaged in an occupation the success of which makes republican government itself possible, and without which the Republic can not, in substance, however it may nominally do in form, continue to exist.

I hold, therefore, that as legislators we may constitutionally, properly, and wisely allow laborers to make associations, combinations, contracts, agreements for the sake of maintaining and advancing their wages, in regard to which, as a rule, their contracts are to be made with large corporations who are themselves but an association or combination or aggregation of capital on the other side. When we are permitting and even encouraging that, we are permitting and encouraging what is not only lawful, wise, and profitable, but absolutely essential to the existence of the Commonwealth itself.

When, on the other hand, we are dealing with one of the other classes, the combinations aimed at chiefly by this bill, we are dealing with a transaction the only purpose of which is to extort from the community, monopolize, segregate, and apply to individual use, for the purposes of individual greed, wealth which ought properly and lawfully and for the public interest to be generally diffused over the whole community.

These are the words of the late Senator Hoar, a distinguished Senator from Massachusetts, a statesman of untarnished public and private character and of highly cultivated mind, yet conservative withal.

Mr. KERN. And who wrote every word of the Sherman antitrust law as it was finally passed.

Mr. ASHURST. And, as is suggested to me, the man who wrote every word of the Sherman antitrust law as it is now on the statute books.

Senator Edmunds, Senator Stewart, Senator Teller, Senator Reagan, Senator George, and others—all without any question agreed that the bill as it was presented to the Senate for final passage left no doubt as to the fact that it was not intended to include fraternal orders, labor organizations, or farmers' alliances. I will insert these views of Senators in the RECORD.

[Senate, page 2720, March 27, 1890. Mr. Hoar.]

I said the object of this bill was to prevent the speculation in and engrossing of wheat and similar commodities. I did not speak in that connection of corporations. I said, in speaking generally of the lawfulness and propriety of laborers combining in the matter of wages, that the persons with whom they were to contract were very largely the corporations which were themselves nothing but a combination or aggregation of capital for that purpose. I made no such suggestion as that corporations were the persons aimed at by this bill. That was in a different connection.

[Senate, page 2606, March 25. Mr. Stewart.]

Again, suppose that the employers, railroad companies, and manufacturing establishments should say that labor should be put down to two bits a day. Suppose that capital should combine against labor, as it is very much inclined to do, and there should be a combination among the laborers which would increase the cost of production and increase the cost of all articles consumed. Suppose there should be a combination among the laborers to protect themselves from grasping monopolies; they would all be criminals for doing it.

[Senate, page 2562, March 24, 1890. Mr. Teller.]

I know that nobody here proposes to interfere with the class of men I have mentioned. Nobody here intends that by any of these provisions, either in the original bill or in any amendment, and I have only called attention to it to see if the efforts of those who have undertaken to manage this subject can not in some way confine the bill to dealing with trusts, which we all admit are offensive to good morals.

[Senate, page 2562, March 24, 1890. Mr. Teller.]

I want to repeat that I am exceedingly anxious myself to join in anything that shall break up and destroy these unholy combinations, but I want to be careful that in doing that we do not do more damage than we do good. I know how these great trusts, these great corporations, these large moneyed institutions can escape the provisions of a penal statute, and I know how much more likely they are to escape than the men who have less influence and less money. Therefore I suggest that the Senators who have this subject in charge give it special attention, and by a little modification it may be possible to relieve the bill of any doubt on that point.

Mr. President, I stated a moment ago that harsh and unreasonable constructions had been placed upon the Sherman antitrust law so as to bring labor organizations within its purview, and in making that statement I am not alone in sounding a danger signal as to the drastic and harsh injunctions that have proceeded from some of our Federal courts against the laboring men of the country.

In October of 1907 Justice Moody, late of the Supreme Court of the United States, said:

I believe in recent years the courts of the United States, as well as the courts of our own Commonwealth (Massachusetts), have gone to the very verge of danger in applying the process of the writ of injunction in disputes between labor and capital.

Hon. Thomas M. Cooley, sometime president of the American Par Association, said:

Courts with their injunctions, if they heed the fundamental law of the land, can no more hold men to involuntary servitude for even a single hour than can overseers with a whip.

Judge M. F. Tuley, of the appellate court of Illinois, used these words:

Such use of injunction by the courts is judicial tyranny, which endangers not only the right of trial by jury, but all the rights and liberties of the citizens.

Gov. Sadler, of Nevada, said:

The tendency at present is to have the courts enforce law by injunction methods, which are subversive of good government and the liberties of the people.

Prof. F. J. Stimson, of Harvard University, in his new work on Federal and State Constitutions, after citing many authorities, says:

These are sufficient to establish the general principle that the injunction process and contempt in chancery procedure, as well as chancery jurisdiction itself, is looked on with a logical jealousy in Anglo-Saxon countries as being in derogation of the common law, taking away the jurisdiction of the common-law courts and depriving the accused of his trial by jury.

Judge John Gibbons, of the circuit court of Illinois, declared that—

In their efforts to regulate or restrain strikes by injunction they (the courts) are sowing dragons' teeth and blazing the path of revolution.

In order that I may not be deemed to have overshot myself and allowed an intemperate or imprudent statement to escape my lips on this subject, I will insert in the RECORD at this point a few samples calling attention to some of the harsh and unreasonable decisions of the courts on this subject.

LABOR DECISIONS AND INJUNCTIONS.

Refusing to haul cars a conspiracy (T., A. & N. M. Ry. v. Pennsylvania Co., 54 Fed. Rep., 730, Apr. 3, 1893).

Quitting work is criminal (same, Apr. 3, 1893).

A workman considered "under control" (T., A. & N. M. Ry. v. Pennsylvania Co. et al., 54 Fed. Rep., 746, Mar. 25, 1893. Ricks, circuit judge).

Serving of injunction notice unnecessary (In re Lennon, 166 U. S., 548, Brown, judge).

The black list lawful (N. Y., C. & St. L. Ry. Co. v. Schaffer, 65 Ohio, 414, Jan. 21, 1902).

Effort to unionize shop unlawful (Loewe et al. v. Lawlor et al., 208 U. S., 274, Feb. 3, 1908).

Contract work to union house is void (State v. Toole, 26 Mont., 22).

Constitutional to require men to leave union (People v. Harry Marcus, 185 N. Y., 257, May 25, 1906).

Union labor has no right to conduct a strike (Alfred W. Booth & Co. v. Burgess et al., 65 Atl. Rep., 226, Nov. 26, 1906).

Unlawful to induce nonunion men to quit work (Enterprise Foundry Co. v. Iron Molders' Union, 112 N. W., 685, July 1, 1907).

The unfair list forbidden (Wilson et al., 232 Ill., 389, Feb. 20, 1908).

Employer has right to bar out unions (Flaccus v. Smith, 199 Pa. St., 128).

Antitrust act applies to labor unions as well as to combinations of capitalists (U. S. v. Workingmen's Amalgamated Council, 54 Fed. Rep., 994; Loewe v. Lawlor, 208 U. S., 274).

The boycott is unlawful (Loewe v. Lawlor, 208 U. S., 274).

Members of labor unions liable to threefold damages for injuries in business or property sustained by individuals or firms by reason of a boycott (Loewe v. Lawlor, 208 U. S., 274).

A combination of men to secure or compel the employment of none but union men is unlawful (U. S. v. Workingmen's Amalgamated Council, 54 Fed. Rep., 994).

Unlawful to threaten a strike (John O'Brien v. People ex rel. Kellogg Switchboard & Supply Co., 216 Ill., 354, June 23, 1905).

Effort to unionize a house is unlawful (J. L. Purvis et al., Local No. 500, U. B. of Carpenters and Joiners, 214 Pa. St., 348, Mar. 19, 1906).

The boycott is unlawful (Shine et al. v. Fox Bros. Mfg. Co., 156 Fed. Rep., 357, Oct. 19, 1907).

Unions liable to suit for damages (Leucke v. Clothing Cutters and Trimmers' Assembly, 77 Md., 396, Mar. 16, 1893).

The closed shop is illegal (A. R. Barnes & Co. et al. v. Berry et al., 156 Fed. Rep., 72, Oct. 21, 1907).

Unlawful to ask reasons for discharge (Wallace v. Georgia, Carolina & Northern Ry. Co., 94 Ga., 732, June 18, 1894).

Blacklisting can not be prohibited (Wisconsin ex rel. Theodore Zilliner v. Louis Kreutzberg, 58 L. R. A., 748, May 18, 1902).

Maintaining a picket is unlawful (A., T. & S. F. Ry. Co. v. Gee et al., 139 Fed. Rep., 152, July 10, 1905).

Can not limit hours of labor by law (Holden v. Hardy, 169 U. S., 366, Feb. 28, 1898).

Payment in checks legal (Kentucky Court of Appeals, Avent-Beattyville Coal Co., appellant, v. Commonwealth of Kentucky, Dec. 1, 1894).

Employer has right to discharge a union man (Wisconsin Supreme Court, State of Wisconsin ex rel. Theodore Zilliner, plaintiff in error, v. Louis J. Kreutzberg, 58 L. R. A., 748, May 19, 1902).

Eight-hour day unconstitutional (Nebraska Supreme Court, Charles G. Low, plaintiff in error, v. Rees Printing Co., 24 L. R. A., 702-708).

Eight-hour law illegal (Ohio Supreme Court, City of Cleveland, plaintiff in error, v. Clements Bros. Construction Co., 59 L. R. A., 775).

Protection of laborers illegal (Colorado Supreme Court, re Thomas A. Morgan, 47 L. R. A., 52, July 17, 1899).

Limiting check payment unconstitutional (Indiana Supreme Court, Nathan G. Dixon, appellant, v. James H. Poe, 60 L. R. A., 308, Nov. 25, 1902).

Unlawful to fix wages by law (New York Supreme Court, People ex rel. William J. Rodgers, respondent, v. Bird S. Coler, appellant, 166 N. Y.; 52 L. R. A., 814).

Protection of labor not required (New York Court of Appeals, Sarah Knisley, respondent, v. Pascal P. Pratt et al., appellants, 148 N. Y., 362; 32 L. R. A. 367).

No extra pay for extra hours (New York Court of Appeals, People, respondent, v. James H. Phyfe, appellant, Jan. 17, 1893).

Employer not responsible for death of employee (Circuit Court of Appeals, Eighth Circuit, Mar. 19, 1900; Westland v. Gold Coin Mines Co., 101 Fed. Rep., 59, 64, 65, and 66).

Labor check payments are legal (Massachusetts Supreme Judicial Court, Commonwealth of Massachusetts v. Josiah Perry, 14 L. R. A., 326).

No remedy for labor except personal suit (Massachusetts Supreme Judicial Court, Dianah Worthington et al., appellants, v. James Warring et al., 157 Mass., 421).

Employers need not furnish doctor to injured (Massachusetts Supreme Judicial Court, Alexander Davis, by next friend, v. William H. Forbes, 171 Mass., 548).

Employers not liable for injuries (Massachusetts Supreme Court, William O'Maily v. South Boston Gaslight Co., 158 Mass., 135).

Altering contract is legal for employers (Illinois Supreme Court, Richard Pemsey appellant, v. People of Illinois, 17 L. R. A., 853).

Employers need not recommend satisfactory employees (Illinois Supreme Court, C., C., C. & St. L. Ry. Co., appellant, v. Charles Jenkins, 174 Ill., 398).

Legal to jail a man a month without trial (Oregon Supreme Court, Longshore Printing & Publishing Co., appellant, v. George H. Howell et al., 26 Oreg., 527).

The right to blacklist upheld (Kentucky Court of Appeals, John Hundley, appellant, v. L. & N. Ry. Co., 105 Ky., 162).

Any willful attempt of employees of a railroad in the hands of a receiver to impede or hinder the operation of the road is contempt of court (Thomas v. C., N. O. & T. P. Ry. Co., 62 Fed. Rep., 803).

To instigate a strike on a road in the hands of a receiver is unlawful and a contempt of court (Thomas v. C., N. O. & T. P. Ry. Co., 62 Fed. Rep., 803).

A boycott is an unlawful conspiracy (Thomas v. C., N. O. & T. P. Ry. Co., 62 Fed. Rep., 803).

A sympathetic strike is an unlawful conspiracy by reason of its purpose whether such purpose is effected by means usually lawful or otherwise (Thomas v. C., N. O. & T. P. Ry. Co., 62 Fed. Rep., 803).

Any obstructing or retarding the mails by strikers is an unlawful conspiracy in violation of section 3975, Revised Statutes, although the obstruction is effected by merely quitting employment (Thomas v. C., N. O. & T. P. Ry. Co., 62 Fed. Rep., 803).

A law forbidding discrimination against an employee because of his membership in a labor union and making it a misdemeanor for an employer to discharge an employee because of membership in a labor union is unconstitutional (Adair case, 208 U. S., 161).

I also insert in the RECORD a copy of a final decree issued in June of this year by Judge Humphrey, of the United States District Court for the Southern District of Illinois, which is as follows:

UNITED STATES OF AMERICA, SOUTHERN DISTRICT OF ILLINOIS, SOUTHERN DIVISION—IN THE UNITED STATES DISTRICT COURT, JUNE TERM, A. D. 1914.

American Steel Foundries, a corporation, complainant, *v.* The Tri-City Central Trades Council, Harry McKenny, Ted Ishmann, Earl Galloway, William Thornburg, C. Holmes, C. L. Burton, Eddie Roach, John Aldridge, Isaac Cook, Benjamin F. Lamb, J. P. McDonough, and C. E. Gerlich, defendants. In equity for injunction.

FINAL DECREE.

This cause came on to be heard at this term on the 9th day of June, A. D. 1914, and was argued by counsel; and thereupon upon consideration thereof it was ordered, adjudged, and decreed as follows, viz:

That the restraining order heretofore issued on May 18, 1914, and which on May 28, 1914, was continued in force as a temporary injunction, be and is hereby made permanent as to all of said defendants, with the exception of the defendant C. L. Burton, and as to the said C. L. Burton the said restraining order and temporary injunction be and is hereby vacated.

It is further ordered, adjudged, and decreed by the court that the said defendants the Tri-City Central Trades Council its officers and agents, and Harry McKenny, Ted Ishmann, Earl Galloway, William Thornburg, C. Thornburg, Tom Churchill, Clay Holmes, Eddie Roach, John Aldridge, Isaac Cook, Benjamin F. Lamb, J. P. McDonough, and C. E. Gerlich and each of them and all persons combining with, acting in concert with or under their direction, control, or advice, or under the direction, control, or advice of any of them and all persons whomsoever be and are hereby perpetually restrained and enjoined from in any way or manner whatsoever by use of persuasion, threats, or personal injury, intimidation, suggestion of danger or threats of violence of any kind, from interfering with, hindering, obstructing, or stopping any person desiring to be employed by said American Steel Foundries in its said tion with its business or its foundry in the city of Granite City, county of Madison, State of Illinois, or elsewhere, and from interfering by persuasion, violence, or threats of violence in any manner with any person desiring to be employed by said American Steel Foundries in its said foundry or plant; and from inducing or attempting to compel or induce by persuasion, threats, intimidation, force, or violence or putting in fear or suggestions of danger any of the employees of the American Steel Foundries or persons seeking employment with it so as to cause them to refuse to perform any of their duties as employees of the American Steel Foundries; and from preventing any person by persuasion, threats, intimidation, force, or violence, or suggestion of danger, or violence, from entering into the employ of said American Steel Foundries; and from protecting, aiding, or assisting any person or persons in committing any of said acts, and from assembling, loitering, or congregating about or in proximity of the said plant or factory of the American Steel Foundries for the purpose of doing or aiding or encouraging others in doing any of the said unlawful or forbidden acts or things, and from picketing or maintaining at or near the premises of the complainant or on the streets leading to the premises of said complainant, any picket or pickets and from doing any acts or things whatever in furtherance of any conspiracy or combination among them, or any of them, to obstruct, or interfere with said American Steel Foundries, its officers, agents, or employees, in the free and unrestrained control and operation of its plant, foundry, and property, and the operation of its business, and also from ordering, directing, aiding, assisting, or in any manner abetting any person committing any or either of the acts aforesaid and also from entering upon the grounds, foundry, or premises of the American Steel Foundries without first obtaining its consent, and from injuring or destroying any of the property of the said American Steel foundries.

It is further ordered, adjudged, and decreed that the complainant shall cause not less than 100 printed copies of this final decree to be posted in conspicuous places about and in the vicinity of its said plant at Granite City, Ill.; that the affidavit of the agent of the complainant so posting said notices shall be filed in the clerk's office, stating when and where such notices were posted, and such affidavit shall be prima facie proof of the posting of such notices at such time and places as shall be therein stated.

It is further ordered, adjudged, and decreed that this injunction shall be binding upon each and all of the above-mentioned defendants and upon all other persons from and after the date of this decree.

It is further ordered, adjudged, and decreed that the defendants pay the costs of the above-entitled cause to be taxed by the clerk.

OTIS HUMPHREY,
Judge United States District Court
for the Southern District of Illinois.

It will be seen from reading this final decree that this judge believes that the American Steel Foundries should be protected from certain individuals, who are named therein, against the use of "persuasion," which that "downtrodden" corporation fears some person may exercise, and thus do it an injustice. The very reading of this decree, if nothing further were called to our attention, makes necessary this substantive labor legislation in this Clayton bill, which has passed the House of Representatives, and, indeed, Mr. President, in my judgment, it is our duty to enact the labor provisions of the Clayton bill as they came to the Senate from the House of Representatives.

I now submit and include in the RECORD a list of over 100 decisions of Federal courts on labor cases where injunctions were issued, conspiracies charged, and allegations set up that the antitrust law was violated.

The VICE PRESIDENT. Without objection, it will be so ordered.

The matter referred to is as follows:

Allis-Chalmers Co. *v.* Reliable Lodge (111 Fed. Rep., 264; U. S. Labor Bul. 38, p. 183).
Allis-Chalmers Co. *v.* Iron Molders' Union No. 125 et al. (150 Fed. Rep., 155; U. S. Labor Bul. 70, p. 734; 166 Fed. Rep., 45; U. S. Labor Bul. 83, p. 157).
Aluminum Casting Co. *v.* Local 84 of International Molders' Union of North America et al. (197 Fed. Rep., 221).
American Steel & Wire Co. *v.* Wire, etc. (90 Fed. Rep., 608).
Armstrong Cork Co. *v.* Anheuser-Busch Brewing Co. (1914).
Arthur *v.* Oakes (63 Fed. Rep., 301).
Atchison, Topeka & Santa Fe R. R. Co. *v.* Gee—Cir. Ct. Southern District of Iowa (139 Fed. Rep., 582; 140 Fed. Rep., 153).
Bender *v.* Local Union 118, Bakers' Organization (34 Wash. Law Repr., 574; U. S. Labor Bul. 67, p. 894).
Barnes, A. R., & Co. *v.* Berry (156 Fed. Rep., 72; U. S. Labor Bul. 74, p. 259; 157 Fed. Rep., 833).
Beck et al. *v* Railway Trainmen's Protective.
Besette *v.* Conkey & Co. (194 U. S., 324; 24 Sup. Ct. Repr., 665).
Blindell et al. *v.* Hogan et al. (54 Fed. Rep., 40).
Boutwell et al. *v.* Marr et al. (42 Atl. Repr., 607).
Bowels *v.* Indiana Railway Co. (62 N. E. Repr., 94).
Boyer et al. *v.* Western Union Telegraph Co.—C. C. E. D. Missouri (124 Fed. Rep., 246).
Bucks Stove & Range Co. *v.* American Federation of Labor (35 Wash. Law Repr., 707; U. S. Labor Bul. 74, p. 246).
Bucks Stove & Range Co. *v.* American Federation of Labor (36 Wash. Law Repr., 822; U. S. Labor Bul. 90, p. 124, and No. 86, p. 353).
Bucks Stove & Range Co. *v.* American Federation of Labor—Court of Appeals of District of Columbia (37 Wash. Law Repr., 154; U. S. Labor Bul. 33, p. 169; 31 Sup. Ct. Rep., 492; U. S. Labor Bul. 95, p. 323; 40 Wash. Law Repr., 412; U. S. Labor Bul. 112, p. 155).
Brewing & Malting Co. *v.* Hansen (Seattle) (144 Fed. Rep., 1011; U. S. Labor Bul. 68).
Barnes, A. R., & Co. *v.* Chicago Typographical Union (83 N. E. Repr., 932; U. S. Labor Bul. 76, p. 1016).
Barnes, A. R., & Co. *v.* Berry (157 Fed. Rep., p. 883; U. S. Labor Bul. 76, p. 1019).
Boyer et al. *v.* Western Union Telegraph Co. (124 Fed. Rep., 246; U. S. Labor Bul. 50, p. 202).
Callan *v.* Wilson (127 U. S., 540–555).
Carter et al. *v.* Fortney et al. (170 Fed. Rep., 463; also 172 Fed. Rep., 72).
Central District & Printing Tel. Co. *v.* Kent (156 Fed. Rep., 173; U. S. Labor Bul. 74, p. 256).
Coeur d'Alene Con. Min. Co. *v.* Miners' Union of Wardner, Idaho (51 Fed. Rep., 260–267).
Commonwealth *v.* Hunt (4 Metcalf's Rep., 111).
Conkey (W. B.) Co. *v.* Russell et al. (111 Fed. Rep., 417).
Construction Co. *v.* Cameron et al. (80 N. E. Rep., 478).
Contempt—nature of proceedings, appeals, Gompers et al. *v.* Bucks Stove & Range Co., Court of Appeals of the District of Columbia (37 Wash. Law Repr., p. 708; U. S. Labor Bul. 86, p. 355).
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Wabash Railroad Co. v. Hannahan et al. (121 Fed. Rep., 563; U. S. Labor Bul. 49, p. 1374).
Weber et al. (114 Fed. Rep., 590; U. S. Labor Bul. 43, p. 1295).
Waterhouse et al. v. Comer (55 Fed. Rep., 149).

Mr. ASHURST. Thus, Mr. President, we see that the very law that was intended to be used to curb monopolies and to preserve equality of opportunity among the American people has been used as a means of annoying, harassing, vexing, and in many instances oppressing a large number of the very people the makers of the law declared it should not be used against—the laborers.

I feel confident that in this presence I may call attention to the Democratic national platform adopted at Baltimore in 1912, which contains the following provision:

Questions of judicial practice have arisen, especially in connection with industrial disputes. We believe that the parties to all judicial proceedings should be treated with rigid impartiality, and that injunctions should not be issued in any case in which an injunction would not issue if no industrial disputes were involved.

The expanding organization of industry makes it essential that there should be no abridgement of the right of the wage earners and producers to organize for the protection of wages and the improvement of labor conditions, to the end that such labor organizations, and their members, should not be regarded as illegal combinations in restraint of trade.

I believe the same plank was in the platform of 1908.

Mr. KERN. It was copied from the 1908 provision.

Mr. ASHURST. Yes; the 1912 provision on the subject was copied from the 1908 provision.

The observation has been made that it is beyond the constitutional power of the National Legislature to exempt any persons from the operation of this law. A mere reference to the case of the International Harvester Co. of America against State of Missouri, decided by the Supreme Court of the United States June 8, 1914, upholding the constitutionality of the Missouri antitrust law, which, by omission, removed labor organizations from its provisions, is a definite answer to those who assert the unconstitutionality of the labor provisions of this proposed law. In that case Mr. Justice McKenna, delivering the opinion of the court, inter alia, said:

* * * * * * *

The assignments of error necessarily involve a consideration of the statutes. The relevant provisions are contained in section 10301 of the Revised Statutes of the State of 1909 and section 8906 of the Revised Statutes of 1899.

Section 10301 provides "that all arrangements, contracts, agreements, combinations, or understandings made or entered into between two or more persons, designed or made with a view to lessen, or which tend to lessen, lawful trade or full and free competition in the importation, transportation, manufacture, or sale" in the State "of any product, commodity, or article, or thing bought or sold," and all such arrangements, etc., "which are designed or made with a view to increase, or which tend to increase, the market price of any product, commodity, or article or thing, of any class or kind whatsoever, bought and sold," are declared to be against public policy, unlawful, and void, and those offending "shall be deemed and adjudged guilty of a conspiracy in restraint of trade, and punished" as provided.

* * * * * * *

In State v. Standard Oil Co. (218 Mo., 1, 370, 372) the supreme court held that the antitrust statutes of the State "are limited in their scope and operations to persons and corporations dealing in commodities, and do not include combinations of persons engaged in labor pursuits." And, justifying the statutes against a charge of illegal discrimination, the court further said that "it must be borne in mind that the differentiation between labor and property is so great that they do not belong to the same general classification of rights or things, and have never been so recognized by the common law or legislative enactments."

* * * * * * *

We said in Atchison, Topeka & Santa Fe Railway Co. v. Matthews (174 U. S., 96, 106), by Mr. Justice Brewer: "The very idea of classification is that of inequality, so that it goes without saying that the fact of inequality in no manner determines the matter of constitutionality." Therefore it may be there is restraint of competition in a combination of laborers and in a combination of purchasers, but that does not demonstrate that legislation which does not include either combination is illegal. Whether it would have been better policy to have made such comprehensive classification it is not our province to decide. In other words, whether a combination of wage earners or purchasers of commodities called for repression by law under the conditions in the State was for the legislature of the State to determine.

* * * * * * *

And so in the case at bar. Whether the Missouri statute should have set its condemnation on restraints generally, prohibiting combined action for any purpose and to everybody, or confined it, as the statute does, to manufacturers and vendors of articles and permitting it to purchasers of such articles; prohibiting it to sellers of commodities and permitting it to sellers of services, was a matter of legislative judgment, and we can not say that the distinctions made are palpably arbitrary, which we have seen is the condition of judicial review. It is to be remembered that the question presented is of the power of the legislature, not the policy of the exercise of the power. To be able to find fault, therefore, with such policy is not to establish the invalidity of the law based upon it.

It is said that the statute as construed by the Supreme Court of the State comes within our ruling in Connelly v. Union Sewer Pipe Co. (184 U. S., 540), but we do not think so. If it did, we should, of course, apply that ruling here. * * *

I have received a number of letters and telegrams from various persons stating that the labor provisions of this bill were unjust and without precedent—and many of these communications stated that this proposed law, to use Thomas H. Benton's pleonastic phrase, "stood out solitary and alone"—and was without parallel in the history of parliamentary enactments. Some of these letters have especially inveighed against that provision of the bill which is as follows:

"And no such restraining order or injunction shall prohibit any person or persons from terminating any relation of employment, or from ceasing to perform any work or labor, or from recommending, advising, or persuading others by peaceful means so to do; or from attending at or near a house or place where any person resides or works, or carries on business, or happens to be, for the purpose of peacefully obtaining or communicating information, or of peacefully persuading any person to work or to abstain from working."

In truth and in fact, however, the language just above quoted is really a rescript of paragraph 2 of chapter 47 of an act to provide for the regulation of trade-unions and trade disputes, enacted by the Parliament of Great Britain December 21, 1906, and is to be found on pages 246 to 247 of volume 44 of the law reports of the statutes passed during the reign of King Edward VII. I here quote that act in extenso:

Be it enacted by the King's Most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:

1. The following paragraph shall be added as a new paragraph after the first paragraph of section 3 of the conspiracy and protection of property act, 1875:

"An act done in pursuance of an agreement or combination by two or more persons shall, if done in contemplation or furtherance of a trade dispute, not be actionable unless the act, if done without any such agreement or combination, would be actionable."

2. (1) It shall be lawful for one or more persons, acting on their own behalf or on behalf of a trade-union or of an individual employer

or firm in contemplation or furtherance of a trade dispute, to attend, at or near a house or place where a person resides or works or carries on business or happens to be, if they so attend merely for the purpose of peacefully obtaining or communicating information, or of peacefully persuading any person to work or abstain from working.

(2) Section 7 of the conspiracy and protection of property act, 1875, is hereby repealed from "attending at or near" to the end of the section.

3. An act done by a person in contemplation or furtherance of a trade dispute shall not be actionable on the ground only that it induces some other person to break a contract of employment, or that it is an interference with the trade, business, or employment of some other person or with the right of some other person to dispose of his capital or his labor as he wills.

4. (1) An action against a trade-union, whether of workmen or masters, or against any members or officials thereof on behalf of themselves and all other members of the trade-union in respect of any tortious act alleged to have been committed by or on behalf of the trade-union, shall not be entertained by any court.

(2) Nothing in this section shall affect the liability of the trustees of a trade-union to be sued in the events provided for by the trades-union act, 1871, section 9, except in respect of any tortious act committed by or on behalf of the union in contemplation or in furtherance of a trade dispute.

5. (1) This act may be cited as the trade disputes act, 1906, and the trade-union acts, 1871 and 1876, and this act may be cited together as the trade-union acts, 1871 to 1906.

(2) In this act the expression "trade-union" has the same meaning as in the trade-union acts, 1871 and 1876, and shall include any combination as therein defined, notwithstanding that such combinations may be the branch of a trade-union.

(3) In this act and in the conspiracy and protection of property act, 1875, the expression "trade dispute" means any dispute between employers and workmen or between workmen and workmen, which is connected with the employment or nonemployment or the terms of the employment or with the conditions of labor of any person, and the expression "workmen" means all persons employed in trade or industry, whether or not in the employment of the employer with whom a trade dispute arises; and, in section 3 of the last-mentioned act, the words "between employers and workmen" shall be repealed.

This parliamentary enactment gave legislative relief against the judicial theory of criminal conspiracy under the common law, under which the oppressors of labor took refuge behind the doctrine of civil conspiracy.

Neither in England, France, Germany, nor in any other enlightened government, except in the United States, may laborers be arrested and punished for unitedly asking an increase of wages or for combining to do any lawful thing which means the bringing about a betterment of their condition; and it is a painful commentary upon the vicissitudes of our country to realize that the laborers must look, in some instances, to monarchical forms of government for light and hope in leadership on this particular subject rather than to the Members of Congress here in our elective Republic. From a study of labor leaders, I am convinced that the labor leaders in America are the ablest, the most conservative, and the most experienced which the world affords. They are much less radical than the labor group in the English Parliament, the Chamber of Deputies in France, or the German Reichstag.

Labor demands, and is on tenable ground in demanding, that we recognize a fundamental difference between labor power and real, personal, and mixed property. Labor power is not, strictly speaking, property, but labor power creates property. Labor power is not property, because it can not be separated from the laborer. Labor power can only be exerted and applied during the worker's life, and it ends with his death; hence it will be seen at a glance that labor power is not to be treated as property.

The statute against monopolies in England was enacted as a rampart against the greed of rapacious men who desired to acquire a disproportionate share of property, and for a like reason the Sherman antitrust law of 1890 was enacted for the purpose of curbing the rapacity of the selfish ones in our Nation, as I have pointed out in the beginning of this address; for it is a truth demonstrated to us and illustrated by the history of the world that some men are disposed to avail themselves improperly of the property of their fellow men, and in availing themselves improperly of the property of other men they also resort to availing themselves of the services, efforts, energies, and labors of their fellow men without rendering an equivalent.

Martin, at page 2 of his book, Modern Law of Labor Unions, defines labor unions as follows:

Perhaps as good a definition or description of a labor union as any is an association of workingmen of the same or of allied trades or occupations, the usual purposes of which are the regulation of their relations with their employers, the securing of better terms of employment, the elevation of their moral, social, and intellectual condition, and the assistance, financially or otherwise, of members in time of sickness, poverty, and distress.

Until recent years—that is to say, about the time of the trade-union act in 1871—laboring men in England were treated with much severity for combining to enforce their demands for higher wages. In Rex again Mawbey, decided in 1796, it was said that combinations of workingmen to raise wages constituted an indictable conspiracy at common law.

As late as 1834, in England, six agricultural laborers were convicted and sentenced to seven years' penal servitude for unitedly asking for an increase in wages of 1 shilling per week. Under the laws in force in England at that time this was treated as a conspiracy and these men were promptly convicted and transported to Australia. They became famous in history as the "six men of Dorset." One of these, George Lovelace, wrote in his diary a vivid description of the horrors they underwent while being transported. Then arose in England a tremendous agitation for their release, and 50,000 workingmen, in a procession, marched by the official residence of the then premier, Lord Melbourne, to present a petition in behalf of the "six men of Dorset." Their release finally came in 1837, and in May of last year a monument was erected in their native village in Dorsetshire to these martyrs in the cause of industrial liberty. I digress long enough to say that the very ship which took those men from England to Australia was recently in the harbor of Washington City. I refer to the ship *Success*.

I again quote from Martin on the Modern Law of Labor Unions, pages 9, 10, 11, 12, and 13, as follows:

Whatever may have been the law in England in respect of combinations of workmen, it never obtained much foothold in America and was expressly repudiated in a Massachusetts decision of a comparatively early date, in which a very exhaustive opinion was written by Chief Justice Shaw. * * *

In some jurisdictions where there are statutes authorizing it, and in others, in the absence of statutory authorization, it is now well settled that workmen may combine and associate themselves together for the purpose of bettering their condition either financially or socially by legitimate and fair means. Such a combination or association, it has been held, is not a monopoly or in restraint of trade; personal service—an occupation—can not be the subject of a monopoly. The right of workmen to form unions is expressly conferred by statute in many jurisdictions, and in a majority of the States the right is impliedly recognized by legislation enacted for the protection of unions from infringement of their labels, for it is obvious that where statutes expressly create or recognize the right of labor unions to be protected in the use of labels for labor union purposes, any suggestion that the union is an unlawful association falls of itself. It has also been held that the right to combine into unions has been raised to the dignity of a constitutional right by State constitutional provisions; that all men are born free and equal and have certain natural, essential, and inalienable rights, among which is the right of acquiring, possessing, and protecting property. But aside from any constitutional or statutory provision, the better view is that the right of laborers to organize into unions is an exercise of the common-law right of every citizen to pursue his calling, whether of labor or business, as he in his judgment thinks fit, and the law not only permits but encourages combinations of this character. An underlying law of human society, it is said, moves men to unite for the better achievement of a common aim, and this social principle justifies organized action. Organization or combination is a law of human society. It is open to all orders of men who desire to accomplish some lawful purpose through the greater strength and effectiveness which organization offers over individual effort. A very strong reason for permitting labor combinations is this: In an age when vast combinations of capital and the number of individual employers of labor are common, and in consequence competition for labor by employers enormously reduced, combination on the part of labor is an absolute necessity if the wage earner is to obtain his fair share in the distribution of the earnings which are the joint product of capital and labor. Combination on the part of capital is powerful. Combination on the part of labor is the necessary and desirable counterpart if the battle is to be carried on in a fair and equal way. The natural tendency of combined capital is to seek to obtain the cheapest labor, and unless resisted by combination on the part of the wage earner it would inevitably result in oppression and injustice. As was said by Attorney General Olney: "Today, the mass of wage earners can no longer be dealt with by capital as so many isolated units. The time is passed when the individual workman is called upon to pit his feeble strength against the might of organized capital."

Mr. President, we might as well now as hereafter bid adieu to our antiquated ideas of the "law of supply and demand" doctrine regulating the price of labor, the hours of labor, and the conditions under which labor must be performed, for this "supply and demand" idea is a twin brother of the "might makes right" doctrine. Many, if not most, thoughtful persons are now beginning to realize and frankly admit that as a general rule the economic position of the individual employee is too weak for him to hold his own in the unequal contest he is obliged to wage with capitalism. The individual employee is frequently unable to insist upon the "square deal"; that is to say, he may be able to insist upon the "square deal," but he is without power to galvanize and translate his insistence into full life and realization unless he act in concert with his brother employees. In many instances the power of the employer to withhold a subsistence is a more effective weapon than the power of the employee to refuse to labor. Under such circumstances the law of "supply and demand" doctrine as applied to labor should really be called "despotism in contract." In other words, the relative position of the employee and the capitalist is not the same. The worker is sometimes in the position occupied by Esau when he surrendered his birthright for a mess of pottage, except the workingman is sometimes called upon to surrender his birthright and not get the pottage either.

The humanitarian spirit that is pervading our Nation and the demand for social justice which has taken hold of the hearts of men and women declare that the doctrine of the brutal Manchester school which held that human labor is a commodity to be bought and sold at the lowest possible market price, as machinery, oil, coal, wheat, flour, wool, and oats, and used until its supply is consumed or its efficiency exhausted, is vicious in morals and unsound in economics. The modern thinkers take exactly the opposite view, to wit, that labor can not and ought not be treated as a commodity, such as coal, wheat, flour, oil, machinery, broadcloth, raisins, lemons, and so forth, and insist that laborers are as much a human element in our civilization as bankers, lawyers, clergymen, merchants, or any other persons. Therefore, Mr. President, I take my stand for the humanitarian policy of dealing equitably and with strict justice toward those whose grime and sweat, blood and toil have built up our splendid civilization.

"Labor has, and ought to have, the right to organize." That is an expression we hear very often, and I doubt if there may be found any dissentient thereto.

Many years ago I visited this Capitol; I sat in the gallery of the Senate and looked down into this historic Chamber with a fevered ambition, hoping the evolution of politics would some day bring me to a seat in the Senate. While sitting in the gallery, I heard fall from the lips of a distinguished Senator a sentence I never have and probably never will forget, which was: "It is idle and vain to give a man a right unless you also give him the power to enforce that right." This sentence lived because it was true, and it might be applied to-day to the labor situation in our country. It is idle merely to say labor has the right to a living and decent wage unless we supplement that assertion by granting labor the power to enforce its demand for a living wage. When I use the term "living wage," I do not mean a wage which affords "bread alone," but I mean a wage which will afford proper food, clothing, shelter, some leisure time to devote to the family, to books, music, philosophy, and, in general, an opportunity to have sufficient respite from exacting toil to enjoy some of the idealistic, æsthetic, and spiritual side of life which adds zest, grace, and beauty to human existence.

It has been asserted that it is dangerous for laborers to possess the power to compel a compliance with their demands for a living wage. I reply that such power is indeed dangerous—to monopoly, oppression, tyranny, avarice, and greed—but is wholesome to the general welfare and to public tranquillity. Internal dangers to a State need never be apprehended from a general desire and effort on the part of the creators of wealth to promote their own efficiency, improve and exalt their own station, for if laborers were to refuse to try to improve their own condition it would be tantamount to their seeking wantonly their own self-destruction.

Let us inquire, for what persons do the labor provisions of this bill seek "social justice" and industrial liberty? The reply to this question is that the proposed law is not especially solicitous as to those persons who might aptly be compared to the drones described in Maeterlinck's "Life of the Bee." We all remember how interestingly and with what vivid genius Maeterlinck wrote of the drones in the hive. He said:

> These (the drones) comport themselves in the hive as did Penelope's suitors in the House of Ulysses, wasteful, sleek, and corpulent, fully content with their idle existence * * * they feast and carouse, throng the alleys, obstruct the passages, and hinder the work, jostling and jostled, fatuously pompous, swelled with foolish, good-natured contempt for the workers * * *. For their pleasant slumbers they select the snuggest corners of the hive; then, rising carelessly, they flock to the open cells where the honey smells the sweetest, and soil with their excrement the combs they frequent. The patient workers, their eyes steadily fixed on the future, will silently set things right. From noon till 3, when the purple country trembles in blissful lassitude beneath the invincible gaze of a July or August sun, the drones will appear on the threshold. They have a helmet made of enormous black pearls, two lofty, quivering plumes, a doublet of iridescent, yellowish velvet, an heroic tuft, a fourfold mantle, translucent and rigid. They create a prodigious stir, brush the sentry aside, overturn the cleaners, and collide with the foragers as these return laden with their humble spoil. These drones have a busy air, the extravagant, contemptuous, supercilious gait of indispensable gods who should be simultaneously venturing toward some destiny unknown to the vulgar. One by one these drones sail off into space, irresistible, glorious, and tranquilly make for the nearest flowers, where they sleep till the afternoon freshness awakes them. Then, with the same majestic pomp, and still overflowing with magnificent schemes, they return to the hive, go straight to the combs, plunge their heads up to the neck in the vats of honey and fill themselves as tight as a drum to repair their exhausted strength; whereupon, with heavy steps, they go forth to meet the good, dreamless, and careless slumber that shall fold them in its embrace till the time for the next repast.

No, Mr. President, the labor provisions of this bill do not especially demand "social justice" and industrial liberty for such persons unless they be willing to leave off their slothful, wasteful habits, but do demand "social justice" and industrial liberty for those persons without whose industry, resoluteness, patience, sacrifices, physical strength, cool heads, skillful hands, and unremitting toil we never could have mastered the mechanical arts and the physical sciences. This bill secures a measure of "social justice" and industrial freedom for those who amid the thud of the drill and the rising and falling of picks and shovels in the mines dig our copper ore and convert it into watch movements, magnetoes, wire, and electric lamps; for those who dig the coal which transports the commerce of the Nation; for those who dig our iron ore and convert it into railroad steel, machinery, cutlery, and all the ingenious mechanical and electrical contrivances that make life broader, more useful, and beautiful; for those who convert our crude oil into lubricants and gasoline; for those who convert our forests into houses, chairs, desks, tables, and bookcases; for those who cultivate and fructify our land; for those who produce; for those who transform the wool into clothing, the hides into boots and shoes, harness and saddles; for those who make engines, reapers, locomotives, and the thousands of other forms of manufactured commodities; for those who with good cheer face the rising morn, are loyal to their day's work, and are constantly pouring forth costly sacrifices—their time and strength—for the common good of all; for those who uncomplainingly meet danger on the trains, in the mines, in the smelters, and in the foundries; for those who with high but baffled ambition invincibly face the isolation and monotony which comes when poverty has deprived life of its sublimity and ideality and reduces it to a remorseless and deadly grind for a subsistence.

This bill recognizes that labor power is the noble force for the great social and industrial achievements of our Nation's future.

We need not suffer ourselves to be misled with any delusions. No nation will truly be great—indeed, no nation will survive—if it oppresses its own producers. The workers of our Nation have built up a surpassingly great fabric of mechanical industry, and history teaches us that powerful nations of ancient times fell prone and helpless not because of invasions or external barbaric strength but because of social injustices. If danger ever comes to us it will not come from abroad; it will rise up from among ourselves.

The American people have accomplished more salutary reform and progress than any other nation in the files of time. Let us add one more great achievement to the long list of American achievements by adopting this bill.

I thank the Senate for its attention, and ask that as an appendix to my remarks I may include a letter written by Gov. George W. P. Hunt, of Arizona, to the Popular Government League.

The VICE PRESIDENT. Without objection, that may be done.

The matter referred to is as follows:

ARIZONA'S GOVERNOR TELLS OF STATE'S GREAT PROGRESS UNDER POPULAR GOVERNMENT BANNER.

At a meeting of the popular government conference held at Washington the purposes of the meeting were stated as follows:

"To present the necessity for the proposed 'gateway amendment,' which will afford an easier method of amending the Federal Constitution; to discuss the dangers which now threaten the movement for the initiative, referendum, and recall; to consider the preferential ballot; to emphasize the need of the public school as a civic center; to organize the national popular government league."

Gov. Hunt had been invited as the representative of the "most advanced State in the Union," but was unable to attend. Under these circumstances Gov. Hunt wrote the following address, which was read by the secretary:

"Fellow friends of popular government: History continues an insistent repeater—an institution of parallels and similitude.

"Since the dawn of time humanity has been struggling toward the light—in philosophy, science, religion, and government. And in every age and every field this irresistible movement, always gaining toward the shining goal, has been combated, retarded, temporarily defeated by a self-constituted, self-loving, self-interested aristocracy.

"Sometimes an aristocracy of blood, insolently assuming the dynastic right of perpetual dominion; sometimes an aristocracy of learning, solemnly averring itself the sum and substance, the beginning and the end, of knowledge and wisdom; sometimes of force, brutally proving its claim with bow, battle-ax, and sword; sometimes of charlatanic virtue, proclaiming from gilten temples the possession of all excellence.

"Sometimes it is an aristocracy of wealth—but of that, a word later.

"At all times and in all places an aristocracy of selfishness, of greed, egotism, and intolerance; of indifference to the rights of the many, deafness to the voice of humanity.

"Ever and everywhere it has first ignored, then derided, then crushed—if it could—those who dared question its absolutism, its ends, or its means.

"Its weapons? The weapons of evil, always. Ancient, medieval, modern, they have varied little. The first to hand, good enough—none too base, none too cowardly, none too cruel, and it would serve their purpose.

"Scheming, conniving, when need be; slaughtering to retain their grip of power, the resources and weapons of these self-appointed rulers have ever been turned against those who dared stand forth for the right, for equality, for justice, for progress. In the struggle valiant leaders have often succumbed, the battle been turned aside, victory

delayed. But ever the cause has lived and revived and grown, and to-day, as never before, humanity is marching forward. Where for long it groped it is now making its way swiftly, surely, steadily toward the light.

"Arizona has played and is playing her part in the latest act of this ages-old drama. Here we had, for many years and in almost unlimited power, the aristocracy of wealth, with all that it implies—government for the people but not of them; boss-ridden political parties, corrupted legislatures, burdensome laws, unequal taxation, special privileges for the few.

"The system has been changed; not, I must admit, absolutely revolutionized, but decisively, effectively.

"The new order came with statehood, not of slow growth, varying fortune, and gradual success, as great reforms usually come, but with suddenness—surprising, startling, almost wholly unexpected suddenness. The people, aroused into an activity to which, under the prevailing system, they had long been strangers, became quickly prepared for a change in their interest. But the political parties, run as all aristocracies of wealth run political parties—by machines—were not ready. The popular government was a thing too remote, too different from the old Arizona plan, too entirely out of joint with the existing order, to be of a sudden feared. A cloud out of a clear sky for the aristocracy of wealth, it looked ominous, but it simply would not, could not, open and let fall its flood. That's how the bosses—the old-time, always successful, self-satisfied bosses—sans reason, reasoned it out, and their masters, the aristocracy, took their word for it. There wasn't time for much of anything else.

"But the movement swept the Territory, soon to become a State. The people, charged with the making of a constitution, first became alive to their responsibility, and then awakened to the possibility. There was opportunity to become their own masters, and they felt qualified to assume the sovereignty. One old-time machine—the Democratic—was captured by assault; another run over and crushed—crushed out of all recognition, and to this day it lies a broken, shapeless mass, a testimonial to the persistence, the stubbornness, the insatiable greed of the aristocracy of wealth.

"The constitutional convention was held, and popular government reserved and defined in the organic law became an assured fact in Arizona.

"Do not think this brilliant achievement was unaccompanied by a struggle, or that the struggle ended with the constitutional reservation to the people of the right to control their own affairs. When has anyone heard of an aristocracy of anything, and particularly of wealth, surrendering its prerogatives calmly, amiably, or at all if possible to prevent, or of suffering their continued loss while a chance of regaining any portion of the lost ground remained?

"On the contrary, the fight for a people's constitution in Arizona, unexpectedly as it came up, suddenly as it flared into life, was probably as fierce, as bitter, as uncompromising, as sensational, and, metaphorically speaking, as sanguinary a contest as has occurred in the United States for many a long year. Nor is the reference to its bloodiness so very far-fetched, for when the smoke of battle had cleared away many a political corpse lay stretched upon the field.

"One beauty—the beauty—of the contest was its clear-cutness. There was no doubting the issue which divided the forces. 'Shall the people rule?' was the paramount question. Of course, both sides answered, 'Yes'; but while one side said, 'through us,' the other said 'through themselves.' And the people proceeded to equip themselves to rule, not through the machines of the aristocracy of wealth, but through and by and for themselves.

"In the campaign out of which came a 'people's rule' constitution the machine, by its agents and instruments, vilified, abused, and denounced the advocates of popular government as advocates of all movements for progress, of all movements to reduce the aristocracy to a position of political equality, have been vilified, abused, and denounced—and frequently executed—in times and ages past.

"The proposed initiative, referendum, and recall were violently assailed as something totally impractical, subversive of republicanism, anarchistic—that was a favorite term—and most frequently by men who to be confounded needed only to be asked to explain what these terrible triplets were. They actually could not explain, literally they did not know. The three-headed monster had come upon them so suddenly that they had no time to identify the species. But that it was an insatiable, devouring beast they were certain, for their masters had so advised them, and in the battle for extinction, 'Theirs not to reason why; theirs but to do and die.'

"Other essential features of popular government were not forgotten by the people's advocates, but the battle waged about the initiative, referendum, and recall.

"And the initiative, referendum, and recall, if the opponents of reform were to be believed, would strike at the very foundation of our republican form of government; they were unconstitutional, unwieldy, impossible; they were weapons of the mob, the resort of anarchists. The champions of them were held up to ridicule and scorn, loaded with all the epithets that hatred and malignity might suggest or invent—Socialists, demagogues, bogus reformers, ranting hypocrites, blatherskite orators, blithering idiots. No appellation too vile, no charge too nasty, no means too low if aimed toward undoing the efforts of those who upheld the people's fight and toward defeat of the people's fight. And in this history, for the thousandth time, was repeating.

"Then, too, the most direful results, if this monstrous calamity should befall, were predicted—aye, prophesied as of a certainty and finally threatened as an awesome bugaboo is held before a naughty child. That the Government would fall to pieces was the least of the terrible results that might be looked forward to. Business would be paralyzed, development would cease, capital would withdraw and never come again, the name of the State would be a byword and a scorn. On the contrary, if the safe and sane rule of the aristocracy of wealth were continued, prosperity would abound, capital would pour in, the industries would forge ahead, there would be universal plenty. The prophecies and representations, arguments, threats, and promises all were borrowed from the oft-copied pages of history—from the pages of history reciting other attacks upon the castles of tyrant rulers.

"But neither abuse, ridicule, threats, nor cajolery served the purpose of the machine. The people won—that is, so far as the returns went.

"Then the machines went to work upon the members-elect of the constitutional convention. They were bound by solemn pledges; they were instructed to insure the people's rule, but, argued the insidious agents of the aristocracy of wealth, what of that? Often before platform pledges had been ignored; in fact, it was generally understood that platforms were merely to get in on; now they were in, a good political trick had been turned let's get down to brass tacks—down to good, hard practical common sense. So the machine, as always, worked upon the weak-kneed and faint-hearted, the timid, the susceptible, and the corrupt. Abuse and vilification somewhat continued, but largely gave way to subtler methods—to plausible representations, to the well-known ways of the lobbyist, to entreaties and to threats.

"As indicative of the methods employed, an incident may be related. A member-elect of the convention—a young man, with the promise of a political career before him—was approached by an agent of the machine. If the young man, with a future so full of hope, persisted in his unreasonable course, he would be crushed. He and his intemperate cause might triumph for a day, but it would not be long before he would be ground under the wheels of the aristocracy. It is indicative of the spirit which brought the convention to complete fulfillment of its duty that the young man replied: 'It may so so. Socrates was forced to drink the hemlock, but his philosophy survives the centuries; Columbus, ridiculed, reviled, and scorned, died a pauper's death, but he opened the door of a new world, and the glory of his name can never be dimmed. I am neither a Socrates nor a Columbus, but I can do my best.'

"The threat was freely used that unless the radical demands of the reformers were abandoned, there would be no statehood. No constitution containing the initiative, referendum, and recall—and particularly the recall—could run the gantlet of Congress and the President. It was boldly asserted, on authority of the President, and confirmed by his spokesmen in the territory.

"But the people of Arizona are a courageous, determined race; and their representatives in that convention were largely of them—really and truly of them. In spite of every effort of the opposition, in spite of all obstacles, there was little hesitation in the carrying out of the people's instructions.

"Then came the most dangerous period. When it became certain that the initiative, referendum, and recall would be features of the proposed constitution—when it was definitely known that the platform pledges were to be in some manner and measure redeemed—many were the schemes concocted to nullify their effects. The jokers proposed would fill a respectable volume—that is, they would fill a volume respectable in size.

"Among those it was proposed that, inasmuch as the details would be purely legislative, only a mandate to the legislature should be placed in the constitution. Or the question should be submitted to the people at the first State election. To the first proposal it was pointed out that the failures, refusals, and weaknesses of legislatures were responsible for the demand for direct legislative powers; to the latter reply was given that the people had already most emphatically spoken. Next appeared suggestions of the high and unworkable percentages, of requirements that petitions should come from a majority of counties, of a dozen things designed simply to reduce popular government, as it should be provided for in Arizona's constitution, to an empty phrase.

"Every scheme was bared, every proposal to restrict the power of the people was brushed aside. That convention did its duty. The initiative, referendum, and recall, in self-executing, workable detail, were placed in the constitution, and along with them the instrument was made most easily amendable, and practically all features known to the modern system of popular government were provided. Oregon's advisory vote for United States Senators was borrowed, provisions for the prevention and prohibition of trusts and monopolies and the regulation of public-service corporations were embodied, the proper safeguarding of the rights of labor was attended to. As a people's victory, it was quite complete.

"The scene changed to Washington, but the fight against popular government in Arizona did not cease. The proposed constitution, ratified by 85 per cent of Arizona's electorate, was attacked from within and without. It was a national struggle, with which all friends of popular government are familiar. An incident of the fight, local both in its purposes and effect, was a declaration, addressed to the President and Congress, and signed by something like 50 of the old machine Democrats of the State, acting on behalf of the aristocracy of wealth, to the effect that the proposed constitution was not the work of the Democratic Party, and petitioning for its disapproval. That document is still occasionally exhumed and the signers asked to explain.

"After a protracted struggle Arizona was admitted, its constitution unimpaired except for a concession insisted upon by President Taft to save his face—the excepting of the judiciary from the recall's provisions—and the rectification of that alteration constituted the electorate's first application of its constitutional powers.

"And what of the disaster—civil, political, industrial disaster—that was to follow the inauguration of these "innovations," these radical, impractical, anarchistic notions of the mob?

"It has not happened. Mines are running, farms are spreading, herds are increasing, homes are multiplying, towns are building; there is more prosperity to the square inch in Arizona than ever before, and the future's promise is rosette.

"Not a dollar of capital, as far as I know, has retired; rather, it has accepted many of the conditions imposed, and while still fighting for the domination to which it has been accustomed, is prepared to accept the legitimate return which the laws do not, by any means, deny. Business activities have shown no sign of abating, and, altogether, industrial conditions are pursuing to an even and far more normal tenor.

"The initiative, referendum, and recall have demonstrated their practicability, their utility, their success. The intelligence of the voters has been demonstrated and their interest in legislation illustrated in a most practical manner. Perhaps I can no more clearly set this forth than to quote from my message of last February to the legislature:

"'Of particular and extraordinary interest at this time is the splendid and convincing vindication of the principle and as well the practice of direct legislation as embodied in the results of the election held November 5, but also by other occurrences of recent months. Notable among these may be mentioned the somewhat curious fact that whereas during the period in which the framing of Arizona's constitution was an issue, the Democratic Party was forced to make a single-handed fight for the direct-legislation cause, so well established has this principle now become that during the last campaign every political party, young or old, represented in the State, made platform indorsement of the initiative and referendum.

"'The legislature submitted to the people four proposed amendments to the constitution, while the people, taking advantage of the power reserved to them under the constitution, initiated an amendment to the suffrage and elections article providing for woman suffrage. All of these proposed amendments were of the greatest importance and elicited the interest they deserved. The vote on them was as follows:

"'Recall of judicial officers: For, 16,272; against, 3,705.

"'Right of State to engage in industrial pursuits: For, 14,928; against, 3,602.

"'Permitting greater latitude in the enactment of taxation laws: For, 15,967; against, 2,283.

"'Permitting the additional bonding of incorporated towns and cities for municipal water and light plants and sewers: For, 15,358; against, 2,676

"Equal suffrage: For, 13,442; against, 6,202.

"'In addition to these constitutional amendments, the referendum was invoked on eight measures enacted by the legislature. It is worthy of consideration in estimating the absolute fairness and practicability of this method of legislation that in all of these cases save two resort to the people, which should always be the court of final appeal, was had by and at the instance of corporations which were, while Arizona's constitution was being framed and during the period when its fate, with that of statehood, hung in the balance at Washington, in bitter opposition to the initiative and referendum features of the charter. Not only were these corporations first to invoke the referendum, but they took occasion, in the literature forming a part of an elaborate campaign made to defeat the measures to which objection was had, to commend the "wise provision" of the constitution permitting the people to pass judgment on all laws enacted by the legislature.

"'Never could the interest of the people in legislation affecting their welfare or the welfare of any class of citizens, or their ability to judge of the merits or demerits of proposed measures, be more strikingly illustrated or more definitely settled than was done in this instance. On one hand certain powerful interests, violently objecting to the measures enacted by the legislature, after invoking the referendum, entered upon an elaborate, exhaustive, systematic, and, doubtless, very expensive campaign to defeat the measures at the polls. Speakers were employed to tour the State; printed literature in large quantities and personal letters signed by prominent and influential officers of the corporations chiefly concerned flooded the mails; personal workers were interested, and such employees as could be influenced were advised as to what were for the 'best interests of the company,' while great spaces were used in many newspapers in the State, not only in the advertising columns, but in the news columns, and very frequently in the editorial departments. Nor did any political party champion the cause or lend its moral support. As required by law, publicity pamphlets were sent out by the secretary of state; a few speeches were made in the larger towns by advocates representing the labor organizations; and the people, alive to every phase of the situation, discussed it among themselves. That was the extent of the affirmative campaign. And in spite of the efforts put forth to convince them to the contrary, the people decided that the measures were good ones.

"'The favorite claim made by the opponents of direct legislation, that the people will not take an interest in measures referred to or instituted by them, is here totally disproved, since an average of 18,887 votes were cast on the constitutional amendments and 17,884 on the referred laws, as against an average vote of 23,483 for presidential electors and 23,545 for all candidates for Congress.

"'It were difficult to conceive of a more emphatic demonstration of the thorough utility of Arizona's direct-legislation provision than has thus been afforded at its first trial.'

"Altogether Arizona is wonderfully satisfied with her trial of popular government. It has not proved that perfection has been reached, and perfection is by no means claimed, but it has generously shown that the people may be safely intrusted with the management of their own affairs. They may make mistakes—who does not?—but they are quick to see, and with the power to do so, quick to remedy them. They are not rash, impulsive, or unfair, as the opponents of popular government would endeavor to make the people themselves believe, but, on the contrary, may be depended upon to treat fairly with all interests and classes.

"Not yet are they, with this weapon of self-government in their hands, out of danger from the exactions of the aristocracy of wealth, for at all times, day and night, early and late, under all conditions and circumstances, the machinery of that vast organization is working, if not to hold its unwarranted dominion, to regain that which it has lost. It is not quite sufficient that the people shall have the means to control and direct their government; they must be alert to do so. Thus far the people of Arizona have been watchful and alert and have proved their capability and intelligence. With the power at their command, reserved to them by the constitution they framed, they have only to continue so.

"Arizona will welcome the day when all the States of the Union shall respond to the demand for this genuinely democratic system of government, when the United States Government itself shall, through the medium of salutary reforms, become more sensitive to the majority's will. To this latter end the proposed "gateway" amendment constituted a highly commendable movement. No question could be of greater importance at the present time than the breaking down of the ancient barriers interposed between the people and their organic law. That done, and many needed reforms will follow. That done, and it will be a question of but a few years when the Government of the United States will become in fact as well as in theory an example of genuine popular government.

"Consecrated to such a cause, the National Popular Government League may well be proud of its mission. My heartiest support is hereby pledged."

RECESS.

Mr. CULBERSON. I move that the Senate take a recess until 11 o'clock to-morrow morning.

The motion was agreed to; and (at 5 o'clock and 44 minutes p. m., Thursday, August 13, 1914) the Senate took a recess until to-morrow, Friday, August 14, 1914, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate August 13 (legislative day of August 11), 1914.

ASSAYER IN CHARGE.

Herbert Goodall, of Helena, Mont., to be assayer in charge of the United States assay office at Helena, Mont., in place of Thomas B. Miller, superseded.

PROMOTIONS IN THE ARMY.

CAVALRY ARM.

Lieut. Col. Franklin O. Johnson, Fourteenth Cavalry, to be colonel from August 9, 1914, vice Col. Robert D. Read, Cavalry, retired from active service August 8, 1914.

Maj. George W. Read, Ninth Cavalry, to be lieutenant colonel from August 9, 1914, vice Lieut. Col. Franklin O. Johnson, Fourteenth Cavalry, promoted.

Capt. Louis C. Scherer, Fourth Cavalry, to be major from August 9, 1914, vice Maj. George W. Read, Ninth Cavalry, promoted.

First Lieut. William B. Renziehausen, Fourth Cavalry, to be captain from August 9, 1914, vice Capt. Louis C. Scherer, Fourth Cavalry, promoted.

Second Lieut. William C. McChord, First Cavalry, to be first lieutenant from August 9, 1914, vice First Lieut. William B. Renziehausen, Fourth Cavalry, promoted.

CONFIRMATIONS.

Executive nominations confirmed by the Senate August 13 (legislative day of August 11), 1914.

RECEIVER OF PUBLIC MONEYS.

John E. Barrett to be receiver of public moneys at Topeka, Kans.

POSTMASTERS.

CONNECTICUT.

E. W. Doolittle, Plantsville.

KANSAS.

Henry R. Honey, Mankato.

MISSOURI.

A. R. Alexander, Plattsburg.

NEW YORK.

Andrew J. Fitzpatrick, Springville.

PENNSYLVANIA.

Thomas E. Grady, Montgomery.
Richard T. Hugus, Jeannette.
Jacob H. Maust, Bloomsburg.

HOUSE OF REPRESENTATIVES.

THURSDAY, *August 13, 1914.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

O Lord and Master of us all, through whose infinite wisdom, power, and goodness we live and resolve, hope and aspire, and pray; yet we realize that while the spirit is willing the flesh is weak, and we ever fall short of our desires. Help us to control our thoughts, direct our ways, and make straight our paths, that through Thy influence we may unfold and develop our character as individuals and as a Nation unto the ideals taught and exemplified in the life and character of the Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

ASSAY OFFICE, NEW YORK CITY.

Mr. CANTOR. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill S. 3342, for the enlargement, and so forth, of the Wall Street front of the assay office in the city of New York, and consider it at this time. It is precisely the same bill that passed this House in April.

The SPEAKER. The gentleman from New York asks unanimous consent to take from the Speaker's table the bill S. 3342 and consider it at this time. The Clerk will report the bill for the information of Members.

Mr. MANN. Mr. Speaker, I am quite familiar with the bill, and I shall not consent to its passage at this time without reference to the committee. I think that a bill involving the use of appropriations should be referred to the committee.

The SPEAKER. The gentleman from Illinois objects.

Mr. CANTOR. Mr. Speaker, will the gentleman kindly withhold his objection? There is a letter from the Secretary of the Treasury stating that it is very important that this be done now, on account of the gold supply in New York, in order that the vaults may be completed as soon as possible.

Mr. MANN. The committee can report upon it at once.

Mr. CANTOR. It has reported on precisely the same bill.

Mr. LOGUE. Mr. Speaker, if the gentleman will yield, we have had this bill on the Calendar for Unanimous Consent for some time.

Mr. MANN. I remember the bill in the House and in the Senate also.

The SPEAKER. The gentleman from Illinois objects.

ENROLLED BILL SIGNED.

The SPEAKER announced his signature to enrolled bill of the following title:

S. 1644. An act for the relief of May Stanley.

SENATE BILL REFERRED.

Under clause 2, Rule XXIV, Senate bill of the following title was taken from the Speaker's table and referred to its appropriate committee, as indicated below:

S. 3342. An act for the enlargement, etc., of the Wall Street front of the assay office in the city of New York; to the Committee on Public Buildings and Grounds.

WATER POWER ON THE PUBLIC DOMAIN.

The SPEAKER. Under the rule the House will automatically resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 16673) to provide for the development of water power and the use of public lands in relation thereto, and for other purposes.

Mr. HUMPHREY of Washington. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman's point of order comes too late to make it in the House. He can make it in the committee.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 16673, with Mr. FITZGERALD in the chair.

Mr. HUMPHREY of Washington. Mr. Chairman, I make the point of order that there is no quorum present.

The CHAIRMAN. The gentleman from Washington makes the point of order that there is no quorum present. The Chair will count. [After counting.] Seventy-six Members are present, not a quorum. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Ainey	Driscoll	Kindel	Peterson
Anthony	Dupré	Kinkead, N. J.	Phelan
Ashbrook	Elder	Knowland, J. R.	Platt
Aswell	Esch	Konop	Porter
Austin	Estopinal	Korbly	Post
Barchfeld	Fairchild	Kreider	Powers
Barnhart	Faison	Lafferty	Ragsdale
Bartholdt	Fess	Langham	Rainey
Bartlett	Fields	Langley	Riordan
Bathrick	Flood, Va.	Lazaro	Sabath
Beall, Tex.	Fordney	L'Engle	Saunders
Bell, Ga.	Francis	Lenroot	Sherley
Borland	Frear	Lever	Shreve
Brodbeck	Gard	Lewis, Pa.	Slemp
Broussard	Gardner	Lindbergh	Small
Brown, N. Y.	George	Lindquist	Smith, Md.
Browne, Wis.	Gillett	Linthicum	Smith, Minn.
Browning	Goldfogle	Lobeck	Smith, N. Y.
Bruckner	Goodwin, Ark.	Loft	Stanley
Bulkley	Gordon	Lonergan	Steenerson
Burke, Pa.	Gorman	McAndrews	Stephens, Miss.
Byrns, Tenn.	Goulden	McClellan	Stephens, Nebr.
Calder	Graham, Ill.	McGillicuddy	Stephens, Tex.
Callaway	Graham, Pa.	McGuire, Okla.	Stevens, N. H.
Campbell	Griest	McKenzie	Stout
Carew	Griffin	Madden	Stringer
Carlin	Gudger	Maban	Switzer
Chandler, N. Y.	Hamill	Maher	Talbott, Md.
Clark, Fla.	Hamilton, Mich.	Manahan	Taylor, N. Y.
Coady	Hamilton, N. Y.	Martin	Thomson, Ill.
Connolly, Iowa	Hardwick	Merritt	Treadway
Copley	Hawley	Montague	Tuttle
Covington	Hayes	Morgan, La.	Underhill
Cramton	Heflin	Morin	Vare
Crisp	Henry	Moss, Ind.	Vaughan
Crosser	Hinds	Mott	Vollmer
Dale	Hobson	Murray, Okla.	Walker
Davenport	Houston	Neeley, Kans.	Wallin
Decker	Hoxworth	Neely, W. Va.	Walters
Dershem	Hughes, Ga.	Nelson	Watkins
Dickinson	Hughes, W. Va.	O'Leary	Weaver
Dies	Jacoway	Padgett	Whitacre
Difenderfer	Johnson, S. C.	Palmer	White
Dillon	Kelley, Mich.	Parker	Willis
Dixon	Kennedy, Conn.	Patten, N. Y.	Winslow
Dooling	Kennedy, R. I.	Patton, Pa.	Woodruff
Doremus	Kent	Peters, Me.	Woods

The committee rose; and the Speaker having resumed the chair, Mr. FITZGERALD, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having under consideration the bill H. R. 16673, had found itself without a quorum; that he had directed the roll to be called; that 245 Members had answered to their names, a quorum, and he handed in a list of the absentees.

The committee resumed its sitting.

The CHAIRMAN. The gentleman from Wyoming [Mr. MONDELL] is recognized for 25 minutes.

Mr. MONDELL. Mr. Chairman, in my opening remarks on this bill on Tuesday I called attention to the fact that the water-power development contemplated by it can only be secured under water rights granted by the respective States under certain terms and conditions and that subject to compliance with these conditions those rights are perpetual. I called attention to the further fact that the only interest or control that the Federal Government has over this development arises out of its ownership of lands that may be necessary, to a greater or less extent, for the diversion, development, or distribution works connected with the water-power development. I stated further that, taking advantage of the Government ownership of such lands, the bill proceeded on the assumption that such ownership or proprietorship vested in the Federal Government authority to delegate to the Secretary of the Interior the right to levy and collect an excise tax. That this excise tax will not be uniform among the States because applicable only to certain States, and not uniform within these States because applicable only to projects in whole or in part on public lands, and clearly not expected to be uniform even among the projects effected.

The bill further proceeds on the assumption that by reason of the fact of proprietorship of lands within certain States the Federal Government may exercise municipal right of sovereignty and eminent domain within the limits of a State.

LEGISLATION CENTRALIZING AND FEDERALISTIC.

I do not raise these questions or call attention to these features of the legislation which challenge the sovereign and reserved rights of the people in the States out of any spirit of captious criticism or with a desire to prejudice legislation by raising an issue as to the relative jurisdictions of the States of the Federal Government. I do so rather for the purpose of suggesting that legislation relative to these matters, to be fair, to be just, to be useful, to be in the public interest, to be permanent under the decisions of the courts, should and eventually must recognize the kind of government which our fathers established and which it is our duty to help maintain.

Alexander Hamilton is generally given the credit of being the foremost champion and ablest exponent and defender of the federalistic view of our system of government. He not only believed in a strong central government but he was willing to vest very considerable power and authority in the officials and functionaries of that Government. I venture, however, to assert, without fear of successful contradiction, that Mr. Hamilton in his most centralizing and federalistic moments would not have dreamed of proposing or promoting so bureaucratic, centralizing, and federalistic a plan as that now presented for our consideration.

PUBLIC CONTROL NECESSARY.

Let us have no misunderstanding of our position. I desire to have it clearly understood that I and those who hold similar views with regard to those matters are wholly in accord with certain avowed and announced purposes of those who stand sponsor for this legislation. We earnestly desire to encourage water-power development in the public-land States. We believe that in any event, and particularly in the present attitude of the Government bureaus having to do with these matters, some legislation is necessary. We realize the great and permanent importance of hydroelectric development. We appreciate the fact that this development, in certain of its important aspects and phases, has, to a greater or less extent, the elements of a natural monopoly. We realize, therefore, to the fullest extent, that this development must and should be under proper public control, with power to determine as to rates, terms, and conditions of service. More than two years ago I introduced a bill providing for uniform legislation on the subject of rights of way for power development and other purposes, fully protecting the public interest and assuring the complete control of the people to be served—the public interested—over service and charges, which I shall offer at the appropriate time.

We come from a part of the country where the foundation for such public control is firmly fixed and bottomed on the fact that the water, which is the one essential element in all this contemplated development, is under the complete and unquestioned control of the people. I desire to emphasize this feature of the controversy because it has become the habit of those who take the centralizing bureaucratic and federalistic view of these matters to assume, some of them at least, an air of superior virtue, as though they alone were the friends of the people, who proposed to give the people interested and affected the least to say about their own affairs. It has become the chronic habit, unintentional no doubt, of a certain class of people to proclaim their special interest in and service of the people when proposing plans under which the people, even as represented by the Congress, would have virtually nothing to say.

One of the peculiarities of a certain view, which gentlemen assume to be advanced and altruistic, is that it always leads to

the multiplication of the agencies of control, the increasing of the difficulties of operation and the addition of burdens on the theory that in some mysterious way out of the maze of regulation and through added difficulties and burdens may come benefits to the people, who in the long run must pay the bills.

We oppose this legislation in its present form because it is federalistic, bureaucratic, centralizing, inequitable, and burdensome. We oppose it because we do not believe that any considerable development would be possible under it. As a representative of the people of a western Commonwealth, whose development will be affected by the legislation, my viewpoint is that of the people to be served by the energy which may be developed from our falling waters. It is true that in a reasonable and proper way the interests of those who may make investments in enterprises of the character contemplated should be safeguarded. But they may in the main be depended upon to safeguard their own interests and not engage upon enterprises which do not give promise of fair returns and reasonable security.

The people of these Commonwealths, however, have a twofold interest: First, in having development keep pace with demand, and, second, to secure the benefits of development under the most advantageous conditions and on the most favorable terms. It is almost superfluous to say that these objects can not be accomplished by legislation under which the people affected would have practically no voice in the regulation and control of development, nor can I conceive how the public interest anywhere can be served by placing in the hands of one individual far removed from the scene of enterprise and operation autocratic control over the inauguration and operation of vast enterprises.

THEORY OF BILL ERRONEOUS.

In the time allotted me it is impossible to take up in detail the many objectionable features of the bill before us. As I have indicated, the primary fault of the bill lies in the fact that it approaches and deals with the subject matter from an altogether erroneous viewpoint, and its provisions are based on an altogether mistaken notion of the respective powers and interests of the Federal Government and of the States within which the contemplated enterprises are to be located and of the people to be served by them. The interest of the Federal Government grows out of the proprietorship of certain lands. The duty of the Federal Government is to see to it that out of this ownership no additional burdens shall be laid upon the communities to be served, and, on the other hand, that no opportunities shall rise to hamper complete public control over the agencies established. Government ownership of the lands utilized should not be made the means of retarding development or the excuse for increasing the cost of the power developed. Neither should it afford opportunities for those who utilize these lands to escape complete public control of the enterprises they establish. This legislation proceeds apparently on the theory that only by assuming a jurisdiction the Government does not possess and vesting that jurisdiction in the hands of a single individual can the Commonwealths affected or their people be protected.

If, as a matter of fact, we have reached that condition or ever could reach that condition under our form of government, we certainly would be in a bad way, a condition under which the Federal Government must protect the people from themselves, under which the Federal Government must assume the control of purely local operations on the theory that the people are going to allow themselves to be robbed.

Starting out on this theory, the bill in its first section places in the hands of one official of the Government complete authority over all the public lands reserved or unreserved which individuals, corporations, or municipalities may desire to utilize in any way for the development or transmission of power created by the forces of gravity acting upon water.

DANGEROUS GRANT OF POWER.

This power and authority delegated to the Secretary of the Interior includes the power to either grant or withhold. He may grant as much as he desires or withhold all rights and privileges in his discretion. His prohibition may be absolute and without reason given, or it may be exerted indirectly by applying to all applications or any particular application terms and conditions which the applicant can not meet. Favoritism may be exercised either by preferring one applicant above another under the same terms or by requiring impossible conditions of one and making practically a donation of opportunities to another. Assuming for the sake of argument that Congress has the power to so delegate its functions without rule or guide, which I doubt, all human experience attests the unwisdom of such a grant of authority.

But gentlemen will say we must lodge a certain amount of discretion somewhere. That is very true, but there is a great deal of difference between reasonable discretion within certain well-defined lines and practically unlimited authority to grant or withhold, to burden, or to donate. As a logical corollary to this grant of unbridled authority to the Secretary of the Interior is the entire absence of any provision containing any grant, right, or privilege on anyone. No individual, association, or municipality has any assurance under this legislation that it can ever secure any of the opportunities which the bill contemplates. The possession of a water right gives no such assurance, and no act or application, however much it may demonstrate the good faith, equitable right, or financial ability of an applicant can assure the opportunity for development which the Secretary may for any reason or without reason see fit to deny.

It is true that at this time we have a Secretary of the Interior in whom most people have confidence. There have been times when men occupied that office who suffered from lack of public confidence. What a howl of protest would have gone up if under different circumstances and conditions than now exist a bill had been brought in proposing to lodge in the Secretary of the Interior the powers this bill confers. Yet Secretaries come and go, but the authority, once conferred, continues. Most men want to do the right thing, I think, but there are great differences of opinion as to what constitutes the right thing to do. Ours is a Government of law, not of discretion or of personal judgments, and there is no place under our system of government for the unrestrained authority which this bill proposes to confer.

There are many details of the bill that are objectionable, details that grow out of the erroneous basis of the legislation. The effect of its provisions are inconsistent with our form of government, not likely to encourage development, and certain in the long run to breed scandal if extensive operations were attempted under it.

Mr. BOWDLE. Will the gentleman yield for a question?

Mr. MONDELL. I will.

Mr. BOWDLE. Is there any radical departure in this bill from the principle laid down in the reclamation act?

Mr. MONDELL. I think a very radical departure, I will say to the gentleman, because the reclamation act very wisely provides that the Secretary of the Interior, acting for the Federal Government as a proprietor, shall proceed to do what any other proprietor might do, and no more. There is nothing in the act that invokes the sovereign power of the Federal Government. It is simply a legislative direction on behalf of the United States, the proprietor of certain lands, to its agent, the Secretary of the Interior, to do those things, and those things alone, under the laws of the States and Territories which any individual who had the lands and the means could do.

Mr. BURKE of South Dakota. Will the gentleman yield?

Mr. MONDELL. I will.

Mr. BURKE of South Dakota. Is there not this difference also? Does not the reclamation act contemplate that ultimately the land shall go into private ownership and shall be subject to taxation, whereas——

Mr. MONDELL. I am glad my friend called attention to that. The reclamation law provides for the construction, regulation, and control of certain enterprises by the Secretary of the Interior, acting as agent for the United States as proprietor, until upon the completion of the works they become the property of those who live upon the land and automatically pass into their absolute control, except as to the control which the Government retains of certain great storage works. On the other hand this is a proposition of a perpetual, never-ending lease of Government land and a charge, the amount of which no man can measure, entirely within the discretion of the Secretary of the Interior as to amount, and in no wise based on any value that the Federal Government contributes to the enterprise in the way of land or any other property. As great a charge might be made for the use of one acre of public land under this bill as for a million.

Mr. J. M. C. SMITH. Mr. Chairman, will the gentleman yield?

Mr. MONDELL. I will.

Mr. J. M. C. SMITH. I want to inquire whether or not there are not now a number of quite large dams capable of creating and generating a great deal of water power that are not in use by the Government?

Mr. MONDELL. Well, we have a large one in my State which, I regret very much to say, has never found any customers since it was built. I suppose there are others of that sort. We favor legislation, we want legislation; but we insist it is not necessary to tear down the pillars of the Constitution, uproot the foundations of the Government, ignore the character of the Government under which we live, in order to accomplish those

things, to secure development, and protect the people in their rights.

Mr. RAKER. Will the gentleman yield for a question?

Mr. MONDELL. I will.

Mr. RAKER. Will the gentleman explain what difference there is in the Government leasing this land for water-power purposes and leasing it for raising cattle upon, so far as the right of the Government to deal with its property is concerned.

Mr. MONDELL. I have raised no question as to the right of the Government to lease its land. I do not make any such claim. There is a question of the wisdom of doing it. It has been questioned, but I am not now discussing the right of the Federal Government to permanently retain and lease its lands. That is simply a question of policy.

Mr. RAKER. What I was getting at is that the gentleman has not any doubt but that the Government could lease its lands, if it desired, for grazing purposes?

Mr. MONDELL. Oh, I think the Government could. Some people think it should, but it never has.

Mr. RAKER. And we hope it will not?

Mr. MONDELL. You and I do.

Mr. RAKER. Some gentlemen have sought legislation for leasing of Government land for stock-raising purposes. If that is the fact, why can it not lease its land for power-plant purposes?

Mr. MONDELL. As I said to the gentleman a moment ago, I am not denying the power of the Government to lease its lands for those purposes. I do, however, insist that if it is to be a lease instead of a right of way or easement that the Government is to provide, it should not be made the means or excuse for laying burdens on the use of water which is the property of the State.

What we should have is a grant or easement, not a lease. The only charges paid to the Federal Government should be for property or benefits received from the United States, based on uniform provisions fixed by statute. The States should be fully protected in their control over rates and charges rather than deprived of their control. Any taxes or charges above reasonable payments for public lands used should be laid and collected by the States and communities, not by the Federal Government.

Mr. LA FOLLETTE. Mr. Chairman, I yield to the gentleman from Washington [Mr. JOHNSON].

Mr. JOHNSON of Washington. Mr. Chairman, conservation is a word to conjure with. In the name of conservation the most iridescent dream is accepted as fact. Proper conservation, of course, is sound and proper, and has come to stay. But why destroy the far Western States in order to conserve them?

The people of the far West have had about as much conservation thrust upon them as one generation can bear up under, and yet under the hypnotic and beneficent name of conservation we now have thrown at us in one lump four more conservation propositions. All summer we have been told that these bills were coming—four bills, so we were told—designed to end the stagnation in the development of the West. It is something, of course, to have secured an admission from the dream-book conservationists that their earlier schemes of holding up and hog tying the resources of the West had resulted in stagnation—literally to the starving point in many cases.

So now, after an all-summer wait, the Democratic Rules Committee loosens up, and on August 11 throws four intricate so-called conservation bills at us in one chunk, and calls for immediate action and limited debate.

No one knew which particular bill of the quartet was to come up first, but it turned out to be one disguised under the alluring title "A bill (H. R. 16673) to provide for the development of water power and the use of public lands in relation thereto."

Notice the optimistic and enthusiastic words of the title, "development" and "use." We of the West hope the words mean something, but I have yet to find a western Member who likes this bill. Even the members of the committee, so far as I can learn, shy off and say, "Well, it was this or nothing." "It is in the cards," and the like. Some of them accept the fact, but ease their consciences by opposing the principle.

Debate on this bill has been limited to two hours a side, in spite of the fact that the hearings on April 30 and May 1, 2, 3, 4, 5, 6, 7, and 8—nine days—produced a printed volume of 772 pages.

The distinguished chairman of the Public Lands Committee, the gentleman from Oklahoma [Mr. FERRIS], opened the debate and received the close attention of from 25 to 50 Members of Congress—which is remarkable when it is considered that this bill makes full and final provision for the handling of more than 20,000,000 horsepower located in the 11 far Western States, and a few million more horsepower in the other public-land States. See page 14812, RECORD for August 11.

I consider it unfortunate that it was twice necessary on that day to call in a quorum in the hope of interesting a few of the Representatives in Congress of all the people as to how it is proposed to handle the water power and the public domain of all the people, for these bills take it for granted that the 11 Western States have no possible concern in the matter, even though 72.6 per cent of all the potential water power in the United States lies within their boundaries, and six States, I believe, have public-service commissions; and, under this bill, most of it is to be taxed by the United States, while the water power of Massachusetts, Delaware, and Oklahoma, if it has any, is to pay no Federal tribute.

The debate is so limited and my time is so short—20 minutes—that I can do no more than call your attention to a few pages in the 772-page volume of hearings on House bill 14893.

On page 499 of the hearings you will find the resolution of the western governors adopted at Denver April 9, 1914, as follows:

Resolution of western governors at Denver conference April 9, 1914, re conservation and water powers.

At their conference at Denver on April 9, 1914, the governors of the States of Utah, Nevada, Colorado, Washington, Oregon, Idaho, Wyoming, New Mexico, and North Dakota adopted the following resolution:

"Whereas Congress has declared the water of all lakes, rivers, and other sources of water supply upon the public lands and not navigable shall remain and be held free for the appropriation and use of the public for irrigation, mining, and manufacturing purposes, we insist the Federal Government has no authority to exercise control over the waters of a State through ownership of public lands:

"*Resolved*, We maintain the waters of a State belong to the people of the State, and that the State should be left free to develop water-power possibilities and receive fully the revenues and other benefits derived from said developments.

"We believe in conservation—in sane conservation. We believe the all-wise Creator placed the vast resources of this Nation here for the use and benefit of all the people, past, present, and future; and while we believe due consideration and protection should be given to the rights of those who come hereafter, we insist that the people of this day and age should be given every reasonable opportunity to develop our resources and put them to beneficial use."

Mr. Chairman, the hearings contain also a brief memorandum in support of that resolution.

The 11 Western States included in the committee's group of Western States are California, Oregon, Washington, Arizona, Nevada, Idaho, Montana, Wyoming, Utah, Colorado, and New Mexico.

Nine of the 11 governors put forth the resolution. Two were unable to attend the conference.

Mr. RAKER. Will the gentleman yield right there?

Mr. JOHNSON of Washington. I will gladly yield for one question.

Mr. RAKER. The gentleman is not in favor of the present water-power acts, is he?

Mr. JOHNSON of Washington. I am not in favor of any act that taxes the Western States through a Federal process.

Mr. RAKER. Through the present law you only get a revocable permit.

Mr. JOHNSON of Washington. I have not time to go into detail as to that now.

Mr. RAKER. Do you not think it is a beneficent change to give them a definite period of 50 years?

Mr. JOHNSON of Washington. I do not. One of the reasons for saying so is that there arrived in my mail a week ago a paper—the Camas (Wash.) Post—printed in one of the counties of the district which I have the honor to represent, that told of the failure of one of these power plants. This paper says:

If we remember rightly, we were promised that a great wave of prosperity would start spreading itself out over the country about July 1. Here it is along in August and we fail to notice anywhere where the wave has struck with any considerable force, but we have noticed within the week that the Washington-Oregon Corporation, operating power, light, water plants, and street car systems in this State and Oregon, has been placed in the hands of receivers, to say nothing of the army of employees dropped by the Pacific Power & Light Co. from their several propositions in the Northwest, within a short period, and the hundreds of woodworking plants throughout this State that have closed down.

Now, it failed, so far as I can learn, because it had met with some disastrous fires and had a few bad accidents. These things happen to corporations. It does not take much, where they are paying a heavy rate of interest, to put them out of business.

That electric company furnished the cities and towns of Centralia, Chehalis, Winlock, Vader, Toledo, Castle Rock, Kelso, Kaloma, Woodland, Vancouver, and other places in southwestern Washington with light, power, street car, and suburban road service, as well as Rainier and many other places in Oregon. It was engaged in great development work; and——

Mr. BOWDLE. Will the gentleman permit a question for the benefit of one who comes from the rain belt? Can you tell us something of what the objectionable features are of conservation that has been thrust on you?

Mr. JOHNSON of Washington. Yes, indeed I can; if I can get the time to do so, but my time is very limited. I will take pleasure in sending to you copies of my speeches on "The sad side of conservation" and "Facts about the forest reserves."

Mr. Chairman, let me make it clear that while other States are slightly affected by this bill, the 11 far western ones within round numbers have one-half of all their vast territory locked up in forest reserves, national monuments, or other reservations—public domain, and yet not public domain—and are the States that have to pay the United States for the privilege of being States.

Practically one-half of each one of these States—my own State of Washington being the least conserved, with only 40 per cent of its area hung up—the half, I say, of 11 Western States are not governed by their governors.

Half of each State is not represented by the Senators and Members of Congress sent here by the voters.

Mr. Chairman, the half that is not governed by the governors gets a sort of hydra-headed government, divided between two members of the Cabinet, subject to change every four years or even oftener. They are subject also to an occasional Executive order, but, as a matter of fact, they are governed by a great bureau. That bureau gets its appropriation from the great Committee on Agriculture. It is proposed in this bill to take away some of the control of that bureau, now in the Agriculture Department, and pass it over to the Interior Department—more battledore and shuttlecock. Fifty or sixty Members of Congress are interested enough to listen to the chairman's explanation of the bill. About 200 Congressmen are out of town, and the rest are willing to let this go, simply because it is "in the cards." What do they care if this legislation bears down on the West, as has other legislation in the past?

Mr. BOWDLE. May I ask the gentleman this, whether these faults have grown up under the reclamation act?

Mr. JOHNSON of Washington. No; the reclamation act is an entirely different proposition. But, in my opinion, this bill provides a sort of sop for the Reclamation Service. You will find that in section 8—a scheme to turn some of the State's own money through Federal collection back to its irrigation propositions a long time hence.

Mr. RAKER. Will the gentleman yield right there?

Mr. JOHNSON of Washington. Yes.

Mr. RAKER. So that the House may not be misled, the gentleman stated that the Committee on the Public Lands was composed of eastern men. There are 21 men on that committee, and 14 are from Western States.

Mr. JOHNSON of Washington. I beg your pardon. I do not think I made any statement about the Public Lands Committee, or where the members come from. I will say, however, that in view of the earnest resolution of the western governors I can not but feel—and I say this with all due respect to the chairman of the Committee on the Public Lands and all the members of that committee—that this hypnotic and wonderful word "conservation" must have done its work in the committee room.

I want to say here, parenthetically, that, in my opinion, that committee has been heavily overworked. Here are these four bills and other great public bills, to say nothing of very many private-land bills. That committee has had a long, hard siege, and this bill is the result.

I contend that this bill is imperfect. The committee wants to do something and is afraid to do it.

I would like to ask the Members who are interested to read the remarks on conservation made by the chairman of the committee, Hon. SCOTT FERRIS, at the Dry Farming Congress at Tulsa, Okla., in October last year, printed in the RECORD of November 29, 1913, by Hon. CLAUDE WEAVER. There is a splendid statement from the chairman of that committee as to what conservation has done to the West. I stand on what Mr. FERRIS said on that occasion.

Let me refer to section 8 again for a minute. I have not time to read it, but if you will glance at it you will agree that it needs explanation. I asked one member of the committee what section 8 meant. That is the section in regard to the collection of the revenues and covering them back in the Reclamation Service. The reply I received was, "Oh, it is a little matter of bookkeeping; a case of fifty-fifty. See?" Do you see? I do not see. What does it mean?

Seventy-two and six-tenths per cent of the potential water powers of the United States lie within the boundaries of 11 Western States, and 6 of those States, as shown by the printed report, have public-service commissions to regulate them. The other States in that group will soon have commissions, which can handle these things more advantageously, and far better than the United States Government can.

Mr. Chairman, these experts who figure the potential hydroelectric power of the 11 Western States at 20,000,000 horsepower have missed their guesses by thousands upon thousands. Mere dope. Dream-book stuff, worth while only to keep the wheels in the Government Printing Office and in the heads of the library theorists going around.

The State of Washington, according to these hearings, page 651, has 2,825,000 horsepower running to waste, which it is proposed to capture by this bill. You may capture it, but you can not guarantee capital to finance it or any part of it. When you consider that the experts have allowed us nearly 3,000,000 horsepower, do you not think they have drawn it a little fine to limit the rancher to 25 horsepower? He can use his little 25 horsepower for his sawmill or his dairy. He can use his 25 horsepower, but the other millions of horsepower will go to waste until some fellow comes along, with millions of money loose in his pocket which he wishes to expend in the development of gigantic horsepower, under such restrictions as this bill proposes.

Now, if you know what 10,000 horsepower means—if you know that in 1912 our State of Washington had, in plants of 1,000 horsepower or over, developed 300,510 horsepower, you will gain some idea of the worthlessness of these gigantic figures in these statistics. "Millions, billions, or trillions, it is all the same," as I once heard one of our famous Washington statesmen say in regard to the tariff. He is still a statesman of great ability and prominence, but now a resident of Illinois. Millions, billions, or trillions, it is all the same when you are writing a conservation dream book.

I said that my State had hydroelectric horsepower developed and used to the amount of 300,510. Massachusetts, a great manufacturing State, has 129,589, or much less than one-half. Why talk about 20,000,000 unused in the far West? Why not talk about some money with which to make it usable. Investors on the public domain must pay toll to the Government and then compete against the great amount of power which we now have working and which we sell as low as one-fourth cent per kilowatt hour. Can it be much cheaper?

Let us quit sitting up nights thinking about 20,000,000 horsepower in the 11 Western States and get down to figures one can think about seriously and——

Mr. CLINE. Mr. Chairman, will the gentleman allow me to ask him a question?

Mr. JOHNSON of Washington. Yes.

Mr. CLINE. Do I understand it to be the gentleman's position that the State governments have the exclusive and absolute power and control over the waterways of the several States?

Mr. JOHNSON of Washington. Yes; within the States.

Mr. CLINE. No matter whether they are on Government land or not, so long as they are nonnavigable rivers?

Mr. JOHNSON of Washington. Yes. Every western man knows that you must interest capital, including local bankers, in such projects when they are undertaken, and——

Mr. CLINE. I was trying to get the gentleman's proposition as to where the jurisdiction lies with reference to the control of these water powers.

Mr. JOHNSON of Washington. The States were given the rights in the acts which organized them. Of course, my most serious objection is that this bill provides for the collection of money for the United States Government from what these Western States expected to be their own resources with which to build up their States and from which they expected to obtain revenue by taxation.

Mr. CLINE. If the authority is exclusive in the mountain States—and I assume that arises out of the theory of prior appropriation, does it not—then where does the Federal Government gets its right and power to dictate upon what terms it shall be used?

Mr. JOHNSON of Washington. I wish I knew; and I wish I knew where the army of map makers, investigators, special agents, rangers, experts, and others who run all over western country get their power.

Mr. CLINE. It is the gentleman's theory, is it not, that the State itself, without any regard to the Federal Government, should develop this water power?

Mr. JOHNSON of Washington. The States should control the development of it. We have seen bureaucracy work out in the Forest Service. We were promised moneys which we never got, and will not get in this generation. We are told now that it will take at least 30 years to work some practical forestry scheme, and we hate to see anything of that kind coming in reference to these millions of horsepower.

The report, No. 842, to accompany this bill consists of 13 pages for the enlightenment of Members who have not time to read the hearings or pay any attention to the debate, and contains this illuminating paragraph:

The report of the Commissioner of Corporations for March, 1912, shows that at that time we had a possible 25,000,000-horsepower capacity capable of economic development by water power, whereas we had only 6,000,000 horsepower actually developed. According to this estimate, if we exercised proper diligence and economy we should have 19,000,000 horsepower per year more than we now have. Allowing 15 tons of coal for the development of one horsepower a year, the failure to develop our available hydroelectric energy would represent the unnecessary handling and consumption of 285,000,000 tons of coal per year, if the hydroelectric energy could be distributed over the whole country where needed, which, of course, is not quite practicable.

Not quite practicable! I suppose some one thinks that under the limitations of this bill we can find the millions necessary to develop the 20,000,000 of potential hydroelectric current out our way, conduct it along high-tension wires along a privately owned right of way for 2,000 miles for the purpose of running a churn in Oklahoma.

The State of Washington is somewhat interested in this bill, inasmuch as that State, at the time the report of the Commissioner of Corporations was issued in 1912, shows us to be third in rank of hydroelectric power, being exceeded only by New York and California.

Mr. Chairman, in the State of Washington we are supposed to have nearly 3,000,000 horsepower in the forest reserves. We know something about conservation. We have had some experience, and here in these 772 pages of hearings there has been placed by some hocus-pocus a little table that shows why we are a little squeamish when a conservation bill comes up. The Forest Service is allowed under the Agricultural bill to spend 10 per cent of the sales of Federal timber in the State for the construction of roads in the reserves.

Under that law there has been built up to December, 1913, in the eight great forest reserves of the State of Washington, road mileage of the following stupendous figures:

	Miles.
District No. 1	1.50
District No. 6	11.80
Total	13.30

Gentlemen, that is going some. There are 11,660,660 acres of forest reserves in Washington—eight reserves in all—and under the 10 per cent system the United States Government has built 13 miles of road, or a little more than a mile per million acres.

Ten per cent! That is what was promised to those people out there to make them feel good and be patient a little while longer.

The shelves of the Library of Congress are piled up with books on conservation, and in one of those books a few years ago Mr. Gifford Pinchot, the great conservation expert, gave his estimate of all the standing timber in the United States; and a few years later, without making the slightest allowance for what had been cut, he increased his estimate a thousand million feet. Think of it—a thousand million feet! That is exactly the way these tables go when you get down to brass tacks on them.

Mr. HUMPHREY of Washington. Mr. Chairman, will my colleague yield?

The CHAIRMAN. Does the gentleman from Washington yield to his colleague?

Mr. JOHNSON of Washington. I yield.

Mr. HUMPHREY of Washington. On that point I might state to my colleague that when I was first elected as a Member of Congress there was more standing timber in what is now the first district of the State of Washington—the old district that I now represent—more standing timber in that district than the forestry experts estimated in the whole United States.

Mr. JOHNSON of Washington. Yes; and in my own county—in the one-half of it which lies outside the forest reserve—there is more timber than can be cut in 125 years at the present rate of cutting.

Mr. HUMPHREY of Washington. Mr. Chairman, will the gentleman again yield to me?

Mr. JOHNSON of Washington. Certainly.

Mr. HUMPHREY of Washington. The gentleman spoke about it taking 125 years at the present rate to cut the timber in his own county. I think the gentleman ought to add that the timber there will reproduce itself in half that time.

Mr. JOHNSON of Washington. Yes; and the timber is not being sold and can not be sold. We see conservation employees, who are paid by the great timber interests that have the greatest interest in the conservation propaganda, keeping up the agitation.

Mr. HUMPHREY of Washington. Before the gentleman leaves the matter of the Forest Service and the estimate of timber, I would like to call his attention to what he probably remembers very well, that an estimate was given by the so-called conservationists in the Forest Service 25 years ago, in which they estimated the standing timber at one-half less than they estimate it now.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FERRIS. Will the gentleman from Washington yield a little more of his time? We are still considerably ahead in the use of time.

Mr. JOHNSON of Washington. I should like one minute more.

Mr. LA FOLLETTE. I yield one minute to the gentleman from Washington.

Mr. JOHNSON of Washington. I am going to leave this small map, taken from the report, where Members can see it, and those who are really interested can see from the facts that the State of Washington now is the third user of developed horsepower. In their order, I believe the States are California, New York, and Washington. Members can see from that why we are especially interested, from the fact that we have already great developed horsepower.

Mr. BOWDLE. Will the gentleman yield?

Mr. JOHNSON of Washington. With pleasure.

Mr. BOWDLE. I understand the gentleman approves of the statement of his colleague [Mr. HUMPHREY of Washington] that it will take 125 years to remove the timber from his Commonwealth?

Mr. JOHNSON of Washington. That is my statement—not my Commonwealth, but in one-half the county in which I live.

Mr. BOWDLE. Does not the gentleman understand that the East has been so far stripped of its timber now that the first fleet to come through the Panama Canal will be a fleet bringing timber to the East from the gentleman's own State?

Mr. HUMPHREY of Washington. I hope you will be able to discover something of that kind. We have not.

Mr. JOHNSON of Washington. I hope the statement of the gentleman from Ohio will come true.

Gentlemen, I thank you for your attention. [Applause.]

Mr. LA FOLLETTE. I yield five minutes to the gentleman from Pennsylvania [Mr. KELLY].

Mr. KELLY of Pennsylvania. Mr. Chairman, the avowed purpose of this bill is to prevent private monopoly of water power. The monopoly of such power is dangerous and injurious to the public, because it would give those holding it the power to tax every industry which is or which will be dependent upon hydroelectric power. That power in private hands would mean the highest price possible and would in turn enter into the cost of producing the commodities necessary to the existence and comfort of American citizens.

In other words, the cost of living is the real issue underlying this measure, just as it is of every other economic question before this country. The cost of living has wrought revolutions in American history, and it may cause others in the future. The Revolution through which this Nation was founded was due to the attempt of George III to add to the cost of living in the Colonies. It brought about a political revolution in 1912, when the people commissioned a new administration and party to make war on the system of exploitation that had meant excessive prices for the necessaries of life.

In obedience to that commission the party in power has undertaken certain reforms. The revision of the tariff, the income tax, and other measures were calculated to shear some of the power from those who, through special privileges, preyed upon the people. But no tariff revision or income tax will prevent the pillage of dollar brigands as long as they have power to corner the food supplies of the Nation and manipulate their values in arbitrary fashion.

Year after year there have been exposures of the outrages of these insolently confident powers. Their slimy trail has been seen in political, financial, industrial, and social wrongs. Still, in spite of outbursts of public indignation, they have continued their course of exploitation and despoliation until the latest and most brazen disregard of right and decency and exhibition of despotic power—that of creating practically a food famine in the midst of crops greater than the world has ever seen.

Since the first breath of the European war, the prices of foodstuffs have been mounting skyward. With every natural reason why they should be lower, since the supply was abundant, with no chance for exportation, prices were sent soaring by artificial methods until they have reached a point which means an almost unbearable tax upon every necessary of life.

I have taken the list of 15 articles declared by the Bureau of Industrial Statistics to be the principal foodstuffs of the average American family. This list includes steak, rib roast, pork chops, bacon, ham, lard, flour, corn meal, eggs, butter, potatoes, sugar, and milk. The market quotations on these articles in a dozen large cities of the country show that there has been an average increase in price amounting to 22 per cent. Such an increase is wholly unjustified, but it has been planned and carried ont in systematic manner. Here is a statement from the Pittsburgh Leader of August 12 which is typical:

In Pittsburgh market yesterday the agents of beef houses and packers went among the retailers, calling the butchers aside and telling them prices must go up higher to-day. It is only fair to the retailers to say that they are as angered over the situation as the consumers. However, the retailer has no recourse; he must boost along with the food barons and the people must pay the freight.

"Boiled hams are up 3 cents a pound," said one agent.

"Do they feed the European armies boiled hams?" asked a retailer.

"Why don't they raise the price of sweetbreads, frog legs, pate de foie gras, and ice cream because of the war?" asked another.

With war 3,000 miles away and with an oversupply of foodstuffs on hand, prices have been skyrocketed to such a point that a continuance at the same rate would mean a depopulating famine within 30 days. Every newspaper tells the same shameful story, and I have received scores of letters from constituents telling of the unwarranted advances in prices of articles of food, alleged to be due to the war across the globe.

That food cornerers have the effrontery to do any injustice that will serve their rapacity, is clearly proven by the history of the past 10 years. That they have the power to-day, in such a time as this, is to the everlasting shame of the Nation. To end such power now and for all time is the sacred duty of every American citizen and every representative of the people.

Wherein lies the power to levy tribute upon every table in this land as has been done within the past two weeks? To my mind it rests upon monopoly and gambling in foodstuffs. The sure test of monopoly is the power to fix prices, and that power is held by the great packing interests of America. Through vast corporations, working together like clockwork, they control the supply of meat products. They have immense storage houses, in which they keep their products indefinitely, letting them out at such times and in such quantities as will maintain the top prices. At the first signal of European war they began hoarding meat in storage. They forced the prices up and up, building on the knowledge that the war would, some time in the future, mean a great demand, which would enable them to exact extortionate prices abroad.

Because of a perfect understanding and unity of greedy interest, these great packing companies have the power to control the market. Through their storage facilities they perfect their hunger hold upon the people, compelling the payment of excessive prices.

That is one element in the situation. The other is the gambling in foodstuffs on the Chicago Board of Trade and at other grain and produce exchanges.

If any Member of Congress doubts the effect of this gambling on prices, I hope he will read the hearings before the Rules Committee on the Manahan resolution asking for an investigation of these exchanges. They are worthy of careful reading and study. There appeared before the committee members of the Chicago Board of Trade and other grain exchanges, as well as representatives of the great grain growers of the country. I attended those hearings and was convinced, as I believe any fair-minded man who reads the hearings will be convinced, that these great centers of gambling are injurious to the best interest of every American. They are worse than private gambling hells, for these latter affect only the few who engage in it, but gambling in foodstuffs affects every man, woman, and child. The average man does not speculate on the exchanges and knows nothing about it, but he feels the result when flour goes up $1.60 a barrel, as it has within 10 days.

Samuel Greeley, of Chicago, a member of the board of trade of that city for 28 years, testified to some interesting facts before the Rules Committee. He stated that the gambling in wheat on the exchange amounts to more every day than is received in Chicago in a year's time. In other words, in a year between seven and eight billion bushels of wheat are bought and sold on the Chicago exchange, while only 25,000,000 bushels of wheat are brought to the city. The buying and selling of futures at this one exchange amounts to ten times the entire yield of wheat in the United States.

Mr. Greeley further said:

The crops of this country, the aggregate of the wheat, corn, and oats, is about 5,000,000 bushels annually, and every cent per bushel fluctuation in the market value of grain on the Chicago Board of Trade sets the price in this country either up or down $50,000,000. Every one-eighth of a cent per bushel fluctuation in the price of grain futures created by the Chicago Board of Trade creates a difference in the values of grain of this country of over $6,000,000.

If that statement be true—and it was not denied by officers of the board of trade who followed Mr. Greeley at the hearings—what has been the fluctuation in prices caused by these gambling price makers within the past few days?

I have in my hand copies of the Chicago Tribune, a paper recognized as accurate in all its statements. In the Tribune of July 29 I find the following:

GRAIN TRADE IN A TURMOIL—AUSTRIAN WAR CAUSES PANIC IN WHEAT PIT—PRICES UP 5 TO 9½ CENTS—LAST VALUES HIGHEST.

The wheat market was of the wildest description possible yesterday, and prices wound up at levels which made the quotations of the previous day ridiculously cheap. At the close values were 8½ to 9½ cents higher, the most sensational advances on general market conditions in many years. Except when there has been manipulation in some one month or another, such fluctuations as were witnessed have been seldom seen.

The upward trend did not end there, but continued. In the Tribune of August 3 I note the following:

GRAIN MARKETS MAKE HISTORY—WAR SCARE CAUSES SENSATIONAL PRICE UPTURN—WHEAT MART ON THE RAMPAGE—CHECKS EXPORT TRADE.

Last week will go down in grain-trade history as one of the most memorable ever known. The outbreak of war in Europe, while not unheralded, was unexpected, and for a time panic conditions prevailed, with all other news considerations swept aside as prices advanced to levels undreamed of a few days ago.

That is the system in operation. Prices have been manipulated upward until a fluctuation of 15 cents has been made. Taking that as a basis for computation, it is probable that these price makers by gambling have changed values to the amount of more than half a billion of dollars within 10 days.

The law of supply and demand has had nothing to do with this remarkable fluctuation in price. The crops are the greatest ever produced in the country, and the United States has food for all the world. We could export 200,000,000 bushels of our wheat without a legitimate advance of a cent a bushel. It is a gambling proposition pure and simple.

Brokers, representing a combination of interests, go upon the floor of the exchange and offer to sell wheat which they do not have or expect to have. Others offer to buy at the date fixed, betting on the market price at that date. No wheat exchanges hands, but the manipulation forces the price up or down, and the price at closing of exchange becomes the market price, and is telegraphed to the world through special telegraph service. This price becomes the basis of business everywhere.

When certain great combinations, controlling warehouses, transportation facilities, elevators, and so forth, manipulate the market by fake buying and selling at constantly increasing prices, they may fix a fictitious value, far above real value, and reap a rich harvest through their rapacity, although their stealings come from the defenseless public.

Now, the farmer does not get the benefit of these gambler-made prices. He is as helpless as the laborer in the city who buys a loaf of bread at the grocery. The system has safeguarded that by absolute control of warehouses, elevators, and transportation facilities. Mr. Greeley, in testifying to this condition, said, page 31 of the hearings:

I make the statement, without fear of contradiction, that the ownership of public warehouses in the city of Chicago by a combination of men, acting in concert—or, at least, on similar lines—that four men, acting in harmony, trading in futures, selling quantities of futures day by day, do more at the present time—and for years during the course of our markets have done more—to reduce the price on the farm than all the concerted actions of the world taken together, outside of panics and severe crop-damage reports.

Now, who are these four men whose influence regulates the price of the grain to the world, to both producer and consumer. One of them is J. Ogden Armour, head of the great packing interest, which has a hunger hold upon the people through beef products. The Armour Grain Co. controls public warehouses with a capacity of 7,000,000 bushels and private elevators with a capacity of 4,700,000 bushels. Five concerns control every public elevator except one and private elevators with a capacity of 13,600,000 bushels.

Representatives of these concerns fix the price which is to be paid to farmers at the elevators. Mr. Marcy, manager of the country line elevators for the Armour company, testified before the Interstate Commerce Commission some time ago. He was asked:

How is the price determined which will be paid by your country elevators?

He answered:

By myself largely. I make up the prices at the close of 'change for our bids and everything.

Mr. Williams, of Madrid, Iowa, owner of an independent elevator at that place, in sworn testimony before the Interstate Commerce Commission declared that he had been requested by

the general freight agent of the Chicago, Milwaukee & St. Paul Railroad to go to Chicago to meet Mr. Marcy in the Armour company's office. The purpose of the meeting was to arrange the prices to be paid the farmers of Madrid and adjacent territory and to divide the business at that point.

It is impossible to give all the ramifications of this throttling control of monopolists and gamblers upon the food supplies of the country. It is a system that robs both producer and consumer and subjects all the people to a tribute levied by unbridled rapacity. It means that the prices of the necessaries of life are fixed by a system of chalk marks in great gambling centers. It means that the law of supply and demand, which is rigorous enough to most Americans, has been supplanted in price making by the decree of cold-blooded conspirators.

There are many to deny my conclusions, but no one should deny that it is time to learn the truth. The advancing of prices on articles of food in such flagrantly unjust fashion as has been seen in the past 10 days should compel action. I have introduced the following resolution with that purpose in view:

Resolved, That the Secretary of Commerce be, and he is hereby, requested to furnish the House of Representatives information as to whether the prices of articles of food necessary to the health and well-being of the American people have been arbitrarily advanced in the home markets on the pretext that the high prices of such articles are the result of the European war.

Second. Whether the manipulation of values by speculators on the Chicago Board of Trade and elsewhere is resulting in unjust and unwarranted advances in the prices of foodstuffs, in spite of record-breaking crops in this country and the fact that there has been little or no exportation of food supplies to the countries at war in Europe.

I urge that such action be taken at once, either by Congress or Executive authority. The challenge thrown down by these traitors to the common good must be taken up at once, before long-continued misery and privation have resulted. The cost of living under such circumstances as these is a fuse, and it is burning dangerously near the explosive. If gamblers and food monopolists have the power to raise prices of the necessaries of life 22 per cent in 10 days, they have a power which threatens the safety of the Nation. It is time to shear them of such power, even if the grain exchanges and produce exchanges should be forced to follow the wake of their sister institutions, the Louisiana Lottery and race-track gambling.

Mr. LA FOLLETTE. Mr. Chairman, I yield 20 minutes to the gentleman from Illinois [Mr. MANN].

Mr. MANN. Mr. Chairman, in a general way I am in favor of the provisions of this bill, although I do not find that I can vote for it unless it is amended in some particulars so that we can know what it means. The first provision of the bill to which I direct attention is authority to the Secretary of the Interior to lease "any part of the lands and other property of the United States" for the term of 50 years for hydroelectric purposes. In other words, if the Government of the United States has constructed locks and dams anywhere upon a river for purposes of navigation, this bill gives to the Secretary of the Interior authority to lease any of the land or property owned by the United States. I see the gentleman from Oklahoma [Mr. FERRIS] shakes his head. Why does it not do it? That is what it says.

Mr. FERRIS. Because it merely applies to the nonnavigable streams and on the public lands of the United States.

Mr. MANN. Where is that provision in the bill?

Mr. FERRIS. It is all through the bill.

Mr. MANN. Oh, no. I have looked all through the bill, and it is not all through the bill. That is the difficulty about it. It covers all of the land and other property of the United States, and that is the language of the bill. It plainly authorizes the leasing of property, which leasing is also covered in certain cases by the Adamson bill which passed the House the other day; but if this bill should become a law, it gives the same power to the Secretary of the Interior without any action by Congress, and in many cases in the Adamson bill the passage of a special act by Congress is necessary before that law becomes operative.

Then, this bill authorizes the issuance of a temporary permit, either at the discretion of the Secretary of the Interior or else he is required to issue a temporary permit. For what purpose? So that somebody who conceives that somewhere there is a chance for the development of hydroelectric power and who wishes to make an investigation of that matter may do so, to see whether he will apply for a lease under the terms of the bill. He applies for a temporary permit for the purpose of making an investigation, and the Secretary of the Interior under the terms of this bill must issue a temporary permit in order that the applicant may ascertain whether he wishes to develop the power. Under the terms of the bill, if the applicant wishes to develop the power upon the terms named he has a preference right under the lease.

One would suppose that some one would ascertain in reference to the probability of the power and its value at that point before determining the terms upon which the Government would grant a lease. There may be one case where a small amount of power can be developed not of great value, and there may be another case where a very large amount of electric power may be developed and the franchise be of great value. But without any investigation on the part of the Government, without any knowledge of the situation, so far as the Government is concerned, when the temporary permit is granted to authorize somebody else to investigate, the Secretary of the Interior must fix the charges and the rentals in his temporary permit—without having investigated as to the chance for the power or the value of the power, without any knowledge on his part in advance. I read from the bill:

The tenure of the proposed lease and the charges of rent or rentals to be collected thereunder to be specified in said preliminary permit.

I appeal to the gentleman to inform us what that means.

Mr. FERRIS. Will the gentleman permit an answer right now?

Mr. MANN. I am trying to get information.

Mr. FERRIS. The committee studied long over that, and we had the advice of the best engineers and departmental officers in both departments, and their thought was simply this: A going water-power concern does not consist of two hills and flowing water alone, but of water rights, of money to finance it, and all the private property that has to be purchased, all State water rights that have to be taken over, all collected together, and no one can tell whether he can finance a proposition of that kind until he has some time in which to try. The time prescribed—one year—is thought to be the correct time.

Mr. MANN. But the gentleman has not answered the question I asked him.

Mr. FERRIS. I am coming to that.

Mr. MANN. Do not take up too much of my time, for I have not very much.

Mr. FERRIS. I will not. A further objection of the gentleman is that the department knows nothing about what it is going to do. In the first place, all of these powers were withdrawn so that before they were withdrawn the department knew something about them; and, second, they have a going force now that can go and investigate and that does investigate, and they know what the Government's rights are to start with before they issue any lease or permit.

Mr. MANN. All of the information that the department has is public information, secured from the Geological Survey or some other place. The applicant can get all of that information, and he will have the same information in advance that the Government has, but you give the applicant a year's time or more in which to ascertain the possibilities at this point, but the Government has to fix the terms of the rental, the charges for the lease, in advance of any knowledge whatever.

Mr. TAYLOR of Colorado. Mr. Chairman, will the gentleman permit a suggestion?

Mr. MANN. If it is to this point.

Mr. TAYLOR of Colorado. The idea of that is that the people have to know the terms upon which they can get the permit before they can finance the proposition.

Mr. MANN. I know, but that is a matter for the permanent lease. Why do they need to know the terms before they make an investigation?

Mr. TAYLOR of Colorado. It is purely discretionary.

Mr. MANN. It is not discretionary. It is a chance to permit a wildcat adventurer to obtain terms in advance for sale. That is what it is. I do not suppose that was the thought in the mind of the committee, but that is what it amounts to. It is the greatest chance for preference and fraud that I have seen in a bill in many years. Here is Tom, Dick, or Harry, who comes in, and he thinks there is a chance for the development of water power at some place. He does not know anything about it, and neither does the Government—not in detail. He applies for a temporary permit, and the Secretary of the Interior, in his temporary permit for the purpose of making an investigation, is required to fix the term of the lease and regulate and fix the charges and rentals. Well, the man who makes the rentals, if he finds it is soft, he takes the lease, but he is not obliged to do so. If he finds it is not a soft mark, he throws it up, but, having obtained his permit lease, he goes onto the market and sells it to whoever he pleases, to whoever he can get to buy him out. Nobody else can come in; he has the preference right, and he has a permit obtained in advance of any knowledge either on his part or the part of the Government.

Mr. CLINE. Will the gentleman yield for a brief question?

Mr. MANN. I will.

Mr. CLINE. Are these rates to be uniform?

Mr. MANN. No; they are not to be uniform.

Mr. RAKER. Will the gentleman yield?

Mr. MANN. For information, not for a speech.

Mr. RAKER. In reference to the question of regulation. Is it not a fact under the bill this permittee can not sell if he wants to without the permission of the Secretary of the Interior?

Mr. MANN. Oh, that is true.

Mr. RAKER. That being a fact, how can he speculate?

Mr. MANN. Of course he can go to any Secretary and he can speculate as far as that is concerned even without selling. How is it possible for a Secretary of the Interior in advance, without investigation on his part, to determine what length of lease ought to be granted or what rentals should be charged?

Mr. RAKER. Will the gentleman yield for a question there?

Mr. MANN. I will yield for an answer to that question.

Mr. RAKER. I will answer it in this way, that the testimony shows that on some of these plants they have spent almost a million dollars to determine whether or not to proceed. Now, you would not want to allow the permittee to be in a position that some third party could come in and, as it were, kiss him off the slate.

Mr. MANN. I was asking a direct question. Here are vast water powers throughout the United States. No one knows, the Government has not investigated, but they have been withdrawn from the public domain on the theory that they present possible water power. No one knows the possibility at those places. No investigation has been made as to that, and yet you propose to have the Secretary of the Interior, without investigation, say in advance that a man may speculate in a thing. He does not have to take it if he does not want to. You give him the right without investigating it, and the Government is bound without any investigation. If he goes in, he can take it, but he does not have to take it. I do not see anything in such a proposition. Then I am unable to understand what is meant exactly by sections 3 and 9. Section 3 provides that where any power transmitted is in two or more States that the Secretary of the Interior shall control the charges. Section 9 provides that where the power is not wholly within a State—and I use the term "public-utilities commission"—the Secretary of the Interior shall control the charges, excluding by inference the power of the Secretary of the Interior in those States which have public-utilities commissions. I think that was the design of the bill. Well, there is water power located in a State usually on those streams where this applies which will not be navigable waters and not be boundary waters between States. Usually the power will be developed in the State. Well, suppose, for instance, the power is developed by a dam in a State which has a public-utility commission? Who has control over the charges, the Secretary of the Interior or the public-utilities commission?

Mr. FERRIS. If the gentleman will permit me to answer, the intention of the bill is to the section referred to where the power is generated and used within a State, wholly an intrastate matter, the local public-utilities commission have control.

Mr. MANN. I know, but I was asking a reasonable question.

Mr. FERRIS. And I was trying to answer the gentleman.

Mr. MANN. The gentleman perhaps did not quite understand it.

Mr. FERRIS. Perhaps not.

Mr. MANN. Suppose a dam is constructed wholly within a State for the generation of hydroelectric power and that State has a public-utilities commission; does the Secretary of the Interior control the charges or does the public-utilities commission?

Mr. FERRIS. The public-utilities commission.

Mr. MANN. Suppose in the course of time they run a line out of the State carrying electricity; then who controls?

Mr. FERRIS. The State loses jurisdiction, and the Secretary of the Interior performs a function similar to that of the Interstate Commerce Commission in fixing the rate.

Mr. MANN. Then, to-day it is under the Secretary of the Interior and to-morrow it is under the public-utilities commission, or to-day it is under the public-utilities commission, which fixes the rate, and to-morrow it is not; or, in other words, if the company finds it is to their advantage to deal with the public-utilities commission they may suspend a line, or if they find it to their advantage to deal with the Secretary of the Interior they may extend the line across the State?

Mr. FERRIS. The principle is identical with that of a railroad. The gentleman knows as to interstate railroads the Interstate Commerce Commission applies, and when it is intrastate the State commission applies, so there is no difference.

Mr. MANN. No; the gentleman is mistaken about that. The Interstate Commerce Commission only has control over roads between the States——

Mr. FERRIS. That is true.

Mr. MANN. And this takes away the power of the secretary of the public-utilities commission in a State over the transfer of a power in a State the moment the company runs a line beyond the border of the State.

Mr. FERRIS. Does the gentleman think water powers ought to be without any regulation at all?

Mr. MANN. I do not. I believe they ought to be properly regulated.

Mr. FERRIS. The gentleman is arguing that fact.

Mr. MANN. I beg the gentleman's pardon; I am not arguing that question at all. I believe in regulation, but not having it so that no one can tell whether it should be regulated by the Secretary of the Interior or by a commission; neither am I in favor of leaving it so that by the extension of a few miles of line the control can be transferred from the Secretary of the Interior to a public-utilities commission or vice versa, as may suit best their proposition. It ought to be definite one way or the other.

Mr. FERRIS. How does that differ with railroads crossing State lines?

Mr. MANN. I will tell the gentleman how it differs. It is absolutely different. This bill gives to the Secretary of the Interior, wherever there is any line that crosses the State, full control over all the rates fixed by the company, whether they are interstate or intrastate, but the interstate-commerce law gives to the Interstate Commerce Commission only interstate rates and not intrastate rates. Now, the Supreme Court has intimated that we have the power to control intrastate rates, rates wholly within the State, but Congress has never thought for a moment of taking the power away from the State of Texas, say, to control the rates on the railroads between points in the State of Texas. But under this bill, if there should be a water-power company, say, in Texas, that had a thousand miles of transmission wire in Texas, and they would run over the line into Oklahoma 1 mile, the public-utilities commission of Texas would no longer have any control over the rates to be charged by that company. It would be wholly within the power of the Secretary of the Interior. The gentleman admits that. I do not think that is the wise thing to do.

Mr. FERRIS. The committee had not intended to do more with water power than we do in railway rates, but I call to the gentleman's attention the fact that there may be necessity for going even further with the transmission of hydroelectric power; that is more delicate and intricate and difficult to ascertain, when they are doing an interstate business, how much interstate business they are doing, and so forth, than it is to check up freight taken from one State or another. That is a question for debate.

Mr. MANN. That is what I am doing. I am debating it.

Mr. FERRIS. I meant it is a question to think about. I did not mean to cast any reflection on the gentleman.

Mr. FERGUSSON. Can the gentleman point out the language there which makes the control of the Secretary of the Interior different in the case of the water user from what the railroad commission has in controlling interstate and intrastate commerce?

Mr. MANN. I have pointed it out. All the gentleman needs to do is to read section 3. It is perfectly plain.

Mr. FERGUSSON. I do not understand it.

Mr. MANN. There is no doubt about the meaning of it.

Mr. RAKER. I want to call the gentleman's attention to this language on page 4, where it says:

> Is hereby conferred upon the Secretary of the Interior or committed to such body as may be provided by Federal statute.

The committee realize that there is considerable difficulty in this, and I hope some time in the future there will be somebody authorized to handle this matter so that it would not be in the control of one man.

Mr. MANN. I think that alternative provision in the bill is a very good one. We would have the power through commission to maintain these rates whether mentioned in the bill or not. I think the utility commission in the States where they have commissions that regulate rates ought to have some control over the rates within their States. Under the terms of this bill, if a company furnishes power or electric power for light in a city, the Secretary of the Interior has control of the charges which the company may make in a municipality for light, whereas under the public-utility laws the public-utility commission of the State would have power, and in my judgment have it properly, because it has to regulate the power of the cities all over

the State, whereas this may be only one city out of a good many in the State.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. MANN] has expired.

Mr. FERRIS. Mr. Chairman, I yield 15 minutes to the gentleman from California [Mr. RAKER].

[Mr. RAKER addressed the committee. See Appendix.]

Mr. FERRIS. Will the gentleman from Washington [Mr. LA FOLLETTE] yield some time?

Mr. LA FOLLETTE. I yield to the gentleman from California [Mr. KAHN] five minutes.

Mr. KAHN. Mr. Chairman, I do not doubt that the committee believes this bill will do a world of good. It is a great improvement on the existing law which has handicapped the development of hydroelectric power, especially in the West. Personally I doubt, however, that the proposed bill will bring into being a single new hydroelectric power plant. The report of the Committee on the Public Lands on this bill itself confesses that in Montana the Montana Power Co. owns 97 per cent of the developed water power in that State and controls nearly as much undeveloped water power as it now has developed. Most of that power was developed at a time when the conservation question had not been taken up by Congress. The men who invested their money in that enterprise got their power sites without any strings attached to them. They are owners of those sites in fee simple, under patents obtained from this Government. They have been able to sell, and are now selling, power without any opposition from any competing company. They have practically a monopoly on the sale and delivery of hydroelectric power. The same is true in nearly every Western State. Take the State of California, for instance. It was in that State that long-distance power transmission was developed. Electric power was generated in the Sierra Nevada Mountains, or the foothills of the Sierras, and carried a distance of 190 miles to the coast cities where it was sold. A great many people have an idea that there are enormous fortunes made by these power companies. Probably some of them have made, and are still making, large returns on the amounts invested. But I know as a positive fact that there are several companies in California that were in existence 10 or 15 years before they were able to declare a single dividend.

I suppose the same is true in other sections of the West. To my mind the legislation for the regulation of these hydroelectric companies should be of the most liberal character. A company should be allowed to start its operations with as few restrictions as possible. I believe they should be regulated; but to tie them up with all kinds of rules and regulations made by the Secretary of the Interior will simply result in failure, so far as the formation of new enterprises is concerned.

Mr. RAKER. Mr. Chairman, will the gentleman yield to me right there?

Mr. KAHN. In a moment. The committee admit the law of February 15, 1901, is a failure, and therefore they have brought in this bill in the hope that new enterprises will be started. I now yield to my colleague.

Mr. RAKER. I think that the gentleman has practically answered the question that I was about to put to him.

Mr. KAHN. No new enterprises to speak of were started under that law. And yet the ultraconservationists believed they had achieved a great triumph for their cause when it was enacted in 1901. It simply resulted in the intrenchment of monopoly. We of the West, familiar with conditions out there, did not at any time take any stock in the legislation. We felt it would be a failure, and now the Committee on the Public Lands concedes it to be a failure. This present proposed legislation is intended to ease up the situation, but everyone who knows anything about the water-power problem in the West knows that it is practically impossible for a new concern to compete with an existing concern, if the new concern at the very outset is compelled to pay into the Treasury of the United States certain sums of money for its right of way and its privileges, which the companies already in existence do not have to pay. It can hardly be otherwise.

The existing hydroelectric power companies have in almost every instance a perpetual franchise. They own the power sites outright. They are not hampered by leases and rules and regulations formulated by the Secretary of the Interior. They do not have to pay a single cent into the Treasury of the United States on account of some privilege or permission contained in a lease limited to 50 years. They are in a position to cut the price of power so low that a new competing company, hampered by rules and regulations of the Interior Department and compelled to pay large sums into the United States Treasury for its lease and privileges, would quickly become bankrupt in its efforts to compete. It seems to me that must be self-evident to every Member of this House. It is simply common sense. It takes considerable capital to organize, construct, equip, and operate one of these companies. Does anyone seriously believe that men of means will invest large sums where the risks are so great? I for one can not bring myself to believe anything of the kind.

In my humble judgment the legislation that should be enacted in regard to water-power development should be liberal. It should not be hedged around with all kinds of conditions. There should be a provision to prevent combinations for the purpose of fixing the selling price of hydroelectric power with companies already established or companies subsequently organized. There should be a provision against limiting the output of power by agreement with other companies. There should be a provision against agreements with other companies as to the area to be served by the new company. Violations of these provisions ought to work a forfeiture of the grant. But I doubt the wisdom of hampering proposed new enterprises by compelling the latter to pay into the Treasury of the United States sums of money that will be a burden to those new enterprises which the existing companies will escape.

Mr. Chairman, what we need in the West is development. There are unlimited opportunities in the great States of Colorado, Wyoming, Utah, Montana, Idaho, Washington, Oregon, Nevada, Arizona, New Mexico, and my own State of California for the profitable investment of capital. It is considered the proper thing in some quarters to rail at the pioneers whose enterprise and capital and courage brought into existence some of the hydroelectric companies that are operating in the West.

I believe the men who conceived them, who put their money into them and took a gambler's chance on their proving successful, ought to be commended. In most of the Western States laws have been enacted which regulate the business of the companies. That is proper. None of them can object to honest regulation. And in that respect we have made considerable advance over the hysteria about conservation that swept over the country 8 or 10 years ago.

Why, Mr. Chairman, when the doctrine of conservation of the natural resources of this country was first enunciated it was hailed with such acclaim one was almost led to believe that a new gospel had been proclaimed. As a matter of fact, conservation in some form or another has always challenged the attention of mankind. The Hebrews had such a high regard for trees that they were forbidden to cut them down even in the land of their enemies. And we find in the Book of Deuteronomy, xx, 19, this injunction of the Lawgiver: "When thou shalt besiege a city a long time, in making war against it to take it, thou shalt not destroy the trees thereof by forcing an ax against them;" etc.

There has come down to our own times a tradition that centuries ago, when the "bow of yew" was the weapon of offense and defense of the people of England, a wave of "yew tree conservation" swept over that land. It was feared, even in those early days, that if the indiscriminate cutting of the yew trees of England was not prevented the inhabitants of the British Isles and their descendants would be deprived of their weapons of defense, and they would become in consequence easy victims to the hordes of assailants from the mainland who were constantly fitting out expeditions and attacking the inhabitants of the "tight little island." Of course, the proponents of that kind of conservation could not foresee the invention of gunpowder and our modern weapons of war. They groped along in the belief that the bow and arrow were essential to their very existence, and were doubtless just as greatly concerned about the conservation of their yew trees as our modern American conservationists are concerned about our supply of coal.

Many years later—in fact, a few years subsequent to the great naval battle of Trafalgar—an English admiral feared the time was rapidly approaching in the affairs of his country when the supply of oak trees would be exhausted. Oak was absolutely necessary for the construction of frigates and sloops and brigs of war. So this doughty old admiral was wont to equip himself with pocketfuls of acorns and a long cane with a sharp ferrule and start off on a tramp through the country districts. At every few paces he would jab his cane into the soil and quietly drop an acorn into the hole he had made. Thus he hoped to replenish the supply of oak timber then so necessary for the construction of Britannia's fleet of warships. He probably felt he was doing a great work in the cause of conservation. And even in our own country in the early part of the nineteenth century there was a great controversy over the cutting of white-oak trees, on the score that the timber was needed for the American Navy.

Neither the British admiral nor those in the United States who feared an oak-wood famine could foresee the success of the ironclad fighting ships. They did not know and probably would not have been able to realize that inside of threescore years from their day and generation not alone the vessels of the world's navies but also the vessels of the world's merchant marine would be constructed out of iron and steel.

Mr. Chairman, a sensible policy of conservation is a good thing. Willful waste should always be avoided, and, if persisted in, properly punished. If the great natural resources have been placed upon earth as a blessing to man, they should be used by man; but man should use them rationally. Personally, I do not fear what will happen in the future. I remember having read a doggerel many years ago about a "scientific gent" who had made a very careful computation as to when the world would come to an end. His figures were convincing to himself, at any rate. They foretold the end of this mundane sphere in about 95,000,000 years—and he worried about it.

I do not think we need worry about hoarding the great natural resources. If they should ever be in danger of becoming exhausted, Yankee ingenuity will devise some article that will not only be just as good as the original resource, but will be a whole lot better. It has been well said that "necessity is the mother of invention." My friends, whenever the necessity has arisen in this country the American inventor has always been on hand with his little patent to minister to our wants and bring just a little more creature comfort to his admiring countrymen; and, judging by the past, he always will be.

Mr. FERRIS. Mr. Chairman, I yield 15 minutes to the gentleman from Colorado [Mr. TAYLOR].

Mr. TAYLOR of Colorado. Mr. Chairman, at the time this bill was reported to the House by the Committee on the Public Lands, of which I am a member, I voted against the bill and reserved the right to file a minority report and also to oppose it upon the floor of the House when it came up for consideration.

I have not filed a minority report specifically against this bill, but I did file a minority report against the companion bill, H. R. 16136, for the general leasing of coal, oil, and gas lands—report No. 668, part 2. In that minority report I referred at length to this bill and to the leasing principle involved in this legislation.

I regret that these so-called conservation measures are being considered in this manner, under special rule, with only four hours being allowed for general debate, when it has such a tremendous and far-reaching effect upon the western half of this country, and when there is such a comparatively small attendance of the membership of this House.

I want to say at the outset that I do not want to be understood as criticizing the Public Lands Committee or any of my colleagues upon that committee. Moreover, I have the most profound respect for the ability and patriotic motives of the Secretary of the Interior, the Hon. Franklin K. Lane. I not only thoroughly believe in his honesty and ability and utmost good intentions for the upbuilding of the West, but I think he is the greatest Secretary of the Interior this country has had since Colorado's grand old man, Senator Henry M. Teller, held that distinguished and powerful office.

But I feel that I would be recreant to the people of Colorado who have three times honored me by election to this distinguished body, if I did not earnestly protest against this bill and to this class of legislation. I am and always have been opposed to having the resources of the West withheld from private ownership and put into a general Federal leasing system, and I can not reconcile myself to believe that it is for the welfare or development of our Western States to have our internal affairs governed by Washington bureaus. I earnestly feel that that is an un-American policy. We of the West do not like absentee landlordism, and we can not look with favor upon a large part of our country being occupied by renters who pay little or no taxes and who are on a tenant-at-will basis, with comparatively little interest in or allegiance to our State, and I feel that that is what this system of perpetually leasing our resources means to our States. I am therefore opposed to the passage of this bill—

First. Because, in my judgment, it is in violation of the moral, legal, and constitutional rights of the Western States, and is in contravention of the enabling acts by which they were admitted into the Union, and to that extent unconstitutional. I look upon this bill and its companion bill as absolutely and ruthlessly taking from the people of the arid West some of the most sacred property and political rights they have; not only reversing the position of this Government for over a hundred years, but violating the very constitutional guaranties upon which those States were admitted into this Union.

Second. Because if the bill is intended to prevent monopoly and extortion, that can be accomplished by granting a conditional and revocable title, subject to control by the Federal and State public-utility authorities, as to the amount of land that any company can hold, and also as to the rates and service. If we have not sufficient Federal laws for that purpose, let Congress enact them; and if the States have not sufficient laws at this time to safeguard the interests of the public, the Interior Department should continue its present withdrawal and excessive classification policy until such time as the States shall adopt such measures as will effectually protect the people.

Third. If the bill is intended by anyone as a systematic attempt to capitalize and exploit the West and convert into an enormous and permanent Federal revenue-producing proposition practically all of the remaining natural resources upon the public domain in the Western States, then it is an outrageous discrimination against those States and an infamous perversion of the taxing power, and at the same time depriving those States of their legal right of taxation of the property within their borders.

Fourth. Because if there is any one thing that the West is and has always been bitterly opposed to, it is the prevention of settlements and permanent withdrawal and withholding of our lands and other resources from entry and sale, and the capitalization of them into the production of Federal jobs and Federal revenue and bureaucratic rule 2,500 miles away. This system will be no benefit to the National Government, and it will very seriously retard the development of our Western States.

It is only fair to the Public Lands Committee and to the House for me to say that my objection to this bill is to the leasing and royalty system, and not so much to any particular items in the bill. I think the Secretary is given too much power, and other provisions are unwise. But I am not now protesting so much against the details as against the principle. If Congress has determined to enact any water-power leasing law, the terms of this bill are, in the main, not unfair. I earnestly and conscientiously worked with the committee for many weeks to make it as good a bill as possible, and there are many provisions in the bill that I earnestly hope will be retained if the measure is to be enacted into law.

Section 14 of the bill, specifically respecting, protecting, and reserving from the operation of this law all the vested irrigation, domestic, and other water rights of the West, is my individual amendment to the measure as originally introduced, and it is of very far-reaching and vital importance to the West that that section should remain in the bill; otherwise we will have interminable litigation and hardships. The provision authorizing the granting to municipalities all water power without any royalty charge is also my individual amendment, which should by all means be retained, and if it is, it will ultimately be of tremendous benefit to the public generally. And I earnestly supported other beneficial features of the bill, of which I was not the author, and I want to see as good a bill passed as possible, if our country has determined to embark upon this leasing policy. This is not a question of individuals or of political parties. It is a question of the constitutional right as well as the justness and advisability of a governmental policy.

Ninety-five per cent of the over 800,000 population of Colorado have always been against the policy of the Government going into a general business of the perpetual withdrawal and leasing of the natural resources of our State. And my protest is directed not only against this bill and its companion bill providing for the withholding and leasing of all the coal, oil, gas, phosphate, and other substances of our State without recognizing the moral and constitutional rights of the people of those Western States to have this property ultimately and according to law go into private ownership, but against what seems to me a part of an impending program and determination to take all of our resources, including gold and silver and other precious and valuable metals, and capitalize for Federal revenue everything that is now upon or in the public domain.

It is largely true, as stated in the report, that many of the natural resources of the West are to a certain extent in a state of nonuse; that is, they have never been opened up and developed. But we feel that it is not necessary for the Federal Government to go into all of these different kinds of business and adopt a general leasing policy of all of those resources in order to open up and develop the West. If the Government will open them to entry and reserve the right to control the rates and service and guard against monopoly, they will all be developed expeditiously and capital will feel safe in investing.

I am fully aware that a large number of good people throughout the West have become discouraged and sick and tired of the dog-in-the-manger policy that has been pursued in recent years

by the Interior Department in relation to water-power development. They want the country developed during this generation, and it is admitted by all concerned that the present policy is an absolute prohibition against any development, and many of our citizens are apparently willing to accept almost anything that gives even a delusive hope of opening up development. Possibly they should not be blamed, because they have evidently come to the conclusion that it is better to fly to the evils that they know not of, rather than further endure those that they have.

There is a very general and widespread desire throughout the West to in some way raise the present unjust and unnecessary governmental embargo on the development of our resources located upon the public domain. The people want to in some way secure the expeditious development and maintenance and operation of our resources under suitable control and regulations in the interest of the general public. Every right-thinking person is in favor of those objects. The question is how best to secure them. The West heartily welcomes any wise regulation as well as any thorough prevention of any monopoly or waste. But for the accomplishment of that we emphatically deny that it is at all necessary or right or fair for the Government to permanently withhold our resources from private ownership, and, in addition, to tax us for the use of them. We have been reared to believe that perpetual bureaucratic control in our States is a flagrant violation of governmental procedure under our theory of government.

No matter how loudly and vigorously and repeatedly it may be proclaimed that these lands "belong to all the people," the fact remains that when those States were admitted into the Union the United States Government entered into a solemn compact with each of them that the lands within their borders should be expeditiously and in an orderly manner disposed of to settlers and be allowed to go into private ownership, to help build and maintain the State government; and Congress has no moral, legal, or constitutional right to repudiate or violate that agreement, much less to wantonly authorize the Secretary of the Interior to impose excise duties upon our development.

It is probably true that existing laws need overhauling. If so, Congress should overhaul them; and in the meantime the West would be wonderfully benefited by a more liberal construction of the existing laws. We have had government by suspicion and Federal agents too long in former years, and that is one of the main reasons why the West has not developed faster.

It is not right or necessary for Congress to put the Western States upon the same basis as the Territory of Alaska in order to assist in their development or to prevent monopoly. If there is a general demand for better laws to encourage development and prevent speculation and monopoly, let us enact them. We of the West want development more than anyone else does, and we will heartily join in the enactment of any reasonable measures that will prevent speculation and monopoly and safeguard the public interests, and prevent extortion and waste. But we deny that it is necessary to adopt a permanent leasing policy, thereby putting ourselves into a perpetual Federal tenantry class, to bring about these most desirable results.

To me these paternalistic and centralizing tendencies appear little short of national bureaucracy run mad. With some people conservation has become a mania. I hope I may be mistaken, but this policy looks to me like a bold trampling upon the principle which lies at the foundation of our republican form of government. It appears to me as a brazen denial of the "equal footing" upon which the Western States entered this Union. American citizens do not take kindly to absentee landlordism. We do not like the idea of perpetual bureaucratic rule. We prefer to be governed by the law and by our own people, instead of by rules and regulations promulgated from the city of Washington, ofttimes by people who have no personal knowledge of our local conditions. We feel that these measures forever fasten upon the people of the West and the resources of our States the bureaucratic grasp of the Federal Government. We know that bureaucracy grows on what it feeds upon. We want the laws intelligently framed, in the light of the welfare of the governed as well as the governing bodies. Let us western people develop the resources in our States under whatever reasonable restrictions you may deem proper, and we will soon become a storehouse of wealth to this Nation.

This law may, as the majority report says, "do with Government property what has been done by the foremost countries of the world," and may be entirely suitable to a monarchy, but I confess that I can not make myself believe that it will ultimately be beneficial in our form of government. I do not relish the idea of Uncle Sam going into 57 varieties of business on our money.

No one can honestly deny the statement that any general scheme for the leasing of any of the public domain practically withdraws those lands from settlement or entry by those who wish to acquire them and make them productive by individual enterprise; and any system which prevents lands or resources from going into private ownership prevents their becoming subject to State and local taxation and relieves them from their just proportion of the maintenance of the State government.

I believe all history will bear me out in the statement that it is not in the interest of the people or the welfare of the Western States to have large bodies of land and valuable resources withheld from taxation and perpetually managed and controlled at long range from the city of Washington; and every step taken by Congress in the direction of withholding from actual settlement and ownership by local citizens tends to the centralization of power and strengthening of the bureaucratic grasp of the Federal Government upon the resources and control of our States.

This bill will affect the welfare of the entire population of the western half of this Republic now and for generations to come. The question is not only as to the effect of these so-called conservation measures upon the present development of our water power, coal, oil, gas, and so forth, but the question is whether or not the welfare of this Republic, and the West in particular, will be benefited by this general program of putting all of our natural resources on a Federal leasehold-royalty basis, and thereby permanently withdraw for all time and withhold them from private ownership and prevent them from going onto the tax rolls, no matter what the object or pretext may be or how laudable the alleged purpose may be. Will the West be benefited by putting a large and permanent and perpetual tax upon our consumers and burden the development of our States for the purpose of building more reclamation projects or for any other purpose?

Mr. KAHN. Mr. Chairman, will the gentleman yield?

Mr. TAYLOR of Colorado. Certainly.

Mr. KAHN. In the final analysis does not the gentleman think that these charges which the companies will have to pay under this bill will be footed by the ultimate consumer?

Mr. TAYLOR of Colorado. Certainly, the ultimate consumer will foot the bill. It will just add that much more tax, that much more unnecessary burden on the people.

We must not look at this merely for the present, but for the future, and the ultimate welfare of the people of those States in particular and our country in general. Is it wise to put a perpetual and increasing Federal tax upon our development and upon every fireside and citizen of our State; upon every horsepower that is hereafter generated and used by the farmers or anyone else; and upon every ton of coal hereafter mined in our State and used by any of our citizens, even if some of the money is used—which it probably will not be—for the laudable purpose of getting some more money with which to build reclamation projects? Is it a sensible or fair business policy to tax the general consuming public approximately $100 for the sake of giving back to some locality $1? Moreover, is it an equitable or sensible business policy for the Government to withhold all of this enormous wealth forever from private ownership and deprive the States of hundreds of millions of dollars of taxes, which they would derive from it, and give them back in lieu thereof, if it does, a few thousand dollars in reclamation projects?

There is no question in my mind but what this policy is and for some time will be very popular in the East and North and South. Those sections are not affected by it, and the Representatives from those portions of our country honestly believe that they see an opportunity of ultimately getting some money into the Federal Treasury by this program.

They really believe that now, but they will be greatly disappointed. They have the power and the Members in Congress to force this policy upon us of the West, and it looks as though they may possibly do so. But because they have the vote to do it does not make it right or fair, and because they have the power to force this imperialistic, crown-land, bureaucratic policy upon us can not make me welcome it or advocate it when I am profoundly convinced that it is not right and when I believe that it is a high-handed outrage upon us. Do the Members of this House feel that it is fair to authorize the present Secretary of the Interior, or any other Secretary or bureau chief or clerk, to grant 50-year leases on our resources, and to revoke them at will, cancel them, for the violation of any regulation he may make? Think of the enormous power that is being placed in the hands of one man. We have no fear of our present Secretary of the Interior. But Secretaries come and Secretaries

go, and who can tell what the conditions in our country will be 20 years or even 10 years from now?

Why this unseemly haste to reverse the entire public domain's history of our country and inflict this burden upon the next generation, and jam it through this Congress with only four hours' debate, when neither of the great political parties have ever indorsed it? It does seem to me that as far-reaching and vital a proposition as this is ought to be considered by all the national parties and the people generally before it is rushed through Congress and put upon us. All political parties in Colorado have uniformly denounced this leasing system, and neither the national Republican nor Democratic Parties have ever given one word of approval of it. The parties indorse conservation, but not leasing. In my judgment this leasing policy is contrary to the principle upon which this Republic was founded—that the Government has no right to embark in a great many kinds of business in competition with its citizens. This dual form of government in the West, which the enactment of these bills will necessarily bring about, is a bad policy, and I prophesy that it will prove one of the most gigantic failures and expensive fiascos that the Government has ever undertaken.

It will be a tremendous success in creating Federal jobs, but no net receipts from these royalties will ever get into the Federal or State treasury. History will repeat itself, and our States will never receive one dollar from this source. But the people will have to bear an enormous burden for its salaries and expenses. The cost of administration will consume it all. It is the most gigantic scheme for the increase of Federal employees and enormously augmenting the power and influence of these bureaus in Washington that this Nation has ever witnessed. The boldness of it is astounding, and the complacency with which it is received is an evil omen for our country.

It is not necessary for honest conservation to have our domestic affairs conducted from Washington. It never was the policy of this Government to engage in business to make money or to provide offices, and conservation ought to include something more exemplary than constantly enhancing the power of these bureaus. It should embrace something more worthy than creating more positions, imposing upon the people additional burdens and additional expenses upon the Federal Treasury.

BILL UNCONSTITUTIONAL.

Every State in this Union has an inherent right to develop the resources within its borders and receive the benefits of that development. That is not only a natural and necessary but a sovereign and constitutional right; and the Federal Government has no constitutional authority to deny or interfere with that right.

These bills, if passed, ought to be declared unconstitutional, because they are in bold and defiant violation and denial of the sovereignty of the Western States. While the United States has full authority to protect its proprietary interest in the public lands, it has no right to exercise local "municipal sovereignty" over those lands, or interfere with their development, or deprive the States of the proceeds of their own natural resources.

The Western States were admitted into the Union upon an equal footing with, and they were guaranteed authority equal in all respects to, that of the original States. Section 3 of Article IV of our Constitution declares that:

> The Congress shall have power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States.

But the section does not stop there. It declares in the same sentence—

> and nothing in this Constitution shall be so construed as to prejudice any claims of the United States, or of any particular State.

I can not believe that a system of laws like these leasing bills, which deny the Western States their sovereign authority and deprives them of their control of their own development, and places beyond the reach of the authority and jurisdiction of the body politic of those States their principal resources, the vital and necessary agent of their own social and industrial progress, can be construed otherwise than as prejudicial to the claims of those particular States.

The constitutional right of the Federal Government to make rules and regulations concerning the public lands defines its proprietary right to make rules and regulations for the protection of its proprietary interest in such lands, and its right to ultimately dispose thereof, but conveys and implies no sovereign powers or power to interfere with the development of the resources of the State or to impose unequal or unusual excise charges in any such State, or assume therein any police power or regulation, or authority over any of the inhabitants thereof or the industries therein that it might not exercise under its constitutional grant of powers independently of any public lands.

The people of the West have already suffered so much at the hands of the misstyled conservationists that they are exceedingly apprehensive of the danger of this most bold and far-reaching Federal encroachment upon the public-land traditions of the Nation.

I feel that the West is in honor bound to resist to the utmost of its ability these imperialistic aggressions upon our public-land heritage, which threaten to deprive the West of its population and rightful opportunities. Many of as patriotic citizens as there are in this Republic look upon this leasing policy as the last act in the effort of the East to overthrow all the traditions of our Government affecting the disposition of the public domain and the permanent establishment of bureaucratic control over the western lands and resources, and the forcing of the Western States into subjection to the intense industrialism of the East. The Government has no moral right to hold these lands in perpetuity and lease them. The innumerable natural obstacles in the way of the development of the West are so arduous and almost insurmountable that they require the utmost heroic courage and endurance and persistence to overcome, and I appeal to Congress and to our other governmental officials not to inflict these additional and unjust burdens upon us and our children and our children's children.

The Eastern, Northern, and Southern States do not have to surrender 10 cents a ton for their coal. That coal land had no value until we went there and settled the country and made it valuable. Why should the Government get this unearned increment? This whole leasing system is wrong in every way. It is unwise, impractical, and unprofitable. It is economically and morally unfair, legally unjust, and a grievous and irritating political imposition upon the western people, because, forsooth, they are not sufficiently strong to prevent it. This policy compels us to pay an enormous tribute that will grind into our States a tyranny that will be intolerable. It is utterly unnecessary, and it can not be defended upon any grounds of equity or fair dealing.

To my mind, these leasing bills add insult to injury. They not only deprive us of our constitutional rights and at the same time impose outrageous taxes and royalties upon us, but, in addition, they deny both our honesty and capacity for self-government. These bills in their present form are nothing more nor less than a formal declaration by Congress that the Western States are incompetent and that their acts and purposes are subject to suspicion; that the Government is distrustful of the good faith of the people of the West; that Congress is of the opinion that those States, their citizens and their legislatures, are not competent to control, regulate, and develop in the public interests the resources within their borders.

I can not believe that this House will ever approve of or tolerate any such unprecedented imposition, and if it does I know the United States Senate never will.

The Federal Government might with equal justice, and with no more pointed accusation of incompetency, deprive the Western States of all their other sovereign powers. This leasing system will create on the one hand a dangerously powerful and undemocratic bureaucracy, and on the other hand a servile and brow-beaten tenantry. It will constantly emphasize the assumed superiority of Federal over local government, and progressively, during the passage of years, wear down and render subordinate the structures and effectiveness of the State governments.

These so-called conservation bills are but another large wedge which, reenforced by later measures of similar character now pending and in contemplation, will finally cleave and ultimately disintegrate practically all local authority. I earnestly appeal to and warn my colleagues that this leasing system is an insidious policy that will in the near future rise to plague you. It will accomplish nothing beneficial, but will inflict untold burdens, hardships, and aggravations upon the people, bring about the subjugation of local authority and the centralization of tremendous and unwarranted powers in the Federal Government. If these bills are killed, as I hope they will be, there will then be some fair and suitable constructive legislation enacted for the opening up and developing of the West.

I regret to be compelled to dissent from the opinion of my colleagues on the committee. But I am unable to bring myself into that peculiar quiescence of mind in which I can avoid resenting the imputations that the people of the West are incompetent to wisely administer their internal affairs.

I certainly will never even tacitly admit or believe that any of the Western States can not manage their own development

much better than any outsiders can. I will never acquiesce in the surrender of our western sovereignty. I have an abiding conviction that there are enough brains, honesty, and patriotism in the West to wisely regulate and control these public-service corporations; and if there is any question about it in any State at the present time, and until such time as suitable laws shall be enacted, the Federal Government can and should retain control over them; and probably should permanently reserve the right to exercise a supervisory regulation of them whenever the local utility commissions do not perform their duty. But in order to retain such control it is utterly unnecessary to impose a Federal tax upon our development and at the same time prevent the going into private ownership and onto the tax rolls of hundreds of millions of dollars' worth of property. I look upon it as neither right nor necessary but humiliating for Congress to put the Western States upon the same basis as the Territory of Alaska, and thereby force many of our present and a large proportion of our future population into a perpetual Federal tenantry class, under the guise of regulating our development. I repeat that this is not a question of individual or of political parties, but one of governmental policy.

I am not intentionally criticizing anybody. I am merely giving a few reasons why I personally believe that the adoption of this leasing policy is unnecessary, unwise, and unjust to the West.

I look upon it as presaging the leasing of our gold and silver, lead and zinc, and all metalliferous mines, and all our other resources, including scenery and climate.

Bureaucratic control never has been and never will be good for either the people or the property so controlled. I object to the West being exploited as a province or insular possession of the United States, with a permanent system of tenantry fastened upon us. We of the West do not relish carpet-bag government any more than you of the South did. Why are you from below the Mason-Dixon line so soon forgetful of those hardships and so ready to inflict them upon us?

What honest or fair-minded man can justify putting a Federal tax upon the water power of our nonnavigable streams, which cost the Government nothing, and putting no tax on the water power generated by the navigable streams that cost the taxpayers of the entire country hundreds of millions of dollars?

I have not the slightest fear of Secretary Lane individually being unfair. But he can not personally attend to the tens of thousands of matters that this policy will involve, and no one can prophesy what royalties may be imposed by future Secretaries or bureau chiefs or 10,000 clerks and agents. But whatever they are, and no matter how fast or how slow they are increased, they are an unnecessary tax imposed upon the consumers and an unjust burden upon our development. It is a bad economic policy without a redeeming feature. I firmly believe that when these measures are thoroughly understood the public conscience of the Nation will wake up to discover that this wholesale leasing proposition is a gigantic bureaucratic scheme whereby the West is being compelled to barter away its birthright for a mess of Federal pottage, without any assurance of ever getting the pottage—at least during this generation.

Aside from the principle of surrendering our States' constitutional rights and looking at it only from a commercial standpoint, it looks to me too much like taking $20 out of one pocket with the hope of ultimately putting 50 cents back into the other.

I can not believe that these bills will ever be enacted into law. If, however, they are, I confidently predict that history will repeat itself and that these laws will sooner or later be again indignantly repudiated and repealed. But it will be after hundreds of millions of hard-earned dollars have been wrung from the pockets of the common people and consumed in undeserved salaries, needless expenses, and useless waste of our substance. It will be after our resources have been wantonly exploited and the Federal Treasury ruthlessly looted for many years by an army of utterly unnecessary Government employees. I therefore hope that this Sixty-third Congress will avoid that unwarranted burden upon every hamlet and fireside in the West by refusing to pass these most unwise and unjust measures. [Applause.]

The decision of the Supreme Court of the State of California, filed January 20, 1914, In re Deseret Water, Oil & Irrigation Co. v. The State of California, so clearly and forcibly states the legal and constitutional rights of the Western States in relation to the public domain that I will quote from the decision, as follows:

> But on the general argument we think that the true interests of the State are quite the opposite of those declared in the brief of the attorney general. One familiar with the constitutional history of the United States need not be reminded of the jealousy with which, before the adoption of the present Constitution and during the sessions of the Continental Congress and the existence of the Articles of Confederation, the original States, and particularly Virginia, in their cessions of lands to the United States guarded their own rights and limited the powers of the United States over them; until in October, 1780, Congress resolved that the lands which may be ceded to the United States by any particular State shall be disposed of for the common benefit of the United States and be settled and formed into distinct republican States, which shall become members of the Federal Union, and have the same rights to sovereignty, freedom, and independence as the other States.
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> The fundamental proposition assented to by the United States upon which these cessions were based was that the public lands within new States, existing or to be created, should be disposed of, sold, for the benefit of the United States, for the reason that the States believed it would be injurious to their sovereign rights that any large areas of land within their boundaries should be permanently beyond their taxing power and control and within the sovereign jurisdiction of another power. Further, it is to be remembered, that all new States were to be admitted to the Union upon terms of exact equality with all other States, and the act of admission of the State of California declared that "the State of California shall be one and is hereby declared to be one of the United States of America and admitted into the Union on an equal footing with the original States in all respects whatever. The people of said State shall never interfere with the primary disposal of the public lands within its limits." In the case of Pollard's Lessee v. Hagan (3 How., 212) the Supreme Court of the United States with great learning discusses these contracts between the several States and the United States and the meaning and force of the constitutional provisions thereafter passed. It is there declared as to the Government lands within such States that the United States never held any municipal sovereignty, jurisdiction, or right of soil in and to their territory, or in and to the territory of any of the new States, excepting the right over them of executing the trust, which trust was to provide for their disposition by cessions or sale. It is further held that every new State comes into the Union upon terms of equality with all other States, and such an equality can not exist if in any one State it exercises sovereign powers over the lands, while in another it has disposed of such lands, or in the execution of its trust must dispose of them. In Coyle v. Smith (221 U. S., 559) these doctrines are reasserted and affirmed, and the power of the United States to pass any law which will create inequality between the States has repeatedly by the Supreme Court of the United States itself been declared to be void and of no effect. (New Orleans v. De Armas, 9 Pet., 224; Groves v. Slaughter, 15 Pet., 449; Illinois Central R. R. v. Illinois, 146 U. S., 387; United States v. McBratney, 104 U. S., 621; Hardin v. Shedd, 190 U. S., 508; United States v. Winans, 198 U. S., 371.)
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> We are, of course, not unmindful of the decisions of the Supreme Court of the United States, such as Kansas v. Colorado (206 U. S., 89), and Light v. United States (220 U. S., 523), which declare that within the governmental trust to "dispose" of its public lands vast areas of them within existing States may be taken from the dominion and control of the State and placed in perpetual reserve. Whether inconsistency and hostility exists between this latter line of decisions and that headed by Pollard's Lessee v. Hagan, the Supreme Court itself in due time will declare. But here we desire to point out that while the State of California was admitted as a sovereign State of the Union upon equal terms with all the other States, and while it has been judicially declared that an essential part of that equality is the disposition of the public lands within the State, to the end that the revenues by taxation therefrom and the control over them may be vested in the State, we have in California a withdrawal by the United States from sale and placing in reserves of one-third of the area of the whole State—an area greater than the combined territory of New Hampshire, Vermont, Massachusetts, Connecticut, Rhode Island, New Jersey, and Maryland. Not this alone, but we have in these withdrawals a refusal upon the part of the United States to yield to the State of California control over its natural sources of wealth. Its forests, its mines, its oil-bearing lands, its power sites and possibilities, have been withheld by the United States, which proposes to exercise over them, and is exercising over them, the "municipal sovereignty" which the Supreme Court of the United States in Pollard's Lessee v. Hagan declared not to exist. If at the time of the proposed cession of its lands by Virginia, Congress had declared its intent to be that which it has actually executed in the State of California, little doubt can be entertained as to the answer which Virginia would have made. It is, indeed, a departure from the accepted construction of these constitutional provisions to have it said that the United States may, as here, withdraw from State use one-third of the area of a sovereign State, forever deny to the State the sovereign power of taxation and control over these lands, and develop and exploit them under its own rules and regulations for the enrichment of its own treasury. And so, coming to the specific section of land here under consideration, if it has possibilities of water storage and power development, certainly it is to the interest of the State that these potentialities should be developed in the interest of its citizens and the revenue derived therefrom by rates, tolls, and taxation go into its own treasury, rather than to witness them lying undeveloped and unimproved, or if improved at all, improved for the enrichment of the National Treasury. This is meant to convey no criticism of true conservation of natural resources. But it is a simple declaration of a manifest fact that, in a State such as California, a large part of whose territory and whose natural resources are taken away from State control, the denial of the right of taxation to such lands, the erection of an imperium in imperio, are developments of governmental ideas not dreamed of at the time of the adoption of the Constitution, nor at the time of the decision of Pollard's Lessee v. Hagan. And in the State of California the cause of conservation would not suffer if intrusted to the State itself.

In order that there may be no misunderstanding as to the individual position of the State of Colorado upon this general subject, nor any question as to whether or not I correctly reflect the wishes of my State, I will insert a copy of a joint memorial to President Woodrow Wilson, unanimously adopted by the present Colorado Legislature, the Nineteenth General Assembly, at its regular session—page 655, Session Laws, 1913—which, in my judgment, is not only a fair statement of the rights of the West, but one of the best and most statesman-like documents

ever presented to Congress, and I earnestly urge every one of my colleagues in the House to carefully read it, as follows:

House joint memorial 5.

To Hon. Woodrow Wilson, President United States of America, and the Congress of the United States:

Your memorialist, the General Assembly of the State of Colorado, respectfully represent that under the present Federal policy of control of the public domain the following conditions obtain:

1. The people of Colorado are in favor of conservation in the meaning of prevention of waste and monopoly, but are unalterably opposed to it in the definition of preserving our lands and resources in their present state for future generations.

We agree that these natural resources belong to all the people, but this ownership is not now different from what it always has been—namely, subject to the right of the citizen to acquire the same under liberal laws to the extent necessary to satisfactory settlement and the building of permanent homes.

2. It has been charged that the Western States have failed in the past to do their duty in the conservation of these resources, but those who make these charges utterly fail to consider that any unlawful acquisition or waste was committed under Federal laws and on public lands, and that the States, having no control, were powerless to prevent it. They also fail to recognize the fact that the amount of lands unlawfully acquired was a mere trifle compared with that lawfully acquired by bona fide settlers and others.

3. The older States have had, and still have, the benefits arising from private acquisition of all the public lands within their boundaries, receiving revenue therefrom through taxation and otherwise, and it is therefore a great injustice that they should now seek to impose upon the Western States obstructions and burdens with which they themselves did not have to contend.

4. We deny that it is right or advisable for the Federal Government to retain the title to and lease the public lands for any purpose, as the history of the country shows that in 1807 Congress authorized the War Department to lease the lead mines in the territory afterwards embraced in the States of Missouri, Indiana, Illinois, Wisconsin, and Iowa, reserving to the United States a royalty of one-sixth of the product.

This system was vigorously opposed by the residents of the region involved from the very beginning, and after a few years' trial the Missouri Legislature and the governor of Illinois protested against it. Presidents Polk and Fillmore urged its abandonment. The Secretary of War condemned it, saying that the benefit to the Government bore "no just proportion to the injury done to the country—first, by retarding the settlement of the country, and, second, by the demoralizing influence of the system."

Year after year congressional Committees on Public Lands reported against it. One of these reports concluded as follows:

"When the United States accepted the cession of the Northwestern Territory the acceptance was on the express condition and under a pledge to form it into distinct republican States and to admit them as members of the Federal Union, having the same rights of freedom, sovereignty, and independence as the other States. This pledge your committee believes would not be redeemed by merely dividing the surface into States and giving them names, but it includes a pledge to sell the lands, so that they may be settled and thus form States. No other mode of disposing of them can be regarded as a compliance with that pledge."

5. For nearly 40 years this controversy was waged with increasing intensity, until 1846, when an act was passed directing the sale of these lands.

This condemned and discarded policy is now sought to be resurrected, and in pursuance thereof there have been withdrawn forest, coal, oil, phosphate, and power site lands, aggregating in Colorado over 21,000,000 acres, equal to 33 per cent of the total area of the State, together with similar amounts in other Western States, so that in all the area thus withdrawn is greater than the combined area of Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Delaware, Maryland, Pennsylvania, both Virginias, Ohio, Kentucky, Indiana, and Illinois, and thus nearly 300,000,000 acres are now, and have been for several years, practically out of reach of individual enterprise or taxation for the support of State government. This obstructive policy is a departure from the policy of the past 50 years and in violation of the rights of these States as provided in their enabling acts admitting them into the Union, their constitutions, and the fundamental principles on which the Union of the States is predicated.

The idea that the leasing of the forests and other public lands for grazing purposes to stockmen, reserving to the settler and miner a right to enter them, will give the latter adequate protection is a fallacy, for the reason that it is obvious that such entries will necessarily interfere with the proper handling of stock. Where a stockman has 1,000 acres or more under such a lease and a homesteader should undertake to enter 160 or 320 acres of the best of it, it is a certainty that the stockman would in every way not positively unlawful discourage the settler, unless we credit the stockman with less than ordinary sense of self-protection. And it is equally certain that he would succeed in preventing the entry, even if he had to buy the settler off.

The inevitable result of such leases will be to substantially end homesteading and mining on the public lands.

6. We assert that the States are vested with the right to control the waters within their respective borders—subject only to the right of the Federal Government to protect navigation on those streams that are navigable—to dispose of them to those who will use them for beneficial purposes, and that all returns therefrom, direct or indirect, justly belong to the States and not to the Federal Government.

7. Reclamation of arid lands when undertaken by the United States Government should in all cases recognize the rights of the States to control the waters within their borders, and should also recognize the equitable rights of its water users and other competitive projects and those of private enterprises.

These projects and enterprises should not be made by officers of the Reclamation Service an excuse for the refusal to approve of rights of way and occupancy of lands under private irrigation projects; such delays seriously obstruct private enterprises and the development and improvement of lands belonging to the States, and we ask that any such refusals be revoked.

We further ask that the Reclamation Service take immediate steps looking toward the early completion of all projects now under way within this State, in order that early settlement under these projects may take place.

8. The rapid descent and general character of mountain streams gives such endless opportunities for water plants that any monopoly of the same is physically impossible. Indeed, the idea is growing rapidly that the small power plant is the coming one. When water has served its purpose for one power plant it continues its descent. It is not consumed nor does it vanish. Its volume is as great after as before, and therefore but a little lower down in the mountain another power plant may be constructed, and so on, while the stream shall last.

These delays have seriously obstructed not only these private projects, but have also interferred with the irrigation and improvement of several hundred thousand acres of land belonging to the State of Colorado, and granted under the laws of the United States for the purpose of improvement and sale by the State.

We ask that these unlawful refusals be promptly revoked and further delays forbidden.

9. We recognize that some good has been accomplished by the Forest Service, yet at the same time its cost has been many times greater than its benefits; it has materially hindered the settlement and development of the country, chiefly because of the hard and fast rules made at Washington by chiefs unfamiliar with actual conditions, and administered by subordinates, many of whom are equally unfamiliar with such conditions.

As to the scientific forestry promised, it is only necessary to refer to the reports of the Forester to show that his management in many respects is most unscientific. His reports show that billions of feet of timber in the natural forests are overripe, decaying, and decayed, and are an actual fire menace to the remainder, and ought to be cut. Yet the high prices he asks and the rules and regulations enforced are greatly restricting sales and cutting.

We urge that a committee, congressional or otherwise, be immediately appointed to visit Colorado and investigate the conditions referred to above and report on the same. It seems necessary to have the committee pursue its investigation on the ground, as few of those who suffer by the methods in force would be able to advance the expenses of a trip to Washington. Besides, an actual view of many of these things will disclose features which it would be difficult to make clear by testimony.

10. An unjust discrimination is made between grazing and other agricultural lands. The major portion of this State is composed of what is termed "grazing lands," and grass is the greatest agricultural crop known and the most indispensable. All lands at present chiefly valuable for grazing should be as freely open to entry as are farm lands, but in sufficient quantities to support families. More than three-fourths of our present cultivated area was originally located as pasture, and it was largely through this privilege that our present cultivated area was developed.

There is hardly an acre of grazing land on the plains that will not ultimately become agricultural lands with the development of storage of water and the economical use thereof.

11. Nearly all of our metalliferous lands have been included in the forest reserves, since which time not a single important mining camp has been opened. The unwarranted interference by the Forest Service is largely responsible for the falling off of millions of dollars in the annual metal output. The man who is willing to put his labor and money into the development of a mining claim is the person best fitted to classify the land and should be permitted to acquire it.

We venture the assurance that if 40 years ago the forest reserves had been established, neither Leadville nor Cripple Creek nor a score of other mining camps would have been discovered or developed.

Although our lands are of great variety, they are open to entry for but few purposes and in unsuitable quantities. For instance, a piece of land can not be taken merely for a home.

12. In territorial days Congress gave us the water of our natural streams and confirmed that right in the acceptance of our State constitution. Certain Federal bureaus are trying to take away that right by denying rights of way over the public domain.

The contention of Federal authority, as in the case of the Eagle Dam, for the first storage of water at the lower end of the stream, instead of near the source of supply, would prevent the repeated use of water for power and irrigation upstream, would uselessly deprive large areas of development, and would therefore be contrary to the principle of "the best use" as demonstrated by the experience of more than half a century.

The diversion and use of water when streams are high equalize the flow, furnish a better supply of water during the dry season, and, by lessening floods, save lives and property on the rivers below.

Special agents are permitted to protest against the validity of entries without any knowledge of facts relating thereto. They should be required to make their objections at the time of final proof, that the entryman might face his accusers.

13. The courts should be opened to land disputes, that citizens may be afforded an opportunity to enforce their rights, instead of the system now in vogue of determination through star-chamber proceedings by administrative officers.

14. Under the express terms of the enabling act Colorado was admitted to the Union on an equal footing in all respects whatsoever with the original States. To be on an equal footing, we must have the power to tax the land and other property within the State, for without that power we can not maintain State and local governments and institutions. The present policy of the Federal Government is to place our lands and resources on a revenue basis, paying taxes in the form of royalties into the Federal Treasury, thereby seriously interfering with the means of supporting our needy growing institutions. The effect of the present policy is to permit local taxation only upon farm and city and town lands now privately owned. This might be less objectionable in Iowa or Illinois, where practically all of the land is tillable. More than half of the area of Colorado is not tillable under any known method, but is composed of mineral, grazing, and timbered areas, which take the place of farm lands, and which are just as expensive to govern, if not more so, than are the farm lands. The policy, therefore, which withdraws these from taxation is a serious handicap to the State.

While our resources are of great variety, they are not naturally ready for use. On the average, there has been a dollar in expense for every dollar in precious metals taken from the mountains, and the value of our lands is measured by the labor required for their irrigation and development. Without the value, the presence, and industry our people have added to them there is not a dollar's worth of value in any of our natural resources. Every dollar, therefore, charged in the form of royalty on the products of these resources is a tax on human toil.

We can not hope to secure the best settlement of our lands nor development of our resources upon a tenantry basis. The man who is permitted to lease lands cheaply for grazing will try to keep them for pasture.

15. There is but one-third of our area on the tax rolls, with extraordinary educational requirements to equip our people to meet mining, industrial, irrigation, and other agricultural development. We must, therefore, increase the taxable area to include all the lands if every portion of the State shall bear its just share of this burden.

A large part of our territory is included in the Louisiana Purchase, in the treaty ratifying which it is decreed:

"The inhabitants of the ceded territory shall be incorporated in the Union of the United States and admitted, as soon as possible, according to the principles of the Federal Constitution, to the enjoyment of all the rights, advantages, and immunities of citizens of the United States."

If this provision were complied with the present bureaucratic government over large areas of our State would be impossible. Is there any reason why people who must live in and do business with the said reservations should be deprived of the same rights and privileges enjoyed by the citizens of the older States, and what reason is there to suppose that forests can not be grown and protected, or monopolies prevented under the republican form of government?

The incentive of ownership is necessary to secure the best development of our mineral territory, and we can not expect the best citizenship unless people are permitted to own their own homes, no matter in what business they engage.

The private-owned land in the State is scattered promiscuously amongst the Federal-owned land, and there can be no hope of harmonious action or good feeling through the intermingled double jurisdiction over our territory.

The Government proposes as a landlord to go into almost every kind of business within the State on untaxed property in competition with private-owned and taxed property. The public business does not need to pay expenses, but the owner of the private property must pay taxes to make up the loss of his Federal competitor. The Federal Government engaging in business as a proprietor must necessarily occupy a contractual relation with the citizen, under which the Government may enforce its contract against the citizen, whereas the citizen may not enforce his contract against the Government.

Under the present administration of the forest reserves the Government acknowledges the moral right of the State to tax the property by returning to the State 25 per cent of the proceeds from sales, rentals, and special privileges.

It assumes the right, however, to dictate the disposition of this rebate by decreeing that it shall go to the support of roads and schools, two popular purposes, but ignoring the necessity of the State to protect in the courts the very lives of those living upon Federal-owned property and the necessity for the maintenance of educational, charitable, and penal institutions by the State.

16. The continued withdrawal of our lands and resources from entry and placing them upon a revenue basis to pay royalties into the Federal Treasury means their control by Congress, and that Texas, which never had any public lands, would, in the House of Representatives, have four times the legislative power over our territory that we ourselves could exert; and that New York, which has no public domain, would have ten times the legislative power over our territory that we ourselves possess, and that, too, without any adequate knowledge of local conditions and necessities.

The double jurisdiction over the territory of the State has led to strong opposition to Federal officials, against whose orders and rules there is no recourse in the courts, and employees of the Federal bureaus, defending their position, have been constantly doing missionary work in behalf of the general principle of Federal control of our lands and resources.

The Forest Service, for instance, through its numerous employees, has been able to enlist the eastern press in praise of its work and to create a sentiment against the West.

The Federal Constitution declares: "The United States shall guarantee to each State in the Union a republican form of government"; not a republican form of government over part of the State, but over it all. Certainly no one can contend that a republican form of government exists under the bureaucratic control already in force over a large part of our territory and sought to be enforced over two-thirds of our area, with its arbitrary rules and regulations enforceable at the pleasure of the bureau with discretionary power, with its natural antagonism to State laws and State control, with a long list of special privileges to enlist support, and with all the evils therefore of a system of favoritism.

"Republicanism and bureaucracy are incompatible existence." (Cent. Encyclopedia.)

Our laws and customs are built upon experience and our people are better acquainted with local conditions and necessities and are more interested in building the State aright than are the people of the East. If there is fear of monopolization, Congress, in the act of cession, could provide effective means for reversion of title to the State whenever monopoly is attempted. The administration of our public lands and resources should be under the jurisdiction of the Secretaries of the Interior and Agriculture, familiar from experience with the local situation, in order that it may be for the settlement of our lands, the development of our institution, and the betterment of social conditions.

17. We, therefore, earnestly request under existing or more appropriate laws such an administration as will secure the settlement of our public lands and the development of our resources, placing them upon the tax rolls with effective provisions against monopolization and waste. We ask for no advantage or privilege not enjoyed by the older States, but feel we have a right to insist that we be placed on an equal footing in all respects whatsoever with the original States to own and use our lands and resources to build our State and support its government and institutions.

O. C. SKINNER,
Speaker House of Representatives.

Attest:

STEPHEN R. FITZGERALD,
President of the Senate.
ELIAS M. AMMONS,
Governor State of Colorado.

Approved, March 8, 1913, at 1.49 p. m.

If Congress and the Interior and Agriculture Departments would carry out the sentiment of the governors' resolutions and of that memorial to the President and follow the present laws, the West would grow by leaps and bounds, and the entire Nation would be benefited beyond all possibility of calculation.

The last national Democratic platform, adopted at Baltimore, contained the following provisions:

We believe in the conservation and the development for the use of the people of the natural resources of the country. Our forests, our sources of water supply, our arable and our mineral lands, our navigable streams, and all the other material resources with which our country has been so lavishly endowed constitute the foundation of our national wealth. Such additional legislation as may be necessary to prevent their being wasted or absorbed by special or privileged interests should be enacted and the policy of their conservation should be rigidly adhered to.

The public domain should be administered and disposed of with due regard to the general welfare. Reservations should be limited to the purposes which they purport to serve, and not extended to include land wholly unsuited therefor. The unnecessary withdrawal from sale and settlement of enormous tracts of public land upon which tree growth never existed and can not be promoted tends only to retard development, create discontent, and bring reproach upon the policy of conservation.

The public-land laws should be administered in a spirit of the broadest liberality toward the settler exhibiting a bona fide purpose to comply therewith to the end that the invitation of fels Government to the landless should be as attractive as possible, and the plain provisions of the forest-reserve act permitting homestead entries to be made within the national forest should not be nullified by administration regulations which amount to a withdrawal of great areas of the same from settlement.

Immediate action should be taken by Congress to make available the vast and valuable coal deposits of Alaska under conditions that will be a perfect guaranty against their falling into the hands of monopolizing corporations, associations, or interests.

We rejoice in the inheritance of mineral resources unequaled in extent, variety, or value, and in the development of a mining industry unequaled in its magnitude and importance. We honor the men who, in their hazardous toil underground, daily risk their lives in extracting and preparing for our use the products of the mine, so essential to the industries, the commerce, and the comfort of the people of this country. And we pledge ourselves to the extension of the work of the Bureau of Mines in every way appropriate for national legislation with a view of safeguarding the lives of miners, lessening the waste of essential resources, and promoting the economic development of mining, which, along with agriculture, must in the future, even more than in the past, serve as the very foundation of our national prosperity and welfare and our international commerce.

The last Republican national platform contained the following provisions:

CONSERVATION POLICY.

We rejoice in the success of the distinctive Republican policy of the conservation of our national resources for their use by the people without waste and without monopoly. We pledge ourselves to a continuance of such a policy.

We favor such fair and reasonable rules and regulations as will not discourage or interfere with actual bona fide home seekers, prospectors, and miners in the acquisition of public lands under existing laws.

RECLAMATION OF LANDS.

We favor the continuance of the policy of the Government with regard to the reclamation of arid lands; and for the encouragement of the speedy settlement and improvement of such lands we favor an amendment to the law that will reasonably extend the time within which the cost of any reclamation project may be repaid by the landowners under it.

Neither of the two great political parties have ever in the history of this Government adopted or promulgated this leasing policy. The National Progressive Party during the last campaign adopted a plank in its platform advocating the retention and control of these resources by the Federal Government. They did not advocate or say anything about the "leasing" of them for Federal revenue or otherwise, but merely declared for the "retention" of them by the Government to prevent monopoly and encourage legitimate development. But the State platform of that party in Colorado did not contain the slightest intimation of any desire or intention of the members of that party to advocate any leasing policy of any of these resources. I think I am safe in saying that no political party in any Western State has ever advocated this universal and perpetual Federal bureau leasing policy, and I predict that any party that does will fail to elect its ticket.

The Democratic State platform in Colorado in the year 1908, upon which the entire Democratic ticket was elected, contained the following plank:

Seventh. Public lands: We commend forest reserves upon real forest areas, but condemn the present arbitrary and unjust administration of the same and demand that the administration of the reserves be placed by Federal law under effective State and local control.

We demand the immediate exclusion of agricultural and unforested areas from the reserves; the dismissal of the army of useless officeholders in our midst, maintained at the public expense of the people of the West for the upbuilding of a gigantic political machine at Washington; the abolition of unjust grazing taxes; the repeal of a system of timber sales which puts the lumber market in the hands of a few and by which the price of lumber has been doubled to the consumers.

We demand the repeal of all laws endowing the Forestry Department with authority to decree and establish rules and regulations concerning the administration of the forest reserves and declare all such matters to be legislative in their character, which should be covered by congressional enactment.

We are unalterably opposed to the pronounced purpose of the Republican administration to lease the balance of the public domain, thereby withdrawing the land from settlement. The people of the West are entitled to the use of the natural resources of their localities with which to build their States. They ask to be put on an equal foot-

ing with the people of the East in this regard, and will be satisfied with nothing less.

The Democratic State platform in Colorado in the year 1910, upon which practically the entire State ticket and all three Congressmen were elected, contained the following plank:

We reassert our position upon the public-land question as adopted at Pueblo in 1908, and declare the right of the State to control of the resources within its boundaries; we are in sympathy with the policy of considering the natural resources of the Nation and the State in a manner which will protect the right of future generations, but we are unalterably opposed to the bureaucratic, arbitrary regulations which work hardship on the homesteaders and the miners and retard the development of the State.

During the last campaign of the fall of 1912 the Democratic Party in Colorado, after very careful and exhaustive consideration, adopted one of the most comprehensive platforms that our party has ever had in that State. All of the four members of this House and both of the Senators from Colorado were elected upon that platform. Among the declarations of principles for which we stood were the following:

GIVE PUBLIC LANDS FOR HIGHWAYS.

We favor the ceding by Congress to the State of public lands for highway purposes, the proceeds thereof to be used by the highway commission for the construction and maintenance of public thoroughfares exclusively.

STATE SHOULD CONTROL PUBLIC LAND.

In conformity with the joint resolution unanimously adopted by the eighteenth general assembly, and in the language thereof, "We most earnestly request that all public lands within the boundaries of Colorado be turned over to the State under terms just and fair to both State and Nation, and with such restrictions as will effectually prevent monopoly, to the end that all territory shall be under one jurisdiction and uniform law; that we shall have the same rights enjoyed by the older States of our Union; that all land capable of agricultural development shall be freely open to homestead entry; that lands suitable for summer homes shall be sold in small tracts, and under proper restrictions, for that purpose; that prospecting may be encouraged and greater mining development secured; that rights of way shall be under the control of the State, avoiding vexatious and often prohibitive delays in construction; that water power may be had and manufacturing encouraged; that our lands may be made revenue producing, and that such revenue from rentals, royalties, and sales may be used for the construction of public highways and the completion of reclamation projects; that greater settlement and production may make our rural communities more populous, improve social conditions, help the railways to give better service and make needed extensions; and that the blessings of local self-government, including the right to impose taxes upon all property alike and the disposal of such revenues as local needs demand, shall be guaranteed to all our people."

LAND QUESTION DECLARED ONE FOR COURTS.

The jurisdiction of the courts should be extended to all contests and controversies arising over homestead, desert, and other land filings and entries, including protests and objections by the Government thereto, and heard and determined as now provided in adverse cases arising under the mining laws of the United States.

We denounce the policy of the Republican administration which, having retarded our development, now proposes to withdraw all the remaining agricultural, grazing, and mineral public lands from all forms of entry, with the expressed determination of imposing upon the West a permanent bureaucratic rule and Federal leasing system of all the Government resources within our borders, and thereby disastrously retarding the development of our State and depriving our Commonwealth of its just and constitutional rights.

The Republican Party in Colorado has denounced this proposed leasing policy almost as bitterly as the Democrats have.

On July 26, 1866, for the purpose of inducing immigration to and settlement of the West, and for the protection of property rights therein, Congress passed the following act:

Whenever, by priority of possession, rights to the use of water for mining, agricultural, manufacturing, or other purposes have vested and accrued, and the same are recognized and acknowledged by the local customs, laws, and the decisions of courts, the possessors and owners of such vested rights shall be maintained and protected in the same; and the right of way for the construction of ditches and canals for the purposes herein specified is acknowledged and confirmed; but whenever any person, in the construction of any ditch or canal, injures or damages the possession of any settler on the public domain, the party committing such injury or damage shall be liable to the party injured for such injury or damage. (Rev. Stat., 2339.)

For the purpose of further guaranteeing and protecting the western settlers in their property rights and rights of way for their ditches and water rights, on July 9, 1870, Congress passed the following act:

All patents granted or preemptions or homesteads allowed shall be subject to any vested and accrued water rights, or rights to ditches and reservoirs used in connection with such water rights as may have been acquired under or recognized by the preceding section. (Rev. Stat., 2340.)

Neither one of those acts have ever been repealed from that day to this. They were the foundation upon which many billions of dollars worth of property was made by many years of toil and privation, and upon which that property has securely rested for nearly a half a century.

On the 3d day of March, 1875, Congress passed the enabling act permitting the inhabitants of the Territory of Colorado to frame and submit its constitution for admission to the Union. Section 1 of the enabling act reads as follows:

That the inhabitants of the Territory of Colorado included in the boundaries hereinafter designated be, and they are hereby, authorized to form for themselves, out of said Territory, a State government, with the name of the State of Colorado, which State, when formed, shall be admitted into the Union upon an equal footing with the original States in all respect whatsoever, as hereinafter provided.

In pursuance of that enabling act the inhabitants of the Territory of Colorado adopted a constitution on the 14th of March, 1876, and submitted it. Paragraphs 5 and 6 of article 16 of that constitution which was submitted to this Government are as follows:

Water public property.—The water of every natural stream not heretofore appropriated within the State of Colorado is hereby declared to be the property of the public, and the same is dedicated to the use of the people of the State, subject to appropriation as hereinafter provided.

Right of appropriation.—The right to divert unappropriated waters of any natural stream for beneficial uses shall never be denied. Priority of appropriation shall give the better right as between those using the water for the same purpose, but when the waters of any natural stream are not sufficient for the service of all those desiring the use of the same, those using the water for domestic purposes shall have the preference over those claiming for any other purpose, and those using the water for agricultural purposes shall have the preference over those using the same for manufacturing purposes.

That constitution, with those provisions therein, was formally approved, and President Grant on August 1, 1876, signed and issued the proclamation making Colorado the centennial State of this Union. That enabling act and those two provisions within our constitution were an absolutely binding and forever inviolate contract between this Government and the State of Colorado. Probably one-half of the property value of our entire State has been built and based upon those provisions. You of the East have little conception of what water rights mean to us of the West.

The act of June 4, 1897, establishing the forest reserves, also contained the following provision:

The jurisdiction, both civil and criminal, over persons within such reservations shall not be affected or changed by reason of the existence of such reservations, except so far as the punishment of offenses against the United States therein is concerned, the intent and meaning of this provision being that the State wherein any such reservation is situated shall not, by reason of the establishment thereof, lose its jurisdiction nor the inhabitants thereof their rights and privileges as citizens, or be absolved from their duties as citizens of the State.

The Supreme Court of the United States, in the case of Kansas v. Colorado (206 U. S., 46–118), and all of the other decisions of that court upon the subject during the past 40 years, have emphatically declared:

That the Government of the United States is one of enumerated powers; that it has no inherent powers of sovereignty; that the enumeration of the powers granted is to be found in the Constitution of the United States, and in that alone; that all powers not granted are reserved to the people. While Congress has general legislative jurisdiction over the Territories, and may control the flow of waters in their streams, it has no power to control a like flow within the limits of a State, except to preserve or improve the navigability of the stream; that the full control over those waters is vested in the State.

We have no navigable streams within the State of Colorado. The doctrine of riparian rights never did prevail in our country. All the waters of our streams became the property of the people when our State was admitted into the Union, and from the 1st day of August, 1876, up to this hour neither this Government nor Congress has ever had any right whatever to interfere with or exercise any jurisdiction over one drop of water within the boundaries of Colorado. Our State was admitted upon an absolute equality with every other State in this Union. Congress has no right to interfere with our property rights or our local self-government any more than it would with any other State; and I can not resist feeling that such an effort would not be attempted against the older States.

Section 8 of the reclamation act, approved June 17, 1902 (32 Stat., 380), expressly provides that nothing therein shall be construed as affecting, or intending to affect, or in any way interfering with the laws of any State or Territory relating to the control, appropriation, use, or distribution of waters used in irrigation, or any vested right acquired thereunder. So that all of this nonsense about charging for the conservation of our waters is the most brazen, insolent, and infamous attempt to violate our constitutional rights that has ever been undertaken in the history of this Government.

I am confident that this bill is intended to, or at least that the eastern extreme conservationists hope that this law will, in effect, repeal or supersede and virtually nullify all of those laws and decisions and constitutional provisions.

Aside from the question of the violation of the inherent rights of the Western States I look upon this class of legislation as unwise for many other reasons, and contrary to the general welfare of the country. And, as I have said, I believe it will be practically a failure; not entirely so, but it will surely disappoint the expectations of those who are advocating it.

I believe it is thoroughly wrong to place such tremendous unlimited discretionary power in the hands of any one individual. It is not compatible with our theory of government that Congress should delegate to a department head the supreme power of taxation and the right to suspend the operation of the law for any desired period or for any desired purpose or to any objectionable applicant.

Investment of large sums of money in any enterprise will not be made excepting upon the stability, certainty, and character of the law. People will not invest large sums of money upon the probability of the fairness of any executive official. This act of Congress does not give or grant any rights to any citizen or corporation. It is an unreserved and unqualified delegation of frightfully unlimited discretionary powe. to the Secretary of the Interior to give or withhold these rights; and if he decides to give them, to designate the terms upon which he will grant them. He is not only given the taxing power but is given the discretion to give or refuse a lease, and to either fix the terms so high that they will be prohibitive or so low that they will amount to a gratuitous donation; and in these respects, as well as many others, it is believed that if this bill is enacted it will be unconstitutional. (See Field *v.* Clark, 143 U. S., 700.)

The present law authorizing a revokable permit for the development of water power is now conceded by everybody to be utterly unworkable and foolish. I prophesy that this present law, with the unlimited forfeiture condition, will practically be equally as indefinite and unsatisfactory. People will not invest capital where their entire property rights may at any time be swept aside at the whim of some executive official, with no appeal to any court or redress of any kind.

I have received a great many protests, petitions, and resolutions against these leasing bills from the business organizations, county commissioners, and citizens generally of our State. I will not give them, because my statements herein voice the substance of their objections; but I will insert, merely as a sample, one from the Commercial Club of Rio Blanco County, as a fair illustration of the way this theoretical conservation affects and will affect the development of my State.

At a regular meeting of the Rio Blanco County Commercial Club, held at Meeker, Rio Blanco County, Colo., on the 6th day of April, 1914, the following resolutions were adopted, to wit:

Whereas there are now pending in Congress certain bills for the leasing of the public lands; and

Whereas it appears from the CONGRESSIONAL RECORD that many able and fair-minded Representatives and Senators have very limited knowledge of western conditions:

Resolved, That a plain statement of facts and conditions in this county that have a bearing on the leasing question be made, and that we make earnest protest against the leasing of any class of lands whatever and in any form, the statement of facts and conditions in this county being as follows:

This county has an area of 2,067,000 acres, of which 312,000 acres are withdrawn in the White River National Forest, about 85,000 acres are withdrawn as oil lands, 200,000 acres of coal lands have been practically withdrawn by the action of the Interior Department in placing thereon values several times as great as patented coal lands adjoining can be bought for; about 40,000 acres of carnotite lands are now sought to be withdrawn by Congress, and subdivisions of lands that lie here and there along White River for a length of more than 100 miles intersecting or jutting into the patented lands have been withdrawn for power sites, these sites being useless for power sites or purposes other than to hold narrow parcels of land over which the ditch or pipe-line would have to be carried, presumably so that the Government could control the building of such power plants.

The cost of maintaining our county government is great because by the shortest public roads it is 80 miles to the farthest western settlement in this county from Meeker, the county seat, and more than 100 miles from Meeker to the most easterly settlement.

To support this county we have the following patented lands: Irrigated lands, 21,359 acres; grazing lands, 91,792 acres; natural hay lands, 2,018 acres; and coal lands, 4,149 acres. Our nearest railroad is 45 miles distant.

The people of this county, including many members of this commercial club, were the real initiators of the conservation movement, having in 1889 petitioned the President through the medium of Thomas A. Carter, Commissioner of the General Land Office, who indorsed our petition, to set aside the forests of this county for a park or forest reserve. This was the first national forest created under the act of 1891, if we except a small addition to the Wyoming National Park. Our petition described the bounds of the forest, but the Interior Department, on the advice of men who were practically strangers to this county, saw fit to extend the boundaries to include more than 100,000 acres of good farm lands, about one-half of that increase being in this county, including one tract of 20,000 acres on which there was nothing but sagebrush and which to-day produces more revenue for this county than the 312,000 acres of forest-reserve lands. It took six years of struggle to get this tract eliminated. One agent sent here by the Interior Department in 1893 or 1894 informed us that it should be retained within the forest lands as a winter feeding ground for deer. The same argument was advanced by Forester Pinchot at a later time, when he sent an inspector from Washington, D. C., to report on the advisability of adding to the forest the lands south of White River from the forest to the Utah line, a distance of 70 miles, all of the land being nontimber lands. When the agent reported that it was not forest land Mr. Pinchot asked for a second report by a local officer.

We would call the attention of our Congressmen and Senators to the fact that a system of espionage has for years been maintained by the Forest Service, acting under instructions from Washington, we are informed; this espionage is kept more especially over the actions of those who have filed on land which has been eliminated from the reserve, and which land is no longer under the jurisdiction of the Forest Service. One duty of the rangers in winter has been to count the horses and cattle that are pastured and fed on homesteads, even on patented land. Most homesteaders are poor men, but a poor man has little chance to secure a homestead within the reserve. Applications are usually held up for about one year before an applicant can file. He is given a permit to use the land until such time as the department acts upon his application. Even if he settles at once under the permit he get no credit for residence that year, the Land Office requiring three years' residence from date of filing on the land before the United States land office at Glenwood Springs, Colo. The best of the forest lands are being rapidly leased to the wealthy cattlemen, and the better class of homeseekers will not try to get land inside an inclosure, even if permitted by law to do so. Ordinary farmers can not afford to fence pastures for their small herds, so in time all the reserve, or all the best portion, will be controlled by the big cattle outfits.

Leasing of coal, radium, and grazing lands are more to be avoided than leases on the forest reserves, yet we call attention to wrongs suffered through having these lands controlled from Washington, where the best informed know but little of the actual situation.

All leases help the rich man and keep the poor man down.

We well remember when a convention was called to outline a lease law. All the parties invited to attend this convention from the West were members of an association of cattle barons, who formed that association for the purpose of getting the Government to lease the public range. The shibboleth of each member of the convention was, "Let the poor man have first choice." It was Hobson's choice, though. They gave him a chance to take 160 acres adjoining his home, the land along the foothills being usually worthless for grazing; but the highlands that produce luxuriant grass were left for the big cattlemen. The withdrawal of oil gives a monopoly to the oil kings of to-day. Withdraw the coal and you add millions to the pockets of many big corporations. Lumber in this town has been increased in price $8 per 1,000 feet. This increase is not measured by the higher charge of the Government per 1,000 feet. For example, a millman here was instructed by the forest ranger in charge to pile all brush in a certain spot. After the brush was piled, then came a higher man from the outside and ordered all the brush to be removed to another place before burning. The people of Rio Blanco County pay for these extras.

Our greatest values lie in our coal deposits, which are immense. Without these assets we have a sorry future before us.

All forms of leasing keep out immigration to the West. The course of the Government in taking from the people their coal, their so-called grazing lands, their radium, and their oil, and in taking from the people of Colorado the water that falls on their lands, to be given to Mexicans, is making the United States a land of aristocrats and peasants.

The amount of income received by this county from 312,000 acres of forest land is not one-half so large as it receives from certain individual taxpayers owning only a small acreage. Leasers never build up a country.

One serious trouble in getting justice is that conservationists are theorists and not practicable.

All the oil lands and the radium lands of this country were discovered by prospectors. United States geologists are poor prospectors. We spent thousands of dollars in proving the oil lands of this county, but as soon as proved to be an oil territory they asked the President to withdraw the lands. Our asphaltum lands were discovered and developed by home people and United States geologists are only familiar with the size of such veins of coal as have been opened and patented by home people. If the radium deposits are left open to prospectors, this county will make that element a "drug on the market."

Our people still remember the fact that multimillionaire lumbermen were charter members of the conservation league, and that they made millions by the timberland withdrawals. Our citizens were in favor of such withdrawal, but never expected this Government to help build up a monopoly. We thought prices of lumber would be kept to the lowest limit.

Outside the forest every half section of land—the so-called grazing lands—remaining open to settlement contains tillable tracts aggregating 40 to 60 acres; and if not withdrawn will soon all be taken by home seekers, who by cultivation of these tracts will raise more feed and consequently more cattle on 320 acres than will ever be raised by leasers on 2,000 acres of the same lands. Moreover, owners of such lands will make permanent improvements.

We are especially opposed to lease moneys being handled by the Reclamation Service, believing them to be more wasteful than any other branch of the Government. We are well aware that department officials do not like criticism of their rulings and that in some cases precedent and pride prevents many of them from righting a wrong. Our former protests have always been mild and formal so as not to offend. The present danger to this community is too great to do less than lay bare the facts, no matter whom it hurts. The people of Rio Blanco County are a unit against the withdrawal of coal, oil, and radium lands. We are nearly so as to grazing lands, the only exceptions being a few big cattlemen and a few others who already have pastures fenced.

Resolved, That a copy of these resolutions be sent to Hon. EDWARD T. TAYLOR and Hon. JOHN F. SHAFROTH, at Washington, D. C.

RIO BLANCO COUNTY COMMERCIAL CLUB,
By W. S. MONTGOMERY, *President*,
W. D. SIMMS, *Secretary*.

If this general leasing policy is inflicted upon the West, I predict that Colorado and other Western States will be compelled to impose an excise tax upon the output of our coal mines and other Government-leased resources as a partial substitute for the loss of taxes on those properties.

A majority of the governors of the Western States met in Denver last April at their third annual conference, and prepared a statement upon this subject which is brief, plain, and specific. It reflects the sentiment of a majority of the western half of this Republic, and every Member of Congress should read and respect that sentiment in the enactment of legisla-

tion which primarily affects those States. The resolutions are as follows:

WHAT THE WEST WANTS.

[Resolutions adopted unanimously by the Third Annual Conference of Western Governors held in Denver, Colo., April 9, 10, and 11, 1914.]

We, the members of the western governors' conference, in convention assembled at Denver, Colo., April 7, 8, 9, 10, and 11, 1914, do hereby adopt the following resolutions:

CONSERVATION.

We believe in conservation—in sane conservation. We believe that the All-Wise Creator placed the vast resources of this Nation here for the use and benefit of all the people—generations past, present, and future, and while we believe due consideration and protection should be given to the rights of those who come hereafter, we insist that the people of this day and age should be given every reasonable opportunity to develop our wonderful resources and put them to a beneficial use.

STATE CONTROL.

That it is the duty of each and every State to adopt such laws as will make for true conservation of our resources, prevent monopoly, and render the greatest good to the greatest number; and that as rapidly as the States prepare themselves to carry out such a policy of conservation the Federal Government should withdraw its supervision and turn the work over to the States.

SETTLEMENT OF OUR LANDS.

Believing that those who control the soil control the Nation, and that the most blessed nations are those where the ownership of lands is in many hands, we insist that in the management and sale of our public lands both the Federal Government and the State should maintain such a policy as will make for the rapid settlement of all vacant agricultural lands.

DESERT-LAND ACT.

Resolved, That this convention recommend to Congress amendments of the following nature to the desert-land act:

(1) That the entryman's proof of citizenship in the State wherein he makes a desert-land filing be changed from the time of filing to the time of proving up.

(2) That the requirements of reclamation be enlarged to embrace the alternative proof of cultivation by the actual growing of crops by dry-farm methods on double the acreage required if by irrigation.

HOMESTEAD ENTRY.

We approve the plan now before Congress to permit homestead entries by persons over 18 years of age.

WATER POWER.

Whereas Congress has declared "the water of all lakes, rivers, and other sources of water supply, upon the public lands and not navigable, shall remain and be held free from the appropriation and use of the public for irrigation, mining, and manufacturing purposes," we insist the Federal Government has no lawful authority to exercise control over the water of a State through ownership of public lands.

We maintain the waters of a State belong to the people of the State, and that the States should be left free to develop water-power possibilities and should receive fully the revenues and other benefits derived from such development.

PRECIOUS METALS.

We reiterate our expression, contained in article 10 of the 1913 resolutions, referring to the reopening of mineral land, and in addition would urge that the revenues derived from the sale of such lands should be used for the reclamation of the arid lands of the West.

GRAZING LANDS.

We believe grazing lands should be disposed of through an "enlarged homestead" act giving the settler sufficient ground to enable him on a live-stock basis to support a family.

SUMMER HOMESTEAD LAW.

We favor the passage of a summer homestead or preemption law, permitting land not valuable for timber, minerals, or agriculture, but suitable for summer homes, to be acquired in not to exceed 40-acre tracts for summer homes. The entryman should not be required to be a resident of the State in which the land is situated, and suitable improvements of the value of $300 and three years' summer residence should be necessary to secure patent.

GOOD ROADS.

We reiterate that 5 per cent of the public lands in the several States should be granted to the said States to aid in construction of permanent roads.

DELAYS—RED TAPE.

We believe one of the greatest blessings the officials at Washington could bestow upon the West would be the elimination of all red tape and the taking of prompt action upon all matters pending before the departments and in which the Western States are interested, and we are pleased to note that efforts are already being made in that direction.

INTERIOR DEPARTMENT.

We are pleased at the thoughtfulness of the Secretary of the Interior in sending so many of his representatives to the irrigation conference now in session in this city. We express our appreciation of his intention to adopt a more liberal policy toward the settlement and development of the West and assure him of our hearty cooperation in this direction.

DONATION OF LANDS.

We recommend that 10 per cent of all vacant and unappropriated public lands in each of the arid States be donated to such States, and each of them as shall so request, said lands to be sold by such States as other State lands are disposed of and the proceeds of such sales to form a reservoir fund to be used under the direction of the State for irrigation reclamation purposes.

RECLAMATION PROJECTS.

We urgently recommend that the United States reclamation projects now under process of construction be completed at the earliest practicable moment and turned over to the settlers thereunder as soon as can be.

CAREY ACT PROJECTS.

We urgently recommend that the United States Reclamation Service immediately investigate any and all Carey land, irrigation district, or like projects commenced or under construction in the arid States, and render such projects all financial and other assistance possible, to the end that they may be immediately completed and the settlers thereunder protected and assisted, and the persons holding bonds issued against said projects be compensated as far as practicable.

We urge the press of the Western States to investigate and actively support these principles.

RESOLUTIONS REAFFIRMED.

We reaffirm the action taken by the governors' conference in Salt Lake City, Utah, in 1913, as follows:

"We, the governors of public-land States, in conference assembled, believing that upon the administration of the laws governing the disposal of the public lands in a very large measure depends the future prosperity of our States, do hereby agree to the following statement of what we believe should be the policy of the National Government in the administration of the public lands:

"1. That the newer States having been admitted in express terms on an equal footing in all respects whatever with the original States, no realization of that condition can be attained until the State jurisdiction shall extend to all their territory, the taxing power of all their lands, and their political power and influence be thereby secured.

"2. That as rapidly as the States become prepared to take over the work of conservation, the Federal Government withdraw its bureau from the field and turn the work over to the States.

"3. That permanent withdrawal of any lands within our States from entry and sale we believe to be contrary to the spirit and letter of the ordinance of 1787, the policy of which was followed for over a century, and we urge that such lands be returned to entry and opened to sale as speedily as possible.

"4. Dilatory action on the part of executive departments of the Government in passing title to purchasers of public lands is unfair to the States, as it permits purchasers to occupy the lands indefinitely without the States having power to tax them.

"5. We believe that the best development of these States depends upon the disposal of the public lands to citizens as rapidly as the laws can be complied with.

"6. Bona fide homestead entry within the forest-reserve boundaries should be permitted in the same manner as on unreserved lands, subject only to protest where lands selected are heavily timbered with trees of commercial value, or known to contain valuable mineral deposits.

"7. That the Government grant to the public-land States 5 per cent of the public land remaining in such, to be administered by the States as the school lands are now administered, for the purpose of building national public highways.

"8. That liberal land grants be made for the purpose of establishing and maintaining forestry schools in the public-land States.

"9. That rights of way for all lawful purposes be granted without unwarranted hindrance or delay.

"10. That all mineral lands now withheld from entry, or classified at prohibitive prices, be reopened to entry at nominal prices, under strict provisions against monopolization.

"11. That we express our appreciation of the splendid work done by the departments at Washington in cooperation with the several States in experimentation and instruction. This assistance has been most valuable in the education of our children and the development of our States, and we commend the same principle to the administration at Washington as being the most feasible plan for the present advancement of true conservation.

"12. We believe that the National Government should provide for expert experimental work in the solution of the mining problems of the mineral States in the same manner that the Agricultural Department now assists the farmers in solving the agricultural problems.

"13. We believe that the speedy settlement of those public lands constitutes the true and best interests of the Republic. The wealth and strength of the country are its land-owning population.

"14. The best and most economical development of this western territory was accomplished under those methods in vogue when the States of the Middle West were occupied and settled. In our opinion, these methods have never been improved upon, and we advocate a return to those first principles of vested ownership with joint interest and with widely scattered individual responsibility."

Mr. Chairman, there was recently published in the Mining Science an article upon the general subject of leasing the natural resources of the public domain. It is very ably written by Mr. Chester T. Kennan, a mining engineer of Eagle, near my home in Colorado, who has given a great deal of thought and study to this very important subject. His article reflects the sentiment of a very large per cent of the people who live in that country and who have personally come in contact with the development of the West and as it has been carried on during recent years and who know what the effect will be of the present tendency toward bureaucratic centralization of power. The article is as follows:

PREDATORY BUREAUCRATS AND THE LEASING SYSTEM.

[Chester T. Kennan, M. E.]

No system of true conservation or good government requires that our citizens be made tenantry of a governmental landlord.

The land and natural resources alone make possible industrial and commercial existence of the individual State; they constitute its first capital and stock in trade, upon which it must conduct its business and development and maintain a government "republican in form," as required by its act of admission as a State.

The right of taxation is so necessary and fundamental that a sovereign State without it can not continue. To the latter imperative end, and to place the new States on an equal footing with the original States, and to provide that ours be a Nation of home owners, it has been this Nation's policy from the beginning to pass the public lands and national resources into private ownership, private control, and private development.

It is the plain duty of every citizen to assert and the courts to maintain the sovereignty of the State in conformity with that article of the Federal Constitution which provides that "the powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States, respectively, or to the people." It is therefore, the manifest right of every citizen to demand government by the people rather than by bureaus of the Central Government; and in so far as the constitutional power of regulation in these respects is

vested in the several States it is fundamental and imperative that it be not divested or invaded.

The acts of Congress admitting the public-land States to the Union contain the declarations which are taken from the ordinance of July 13, 1787, including the following provision: "The State of ——— shall be one and is hereby declared to be one of the United States of America, and admitted into the Union on an equal footing with the original States in all respects whatever."

It is also provided in such acts of admission of new States that "they shall never lay any tax or assessment of any description whatever upon the public domain."

Neither the United States nor any State has the power to do any act or pass any law which will create inequality between the States, and any attempt on the part of either to do so is void and of no effect, ab initio. (39 Fed. Rep., 730; 9 Pet., 224; 15 Pet., 449; 104 U. S., 621; 146 U. S., 387; 152 U. S., 397; 164 U. S., 240; 168 U. S., 349; 176 U. S., 83, 87; 187 U. S., 479, 483; 190 U. S., 508, 519; 198 U. S., 371; 198 Fed. Rep., 539.)

The United States alone has no power to create unequal States by Executive act, by law of Congress, or by judicial interpretation of those laws, and all of such attempts are void. (198 Fed. Rep., 539.)

In 1845 the United States Supreme Court, in the case of Pollard's Lessee v. Hagan (3 How., 212), decided and laid down as fundamental law of the land "that the transaction between the United States and Virginia and Georgia and the Louisiana Purchase constituted a contract and created a trust, under which the United States secured control of the public lands to pay the public debts by bona fide disposing of them in order that new States might be erected, which should be equal in every respect to the original States; that the United States holds the lands for temporary purposes only, and in trust for the State where they lie; and that until the lands were disposed of by the United States the new State was not on a footing of equality with the original States.

As late as May, 1911, the United States Supreme Court, in the case of Coyle v. Oklahoma (221 U. S., 559), quotes the above case of Pollard's Lessee v. Hagan with approval and reaffirms the perfect equality of the State in relation to the United States.

The United States Government holds the public domain in trust (not in fee). What each citizen, therefore, owns in the public domain is his right to acquire a segment of it if he chooses so to do. Congress has no power to authorize the Central Government to seize the title in fee and perpetuity and rent the lands to the people.

The status of our public-land system now is, and always has been, that the Central Government holds the public domain temporarily and in trust, to be erected into sovereign States upon an equal footing with the original States in every respect; to afford equal opportunity to every citizen to acquire a home; and to be disposed of at nominal prices to private ownership, in order that the Central Government might, as speedily as possible, retire as a landlord from the several States. The people have always emphasized that the Government should not hold the public lands, even in trust, any longer than absolutely necessary to systematically and equitably pass them to private ownership. The day has long gone by when it was thought right or justifiable that the king, government, ruling classes, or bureaucrats should own and control the land in perpetuity and rent it to the people.

Under this beneficent, enlightened democratic land system we have reared the leading and most progressive Nation of the world.

The bureaucrats, or "conservationists"—under the latter alias they seem to prefer to operate—now demand that our established system of land tenure be subverted, and our form of government in a vital principle revolutionized.

They are now conjuring Uncle Sam to be a traitor to his trust, to embezzle the "trust fund," to become the most royal, selfish landlord this world has ever witnessed, to seize soil within the States in perpetuity, free from taxation, to rent the land to his tenant vassals, to deny public-land States equality with the original States, to destroy their sovereignty, make them provinces, and draw a line around the western third of the United States and denominate it on the map, "Ireland of America—doomed forever to fight for 'home rule.'"

Manifestly, their scheme is not progressive, but reactionary at least 1,000 years.

Any form of conservation which fails to take into account the rights and needs of the present generation evidently does not cover the whole field and has no place in this country.

True conservation may be defined as the least practicable waste consistent with the greatest practicable use.

Conservation is a technical and scientific subject, while the ownership and passing of title to the public land is a political and sociological subject, and the two have no necessary connection; yet, while sailing under the fair banner of "conservation," our bureaucrats have attempted to create and take over to themselves the most gigantic land monopoly this world has ever witnessed—already having under their control in forest reserves, withdrawals, etc., near 200,000,000 acres, an area greater than many kingdoms of Europe combined.

An example of true conservation is presented by the management of our great stockyards, where every conceivable part of the slaughtered animal is saved and placed to a fitting use. The great modern coal-coking plants and large petroleum refineries are striking examples of conservation, by saving a vast number of by-products that would otherwise be wasted or not placed to their most valuable use. Every advance in metallurgical processes which enables us to more cheaply extract metals from their ores and thereby utilize lower grades of ore at a profit is a long step in the field of true conservation. Life-saving and labor-saving devices and the protection of property from destruction and waste by fire are legitimate and worthy forms of conservation.

But unmindful of the truism so pertinently expressed by President Wilson, that "conservation is not reservation," our bureaucrats have practically ignored conservation and devoted all their energies to reservation, seeking to reserve under their own control all the public domain and its natural resources as against the public-land States and the people, until we are now burdened with the omnipresent forest reserves, park reserves, military reserves, naval reserves, coal reserves, water-power reserves, missionary reserves, Government reserves, school reserves, bird reserves, and archæological reserves, and then they withdrew practically all the balance of the desirable lands from market under the pretense of "classification"; and now they are introducing bills in Congress to accomplish their final coup d'etat by having the Government seize title to the public domain in fee and perpetuity, and lease it to the people, the bureaucrats at last firmly in the saddle as administrators of the grand feudal empire.

During the sinister progress of this long-drawn-out campaign for bureaucratic autocracy the musty air of medieval tyranny has become ever thicker and more suffocating to western nostrils, consistently with their purpose, the most strenuous effort of the bureaucrats have been exerted to retain the public domain in a state of nature, to prevent development, and to prevent the public lands from passing to private ownership until such time as they could prevail upon Congress to have the Central Government seize the public domain in fee and rent it to the people and make the bureaucrats administrators of the vast estate.

What coterie of politicians, pray, would not like to be administrators of such vast empire, with power, salaries, perquisites, patronage, and opportunities for graft unlimited?

While each State has all the power to suppress or destroy monopoly within its borders that the Central Government has within its sphere, yet while striving to create the greatest land monopoly that ever existed, the most popular slogan of the bureaucrats has been that only their plan could prevent monopoly of the public domain. Even if we had no special statutes in this behalf, monopoly could be suppressed or destroyed under the common law of England.

Would it not be timely and appropos for our lawmakers at Washington now, while they have their hands in at investigating and dissolving "trusts," to investigate this one, the greatest and most noxious of them all—the public-domain trust of the United States—now hatching on the floors of Congress?

There appears to be no limit to the legislative power of these autocrats of the bureaus. They boldly occupy the "twilight zone" between State rights and the rights and powers of the central government; and to enforce their bureau-made laws have inaugurated a reign of terrorism in the Western States through an organized army of many thousands of men, including forest rangers, petty officers, mineral examiners, general solicitors, special solicitors, attorneys, press agents, statisticians, common spies, muckrakers, lecturers, detectives, secret-service agents, affidavit gleaners, collectors of rents and bills and royalties, star-chamber courts, etc. While we are compelled to admit that the spy system of our bureaus is now the finest in all the world—not even that of Turkey or Russia excepted—in simple justice to the American people we are gratified to state that the people are not proud of it. We are bowed down with humiliation and shame that such a glaring example of monstrous tyranny and oppression has gained a foothold on American soil.

We should not now turn our backs upon our enlightened form of government, and, at the bidding of these purely political "conservationists" for gain, retrace our steps to feudal times and conditions. We should not drift from the principle of encouraging the individual, the small owner, and the home, but if occasionally there are abuses, or men file upon land wrongfully, let the individual case be punished under the established laws of the land.

Under the leasing system we would have the feudal condition of a portion of our citizens being freeholders and freemen and another portion being tenantry and serfs of the ruling landlord. We would then have on American soil the political spectacle of one portion of our citizens paying taxes to maintain an ancient form of government over another portion.

The Western States hold that it is the just prerogative of each State in the Union to adopt such system of true conservation of the resources within its borders as may best suit the needs and purposes of its people, exercising therein such practical economy in behalf of future generations as may by each State be deemed wise and provident.

As an illustration Gov. Ammons has well pointed out that the leasing system would mean, in effect, that Colorado would ultimately pay into the Federal Treasury on coal alone, figuring the present highest rate of royalty, the enormous tax of $37,100,000,000, while it would pay annually on water power alone, when fully developed, twice as much as it now collects in State taxes for all purposes.

The people realize and keenly appreciate that there is a wide distinction between the act of two citizens equal under the law making a contract of lease between themselves and the ruling landlord, who is also the lawmaker, contracting or forcing a contract with his tribute payer under the law. It is a luminous fact in history familiar to all that whenever a government and its officials became vested with the resources of the people and their opportunities to make a living, the people were no longer free and that form of government was doomed to eventual if not speedy wreck.

The experiment of governing people through the soil has been often tried, but never with ultimate success—the man who says it should now be tried, whatever he may call himself, is a socialist, pure and simple; but he is too late with his doctrine in this country, unless he proposes that Uncle Sam seize the title in fee to the whole area of the United States and lease it all, so that we shall all be on an equal footing. Abraham Lincoln said: "Tell the people the truth, and the Nation is safe."

The bill as reported to the House by the committee and now under consideration as in Committee of the Whole is as follows:

[H. R. 16673, Sixty-third Congress, second session.]

A bill to provide for the development of water power and the use of public lands in relation thereto, and for other purposes.

Be it enacted, etc., That the Secretary of the Interior be, and hereby is, authorized and empowered, under general regulations to be fixed by him, and under such terms and conditions as he may prescribe, not inconsistent with the terms of this act, to lease to citizens of the United States, or those who have declared their intention to become such, or to any association of such persons, or to any corporation organized under the laws of the United States, or any State or Territory thereof, any part of the lands and other property of the United States (including Alaska), reserved or unreserved, including lands in national forests, national monuments, military and other reservations, not including national parks, for a period not longer than 50 years for the purpose of constructing, maintaining, and operating dams, water conduits, reservoirs, power houses, transmission lines, and other works necessary or convenient to the development, generation, transmission, and utilization of hydroelectric power, which leases shall be irrevocable except as herein provided, but which may be declared null and void upon breach of any of their terms: *Provided*, that such leases shall be given within or through any of said national forests, military or other reservations only upon a finding by the chief officer of the department under whose supervision such forest, national monument, or reservation falls that the lease will not injure, destroy, or be inconsistent with the purpose for which such forest, national monument, or reservation was created or acquired: *Provided further*, That in the granting of leases under this act the Secretary of the Interior may, in his discretion, give preference to applications for leases for the development of electrical power by States, counties, or municipalities, or for municipal uses and purposes: *Provided further*, That for the purpose of enabling an applicant for a lease to secure the data required in connection there-

with, the Secretary of the Interior may, under general regulations to be issued by him, grant a preliminary permit authorizing the occupation of public lands valuable for water-power development for a period not exceeding one year in any case, which time may, however, upon application, be extended by the Secretary if the completion of the application for lease has been prevented by unusual weather conditions or by some special or peculiar cause beyond the control of the permittee, the tenure of the proposed lease and the charges or rentals to be collected thereunder to be specified in said preliminary permit, and such permittee upon filing an application for lease prior to the expiration of the permit period shall be entitled to a preference right to lease the lands embraced in the permit upon the terms, conditions, and limitations authorized by this act.

SEC. 2. That each lease made in pursuance of this act shall provide for the diligent, orderly, and reasonable development and continuous operation of the water power, subject to market conditions, and may provide that the lessee shall at no time, without the consent of the Secretary of the Interior, contract for the delivery to any one consumer of electrical energy in excess of 50 per cent of the total output.

SEC. 3. That in case of the development, generation, transmission, and use of power or energy under such a lease in a Territory, or in two or more States, the regulation and control of service and of charges for service to consumers and of the issuance of stock and bonds by the lessee is hereby conferred upon the Secretary of the Interior or committed to such body as may be provided by Federal statute: *Provided*, That the physical combination of plants or lines for the generation, distribution, and use of power or energy under this act or under leases given hereunder may be permitted, in the discretion of the Secretary, but combinations, agreements, arrangements, or understandings, express or implied, to limit the output of electrical energy, to restrain trade with foreign nations or between two or more States or within any one State, or to fix, maintain, or increase prices for electrical energy or service is hereby forbidden.

SEC. 4. That except upon the written consent of the Secretary of the Interior no sale or delivery of power shall be made to a distributing company, except in case of an emergency and then only for a period not exceeding 30 days, nor shall any lease issued under this act be assignable or transferable without such written consent: *Provided, however*, That nothing herein contained shall preclude lessees from executing mortgages or trust deeds for the purpose of financing the project. Any successor or assign of such property or project, whether by voluntary transfer, judicial sale, foreclosure sale, or otherwise, shall be subject to all the conditions of the approval under which such rights are held, and also subject to all the provisions and conditions of this act to the same extent as though such successor or assign were the original lessee hereunder.

SEC. 5. That upon not less than three years' notice prior to the expiration of any lease under this act the United States shall have the right to take over the properties which are dependent, in whole or in part, for their usefulness on the continuance of the lease herein provided for, and which may have been acquired by any lessee acting under the provisions of this act, upon condition that it shall pay, before taking possession, first, the actual costs of rights of way, water rights, lands, and interests therein purchased and used by the lessee in the generation and distribution of electrical energy under the lease; and, second, the reasonable value of all other property taken over, including structures and fixtures acquired, erected, or placed upon the lands and included in the generation or distribution plant, and which are dependent as hereinabove set forth, such reasonable value to be determined by mutual agreement between the Secretary of the Interior and the lessee, and, in case they can not agree, by proceedings instituted in the United States circuit court for that purpose: *Provided*, That such reasonable value shall not include or be affected by the value of the franchise or good will or profits to be earned on pending contracts or any other intangible element.

SEC. 6. That in the event the United States does not exercise its right to take over, maintain, and operate the properties as provided in section 5 hereof, or does not renew the lease of the original lessee upon such terms and conditions and for such periods as may be authorized under the then existing applicable laws, the Secretary of the Interior is authorized, upon the expiration of any lease under this act, to lease the properties of the original lessee to a new lessee upon such terms, under such conditions, and for such periods as applicable laws may then authorize, and upon the further condition that the new lessee shall pay for the properties as provided in section 5 of this act.

SEC. 7. That where, in the judgment of the Secretary of the Interior, the public interest requires or justifies the execution by any lessee of contracts for the sale and delivery of electrical energy for periods extending beyond the life of the lease, such contracts may be entered into upon the approval of the said Secretary, and thereafter in the event of the exercise by the United States of the option to take over the plant in the manner provided in sections 5 or 6 hereof, the United States or its new lessee shall assume and fulfill all such contracts entered into by the first lessee.

SEC. 8. That for the occupancy and use of lands and other property of the United States permitted under this act the Secretary of the Interior is authorized to specify in the lease and to collect charges or rentals for all power developed and sold or used by the lessee for any purpose other than the operation of the plant, and the proceeds shall be paid into, reserved, and appropriated as a part of the reclamation fund created by the act of Congress approved June 17, 1902, known as the reclamation act, and after use thereof in the construction of reclamation works and upon return to the reclamation fund of any such moneys in the manner provided by the reclamation act and acts amendatory thereof and supplemental thereof, 50 per cent of the amounts so utilized in and returned to the reclamation fund shall be paid by the Secretary of the Treasury after the expiration of each fiscal year to the State within the boundaries of which the hydroelectric power or energy is generated and developed, said moneys to be used by such State for the support of public schools or other educational institutions or for the construction of public improvements, or both, as the legislature of the State may direct: *Provided*, That leases for the development of power by municipal corporations solely for municipal use shall be issued without rental charge, and that leases for development of power not in excess of 25 horsepower may be issued to individuals or associations for domestic, mining, or irrigation use without such charge.

SEC. 9. That in case of the development, generation, transmission, or use of power or energy under a lease given under this act in a State which has not provided a commission or other authority having power to regulate rates and service of electrical energy and the issuance of stock and bonds by public utility corporations engaged in power development, transmission, and distribution, the control of service and of charges for service to consumers and stock and bond issues shall be vested in the Secretary of the Interior or committed to such body as may be authorized by Federal statute until such time as the State shall provide a commission or other authority for such regulation and control.

SEC. 10. That where the Secretary of the Interior shall determine that the value of any lands, heretofore or hereafter reserved as water-power sites or for purposes in connection with water-power development or electrical transmission, will not be materially injured for such purposes by either location, entry, or disposal, the same may be allowed under applicable land laws upon the express condition that all such locations, entries, or other methods of disposal shall be subject to the sole right of the United States and its authorized lessees or grantees to enter upon, occupy, and use any part or all of such lands reasonably necessary for the accomplishment of all purposes connected with the development, generation, transmission, or utilization of power or energy, and all rights acquired in such lands shall be subject to a reservation of such sole right to the United States, its lessees or grantees, which reservation shall be expressed in the patent or other evidence of title: *Provided*, That locations, entries, selections, or filings heretofore allowed for lands reserved as water-power sites or in connection with water-power development or electrical transmission may proceed to approval or patent under and subject to the limitations and conditions in this section contained, but nothing herein shall be construed to deny or abridge rights now granted by law to those seeking to use the public lands for purposes of irrigation or mining alone.

SEC. 11. That the Secretary of the Interior is hereby authorized to examine books and accounts of lessees, and to require them to submit statements, representations, or reports, including information as to cost of water rights, lands, easements, and other property acquired, production, use, distribution, and sale of energy, all of which statements, representations, or reports so required shall be upon oath, unless otherwise specified, and in such form and upon such blanks as the Secretary of the Interior may require; and any person making any false statement, representations, or report under oath shall be subject to punishment as for perjury.

SEC. 12. That any such lease may be forfeited and canceled, by appropriate proceedings, in a court of competent jurisdiction whenever the lessee, after reasonable notice, in writing, as prescribed in the lease, shall fail to comply with the terms of this act or with such conditions not inconsistent herewith as may be specifically recited in the lease.

SEC. 13. That the Secretary of the Interior is hereby authorized to perform any and all acts and to make such rules and regulations as may be necessary and proper for the purpose of carrying the provisions of this act into full force and effect.

SEC. 14. That nothing in this act shall be construed as affecting or intended to affect or to in any way interfere with the laws of any State relating to the control, appropriation, use, or distribution of water used in irrigation or for municipal or other uses, or any vested right acquired thereunder.

SEC. 15. That all acts or parts of acts providing for the use of the lands of the United States for any of the purposes to which this act is applicable are hereby repealed to the extent only of any conflict with this act: *Provided, however*, That the provisions of the act of February 15, 1901 (31 Stat. L., 790), shall continue in full force and effect as to lands within the Yosemite, Sequoia, and General Grant National Parks in the State of California: *And provided further*, That the provisions of this act shall not be construed as revoking or affecting any permits or valid existing rights of way heretofore given or granted pursuant to law, but at the option of the permittee any permit heretofore given for the development, generation, transmission, or utilization of hydroelectric power may be surrendered and the permittee given a lease for the same premises under the provisions of this act.

Mr. LA FOLLETTE. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. MOORE].

Mr. MOORE. Mr. Chairman, I shall ask the indulgence of the House for a few moments while I digress from the bill under consideration to speak briefly of the bill to amend the navigation laws, upon which, if the newspaper reports are to be relied upon, the conferees came to an agreement last night. The bill to which I refer, H. R. 18202, "An act to provide for the admission of foreign-built ships to American registry for the foreign trade, and for other purposes," was introduced at the opening of the European war, at the instance of the President of the United States, as explained by the gentleman from Alabama [Mr. UNDERWOOD]. It proposes to waive certain laws affecting coastwise and foreign-trade vessels and to suspend those laws as they protect American shipping, in the interest of those who care to take their money out of the United States to buy foreign vessels and ply them in the foreign trade. We were told when this bill came up for hurried consideration that it was wholly an emergency measure; that it was intended to meet conditions that had suddenly arisen; that it was due to the fact that there was a stoppage of exports; that it was absolutely necessary, if our great crops in the West and our great cotton output in the South were to be shipped to foreign ports. Some of us saw in it a lesson for the people who are interested in the general progress of the United States. We saw in it a rebuke to those who have thus far prevented the upbuilding of an American merchant marine. We saw in it a confession of the party in power——

Mr. DONOVAN. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. DONOVAN. Under the rules nothing but the subject contained in the bill is to be discussed.

Mr. MANN. Mr. Chairman, I ask unanimous consent that the gentleman from Pennsylvania may proceed, inasmuch as his time already has been allotted.

The CHAIRMAN. The gentleman from Illinois [Mr. MANN] asks unanimous consent that the gentleman from Pennsylvania [Mr. MOORE] in the 10 minutes yielded to him may discuss

other matters than those mentioned in the bill under consideration. Is there objection? [After a pause.] The Chair hears none.

Mr. MOORE. We saw in the introduction of this bill an explanation and an admission by the party in power that this Government had not provided against just such an emergency as had arisen and that it was necessary from its point of view to invoke the aid of foreign shipbuilders, of foreign workmen, and of foreign seamen to carry American business upon the high seas.

Mr. SELDOMRIDGE. Will the gentleman yield for a question?

Mr. MOORE. I have only 10 minutes, but I will yield to the gentleman from Colorado.

Mr. SELDOMRIDGE. I will ask the gentleman if he is not bringing an indictment against his own party in that statement after 16 years of power in this country?

Mr. MOORE. No; because whenever the Republican Party attempted to pass a bill to upbuild the American merchant marine, a bill that you called a subsidy bill or a subvention bill, the Democratic Party invariably, with such assistance as it could get elsewhere, voted the proposition down.

Mr. HUMPHREY of Washington. Will the gentleman yield?

Mr. MOORE. Yes.

Mr. HUMPHREY of Washington. I call the gentleman's attention to the fact that since he has been a Member of the House, I think, the House passed a bill for a merchant marine, to remedy this very condition. It went to the Senate and was filibustered to death by two Democratic Senators.

Mr. MOORE. That is true. I am glad of the interruption of the gentleman from Colorado, since he is a useful new Member of this House and will need this kind of information as he goes along here in his congressional career. So, Mr. Chairman, the introduction of this bill and the explanation of it was a confession by the party now in power that it was unable to meet an emergency when an emergency arose.

Mr. CLINE. Will the gentleman yield for a short question?

Mr. MOORE. Yes; and then I think I will have to decline.

Mr. CLINE. Did not your party in the Sixtieth Congress lose that bill to permit the merchant marine by three votes?

Mr. MOORE. With the assistance of the Democrats who voted against the proposition.

Mr. CLINE. You were in control of the House.

Mr. MOORE. We were not in absolute control or we would have put it through. But the leader of your party in supporting this bill admitted on the floor that he came direct from the White House and at the instance of the President. He was compelled to state that an emergency had arisen, such an emergency as we were unable to meet with American resources. When the gentleman from Missouri [Mr. ALEXANDER] was on his feet this occurred:

Mr. MOORE. Mr. Chairman, will the gentleman yield?
Mr. ALEXANDER. I will.
Mr. MOORE. I assume that this is an emergency measure.
Mr. ALEXANDER. Yes.
Mr. MOORE. We can not obtain copies of the bill, and therefore we must depend very largely upon the gentleman for information; but I would like to ask the gentleman just what the emergency is, since the passage of this bill, which seems to embody substantive law, makes a very radical change in existing law.
Mr. ALEXANDER. I will say to the gentleman if he was here when I read the telegrams——
Mr. MOORE. I heard part of what the gentleman said, but there was so much confusion I could not hear it all.
Mr. MURDOCK. There was a great deal of confusion.
Mr. ALEXANDER. I read telegrams from the American Exporter, of New York, a publication which undertakes to reflect the views of exporters and manufacturers. I also read telegrams from Chicago saying that this legislation is necessary on account of the present congestion of traffic; in other words, to move our manufactures, cotton, and grain to foreign countries. One of the great difficulties in the financial situation grows out of the congestion of our foreign commerce occasioned by the war in Europe and the interruption of the normal course and channels of trade, and it is absolutely necessary to make some provision to move our commerce.
The gentleman knows that 92 per cent of our commerce is carried in foreign ships. Now, the condition of war existing in Europe has partially paralyzed our foreign trade, and unless some provision is made to move our cotton and wheat and other exports in the ships of other neutral nations, or in ships under the American flag, we are going to suffer a very great loss.
Mr. MOORE. Assuming that the condition of war that now prevails in Europe will prevent the use by American exporters of such ships as now sail under foreign flags, and that we will be thrown upon our own resources in the American merchant marine for the carrying of cotton, grain, etc., why should we pass a measure of this kind that will change substantive law when only an emergency prevails? Why should there not be some limitation upon the discretion of the President? For instance, he is given discretion here——
Mr. ALEXANDER. He is simply given discretion in reference to officers, foreign officers on the ships, and inspection and the measurement of ships.
Mr. MOORE. I think the gentleman will see that very large questions of shipbuilding and of wages paid to labor are involved here, and will be involved permanently if we adopt this legislation by reason of war conditions in Europe. Why should we pass a permanent law to meet an emergency?
Mr. ALEXANDER. I do not think it will affect these questions materially. In fact, I am not so certain that this bill will in any substantial way build up the American merchant marine, as far as that is concerned.

The gentleman from Missouri was unable through lack of time and a desire to pass this bill to answer certain further questions, but later on I introduced the matter in a five-minute statement, whereupon the gentleman from Alabama [Mr. UNDERWOOD], the leader of the Democratic Party, who spoke for the President in this particular instance, undertook to explain, and he did explain, that the President had called in the leaders and had asked that some such measure as this be enacted at once. That part of the RECORD which pertains to this matter is as follows:

Mr. UNDERWOOD. Mr. Speaker, does the gentleman desire to have his question answered?
Mr. MOORE. Yes.
Mr. UNDERWOOD. Mr. Speaker, I will state to the gentleman that on last Friday the President of the United States requested me to investigate this situation and report the facts to him in a bill. Judge ALEXANDER and myself conferred with Mr. Chamberlain, the head of the Navigation Bureau of the Commerce Department, and this bill was prepared by Mr. Chamberlain in accordance with the suggestions that Judge ALEXANDER and myself made to him. Subsequently, after it was prepared, it was submitted to the President as it now stands and was drawn and met with his entire approval, and he authorized me to say that he desires its passage.
Mr. MOORE. Mr. Speaker, I thank the gentleman very much for that statement and would ask him this further question, whether his view of this bill is that it is an emergency bill, pure and simple?
Mr. UNDERWOOD. Absolutely, so intended.

Now, a little later the gentleman from Alabama [Mr. UNDERWOOD] made a great speech urging the passage of this bill, its immediate passage, and in the course of that speech he presented figures and statistics which indicated that this was something more than an emergency measure; that it was intended, by the purchase of foreign ships, and the introduction of foreign labor at foreign prices, and the introduction of foreign conditions that would prevail in regard to these ships, to build up an American merchant marine. Whether the party leaders in the House intended the measure to make permanent legislation or not the House passed the bill, and it went to the Senate.

Certain amendments were there proposed to the bill which unquestionably suggested permanent law. Then conferees were appointed, and those conferees—if we are to believe the newspapers this morning, those conferees included the leader of the Democratic Party, who was named especially for this occasion—have come to an understanding that certain objectionable Senate amendments shall go out; but one all-important amendment is to go in, and whether it be constitutional or in accordance with the rules to originate this kind of business in conference, this new amendment, which stands for no shilly-shallying, no beating around the bush, about an emergency, provides that for two years any foreign ship, built by foreign labor, manned by foreign officers and sailors, may come into the coastwise trade of the United States, sail from port to port in the United States, and drive out whatever American merchant marine is still left, thus engaging in a competitive, if not a destructive, coastwise business from port to port.

So far as we hear, the conferees have not objected to that part of the bill which provides that at his discretion the President may suspend the navigation laws, and that he may accept foreign-built ships, and that they may receive American registry, and that they may employ foreign officers and foreign crews at foreign wages. But these ships—if this amendment as reported is agreed to—shall come into the coastwise trade; they are to come in under the American flag, under foreign conditions, with men paid foreign wages, under foreign registry, under foreign survey, under foreign inspection, under foreign measurement; every one of which conditions sets up the European standard against that of the United States, and denies to the American merchantman, and to the shipper upon the Atlantic, or the Pacific, or the Gulf, or the Great Lakes, the advantage that would thus be accorded to foreign competitors.

Thus upon the ground of emergency we are asked to permit foreign ships and foreign conditions to come in and take away our business and our right to the carrying trade on our own coasts.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. MOORE. Mr. Chairman, I ask unanimous consent to extend and revise my remarks.

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

Mr. MOORE. Mr. Chairman, under the guise of an emergency due to a foreign war which has taken away from the American export trade nearly all of the foreign ships that have dominated

it, should we pass a law depriving American ships of the protection they now have in the coastwise trade? True, there are certain representatives of export districts who would like to have foreign ships permitted to enter the coastwise trade, but is this the way and is this the time to tell American shipbuilders to quit business? The problem we have been asked to face as an emergency is the getting into foreign countries our surplus cotton and grain. I regret to say that most of the opposition to the upbuilding of an American merchant marine by mail subsidy or otherwise has come from this very class of exporters. They have good customers in foreign countries, but they find themselves suddenly bereft of their foreign market, because, an emergency having arisen and they themselves having defeated our prospects for an American merchant marine, the support of foreign vessels has been withdrawn from them. Their appeal as it came through the President and the Democratic leaders was for relief through the purchase of foreign vessels and their temporary use in carrying cotton and grain to belligerent countries. Thus far their appeal to maintain their foreign trade has not met with very great resistance.

There has been much sympathy with the emergency movement to obtain ships to prevent a glut of cotton and corn in the American market. But now, after the lapse of days and a deliberate and seemingly unwarranted increase in the cost of food supplies within the United States, we are asked to incorporate in this so-called emergency bill to relieve the export trade provision that foreign ships, if owned by Americans, may enter into our own coastwise trade, and, bringing foreign officers and crews and every other foreign advantage with them, enter into direct competition with our own vessels, our own officers, our own crews, and our own methods of doing business. When the facts are understood by the people I do not believe they will approve this legislation. In the first place, foreign surveys differ from American surveys, greatly to the advantage of the foreigner. So it is with inspection cost and with measurements. If we accept the foreign standards in these respects, our own conditions must be lowered to meet the competition. We pay our officers and our seamen more than the foreigners pay. If we admit these foreign ships on foreign terms, there can be no equality of compensation or wages that will not degrade the American standards. Under these circumstances it is doubtful if Americans can be induced to further invest in American shipyards. Indeed, it is doubtful if American shipyards can thrive at all if this bill passes. The conditions are too unequal, and the consequences would fall most heavily upon the labor that is now employed in shipbuilding and allied industries. In Cramp's shipyard, in my district, and in the New York Shipbuilding Co.'s plant, across the Delaware River, probably 10,000 men are employed. They support at least 50,000 people. They could not do that in competition with the workmen who build ships in England or in Germany or in any one of the European countries. The problem is a serious one. Indeed, it is a grave question whether in our desire to meet an emergency in the export trade we are warranted in driving our own shipyards out of business and placing foreigners only in control of our coastwise trade.

Mr. RAKER. Mr. Chairman, I yield five minutes to the gentleman from Washington [Mr. BRYAN].

The CHAIRMAN. The gentleman from Washington [Mr. BRYAN] is recognized for five minutes.

Mr. BRYAN. Mr. Chairman, I for one am very glad to know that these bills are being taken up and being acted upon by this Congress. I am thankful that the situation is such as to permit this Congress to pay as much attention as it has paid to some of our western propositions. This Congress has already appropriated $35,000,000 for the building of a railroad in Alaska to develop that Territory along the line and idea of the conservationist program, and we are glad for that.

Already the reclamation extension bill, which is one of the four selected measures, has been considered and passed by the House, giving an extension of time to those who are living on the reclamation projects of the West, and we are very glad for that.

This bill that is now pending enlarges somewhat the privileges under which the rights of the Government may be absorbed by private parties in the great West and utilized for the purpose of upbuilding and developing the industries and enriching the people of that great region. We are glad of this.

We do not hesitate for one moment to recognize and applaud the ownership of the Federal Government. We do not object because the Federal Government and not private parties own them. As we go mile after mile over the timber domain of western Washington and find vast tracts, about five times as much in private ownership as there is in public ownership, we feel a little tinge of pride and a stir of patriotism when we come to the land that belongs to the United States Government and get away from that which belongs to the Weyerhaeusers and the Guggenheims.

Gentlemen here can not touch this subject without reaching out to that billion dollars' worth of Government timber. They want to get it into the hands of a private interest; then, and then only, will they be satisfied. They use the argument, no doubt, that if put into private ownership it will pay some taxes to the State. But I notice that the Weyerhaeusers do not give away their timberland in order to save taxes; and I notice that in the State of Colorado, represented in part by the gentleman [Mr. TAYLOR] who has spoken this morning, and who complains about Federal espionage over the affairs of his State, the right and power and control of John D. Rockefeller does not help the people out there in the payment of their taxes. In States where we have to recognize a Federal bureau the people do not chafe nearly so much under that Federal bureau as they would if there was a regiment of United States Regulars there trying to make us act decently. So I say we are glad to have the Federal Government maintain a strong hold on the property that it owns. We are glad to have the Government let that property be leased on terms to private parties and take it back again when it wants to and handle it for the use and benefit of the people, but we do not want to part with title to it.

When the last National Conservation Congress was held here and a resolution was passed embodying those principles, I am very sorry to say that the delegation from my State voted against the resolution and, as I understand, formed a kind of rump convention and went over to another hotel and tried to organize a new association. One of my colleagues was a delegate to that convention, and he is opposing, and consistently opposing, that proposition to-day. I do not question his sincerity. He is sincere. He does not like that plan at all.

The following is the resolution which brought on the division:

Whereas concentrated monopolistic control of water power in private hands is swiftly increasing in the United States, and far more rapidly than public control thereof; and

Whereas this concentrating, if it is fostered, as in the past, by outright grants of public powers in perpetuity, will inevitably result in a highly monopolistic control of mechanical power, one of the bases of modern civilization and a prime factor in the cost of living: Therefore be it

Resolved, That we recognize the firm and effective public control of water-power corporations as a pressing and immediate necessity urgently required in the public interest;

That we recognize that there is no restraint so complete, effective, and permanent as that which comes from firmly retained public ownership of the power site;

That it is, therefore, the solemn judgment of the Fifth National Conservation Congress that hereafter no water power now owned or controlled by the public should be sold, granted, or given away in perpetuity, or in any manner removed from the public ownership, which alone can give sound basis of assured and permanent control in the interest of the people.

But the Democratic Party, if it fears the result of the next election, need not fear the people of the State of Washington on account of this legislation, because Congress refuses to give these public resources away. If the Democratic Party loses out in the West, that will not be the reason why it is driven out of power. Not at all.

Recently I received from the Commercial Club of Seattle a resolution, which I will incorporate in my remarks, suggesting a little more liberality in the matter of terms, so that anyone who goes on the public lands to invest should understand that he would have it for a definite period of time and be given opportunity to make some development and a definite investment. This is the resolution:

Resolution passed by the Seattle Commercial Club June 16, 1914.

Be it resolved, That the Seattle Commercial Club respectfully urge upon Congress the necessity of passing water-power legislation at this session of Congress, of such nature as, while protecting the public interest, shall make it possible to secure capital for development purposes, and establish a definite and comprehensive policy for the utilization of water powers under Government control.

Be it resolved, That copies of this resolution be sent to the President of the United States, to the Speaker of the House, to the Secretaries of War and of the Interior, to the Senate Committee on Irrigation and Reclamation of Arid Lands, to the House Committee on Interstate and Foreign Commerce, and to Members of the United States Senate and House of Representatives from the Rocky Mountain and Pacific Coast States.

Be it further resolved, That copies of this resolution be sent to the commercial bodies of Spokane, Tacoma, Portland, San Francisco, and Los Angeles asking their cooperation in this matter.

SEATTLE COMMERCIAL CLUB.

I received recently a letter containing a resolution passed by the governors, signed, among others, by Gov. Ammon, of Colorado. He, of course, takes a somewhat different view. The resolution reads as follows:

STATE OF COLORADO,
EXECUTIVE OFFICE,
Denver, April 14, 1914.

Hon. JAMES W. BRYAN,
House of Representatives, Washington, D. C.

MY DEAR MR. BRYAN: It has been reported to me that the resolution pertaining to the water powers of the West, unanimously adopted by the

Western Governors' Conference in session in Denver April 7 to 11, was omitted from the eastern press reports. Inasmuch as this was one of the most important of the resolutions adopted by the conference and one in which great interest was taken, I give you below a copy of the same for your information:

"Whereas Congress has declared 'The water of all lakes, rivers, and other sources of water supply upon the public lands and not navigable shall remain and be held free for the appropriation and use of the public for irrigation, mining, and manufacturing purposes,' we insist the Federal Government has no lawful authority to exercise control over the water of a State through ownership of public lands.

"We maintain the waters of a State belong to the people of the State, and that the States should be left free to develop water-power possibilities and should receive fully the revenues and other benefits derived from such development."

Yours, very truly,

E. M. AMMON,
Secretary Western Governors' Conference.

This great Nation is a great big family. The interest of one is the interest of all. We delight in Federal aid in the reclamation of the arid lands, and we are glad to have the aid of the Federal Government in this matter of retaining and holding intact the priceless resources now remaining in coal, timber, minerals, and water power.

Senator SHAFROTH, of Colorado, speaking at the Fifth Annual Conservation Congress at the New Willard Hotel last November, said:

We—

The people of Colorado—

contribute to the defense of the Nation in the way of harbor fortifications, and we do not get any of that back. We are in a position where we are not benefited except in a national sense. We are proud of our Nation because it is ours. We are not benefited, I say, except in a national sense, because Colorado is so far off that no army on earth could ever reach it.

And the record says the people greeted this with laughter.

A few months have passed and now a great European war has emphasized not merely the federation of the States but the federation of the world. Colorado to-day needs the use of boats and harbors precisely as much as do the seaboard States, and as to the Army, Colorado and Vera Cruz are the only areas in the world where the Army of the United States is finding active service.

The letter from Gov. Ammons begging to be delivered from Federal control stands out in contrast with his request to the President for troops to save the people from the iniquities developed under alien private control of coal and mineral lands in the very State of Colorado.

THE PROPOSITION OF WASTE IS RELATIVE.

Great stress is laid on the statement that much water power is going to waste, but is it not just as well for this to continue to go to waste a little while longer as for Boston capitalists to acquire it forever? Forever is a long time. The amount of profits these gentlemen can have must be regulated. The way to effectively regulate them is to hold fast to the fee, to the title. It has already been shown that water-power development is almost unprecedented in this country. There is development. I would like to see such development stimulated, but I will not vote for any measure to give away, but insist on retaining in public ownership this valuable asset.

The people of my State do not fear the Federal Government. Quite recently there was published in the Seattle Sun an article setting forth an announcement made by Stanton G. Smith, United States forest supervisor, detailing a splendid gift to the people of Everett, Wash., and vicinity, in the form of watershed and water-power rights of almost inestimable value. Such gift would have been impossible except for conservation policies which have prevented alien investors from grabbing these assets. Here is the statement of Mr. Smith:

The city of Everett has just executed a cooperative agreement with the Secretary of Agriculture whereby it obtains, free of charge, the use of the entire Boulder River watershed within the Snoqualmie National Forest. This is the culmination of a long search on the part of the city for a satisfactory water supply, during which all important streams in the region were considered.

The Boulder River watershed embraces more than 13,000 acres of national forest land, extending from the summits of Three Fingers, Whitehorse, and Meadow Mountains down to the lowlands near Hazel, Wash., where the intake of the city pipe line will be located. Forest officers and hunters of big game occasionally penetrate this region. Aside from these, few persons have ever been into this rugged basin, which is practically an unbroken wilderness, isolated by its inaccessibility, and therefore an ideal site from which to obtain a city water supply. Under proper administration there is no danger that the water will become contaminated.

SITE FOR POWER PLANT.

Besides furnishing city water, there is also a possibility for the generation of electricity in a municipal power plant.

By the terms of this cooperative agreement, the Forest Service will continue to patrol and protect this watershed from fire and trespass. The forestry men will report any violations of the city's sanitary regulations on the watershed, as well as any other conditions they observe which seem in any way to tend to contaminate the water.

Trails and telephone lines necessary for the administration of the watershed will be constructed by the Government at no expense to the city. The Forest Service will also plant up any open areas capable of bearing a stand of timber. The primary object of such reforestation is to provide a complete forest cover to prevent sediment being washed into the streams and regulate the run-off, thus making the flow more uniform throughout the year.

The Government carefully supervises all operations conducted upon the watershed and will issue no permits for any purpose that shall in any way threaten the purity of the water. No settlement under the forest homestead act will be allowed by the Government while this agreement is in force.

There are already 1,145 cities and towns in the United States which derive their water supply from the national forests. The protection of the headwaters of important streams is one of the objects for which national forests were established, and the Forest Service, in keeping with this object, welcomes the cooperation of cities in protecting the regions from which their water supply is drawn when that region is a part of a national forest.

By entering into a cooperative agreement of this sort Everett will secure an excellent supply of water for city use and power purposes without the heavy initial expense of actually purchasing the land and the constant heavy expense of protecting it from fire and trespass. In 1909 Seattle, unlike Everett, took steps toward the actual purchase of the Government land in Cedar River watershed, the source of her water supply. This purchase, which would require an investment of a half million dollars, has not yet been consummated, and the great economy made possible through a cooperative agreement with the Government has been brought to its attention. It is expected that several other Sound cities will enter into such agreements as soon as they outgrow their present water supply.

The average citizen in the State of Washington is proud of the fact that he owns part interest in the forest reserves, and the men who fail to recognize that fact are reckoning without their host. Do the workers and others in the East take any pride in the railroad-owned coal mines of Pennsylvania and West Virginia?

I noticed in the New York American of May 8 last the following statement:

COAL DEALERS OF CITY COMBINE TO "FOSTER TRADE."

A combine of the biggest coal dealers of this city was sanctioned yesterday by Supreme Court Justice Davis, in granting a certificate of incorporation to the Coal Merchants' Association.

Nothing is said in the articles of incorporation as to the effect that this association will have on the price of coal next fall, but there is a statement that the dealers have organized "to foster trade and commerce." The articles of incorporation read:

"To foster trade and commerce; to reform abuses relative thereto; to secure freedom from unjust and unlawful exactions; to diffuse accurate and reliable information as to the standing of merchants, other people, and other matters; to procure uniformity and certainty in customs and usage in the retail coal, wood, and fuel business; to settle differences between members; and to promote a friendly interest among those engaged in the said business."

The directors are Michael F. Burns, No. 16 East Sixty-third Street; Grove D. Curtis, No. 512 West Fifty-eighth Street; Olin J. Stephens, No. 125 East One hundred and forty-sixth Street; Thomas F. Farrel, No. 147 West Ninety-seventh Street; Warren A. Leonard, No. 593 Riverside Drive; George J. Eltz, No. 441 West Forty-seventh Street; Frederick H. Willenbrock, Yonkers; John J. Garden, Bozota, N. J.; John W. Bellis, Oradell, N. J.; Theodore S. Trimmer, Mount Vernon; Frederick Rheinfrand, No. 306 West One hundred and second Street; H. L. Herbert, Lakewood, N. J.

What is probably the most striking argument in favor of national conservation of public lands is from the report of the Bureau of Corporations made to the President.

Concentration of timberlands in the United States in the hands of a few owners is discussed at length in the second and third parts of the report of the Bureau of Corporations on the lumber industry submitted to President Wilson by Commissioner Davies.

Two men hold 49 per cent of the timber in southwestern Washington, the report says; 5 men hold 36 per cent in western Oregon; 6 have 70 per cent in northeastern California; 10 have more than half of the redwood area; and in north central Idaho 4 holders have 50 per cent.

The main fact shown is that 1,694 timber owners hold in fee over one-twentieth of the land area of the entire United States, from the Canadian line to the Mexican border. In many States of the 900 timbered counties investigated they own one-seventh of the area.

These 1,694 holders own 105,600,000 acres. This is an area four-fifths the size of France, or greater than the entire State of California, or more than two and one-half times the land area of the six New England States. Sixteen holders own 47,000,000 acres, or ten times the land area of New Jersey. Three land-grant railroads own enough to give 15 acres to every male of voting age in the nine western States, where almost all their holdings lie.

Moreover, the States appear to have disposed of the various Federal grants made to them in such a way as to contribute to the concentration of land and timber ownership. Florida is a striking example of this.

The people have learned their lessons, and there is no chance for the men who want to grab these resources under the old plan. We want development, but we will not release our hold on the title to these remaining resources.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LA FOLLETTE. Mr. Chairman, I yield the remaining time on this side to the gentleman from South Dakota [Mr. BURKE].

The CHAIRMAN. The gentleman from South Dakota [Mr. BURKE] is recognized for 20 minutes.

Mr. BURKE of South Dakota. Mr. Chairman, I can not support this bill, and I do not intend to vote for some of the other bills that will be considered under the program adopted by the special rule making in order certain bills known as conservation measures. I am not going to discuss the details of this bill. As stated by the gentleman from Colorado [Mr. TAYLOR], the bill, in the main, is undoubtedly a good measure and has been well and carefully considered by the able Committee on the Public Lands. I am opposed to the bill because I am not in favor of the policy that this kind of legislation proposes.

In order that my position may not be misunderstood, I want to say that I am in favor of real conservation, conservation that means the least practicable waste consistent with the greatest practicable use. I am opposed to monopoly in any form, but I believe monopoly can be controlled, if not prevented, by legislation declaring certain combinations of capital and acts unlawful, and by providing severe penalties for violations of the law, and that it is quite within the power of each State to suppress or destroy monopolies within its borders, and particularly so far as controlling and regulating its natural resources are concerned.

I am opposed to any policy that contemplates the leasing for a considerable period any portion of the public domain for any purpose, believing that it is in conflict with the theory of the policy that has heretofore obtained in the United States, which has been to pass the public lands and national resources into private ownership, thereby subjecting them to taxation within the State where located, which is fundamentally essential if the State is to prosper.

The conservation advocated by those who assert that they are the only true friends of conservation contemplates that the Federal Government shall retain and control all the natural resources, which can only result in a powerful bureaucratic policy, carrying with it innumerable positions with large salaries and perquisites and affording opportunities for unlimited graft.

An article recently appeared in a publication known as Mining Science, by Mr. Chester T. Kennon, a mining engineer, who resides in Colorado, and it being apparent that he has given the subject close study, and believing that what he has said is appropriate at this time, I will read the article, and I invite the careful attention of the House to what Mr. Kennon says:

"PREDATORY BUREAUCRATS AND THE LEASING SYSTEM.

"[Chester T. Kennan, M. E.]

"No system of true conservation or good government requires that our citizens be made tenantry of a governmental landlord.

"The land and natural resources alone make possible industrial and commercial existence of the individual State; they constitute its first capital and stock in trade, upon which it must conduct its business and development and maintain a government 'republican in form,' as required by its act of admission as a State.

"The right of taxation is so necessary and fundamental that a sovereign State without it can not continue. To the latter imperative end, and to place the new States on an equal footing with the original States, and to provide that ours be a Nation of home owners, it has been this Nation's policy from the beginning to pass the public lands and national resources into private ownership, private control, and private development.

"It is the plain duty of every citizen to assert, and the courts to maintain, the sovereignty of the State in conformity with that article of the Federal Constitution which provides that 'the powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States, respectively, or to the people.' It is, therefore, the manifest right of every citizen to demand government by the people rather than by bureaus of the Central Government; and in so far as the constitutional power of regulation in these respects is vested in the several States it is fundamental and imperative that it be not divested or invaded.

"The acts of Congress admitting the public-land States to the Union contain the declarations which are taken from the ordinance of July 13, 1787, including the following provision: 'The State of ——— shall be one and is hereby declared to be one of the United States of America, and admitted into the Union on an equal footing with the original States in all respects whatever.'

"It is also provided in such acts of admission of new States that 'they shall never lay any tax or assessment of any description whatever upon the public domain.'

"Neither the United States nor any State has the power to do any act or pass any law which will create inequality between the States, and any attempt on the part of either to do so is void and of no effect, ab initio. (39 Fed. Rep., 730; 9 Peters, 224; 15 Peters, 449; 104 U. S., 621; 146 U. S., 387; 152 U. S., 387; 164 U. S., 240; 168 U. S., 349; 176 U. S., 83, 87; 187 U. S., 479, 483; 190 U. S., 508, 519; 198 U. S., 371; 198 Fed. Rep., 539.)

"The United States alone has no power to create unequal States by Executive act, by law of Congress, or by judicial interpretation of those laws, and all of such attempts are void. (198 Fed. Rep., 539.)

"In 1845 the United States Supreme Court, in the case of Pollard's Lessee *v.* Hagan (3 How., 212), decided and laid down as fundamental law of the land 'that the transaction between the United States and Virginia and Georgia and the Louisiana Purchase constituted a contract and created a trust, under which the United States secured control of the public lands to pay the public debts by bona fide disposing of them in order that new States might be erected, which should be equal in every respect to the original States; that the United States holds the lands for temporary purposes only, and in trust for the States where they lie; and that until the lands were disposed of by the United States the new State was not on a footing of equality with the original States.'

"As late as May, 1911, the United States Supreme Court, in the case of Coyle *v.* Oklahoma (221 U. S., 559), quotes the above case of Pollard's Lessee *v.* Hagan with approval and reaffirms the perfect equality of the State in relation to the United States.

"The United States Government holds the public domain in trust (not in fee). What each citizen, therefore, owns in the public domain is his right to acquire a segment of it if he chooses so to do. Congress has no power to authorize the Central Government to seize the title in fee and perpetuity and rent the lands to the people.

"The status of our public-land system now is, and always has been, that the Central Government holds the public domain temporarily and in trust, to be erected into sovereign States upon an equal footing with the original States in every respect; to afford equal opportunity to every citizen to acquire a home; and to be disposed of at nominal prices to private ownership, in order that the Central Government might, as speedily as possible, retire as a landlord from the several States. The people have always emphasized that the Government should not hold the public lands, even in trust, any longer than absolutely necessary to systematically and equitably pass them to private ownership. The day has long gone by when it was thought right or justifiable that the king, government, ruling classes, or bureaucrats should own and control the land in perpetuity and rent it to the people.

"Under this beneficent, enlightened democratic land system we have reared the leading and most progressive Nation of the world.

"The bureaucrats, or 'conservationists'—under the latter alias they seem to prefer to operate—now demand that our established system of land tenure be subverted, and our form of government in a vital principle revolutionized.

"They are now conjuring Uncle Sam to be a traitor to his trust, to embezzle the 'trust fund,' to become the most royal, selfish landlord this world has ever witnessed, to seize soil within the States in perpetuity, free from taxation, to rent the land to his tenant vassals, to deny public-land States equality with the original States, to destroy their sovereignty, make them provinces, and draw a line around the western third of the United States and denominate it on the map, 'Ireland of America—doomed forever to fight for "home rule."'

"Manifestly, their scheme is not progressive, but reactionary at least 1,000 years.

"Any form of conservation which fails to take into account the rights and needs of the present generation evidently does not cover the whole field and has no place in this country.

"True conservation may be defined as the least practicable waste consistent with the greatest practicable use.

"Conservation is a technical and scientific subject, while the ownership and passing of title to the public land is a political and sociological subject, and the two have no necessary connection; yet, while sailing under the fair banner of 'conservation,' our bureaucrats have attempted to create and take over to themselves the most gigantic land monopoly this world has ever witnessed—already having under their control in forest reserves, withdrawals, etc., near 200,000,000 acres, an area greater than many kingdoms of Europe combined.

"An example of true conservation is presented by the management of our great stockyards, where every conceivable part of the slaughtered animal is saved and placed to a fitting use. The

great modern coal-coking plants and large petroleum refineries are striking examples of conservation, by saving a vast number of by-products that would otherwise be wasted or not placed to their most valuable use. Every advance in metallurgical processes which enables us to more cheaply extract metals from their ores and thereby utilize lower grades of ore at a profit is a long step in the field of true conservation. Life-saving and labor-saving devices and the protection of property from destruction and waste by fire are legitimate and worthy forms of conservation.

"But unmindful of the truism so pertinently expressed by President Wilson, that 'conservation is not reservation,' our bureaucrats have practically ignored conservation and devoted all their energies to reservation, seeking to reserve under their own control all the public domain and its natural resources as against the public-land States and the people, until we are now burdened with the omnipresent forest reserves, park reserves, military reserves, naval reserves, coal reserves, water-power reserves, missionary reserves, Government reserves, school reserves, bird reserves, and archæological reserves, and then they withdrew practically all the balance of the desirable lands from market under the pretense of 'classification'; and now they are introducing bills in Congress to accomplish their final coup d'état by having the Government seize title to the public domain in fee and perpetuity, and lease it to the people, the bureaucrats at last firmly in the saddle as administrators of the grand feudal empire.

"During the sinister progress of this long-drawn-out campaign for bureaucratic autocracy the musty air of medieval tyranny has become ever thicker and more suffocating to western nostrils, consistently with their purpose, the most strenuous effort of the bureaucrats have been exerted to retain the public domain in a state of nature, to prevent development, and to prevent the public lands from passing to private ownership until such time as they could prevail upon Congress to have the central government seize the public domain in fee and rent it to the people and make the bureaucrats administrators of the vast estate.

"What coterie of politicians, pray, would not like to be administrators of such vast empire, with power, salaries, perquisites, patronage, and opportunities for graft unlimited?

"While each State has all the power to suppress or destroy monopoly within its borders that the central government has within its sphere, yet while striving to create the greatest land monopoly that ever existed, the most popular slogan of the bureaucrats has been that only their plan could prevent monopoly of the public domain. Even if we had no special statutes in this behalf, monopoly could be suppressed or destroyed under the common law of England.

"Would it not be timely and apropos for our lawmakers at Washington now, while they have their hands in at investigating and dissolving 'trusts,' to investigate this one, the greatest and most noxious of them all—the public-domain trust of the United States—now hatching on the floors of Congress?

"There appears to be no limit to the legislative power of these autocrats of the bureaus. They boldly occupy the 'twilight zone' between State rights and the rights and powers of the Central Government, and to enforce their bureau-made laws have inaugurated a reign of terrorism in the Western States through an organized army of many thousands of men, including forest rangers, petty officers, mineral examiners, general solicitors, special solicitors, attorneys, press agents, statisticians, common spies, muckrakers, lecturers, detectives, secret-service agents, affidavit gleaners, collectors of rents and bills and royalties, star-chamber courts, etc. While we are compelled to admit that the spy system of our bureaus is now the finest in all the world—not even that of Turkey or Russia excepted—in simple justice to the American people we are gratified to state that the people are not proud of it. We are bowed down with humiliation and shame that such a glaring example of monstrous tyranny and oppression has gained a foothold on American soil.

"We should not now turn our backs upon our enlightened form of government and, at the bidding of these purely political 'conservationists' for gain, retrace our steps to feudal times and conditions. We should not drift from the principle of encouraging the individual, the small owner, and the home, but if occasionally there are abuses, or men file upon land wrongfully, let the individual case be punished under the established laws of the land.

"Under the leasing system we would have the feudal condition of a portion of our citizens being freeholders and freemen and another portion being tenantry and serfs of the ruling landlord. We would then have on American soil the political spectacle of one portion of our citizens paying taxes to maintain an ancient form of government over another portion.

"The Western States hold that it is the just prerogative of each State in the Union to adopt such system of true conservation of the resources within its borders as may best suit the needs and purposes of its people, exercising therein such practical economy in behalf of future generations as may by each State be deemed wise and provident.

"As an illustration Gov. Ammons has well pointed out that the leasing system would mean, in effect, that Colorado would ultimately pay into the Federal Treasury on coal alone, figuring the present highest rate of royalty, the enormous tax of $37,100,000,000, while it would pay annually on water power alone, when fully developed, twice as much as it now collects in State taxes for all purposes.

"The people realize and keenly appreciate that there is a wide distinction between the act of two citizens equal under the law making a contract of lease between themselves and the ruling landlord, who is also the lawmaker, contracting or forcing a contract with his tribute payer under the law. It is a luminous fact in history familiar to all that whenever a government and its officials became vested with the resources of the people and their opportunities to make a living, the people were no longer free and that form of government was doomed to eventual, if not speedy, wreck.

"The experiment of governing people through the soil has been often tried, but never with ultimate success. The man who says it should now be tried, whatever he may call himself, is a socialist, pure and simple; but he is too late with his doctrine in this country, unless he proposes that Uncle Sam seize the title in fee to the whole area of the United States and lease it all, so that we shall all be on an equal footing. Abraham Lincoln said: 'Tell the people the truth, and the Nation is safe.'"

Mr. FERRIS. I yield five minutes to the gentleman from Colorado [Mr. SELDOMRIDGE].

Mr. SELDOMRIDGE. Mr. Chairman, the platform of the Democratic Party in the State of Colorado in 1912 emphatically declared the opposition of the party to a policy that would extend and enlarge the control of the Federal Government over the natural resources of the State. That declaration was afterwards ratified and indorsed by the legislature of the State, in the form of a memorial addressed to the President and to this Congress. Many of the commercial organizations of the State, without regard to party, have united in protest against the continuation of a policy which leads to an increase and enlargement of Federal supervision of our natural resources. This bill and others to follow it are seeking to reconcile interests which have been and are now more or less antagonistic. We are trying to retain governmental ownership, governmental supervision, and governmental inspection over all the ramifications of operation and development of water-power sites, and at the same time we are trying to offer to private interests attractive inducements to embark in enterprises over which they will not have absolute control, so far as ownership is concerned.

Having lived for 35 years in the West, having witnessed the growth of my State from comparatively small beginnings but with unlimited resources to a State of most opulent wealth, of diversified resources, and of enlarging commerce and industrial activity, all of which have come from individual energy and the investment of private capital, I contend that there is not the necessity for this legislation that is said to exist.

I believe that these conservation measures, so called, will be enacted into law. I believe that the temper of the country has been so stimulated and exercised by those favoring enlargement of Federal power that opposition to these measures will prove unavailing. But those of us who are familiar with the conditions that exist in the States which are to be affected by their operation would certainly be derelict in our duty to our people if we did not register here our belief that this bill will be inoperative and ineffective, and will not accomplish the purposes for which it has been introduced, and for which its passage is advocated.

I am in hearty sympathy with the thought and purpose back of this bill, to increase development, to add to the wealth of the country, to bring about activity in all lines of industry and of agriculture; but, Mr. Chairman, I believe that a policy which seeks to control and circumscribe the activities of the individual, and to place a limit to his legitimate endeavor and industry, will not accomplish the end desired. When this bill is being considered under the five-minute rule I believe there will be amendments proposed that will improve the bill and make some of its provisions more liberal in their terms. We certainly desire that it will bring the results which its friends assert will follow its passage.

We heartily commend the efforts which are being made by the head of the Interior Department and the officials associated

with him in its administration to wisely administer the great interests committed to that department. The westerner will join hands with his fellow citizens in other sections of the country to prevent in every way the monopolization of the natural resources of the country, but he has not reached the conclusion that this can only be prevented through continued governmental ownership and bureaucratic administration. Our experience with the conflicting jurisdictions of the various departments and the interminable delays in reaching conclusions in matters of individual and of somewhat minor importance justify the belief that where larger matters are involved affecting the interests of communities and States the processes of administration will be equally unsatisfactory. We desire to approach this matter sympathetically and without prejudice. We realize that we must be reconciled to the policy proposed in this and other bills. We will endeavor to work out our problems of development as best we can under limitations not of our choosing, and will cooperate to the fullest extent with those officials of the Government whose purpose it will be to interpret and administer this law. There has been a remarkable development of hydroelectric energy in the West under private agencies. Some of these private corporations have required the investment of millions of capital in the construction of their plants and equipment before receiving a dollar of revenue. Their rates are subject to State regulation and their property is subject to State and Federal taxation. It is proposed by this bill to lease water-power sites to corporations for a fixed term of 50 years, and during the period of the lease control and regulate the price of their product. Can there be open and free competition between corporations whose rights are only those of lessees and those who enjoy all the privileges that come with ownership and the opportunity to plan for increased future development? A lessee will not give to the property of another that same degree of care and development that he will give to his own. He is only concerned in keeping it up to meet his immediate purposes, and we have a right to expect under the provisions of this bill that plants operating under Government leases will only be operated with the minimum of expense and capital in view of the tenure of the lease and the regulations imposed. I will admit that it has been a difficult matter to frame a constructive measure of this character and keep it in line with so many divergent views. Time will demonstrate its necessity and experience will be the guide for future legislation affecting this great field of power development.

Mr. FERRIS. I yield 15 minutes to the gentleman from New Mexico [Mr. FERGUSSON].

Mr. FERGUSSON. Mr. Chairman and gentlemen, before referring to the notes of what I want to say I want briefly to refer to the point made by the gentleman from Illinois [Mr. MANN]. My respect for the integrity as well as the penetration of his mind gave me great concern when he made the point that the bill is shadowy on this important question of where the control is to be lodged, where it shall be under State control and where to be under Federal control. I have since carefully read both section 3 and section 9. Section 3 is devoted to the proposition of providing that Federal control shall be absolute where the power plant producing the hydroelectric power or any of its lines of distribution is in two or more States. To insure completely no uncertainty on that point, section 9 looks at it from the obverse standpoint, and is devoted to enacting the proposition that as to such plants with appropriate transmission lines as exist within one State the State shall have control, but the Federal power shall have control as to one State when that State has no machinery enacted by the State for the exercise of such power; and that as soon as such State provides for State control by State commission, say, the power passes from the Federal Government in such State to the machinery for control provided by such State, similar to State railroad commissions to-day for regulation of intrastate railroads.

This is such an important point in my mind that if the gentleman from Illinois or any other Member proposes an amendment to correct any uncertainty I will be very glad to support it. Perhaps the committee will do that. I want to say for the committee that we discussed that exhaustively and we concluded that the two sections taken together make it absolutely beyond any doubt; but if there is doubt, I will support any amendment that will make it as clear as anybody may desire.

Mr. Chairman, the main reason why I sought time to speak a few words upon this bill is this: The absolute necessity to do something. Our cities are crowded with people who want homes. There is absolutely no doubt that every measure that will tend to develop the great semiarid West and make it a populous and wealthy country ought to have the support of everyone in this House, whether he come from the West or from the East, and we ought to enact legislation that will tend to develop and populate the West. It is absolutely necessary to do that for the weal of the Nation, as well as the prosperity of the States of the mountainous West. Another reason is the question of the fact of conservation, and that it has come to stay. That is where I differ from my friend from Colorado [Mr. TAYLOR] and those others who say that they want all this matter of conservation to die, and they believe it will in 8 or 10 years. I differ wholly from that proposition. The lesson of the trusts and the monopolies that control such a large section of the oil-producing lands, the coal lands, and the timberlands, the sentiment that exists all over this country, that helped to split the Republican Party more than almost any other one thing, and that has animated the Democratic Party with such enthusiasm that it has captured the Government, is that private monopoly must be destroyed and such natural resources—hydroelectric power, coal, timber, and so forth—shall be held from private ownership and administered under Government control for the general good. The wrongs that private monopolies have perpetrated on the people, the suffering of one single man and his wife and family because of outrageous acts of the Coal Trust or others of the monopolies, have made it certain that conservation in the true sense of the word has come to stay.

That being true, all these resources yet owned by the Government, the lands controlling hydroelectric power, the lands containing coal, the timberlands belonging to the Government and not yet taken by the railroads and other corporations by a system of robbery that is almost incomprehensible, insures us that conservation is here, and the lessons taught by the frauds practiced to acquire such immense holdings will not be forgotten for generations to come. Therefore something must be done to make the remaining natural resources of use to the people. All of these power sites for the production of hydroelectric power have been withdrawn from private entry in pursuance of that conservation idea that is here to stay. All of the coal still belonging to the Government has been withdrawn from private entry for the same reason; all of the timber belonging to the Government has been withdrawn from private exploitation for the same reason. What greater question confronts the statesmen of this House than this?

Mr. JOHNSON of Washington. Mr. Chairman, will the gentleman yield?

Mr. FERGUSSON. Yes.

Mr. JOHNSON of Washington. The gentleman truthfully says that this is one of the greatest questions that confronts the House. Does he not think that it would be advisable to have a few more than 25 or 30 Members of Congress listening to him expound that question?

Mr. FERGUSSON. I will say that my embarrassment decreases in proportion to the number of Members present, if the gentleman desires to know.

Mr. FERRIS. Oh, I hope the gentleman will not make the point of order of no quorum, but will let us go through. We allowed two speeches on the other side that were outside of the rule, and no one made the point of order.

Mr. JOHNSON of Washington. I am willing to leave it largely with the gentleman having the floor. If he feels that he ought to have a quorum here to listen to his statement of what he thinks is the most important bill before the House, I will undertake to get it.

Mr. FERGUSSON. I prefer to finish.

Mr. JOHNSON of Washington. Very well.

Mr. FERGUSSON. Mr. Chairman, one of the main points that I want to call attention to is that not only must we enact some such law now, but that we have done our best in the Public Lands Committee to frame a law that will be satisfactory. For weeks and weeks and days and days we have heard all sides of the question. The whole public service in the Interior Department urges the passage of this bill. Something must be done. Leave it as it is; leave us in the West locked up from the proper use and development of our resources, or enact some such law as this.

Mr. JOHNSON of Washington. Does not the gentleman think it fair to presume that the West has come to be absolutely locked up simply through the absence of a quorum in the House of Representatives at times in the past?

Mr. FERGUSSON. Oh, I beg the gentleman to allow me to finish. I will be through in a short time. I am not going to take the time allowed me by the chairman. There is necessity for this legislation. This is a great, new subject. I do not doubt that it is subject to criticism from such a mind as the minority leader exhibits daily on this floor. I do not doubt that there may be features that do not appeal fully to a great many men here, but it is a start. Take it up under the five-

minute rule, and where it is defective we will help you fix it so that we may pass it.

Consider the great blessing that it will be. There are mines of gold and copper all over the West that can not be developed because the grade of the ore is too low to admit of the kind of expense necessary—$20 a foot to sink a shaft in a gold or silver vein when the power has to come either from the miner driving his drill by hand or from power produced by burning coal, with longer drills. Think of the power of the electricity and the amount of it that can be produced in the West, in the Rocky Mountain region. Take my State. The northern line is practically from sixty-five hundred to seven thousand feet above the sea level, while the southern line is practically, in round numbers, about three thousand above sea level.

The flow of water through the mountain gorges is rapid. There are numberless places where little dams can be built by a small company for the purpose of irrigating, for the purpose of driving drills in the mine, for the purpose of driving machinery, for the purpose of running mills, for the purpose of great reduction works of copper, of silver, of gold. Not only that, but Maj. J. W. Powell, in a powerful paper, a long time ago, stated simply and briefly the configuration of that country. When I was a child I supposed the Rocky Mountains was a great big ridge of mountains running a little south of east throughout the country from Canada down to Mexico and South America. In fact the Rocky Mountains is a great plateau, a hundred miles across, and more in some places, but 50 miles across almost everywhere. There are single mountain peaks rising there 12,000 feet above the sea, and there are hundreds of ranges that have a general tendency of running northeast and southeast, and between them there are sloping plains, and Maj. Powell called attention to the fact that there is water underlying all of these plains at varying depths; that in some places artesian water could be obtained at 500 feet.

You go 500 feet in depth and you can find water anywhere in that great Rocky Mountain region. Now, by cheaply placing water on these lands, these great sloping plains, they can be made into homes for the people even where the water is hundreds of feet below the surface. Cheap hydroelectric power will solve the problem. The pumping of water for farming purposes from any but shallow depths is prohibited at present by the cost of pumping. From the great rains in the rainy season in those mountains and the melting of the immense snows that cover the mountains during the winter immense bodies of water have accumulated under the porous soil of the plains, and cheap hydroelectric pumping will insure a wonderful agricultural development in the Rocky Mountain region.

Thus, with cheap power from the electricity that can be produced from these streams falling hundreds of feet per mile, in many places, through the narrow mountain gorges where dams can be built cheaply, consider the great impetus to the development of the mines of the West, the development of the lumber forests of the West, the cheapness with which all machinery can be worked, the lighting of municipalities, street car development, and so forth. Why leave all such resources locked up and useless? Why hesitate, you people of the East? I know that there have been great wrongs produced all over the West in many years of the past, when these timber companies, for instance, were getting control of vast areas by hiring men to go and locate on 160 acres which they then transferred to the big corporations. Therefore a sentiment has been created that still permeates the East largely—that everything we do in the West is fraudulent. Ah, my friends, many men were tempted by big money to make these entries and falsify and perjure themselves in making them.

Now the people are land hungry. I know them personally. I have lived for years among them and practically traveled all over that section of country. Ninety-nine out of one hundred men who go there now seeking homes are driven there by a hungry wife and children; or, if alone, driven by a commendable ambition to own his home, to get later a wife to grace that home for him. So, my friends, I say to you to-day that if our Committee on the Public Lands, tackling one of the greatest questions that is before Congress and before the country to-day, if we have not developed that statesmanship to produce a proper bill, in view of the necessity for some bill, I implore you to help us, under the five-minute rule, to perfect it, because we need it, the country needs it, the West needs it, the whole United States needs it to furnish homes for its surplus population. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. FERRIS. Mr. Chairman, like all other questions, this question has two distinct phases. There are those people on the one side who do not think the old policy of land as land should continue, but that the water-power interests of the country should be preserved intact by the Federal Government and in the public interest lease them for a fixed term of years under proper regulation for the benefit of the development of the West and the people generally. On the other side stand the water-power people and usually with them the people who believe that water-power sites ought to go into private ownership as distinguished from Government control and proper regulation. It is their thought that any regulation that is imposed upon water power in the West is antagonistic to their interests, and so forth. I live in the West; every penny's worth of property I have or interest is in the West, and I shall not now nor in the future advocate anything that in my judgment is striking a blow at or retarding the best interests of the West. On the contrary, I want the West to be all that we think it ought to be and will be, and I want to see the West progress and go ahead by leaps and bounds. Therefore, if there be a momentary difference among us, the only one is how to be able to help that development of the West. I again repeat there are already water-power interests intrenched in the country, so much so that 24 holding companies and 27 operating companies own 90 per cent of all the water power. The 24 companies are powerful enough now. We do not want the rest of the power to reach their hands, in private ownership at least.

Mr. JOHNSON of Washington. Will the gentleman yield?

Mr. FERRIS. I will yield further to the gentleman.

Mr. JOHNSON of Washington. Do the gentleman's remarks refer to water-power decisions on the public domain or to something we have attended to in the general dam act?

Mr. FERRIS. The general dam act has to do with navigable waters and this has nothing to do with them.

Mr. JOHNSON of Washington. Then why harp on its arguments? In view of the statements which the gentleman has just made, as to what he never would do against the West, I want to ask if he remembers his fight on the building of the Alaskan railroad, and which was a fight against western development?

Mr. FERRIS. I did so oppose the railway bill. I thought that I was performing my conscientious duty at that time, because there were not enough people in Alaska to justify a $35,000,000 appropriation. I may have been in error, or the gentleman may have been in error. Time will tell. Personally, now that it is done, I hope I was in error, for there never was any glory to me to say, "I told you so." Anyway, the Congress has decided that question, and I shall not debate it now. The chief objection on the part of some of the gentlemen who have spoken is to oppose and rail against the Government having anything to do with the handling of its own property. For myself, I believe the Government has the right to do what is best for its people with its own property, and any objections or opposition notwithstanding.

Mr. OGLESBY. I want to say to the gentleman that there is something that is very interesting to my people, and I was going to ask him if he would explain his position on it. I do not want to take up his time.

Mr. FERRIS. I want to refer to a few specific things here, and then I will get to it if I have sufficient time. The second chief objection to this bill is the fact that it provides a charge for the water power that is to be generated on Government property under the lease. I call the attention of the House to the fact that that question is res adjudicata. The Sherley amendment dealt with that and was squarely voted on as a part and parcel of the Adamson bill. Both sides of this House, including all three parties, marched through the aisle and said that we should not give away without charge the water power of this country.

And for gentlemen to rail against this bill because there is a similar provision in it for a charge falls flat. What is the situation? Under the existing law we have the act of 1901, known as the revocable-permit law. Secretary Lane, himself a western man, who has had to do with the development of water power, says the revocable-permit law is not sufficient and does not bring the best results. Ex-Secretary Walter I. Fisher, a well-known and brilliant authority on water power, says it is not sufficient, is a stumblingblock to progress and so forth. Ex-Chief Forester Gifford Pinchot, a known authority, and a man who thinks almost in advance of his time, says the revocable-permit law is not sufficient. Ten or twelve engineers and financiers from New York and the West appeared before our committee, and they said that the existing revocable-permit law is not sufficient. Who says it is sufficient? Only those who want to break down progress and keep down development, so that

the selfish water-power interests that are already intrenched may go ahead and charge exorbitant rates. It is sometimes, and oftentimes, unpopular to advocate something in behalf of the Government, something in behalf of the people, but it is some one's duty, somewhere, to advocate the Government's side and the people's side, and so far as I am concerned I am willing to abide the consequences and advocate that side. [Applause.] I know that in certain congressional districts it is popular for the Congressmen to recite that he swindled the Government out of everything he could for his particular district, but for me and mine we believe it a broader standard of citizenship and statesmanship and patriotism to advocate something in the people's interest, something in the Government's interest. They are our people; it is our Government.

I call attention to the fact that in a single year the manufactured products produced from water power amounted to $17,000,000,000, seven times the receipts of all the railroads of this country. The question is not a small one. The question is not a local one. The question is not a private snap, but the question is a burning question that will grow upon us, that will in largeness pass beyond our fondest hopes in the immediate future. Every line of this bill should be carefully scrutinized; every line of this bill should be carefully looked into.

The best lawyers on the Republican side, the best lawyers on the Progressive side, and the best lawyers on the Democratic side are not too busy and are not too great in their knowledge of the law to give a little time to getting a good bill here that will develop the country in the interest of the people. And when the bill that has already passed, that had to do with navigable waters, comes back, it will again be the duty of all parties and all men to see to it that it is still a good bill. And when this bill passes and goes to the Senate, and passes over there, as I believe it will do, we ought to scan closely every line of it and see that it is still a good bill in the interest of the people. Some of my dearest friends in the House are from the West and are of the opinion that we are trying to do something wrong to the West. I assert no such thing is intended, and deny that any such effect will result. It is a misconception. I assert that this legislation will do more for the West than they know how to do for themselves. I again repeat that it is sometimes popular, it is sometimes true, that a Member of Congress can rail against the Federal Government, can decry the good offices of the Federal Government, and teach the people to hate the Federal Government; but, so far as I am concerned, I am not in the business of teaching my constituents to hate the Federal Government. I prefer to teach them to respect and love the Federal Government. I feel that the latter would be a more golden mission than the former and in the end would leave a better taste in our mouths.

Mr. JOHNSON of Washington. In view of the gentleman's statement that he might be able to do more for the people of the West than they could do for themselves, I want to ask him if he remembers a statement in the speech he made in Tulsa, Okla., that there have been four Secretaries of the Interior here who——

Mr. FERRIS. Whatever the gentleman may read out of my speeches on the stump that day does not necessarily express my views on this day. They are, however, already in the RECORD, and I will abide by any indictment the two speeches may inflict; whatever I say to-day and whatever I said then, will both be in print. I did not then, and I am sure I do not now, advocate the giving away of the Nation's assets. I am for conservation, and this bill is in the right direction.

Mr. JOHNSON of Washington. Mr. Chairman, I desire to make the point that there is no quorum present.

The CHAIRMAN. The gentleman from Washington [Mr. JOHNSON] makes the point of order that there is no quorum present. The Chair will count.

Mr. JOHNSON of Washington. Mr. Chairman, I withdraw the point of order for the present.

Mr. BRYAN. Mr. Chairman, I understand the gentleman only withdraws it for a few moments. If the gentleman is going to withdraw it now, only to renew it again in a few moments, I shall make the point of order myself. I would rather the gentleman should make it now.

Mr. FERRIS. Mr. Chairman, I have concluded my remarks. I ask for the reading of the bill for amendment.

Mr. MANN. If the gentleman from Oklahoma is through, I will make the point of order myself.

The CHAIRMAN. Does the gentleman from Oklahoma yield the floor?

Mr. FERRIS. I do, Mr. Chairman; and I ask for the reading of the bill.

Mr. MANN. I make the point of order, Mr. Chairman.

The CHAIRMAN. The gentleman from Illinois [Mr. MANN] makes the point of order that there is no quorum present. The Chair will count.

Mr. MANN. I think it is only fair to notify the Members that the bill is about to be read for amendment.

The CHAIRMAN (after counting). Seventy-one Members are present—not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Aiken	Elder	Knowland, J. R.	Platt
Ainey	Esch	Konop	Plumley
Anthony	Estopinal	Korbly	Porter
Ashbrook	Evans	Kreider	Post
Aswell	Fairchild	Lafferty	Powers
Austin	Faison	Langham	Ragsdale
Barchfeld	Fess	Langley	Rainey
Bartholdt	Fields	Lazaro	Reilly, Conn.
Bartlett	Finley	L'Engle	Riordan
Bathrick	Flood, Va.	Lenroot	Roberts, Mass.
Beall, Tex.	Fordney	Lever	Rothermel
Bell, Ga.	Francis	Levy	Rupley
Borland	Frear	Lewis, Pa.	Sabath
Brodbeck	Gard	Lindbergh	Saunders
Broussard	Gardner	Lindquist	Sells
Brown, N. Y.	George	Linthicum	Sherley
Brown, W. Va.	Gillett	Lobeck	Shreve
Browne, Wis.	Goeke	Loft	Sinnott
Browning	Goldfogle	Logue	Slemp
Bruckner	Gordon	McAndrews	Smith, Md.
Brumbaugh	Gorman	McClellan	Smith, Minn.
Buchanan, Tex.	Goulden	McGillicuddy	Smith, N. Y.
Bulkley	Graham, Ill.	McGuire, Okla.	Stanley
Burke, Pa.	Graham, Pa.	McKenzie	Steenerson
Byrns, Tenn.	Griest	Madden	Stephens, Miss.
Calder	Griffin	Mahan	Stephens, Nebr.
Callaway	Gudger	Maher	Stephens, Tex.
Caraway	Guernsey	Manahan	Stevens, N. H.
Carew	Hamill	Martin	Stringer
Chandler, N. Y.	Hamilton, Mich.	Merritt	Switzer
Clark, Fla.	Hamilton, N. Y.	Metz	Talbott, Md.
Claypool	Hardwick	Montague	Taylor, N. Y.
Coady	Hawley	Moore	Treadway
Copley	Hayes	Morgan, La.	Tuttle
Covington	Heflin	Morin	Underhill
Cramton	Helgesen	Moss, Ind.	Vare
Crisp	Henry	Mott	Vaughan
Crosser	Hinds	Murray, Okla.	Vollmer
Dale	Hobson	Neeley, Kans.	Volstead
Decker	Howard	Neely, W. Va.	Walker
Deitrick	Howell	Nelson	Wallin
Dent	Hoxworth	O'Hair	Walters
Dershem	Hughes, Ga.	O'Leary	Watkins
Dickinson	Hughes, W. Va.	O'Shaunessy	Weaver
Dies	Hullings	Padgett	Whitacre
Difenderfer	Jacoway	Palmer	White
Dixon	Johnson, S. C.	Parker	Willis
Dooling	Johnson, Utah	Patten, N. Y.	Winslow
Doolittle	Jones	Patton, Pa.	Woodruff
Doremus	Kennedy, Conn.	Peters, Me.	Woods
Driscoll	Kennedy, R. I.	Peters, Mass.	
Dunn	Kent	Peterson	
Dupré	Kless, Pa.	Phelan	

The committee rose; and the Speaker having resumed the chair, Mr. FITZGERALD, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee having under consideration the bill (H. R. 16673) to provide for the development of water power and the use of public lands in relation thereto, and for other purposes, and finding itself without a quorum, he had directed the roll to be called, whereupon 224 Members, a quorum, had answered to their names, and he presented therewith a list of the absentees to be printed in the RECORD and Journal.

The SPEAKER. The Chairman of the Committee of the Whole House on the state of the Union [Mr. FITZGERALD] reported that that committee having under consideration the bill H. R. 16673, and finding itself without a quorum, he had directed the roll to be called, whereupon 224 Members, a quorum, had responded to their names, and he presents a list of absentees for publication in the RECORD and Journal. The committee will resume its session.

The committee resumed its session.

The CHAIRMAN. General debate is exhausted. The Clerk will report the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Interior be, and hereby is, authorized and empowered, under general regulations to be fixed by him, and under such terms and conditions as he may prescribe, not inconsistent with the terms of this act, to lease to citizens of the United States, or those who have declared their intention to become such, or to any association of such persons, or to any corporation organized under the laws of the United States, or any State or Territory thereof, any part of the lands and other property of the United States (including Alaska), reserved or unreserved, including lands in national forests, national monuments, military and other reservations, not including national parks, for a period not longer than 50 years for the purpose of constructing, maintaining, and operating dams, water conduits, reservoirs, power houses, transmission lines, and other works necessary or convenient to the development, generation, transmission, and utilization of hydroelectric power, which leases shall be irrevocable except as herein provided, but which may be declared null and void upon breach of any of their terms: *Provided*, That such leases shall be given within or through any of said national forests, military

or other reservations only upon a finding by the chief officer of the department under whose supervision such forest, national monument, or reservation falls that the lease will not injure, destroy, or be inconsistent with the purpose for which such forest, national monument, or reservation was created or acquired: *Provided further*, That in the granting of leases under this act the Secretary of the Interior may, in his discretion, give preference to applications for leases for the development of electrical power by States, counties, or municipalities, or for municipal uses and purposes: *Provided further*, That for the purpose of enabling an applicant for a lease to secure the data required in connection therewith the Secretary of the Interior may, under general regulations to be issued by him, grant a preliminary permit authorizing the occupation of public lands valuable for water power development for a period not exceeding one year in any case, which time may, however, upon application, be extended by the Secretary if the completion of the application for lease has been prevented by unusual weather conditions or by some special or peculiar cause beyond the control of the permittee, the tenure of the proposed lease and the charges or rentals to be collected thereunder to be specified in said preliminary permit, and such permittee upon filing an application for lease prior to the expiration of the permit period shall be entitled to a preference right to lease the lands embraced in the permit upon the terms, conditions, and limitations authorized by this act.

Mr. RAKER. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The gentleman from California [Mr. RAKER] offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amend, page 1, lines 1 and 2, after the word "is," in line 1, by striking out the words "authorized and empowered" and inserting in lieu thereof the word "directed."

Mr. MANN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MANN. Where does this amendment come in?

Mr. RAKER. On page 1.

Mr. MANN. I make the point of order that the gentleman can not amend the enacting clause in that manner.

Mr. RAKER. It is on lines 3 and 4.

Mr. MANN. Just so that we locate it, I do not care.

Mr. RAKER. I hurriedly wrote it. I ask, Mr. Chairman, to modify the amendment. It should be on lines 3 and 4.

The CHAIRMAN. The gentleman from California asks unanimous consent to modify his amendment by correctly describing the place for its insertion. The Clerk will read.

The Clerk read as follows:

Page 1, lines 3 and 4, after the word "is," in line 3, strike out the words "authorized and empowered" and insert in lieu thereof the word "directed."

Mr. RAKER. This was one of the matters that was contested from the beginning of the hearings until their completion, and while I, as a member of the committee, am in favor of this bill as a general proposition, as to practically all of its provisions, this one condition was discussed thoroughly by the committee. I do not know whether I would be violating any of the rules of procedure by referring to what transpired in committee by saying that the amendment was lost by a 7-to-8 vote. That is, there were 7 for it and 8 against it. I may be outside the rule—I do not wish to violate the rule—but I thought it would be of benefit to the House to know that.

I want to call the attention of the House to this fact, that every man who had experience in water power, who had experience in the development of water power, and who appeared before the committee strenuously urged this amendment.

The American Institute of Engineers has a membership of more than 2,000 all over the United States and the world. A committee of that institute investigated this matter and appeared at the request of the Secretary of the Interior, and they stated their belief that it would assist in the actual development if this were made mandatory upon the Secretary of the Interior instead of leaving it discretionary; making it so that if a party possessed the necessary qualifications, if he was within the law, if he acted in good faith, if he had the necessary requisites to carry out the project and was first in time of application he should be given the first right. It has been the policy of the Government in all the public-land laws to permit the first man applying for a homestead to obtain it. It has been the same way with relation to desert claims. All the law with reference to mining claims was developed upon the custom that the first in time was the first in right if he possessed the necessary qualifications.

The entire body of the law of the Western States in regard to water has been based upon that same legal principle, and you will find none running to the contrary. I believe there was only one man who appeared before the committee who thought it would be better to leave it directory rather than mandatory, and that was the engineer of the Forest Service. This question was put up to Secretary Lane directly, and this is his answer upon the question. I want to call attention to it particularly. The chairman of the committee [Mr. FERRIS] asked him in regard to this, stating that the people who had appeared before the committee were very insistent upon its being mandatory instead of directory. The Secretary answered as follows:

No; I do not object, in general terms, to having things made definite; and, so far as I am personally concerned as Secretary of the Interior, I would like to see things made just as positive as possible, but I do not think things should be tied up in such shape that it is mandatory upon me to issue a permit to somebody whom I do not believe is acting in good faith.

That is on page 293. I believe the House ought to pass a law that will give the best man on earth an opportunity to administer that law and at the same time make it so that the meanest man will be bound by the law and can not use his discretion, his personal opinion and feelings, so that if two men apply for a water right, and the first is tall and red haired and the second one is black haired, the Secretary, though he likes the black-haired man, can not give him the preference. If the tall, red-haired man who first applies has all the qualifications and possesses the necessary means to carry out the project, I believe he ought to be permitted to have the opportunity. I believe the Secretary ought not to be given a discretion as to the individual who shall have this right.

The CHAIRMAN. The time of the gentleman has expired.

Mr. RAKER. I ask unanimous consent that my time be extended three minutes.

The CHAIRMAN. The gentleman from California asks unanimous consent that his time be extended three minutes. Is there objection?

There was no objection.

Mr. STAFFORD. Will the gentleman yield for a question?

Mr. RAKER. Yes.

Mr. STAFFORD. As I understood the answer of Secretary Lane, it was directly in conflict with the position taken by the gentleman from California.

Mr. RAKER. Oh, no.

Mr. STAFFORD. In the last sentence read by the gentleman he states unequivocally that he wants to have reserved the power to determine as to the ability and good faith of the applicant to whom he issues the permit.

Mr. RAKER. If the gentleman will put his question, I will answer it.

Mr. STAFFORD. The language, as the gentleman read it, confirms my position.

Mr. RAKER. I read it, and I remember it very well when it was given, and I marked it on my memorandum which I made at the time. We discussed it in the committee afterwards, and I have thought about it many times since. And right in that connection, neither the Secretary of the Interior nor any other administrative officer ought to be in a position to say to a man who has the qualifications under the law, who has the ability and the intelligence, and who can get his friends to assist him in the project, "Why, you have not $100,000 in the bank, and therefore, in my judgment, you may not be competent to carry out this project." The money is not the only thing in the development of water power. It requires intelligence, it requires energy, it requires experience, it requires some manhood and determination, and it requires a man at the head in whom his fellow men have confidence, so that they can rely upon him and believe that if he starts upon a project he will carry it out in better shape than the man who may have a few more dollars than he has.

But I can not understand why, at this late day, we should change and overthrow the entire policy of disposing of the public domain, not to the first man who applies, not to the man who has gone out there and pioneered and investigated it, who may have spent his time and money in finding a place where he could build a dam, and then goes to the Secretary of the Interior and makes his application, but to the second or third man, who, finding this information on file, makes application and says he wants it, and the Secretary of the Interior, after looking it over, says, "Well, I believe this second man is better prepared. He is a finer-looking fellow, and I will give him the right to obtain the lease and permit him to do so." The present Secretary of the Interior would not do this, but that is not the question.

Mr. HUMPHREY of Washington. Will the gentleman yield?

Mr. RAKER. I yield to the gentleman from Washington.

Mr. HUMPHREY of Washington. I want to suggest to the gentleman, under the policy that has been pursued by some of the Secretaries of the Interior, what difference would it make what the law was? A Secretary of the Interior told me once when there was only one applicant for one of these propositions, and he said that he had complied with the law in all respects, he told him he would not grant the permit.

Mr. RAKER. What Secretary was that?

Mr. HUMPHREY of Washington. Secretary Fisher.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FERRIS. Mr. Chairman, I ask unanimous consent to close debate on this section in 10 minutes.

Mr. MONDELL. Mr. Chairman——

Mr. FERRIS. How much time does the gentleman from Wyoming want?

Mr. MONDELL. Five minutes.

Mr. FERRIS. I ask unanimous consent to close debate on this proposition in 10 minutes.

The CHAIRMAN. The gentleman from Oklahoma asks unanimous consent that debate on this proposition close in 10 minutes. Is there objection?

There was no objection.

Mr. MONDELL. Mr. Chairman, I shall support the amendment offered by the gentleman from California [Mr. RAKER], but I do it realizing that unless the bill is vitally amended in other respects the amendment he offers will be of little avail. It is to no purpose that we shall direct the Secretary of the Interior to lease the public lands if we leave it, as the bill does, entirely in his discretion as to how and to whom he shall lease. He can readily fix conditions under which no one will care to lease, under which no one will dare to lease. As this bill gives him unlimited discretion as to terms, conditions, and charges, what do we gain by saying that he must lease? I shall, however, support the amendment, in the hope that this amendment, if it carries, will be followed by other amendments which will lay down definite rules and conditions under which, being met by an applicant, the Secretary must grant him the lease or the permit. Unless that shall follow, the gentleman's amendment will be of no avail.

Mr. RAKER. Mr. Chairman, will the gentleman yield?

Mr. MONDELL. Yes.

Mr. RAKER. If the Secretary of the Interior prepares uniform rules and regulations applying to all by which men can legitimately improve hydroelectric power, ought not that to be supported?

Mr. MONDELL. Oh, yes; if he does; but this bill does not contemplate that he shall adopt uniform rules, and he could not adopt uniform rules and carry out the spirit of the act, for the act is not based on the theory that the charges and conditions are to be uniform. It is based on the theory that they are to be fixed at the whim and pleasure, or perhaps I should say in the discretion, of the Secretary of the Interior. In due time, Mr. Chairman, I shall offer an amendment in the form of a substitute to this section placing it in a form under which the Congress does not say to an officer of the Government, "You may do as you please with all of the lands and property of the Nation," but under which we say to the people of the country, "You may acquire certain rights to develop the resources of the Nation provided you comply with certain proper and reasonable requirements."

Mr. FERRIS. Mr. Chairman, this amendment should not be agreed to. It is traveling fast in the wrong direction. To adopt it would be but a way well paved for the water-power interests to get what they want; to put the head of the Secretary in a vise as an automaton and allow them to say to him, "I come here and I have met your conditions, and I demand that you give me a lease." In other words, it would in too many cases force the Secretary to do a thing that no citizen of the United States would want him to do. Practically all of the developed water power in the United States now is in the hands of a little handful of men. Is there any doubt here that they will be better able to marshal their assets and meet the conditions with greater haste, precision, and celerity than an independent man or an independent company of citizens? Surely the House would not want to force the Secretary to grant a permit or lease to a monopoly, and thereby aid the monopoly in carrying out its oppressive design and purpose. This amendment was debated in committee at great length. Secretary Lane was consulted about it, and in the language of the gentleman from California, which he has just read. He was directly antagonistic to it, and in addition to what the gentleman from California read he said this:

> Well, of course, that would require probably stricter regulation. That is to say, we would issue a certain body of regulations with which the applicant would have to comply, and you would have to make very strict regulations if you did not have somewhere the power to reject an application.

The Secretary ought to have the right to reject an improper application, and he ought to have the right to approve a proper application, and if we make it mandatory we will take away both of those powers that ought to be reposed in him.

Further on in the hearings the Secretary said:

> Now, I do not object, in general terms, to having things made definite; and so far as I am personally concerned, as Secretary of the Interior, I would like to see things made just as positive as possible, but I do not think things should be tied up in such shape that it is mandatory upon me to issue a permit to somebody who I do not believe is acting in good faith.

Ex-Secretary Fisher was consulted on this proposition, and Mr. George Otis Smith, head of the Geological Survey, was consulted, and Mr. Gifford Pinchot was consulted on the proposition, and numerous engineers. The engineers generally who were interested in water power said that it ought to be made mandatory, and all of the others, acting in the interest of the Government, after fullest hearings, decided that the Secretary ought to have, at least, discretion enough to do the right thing.

I hope the amendment of the gentleman from California will not be agreed to. It will, if it is agreed to, work greater mischief than any Member of this Congress would desire to inflict.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from California.

The question was taken, and the amendment was rejected.

Mr. FERRIS. Mr. Chairman, there is an amendment to this section which relates to jurisdiction, and, while I have not it before me at this moment, it is an amendment that has been agreed to between the gentleman from Alabama [Mr. UNDERWOOD] and the gentleman from Georgia [Mr. ADAMSON], which provides that this bill shall in no sense step on the toes of the other bill that has been passed. The two bills, so far as subject matter is concerned, are not in conflict, and the committee does not want to have them to conflict. I ask unanimous consent that as soon as the gentleman from Georgia [Mr. ADAMSON] brings in his amendment he may have an opportunity to offer it at that time.

Mr. MANN. That does not require unanimous consent. The gentleman has the right to take the floor and offer it when he pleases.

Mr. FERRIS. I thought possibly we might pass this section before he arrived. Then it would require unanimous consent to return to it. That was my thought.

Mr. MANN. Oh, we will not get past this section to-night. There are a number of bona fide amendments which will be offered.

Mr. FERRIS. I did not want to even momentarily seem to preclude the gentleman from Georgia from offering his amendment.

Mr. HAY. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read, and I understand that the gentleman from Oklahoma does not object to this amendment.

Mr. FERRIS. I do not, although the proviso on the next page sufficiently precludes it from invading the jurisdiction of the War Department, which, of course, we do not desire to do.

The Clerk read as follows:

Page 1, line 13, after the word "monuments," strike out all in said line down to and including the word "parks," in line 1, on page 2, and on page 2, in line 10, strike out the words in that line after the word "forests."

Mr. FERRIS. Oh, Mr. Chairman, I do not want the gentleman to take off "other reservations."

Mr. HAY. There are no other reservations.

Mr. FERRIS. Oh, yes; I hope the gentleman will just take out the military reservations.

Mr. HAY. I have no objection.

Mr. MANN. Will the gentleman yield for a moment?

Mr. HAY. Yes.

Mr. MANN. The gentleman, I am sure, does not want to include in his amendment national parks, so that they can be built on?

Mr. HAY. Those parks are military reservations——

Mr. FERRIS. They are specifically excepted.

Mr. MANN. The gentleman wants to strike out——

Mr. HAY. I did that because national parks are military reservations.

Mr. MANN. Not always.

Mr. HAY. I do not know of any park that is not a military reservation. Does the gentleman know of any national park that is not a military reservation and under the control of the Secretary of War?

Mr. MANN. Yes.

Mr. FERRIS. Lots of them.

Mr. MONDELL. This bill does not include national parks.

Mr. HAY. I understand that. The reason I did that was to make it uniform.

Mr. MANN. The gentleman meant to strike out the exclusion.

Mr. HAY. Yes. Now, in view of what has been said, I ask to withdraw that amendment and offer the following: Page 1, line 13, strike out the word "military."

The CHAIRMAN. The same word appears on page 2, line 10.

Mr. MANN. The same word appears in line 10, page 2.

The CHAIRMAN. Without objection, the Clerk will report the modified amendment. Is there objection. [After a pause.] The Chair hears none.

The Clerk read as follows:

Page 1, line 13, strike out the word "military." Page 2, line 10, strike out the word "military."

Mr. STAFFORD. Would not the general language "and other reservations" include military reservations?

Mr. HAY. Yes; I want to strike that out.

Mr. STAFFORD. I think there is no question of it.

Mr. FERRIS. If the gentleman will permit, under the Pickett bill of June 25, 1910, the President has authority, which he exercised frequently, to withdraw land for a series of purposes, if the Government might have need of them in the public interest, and in many instances they have withdrawn ten times as much land as was needed or was necessary, and the gentleman would not want to strike out——

Mr. MANN. If the gentleman from Virginia would yield, I can make a suggestion to him which, I think, will be perfectly clear.

Mr. HAY. I will yield.

Mr. MANN. Strike out the language and insert after the word "parks," in line 1, page 2, so it would read, "not including national parks or military reservations."

Mr. HAY. Well, that is all right.

Mr. MANN. That saves any question as to military reservations.

Mr. HAY. And then, in line 10——

Mr. MANN. It would not be necessary to change line 10 by striking out the word "military."

Mr. HAY. Except it is very broad here—"or other reservations."

Mr. MANN. That only applies to the permit officer at the head of the department; but, as the gentleman defines it above, military reservations, you do not have to get any permit.

Mr. HAY. Well, then, Mr. Chairman, I ask——

Mr. MANN. Adopt the first amendment and then offer this after that.

Mr. HAY. Mr. Chairman, I ask for a vote on the first amendment.

The question was taken, and the amendment was agreed to.

Mr. MANN. Now, after the word "parks," in line 1, page 2, insert the words "or military reservations."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 2, line 1, after the word "parks," insert the words "or military reservations."

The question was taken, and the amendment was agreed to.

Mr. HAY. Then, on page 2, line 10, strike out the word "military."

Mr. RAKER. That has already been done.

Mr. PAGE of North Carolina. Mr. Chairman, I offer an amendment to strike out, in line 13, page 1, and in line 15, page 2, the words "national monuments."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 1, line 13, strike out the words "national monuments," and page 2, line 15, strike out the words "national monuments."

Mr. PAGE of North Carolina. Mr. Chairman, these national monuments include considerable areas of lands in the West that have been designated as national monuments. They include many of the most interesting objects illustrating and showing the prehistoric civilizations that are in this country, and under the language of this bill, merely in the discretion of an officer who has charge of granting the permit, with no other limitation, these interesting objects could be obscured, obliterated, and destroyed.

Now, I would like the chairman of the committee, if he will, to say why this language, being eliminated from the bill, would in any wise detract from the possibilities of the development of the water power on the public lands of these Western States; and if it would not be possible, if this language is not stricken from the bill, to absolutely destroy a number of these national monuments that are of great national interest and of historic value? There may be some reason that I am not acquainted with why my amendment should not be adopted; but, in my judgment, it would be a calamity if this bill were passed including language that would make it possible for the destruction of these objects that are now of very great interest and in succeeding years will be of vastly more interest to the inhabitants of the country.

Mr. MONDELL. Will the gentleman yield?

Mr. PAGE of North Carolina. I yield to the gentleman from Wyoming.

Mr. MONDELL. The only national monument that I can think of where anyone would want to cut off water power would be in the Grand Canyon. It ought to be a national park.

Mr. JOHNSON of Washington. And there is one in my district of 600,000 acres, nearly all water power, known as the Olympic Monument.

Mr. BRYAN. I wish to confirm my colleague on that proposition.

Mr. FERRIS. I know the gentleman from North Carolina [Mr. PAGE] offered his amendment in the best of faith and for the best of good purposes. But it would be an ill-advised thing for the House to do to adopt that sort of an amendment—not being disrespectful in any sense. What arises is this: Out through the West hundreds of thousands of acres have been withdrawn which are designated as national monuments. Now, the average mind would be impressed with the fact that there are some curios or some national wonders that cover this entire area. But it is not true at all.

Mr. PAGE of North Carolina. But, if the gentleman will allow, this language does not except in any degree these national curios.

Mr. FERRIS. I think it does; and I will get to that if the gentleman will pardon me. For instance, in one national monument in the State of Colorado there are 14,000 acres, and there are three or four of similar import in that State. The gentleman from Washington has just given us the information that in his State there are national monuments containing several thousand acres of land. In California there are several thousand acres of land withdrawn for national monuments. Now, no one wants to destroy one particle of historical value or one particle of national wonder, or anything of that sort; but it would be folly to except all the so-called national monuments in there and let them lie in idleness because some one corner, embodying a few acres—say, 1 or 2—of a 100,000-acre reservation, should be desired for their scenic beauty.

Mr. PAGE of North Carolina. On what pretext were these large areas of land withdrawn as national monuments?

Mr. FERRIS. Part of them were used for national forests and some of them were withdrawn for protecting water-power sites. Now, the committee had in mind just what the gentleman from North Carolina had, that no one would want to tear up these national wonders and these national monuments, and so we put in this provision:

Provided, That such leases shall be given within or through any of said national forests, military or other reservations only upon a finding by the chief officer of the department under whose supervision such forest, national monument, or reservation falls that the lease will not injure, destroy, or be inconsistent with the purpose for which such forest, national monument, or reservation was created or acquired.

Now, before a step can be taken the chief officer of the department having the national monuments under his jurisdiction must make a finding that the purposes of the water power so leased will in no sense interfere with the national wonder or for the purpose for which it was withdrawn. So I think that verifies and takes care of the purposes the gentleman from North Carolina has. If we should allow those water-power sites to lie idle and be developed by no one, it would be a blight in that country that no one would want to inflict. And I think no one cares for that.

Mr. JOHNSON of Washington. I want to state that the Olympic Monument was established for the protection of the Roosevelt elk, which is probably of more importance than the water power in the district. If you went in there with water power and general development it would probably destroy some of the elk, but as they are already starving to death, anyway, it would probably make no difference. This discussion, however, shows up a Government subterfuge, anyway.

Mr. FERRIS. I have tried and can not agree with my friend from Washington, with all his earnestness against conservation, in his harsh feelings toward what has in the past been done. I call attention to the somber fact that what has been done has been by his own party, and I do not think it is the intention of the gentleman to assault his party on that question.

Mr. MANN. Mr. Chairman, I hope the gentleman from Oklahoma will take in good faith the proposition, so as to make it apply to those things which it was originally intended to apply. There is a good deal of water power on the public domain and in the national forests which are the proper subjects of legislation. Now, I do not believe that anyone will contend that if we had a park, for instance at Niagara Falls, it ought to be left to some departmental officer to determine whether the water at Niagara Falls should be diverted for power purposes or maintained for scenic purposes.

Mr. FERRIS. Of course the gentleman is aware that the national parks are specifically excepted from the bill.

Mr. MANN. If we had a reservation there, if it were a national monument, the gentleman does not know, and no one else knows, how many great scenic places there are in this country that may be properly reserved instead of being turned over to somebody to create horsepower. The gentleman endeavored to guard this provision in the bill by requiring that the head of the department should pass upon the matter before the law was executed. The head of the department that has control of the national monuments is the Secretary of the Interior. He would have no greater discretion under this provision than he would have without it.

Mr. FERRIS. Does the gentleman feel entirely justified in assuming that a department officer will destroy the thing committed to his charge by Congress?

Mr. MANN. Oh, I do not think that they desire to destroy it at all. I think, on the other hand, they would endeavor to be conservative. I have no doubt about it at all; and if the exigency existed where we needed to have that power immediately, I would be willing to confer that power on the Secretary. But I do not think we need to do it as an experiment. This is an experiment, as more or less of our legislation along these lines is at present. I do not know; it may be that the very thing you want to preserve in a national monument would be the thing that would be destroyed by somebody. We all know that Niagara Falls would have been destroyed ere this if it had not been for legislative or treaty action by the United States, and I think we ought to except national monuments. Then I hope we can make an exception or two after that is disposed of, so as to confine this legislation to what it was intended to be in the first place.

Mr. DONOVAN. Mr. Chairman, did we not vote to close debate in 10 minutes, and have not those 10 minutes expired?

The CHAIRMAN. This is another amendment.

Mr. PAGE of North Carolina rose.

The CHAIRMAN. The gentleman from North Carolina [Mr. PAGE] is recognized.

Mr. PAGE of North Carolina. Mr. Chairman, I find by reference to the report of the Department of the Interior for the year 1913 that the number of these monuments under the administration of the Interior Department is between 15 and 20, embracing not exceeding 75,000 or 80,000 acres of land as a total. The Department of the Interior is the department that is to administer the law now under consideration, when enacted, and the chief officer of that department will have the selection or the protection of these national monuments. As I say, I find that they are 15 or 20 in number, embracing not exceeding 75,000 or 80,000 acres of land, whereas under the administration of the Department of Agriculture there are a number of other national monuments—8 or 10 of them—that embrace something like a million acres of the public lands.

Now, I agree entirely with the statement that was made by the gentleman from Illinois [Mr. MANN] that it is not the part of wisdom on the part of this Congress to invest in the discretion of an administrative officer even the possibility of the destruction of these spots of great national interest, and I am even now more thoroughly convinced than I was when I offered my amendment that it ought to prevail. I do not think that this House, for the possibility of the development of a few thousand horsepower, should make it possible to destroy these places that are now of very great interest, and which in the future will be of vastly more interest to all the people of the United States, and not merely to a few people who might be benefited by the development of the water power on these reservations. Certainly there are enough of the public lands in the great West where the development can go forward if this amendment is adopted; and it being adopted, we do not jeopardize the destruction of these places that are of interest not only to this country but are of world-wide interest to all the ages to come; and I believe my amendment ought to prevail.

I shall ask unanimous consent, Mr. Chairman, to offer another amendment before the vote is taken on the amendment, having overlooked, when I offered it, the fact that these words also occurred on line 12 of page 2, the words "national monument."

Mr. JOHNSON of Washington. Mr. Chairman, I desire to oppose the amendment. I want to call the attention of the House to the fact that the Olympic National Monument consists of 608,000 acres. It covers a few mountain peaks which are beautiful in themselves, but are in the shadow of a great scenic mountain peak over 3 miles high. The mountains in the Olympic Peninsula have on the west side, to my knowledge, at least 8 or 10 rivers, great streams pouring down a mighty water power. For years a campaign has been carried on by all the clubs on the peninsula for the elimination of this monument, which was established under the same rules as those which provided for the national monument at Gettysburg. The Olympic National Monument spreads over a territory half as large as the State of Connecticut, and in all that region all development is checked. Now you propose to exempt all hope of utilizing the water power there. The amendment will make a bad bill worse.

Mr. RAKER. Mr. Chairman, the number of the national monuments has been specified, and——

Mr. FERRIS. Mr. Chairman, I ask unanimous consent to close debate at the end of seven minutes—five minutes to be used by the gentleman from California [Mr. RAKER] and two minutes by myself.

The CHAIRMAN. The gentleman from Oklahoma [Mr. FERRIS] asks unanimous consent that debate on this amendment close in seven minutes. Is there objection?

There was no objection.

Mr. RAKER. For instance, in the shadow of my home I find Cinder Cone, a national monument, 5,120 acres. That ought to be a national park, and will be eventually. But the possibilities of water-power development, the possibilities of dams and lakes, will add to the beauty instead of detracting from it; and where you can utilize the water at this magnificent high elevation it ought to be used, instead of permitting it to run down the canyon sides and go to waste. Now let me call your attention to the Grand Canyon——

Mr. PAGE of North Carolina. The gentleman makes the statement that this particular monument, to which he now refers, ought to be, and likely will be, made a national park. If it were at this time a national park, it is excepted by the terms of this bill.

Mr. RAKER. Not in the bill creating the national park, because I am in favor of having more lakes where a national park is created. Instead of having dry canyons, I am in favor of having water in them, and I am in favor of utilizing the water that is raised away up in the skies, and get some benefit from the fall. You get a beautiful lake, you get water in the canyon, and you do a thousandfold the good that is done now with the water running down without being used, when it does no one any good.

Take the Grand Canyon of the Colorado, which contains over 806,400 acres. Many Members of the House have been there. Think of that grand territory. Think of the possibilities of developing water power there. We do not want to keep all that to look at. It was reserved for a national monument until some proper legislation was had in relation to national parks.

There has been much effort to make it a national park—part of it—and undoubtedly it will be sometime. Think of the opportunity of building dams and the opportunity of holding that water, for the purpose of having more water in the Colorado River when it is necessary for power purposes along the river as well as for irrigation in the valleys below. Why, when you stand on the brink of the precipice you can not see the bottom of the canyon, and you can not see it at all unless you go down, and it will take you a good many hours to do it. No one sees it unless he has the strength and courage to go down those trails. Why not give this Government the opportunity of getting the benefit of this water that is going to waste there every year, that will add to the beauty of those many canyons? Why not use the water, instead of leaving it as it is at the present time?

In a number of other places the condition is the same. It is not intended to destroy one foot of the land, but it is intended to utilize it and get the benefit, and I do not believe there is any Member of the House who does not realize that the more beautiful lakes there are in these mountains the greater is the addition to the value of the scenery and the value to the country surrounding them. We ought to add to it instead of detracting from it. I do not believe there is anyone in the House more in favor of preserving these natural wonders, keeping them in their primitive state, permitting no destruction of them at all, than are the members of this committee and myself; but where conditions are such that they can be used and the beauty of the landscape maintained and added to, and some value derived from it for the surrounding country, I believe it is the duty of the House to legislate so as to use the property of the Government that we get the benefit and still retain all the natural beauty and scenery. No single natural object can be destroyed under the provisions of this bill. If it can be used and none of the natural wonders destroyed in any way, then, I say, use it.

Mr. FERRIS. Mr. Chairman, there are under the War Department 6 acres of land designated "National monuments," under the Agricultural Department about 1,500,000 acres, and under the Interior Department between 75,000 and 100,000 acres of land, all so-called national monuments. Now, I would not interfere with one of those monuments, and neither would the executive officers who have them in charge; and with the bill

carrying a specific proviso that the chief departmental officer must make a finding that the water-power development will not in any sense interfere with the purpose for which the original grant was made the House has done enough. It is not right to lock up a million and a half acres in the Agricultural Department, 100,000 acres in the Interior Department, and say that the surrounding country, which is probably now an area of wild cactus, sagebrush, and mesquite, worthless, barren land, shall go on worthless forever. On the contrary, let us utilize the water, first, for power; second, for irrigation; and third, for navigation and open the West. It seems far removed at times, but there are great possibilities in the West, and it is the duty of Congress to act.

Let us be practical about these things, let us convert the ragged, jagged canyons between the mountains into a beautiful lake, with beautiful water. Let us use it, and make corn, alfalfa, and wheat grow where now cactus and sagebrush alone can survive. I would not harm one beauty of nature, and I am just as keen about that as is the gentleman from North Carolina [Mr. PAGE]. The Secretary of the Interior has the same views, and anyone who may succeed him will be the same. The present Secretary of Agriculture is the same, and we may assume anyone who may succeed him will be the same. This, of course, is not a vital amendment, it would not really break the heart of anyone if it was agreed to, but it does tie up and leave undeveloped a large section that needs development. I personally very much hope the House will not tie up a lot of land and let the water be flowing idly to the sea doing no one any good, let it go to waste merely because on one corner of a million-acre reservation there may be a little beauty of nature that will not be harmed in the least. We ought to be practical. We ought to use every foot of land that is worth using. We ought to develop cheap power to pump water for irrigation that can be developed. The amendment, of course, is offered in the best of faith, but it can not be supported by the facts. The chief officer of the department would never let any part of it be touched that had scenic value. They have full power to stop it. In short, they must make a finding of fact that it will not, which fully protects.

Mr. PAGE of North Carolina. Mr. Chairman, I ask unanimous consent to modify my amendment by including the words in line 12 on page 2.

The CHAIRMAN. The gentleman from North Carolina asks unanimous consent to modify his amendment so as to strike out the words in line 12 on page 2. Is there objection?

There was no objection.

Mr. GOOD. Does the gentleman move to strike out the words in line 15, page 2?

Mr. PAGE of North Carolina. Yes. My amendment now strikes out the words "national monuments" in line 13 on page 1, in line 12 on page 2, and in line 15 on page 2.

Mr. MONDELL. Mr. Chairman, I move to amend the amendment by including in the amendment offered by the gentleman from North Carolina the words "and other," in line 13, page 1; and the word "reservations," in line 1, page 2; the words "or reservations," in line 13, page 2; and the words "or reservations," in line 15, page 2.

The CHAIRMAN. The gentleman from Wyoming offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 1, line 13, strike out the words "and other"; page 2, line 1, strike out the word "reservations"; page 2, line 13, strike out the words "or reservations"; page 2, line 15, strike out the words "or reservations"

Mr. FERRIS. Mr. Chairman, I reserve the point of order upon that amendment. That reaches an entirely foreign matter, and is not an amendment to the amendment, and hence is not in order at this time. That reaches coal and oil withdrawals.

The CHAIRMAN. The Chair overrules the point of order.

Mr. MONDELL. Mr. Chairman, the gentleman from Oklahoma is in error when he says that the word "reservations" means reserved lands. If the gentleman from Oklahoma will be good enough to read his bill, he will find that on line 12, page 1, are the words "reserved or unreserved." All lands held under reservation are reserved lands; they are not, however, "reservations." I have moved to add to the words "national monuments," suggested by the gentleman from North Carolina, where they occur, the word "reservations," and for this reason: General leasing or right-of-way bills should deal with public lands, reserved or unreserved, and the forest reserves. When we come to deal with lands that are reserved for any definite and specific purpose, either as national monuments or other reservations—and I do not know just what that word would include in this connection, for it might include national cemeteries or Indian reservations, I am not certain—but in any event any lands definitely reserved for a specific purpose should not be included in a general right of way or general lease act. We can act upon any proposition relative to those areas by special legislation, either by a general bill applying to them specifically or by special legislation in each case.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

Mr. MONDELL. Yes.

Mr. STAFFORD. As I read this bill I interpreted the words "and other reservations" following the word "military" to include Indian reservations. I would like to inquire whether it is the intendment to include Indian reservations?

Mr. MONDELL. I think there may be some question whether it does or does not include Indian reservations.

Mr. STAFFORD. Will the gentleman yield so that I may ask the chairman of the committee if it is the intention of the committee to include Indian reservations?

Mr. FERRIS. It is.

Mr. MONDELL. Mr. Chairman, I am not certain that it includes Indian reservations. Personally I am rather inclined to the view that it does not; but I do think there should be no doubt upon that subject. It should not include Indian reservations.

I do not believe we should include Indian reservations in a general act. I do not think that under the loose term we should include other reservations the exact character of which we have not now in mind. I can not at this moment think just what land might be included in the term, and my good friend from Oklahoma, now that I have suggested to him, knows that it does not include and can not include reserved lands. Those lands are taken care of under the words "reserved and unreserved."

Mr. MANN. Will the gentleman yield for a question?

Mr. MONDELL. Yes.

Mr. MANN. If these reservations are included under the term "lands reserved or unreserved," as I understood the gentleman to say——

Mr. MONDELL. I meant withdrawals were included in those terms. The gentleman from Oklahoma suggested that withdrawn lands under the withdrawal act would not be included in the bill if we struck out the word "reservations." My contention is that withdrawn lands under withdrawal acts are not reservations.

Mr. MANN. What land is there that you can have in a reservation that is not included in the term "lands reserved or unreserved"?

Mr. MONDELL. Oh, in the term "public lands reserved and unreserved," the term as used here does not include a reservation, such as a forest reserve or Indian reservation would not include national parks.

Mr. MANN. The gentleman himself has so frequently taken a different——

Mr. MONDELL. The term "reserved" is used to designate lands that are withdrawn temporarily under some form of withdrawal, such as the general withdrawal act.

Mr. MILLER. Will the gentleman yield for a question?

The CHAIRMAN. The gentleman from North Carolina asks unanimous consent to modify his amendment in the manner indicated. Is there objection? [After a pause.] The Chair hears none. The question is upon the amendment offered by the gentleman from Wyoming.

Mr. MILLER. Mr. Chairman, I desire to be recognized in order that I may ask the gentleman from Wyoming a question, or the chairman in charge of the bill. I would like to ask the chairman in charge of the bill [Mr. FERRIS] a question if I may. I understood the gentleman from Wyoming just now to make an observation that there was a possibility of this language in the bill to include Indian reservations. I ask if the Committee on the Public Lands intended that it should?

Mr. FERRIS. It did intend to include that and all other reservations, and the Indian Office, as the gentleman understands, is a bureau under the Interior Department, and the thought was that the Interior Department having a water-power force and an organization, it was perfectly proper for them to utilize it for the benefit of the Indians, and I have a suggested amendment from the Indian Office allowing the proceeds that come from power developed on their land to go to them.

Mr. MILLER. Does the gentleman think the language employed in the first section is sufficient to cover Indian reservations?

Mr. FERRIS. We were of the opinion if the words "or other reservations" were left out it undoubtedly would.

Mr. MILLER. I certainly do not think so. I do not think by any implication it could be made to include Indian reservations.

Mr. FERRIS. I will say to the gentleman that was put squarely up to the Indian Office and that was their opinion.

Mr. MILLER. I think that is probably the poorest place to get knowledge and exact information of this character.

Mr. FERRIS. We might not be in agreement about that, but it was also put up to the Interior Department, and it was their opinion we ought to go ahead with the development for the Indians that have water power. It ought to include all water power, and the idea was to let the proceeds go to the Indians.

Mr. MILLER. I have not for a moment until just now thought that it was the intention of this bill to legislate respecting the Indians' property. In the first instance I do not think the committee has any jurisdiction over the land in an Indian reservation.

Mr. FERRIS. The gentleman realizes that the Department of the Interior has jurisdiction.

Mr. MILLER. But the Committee on the Public Lands has no jurisdiction over Indian property, and notwithstanding that they had——

Mr. MANN. Or over military reservations, but the Congress has.

Mr. MILLER. I understand Congress can pass this and it may become a law, but I think it is quite remarkable that this was intended to include lands in Indian reservations without the Committee on Indian Affairs having been advised or asked their opinion respecting it.

Mr. FERRIS. Let me ask the gentleman if he thinks when there is water power that is going to waste on an Indian reservation that could be used for innumerable purposes that it should or should not be developed?

Mr. MILLER. I can call the gentleman's attention to thousands of places now where it is going to waste, and it will never be used, and under a matter of this kind it will never be utilized.

And if I may humbly suggest—and I do not wish to set my legal attainments up in opposition to the eminent legal attainment in the Indian Office—in my poor opinion I do not think this covers Indian reservations unless you say it covers Indian reservations.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. MILLER. Mr. Chairman, I ask for five minutes more.

Mr. MANN. Mr. Chairman, reserving the right to object, I would like to suggest to the gentleman that we have been here a long time this summer and are likely to be here for some time yet. We used to adjourn at 5 o'clock. During this session we have been running until 6 o'clock. It seems to me that we have time enough ahead of us so that we may resume our normal habits.

Mr. FERRIS. Would the gentleman object to letting us finish the amendment? The debate has already been had on it.

Mr. MANN. There are several gentlemen who want to be heard further on it, and then probably there would be tellers asked, or something of that sort.

Mr. FERRIS. Only in the interest of economy of time. It seems to me that all has been said here that can be said on this proposition.

Mr. JOHNSON of Washington. There are the bird reservations, including the Aleutian Islands, in Alaska, and I would like to know something about them.

Mr. DONOVAN. Mr. Chairman, I make the point of order that there is no quorum. The gentlemen here are all disorderly.

Mr. FERRIS. Mr. Chairman, in deference to what has been said, I move that the committee do now rise.

The motion was agreed to.

The committee accordingly rose; and the Speaker having resumed the chair, Mr. FITZGERALD, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 16673) to provide for the development of water power and the use of public lands in relation thereto, and for other purposes, and had come to no resolution thereon.

LEAVE OF ABSENCE.

The SPEAKER. The Chair lays before the House the following request for leave of absence, which the Clerk will report.

The Clerk read as follows:

Mr. FINLEY requests leave of absence for 10 days, on account of business.

The SPEAKER. Is there objection?

Mr. DONOVAN. I object, Mr. Speaker.

EXTENSION OF REMARKS.

Mr. FOWLER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from Illinois asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. PETERS of Massachusetts. Mr. Speaker, I desire to ask unanimous consent to address the House on the subject of foreign trade.

The SPEAKER. The gentleman from Massachusetts [Mr. PETERS] asks unanimous consent to address the House on the subject of foreign trade. Is there objection?

Mr. MANN. Reserving the right to object, Mr. Speaker, I would like to submit an observation. The President of the United States has on several occasions done himself credit, I think, and also credit to this House, by taking away from the House and appointing to other offices some of its most brilliant and able Members. But in no case has he taken away from the House a brighter ornament than when he selected our distinguished friend from Massachusetts [Mr. PETERS] to be Assistant Secretary of the Treasury. [Applause.]

I have no objection to the request.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts to address the House.

There was no objection.

FOREIGN TRADE.

Mr. PETERS of Massachusetts. Mr. Speaker, our country is to-day meeting one of the crises in the history of civilization. We are face to face with the unusual task of balancing a world that has broken from its pathway of progress and plunged backward through the Dark Ages of human bloodshed and decay.

Instead of the spindle and the plowshare, Europe wields the gun and saber. The bugle that blinds the conscience and the minds of men and drives them headlong into savagery has replaced the sweet song of the peasant harvesters and the hum of industry. Art, science, and progress stand aghast at the spectacle. Peace departs, and with it goes that great universal movement for human uplift and the reservoir of human happiness that man has been storing up for the future ages.

The test we are required to meet to-day involves all phases of our national life. It involves the stability of American principles of democracy, wherein all races may dwell in harmony. The racial prejudices and passions of our forefathers must be repressed in the broadening minds of our citizens. There is a necessity to-day for a closer clinging to the Stars and Stripes and the liberty and happiness they represent. There is no room for European partisanship in the mind of the patriotic American. To the degree that we maintain neutrality in word and deed, to that degree do we record, individually and collectively, the success of our great American principles.

The new situation in Europe bears heaviest, however, on our leaders in trade and in government. The immediate problem is our foreign trade, for on its successful readjustment to meet the new conditions depends the welfare of our workingmen and the maintenance of our healthy growth in wealth and world prominence. The ultimate problem involves our national honor and integrity of purpose, which must bear the burden of adjustment for the great nations involved in the European catastrophe.

READJUSTMENT OF TRADE.

Within a week after the upheaval of Europe, our American trade had already begun to readjust itself. After carrying the burden of depression in the world's trade, fighting for and winning footholds in every market, the American merchants took up the new problem with zeal. They were on the brink of gathering the rewards incident to the return of great prosperity in America, when the crash of the European markets broke upon them. Although unprepared, they were animated with that fighting spirit that has always distinguished American traders, and put their shoulders to the wheel.

We must be thankful that we have in America a goodly portion of true patriots. We must not pass unheeded without due compliment the rank and file of business men who, during the recent depression, kept to the uphill road and refused to believe the rantings of false prophets.

While the press filled its columns with the plaintive cries of the weaklings, while the crafty and ignorant shouted the doom of the Nation's trade, and while the Halls of Congress resounded with calamity conjured up as political capital, the real constructive work of the Nation was being done by the real patriots in the marts of industry, agriculture, and trade.

Their work was well done and bravely done, and the healthy results tell an altogether different story from the buncombe of the alarmists. Our domestic and foreign trade is economically sound, and is equipped to meet the sudden readjustment, whatever may be the incidental troubles and eventual result.

HOLDING OUR FOREIGN TRADE.

The industrial centers of the world, astounded at the growth of our exports of manufactured goods, have had fresh cause for astonishment during the world-wide depression in trade during the past year. Under the most severe conditions of competition, wherein our foreign competitors were throwing into the market their various wares at any price they would bring, we have held our foreign trade with less decrease than our competitors.

Although the recent depression was accompanied by the lowering of the purchasing power of foreign markets, we virtually held intact our export business. This proves the sound basis on which our foreign trade rests, and the power of our manufacturers to hold this trade in the face of tremendous odds.

HOME ADVANTAGES OF FOREIGN TRADE.

The advantages of foreign markets to the American industries are many, and they make necessary the prompt and effective readjustment now going on. Our manufacturers have already reached the point where their skill and industry turn out a volume of goods greater than can be absorbed by the local market.

In many industries activity depends on the seasons. Where the product can be used only in certain seasons of the year, there are periods when machinery and workmen are not put to their full usefulness. The foreign markets, depending on other conditions of climate than our own, afford a natural outlet that calls for the full use of machinery and labor at all times of the year. All-year-round employment is the ideal employment from the viewpoint of the manufacturer and the laborer.

A MANUFACTURING NATION.

A glance at our export figures shows that our finished goods are slowly but surely supplanting the foodstuffs and crude materials that were formerly the principal items of our exports. And another glance at our imports shows an increasing demand by America for foreign foodstuffs and crude materials and less demand for foreign manufactured products.

To-day America in the eyes of Europe is becoming essentially a manufacturing Nation. Our progress in invention of machinery, the great supply of labor, ever increasing through immigration, the enterprise and energy of our industrial leaders, have all contributed to the rapid growth of American industry.

Twenty years ago, in 1894, our exports of manufactures ready for consumption were valued at $130,000,000, or 15.63 per cent of our total exports. In 1903 our exports of this finished product had increased to $327,000,000, or 23.5 per cent of total exports. Last year, 1913, we exported finished manufactured goods to the value of $776,000,000, or 32 per cent of the total exports.

The trade of the world never stands still. The broad outlook on trade notes an ever-changing aspect among the nations, in which their soil, their climate, their natural resources, the ability, ingenuity, and capacity for labor of their citizens all contribute to the change.

Slowly and surely America is becoming a workshop of the world and our people a nation of skilled artisans. Our agriculture is still the bone and sinew of American wealth. It is not going backward, but is having its normal growth. The development of industry in America, however, is changing the world's view of our country.

FOOD AND RAW MATERIALS.

The remarkable gain in imports during the present year is represented by raw materials for our factories and food for our workmen. This fact is shown in the following table, comparing April, 1913, and April, 1914, and covering the principal items of food and raw materials:

A comparison of movements during April, 1913, and April, 1914, of 15 staple articles of raw material and foodstuffs in American imports and exports.

	Gain in imports, April, 1914, over April, 1913.		Loss in exports, April, 1914, from April, 1913.	
	Gain in value.	Per cent.	Loss in value.	Per cent.
RAW MATERIALS.				
Cotton	$1,018,000	5	$9,120,000	22
Cottonseed oil	44,000	44	980,000	43
Wool	6,000,000	210		
Silk	2,056,000	23		
Rubber	1,331,000	17		
Hides	1,849,000	18	50,000	15
Fiber	1,570,000	37		
Oil, crude	262,000	33	396,000	53
Total	14,130,000		10,545,000	

A comparison of movements during April, 1913, and April, 1914, of 15 staple articles of raw material and foodstuffs, etc.—Continued.

	Gain in imports, April, 1914, over April, 1913.		Loss in exports, April, 1914, from April, 1913.	
	Gain in value.	Per cent.	Loss in value.	Per cent.
FOODSTUFFS.				
Meats	$3,500,000	300	$2,948,000	22
Cattle	1,071,000	130	40,000	17
Breadstuffs	896,000	62	7,776,000	45
Coffee	2,095,000	25	112,000	16
Sugar	2,343,000	22	69,000	30
Vegetables	523,000	71	[1]	
Fruits	875,000	22	[1]	
Total	11,303,000		10,945,000	
Grand total	[2] 25,433,000		[3] 21,490,000	
Gross increase	[4] 27,700,000		[5] 37,545,000	

[1] No loss or gain.
[2] Gain in imports for 15 commodities.
[3] Loss in exports for 15 commodities.
[4] Gross increase of all imports.
[5] Gross loss of all exports.

In eight varieties of raw materials we imported last April $14,130,000 more than in April, 1913. To any mind that is truly appreciative of American hustle and determination, does this not show that while chronic howlers were depicting our downfall last April, our real patriots, our industrial leaders, imbued with real Americanism, were determined to keep our wheels turning?

When calamity was heard at its loudest, the boom was on. When the increase in imports was pointed out as a sure sign of decay, was it not in reality the most sure sign of health and vigor of our industries?

This table, which is drawn from the official report of the Department of Commerce, not only explains the radical increase in imports, which we have seen is represented by material for our mills and food for our people, but it shows further that 57 per cent of the decrease in exports for the same month is represented in our decision to retain for our own use $21,490,000 more raw material and foodstuffs. Of the total drop in exports, comparing April, 1914, with April, 1913, which amounted to $37,544,000, more than one-half is represented in these identical items of raw materials and foodstuffs.

NEW TRADE PROBLEMS.

The manufacturers, recovering so brilliantly from the slump in the world's trade, are now facing readjustment. Not only must they seek new markets, but they must seek new sources of raw materials. A big demand for American goods is foreseen, and we are combing the peaceful sections of the earth for the material to feed our looms and workshops.

In the competition of our captains of industry for the benefits of the new order of things, it is well that this Congress has spelled into the law regulations that will protect equality of opportunity.

The rank and file of American manufacturers have shown that they deserve the aid that Congress has extended to them. The great constructive work of this Congress shall have its full effect in the reconstruction of trade that is now begun.

Just before the disruption of European peace on August 1, America had felt the quickening of the pulse of industry and had begun the garnering of nature's bounty. Our trade was returning to its natural stride. The depression that began in Europe and forced its way inevitably into our industry was being thrown off. We had been the last great Nation to be affected, we were affected to a lesser degree than our competitors, and recovered first from the depression. We demonstrated to the world the wonderful health and vitality of American agriculture and American industry.

AMERICA THE BULWARK.

Our Government is destined to be the bulwark of civilization in the catastrophe that is darkening Europe. The task is an enormous one, and it will test to the full whether American principles and American civilization are fundamentally sound and whether our Government is equipped to shoulder the responsibilities of an entire world.

Mr. Speaker, there is aroused within me on this occasion, when I am appearing in this historic body probably for the last time, the full, fond hope and belief that America is prepared. I believe we have never been better prepared to meet this world emergency.

First and foremost I believe that genuine patriotism, which is the love of fellow men and the love of peace, has supplanted in the hearts of our people that false patriotism of the Dark Ages which made men brutes at the call of country. I believe the American has risen to the plane of real civilization.

I believe that our leaders in the Senate and the House of Representatives, as well as our Chief Executive, represent our American type of patriot, and that the great peaceful feeling in our country, in the face of the catastrophe abroad, rests on the firm belief in our leaders and our institutions.

Mr. BAILEY. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. BAILEY] asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

ADJOURNMENT.

Mr. FERRIS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 12 minutes p. m.) the House adjourned until Friday, August 14, 1914, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. LEWIS of Maryland, from the Committee on Labor, to which was referred the bill (H. R. 12292) to prevent interstate commerce in the products of child labor, and for other purposes, reported the same with amendment, accompanied by a report (No. 1085), which said bill and report were referred to the House Calendar.

Mr. KEATING, from the Committee on Pensions, to which was referred the bill (H. R. 15402) to pension the survivors of certain Indian wars from 1865 to January, 1891, inclusive, and for other purposes, reported the same without amendment, accompanied by a report (No. 1084), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. GREGG, from the Committee on War Claims, to which was referred the resolution (H. Res. 591) referring certain claims to the Court of Claims for finding of facts and conclusions of law under section 151 of the act of March 3, 1911, entitled "An act to codify, revise, and amend the laws relating to the judiciary, reported the same with amendment, accompanied by a report (No. 1086), which said bill and report were referred to the Private Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. FLOYD of Arkansas: A bill (H. R. 18355) authorizing the Secretary of War, in his discretion, to deliver to the town of Prairie Grove, in the State of Arkansas, four condemned bronze or brass cannon, with their carriages and outfit of cannon balls, etc., for park on Prairie Grove Battle Field, under the auspices of the Daughters of the Confederacy; to the Committee on Military Affairs.

By Mr. HUMPHREY of Washington: A bill (H. R. 18356) to promote the American merchant marine in foreign trade and the national defense, and for other purposes; to the Committee on the Post Office and Post Roads.

By Mr. SMITH of Maryland: A bill (H. R. 18357) authorizing the Treasury Department to make certain advances for the relief of the tobacco growers of Maryland; to the Committee on Appropriations.

By Mr. O'SHAUNESSY: A bill (H. R. 18358) to revive the American ocean merchant marine; to the Committee on the Merchant Marine and Fisheries.

By Mr. LEVER: A bill (H. R. 18359) to authorize the Secretary of Agriculture to license cotton warehouses, and for other purposes; to the Committee on Agriculture.

By Mr. O'SHAUNESSY: Joint resolution (H. J. Res. 321) to make The Star-Spangled Banner the national anthem of the United States of America; to the Committee on the Library.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. COOPER: A bill (H. R. 18360) granting an increase of pension to Daniel Schunall; to the Committee on Invalid Pensions.

By Mr. CULLOP: A bill (H. R. 18361) granting an increase of pension to William M. Alexander; to the Committee on Invalid Pensions.

By Mr. GRIEST: A bill (H. R. 18362) granting a pension to Katherine Baxter; to the Committee on Invalid Pensions.

By Mr. GRIFFIN: A bill (H. R. 18363) granting a pension to Walter Thorn; to the Committee on Invalid Pensions.

By Mr. McANDREWS: A bill (H. R. 18364) granting an increase of pension to Frances M. Eaton; to the Committee on Invalid Pensions.

By Mr. McKELLAR: A bill (H. R. 18365) for the relief of the legal representatives of Reuben S. Jones and William N. Brown, deceased; to the Committee on War Claims.

By Mr. TAGGART: A bill (H. R. 18366) granting a pension to Elizabeth Campbell; to the Committee on Invalid Pensions.

By Mr. TAVENNER: A bill (H. R. 18367)) granting a pension to Rose Eastman; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. BELL of California: Petitions of 132 citizens of Los Angeles; I. L. Creesey and 13 other citizens, of Cropido; Mrs. Edna Rees and 47 others, of Glendale, all in the State of California, favoring national prohibition; to the Committee on Rules.

Also, memorial of the City Council of Los Angeles, Cal., favoring House bill 5139, providing for the retirement of aged employees of the Government; to the Committee on Reform in the Civil Service.

By Mr. BURKE of South Dakota: Memorial of the Sioux Valley Medical Association, protesting against the Nelson amendment to the Harrison antinarcotic bill; to the Committee on Ways and Means.

By Mr. CARY: Petition of Woman's Home Missionary Society of Centerville, Ind., protesting against the passage of Senate bill 5697 and House bill 16904; to the Committee on the District of Columbia.

By Mr. GOOD (by request): Petition of citizens of the State of Iowa, favoring due credit be given Dr. F. A. Cook for his polar efforts; to the Committee on Naval Affairs.

Also, petition of citizens of Marion, Iowa, favoring national prohibition; to the Committee on Rules.

By Mr. KENNEDY of Rhode Island: Memorial of mass meeting of women of Newport, R. I., favoring passage of Bristow-Mondell resolution; to the Committee on Rules.

Also, petitions of Irving Winsor, Raymond E. Beebe, H. Tobey Smith, Thomas W. Capon, Russell, Franklin, and Henry F. Perry, of Greenville; Rev. James E. Barbour, of Pawtucket; Bertley Willey, of Johnston; Anna Williams, Margaret McL. Colman, Etta P. Field, Julia A. Manchester, and L. E. Tilley, of Providence, all in the State of Rhode Island, favoring national prohibition; to the Committee on Rules.

By Mr. LLOYD: Petition of citizens of the State of Missouri, favoring House joint resolution 201, to abolish polygamy in the United States; to the Committee on the Judiciary.

By Mr. PAIGE of Massachusetts: Petition of citizens of South Royalston and Fitchburg, Mass., favoring national prohibition; to the Committee on Rules.

By Mr. REILLY of Connecticut: Petition of Elm Lodge, No. 420, International Association of Machinists, opposing any action of this Government that would involve the United States in war; to the Committee on Military Affairs.

SENATE.

FRIDAY, *August 14, 1914.*

(Legislative day of Tuesday, August 11, 1914.)

The Senate reassembled at 11 o'clock a. m. on the expiration of the recess.

REGISTRY OF FOREIGN-BUILT VESSELS.

Mr. O'GORMAN. Mr. President, with the consent of the Senator from Texas, who is in charge of the antitrust legislation, I ask unanimous consent to have the conference report on the emergency shipping bill laid before the Senate for consideration.

Mr. CULBERSON. In view of the urgency of the legislation as affecting the shipping industry I ask unanimous consent that the unfinished business be temporarily laid aside.

The VICE PRESIDENT. Is there objection?

Mr. SMOOT. I have no objection to that course, but as soon as the request is granted I desire to suggest the absence of a quorum, because I know there are a few Senators not here who desire to discuss the report.

The VICE PRESIDENT. The unfinished business is temporarily laid aside and the conference report is laid before the Senate. The Senator from Utah suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Gronna	Norris	Smoot
Brady	Hughes	O'Gorman	Sterling
Brandegee	Johnson	Overman	Swanson
Burton	Jones	Perkins	Thompson
Chamberlain	Kern	Pittman	Thornton
Clapp	Lane	Pomerene	Vardaman
Clark, Wyo.	Lea, Tenn.	Ransdell	Walsh
Culberson	McCumber	Saulsbury	White
Cummins	Martine, N. J.	Sheppard	Williams
Fall	Myers	Simmons	
Gallinger	Nelson	Smith, Ga.	

The VICE PRESIDENT. Forty-two Senators have answered to the roll call. There is not a quorum present. The Secretary will call the roll of absentees.

The Secretary called the names of the absent Senators, and Mr. SHAFROTH, Mr. SHIELDS, Mr. STONE, Mr. THOMAS, and Mr. WEST answered to their names when called.

Mr. HITCHCOCK and Mr. CAMDEN entered the Chamber and answered to their names.

The VICE PRESIDENT. Forty-nine Senators have answered to the roll call. There is a quorum present. The Secretary will read the conference report.

The Secretary read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 18202) to provide for the admission of foreign-built ships to American registry for the foreign trade, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with the following amendment: In lieu of the matter proposed by the Senate insert the following:

"That section 4132 of the Revised Statutes of the United States as amended by the act entitled 'An act to provide for the opening, maintenance, protection, and operation of the Panama Canal and the sanitation and government of the Canal Zone,' approved August 24, 1912, is hereby amended so that said section as amended shall read as follows:

"'SEC. 4132. Vessels built within the United States and belonging wholly to citizens thereof; and vessels which may be captured in war by citizens of the United States and lawfully condemned as prize, or which may be adjudged to be forfeited for a breach of the laws of the United States; and seagoing vessels, whether steam or sail, which have been certified by the Steamboat-Inspection Service as safe to carry dry and perishable cargo, wherever built, which are to engage only in trade with foreign countries or with the Philippine Islands and the islands of Guam and Tutuila, being wholly owned by citizens of the United States or corporations organized and chartered under the laws of the United States or of any State thereof, the president and managing directors of which shall be citizens of the United States, and no others, may be registered as directed in this title. Foreign-built vessels may engage in the coastwise trade if registered pursuant to the provisions of this act within two years from its passage: *Provided*, That such vessels so admitted under the provisions of this section may contract with the Postmaster General under the act of March 3, 1891, entitled "An act to provide for ocean mail service between the United States and foreign ports, and to promote commerce," so long as such vessels shall in all respects comply with the provisions and requirements of said acts.'

"SEC. 2. Whenever the President of the United States shall find that the number of available persons qualified under now existing laws and regulations of the United States to fill the respective positions of watch officers on vessels admitted to registry by this act is insufficient, he is authorized to suspend by order, so far and for such time as he may find to be necessary, the provisions of law prescribing that all the watch officers of vessels of the United States registered for foreign trade shall be citizens of the United States.

"Whenever, in the judgment of the President of the United States, the needs of foreign commerce may require, he is also hereby authorized to suspend by order, so far and for such length of time as he may deem desirable, the provisions of the law requiring survey, inspection, and measurement by officers of the United States of foreign-built vessels admitted to American registry under this act.

"SEC. 3. With the consent of the President and during the continuance of hostilities in Europe, any ship chartered by the American Red Cross for relief purposes shall be admitted to American registry under the provisions of this act and shall be entitled to carry the American flag. And in the operation of any such ship the President is authorized to suspend the laws requiring American officers, if such officers are not readily available.

"SEC. 4. This act shall take effect immediately."

JAMES A. O'GORMAN,
J. R. THORNTON,
JOHN K. SHIELDS,
WILLIAM E. BORAH,
Managers on the part of the Senate.
J. W. ALEXANDER,
RUFUS HARDY,
O. W. UNDERWOOD,
Managers on the part of the House.

Mr. O'GORMAN obtained the floor.

Mr. MARTINE of New Jersey. Will the Senator from New York yield to me for a moment?

Mr. O'GORMAN. Certainly.

Mr. MARTINE of New Jersey. I have a telegram, received this morning from the New York Shipbuilding Co., which bears directly on this bill, and, with the consent of the Senate, I should like to have it read.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The Secretary read the telegram, as follows:

NEW YORK, *August 13, 1914.*

Hon. JAMES E. MARTINE,
United States Senate, Washington:

If foreign-built ships are admitted to the coastwise trade of the United States, the wages of American shipyard labor will have to be reduced to an equality with the wages paid in foreign yards or the building of merchant vessels in American yards will absolutely cease.

NEW YORK SHIPBUILDING CO.

Mr. BRANDEGEE. I send to the desk a telegram of a similar nature, which I will ask the Secretary to read.

There being no objection, the Secretary read as follows:

NEW HAVEN, CONN., *August 13, 1914.*

Hon. FRANK B. BRANDEGEE,
United States Senate, Washington, D. C.:

Connecticut people have large investments in coastwise shipping, which will be seriously harmed if cheap foreign vessels cheaply manned are permitted in coastwise trade. Benedict Mason Marine Co. alone own 16 vessels, acquired in full expectation that the Government would maintain its protection to coast shipping. Please do all you can to save this investment from destruction.

JOHN T. MANSON.

Mr. BURTON. I have a telegram from the Pacific coast, which I ask to have read.

There being no objection, the Secretary read as follows:

SAN FRANCISCO, CAL., *August 13, 1914.*

Hon. THEODORE E. BURTON,
United States Senate, Washington, D. C.:

We most earnestly protest against bill admitting foreign ships to coastwise trade. The American coastwise merchant marine has been brought to a point second only to that of Great Britain by paying the higher standard of wages to American labor. Our ships have cost fully 50 per cent more than the foreign ships it is proposed to admit to direct competition, and this extra money was money that was spent in American labor in American shipyards. Only last year the Matson Navigation Co. spent two and a quarter million on two ships that could have been built in Great Britain for not to exceed one and a half million, and if this bill becomes a law these two vessels alone have depreciated three-quarters of a million in value. It would be a positive crime to let foreign owners step in on an equal basis and earn the fruits of our labors.

MATSON NAVIGATION CO.,
WILLIAM MATSON.

Mr. SMOOT. Mr. President——

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Utah?

Mr. O'GORMAN. I do.

Mr. SMOOT. I was simply going to say that I have a number of telegrams along the same line, but I shall not encumber the RECORD with them.

Mr. SAULSBURY. Mr. President——

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Delaware?

Mr. O'GORMAN. I do.

Mr. SAULSBURY. I have received a cable from a friend of mine who happens to be in Amsterdam regarding the shipping bill which is being considered.

I desire to say that the gentleman who sends this cable is a great personal friend of mine. I know him very well. He has been largely interested in shipbuilding in this country at the old Roach shipyard. However, he is not now in any way connected with the shipbuilding interest that I know of, but Mr. William C. Sproul is a man of large affairs in Pennsylvania.

He has been president of the Pennsylvania State Senate for many years, and is a man who is engaged in enterprises throughout the country, in West Virginia chiefly, where, with the senior Senator from West Virginia [Mr. CHILTON], he is interested in many large enterprises. He knows as much, possibly more, about the real shipping interests in this country as any man of my personal acquaintance. I ask that this telegram be read in conjunction with the others.

There being no objection, the telegram was read, as follows:

AMSTERDAM.

Senator SAULSBURY, *Washington, D. C.:*

Century's greatest commercial marine opportunity for America in speedy enactment of liberal registry laws for ships in foreign trade, but protecting coastwise commerce.

SPROUL.

Mr. PERKINS. Mr. President——

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from California?

Mr. O'GORMAN. I do.

Mr. PERKINS. I have a telegram which I send to the desk and ask that it may be read for the information of Senators.

The VICE PRESIDENT. In the absence of objection, the telegram will be read.

The Secretary read the telegram, as follows:

SAN FRANCISCO, CAL., *August 13, 1914.*

Hon. GEORGE C. PERKINS,
United States Senate, Washington, D. C.:

We must most earnestly protest against bill admitting foreign ships to coastwise trade. The American coastwise merchant marine has been brought to a point second only to that of Great Britain by paying the higher standard of wages to American labor. Our ships have cost fully 50 per cent more than the foreign ships it is proposed to admit to direct competition, and this extra money was spent in American labor in American shipyards. Only last year the Matson Navigation Co. spent two and a quarter million dollars on two ships that could have been built in Great Britain for not to exceed one and a half million, and if this bill becomes a law these two vessels alone have depreciated three-quarters of a million in value. It would be a positive crime to let foreign owners step in on an equal basis and earn the fruits of our labors.

MATSON NAVIGATION CO.,
WM. MATSON.

Mr. O'GORMAN. Mr. President, I desire to call the attention of the Senate to the changes in the bill which have been made in conference and to allude to some of the reasons for those changes.

The first change appears on page 3 of the bill as it passed the Senate. At the suggestion of the senior Senator from Iowa [Mr. CUMMINS], a provision was inserted at that point requiring that 51 per cent of the stock of all American corporations purchasing foreign ships must be held by American citizens. The conferees after very careful consideration reached the conclusion that the retention of that requirement would go far toward impairing the beneficent results expected of this legislation, that it would operate as a deterrent rather than an incentive to American corporations to purchase ships to be sailed under the American flag.

On the same page there is a provision stricken out which imposed a tax on foreign-built yachts. It seems that in the Payne-Aldrich tariff law of 1909 a tax was imposed upon foreign-built yachts, and in the Panama Canal act of 1912, by specific language, we retained that act, but in 1913, in the Underwood-Simmons law, the provision with regard to the imposition of a tax on foreign-built yachts owned by Americans was stricken out. Experience had shown that the Government derived no benefit from such a tax, because the American owners of foreign-built yachts did not bring their yachts into our ports or harbors, and they thus escaped the tax. When this bill was passed the attention of the committee was not called to the fact that in 1913 in the new tariff law the tax provision on foreign-built yachts which was inserted in the Panama act of the previous year had been repealed. Therefore it is stricken out of this bill, so as to harmonize its provisions with the tariff act of last year.

In lines 22 to 25, page 3, there is a provision that foreign-built vessels may engage in the coastwise trade if registered pursuant to the provisions of this act within two years from its passage. There were various reasons which induced the conferees to make this recommendation.

In the first place, it was demonstrated by the report of the Committee on Merchant Marine and Fisheries in the other House, not more than a year ago, that 92 per cent of all the vessels in the American coastwise trade are either owned or under the control of the railroads of the country or of shipping combinations which are operated in disregard of the Sherman antitrust law.

Mr. GALLINGER. Mr. President——

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from New Hampshire?

Mr. O'GORMAN. I do.

Mr. GALLINGER. The Senator from New York doubtless has observed that that statement has been controverted, and that the statement he quotes only alludes to the regular lines, which include a mere fraction of the entire coastwise shipping of the United States—about 8 per cent of it, I believe.

Mr. O'GORMAN. Mr. President, the fact has not been disproved that to-day the railroads of the country and the great shipping combinations are in absolute control of 92 per cent of the vessels engaged in the coastwise trade.

Mr. GALLINGER. Mr. President, I absolutely deny it, and the proof has been presented and can be presented again if it is necessary. There is only about 8 per cent so controlled.

Mr. HUGHES. Mr. President, will the Senator from New York permit me to make a suggestion?

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from New Jersey?

Mr. O'GORMAN. I do.

Mr. HUGHES. The Senator from New Hampshire is undoubtedly taking into consideration the large amount of shipping from port to port at short intervals along the coast which, in any event, will not be affected by this legislation. The Senator from New York is undoubtedly referring to the big steamships making long trips between distant ports along the coast.

Mr. GALLINGER. If the Senator from New York will state it in that way, that about 8 per cent, which includes the regular lines, may be controlled by a corporation or corporations, I have no objection; but when he asserts that 92 per cent of the coastwise shipping of the United States is controlled by corporations or the railroads, I must absolutely and utterly dissent from that statement.

Mr. O'GORMAN. Assuming that 92 per cent of the large vessels engaged in the coastwise trade are controlled by the railroads and shipping combinations operated in violation of the antitrust law, it follows that there are but 8 per cent of the vessels engaged in the coastwise trade available under the provisions of the Panama Canal act for passage through the Panama Canal, because it will be remembered that in the Panama Canal act of 1912 Congress provided that no vessel owned by a competing railroad or by a trust operating in violation of the Sherman antitrust law would be permitted to use the Panama Canal.

The Commissioner of Navigation, testifying before the Interoceanic Canals Committee some months since, estimated that of all the thousands of craft, large and small, engaged in our American coastwise trade there were probably not more than 33 ships available for use through the Panama Canal. That is the testimony of an expert, of a high official of the Government—the Commissioner of Navigation of the United States—who estimated that under the existing law probably not more than 33 ships flying the American flag would pass through the Panama Canal. If that be so, it must be apparent that it is a negligible representation of the United States through this great waterway. It is impossible for 33 ships to meet the demands of our internal commerce through that canal; and in this emergency it was thought well to permit foreign-built ships, owned by American corporations, which may be registered within the next two years, to enter the coastwise trade.

It has been stated—and it was suggested in one or two of the telegrams read this morning—that this will work a great hardship upon the American shipbuilder and the American citizen now owning American-built ships engaged in the coastwise trade. It has been stated that foreign-built ships can be purchased for 50 per cent of what it will cost in this country to build similar ships. Opinions differ with respect to that fact. I have heard the statement made that the same ship might be built on the Clyde 50 per cent cheaper than it could be built in this country, and yet I have heard the statement repeated by those familiar with the subject that the shipyards of the United States can to-day build a ship approximately as cheaply as the same ship can be built in any yard.

Certain instances were called to the attention of the committee a few months ago tending to prove that fact, and the statement has been repeatedly made—and I do not think challenged; it was made here recently by the senior Senator from Mississippi [Mr. WILLIAMS]—that there is no substantial difference between the foreign-built ship and the American-built ship in respect to the cost of construction; but there might be a great discrimination between the navigation laws of the United States respecting the operation of an American vessel and the navigation laws of other countries, which are far more liberal. That discrimination, however, will not affect any American shipowner under the provisions of this bill, if enacted into law, because the American corporation, under the provisions of this bill that takes into the coastwise trade a

foreign-built ship must operate it in the coastwise trade pursuant to every provision of our navigation laws.

Mr. HITCHCOCK. Mr. President——

Mr. O'GORMAN. Once the ship enters the coastwise trade, the foreign-built and the American-built ship stand on a perfect equality with respect to the burdens incident to operating ships in our domestic trade under our navigation laws.

Mr. HITCHCOCK. Mr. President, that was about the question I was going to ask the Senator. One of the telegrams read this morning indicated that if foreign-built vessels were admitted to the coastwise trade the result would be to lower wages paid on American coastwise ships.

Mr. O'GORMAN. Those who make that claim do not know the provisions of this bill.

Mr. HITCHCOCK. Foreign-built ships would be compelled to comply with American navigation laws and to employ American labor in their coastwise trade, would they not?

Mr. O'GORMAN. There is a subsequent provision in this bill which is the same provision that was adopted by the Senate a few days ago, permitting the President, whenever he finds that the number of available persons qualified under existing laws to fill the position of watch officers is insufficient—

To suspend by order, so far—

That means, of course, to such extent as he may deem desirable and with such limitations as he may impose—

and for such time as he may find to be necessary, the provisions of law prescribing that all the watch officers of vessels of the United States registered for foreign trade shall be citizens of the United States.

That provision was designed for the emergency confronting us regarding our over-seas trade, and it was thought that certain foreign-built ships might take advantage of this act to fly the American flag, but that they would not do so if they were compelled to dismiss their foreign crews and officers.

Mr. BURTON. Mr. President, will the Senator from New York yield for a question?

Mr. O'GORMAN. I yield to the Senator.

Mr. BURTON. That provision was evidently drawn before it was contemplated that foreign-built ships could be registered for the coastwise trade, and it seems to me to be ambiguous in its meaning. The provision as stated by the Senator from New York is as follows:

SEC. 2. Whenever the President of the United States shall find that the number of available persons qualified under now existing laws and regulations of the United States to fill the respective positions of watch officers on vessels admitted to registry by this act—

"Admitted to registry by this act" would include not only those intended for the foreign trade but those intended for the domestic trade as well.

Mr. O'GORMAN. But does the Senator think——

Mr. BURTON. One moment; let me make myself clear——

Mr. O'GORMAN. That the President would suspend the requirements of existing law with reference to vessels in the domestic trade?

Mr. BURTON. What does this mean?—

Is insufficient, he is authorized to suspend by order, so far and for such time as he may find to be necessary, the provisions of law prescribing that all the watch officers of vessels of the United States registry for foreign trade shall be citizens of the United States.

That may make the rules in regard to American citizens more binding as to vessels engaged in the domestic trade, but the paragraph does not seem to have been drawn to fit the case of boats registered for the domestic trade. How does the Senator from New York interpret that? What is its meaning?

Mr. O'GORMAN. It was not drawn in anticipation of the provision that foreign-built ships were to be permitted to enter the domestic trade; but the language of lines 13, 14, and 15, on page 4, is so broad as to make that particular section applicable only to vessels which will engage in the foreign trade.

Mr. CUMMINS. Mr. President——

Mr. O'GORMAN. I yield to the Senator.

Mr. CUMMINS. I can not quite agree with the Senator from Ohio, and much less with the Senator from New York. I do not think the words are ambiguous or admit of more than one interpretation. It is perfectly clear to me that the President, under this proposed law, will have the power to suspend our navigation laws with regard to those ships built abroad which have obtained an American registry for foreign trade and which will be permitted by this act to engage in the coastwise trade. I desire to call the attention of the Senator from New York to the language of the proposal now before the Senate.

In the first place, provision is made for the registry for foreign trade of foreign-built ships owned by an American citizen or an American corporation. Then follows this sentence:

Foreign-built vessels may engage in the coastwise trade if registered—

That is, for the foreign trade—

pursuant to the provisions of this act within two years from its passage.

Therefore, any foreign-built ship owned by an American citizen or a corporation that is registered for the foreign trade under this act is entitled, by reason of its registry for the foreign trade, to engage in the coastwise trade.

We then turn to section 2 and find that the power of the President to suspend the navigation laws with respect to watch officers applies to all vessels registered under this act for foreign trade. Of course, if the President has the power to suspend as to a particular ship the restrictions that were formerly imposed, that ship, being entitled to engage in the coastwise trade, will engage in it with the freedom and with the latitude provided in section 3; and what I have said with regard to the first paragraph of section 3 applies with equal force to the last paragraph.

Therefore, if this bill becomes a law as it now is, we shall have the amazing spectacle of a foreign-built ship, which may be officered entirely by foreigners and with a crew of foreigners and without the survey and inspection and limitations which are provided as to seaworthiness and safety, doing our coastwise business in competition with other ships which must comply with all the coastwise regulations. I do not believe the conference committee intended to do that, but that is just what it has done.

Mr. O'GORMAN. The Senator has overlooked the vital language in the second paragraph of section 2, on lines 17 and 18, where it is provided that whenever in the judgment of the President the needs of foreign commerce may require——

Mr. CUMMINS. Precisely.

Mr. O'GORMAN. Not domestic commerce. Whenever the needs of foreign commerce may require, he may suspend the requirements as to survey, inspection, and measurement. That provision has no relation whatever to the domestic or coastwise trade.

Mr. CUMMINS. Whenever, by reason of the necessities of foreign commerce, he suspends these regulations with regard to any ship, if that ship is registered for the foreign trade, it may engage in the coastwise trade. There are no limitations about that.

Mr. O'GORMAN. With respect to both of these requirements and the possible suspension by order of the President it is distinctly stated that the suspension will operate only so far and to such extent as he will permit.

Mr. CUMMINS. Precisely.

Mr. O'GORMAN. I think we may safely confide to him the proper exercise of that power.

Mr. CUMMINS. I agree that if the President does not want to suspend these regulations, or does not think it wise, he need not do it; but when he does it in behalf of any ship registered for the foreign trade, that ship, instead of engaging in the foreign trade, may, without any limitation, without any permit thereafter granted, engage in the coastwise trade.

Mr. O'GORMAN. Under the language employed, if the President finds it desirable to suspend either or any of these requirements touching the foreign trade, he may state that the suspension shall not apply to ships actually engaged in the coastwise trade. He has that power under the act.

Mr. CUMMINS. I am not certain about that, although I am not prepared at this moment to deny that conclusion; but we have it admitted, then, that the President can put a foreign-built ship registered for foreign commerce into the coastwise trade with the same freedom respecting its watch officers and its seaworthiness that obtains with regard to the foreign trade.

Mr. JONES. Mr. President——

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Washington?

Mr. O'GORMAN. I yield to the Senator.

Mr. JONES. If I understand the Senator's position, it is that the President, upon permitting foreign-built ships to be registered, can make it a part of the suspension of the law or granting of the registry that such suspension or registry shall operate simply while the vessel is engaged in the foreign trade.

Mr. O'GORMAN. In the foreign trade. He has power to stipulate that it shall not be applicable to the foreign-built vessel while actually engaged in the coastwise trade.

In addition to the changes to which I have called the attention of the Senate there were two other changes. The Senate adopted an amendment providing that the navy yards of the United States might be used, when necessary in the judgment of the President and the Secretary of the Navy, for the repair of vessels engaged in American commerce. It was thought, after an exchange of views, that the private shipyards of the country had sufficient facilities to meet all demands that our shipping might make upon them.

Mr. BURTON. Mr. President, will the Senator yield to me for a moment?

Mr. O'GORMAN. I yield to the Senator from Ohio.

Mr. BURTON. Is there not a regulation already, or is it not the custom now, that the dry docks of the navy yards are open to merchant ships when they are not occupied with work on naval ships? I understood such was the case. For instance, take the one at the Puget Sound Navy Yard; is not that available for merchant ships?

Mr. JONES. The Senator asks about the Puget Sound Navy Yard?

Mr. BURTON. Yes.

Mr. JONES. I think so, whenever it is not in use by the Government.

Mr. BURTON. So I understood. I think that is already the law.

Mr. JONES. I do not know whether there is a statutory provision with reference to that or not. I know that private ships have gone there and have been repaired.

Mr. O'GORMAN. There was a further provision that the Secretary of the Navy, in his discretion, might permit naval officers of the United States on the active or retired list to accept temporary service on board vessels engaged in commerce. It was thought that there was no need for that provision, and it was not insisted upon and is withdrawn.

Mr. HITCHCOCK. Mr. President, will the Senator state what was the reason for withdrawing that amendment? It was discussed at some length in the Senate and was considered quite valuable, in view of the admitted scarcity of officers in this country.

Mr. O'GORMAN. I do not know that the provision received much attention in the Senate. The House conferees objected to it, and the Navy Department did not think it prudent to have such a provision in the bill. On the whole, the conferees concluded it was not necessary to provide for service by naval officers on merchant ships.

Mr. HITCHCOCK. I understand that we have actually more naval officers on the retired list than we have on the active list. Many of those men are still in the prime of life. On the other hand, it seems to be admitted that in the merchant marine we actually lack enough officers to man the new vessels that are to be brought into the service.

Mr. O'GORMAN. I have an impression that if an emergency should arise where officers on the retired list could be advantageously employed on vessels of commerce that there is nothing to prevent them accepting this or any other employment; and as to officers on the active list, they can enter similar employment if granted leave of absence.

Mr. HITCHCOCK. That might be a reason; but it seems to me, if that is the case, this can do no harm. It certainly argues itself that if there is a scarcity of men available for the duty of officers in the merchant marine it would be better to permit these men who are now in enforced idleness on the retired list to take those places than to permit foreigners to have the places, with more or less danger of embroiling us in trouble with other countries that are at war.

Mr. O'GORMAN. Whether or not there is an emergency in that respect is yet to be seen. There are those who think that such an emergency will not arise. Men who are active in the seamen's unions throughout the country insist that there is no emergency, and that there are available American citizens qualified under existing law to fill any of these positions. In that situation it was not thought well to press the amendment, in view of the attitude of the House conferees.

Mr. SIMMONS. Mr. President——

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from North Carolina?

Mr. O'GORMAN. I yield to the Senator from North Carolina.

Mr. SIMMONS. I should like to inquire of the Senator from New York whether there might not also be some complications in case a vessel under the American flag were commanded by a naval officer?

Mr. O'GORMAN. That phase of the matter was brought up and was taken into consideration, too. It might lead to complications where an officer on board a vessel of commerce was also an officer of the Navy of the United States.

Mr. SIMMONS. I will say to the Senator that I am advised that in time of war it is necessary to obtain permission for a naval officer, even of a neutral country, to enter the ports or land upon the soil of a belligerent nation.

Mr. O'GORMAN. The only other change made was the striking out of section 3, which was the amendment of the Senator from Washington [Mr. JONES] as modified by the amendment of the senior Senator from Mississippi [Mr. WILLIAMS]. The advantages of that provision are secured under the provision on page 3, permitting foreign-built ships registered within two years to enter the coastwise trade.

Mr. THOMAS. Mr. President——

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Colorado?

Mr. O'GORMAN. I yield to the Senator.

Mr. THOMAS. I wish to inquire of the Senator from New York whether, when in 1852 Great Britain threw open her coastwise traffic to foreign-built and all other ships, the same forebodings of ruin and disaster to British ships were not indulged in that have been presented here by telegrams from various parts of the country?

Mr. O'GORMAN. The same outcry was made against that departure from a long-established policy on the part of Great Britain in 1856; and that suggests another observation, Mr. President. The American shipyards may think that they will suffer if we admit foreign-built ships into our domestic trade. These foreign-built ships will more than compensate the American shipyards through the increased business they will bring to them in the way of repairs. These ships will have to be repaired in American shipyards from time to time, and instead of inflicting a financial loss upon American shipyards this change may work a substantial benefit.

Mr. GALLINGER and Mr. LIPPITT addressed the Chair.

Mr. THOMAS. But is it not a fact, Mr. President, that from the shipyards' point of view the business of repairing ships is the more valuable trade of the two?

Mr. O'GORMAN. It is so regarded.

Mr. THOMAS. That is to say, is not the business of repairing more profitable than the business of shipbuilding?

Mr. O'GORMAN. It is generally so regarded.

Mr. THOMAS. Just one other question and I will be through. I wish to inquire of the Senator whether any of these prophecies of injury and disaster which were indulged in and so freely made in 1852 in Great Britain were verified by events?

Mr. O'GORMAN. According to my information they were not, and the coastwise trade of Great Britain was retained by the British shipowners, although Great Britain extended to the ships of the world the privilege of coming into British ports and competing with them.

Mr. GALLINGER. Mr. President, if the Senator will permit me, my attention was attracted to a statement the Senator made that the repairs of these ships would more than compensate American shipyards. What is the Senator going to do with these additional ships? There are a great many American coastwise ships lying idle now. Is the Senator going to add hundreds of foreign ships to the coastwise trade and have them all in business?

Mr. O'GORMAN. I am surprised that the Senator from New Hampshire states that there are many coastwise ships now lying idle. I can not imagine that they are more than ferry boats, yawl boats, rowboats, and similar craft. We have the evidence of Senators from the Pacific coast that at this time they are in crying need of shipping facilities to permit them to transport to market the products of that coast.

Mr. GALLINGER. We have the evidence of one man who sent a telegram here to that effect. I will show the Senator that there are new American ships lying idle to-day. What I want to ask the Senator, however—and I ask it in all seriousness—is this: He is going to add hundreds of foreign ships, I apprehend, to the American coastwise trade. Are not they going to displace American ships?

Mr. O'GORMAN. No; I hope there will be business for all of them.

Mr. GALLINGER. Oh, well, the Senator may hope so, but it is a vain hope.

Mr. O'GORMAN. Does the Senator believe that an American fleet of 33 vessels plying through the Panama Canal will meet the demands of our internal commerce?

Mr. GALLINGER. Mr. President, I believe that there will be a much larger fleet engaged in that trade.

Mr. O'GORMAN. The Senator is doubtless aware that the Commissioner of Navigation estimated that the number of ships available for that trade is but 33.

Mr. GALLINGER. Yes; but manifestly the Commissioner of Navigation did not take into consideration a good many vessels that are in course of construction and that were in course of construction at that time in anticipation of trade through the Panama Canal.

Mr. O'GORMAN. Does the Senator know how many vessels have been in course of construction for that trade?

Mr. GALLINGER. I can not say definitely, but there are a good many; and I will present proof to that effect in my own

time. What troubles me, however, is that the Senator says that the American shipyards are going to be more than compensated by repairs to these vessels. Why, we can not indefinitely increase the number of ships in the coastwise trade. We have enough now, and more than enough, to do the business. If the Senator adds a fleet of foreign ships to the coastwise trade, they must displace American ships, or else have no work for themselves to do, one or the other.

Mr. BORAH. Mr. President——

Mr. O'GORMAN. I yield to the Senator from Idaho.

Mr. BORAH. Mr. President, in regard to the supply of ships for western commerce, I do not know myself what the condition is. I doubt if anyone here upon the floor knows the actual situation. I do know, however, that long prior to the time this matter came before the Senate the representation had been made to me by parties greatly interested in affairs on the Pacific coast that there was a want of ships, and I was urged weeks ago and months ago to lend my aid to any effort possible to secure more ships to carry the commerce along the Pacific coast. This urgency comes from business men and from those familiar with the condition of the want of transportation means to carry our farm products. I can not imagine any reason for misrepresentation of that fact upon the part of those who made the representation. On the other hand, I must believe that they were in a position to know whether or not it was true, and my opinion is that there is an utter poverty of shipping capacity upon the Pacific coast.

Mr. O'GORMAN. Mr. President, I move that the report of the conferees be adopted.

Mr. GALLINGER. Mr. President, it will not be adopted at once. On the point that has just been raised—and then I will take up the general question—I wish to read a letter dated August 11, 1914, from the Luckenbach Steamship Co., a large company engaged in the steamship business:

LUCKENBACH STEAMSHIP CO. (INC.),
New York, August 11, 1914.

Senator J. H. GALLINGER,
United States Senate, Washington, D. C.

MY DEAR SENATOR: I beg to advise you that we have American steamers lying idle, looking for business, some of them having been idle for six months, and we would be pleased to entertain offers from the Pacific coast lumber interests at the same rate as foreign steamers.

I write this because I have been informed that the lumber interests on the Pacific coast have made the statement that there is not American tonnage available, and they therefore are favoring the enactment of a law for admitting foreign vessels to the American coastwise trade.

Very truly, yours,

EDGAR F. LUCKENBACH, *President.*

Mr. BORAH. May I ask the Senator where these people are located? Where are their headquarters?

Mr. GALLINGER. Their headquarters are in New York City; a very great city, by the way.

Mr. BORAH. A very promising burg.

Mr. GALLINGER. Quite as big as the State of New Hampshire or the State of Idaho in the matter of business.

Mr. BORAH. It was not for the purpose of reflecting upon any particular portion of the country that I asked the question, but it was for the purpose of ascertaining whether or not they were on the Pacific coast trying to secure any business. It can not be possible that men who want their goods carried on the Pacific coast are finding ample means to have them carried and at the same time representing to the representatives in Congress that they have no means. They would have no occasion to make that representation as to their business. It may be that these ships are floating upon the Atlantic coast. I do not know anything about it, but I have every reason to believe they are not engaged and are not willing to engage in business on the Pacific coast.

Mr. GALLINGER. Mr. Luckenbach says they are. Perhaps the Senator knows better than the Luckenbach Co.

Mr. BORAH. I apprehend that if he was willing to do the business he would be there trying to do it. Nevertheless, he is in New York City and his business is in New York City. It is on the Atlantic coast. Why does he not go to the Pacific coast?

Mr. GALLINGER. He proposes to go through the Panama Canal to the Pacific coast, to take business in competition with foreign steamships at the same rate.

Mr. CLARK of Wyoming. I wish to ask the Senator from New Hampshire if he has any information as to whether the steamships spoken of by his correspondent come under the ban of the Panama Canal act; whether they are permitted under that act to use the canal?

Mr. GALLINGER. I have no information on that point, but I imagine if they were under that ban that Mr. Luckenbach would not make the proposition he does. He is a business man of great experience.

Mr. BURTON. If the Senator from New Hampshire will yield to me, I have no desire to take one side or the other in this controversy, but I have sought to ascertain the facts. According to the best information I have, there is a very large number of boats on the Pacific coast that are not employed. The president of the Masters and Mates of Pacific Coast Ports, Capt. Wescott, stated to me this morning that there are as many as 53 ships on the Pacific coast at present without cargoes and some 400 men—watch officers—who were unable to obtain positions. He stated further that in the steam-schooner service there was a very large number of boats plying between local points on the Pacific coast which could bring lumber to the Atlantic coast.

Mr. BORAH. How does the Senator account for the fact that these ships are lying there for want of cargoes and the cargoes are lying there for want of ships?

Mr. GALLINGER. It is easily explained. The lumber from Puget Sound is now being sent by rail across the continent, or otherwise it would have to go around the Horn, which would be very expensive. As soon as the Panama Canal is open the lumber will be sent through the Panama Canal, and these ships will then be available.

Mr. President, I want to read a letter I received yesterday from a gentleman who is now in Washington. He is a man who has been quoted over and over again, and has been quoted in this debate—Capt. Robert Dollar, of San Francisco, a well-known shipping man. The letter is dated yesterday. Capt. Dollar lives in San Francisco. He is a shipowner. He writes me as follows:

WASHINGTON, D. C., *August 13, 1914.*

MY DEAR SENATOR GALLINGER: On my arrival here I was astounded to know that the conference committee had decided to allow foreign ships that accept American registry to engage in our coastwise trade. Owning British ships, my financial interests would be in favor of such a change, but I must protest and say that it is unfair and unreasonable, as in every port there are idle American steamers. In San Francisco alone there are over 30 at present. In this emergency, however, I am very strongly in favor of allowing foreign ships to get American registry, but to engage in foreign trade only. I do hope that the Senate will reconsider and prevent the throwing down of the bars to permit foreign ships to engage in coastwise trade.

Very truly, yours,

Capt. ROBERT DOLLAR
(*of San Francisco*).

Mr. CHAMBERLAIN. Let me ask the Senator, if it be true that these ships are lying idle in every United States port, where does the clamor come from and what initiates it for this emergency bill? In other words, why should there be a demand for the admission of foreign-built ships to carry the commerce of our country over-seas if the ports are now encumbered with unladen vessels?

Mr. GALLINGER. I suppose Capt. Dollar knows what he writes about. The Senator does not impugn Capt. Dollar, and no man in this body will do it. He has given testimony before committees and commissions in this body and the other House.

Mr. CHAMBERLAIN. I will say this for Capt. Dollar, that I have very great confidence in him, but the Senator must not forget that he has foreign-registered as well as American-registered ships.

Mr. GALLINGER. So he says. And he says that this bill, by putting foreign ships under American registry in the coastwise trade, would be an advantage to him, but he does not think it either wise or fair.

Mr. CHAMBERLAIN. I would say that Capt. Dollar is a patriotic man, so far as I know.

Mr. GALLINGER. I think Capt. Dollar is well known to be a patriotic man. I never heard his integrity or his patriotism questioned before; but in this debate every man who stands for American interests in this country is unpatriotic. That is about what it amounts to. I repudiate it. Capt. Dollar is known to a great many of us, and he is known to be a patriotic citizen.

Mr. McCUMBER. Mr. President——

The VICE PRESIDENT. Does the Senator from New Hampshire yield to the Senator from North Dakota?

Mr. GALLINGER. Certainly.

Mr. McCUMBER. Will the Senator state whether or not those 40 ships mentioned by the Senator from Ohio [Mr. BURTON] can engage in foreign commerce?

Mr. GALLINGER. I am only giving the facts as I have them before me.

Mr. McCUMBER. I am asking for information.

Mr. GALLINGER. I am not going to speculate about it at all.

Mr. BURTON. I should like to answer that I do not believe most of these boats would be available for foreign commerce. Of course those built for the coastwise trade are built with that object in view, and they would not go far from the coast. There are passenger and freight accommodations provided under different conditions and in a different manner from the provision on trans-Atlantic steamers. Some of them would be avail-

able for the foreign trade, but I think it would be a comparatively small share. Of course these boats for the coastwise trade could, many of them, go across the ocean, but naturally they would not do so.

Mr. LIPPITT. I should like to say to the Senator from Ohio if these vessels are efficient for the performance of the coastwise trade for which they were built, they would be seriously interfered with by the admission to that same trade of foreign-built vessels, I presume.

Mr. BURTON. I think so. Of course the regulation in regard to masters and watch officers can be suspended. That makes a very serious difference in the cost of operation. I have some figures given me by a company operating boats from New York to the effect that they have a certain class of boats under the Norwegian flag, chartered boats, under an arrangement by which the lessors of the boats furnish officers and seamen. The Norwegian owners pay $85 a month to their captains, yet the same company pays $250 and $225 to the captains of boats having American registry.

Mr. GALLINGER. Mr. President, so far as this dearth of steamships on the Pacific coast is concerned, the only testimony that has been presented has been a telegram from one citizen of Seattle. I have forgotten his name. I will ask the Senator from Washington [Mr. JONES] if he knows him and what means he has of determining this question. Has he looked beyond Puget Sound to see whether there are American ships available for that trade?

Mr. JONES. I did not understand the first part of the Senator's question.

Mr. GALLINGER. I asked the Senator if he personally knew the man who telegraphed him.

Mr. JONES. Bloedel.

Mr. GALLINGER. Bloedel.

Mr. JONES. Who sent the telegram. I do know Mr. Bloedel. I have known him for a great many years. He is one of the leading business men upon the Pacific coast and a man of great intelligence, and I know that he is familiar with the conditions out there, especially with reference to the lumber trade and with reference to shipping facilities, and that he is thoroughly reliable. Of course I do not know just what he referred to with reference to the particular statement referred to. It has been suggested that there are a great many ships on the Pacific coast that are idle. There may be some ships that are idle, but they are not suitable for the trade we were especially anxious about. There may be some ships that are idle in the local coastwise trade. There is no showing with reference to the vast number of ships mentioned that those ships may be suitable for the trade through the Panama Canal, which is practically over-seas trade.

Mr. GALLINGER. The presumption is that Capt. Dollar would not say that there are 30 ships idle at San Francisco unless he knew they were available for the trade that it is contemplated to put them in.

Mr. JONES. He does not say that those ships are suitable for the over-seas trade.

Mr. GALLINGER. That is to be assumed.

Mr. JONES. Why assume it? That is assuming the whole case.

Mr. GALLINGER. Not at all. In addition, Mr. Luckenbach, of the Luckenbach Steamship Co., says he has ships and that he will take cargoes from Puget Sound to the Atlantic ports in competition with foreign ships upon the same terms. He must have some ships that are available that were properly constructed for that trade.

Mr. JONES. I wish he had given a little more detailed information in reference to the character of ships if he wanted those people to know that he was prepared to carry their products. I do not question Mr. Luckenbach's integrity, but I wish he had stated more facts about his idle ships.

Mr. BORAH. It would be well for him to communicate with the people who have cargoes.

Mr. GALLINGER. Mr. President, that is neither here nor there. One man sends a telegram here who has not looked beyond his nose to ascertain whether there are ships or not, but the men who have ships and say they are ready to put them into the service have their motives impugned, and the suggestion is made that they are not to be relied upon.

Mr. GRONNA. Mr. President——

Mr. GALLINGER. I yield to the Senator from North Dakota.

Mr. GRONNA. The Senator from Washington says that Capt. Dollar does not state that these ships are suitable for over-seas trade, but it seems to me that that is not the question. They certainly would be valuable for the coastwise trade.

Mr. JONES. That is not the question which was involved in the matter that I was especially interested in in the original proposition. The conference committee has broadened the proposition as it passed the Senate, so that it will include the coastwise trade generally and permit all vessels of American registry to engage in the coastwise trade.

Mr. MARTINE of New Jersey. Mr. President——

Mr. GALLINGER. I yield to the Senator from New Jersey with pleasure.

Mr. MARTINE of New Jersey. Mr. President, in this committee report, which is the veritable Jones amendment that I voted against with all interest and gusto, and it was carried by 1 vote. This committee, strange to say, found it wise to incorporate it in their report. When I read the names of O'GORMAN, THORNTON, SHIELDS, and BORAH I feel astounded, and I wonder what next. I am utterly opposed to this report carrying with it this amendment. My State is up in arms against it. The shipbuilding interests and the labor interests are protesting against it.

In answer to the argument that there is no coastwise tonnage available, I had a statement handed to me by a gentleman who knows and who is interested and identified with the great maritime interests of our country. He states that the total American coastwise tonnage to-day is 771,000 tons, American-owned foreign registry 1,062,000 tons, making a grand total of available tonnage of 1,833,000 tons. He gives a list here. He says all vessels in the above list could be made available at the port of Boston within 30 days, and many of them are immediately available.

It is estimated that there is to-day available for foreign commerce under the American flag a dead-weight tonnage of approximately 1,000,000, distributed on an average of approximately 6,000 to 7,000 tons, and that this tonnage can take care of about 30 per cent of our normal foreign trade. Normal marine insurance available at from 3 to 3½ per cent. Insurance upon shipments in vessels of foreign registry converted to the American flag since the outbreak of hostilities would not be available at not less than 12½ per cent, which is deemed prohibitive.

The congestion of trade has been brought to my attention in Galveston, Tex. I ask you to hear what he had to say on that subject. He says it is because of the withdrawal of the German steamship lines from service. He says that the Southern Pacific representatives will verify the statement.

Lewis K. Thurlow, of Crowell & Thurlow, gives the following explanation of the character of competition to which our merchant marine will be subjected if the so-called Jones amendment prevails. A steamship now building for this company at Newport News is to cost $400,000. This identical vessel could have been built in England two months ago for $250,000. Low cost in England is attributable, first, to inexpensive plant, and, second, to specialization in this branch of industry. When this vessel is completed and put in service under American navigation laws, it is up against four specific disadvantages as against its English competitor: First, food, said to be better than that provided in the Navy; second, space for more quarters, much greater than in English ships; third, more men; and, fourth, shorter hours. A still further disadvantage is the fact of higher wages. For instance, on a vessel carrying a crew of 35 men an English master would receive approximately $75 per month, while under American registry the average captain would receive from $160 to $225. The wages paid the crew are in like proportions about double these paid on foreign vessels. All deck and engine officers are required to be American citizens.

Here is the list. It comprises a large number of vessels, which he states, on his own knowledge and judgment as a marine man, are utterly available.

At all events, Mr. President, I am willing to do all I can to advance foreign shipping. I want some method proposed that shall again float our flag on the blue ocean and under our laws. Our marine has multiplied beyond parallel along our coast. We have just opened at great expense the Panama Canal, and now it will give renewed opportunity for American genius and American money and American handiwork to build craft for trade with the Pacific coast. In God's name, at this crisis do not let us give away that advantage which we have gained.

Mr. HUGHES. I wish to ask my colleague if the figures he has given the Senate were furnished to him by the New York Shipbuilding Co.?

Mr. MARTINE of New Jersey. No; they were not given me by the New York Shipbuilding Co. They were given to me by another source entirely.

Mr. GALLINGER. Suppose they were; what argument would it be?

Mr. MARTINE of New Jersey. I would not care if they came from New York City. That is my birthplace, and I am

proud of it, but I do not want to help any one place above another; I want to help my country.

Mr. HUGHES. Does not my colleague know that New York City is the headquarters of the Shipbuilding Trust; that they have built two large cruisers and have others on the ways now in competition with all the shipbuilders of the world?

Mr. MARTINE of New Jersey. I am glad of it.

Mr. HUGHES. That disposes of that question.

Mr. MARTINE of New Jersey. I am not apologizing for them. God knows I think they are capable men, men of genius.

Mr. HUGHES. Why should the Senator insist, then, that they should be protected from pauper labor?

Mr. GALLINGER. On the other hand, why should we buy foreign steamships if we can build them ourselves?

Mr. MARTINE of New Jersey. If we have them, as I believe we have, for the Pacific trade, why in the name of Heaven throw down the bars and open the doors to English competition? This is what I am arguing for in opposing the Jones amendment, which has been incorporated here by the conference report.

Mr. GALLINGER. No; it has been very greatly enlarged.

Mr. MARTINE of New Jersey. I know; but still it is the same old dog.

Mr. GALLINGER. It has been greatly enlarged, and is in open violation of the rule that governs conference committees.

Mr. MARTINE of New Jersey. Mr. President, I trust most earnestly and seriously that this step shall not be taken, that would break down our coastwise marine. This step carried into execution would be madness upon our part and disaster to our country.

Mr. GALLINGER. Mr. President, I know that anything which comes from a shipbuilder or a shipowner, or if he chances to live in the city of New York, is under a ban in this body. I perfectly understand that. Yet there have been times, Mr. President, when the perpetuity of the Government was maintained because of the fact that we had a New York City and a Boston and a Baltimore and a Chicago. I think we had better not be too radical or too hasty in denouncing men who are engaged in a legitimate business and who properly contend that their business interests shall be protected under the laws of the United States.

Mr. President, I want to read another telegram from the A. H. Bull Co., who are engaged in the shipping business in the city of New York. They say:

NEW YORK, *August 11, 1914.*

Hon. JACOB H. GALLINGER,
United States Senate, Washington, D. C.:

We are anxious to extend our business in foreign trade; are most anxious to see legislation that will extend our merchant marine to foreign commerce, but are opposed to hasty legislation, as we do not believe it will result in permanent benefit. We control 12 American steamers—10 built in American yards during the last four years—all well adapted for foreign trade.

I wish that Senators cared to listen to this side of the controversy. The telegram continues:

In anticipation of the passage of the Alexander bill—

That is the same bill that came to the Senate—

have obtained prices for foreign cargo steamers. Foreign owners have increased prices from $50,000 to $150,000 on boats from 4,500 to 7,000 tons dead-weight capacity, according to age and size of steamers. At this price, with further uncertainty as to the cost of operation when conditions become normal, makes the investment extremely uncertain and hazardous. Coastwise trade already overstocked with tonnage.

I suppose this firm knows something about that matter; I do not imagine they are talking nonsense or trying to mislead the people of the country or the Congress. Listen further:

We have one steamer built two years ago now loading for Frisco, which will not receive sufficient freight money to pay at rate of 5 per cent on investment and nothing toward depreciation. Therefore believe immediate legislation is not needed, and think more real good can be accomplished by taking sufficient time to frame a bill which will be permanent in its effects than to hurry one through which, so far as one can tell, merely permits a gamble to the length of the war and the prospective needs of transportation for that uncertain period.

A. H. BULL & CO.

Mr. THOMAS. Mr. President——

The VICE PRESIDENT. Does the Senator from New Hampshire yield to the Senator from Colorado?

Mr. GALLINGER. I do.

Mr. THOMAS. I should like to inquire of the Senator from New Hampshire how, if the coastwise trade is already overstocked with tonnage, this measure can in any wise affect the coastwise shipping trade or coastwise shipbuilding, and how outside foreign-built ships can be attracted by this law when there is no business for them to do?

Mr. GALLINGER. Oh, Mr. President, they will be here. The foreigners want to get into our coastwise trade, and as their ships cost much less than ours, they can compete with us on unequal terms. Foreigners have spent a great deal of money to break down the coastwise laws of the United States, both by direct expenditure and by advertising in the great newspapers of the country.

Mr. LIPPITT. Mr. President, I should like to ask the Senator from New Hampshire, if I may be allowed to do so, if it would not be something of an injustice to allow foreign-built ships to come into the coastwise trade when they have been built abroad at from a third to a half of the sum that our American shipowners have been obliged to pay for their vessels?

Mr. GALLINGER. Certainly it would.

Mr. LIPPITT. It seems to me that the mere statement of that case is a sufficient reason for not admitting foreign-built vessels to the coastwise trade, particularly as the Senator from Colorado is apparently prepared to argue there is no use for them anyway.

Mr. THOMAS. Mr. President, if it be true that the supply of tonnage for the coastwise shipping is already in excess of the demand for it, it is inconceivable to me that this bill, if it shall pass, will in the slightest degree prove attractive to the registry of foreign vessels. Foreigners may be desirous of getting a part of the coastwise trade, but they certainly will not be desirous of getting it when there is nothing to be gained.

Mr. GALLINGER. Does not the Senator from Colorado think that this country can manufacture all the textiles it wants and needs for its own people?

Mr. THOMAS. If they are manufacturing——

Mr. GALLINGER. I will ask the Senator to answer the question directly. Does the Senator from Colorado take the position that we can not manufacture the textiles for this country, if we are given the opportunity to do so by keeping out foreign competition?

Mr. THOMAS. We can do it; yes.

Mr. GALLINGER. Yes.

Mr. THOMAS. But if we are already manufacturing more than we need we need not be afraid of any importations of foreign textiles when the market is in that condition.

Mr. GALLINGER. Why not, if the foreigners are manufacturing them cheaper and they can be sold cheaper in the American market?

Mr. THOMAS. Simply because the fact that we can manufacture for our market is an indication; it is a proof of the fact that our production is just as cheap as the foreign production. There has to be a demand, Mr. President, before there can be any invasion of either foreign goods or of foreign tonnage.

Mr. LIPPITT. Certainly, Mr. President, if the Senator from New Hampshire will allow me——

Mr. GALLINGER. I yield.

Mr. LIPPITT. The Senator from Colorado knows that while we may be able to manufacture certain products in this country, we can only sell them at certain prices, and if the market of this country is so arranged that somebody outside of it can make a given article at a lower price than we can, it would make no difference at all what our ability might be and what the capacity of our machinery to manufacture that article if we could not manufacture it at a profit.

The Senator from New Hampshire asked the Senator from Colorado whether we could not manufacture all our textiles, and the Senator from Colorado said yes, and then went on to say that it would make no difference whether that machinery was run or not if some foreign country was allowed to land its textiles at a lower price than we could afford to manufacture them.

Mr. THOMAS. I did not say that.

Mr. LIPPITT. Certainly the Senator can not mean to put himself in such a position as that.

Mr. THOMAS. I did not say that, Mr. President.

Mr. LIPPITT. I can not think the Senator did mean to say it, but, if my ears heard correctly, that is what he did say.

Mr. THOMAS. It is possible that I may have said it, but I do not think so. What I said, in substance, was that this country could manufacture all textiles necessary for consumption, but if it did manufacture textiles sufficient for the consumption of the country it would be because of the fact that it could do so at a price that would make importations unnecessary.

The argument of the Senator from Rhode Island as applied to the statement in the telegram just read by the Senator from New Hampshire, if it means anything, means that there is at present a surplus of tonnage for the coastwise traffic because the charges or rates for its use are practically prohibitive, and that the danger lies in the addition to our tonnage of foreign-built ships which will result in a reduction in the rates of traffic. That is what we want, Mr. President, and we want it at this juncture. If it be true that coastwise shipping is idle

because of the rates they charge, then no better argument can be advanced in favor of the measure as it has been reported from the conference committee.

Mr. GALLINGER. Mr. President, a free trader is never consistent. The Senator from Colorado is a man who has now discovered that coastwise shipping is idle because of the rates they charge. Nobody else has ever suggested that, and that is not a fact.

I have a letter here from a firm of which I never heard before, and they belong to the list of bankers of this country, who are somewhat under the ban in the view of some people. They live in New York City, which is never alluded to here without a sneer on the part of some Senators. I am going to read the letter myself to save the overworked clerks. It is dated August 12, and is as follows:

PROPOSED SHIPPING MEASURE.

NEW YORK, *August 12, 1914.*

HON. JACOB H. GALLINGER,
United States Senate, Washington, D. C.

DEAR SIR: Referring to telegram sent to you to-day on this subject, of which we inclose copy, this matter is not only of tremendous importance, but there is no immediate hurry about admitting foreign ships to the American flag in the coastwise trade, for the simple reason that there are many ships especially built for the coastwise trade now lying idle for the lack of business.

We are quite prepared to agree that there is an urgent need to transport American products to foreign ports, and we are in favor of admitting foreign ships for the purpose of engaging in this trade, provided this is not contrary to the international laws.

Under the present American navigation laws it costs about 35 per cent to 40 per cent more to operate an American vessel than it does a foreign one, irrespective of the question as to the first cost of the American vessel, which is probably equal to from 30 per cent to 50 per cent additional. It is for this reason that there are practically no American ships available for foreign trade. It has not paid to build American ships and operate them in this class of business.

DOMESTIC TRADE.

When it comes, however, to the question of admitting foreign ships to trade between American ports, we beg to say that, while it is undoubtedly within the discretion of Congress to amend the present shipping act, this should not be done without giving an opportunity of all parties in interest to be heard.

Just there, Mr. President, I want to dwell upon that matter. A tremendous change is to be made in the navigation laws of the United States. Those laws which have stood the test for more than a hundred years, which have been debated in both Houses of Congress over and over again by distinguished men, are to be swept off the statute books, practically without the question ever having gone to the committee having that matter in charge or having been debated in either House of Congress. It is to be done on a conference report brought in here under the plea that there is an emergency existing to-day which demands that the part of this legislation relating to over-seas trade shall immediately be passed.

The letter continues:

The following question must be weighed: What will be the effect of admitting foreign ships to this class of trade on the vested interests in vessel property now existing?

I think that is worthy of the consideration of men who want to be fair. An American vessel has cost $1,000,000, a foreign vessel has cost $750,000; both are of the same capacity, of the same tonnage, and of the same speed; and yet we are going to admit that foreign vessel into our coastwise trade in competition with the American vessel which cost $250,000 more, and we call it equity! It is arrant discrimination against our own people and against American interests, and nothing else. My correspondent further says:

If boats costing one-third less and doing business for about one-third less are admitted in competition with our own ships in our domestic trade without reasonable notice to the owners thereof, then this would be the annihilation of a good many millions of dollars of capital invested in such property, and amounts to a calamity.

Undoubtedly the purpose of the proposed bill is to encourage American shipping, ship construction, and investment in ships. The effect of the bill it is proposed to pass would be the opposite. Capital in American shipping would be destroyed and it would encourage speculation in foreign ships. The American shipyards would be without work, would close down and go out of business, and in case of war, in which the United States might become involved, there would be no shipyards to look to for building our ships, especially so as the navy yards of the United States are proposed to be opened for the repairing of ships—

That provision has been eliminated in the conference report—

thus competing with privately owned companies which at the present time are lacking in work.

We have placed in the last few years several million dollars' worth of bonds throughout the Eastern and Central States secured by ships built in American yards along the Great Lakes and the Atlantic coast. The effect of this bill would be to destroy the value of these bonds, which are held by individuals and banks throughout the eastern part of the country, and the sequence would be that none of these investors, individual or corporate, would ever again be willing to invest in vessel property. In placing these securities we have been pioneering and have contributed toward the upbuilding of the American mercantile marine. The proposed bill destroys our work and the confidence which we have built up in the permanency of maritime investments.

Furthermore, we would like to direct your attention to the following clause in the proposed bill, which actually discriminates against American ships and gives foreign-built ships a preference: American-built ships have to undergo inspection and to conform to certain regulations and specifications. Under the proposed bill the President has the right to waive these provisions as far as foreign-built ships are concerned, thus putting foreign bottoms into preferential position as against American bottoms.

Further comment is unnecessary on this kind of hasty legislation, which is accelerated by hysteria for an American merchant marine to carry our products to foreign ports.

The real trouble about the stoppage of our export traffic to-day is not due to the lack of ships but to the unsettled condition of the exchange market and to the difficulty of arranging for insurance. There are lots of American boats tied up to the docks ready and available for commerce if the rate of exchange and insurance can be arranged.

The act is so loosely drawn that the section which provides for the ownership of boats by American citizens can easily be circumvented.

Our suggestion is that a joint committee from the House and Senate should be empowered to go into this matter thoroughly and investigate all phases and then draw up a bill.

Very truly, yours, F. J. LISMAND CO.

Mr. President, a few days ago, when the Senator from Washington [Mr. JONES], who is one of the ablest and most adroit Members of this body, and whose words always carry a great deal of influence, proposed the amendment that he did, I said that that was entrance of the camel's head into the tent and that in due time the entire animal would be found inside of that inclosure. The amendment of the Senator from Mississippi [Mr. WILLIAMS] put a portion of the camel's body into the tent and the conference report puts it all in, unless it be that the two-year limitation may allow the tail to remain out; but, as I believe that the tail ought to go with the hide, it seems to me that the entire animal is there now.

I am somewhat astounded, Mr. President, that any portion of the Democratic Party should commit itself to this legislation. I have been accustomed to hear Thomas Jefferson called the patron saint of the Democratic Party, and I have been a great admirer of that very distinguished man, whose services to the Nation can not possibly be overestimated. In studying the subject of the American merchant marine, which I have done with some care, I have turned to the writings of those men who more than 100 years ago discussed this question. I was impressed with the attitude that Thomas Jefferson took on the question of American shipping, and I want to read just two brief extracts from his works. They were written in 1794. Jefferson said:

To force shipbuilding is to establish shipyards; is to form magazines; to multiply useful hands; to produce artists and workmen of every kind who may be found at once for the peaceful speculations of commerce and for the terrible wants of war. * * * For a navigating people to purchase its marine afloat would be a strange speculation, as the marine would always be dependent on the merchants furnishing them. Placing, as a reserve, with a foreign nation or in a foreign shipyard the carpenters, blacksmiths, calkers, sailmakers, and the vessels of a nation would be a singular commercial combination. We must, therefore, build them for ourselves.

Again Jefferson said:

The loss of seamen unnoticed would be followed by other losses in a long train. If we have no seamen our ships will be useless; consequently our ship timber, iron, and hemp; our shipbuilding will be at an end; ship carpenters will go over to other nations; our young men will have no call to the sea; our products, carried in foreign bottoms, be saddled with war freight and insurance in time of war.

Prophetic, Mr. President, and prayerfully commended to the consideration of my Democratic friends.

Now, I want to discuss the conference report calmly and dispassionately, in the hope that the Senate in its wisdom may see not only the propriety but the necessity of rejecting the report when it is voted on.

Mr. President, an emergency bill to meet the crisis of a great foreign war and to admit foreign-built ships to American registry for over-seas carrying would have been enacted at least a week ago if it had not been for a determined effort to utilize this war emergency for a sectional and partisan attack upon the coastwise or domestic shipping laws of the United States. For whatever undue delay there has been in the meeting of this emergency the authors of the attack upon the coastwise trade are entirely responsible.

OUR GREAT COASTWISE FLEET.

The emergency bill, as originally framed and passed by the other House of Congress, was a measure of somewhat doubtful wisdom in many of its details, but it was at least an honest attempt to grapple with an extraordinary situation. It can not be emphasized too strongly that no extraordinary situation existed in the coastwise trade. The American shipping engaged in this domestic trade, from which since the days of Washington and Jefferson all foreign ships have been excluded, has increased as steadily as the other and unprotected branch of our shipping has declined. In 1883 there were 2,858,570 tons of American shipping enrolled for coastwise commerce on the Great Lakes and the rivers of the country and the ocean. In 1913 this thoroughly American domestic fleet had increased to 6,726,340 tons, and I believe it now exceeds 7,000,000 tons.

Allowing for the fact that the coastwise fleet has come to be composed more and more of steam tonnage and that one ton of steam tonnage is usually reckoned as equivalent in efficiency to three tons of sail tonnage, the growth of the American coastwise fleet is one of the notable achievements of our industrial history. This American coastwise fleet, engaged exclusively in carrying freight and passengers from one American port to another, has a tonnage nearly one-half as great again as the total foreign-going and coastwise tonnage of the German Empire, more than thrice the total tonnage of Norway, and twice the total tonnage of France and Italy combined.

The coastwise shipowners, shipbuilders, and sailors have been given absolute protection by our Government, and they have "made good" under it. They have created a coastwise fleet, all American, incomparably the greatest in the world, and incomparably the first in its general seaworthiness and efficiency. It is not merely a trade of short and sheltered voyages. The distance from New England to Galveston is 2,000 miles. The distance from New York to San Francisco, around the Horn, is 13,000 miles, one of the longest voyages on which ships sail in all the world. Even when the Panama Canal is opened, as it is to be to-morrow, and that short cut is available, the distance from Sandy Hook to the Golden Gate will be 5,000 miles, or nearly twice the distance from Sandy Hook across the North Atlantic to Liverpool.

AN ATTACK ON AMERICAN OFFICERS AND SEAMEN.

In the coastwise trade to-day are 24,756 out of 27,070 American vessels and fully seven-eighths of our American officers and sailors. All of the officers are required by present law to be American citizens, and the records of the Government show that of the crews shipped by Federal commissioners on American vessels substantially one-half are American citizens, the great majority of whom are American born. Twenty years ago scarcely one-third of the crews so shipped were American citizens, so that the number of American officers and American seamen afloat in our coast trade has steadily increased with the increase of the ships themselves. It is in the coast fleet, so wantonly attacked in this conference report, that the great bulk of the American officers and men are serving, on whom, as an indispensable reserve of our fighting Navy, the Nation would have to depend in a foreign war.

This conference report will open the way to a destruction of our naval reserve by admitting to the coastwise service not only foreign-built ships but the foreign officers and the men who man them, with whom in cheapness of fare and cheapness of wages self-respecting Americans can not possibly compete.

BREAKING THE NATION'S PLEDGE.

There is a lamentable lack of American ships in over-seas trade; that is generally admitted; but there is no lack of American ships in coastwise carrying. American coastwise vessels built in 1912 numbered 1,505, of 233,669 tons; in 1913, 1,475, of 346,155 tons. For several years construction in American shipyards has been particularly active, largely owing to American preparation for the coastwise trade through the Panama Canal. The men who built those ships, the men who own them and who man them, did not dream that they were going to be betrayed by their own Government, and that the great canal, which $400,000,000 of American money had created, was going to be diverted under the guise of an "emergency" measure to the enrichment of the shipbuilders and shipowners of Europe and Japan.

The United States, by its century-old policy, invited the shipbuilders, shipowners, and seamen of America to prepare to carry the great coast-to-coast trade that would flow through the canal when it was opened. The Government virtually said to them: "Build and launch your new ships, equip and man them, make your plans, prepare your terminals—you will not be able for reasons you know well to send American ships through the canal in over-seas trade, but the coastwise commerce you have always had and always will have—it is your right and your own."

Accepting this, American shipowners have placed so many American vessels in readiness that it is estimated that the American ships of regular freight-carrying lines already scheduled will provide a sailing from the Atlantic or the Pacific every business day throughout the year. One of the American steamship companies is said to have enough vessels available for the canal service and for the naval reserve in time of war to be able with its own ships to carry coal enough to supply the entire battleship fleet of the United States Navy in another voyage around the world.

But this conference report not only strikes down at one blow all the costly and elaborate preparations that have been made for coastwise commerce through the Panama Canal, but all the existing shipping business between the various ports up and down the Atlantic, the Pacific, and the Gulf of Mexico. Nor are the Great Lakes spared. Steamships approximately 260 feet in length and of a carrying capacity of about 4,000 tons can be brought out from Europe through the Canadian canals under the terms of this conference report and placed upon the coastwise routes along the whole chain of lakes between Duluth and Buffalo. No trade, no route escapes. This conference report applies the principle of absolute free trade to the great industry of shipbuilding, which Jefferson exhorted his countrymen to regard as one of the most vital safeguards of their prosperity and independence.

A BLOW AT LABOR.

All materials for the construction, equipment, or repair of vessels in this country for either the foreign or the coastwise trade can be imported free of duty. Steel plates and beams are usually no higher in price in America than in Europe. Yet it is the concurrent testimony of informed men that it costs on the average from 40 to 50 per cent more to build a ship of a given size and type in the United States than it costs in Europe. The difference manifestly is not one of material. It is almost wholly a difference in labor—and it is American labor, the skilled American labor of our national shipyards—that is deliberately sacrificed by the provisions of this conference report admitting free of all duty to the coastwise trade all foreign-built ships that for the next two years are given American registry.

Is it a wonder, Mr. President, that the laboring men of this country are alarmed over this proposition? Is it a wonder that they are protesting against any legislation that strikes a blow at the industry in which they are engaged?

Mr. President, while I do not claim to be a prophet nor the son of a prophet, I assert here to-day that if this legislation becomes a fact the men who are responsible for it will be called to a very severe account by the laboring men and the labor unions of the United States. It is equivalent to a provision to place absolutely on the free list for two years all cotton or woolen or silk fabrics, or tools or cutlery or other highly finished products of our manufacturing industry. The party that, though only a minority of the American people, now controls this Congress and rules this Nation did not dare to go to such an extreme as this in its recent reduction of the tariff, which before war was declared in Europe had brought grave loss and suffering upon all the chief industries of the United States.

This conference report singles out the manufacturing industry of shipbuilding for special and utter sacrifice. It is not given the advantage of even the incidental protection of a duty of 5 or 10 per cent. It is left with no protection whatsoever against the shipbuilding industries of other lands, which pay one-half of the American wage or less, and, in addition, have long enjoyed the subsidies and bounties of solicitous governments.

PROTECTION A NATIONAL POLICY.

I make the statement—and I make it advisedly—that absolute free trade never would have been suddenly, without warning, forced upon this industry if it were an industry that could have been pursued in all or most of our States. But natural conditions confine this business to the seaboard, and, unfortunately, chiefly to the northern seaboard and to the northern Lakes. The authors of this attack upon the industry, themselves rejecting the whole idea of protection as iniquitous and unconstitutional, have invited, and, I regret to say, have received in this instance, in the amendments adopted in the Senate, the cooperation of some Senators from inland States who are insistent protectionists, so far as the agricultural industries of their own people are concerned.

In all sincerity and fairness, I would like to ask the Senators from the Mississippi Valley and the Rocky Mountains or the farther West who voted for free trade in great ocean ships for coastwise traffic between our Atlantic and Pacific seaboards, or for coastwise traffic from the Gulf to the Atlantic coast, how they can reconcile their action with their avowed support of the protectionist principle, and particularly with their earnest demand for a restoration of adequate tariff protection upon their wheat and corn, their wool, their barley, cattle, meat, vegetables, and dairy products—something that I will gladly help them to secure?

Go to a seaport on the Atlantic coast or the Pacific. There on the wharf stands a bag of wool from Idaho or Wyoming. Alongside the wharf floats a great coastwise ship, the consummate product of technical skill and manufacturing efficiency, into which a hundred trades have entered. By what political sophistry or economic philosophy can protection be justified to the American growers of that raw wool and denied to the other Americans who wrought that steamship?

Is protection right for the prairie and the mountain range and wrong for the shore of the sea? The Republican Party in its victorious and glorious past has upheld protection as a national policy. It can never be justified as a sectional policy for the benefit of farmers, ranchmen, or any other class of our citizens and refused to shipbuilders and seamen. I say with all kindliness to those who profess adherence to protection and yet voted free trade to American shipbuilding, that for them will inevitably come a day of regret and reparation.

NO LACK OF COASTWISE SHIPS.

A vote for this conference report, and therefore for free trade in shipbuilding in America, can not be defended by any plea that more ships are needed for our coastwise commerce. A real emergency exists in the over-seas trade—the export and import trade of the United States—because in that trade we have left 92 per cent of our foreign carrying to the ships and men of foreign Governments. Both ships and men are now unavailable to us under the flags of the principal carrying nations because of a great and deadly war. But there is no war in the coast trade. There are ships and men enough there—and more than enough for all the commerce to be carried now—and more than enough, when the Panama Canal is opened.

The other day there was presented to the Senate a list of more than 160 steamships from which lumber carriers, coal carriers, grain carriers, and general cargo vessels could be selected for the traffic through the canal from the North Pacific coast, where it had been asserted in telegrams to the Senate that only two American steamships were available, although there are on the Pacific coast a million tons of American shipping, or averaged up, a thousand vessels of a thousand tons gross register each. A single shipping company, since that telegram was read in the Senate, has formally offered to contract to carry all the lumber that will be shipped this year through the canal from Puget Sound. Many companies are going into this canal coastwise service. Lumber tonnage will be offered to the Puget Sound people by many independent competing steamship companies of the Atlantic coast. The unvarying testimony of practical shipping men who are going into this trade is that there will be more shipping space than there will be lumber for a long time after the canal is opened. Nowhere else except on the North Pacific coast has there been in the entire debate over the impending bill the slightest pretense that any scarcity of coastwise ships existed.

I can assure the Senate that throughout the past spring and the present summer, because of the general depressed and halting condition of business, the volume of coastwise commerce has been seriously reduced. In every important port on the Atlantic and the Pacific coasts many coastwise carriers have been lying idle—17 at Boston, for example, more than 30 at New York, and nearly 40 at San Francisco. Even some of the newest and most capacious cargo steamers of the coast fleet have been swinging at their anchors or tugging at their cables alongside deserted piers.

It is in the face of this condition of depression and unemployment that this conference report now strikes a wicked blow at what is left of the American merchant marine and American shipbuilding by establishing absolute free trade in the industry and throwing against our unemployed American coastwise ships the unemployed ships of all the world. It is heaping misfortune on misfortune to American ships and American crews for the benefit of foreigners.

MISUSING THE AMERICAN FLAG.

The bill passed by the Senate was bad enough, but the conference report is vastly worse. In the Senate bill, on the motion of the Senator from Iowa [Mr. CUMMINS], an amendment had been inserted requiring that in the case of any corporation hereafter purchasing and registering a foreign ship pursuant to the act a majority of the stock should be held by American citizens. This wise safeguard is dispensed with in the conference report, which leaves ownership by corporations defined only by the loose and dangerous language of the Panama Canal act of August, 1912; that is to say, the conference report would allow the Cunard Steamship Co., subsidized by Great Britain, or the North German Lloyd Co., subsidized by Germany, or the French line, or a Japanese line, to take its older and slower ships, built by subsidy and long run under subsidy, and put them into the coastwise trade of the United States from Boston to Savannah, from New York to New Orleans, from New York or Philadelphia to San Francisco, from New York to Porto Rico, from San Francisco or Seattle to Hawaii.

All that would have to be done in such a case—all that is required by the conference report, which the Congress of the United States is now asked to enact—is for the British or German or Japanese or French steamship managers to step across from New York to Jersey City, organize there a dummy corporation, with one of their naturalized clerks as president, and stenographers or office boys as directors, and then transfer their foreign-built ships to the American register, with their foreign officers and crews complete, under the discretion given to the President to remit not only the requirement imposed on all American-built ships that their masters and officers shall be American citizens, but the further requirement that the ships must comply with the United States inspection laws as to seaworthiness, safety, and efficiency in carrying.

Of course in every such case as this a solemn affidavit will be made that no American officers duly qualified could be found, and these foreign officers will be retained on these foreign-built ships at wages not very much, if any, greater than are paid on real American ships to the seamen in the forecastle or the coal passers in the fireroom.

A BILL FOR THE BENEFIT OF FOREIGNERS.

This bill in the shape in which the conference report has left it is a bill for the benefit of foreigners and for the injury and ruin of real Americans. It is a bill that proposes to dishonor our flag by allowing it to be hoisted over ships in the coastwise trade that are absolutely alien from keel to truck—not only foreign-built but foreign throughout in control and ownership. It is one of the most dangerous and indefensible measures in its present form ever proposed in the American Congress, and I have no doubt that if it could be submitted to-morrow to the votes of the American people it would be condemned by an overwhelming majority of our patriotic citizens East and West, North and South. It is entirely within the range of possibility that within a month after its enactment, if it is enacted, we shall see foreign steamships, foreign owned, foreign officered and manned, with nothing American about them except the flag under which they are masquerading, running in our domestic trade between American ports under subsidies of foreign governments.

The flag means nothing to these people. Has the Senate of the United States so quickly forgotten our experience in the Spanish War of 1898? Merchant ships were desperately needed then for transport and auxiliary service. The resources of our coast fleet, not so large and efficient then as now, were soon exhausted. Before the outbreak of actual hostilities the Government bought ships of foreign register, seeking first those supposed to be owned and controlled by American citizens. Let the Senate consider this well, that in many cases where those foreign ships were actually bought they proved worthless to the Government, because they were promptly deserted by their foreign officers and crews, who refused to risk their lives for a flag they did not love in a war in which they had no interest. These ships lay idle and useless until officers and men could be summoned from all along shore—real Americans, citizens and residents of this country, whose allegiance was given to the flag that was endangered.

MAKING WAR ON AMERICAN SEAMANSHIP.

This bill in its present form not only destroys American shipyards and the art of shipbuilding, American ship owning and all its allied interests, but American seamanship as well, for when these foreign-built ships are brought by their foreign owners through the expedient of a dummy corporation beneath the American flag, the British owners will give the preference to British subjects, the German owners to German subjects, and so with the French or Japanese. There will be no work for American officers or sailors. The national prejudices of the foreigners who will monopolize our domestic trade exactly as they now monopolize our foreign trade will move them to discriminate against Americans in every possible way.

Mr. President, there are boys growing up in our seacoast towns, boys on the school ships maintained by our maritime States, who have an honorable ambition to follow the calling of their fathers. The steady growth of the American merchant marine in coastwise trade has been giving these lads an opportunity. The number of thoroughgoing American sea officers has been increasing, as has the number of American citizens serving on shipboard in more humble capacities. This proposed bill strikes not only at the American shipbuilders of Bath and Boston, of New York, the Delaware, Chesapeake Bay and Newport News, Seattle and San Francisco; not only at the shipbuilders and shipowners all along the shore, but also, and in a most direct and deadly way, at the American officers and sailors, wherever born and wherever found. These men, as their fathers were before them, are the best seamen in the world, as the world's records show. The lowest insurance rates in the world are rates given to American steamships of the coast trade, and given to them because they are the most efficiently and safely handled. The real American sailor on the bridge or on

the deck is to-day, as he has been for two centuries, the consummate master of his calling in peace or war.

This conference report, if adopted, will not only rob the American shipbuilder and shipowner of his dividends, but it will rob the American sailor of his livelihood. Where, then, will be our Naval Reserve in time of war? Do you think that we can hire British and Germans and French and Dutch and Italians and Scandinavians and Japanese to officer and man our auxiliary ships and fight our battles? It is an unerring instinct of self-preservation that requires that all the officers and enlisted men of the American Navy shall be American citizens, and it is an eloquent fact that to-day practically all the officers and 90 per cent of the men are American born.

This bill as it is now framed, with its absolute free trade in foreign-built ships and its attack upon the wise regulation that ship officers shall be American citizens, is a measure for the destruction of the sailor's profession in the United States—more fatal to our national defense than the actual broadsides of an enemy.

We have lost our over-seas shipping, or all but a fragment of it, and with the ships we have lost our American officers and men. Seven-eighths, or perhaps more, of all our officers and seamen now employed on the ocean are in the coastwise trade. This bill in the form in which it is now proposed would sweep these Americans off the seas. I repeat again that the bill is a measure for the ruin of Americans and for the benefit of foreigners.

WHY AMERICAN CHIPS COST MORE.

A good American steamship like the newest of those now running in the coastwise trade costs in an American shipyard, if of 5,000 or 6,000 tons gross register, equipped both for freight and for a moderate number of passengers, a sum not far from $675,000. Its materials are all free of duty under the existing law; but, simply and solely because American wages in the shipyard are from 80 to 100 per cent higher than European wages for the same kind and amount of work, this American steamship costs about $200,000 more than a foreign steamship of similar size, speed, and equipment.

Who will pay $200,000 more for an American steamship when under free trade in shipbuilding a foreign steamship can be purchased? The American master of such an American-built ship will be paid about $200 a month. A foreign master can be secured for $100, or perhaps $125, and the wages of his officers and crews are in like proportion. Under the Japanese flag wages are lower still. Japanese seamen receive $8 a month, as compared with $20 to $50 a month for Americans, and Japanese shipyards pay their mechanics 30 or 40 cents a day, while the Japanese Government, besides, gives a bounty of $12 per ton for new construction.

WHO ARE THE BENEFICIARIES?

I will invite the attention of the distinguished Senator from New York, the chairman of the committee (Mr. O'GORMAN), to the fact that the principal beneficiaries under this bill will be the shipyards, the shipowners, and the seamen of Great Britain, Japan, and other foreign countries.

The United States is nominally neutral in the great war now convulsing Europe. But by this bill in the form in which the Senator from New York presents and supports it the American Congress is actually in effect conferring upon England and English sea power, and also upon Japan and Japanese sea power, a greater boon than could be secured by a victory in war. British shipyards are the fruit of $400,000,000 of British subsidies given in 60 years to British steamship services. With such an industry so lavishly and persistently protected, backed at every point by Government and national support, American competition is absolutely impossible. The bill which the Senator from New York champions is in its present form the greatest advantage which the American Congress can possibly confer on Great Britain. Are the people of the Senator's own State of New York, as of my State of New Hampshire, under any obligation of duty or affection to the British Government that they should sacrifice American shipbuilding and American navigation in the way which this bill proposes? I think not, and I am sure that at any other time and under any other conditions he and I would be in entire agreement on any such proposition as this, so vitally involving the safety and the welfare of our country in peace and war alike.

A BILL TO DESTROY OUR SHIPYARDS.

Mr. President, these American commercial shipyards, which the absolute free trade proposed in the pending bill will inevitably destroy, are the yards which have built nearly all of the present battleship fleet of the United States. Imagine the incalculable value of the destruction of these shipyards, and the crippling of our means of national defense, to foreign Governments, our rivals in trade and possible enemies in war. There never was a time when the need of an adequate fighting Navy was more manifest and better understood than now by the American people. No part of the responsibility for the destruction of American shipyards, and the consequent impairment of our power to build battleships and to repair them in peace or war, will be assumed by me, and I earnestly hope that none will be assumed by the political party of which I am a member. If this bill is passed it must be passed with the assured understanding that only one of the Government navy yards of the United States is yet equipped to build a dreadnought. There are at least six private shipyards on the Atlantic coast and two on the Pacific that are equipped to build these heavy men-of-war, and if you close and destroy these shipyards it will cost the United States Government at least $100,000,000 to replace the plants that are eliminated.

This, Mr. President, may be looked upon as an extreme statement, but I will nevertheless say that this bill, if it becomes a law in its present form, will make the grass grow for at least two years in every shipyard on either coast of the United States.

Mr. President, if we can get a foreign ship costing $500,000 in its construction as against $750,000 built in an American shipyard, is it conceivable that a single American ship will be built in an American shipyard through these two eventful years? And it must not be forgotten that these foreign ships when they are admitted to our register and become part of our coastwise fleet are to continue there indefinitely.

PARALYZING THE COAST TRADE.

The enactment of this proposed legislation will throw 25,000 mechanics and laborers out of employment in American shipyards, and give employment, if it provides any work at all, to mechanics and laborers in Europe and Japan. It will turn our ship-owning business over to the subsidized and bountied steamship companies of foreign Governments. It will drive American officers and seamen off the ocean. It will give to foreigners, who now control 92 per cent of our over-seas carrying, the monopoly also of our domestic carrying. The American flag borne by these foreign-built, foreign-owned, foreign-officered, and foreign-manned steamships in American domestic commerce will be a fiction and nothing more. In time of war and trouble these ships, whose actual control will be in Europe and Japan, will inevitably be taken out of our coast trade, as foreign ships have been out of our over-seas trade. The American flag will be hauled down and the foreign flag of the real owners substituted. We have let foreign ships control the carrying of our imports and exports. They have failed us in this emergency. Pass this bill, turning our coastwise commerce also over to foreigners, and in the case of any war like the present one it will be possible for foreigners to paralyze the carrying trade between Boston and Savannah, between New York and New Orleans, between Seattle and San Francisco, and between the Atlantic and Pacific ports of the United States as completely as our trade is now paralyzed from American ports to the ports of foreign nations.

NO COASTWISE SHIPPING TRUST.

Mr. President, just a word as to the alleged shipping trust or combination in the coastwise trade. The Senator from New York [Mr. O'GORMAN] gravely stated this morning that 92 per cent of the coastwise trade was dominated by a trust.

It is stated in the report of the House Committee on the Merchant Marine and Fisheries that investigated recently steamship trusts and combinations in the foreign and domestic trade that—

> All told, the 30 lines referred to, * * * as controlled by railroads or shipping consolidations, operate 330 steamers of 868,741 gross tons, or nearly 70 per cent of the total number of steamers and 74 per cent of the tonnage.

The Senator from New York put it at 92 per cent. This statement refers to the entire coastwise and Great Lakes trade of the United States, but, as the report distinctly says (p. 403), the statement deals exclusively with the "regular-line services."

Mr. President, in this connection I can not refrain from saying that it always interests me to hear the declamations against American combinations and America shipping trusts, when every sane man who has given this subject one moment's consideration knows that the greatest trust in all this world is the shipping trust of Great Britain. There is no escape from that statement, and yet we discuss American combinations and American shipping trusts, and propose to legislate to turn our coastwise trade over to the mercy of the shipping trust of foreign countries.

This statement of the House committee has been misinterpreted as meaning that 74 per cent of the entire tonnage in the coastwise trade of the United States was controlled by "railroads or shipping consolidations."

This is a grave error, as I pointed out on a former occasion, but it does not seem to have found lodgment in the minds of some Senators.

The truth is that most of the coastwise tonnage of the United States consists not of regular liners but of tramp vessels, steam and sail, going wherever cargoes are to be found. A small part relatively of this tramp tonnage may consist of tugboats and barges used chiefly for coal and owned by railroads. But the ownership of by far the greatest part of the coastwise shipping is wholly independent of and competitive with railroads and shipping combinations.

This is clearly seen from the fact that the 868,741 gross tons of steamships described in the House report as "controlled by railroads or shipping consolidations" is only a fraction of the total coastwise shipping which, according to the report of Commissioner of Navigation, consisted of 6,736,340 tons on June 30, 1913.

In other words, only one-seventh or less of the total tonnage of the American merchant marine in the coastwise trade appears by the House committee report to be controlled by the "railroads and shipping consolidations" mentioned.

On the other hand, the House report brings out the fact that the most formidable, aggressive, and oppressive shipping trusts and combinations are those of foreign flags and foreign ownership in the foreign trade of the United States.

The committee says (p. 415), in summarizing its findings, that—

> The facts contained in the foregoing report show that it is the almost universal practice of steamship lines engaged in the American foreign trade to operate, both on the inbound and outbound voyages, under the terms of written agreements, conference agreements, or gentlemen's understandings. * * * Eighty such agreements or understandings, involving practically all the regular steamship lines operating on nearly every American foreign-trade route, are described in the foregoing report.

It is to the tender mercies of these foreign steamship combinations, monopolizing our foreign commerce, that the pending bill proposes to turn over the coastwise trade of the United States.

It may be added, Mr. President, that in the Panama Canal act of 1912 an important beginning is made in an effort to divorce existing American steamship companies from the control of railroads, and proceedings are already being brought to that end. Moreover, ships owned by railroads or illegal combinations in restraint of trade are forbidden by that act the use of the Panama Canal.

The six American commercial shipyards that can build dreadnoughts are the Bath Iron Works, of Bath, Me.; the Fore River Shipbuilding Corporation, of Quincy, Mass.; the New York Shipbuilding Co., of Camden, N. J.; the William Cramp & Sons Ship & Engine Co., of Philadelphia; the Maryland Steel Co., of Baltimore; the Newport News Shipbuilding & Dry Dock Co., of Virginia; the Union Iron Works, of San Francisco; and the Seattle Shipbuilding Co., of Seattle, Wash. Why not give employment to the men in these yards rather than to foreign competitors?

Again, if foreign ships are cheaper to build in foreign yards, why should not most of them be built there and why will they not go there for their repairs as well as for construction?

AN INCONCEIVABLE PROPOSAL.

Mr. President, I have never before felt so profoundly a duty that I owe, not to the people of my own State, because we have no shipyards and only a few ships in New Hampshire, but to the people of this country, as I do at this moment. These laws, as I have before said, have been on the statute books since the days of Washington. They have been amended and liberalized from time to time. They are not perfect. Beyond a doubt they need revision. They have been discussed by great men in this body and in the other House of Congress. They have been discussed in maritime journals and in the great papers of the land. But no one, Mr. President, in his wildest dreams ever thought that those laws would be stricken down through the instrumentality of a conference report presented to the two Houses of Congress. To me it is inconceivable that that should be attempted, and while it may be thought that this is a dream of my fancy, I will venture the suggestion that I do not believe the Senate of the United States will agree to this conference report.

I regret, Mr. President, that we have not a rule in this body, such as obtains in the other House of Congress, that a point of order can be made against a conference report, because this conference report, in my opinion, absolutely violates every rule and tradition of the Congress relating to reports of that kind.

What has been done? The House sent a bill here without any provision relating to the coastwise fleet of the United States. The Senate amended it by providing that the coastwise trade should be open to a certain extent in this country. If I understand what is submitted to the conferees, it is the differences between the two Houses, and the conferees can not go beyond those differences. In other words, the question is, Shall the House measure, which has no provision in it concerning this matter, be agreed to, shall the Senate provision be agreed to, or shall the Senate provision be modified, reducing it from the terms in which it is found in the bill? But the conferees, apparently in their great desire to accomplish by this short cut what they know can not be accomplished if bills are presented to the two Houses, submitted to the scrutiny of committees and to the discussion of the bodies, insert an entirely new provision, which has never been submitted to either House. Of course, they paid no attention to what the House did, because the House did nothing on that point, and by violating our rules they open the entire coastwise trade of the United States to foreign ships for two years.

I am not going to discuss that matter at length. I am either correct or not correct in my statement, and if I talked two hours I could not make it plainer than I have made it in these few words.

Turning to the rules of the Senate, on page 440, paragraph 29, I read:

> Conferees may not include in their report matters not committed to them by either House—

And so forth.

I might occupy a half hour reading matters relating to conference reports from the rules of the Senate, from Jefferson's Manual, from Cushing's Manual, and from every other authority on parliamentary law, showing that when the conferees exceed their authority they go beyond what is permitted to them by the rules of any legislative body on earth. So I say that the conferees in this case absolutely and utterly went beyond their authority in enlarging this provision to the extent that they have.

But, Mr. President, no point of order lies in the Senate against a conference report. Hence I will not make it. In the early days, and until recently, a motion to recommit was in order in the Senate, and a great many conference reports have been recommitted. But I observe on examining the rules that the custom of the Senate in that regard has been departed from of late years. So I shall make no motion of that kind.

I must content myself, Mr. President, with making the appeal that I have made and in repeating that appeal, that the conference report be rejected and sent back for further consideration, with a view and in the hope that this obnoxious provision may be stricken from it.

But Mr. President, if the Senators who are interested in good legislation, and if the Senators who have this great industry in their own States, see fit to vote for this report and do this great wrong, as I conceive it to be, I have no remedy but to bow in acquiescence.

Mr. BRISTOW. Mr. President, I will detain the Senate but a moment. I can not understand why the conferees should have agreed to the report that they have. It seems to me that it is turning over the domestic commerce of the United States to foreign ships. It is a little dangerous now, because of the European war, for the ships of certain nationalities to engage in foreign trade. We started out here to legislate in the interests of the export business of the United States and to get vessels under our own flag to carry our products to European countries, but when it was discovered that it might be unsafe for the ships that are flying a foreign flag to change flags and undertake to carry the products of the United States to foreign countries under the United States flag with still a foreign ownership, then, in order to open a field for these foreign ships that are now tied up, it seems that there dawned upon the gentlemen who were promoting this legislation that they could open up the American domestic commerce to these foreign ships. It is now proposed that these ships that are now driven off the sea by the European war can come in and take the commerce of our own country from our own ships that have been built to carry that commerce, and make the American ports and American commerce the harbor of refuge for foreign ships that have been driven off the ocean by the war.

It is the most amazing proposition that has been presented to the American Congress for a generation. It seems to me that an American citizen ought to have some rights in his own country and that the American Congress should not deliberately begin to confiscate the property of the American shipowner. This legislation is nothing but confiscation of property that has been acquired under our laws—laws that have existed for more than a century—and this seems to be done in order to protect foreign ships that can not now safely pursue the commerce which they have been pursuing for recent years because of the war.

It is now proposed to permit them to come into our domestic commerce to the destruction of our own domestic shipping. The result will be that our domestic trade will soon be carried in foreign bottoms, as has been our over-seas trade. It is proposed that ships carrying our domestic commerce need not have a dollar owned by an American citizen. They need not have a man or an officer who owes fealty to the American flag. It is the most astounding proposition I have ever known presented to the American Congress. Under the assumption that we do not have any over-seas merchant marine, and that the American foreign commerce is carried in foreign bottoms, and foreign ships now being handicapped by the war, it was proposed to temporarily obtain ships to carry our products abroad by suspending our navigation laws as to such foreign commerce. That is what we started out to do.

But now we have gone far beyond that, and if this report becomes a law we will destroy our domestic merchant marine, just as our foreign merchant marine has been destroyed. This bill now, instead of being a bill to benefit American producers, is a bill to destroy American industry. None of these ships will go into the foreign trade. They will engage in our domestic trade, and our products will still be without ships.

I could not resist the inclination to express my views as emphatically as I could against this report, which, in its present shape, I regard as an unpatriotic and infamous piece of legislation.

Mr. JOHNSON. Mr. President, I rise with a sense of the deepest responsibility to discuss this conference report, because this legislation means much to my State. The shipbuilding industry is one of the oldest there. Early the sound of the ax and the hammer and the saw was heard along its coast, and from our harbors sailed its fine clipper ships, which were the pride of our sailors and which were looked upon with admiration by the citizens of the world. We had the oak and pine in the forest; we had the harbors, and we launched upon the main those grand ships, some of which were commanded by the senior Senator from California [Mr. PERKINS], who knows the history of that industry. Now, with no hearings, and when for the first time in 60 years a Democratic Senator from Maine takes his seat with his colleagues from the South and the West in this Chamber, with no warning, it is proposed to strike down that old industry which has existed for more than a century in our State. It is unfair; it is unjust. It is unjust to the State; it is unjust to the citizens of this Republic. It is a subject which demands and should receive more considerate attention. Such legislation should not be placed upon this great emergency bill as a mere incident.

I am afraid that many of my colleagues fail to appreciate the importance of this legislation. What does it do? Opening up our whole coastwise trade to foreign vessels at a time when there is nothing for them to do, when war has made it dangerous for men to sail the seas under their own flag, they can now be purchased at much less than their cost and put into our coastwise trade to compete with our American vessels.

We have some 200 vessels owned by the citizens of my State. I know but little about the so-called coastwise shipping trust. I only know that my whole political life has arraigned me on the side opposed to monopoly or special privilege; but in my State the vessels that we build are not built by trusts. They are built by the citizens who wish to provide a vessel for a sea captain, a master proud of his calling. His friends unite, each taking a sixty-fourth, a thirty-second, a sixteenth, or an eighth interest. Under his command the vessel is launched upon the waters. The owners may receive some return from the first voyage, but possibly on the second voyage disastrous gales strike her and she goes into port, crippled, for repairs and her earnings are absorbed. Perhaps upon a third voyage she may go to the bottom with captain and crew, and the whole investment is lost. Even if she continues to sail, the return is not large. If her owners get her insured, it will take nearly all the earnings to do so. The only hope for an investor in such property is to own a small share in a great many vessels and take his chances. Even that is not profitable. That is the condition of the shipping industry in my State.

There is no trust. The sea captain, when he takes his vessel, goes to Boston or to New York and seeks a cargo to the West Indies or to the south. He meets hundreds of other vessels with which he has to compete. If he gets a charter party, he will only get it because his rates are lower. There is no combination. That is his calling, out upon the broad sea, unfettered by any contracts, unfettered by any understanding. It is as free as the ocean and as the breezes that fill his sails.

Now, at this time, with no opportunity to be heard, you strike at him; you strike at that industry. No legislation has been attempted since I have had a seat in the Senate when we did not give opportunity to interested parties to be heard. You have not heard these people. With no warning and out of a clear sky you launch this disastrous blow upon an old and honorable industry, one that has brought dignity and power to our country and also to our State, and to the Union has given some of the most splendid seamen who have served not only upon your merchant vessels but have entered your Navy as well. It has furnished whole pages of illustrious names of men who, from their knowledge of the sea, could perform great services for the country.

What is the need at this time, when we are considering the demands of our export trade, to make this attack upon our coastwise laws? If it becomes necessary later, if vessels can not be obtained for our coastwise trade, if it be true, as the distinguished Senator from Washington [Mr. JONES] thinks, that the Pacific coast will suffer because of the failure to obtain vessels—if that appears later, then we can legislate; but why at this time, before this need is made apparent, should we deal this blow at our coastwise trade? Why not leave this measure as it came to us, a broad national measure dealing only with our export trade, and provide vessels to carry our over-seas commerce, and then, later, when the need becomes apparent, if it does, legislate in regard to our coastwise trade? But let us do it with consideration; let us give the people who are engaged in it a hearing; let them come here as people have come in other matters and place their case before us.

Mr. BORAH. Mr. President, I signed this conference report, and I did not sign it under any misapprehension or any impulse. I have felt for some time that it was perfectly fair to do precisely what this report purports to do with reference to the coastwise trade and coastwise shipping. There have been a number of things which have led me up to this point, transpiring in the legislation of this country for the last two or three years. I say, therefore, that it was upon no impulse or lack of reflection that I signed this conference report, and I am prepared to support it. The law protecting coastwise shipping is a form of the protective policy.

Some few years ago, Mr. President, there began an agitation in this country among our eastern friends along the Atlantic seaboard, in Massachusetts and other places, for the placing of all agricultural products upon the free list, for open, untrammeled competition as between the farmers of Canada and those of the United States. No one could doubt that that was, as a practical proposition, distinctly and unquestionably a sectional measure for the purpose of placing the great producing regions of the West and the South in the open markets of the world for sale and in the protected market of the United States for purchase. Unfortunately, the party of which I am an humble member and which had been adverse to that view for nearly 50 years, took up this doctrine of raw material and applied it to the farming interests and the agricultural interests of the country and attempted to engraft it upon the revenue laws of the country and upon the policy of protection. The scheme was to leave the manufacturing interests in the great manufacturing centers of the East as fully protected as they had ever been, but to put that great region of the West and South—because that has come to be the great agricultural producing region of the country—under another rule entirely. That was defeated through no act of ours, but through the act of Canada, for which we owe her a great debt of gratitude.

When we come to the tariff bill, the Underwood bill, which passed Congress during the last session, we find the same discrimination. Everything which the farmer raises, practically everything which comes from the field of his production, is upon the free list, while the articles which he must purchase still carry a reasonable amount of protection, in many cases sufficient, in others, perhaps, not so; but he is now placed in a position where he is not only in open competition with his neighbor upon the north but he is in open competition in the free markets of the world, with the agricultural producers throughout the civilized world. At the same time most everything he buys carries some duty.

Following those steps, we took another, and that was to repeal the toll-exemption clause of the Panama Canal act. That was to place the West, and the producing interests of the West especially, at a further disadvantage. Every substantial important movement along this line of legislation for the last three years has been to place the great producing regions of the West at a disadvantage. That has been accomplished and about made perfect by every bill which led in that direction which has been before the Senate.

Now, Mr. President, so long as that condition continues I am for free ships. I am not willing that the American farmer, the agriculturist of this country, the producer generally, shall

send his products to an open market in a protected ship. When the American people come to the conclusion that they want free trade, and this coastwise law, as I say, is a mere form of protection, there is no reason why that principle of free trade should not be extended to all alike. On the other hand, if they conclude that they want the system of protection restored we will be glad to meet them and restore it as a system. The American protective policy is either a system, nation wide and applicable to all, a system which should be applied to every citizen and every industry that comes under the purview of its principle, or if not that then it is a special privilege and indefensible and intolerable. There is nothing unjust, nothing unfair, in giving a man who goes to an open market a system of transportation built upon the same principle upon which his market is constructed.

I would not strike down a single industry; I have no reason to assail the shipping industry; but if it is possible in any way to ameliorate or assist the situation for the western producer by bringing to the same principle all industries, I propose to cast my vote to accomplish that purpose. I am a protectionist, but I am for it as a great national system, a national policy, a policy which gives employment to labor and a better wage, which sustains and upholds American enterprise and American industry. But I can not get my consent to see it applied with discrimination, sectionally, or according to the doctrine of a favored few. It undoubtedly, in my judgment, to some extent will militate against the interests of the coastwise shipping at the present time, but, in my opinion, it will inure to the benefit of another class of people, who have been signally discriminated against in our legislation for the last two years, and thus even to some extent the burdens which are upon us.

So I say, Mr. President, that so far as I am concerned my action in signing the conference report was not a matter of impulse or due to want of reflection. There has never been an hour since the President attached his signature to the bill repealing the exemption clause of the Panama Canal act that I have not been ready to take this step.

The PRESIDENT pro tempore. The question is on the adoption of the conference report.

Mr. GALLINGER. Mr. President, just a word. As I understood the Senator from Idaho—and he was rather frank—he suggested that the people of the Atlantic coast had at some period—I do not know when it was—entered upon a movement to discriminate against the products of the great West. Am I correct in that?

Mr. BORAH. I do not know that that is the exact language, but I am willing for the Senator to take that basis upon which to make his argument.

Mr. GALLINGER. I am not going to make an argument. I am only going to say to the Senator from Idaho that he will search the RECORD in vain, during the past 15 years certainly, to find a single vote that has been cast in this body by New England representatives that was calculated to harm in any way the industries of the Western States. We have stood, as I have stated, for protection; we have tried to make it a national question; and I am sorry that the Senator has been led to feel that at any time the people of New England especially were antagonistic to the interests of the West. There may have been perhaps a little faction somewhere in New England—Massachusetts has given us more or less trouble in several directions first and last—but, as a whole, we have stood unflinchingly by the interests of the Western States. I think the Senator will agree with me as to that.

Mr. BORAH. No; I can not agree to that. I agree that that is true so far as the vote of the Senator from New Hampshire is concerned; but the reciprocity bill would not have been carried through the Senate without the aid of New England; it could not have been put through as a law without the assistance of representatives from New England, and the bill repealing the exemption clause of the Panama Canal act could not have been put through, in my judgment, without their assistance. The Senator has been loyal to his convictions; he has stood by them. But New England started the scheme to put all farm products upon the free list; and if she sees now the principle returning, to take up its abode amid her own distressed industries, it might be said to be a quick and significant application of the divine law of retribution.

Mr. GALLINGER. Mr. President, I will agree to that. I had overlooked the reciprocity bill, which I fought tooth and nail as best I could, and I have neither sympathy nor apology for any eastern man who voted for that measure.

Mr. JONES. Mr. President, I merely want to say a few words before action is taken on the conference report. When the Senator from Maine [Mr. JOHNSON] was speaking with reference to the disastrous effect the provision of the bill admitting foreign-built vessels to the coastwise trade would have upon a great industry in his State, I could not help thinking of a suggestion which he made to me in connection with the tariff bill. I was trying to show him the injury which the passage of the tariff bill would do to the shingle industry of my State if shingles were put upon the free list. He suggested to me that they wanted to try the experiment. It has been tried and has proven very disastrous for us. The shingle industry is greatly crippled, many men are without work, and the home market is being taken by foreign shingles. I will not say that we want to try this as an experiment on the industries in Maine, but I do not believe that the passage of this bill will have the effect which the Senator anticipates. I hope I may not be so much mistaken as he was.

Mr. President, this is an administration measure brought in here as an emergency proposition. Personally, I doubt very much the necessity for it; I doubt very much if any great good will come from it; I doubt very much if what is hoped for from the bill will be realized at all. If I vote for it, it will simply be to help the administration in what it thinks necessary in the emergency existing, and not because I believe this to be especially desirable legislation.

When the bill was before the Senate I thought, and I still believe, that there was such an emergency on the Pacific coast that our people were affected so much in the same way as the industries of the Atlantic coast that brought forth this bill as to warrant the presentation of the amendment which I submitted. It was not offered simply because the situation afforded the opportunity, but in the hope of meeting a situation most serious with us. That amendment, with the suggestion offered by the Senator from Mississippi [Mr. WILLIAMS], was adopted and went to conference, and now the conference committee has brought back that provision in effect, but, as has been suggested by the Senator from New Jersey, has made it broader. While the substance of my amendment is covered fully by the conference report, the conferees have gone beyond the action of either the Senate or the House.

The Senate simply provided that foreign-built ships admitted to American registry could engage in the intercoastal trade; that is, in trade between points on the Pacific coast—and when that language was used it meant the entire western coast of the United States—and points on the Atlantic coast, and when that language was used it included what the people of the East recognize as the Gulf ports, but which we in the west always recognize as part of the Atlantic coast, or the east coast line of the United States. That was as far as it went. It was designed to meet an emergency that existed on the Pacific coast in even a greater degree than on the Atlantic.

As statements have been made here that there are idle ships in the coastwise trade on the Pacific coast, I desire to say that there has not been any showing made that those ships are of a character that can engage in ocean or seagoing trade; and it will require ocean or seagoing vessels to engage in trade between Atlantic and Pacific ports through the Panama Canal. Such a voyage is even longer than the voyage between New York and Southampton, and is even more of an ocean-going voyage than that, if there can be any difference at all. The vessels that are idle are not such vessels.

That was the emergency; that was the situation which the Senate endeavored to meet. As I have suggested, the conference committee, I think, have gone further than they had any authority to go, either under the rules of the Senate or under general parliamentary procedure. Nevertheless, they have gone that far and have extended this provision to the coastwise trade generally, and their report is before us.

While I agree with practically everything which the Senator from New Hampshire [Mr. GALLINGER] has said with reference to the desirability of preserving the coastwise trade to American-built ships, and as to the desirability of encouraging American shipyards, the employment of American labor in those yards, the building of ships out of American material, and so forth, I do not believe that the results that are predicted from this provision will come about at all. If I thought they would to any very great extent, I would not be in favor of the provision, although I agree very much with the sentiments of the Senator from Idaho [Mr. BORAH]; and I said when the bill repealing the exemption clause of the Panama Canal was passed that that meant the death knell to the American-built ships occupying exclusively the coastwise trade of the United States, because you can not maintain in this country, Mr. President, coastwise laws that are applied to one section of the country differently from the manner in which they are applied to another section of the country.

Mr. BORAH. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Washington yield to the Senator from Idaho?

Mr. JONES. Certainly.

Mr. BORAH. The Senator says that we can not maintain that situation, and I agree with him; but if we could do it, if we had the power to do it, upon what theory of justice would you compel the western farmer to sell his goods in an open market and to pay for shipping them on a protected ship?

Mr. JONES. There is not any theory upon which that can be maintained. That is the very reason why it will not be maintained; justice must be meted out impartially to every section of the country and to all the people of the country. That is the very basis upon which our laws should be maintained, and when we undermine or break down that principle, then the system is going to fall.

It has been shown apparently that the shipping industry is in very much the same depressed condition in which we find many of the other industries throughout the country. This is not the time and this is not the place to go into the reasons for that depression. I have my ideas about it; I have my views with reference to the cause of this depression, not only in the shipping industry but in the other industries of this country; I think I know the causes of it, and the people know it; but if we grant that there are many coastwise ships now without business and now tied up, that proves, at least to my mind, that there is no serious danger to be apprehended from this legislation, because foreign-built ships are not going to go into a business that is stagnant and, in fact, where there is no business, so I doubt if very many foreign-built ships will enter the coastwise trade at all. They may, and that is my hope, enter the intercoastal trade wherever ships are lacking.

Furthermore, under this proposition the privilege is limited to a period of two years; no foreign-built ships registered for the foreign trade can be admitted into the coastwise trade after two years, unless, of course, Congress should extend the time or should provide other legislation, and if it does, of course that will be very carefully considered. So that, upon the whole, this legislation, it seems to me, is very much restricted.

I believe that it will furnish to the people of the Pacific coast some relief from the situation that confronts them. I know that our people do not want to see the domestic trade generally opened up to foreign-built ships, and I have some telegrams here which I think it but fair that I should place in the RECORD, if the Senate will permit. I ask permission to have published in the RECORD a couple of telegrams with reference to this matter.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Washington? The Chair hears none, and the telegrams referred to will be printed in the RECORD.

The telegrams referred to are as follows:

SEATTLE, WASH., *August 13, 1914.*

Hon. WESLEY L. JONES,
United States Senate, Washington, D. C.:

We are much opposed to emergency shipping-bill legislation as reported in to-day's dispatches, but do not want to stand in the light of what is best for the United States as a whole; but if Congress insists upon passing bill, then they should give short coastwise owners a bonus on vessels they have recently built at American yards, paying 50 per cent more therefor than our neighbors in Canada that have built in England and brought their vessels out here.

JOSHUA GREENE.

SAN FRANCISCO, CAL., *August 13, 1914.*

Hon. WESLEY L. JONES,
United States Senate, Washington, D. C.:

There is absolutely no occasion for admission of foreign steamers to domestic service on this coast. There is now a large number of American steamers tied up here on account lack of business. This company alone has five steamers tied up. It will be a grave injustice to American shipowners to admit cheaply built and cheaply manned foreign steamers into competition with them. It will put American shipyards out of business other than for repair work.

J. C. FORD,
President Pacific Coast Steamship Co.

Mr. JONES. Mr. President, some telegrams have referred to vessels in the coastwise trade that are now idle, but there is no suggestion that these vessels are available or would be available for trade through the Panama Canal or for the overseas trade. Of course some foreign-built ships might come into our local coastwise trade on the Pacific; but I think that the great benefit which is likely to come by reason of making available ships for the Panama Canal trade far overbalances any anticipated or any probable or possible injury that might come to local domestic trade.

Furthermore, Mr. President, we are confronted in this matter by the same conditions that we are always confronted with when we propose to change any long-established system or policy or principle. There are always those who will protest most vigorously against any action that may interfere with their business, and if any change, however slight, is proposed, they see nothing but ruin confronting them. That is natural; I do not find fault with the gentlemen who protest in that way; they are looking after their interests, and, as I have said, I find no fault with them for it. I do not believe they are unpatriotic in making such protests and such suggestions, but I do think they overdo it oftentimes. While men are selfish, they should not allow their selfishness to close their eyes to the wants and needs of others. We, as legislators, must look at all sides and at all the people who are interested in these matters. The shipbuilder and the shipowner are not the only ones who are interested in this question. The producers of the country and the producers of my section, the consumers of the country and the consumers of my section are interested in this matter. They are interested in what they have to pay for the transportation of their products to market; interested in having ample facilities for the transfer of their products to market, and even if it were granted that this legislation might bring into the coastwise trade some additional competitive ships, it would simply furnish to our producers and to our consumers increased facilities for getting their products to market and a check upon extortionate charges that come from a lack of transportation facilities.

One reason why I doubt if this bill will accomplish the great purposes of those who present it, even in the foreign trade, is that while there is a showing here as to the great amount of tonnage in the coastwise trade that is suitable and available for the foreign trade, these ships do not seem to be availing themselves of the opportunities presented. They are not seeking and are not registering for the foreign trade. We have seen in the last few days an example of how the shipping industry acts, animated, if you please, by the same spirit and feeling and motive that animates all of us, for that matter, when we have an opportunity to take advantage of a situation. When the Government needed ships to send across to bring our citizens from abroad it was reported at least that they were asking exorbitant rates for such service—such exorbitant rates that our Government officials contemplated an investigation, or absolutely refused to consider their offers. If there are so many of these ships that are available for the foreign service, if there are so many of these ships that are idle, how does it happen that some of these transportation companies apparently try to hold up the Government in its hour of distress, and the hour of distress of its citizens, and charge exorbitant rates for carrying those people home, so that it becomes almost necessary for the Government, in order to furnish relief, to take some of its naval vessels and use them for this purpose?

Mr. President, if in the coastwise trade we have conditions where there are not sufficient ships to do the business, those that are in it will charge all the traffic will bear, and they will make their charges high, and the consumers and producers of the country will have to pay them or have their products rot in the fields for lack of transportation. This should be avoided if possible, and this it is hoped to avoid by the provisions of this bill to which I am referring.

As I said, if there are so many of these ships in the local coastwise trade now that are idle, there would be no inducement for these vessels admitted to American registry to come into that trade. Again, if there are so many ships in the domestic trade that are suitable and fitted to carry on the over-seas trade, with the conditions that are arising and that are likely to arise from the war situation, many of these ships will go into the foreign trade. They will leave the domestic trade for the higher profits in the foreign trade. Now, if there are no ships to take their places, we will have a dearth of ships in the domestic trade, and that means increased rates and increased charges for the consumers and producers of the country. So I see nothing that is likely to happen from the passage of this act except a sort of balancing of the situation, and that possibly conditions will remain, with the passage of this legislation, just about where they are now, with a possible increase in the ships for such trade and routes as need them, and this will be a benefit and not an injury to anyone.

Mr. NORRIS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Washington yield to the Senator from Nebraska?

Mr. JONES. Certainly.

Mr. NORRIS. I wish to ask the Senator his idea of the international aspect of this particular legislation, if he thinks it has any, as to whether or not the easy means by which this bill will permit foreign ships to carry the American flag will not perhaps, under existing conditions in Europe, get us into some difficulty?

Mr. JONES. Mr. President, I am very much afraid that is true, and therefore I voted for the amendments of the Senator

from Iowa [Mr. CUMMINS] and the Senator from Delaware [Mr. SAULSBURY]. I regret very much indeed that the conferees have left out that provision. The administration, however, seems to think that will not lead us into trouble. I very much fear that it will. I have anticipated that from the beginning, and it is one thing that makes me hesitate about voting for this measure.

Mr. NORRIS. The Senator, in his answer, brings up another idea. He says the administration thinks this will not make any difference. Is it true that the conferees in the first instance had agreed to bring in a conference report that contained in substance the amendment of the Senator from Iowa?

Mr. JONES. I do not know. The Senator from Idaho [Mr. BORAH] was on the conference committee, and can answer that question better than I can.

Mr. NORRIS. The Senator referred to the administration.

Mr. JONES. I probably should hardly have said that. I based that statement entirely upon the fact that the Senator from New York [Mr. O'GORMAN], in charge of the bill, and most of the majority Members were very much opposed to that proposition, and not only opposed it here on the floor but now sustain the conference report in its omission. I have heard nothing at all myself from the administration, nor from anyone who purports to speak for it. From the fact that the great majority, I think, on the other side of the Chamber, including the Senator from New York, who has charge of the bill and has had charge of it from the time it came into the Senate, think that amendment would be a great injury, I simply assume that the Senator from New York is speaking with the approval, at least, of the administration, and not in opposition to its wishes. I have not any doubt but that if the administration had expressed, even very slightly, its desire that some amendment of this kind should go in here, it would have gone in.

Mr. NORRIS. I wanted to suggest that matter to the Senator from Washington, not in a critical sense, for I have a good deal of sympathy with the object of this legislation, but because I have my doubts as to the wisdom of doing it now. Now, why is it that it is limited to two years? What is the object of that limitation?

Mr. JONES. That limitation was put on in the conference committee. It was not even discussed in the Senate. The Senator will notice that that limitation applies only to the coastwise trade. It does not apply to the admission of vessels registered under this act to the foreign trade. The time is unlimited with reference to that. I suppose the conferees put in this limitation out of a desire to protect the coastwise trade to a certain extent from the encroachments of foreign-built ships. I assume that to be the case. The Senator from Idaho probably can give us more direct information with reference to the idea of the conference committee in making that limitation, and I yield to him to make any suggestion he may desire to make.

Mr. BORAH. Mr. President, referring first to the amendment of the Senator from Iowa [Mr. CUMMINS], I do not know that the administration had anything to do with the conference. If so, I was not cognizant of the fact myself. The conferees upon the part of the Senate presented thoroughly the matter of the amendment of the Senator from Iowa, and the discussion continued during practically the whole afternoon upon that subject, but there was no agreement. There was only a tentative understanding with reference to the bill. When we came back next morning the amendment was finally dropped out. So far as any outside suggestion was concerned, I know nothing about it, if it was made.

Speaking of the amendment, if I had felt that there was any real effect to flow from the amendment I should have felt more earnestly that it was a mistake to leave it out; but the amendment simply provided that at the time of the registration a majority of the stock should be held by American citizens. The Senator can see that there was no way to protect that situation 15 minutes after the registration took place; there was no way to make it a permanent proposition. The stock is owned by individuals, and flits here and there. Anybody can transfer it to anyone he wishes, and there is no way to control the situation.

I think the principle involved in the amendment was probably a commendable one and a wise one; but I could not see how there could be any possible result flowing from it unless we could find some way by which to make it effectual.

Mr. NORRIS. If the Senator from Washington will continue to yield, I should like to say, in reference to what the Senator from Idaho has said, that while my fears may be groundless—I have not been here during this debate, and have not heard it all, and am not very well posted on the subject—I feel that there is great danger in passing a law of this kind now, while the great nations of Europe are at war with each other, when we have made no attempt to pass it prior to the war; and we make it so easy to transfer the flag of a foreign nation from the ship and put an American flag in its place that we are going a good way to expect the civilized nations of the world not to look at least with a great deal of suspicion on that kind of a proceeding. Assuming that we pass the bill in good faith, the shipowners desiring to take advantage of it, as I understand the bill, have not much more to do than to haul down the other flag and run up the American flag, and then go out on the ocean and demand protection from the United States Government. It seems to me that would naturally create a suspicion that the transfer was not a bona fide one.

Mr. BORAH. Suppose the other nations of the earth should dislike it? Upon what ground would they lodge any objection to the United States amending its laws in this respect? Upon what theory would they make any suggestion with reference to it? I know that in thi country the opinion prevails in some quarters that we ought not to legislate until we consult certain foreign interests, but I did not think that belonged to the Senator from Nebraska.

Mr. NORRIS. No; it does not; and the Senator can not charge that up to me.

Mr. BORAH. No; I do not think that belongs to the Senator; but upon what ground would they rest their objection? Upon what theory would they say that the United States should not change her laws to take care of her commercial interests in a crisis? I know of no ground upon which they could lodge an objection.

Mr. NORRIS. It seems to me it might be lodged upon the fact that there has been no attempt to legislate during time of peace for the last 100 years, and that just as soon as the war begins we pass a law such as this, which says to the owner of the foreign-built ship, "You can pull down your flag, if you want to, and put up ours, and we will defend you." It seems to me that ought not to be expected.

Mr. POINDEXTER Mr. President——

Mr. JONES. Mr. President, I do not want to be discourteous to the Senator from Nebraska—and he knows I would not be—but the Senator from Iowa [Mr. CUMMINS] is going to discuss that particular proposition very soon, and just in the interest of time I would suggest that he can then discuss it with the Senator from Iowa, and it will save a little time, because I did not intend to go very much into that feature of the matter myself.

Mr. POINDEXTER. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Washington yield to his colleague?

Mr. JONES. Yes; certainly.

Mr. POINDEXTER. In connection with the point made by the Senator from Nebraska, no such difficulty as that would arise with reference to foreign-built ships engaged in the coastwise trade of the United States. No foreign country could claim that the United States did not have such a peculiar interest in its coastwise trade as justified protection of it under its own flag wherever the ship may have been built or however quickly the transfer may have been made.

Mr. NORRIS. But the question was asked by me originally with particular reference to the over-sea trade. I do not know that there would be any objection even to that. I am simply trying to bring out the facts and get information.

Mr. JONES. I would not shut out the Senator if I had not suggested that the Senator from Iowa is going to take up that matter fully.

Mr. NORRIS. I will say to the Senator that that is perfectly satisfactory to me.

Mr. JONES. Yes; I thought it would be.

Mr. NORRIS. I have no disposition to crowd my question now.

Mr. JONES. There was one other question that the Senator from Nebraska inquired about—I do not know whether he expected an answer to it or not—and that was this limitation of two years for admission into the coastwise trade. I did not know but that the Senator from Idaho might give the Senator from Nebraska some information as to why that limitation was made.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER (Mr. MARTINE of New Jersey in the chair). Does the Senator from Washington yield to the Senator from Idaho?

Mr. JONES. Certainly.

Mr. BORAH. I supposed that was somewhat of a concession to the present established principle against throwing open the matter entirely. The argument was also made that it would be calculated to hasten these ships to assist at the time of the existence of this emergency. So far as I was concerned, I was

willing that the door should be opened wide, and that it should be made impossible to reclose it until the whole system of the American policy—the protective policy—was taken up and restored to all industries.

Mr. JONES. Mr. President, a word or two more, and I am through.

As I have said, this conference report does not suit me in very many respects. In fact, as I expressed my views on the bill before, I do not see any particular good to come out of the bill. I was in favor of the amendment offered by the Senator from Iowa [Mr. CUMMINS]. I voted for it. I was satisfied that it was a wise amendment, and I think it would have been the part of wisdom to have had it in this conference report now. I am not fully satisfied that we should not send it back to conference in the hope of having inserted some provision along this line.

Mr. McCUMBER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from North Dakota?

Mr. JONES. Certainly.

Mr. McCUMBER. Before the Senator reaches another phase of the question, I should like a little information from him, and I ask him simply because I believe he is well qualified to answer.

The Senator has indicated an inconsistency between the claim of some of the shipowners, to the effect that there were over 40 vessels upon the coast now lying idle that might be used, and the telegrams received from the coast cities stating that lumber and other forms of merchandise could not be shipped away because of the lack of vessels to carry them. Now, we all know that the Panama Canal is to be opened in a very short time. May it not be a fact, and is it not a fact, that these ships are waiting and this merchandise is waiting until the Panama Canal may be opened, so as to get the advantage of the shorter haul; and may not that explain entirely the difference, or apparent difference, between the statements of the shipowners and the owners of lumber and other merchandise?

Mr. JONES. Mr. President, I do not think there is any real inconsistency between those statements. I am satisfied that practically all the ships that it is stated are now idle are ships that are not suitable and not fitted for the Panama Canal trade and that they would not come into it at all. They are probably ships that have been running on the local routes, short routes. They are not suited for over-seas trade, and probably a great many of them are not at all suited for the lumber trade.

Of course lumber is not the only product we have; that is used because it is the predominant product out there; but, as I suggested the other day, 40,000,000 bushels of wheat are produced in the State of Washington and twenty-five or thirty million in Oregon. Then, too, we have a great deal of fruit, and our people hope to ship a great deal of that.

When the Senator from New Jersey [Mr. MARTINE] the other day read a list that had been handed to him of ships on the coast that were idle I recognized some of the ships, having seen and ridden on some of them. They are not at all suitable for foreign trade; they are not suitable for the lumber trade, even in the domestic trade; and if they are idle, it is simply because they have not the local domestic coastwise trade to employ them. I am satisfied that the reports as to the ships that are idle, 40 or 50, or whatever the number may be, relate largely, if not entirely, to ships that are not suitable for use in the Panama Canal trade.

Mr. McCUMBER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington further yield to the Senator from North Dakota?

Mr. JONES. Certainly.

Mr. McCUMBER. Right on that point, will the Senator explain wherein is the difference between the trade, say, between Seattle and San Francisco and the like character of trade between San Francisco and New Orleans passing through the canal that would make the ships fitted for trade between the former points and not between the latter points?

Mr. JONES. I suppose the length of the voyage would make some difference. There is some difference between the length of the voyages. The distance from Seattle to San Francisco is only six or seven hundred miles, while the other distance would run into the thousands of miles.

Mr. STONE and Mr. CHAMBERLAIN addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Washington yield, and to whom?

Mr. STONE. The Senator was taking his seat when I rose.

Mr. JONES. I was not intending to take my seat, because I had one or two other points I wished to make.

Mr. CHAMBERLAIN. I desire to make one suggestion to the Senator from Washington in answer to a point that has just been touched upon.

Mr. JONES. I yield to the Senator.

Mr. CHAMBERLAIN. There are some vessels that are competent to do business between Seattle and San Francisco that would not be profitable as vessels to go through the Panama Canal. Testimony was given before the Interoceanic Canals Committee to the effect that vessels of less than a certain capacity could not profitably use the Panama Canal at all.

Mr. JONES. Yes; I think it was 5,000 tons, was it not?

Mr. CHAMBERLAIN. Yes.

Mr. JONES. Yes; I think so. Of course there are some of those ships running between Seattle and San Francisco that could be used probably in going through the Panama Canal, but they will not be so used, because they have an established business now and they would not desire to give it up, and it would be a misfortune for them to give it up.

Mr. LANE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Oregon?

Mr. JONES. Certainly.

Mr. LANE. I want to say, for the information of the Senator from North Dakota [Mr. McCUMBER], that some of those vessels which carry lumber between the ports where the lumber is produced and other ports down the coast where the lumber is consumed are auxiliary gasoline schooners and other light-draft vessels. They have not a great deal of bottom on them, and they use gasoline for motor power, and would not do for the other trade. There are quite a number of those vessels that carry a great deal of lumber back and forth.

Mr. McCUMBER. But are those included in the 40 vessels that were mentioned in the letter read here by the Senator from New Jersey?

Mr. LANE. I do not know whether they are or not; but some of those vessels are engaged in that traffic, and it might be that they are among that number.

Mr. BURTON. Mr. President, in a statement made to me on the subject they were not included; and the steam schooners, the overwhelming majority of which are small, as stated by the Senator from Oregon, were separately stated. There is a certain number of those, perhaps 20, over 2,000 tons.

Mr. LANE. Yes.

Mr. PERKINS. A larger number than that.

Mr. BURTON. The Senator from California informs me that there is a larger number than that over 2,000 tons.

Mr. JONES. I want to say, Mr. President, that, of course, I am not a shipping man, and I am not acquainted with the character of these vessels. When they read the name off here I can not always tell what kind of a vessel it is, or anything of the sort; but I want to say this:

Our business men are just about as active, energetic, and capable business men as you can find anywhere in the country. They are just as anxious as anybody to get their products to market, and they will take every step that is necessary to get them to market. If there are facilities for getting those products to market, they are going to get hold of them, and yet telegrams come here from the chambers of commerce of Bellingham and Everett and Seattle and Tacoma, made up of the business men of those sections; not shipping men altogether, but business men of those sections. They have sent telegrams here, which I have put in the RECORD, in which they state that their business is paralyzed because of a lack of ships, and that they have not the ships that can be used to carry their products around through the Panama Canal. I am satisfied, Mr. President, that those gentlemen know what they are talking about, and that they know what they are telegraphing about, and that they know the situation, and they would not make these representations if they did not know them to be true.

The conference committee has accepted what we passed in the Senate—I do not know but that it was part of the bill as it came from the House—giving to the President very much discretion with reference to the suspension of the coastwise laws. I think that provision was in the bill as it passed the House, so it was not a matter for the conferees to change. We have, however, given a great deal of discretion to the President, and while I feel satisfied that he will exercise that discretion wisely, I would have much preferred to have Congress lay down the rules and the regulations and make specific provision with reference to these matters. I am willing to accept this, however, and to leave it to the discretion of the President, feeling that he will act wisely.

I am satisfied that the President will not admit to the coastwise trade these foreign-built ships manned by foreign officers. I do not believe he is required to do it under this bill. I appreciate the point made by the Senator from Iowa, and I wish this had been made a little bit freer from doubt; but I am satisfied that under the language of section 2, which gives to

the President the power to suspend by order these certain laws, so far and for such time as he may deem wise, the President, when application is made for registry of a foreign-built ship, can place in the permit granting that registry the condition that if the vessel should go into the coastwise trade these suspensions should not apply, and I am sure he will do it. It would be unfair, unjust, and monstrous to permit foreign-built ships under an American registry to do business with foreign crews and officers in competition with American-built ships manned by American officers and crews and paid American wages. If I thought for a moment that he would do this or if I thought he did not have the power to prevent it I would not think of voting for this report. In other words, any vessel to go into the coastwise trade should be surveyed; it should be examined; it should be inspected to see that it was a proper vessel for the coastwise trade; it should be manned by the officers and the crews required by the coastwise laws; and if it should not be willing to accept a registry under those conditions it should not be granted such registry. Of course after they get the registry, the provision of the law is that then they are entitled to engage in the coastwise trade; but, construing the two provisions together, I am satisfied that the President would follow the construction that would at least protect our coastwise trade according to the evident purpose of Congress that, while we will admit these foreign-built ships to the coastwise trade, we want those ships to be such as will conform to our survey and inspection laws, and that they must compete with vessels in the coastwise trade upon the same basis in the matter of operation as the vessels now engaged in the coastwise trade. That is the meaning and intention of this act. The only advantage the owner of such a vessel will have will be in the cost of the vessel; in its operation he will be and should be on exactly the same basis as other ships.

Mr. President, if I support this conference report I will do so because I feel satisfied that it will bring to the people of the Pacific coast relief that they need in this emergency, if any relief can be secured. The responsibility for these other provisions I think will have to rest upon the administration and those who have brought in this legislation. I regret that the conferees broadened this particular provision, although I do not fear that it is going to bring any harm, and it may bring some good. It may bring some good to the producers and to the consumers of our country; and if it does that, then it will have served a good purpose. It is limited in time to two years, so that after two years from now, unless Congress otherwise provides, no foreign-built ships can get into the coastwise trade; and there is also the point that these ships are not admitted to the coastwise trade on the same basis that foreign ships get into the foreign trade.

Any ship flying any flag can engage in our foreign trade now—can trade between New York and any foreign port. They do not have to have any particular kind of crews, any particular kind of accommodations, or anything of that sort, except according to the law of the flag under which they sail. Those ships can not come into the coastwise trade. This bill does not admit them into the coastwise trade. They must first get American registry, and in order to get American registry they must get at least under some form of American ownership, and then they come in under American control; so that there is an additional safeguard.

In other words, this is not an unlimited, unqualified opening up of the coastwise trade to foreign-built ships, even for two years. Every foreign-built ship, in order to get into the coastwise trade even under this act, must get American registry, and must show a certain class, at least, of American ownership. Of course I understand that it may be a corporation in which all the stock is owned by foreign people, but nevertheless that is an American corporation and an American ownership which we recognize now.

Mr. LIPPITT. I was just going to ask the Senator from Washington if that limitation was not confined merely to having a dummy president and a few dummy directors?

Mr. JONES. That may be true. The Senator and I are not at issue on that proposition. I was for the amendment that would prevent that condition of things.

Mr. LIPPITT. I was in hopes the Senator was as much opposed to it as I am.

Mr. JONES. I think I am, but I am not going to argue that, because the Senator from Rhode Island can do it much more ably than I can. However, I think I can safely say in advance that I shall agree with practically everything the Senator from Iowa may say with reference to that matter, because we had a discussion here for two or three days. I know the arguments made for and against it, and I am heartily in favor of the proposition, and if I thought by rejecting this conference report we could get some provision of that kind in the bill I might vote to reject it, because, as I have intimated, I am not greatly enamored with this measure.

Mr. WILLIAMS. Mr. President, while we are talking, the present condition of things is continuing. There was hope of relief by the operation of the Weeks bill. I hold in my hand a clipping from one of the Washington papers which shows how little may be hoped for from that quarter. I shall take the liberty of reading it to the Senate:

The House Naval Affairs Committee yesterday—

It was day before yesterday now; I took this from the paper of yesterday—

The House Naval Affairs Committee yesterday, after hearing a statement from Rear Admiral Blue to the effect that a line of freight vessels made up of some of the older naval cruisers and scout ships for the South American trade might prove an expensive experiment, decided to refer the Weeks bill to a subcommittee of five members in order to obtain complete information on the subject, together with recommendations as to what should be done. The Weeks bill passed the Senate August 3.

It tells what it provided for; I will not read that.

Among the Democrats of the House Naval Committee there was a general desire to make a favorable report on the bill yesterday. Republicans of the committee were opposed to such action.

Admiral Blue, who is Chief of the Bureau of Navigation of the Navy Department, informed the committee that four of the vessels which it was proposed to utilize in this new kind of work could carry only 150 tons of freight and 50 tons of mail—

And 50 tons of mail is no very immense mail—

these being the cruisers *Minneapolis*, *Columbia*, *Salem*, and *Chester*. The freight, he said, even then would have to be in small-package lots in order to make it fit in the magazines of the ships.

"Would it not be cheaper for the United States to buy some of the foreign vessels which are tied up on account of the war than to use expensive naval vessels for freight or mail service?" asked Representative ROBERTS, Republican, of Massachusetts.

The Senate will remember that my proposition was to buy these ships and within four months, at any rate after the close of the war, to sell them. I introduced a bill with that end in view.

In this connection I want to say that I got the information from one of the Senators from New York to-day, who got it from a reliable quarter, that some of these German ships lying in port now could be bought for 50 cents on the dollar. If so, when the Government got ready to sell them the Government would not lose any money—on the contrary, would make some—but even if the Government lost money it would not be a drop in the bucket as compared with the great good that would be done.

This was Admiral Blue's answer to that question:

It would be much cheaper—

Was the response of Admiral Blue, and then the admiral goes on in the interview to tell why. I will ask that it be inserted in the RECORD.

The VICE PRESIDENT. Without objection, permission is granted.

The matter referred to is as follows:

"It would be much cheaper" was the response of Admiral Blue. The admiral agreed also that a vessel constructed for the express purpose of carrying freight would be able to transport a much larger cargo than a cruiser with no room for anything but machinery, coal, and guns.

Mr. WILLIAMS. Now, I want to dwell upon another phase of the subject. As I said a moment ago, while we are talking the present condition of hardship for our farmers, manufacturers, and mine operators is continuing. Whether this bill will do any great amount of good or not is doubtful; but that it will do some good I do not doubt. But while this condition of things is going on, Mr. President, a combination, tacit or expressed, of wholesale or retail robbers, or both, is holding a clutch upon the throat of the American people, for which they ought in some way to be punished by law, if there be any legal way of punishing them.

Of course it was naturally to be expected in a great European war that there should be some rise in the price of foodstuffs, not because the world is going to consume any less than was consumed last year, but because the supply will be less, and to that extent there would have been a legitimate economic reason for a rise in the price of bread and meat. But the rise that has taken place here lately is not a mere discounting of the future effect of the operation of that natural economic law. As far as the rise that took place would naturally take place under that law goes, it would be thoroughly justified. The farmers ought to have the advantage of an economic condition when it faces them as much as any other producer is entitled to his advantage accruing from a natural economic condition. But this condition to-day is one of extortion by combination. Here are our warehouses and elevators full, produce threatening to spoil on our hands; no transportation for it. Then somebody here in

some way raises prices, so that an already high price becomes an extortionate price.

In this connection—and that was the main object in my rising—I want to read an editorial from the New York World, nearly every word of which I indorse, strong as it is; it is headed "The fight for food":

Various dealers in food, big and little, have declared war upon the American people. The aggression of which they are guilty is as ruthless in some of its aspects as that shown by nations in arms against their enemies. No autocrat ever proceeded with bolder assumption. No conqueror ever devastated a prostrate state with a lighter heart.

At a moment when the people in Congress are making extraordinary efforts to provide an outlet across the seas for the surplus food of this country the owners of and gamblers in that food are kiting prices. If the Government should do nothing to relieve the situation as to exports, food is so abundant that it would soon be rotting in our warehouses and much of it would never come to market at all.

This is the state of affairs which, with war in Europe, has led the gluttons of the granaries and groceries to anticipate famine, to monopolize plenty, and with no excuse better than a speculative theory as to the future to inflict upon their own countrymen burdens that would not be endured if imposed by Government. Never before was there such widely organized eagerness for gain. It is a rapacity which can not wait. In the belief and hope that there is soon to be starvation in Europe, where all is war, it introduces privation in America, where all is peace. It is continental. It is also local.

Nothing of this kind comes about by accident. The men who are cornering food in the United States operate with the precision of a well-trained army. They act in concert. They have a plan of campaign. They have their captains of tens and their captains of thousands. From highest to lowest the one controlling motive is greed. They do not advantage by circumstances. They take advantage of circumstances. Scarcity is not making them rich. It is forestalling and coercion and extortion that they are depending upon to make them rich.

In the presence of a conspiracy so monstrous every prosecuting officer in the country, Federal, State, county, and city, is bound no less by decent manhood than by his oath of office to assail this piracy. The assertion that we see merely the law of supply and demand in operation is false—

Of course it is false; it is self-evidently false; plainly, palpably, obviously false.

Our supplies of most food products greatly exceed the demand and are likely to do so for months to come. It is no true and natural law, but an untrue and unnatural law, that is now in force. Privation has been manufactured to order, not as a result of the demands of the day—

I will add, nor as the result of the scarcity of supply nor as a result of a rational forecasting of future events.

The article goes on—

but in response to the desperate theory that before another harvest enriches the earth hunger will rule in some portions of Europe. Avarice, its eyes upon foreigners, has already undertaken to strangle Americans.

There are statutory laws that will reach this crime. There is common law in many States that is even more drastic. A thousand prosecutions in as many important counties would show in a week whether food is deficient or merely monopolized, whether rising prices are due to circumstance or to combination, and whether the starvation that threatens is justified by necessity or exists only in the evil imagination and the vicious practices of a colossal commercial scoundrelism.

District Attorney Whitman, of New York, should not be the last of these prosecuting officers to act with vigor and intelligence.

Mr. LANE. If the Senator will allow me to confirm what he has stated, I wish to say that I am just in receipt of a telegram from the Marshfield (Oreg.) Chamber of Commerce, which reads:

MARSHFIELD, OREG., *August 13, 1914.*

Hon. HARRY LANE,
United States Senate, Washington, D. C.:

The tremendous advance here in the price of sugar, flour, meats, and other staple foodstuffs causes our people to demand the Government to take immediate action to suppress illegal practice of forcing foodstuffs to unwarranted prices.

MARSHFIELD CHAMBER OF COMMERCE.

I am glad to see that the President has taken cognizance of the matter.

Mr. WILLIAMS. Mr. President, it is not the farmer who is getting the benefit of this. It is some combination of retailers or wholesalers, or both. Produce right now is being held upon the farm because elevators are full and can not take it, and farmers right now are driving cattle and carrying corn and wheat to market and then hauling it unsold back home.

I thought I would get up and make these few remarks in connection with the time we are taking upon this conference report, because the sooner we get it through the sooner what little good it is going to do can be done. It is one of those things concerning which it may be said—

> If it were done, when 'tis done, 'twere well
> It were done quickly.

I do it all the more earnestly and sympathetically because the President of the United States, just returned from the saddest trip upon which a man can go, took up immediately and first of all upon his return to Washington this very question. Before he could discharge his mind from the grief which was overwhelming it, his heart, already sick, went out in sympathy for the American consumer who is suffering deprivation, not because farmers are getting higher prices, but because combinations of middlemen are doing it; and I wanted some voice in the legislative branch of the Government to be added to that of the executive as an inculcation upon judicial officers everywhere to execute the old common law against forestalling, if nothing else, and the Sherman antitrust law against combination and conspiracy in restraining trade.

There is no more injurious way of restraining trade in the world than by forestalling provisions and foodstuffs and making it yet more difficult for the poor to live. As this article says, using as a pretense the fact that possibly there may be starvation in Europe, they produce deprivation in America. Suppose there was starvation in Europe, the starvation would not raise the price of foodstuffs. It is the man who is not starved but who lives and can eat who raises the price of foodstuffs.

So far as the natural working of the law is concerned, everybody expected some rise in the price of foodstuffs because of the increased cost and insurance in getting to the consumer. Just as everybody knew there must be some fall in the price of cotton; but when men come in at a great crisis in the existence of the human family all over the world and begin to diabolically exploit their own people because other peoples elsewhere are in a most calamitous condition, adding suffering at home to diabolism abroad, it was time that the President of the United States had spoken and that everybody else who has at heart the welfare and the happiness of the poor among the American people should speak.

Mr. President, I hope that this conference report will be accepted. As I said when the bill was up before us, I regretted that the Senator from Washington had placed upon it the amendment which he placed there; but, as I said then, if we were to go into a change of the navigation laws of the United States for the benefit of one particular section, I wanted the amendment to run through the bill and to apply to all, so that all might have the benefit of the change if any had it.

Mr. BURTON. Mr. President, the strongest objection to the adoption of this conference report is the manner in which the proposition for the admission of foreign ships to our domestic trade comes before the Senate. That objection and the precedent which would be created should defeat it.

Not many days ago an emergency bill was brought before us here to provide for a certain object. The outbreak of war had rendered useless the ordinary agencies of the carrying trade. It was necessary for us to provide some other way to ship our exports abroad. It was an object of the greatest importance to the whole American people. It was not sectional, nor did it pertain to any one occupation. No single business interest promoted the passage of that measure. It was necessary to provide means by which our grain, our cotton, our copper, our oil, our coal, and all our varied manufactures should reach their ordinary markets.

During the last year for which we have statistics our exports amounted to $2,400,000,000, and the means of communication having been cut off the current of trade was so broken that that colossal traffic was not only interfered with but absolutely crushed.

Its restoration should awaken the attention of the whole country, from the Atlantic to the Pacific, from the Lakes to the Gulf. If that object could be obtained, no one in this Chamber would oppose it. But what happened? Whenever any measure, Mr. President, is brought before the Senate intended to benefit the whole people, up rises some section of the United States or some local interest and asks that it be the special beneficiary of that legislation. Riders are placed upon bills, perhaps, because otherwise they can not pass.

I should be perfectly willing to consider as a separate proposition the amendment of the Senator from Washington giving relief to the lumber producers of Washington. They are very strong protectionists when it comes to lumber, but they are in favor of wide-open competition when it comes to the coastwise trade. I do not say this so much in censure of them, for every man seeks his own interest; but Congress must weigh the reasons for and against such action.

Mr. JONES. Mr. President——

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Washington?

Mr. BURTON. Certainly.

Mr. JONES. I suggest to the Senator that this emergency proposition placed upon this bill was not placed there solely in the interest of the lumbering people. That, of course, is probably the leading industry out in our State, but I stated several times that there are other great interests affected in the same way. I do not think the Senator has any warrant in suggesting that the lumber people are protectionists in their business and for free trade in others, because the lumber people have not urged for free ships in the coastwise trade. Instead they have

asked that ships may be available through the Panama Canal—what is practically ocean-going trade.

Furthermore, they are not entirely responsible for the position I take on the subject on this floor. As I stated a while ago, I have in mind the interest of the producers and consumers of our section. But even if the suggestion that the Senator makes is true, there is not very much reason why the lumber people should support protection somewhere else, because they do not have any protection and have not had for quite a good while.

Mr. BURTON. Mr. President, I do not see that it improves their position if they are not in favor of opening the coastwise trade to foreign ships as a general proposition; that is, they are not in favor of throwing open the coastwise trade between Maine and Texas, but they are in favor of having their part of it made free. That is sectional rather than national.

Mr. JONES. Oh, Mr. President——

Mr. BURTON. If this is a good system it is a good system as a national policy and should not be adopted merely for a portion of the country. Indeed, it seems to me, the Constitution of the United States, in its prohibition of preference for any particular ports, makes very doubtful the validity of the proposition of the Senator from Washington.

Mr. JONES. Will the Senator permit me?

Mr. BURTON. Certainly.

Mr. JONES. This provision applies to every line of industry. It does not apply to lumber alone, but to everything that must be shipped. In the next place, it applies to every port both on the Atlantic and the Pacific. There is no preference at all of one port over another. Every port on the Atlantic can ship to every other port on the Atlantic, and every port on the Atlantic can ship to every port on the Pacific on equal terms. There is absolute equality.

Then, furthermore, the lumber trade is not confined to shipments through the Panama Canal. So the suggestion that they are simply asking that their trade shall be given the benefits of foreign-built ships is hardly correct, because they do not ask that. In the local coastwise traffic they are willing to ship their lumber between those points in domestic ships.

Furthermore, I wish to suggest to the Senator what I have said several times upon the floor, that we would not be asking for our coast even this concession were it not for the exigency that is brought upon us by the very emergency that affects the Atlantic coast. If we had the coastwise American-built ships we would not ask you to let foreign-built ships come in, even though they might be operated cheaper. But we are confronted with the very situation on the Pacific coast that confronts us on the Atlantic coast, except in a greater degree. Our foreign-built ships that have been carrying our foreign trade under foreign flags are driven to port. They are tied up. We have not any way to send our products to foreign ports, and we have no ships to bring them over to the Atlantic coast. So we have lost not only our trade but we can not get to our home market.

Now, there is the situation. It is an emergency brought about to a certain extent by the repeal of the Panama toll act, but intensified and very greatly intensified by the war which has brought the condition on the Atlantic coast. That is the reason why this legislation is urged.

Mr. BURTON. I did not expect to yield for so long an interruption by any means. I supposed it was merely for a question or a suggestion.

Mr. JONES. I beg the Senator's pardon. I do not often interrupt a Senator in that way.

Mr. BURTON. Mr. President, I do not see how this can at all affect the ships engaged in the coastwise trade or boats available for carrying traffic on the Pacific and Atlantic coasts. Certainly they are not in any way prevented from participating in the same lines of activity in which they have taken part for the years past.

I want to call attention to this point. It is at least a disputed question. On the one side it is said that there is a scarcity of ships. I believe one telegram to that effect was read by the Senator from Washington. I wish to call his attention to the fact that no trade out there, except the lumber trade, maintained that there was a scarcity of ships. But, on the other hand, we have the statement of various shipowners that on both the Atlantic coast and the Pacific coast there are a large number of boats which are out of commission, that are in harbors, and that are fitted for almost any trade, either coastwise trade or foreign trade. There exists a vital difference of opinion, and yet we are asked to legislate within a comparatively few hours on the theory that one of those contentions is true, namely, that there is a scarcity of boats. Indeed, I do not know but that the suggestion of the Senator from North Dakota clarifies this situation and is at the same time convincing, that those who say there is a scarcity and those who say there is a superabundance of boats are both correct in their opinions. In view of the early opening of the Panama Canal for traffic between the two oceans, it is probable that a very large amount of shipping has been kept waiting until this shorter route afforded by the canal is open to the world. But we are asked thus hastily to legislate in regard to the Pacific and Atlantic trade. We are asked to attach the proposition of the Senator from Washington to an act which seems to be absolutely essential for the whole people and for the benefit of the whole country.

I most cordially favored the passage of the bill as it came from the House, and hoped that it would be passed promptly, but I can not favor this report in the form in which it comes before us.

Now, following this, what comes next? The House bill, amended by the Senate, goes to a conference committee, and then a proposition authorizing the acquisition for two years of foreign ships to engage in the coastwise trade is placed upon the bill. Not a word about such a proposition was in the House bill; there was not a word about it in the Senate bill. So far as I recall, no amendment was introduced in the House or the Senate having that end in view; and if there was any argument in behalf of making the domestic or coastwise trade free to foreign ships, it was answered or controverted here upon the floor of the Senate.

There was no proposition in the measure sent to us from the House, except the original one providing for foreign trade and foreign trade exclusively. There was no statement here that the provision for the general coastwise trade was insufficient. Then the bill goes from the House and the Senate to a conference committee of 10 members, and they take the liberty of putting in a provision which neither the House nor the Senate passed or even suggested.

Mr. President, is that the way in which we should conduct the public business? Is that the manner in which we ought to legislate—turning over our functions and responsibilities to a conference committee of 10 and saying to them, "We have merely erected the base of the pyramid; you may put in the superstructure anything you please. We have enacted legislation pertaining to two simple subjects, easily understood, about which there has been full discussion, concerning which the country has been informed, but you may join to it other subjects, related or unrelated, about which the country is not informed and of which the country has no anticipation."

Indeed, everything should point to the rejection of any such legislation, because, here in the Senate, in the year 1912, the proposition was made in the form of an amendment that foreign ships might be admitted to the coastwise trade. It was overwhelmingly defeated. A similar amendment, as I am informed, was introduced in the other House, and it was also voted down. The established business of the country and new enterprises as well depend not altogether upon the present but upon the anticipation of the future; and when Congress, both in the other House and in the Senate, negatived so decisively the proposition of opening the coastwise trade to foreign ships investors were justified in making their contracts to build boats upon that hypothesis, even though those boats might not be delivered for two or three years.

Was that proposition voted down because an election was impending? I want to say to Senators that this also is on the eve of an election, and that if this conference report is adopted it will, by its unfairness, by its irregularity as a legislative or parliamentary procedure, afford an issue that will be referred to in every State of the Union and perhaps from every stump in the land. We can not afford to thus legislate in this hasty manner and with so little notice to the country. Those who have built ships relying on the custom of a hundred years, relying upon a uniform policy which has been supported as partly patriotic and partly economic, were notified yesterday morning for the first time that such a proposition had been agreed upon by the conference committee. This provision in its amended form first appearing in the conference report and first reported to the country yesterday morning—possibly there may have been rumors of it the night before—is to be jammed through to-day or to-morrow. Can we justify such a course as that? Is that the way we are going to legislate in the future?

In addition to the men who are engaged in this business enterprise, let me tell you an acute interest is felt by the seamen who are employed upon the ships in the coastwise trade, perhaps the least attractive line of employment in the United States. There is hardly any class more poorly paid; but we do have a certain number of them who are engaged on our ships, whatever the wages may be, who in case of war would be an auxiliary for the Navy, and who, in some degree, can

maintain the position of seamen in the United States; yet their employment is to be thrown in competition with the foreign ship and the foreign sailor under the report brought in here in this manner, and not seriously thought of by the Members of the Senate 48 hours ago; not considered by the Committee of Commerce, that has jurisdiction of the subject in the Senate; not considered by the Committee on Merchant Marine and Fisheries, that has jurisdiction of it in the other House. The door is closed; no one is heard; and it is proposed to force through this measure, however disastrous it may be, without warning and without hearing.

Mr. President, I have never been especially identified with the interest of the coastwise trade. In the lake region where I dwell there is a development of American shipping which altogether surpasses in its growth, its health, and its prosperity that on the Atlantic coast. We are not afraid of foreign shipowners. In the first place, we have a number of highly equipped and well-advanced shipyards; in the next place, there are models peculiarly adapted to the lake trade with which those shipbuilders are familiar, and no newcomer in the field of ship construction could well compete with them. Again, we have the barrier of a canal only 14 feet in depth and a little over 250 feet in width, which restricts bringing ships into Lake Erie and the other lakes above it from any other portion of this country or from abroad.

Mr. POINDEXTER. What is the length of the locks of the canal?

Mr. BURTON. About 265 or 270 feet. They count on a boat of the length of 250 feet as the maximum which can go through. I should say that it is proposed to increase the locks on a very large scale, but that has not yet been accomplished.

On the Lakes we can defy the world in our shipbuilding, and I think we could get along very well despite this proposed legislation. So I have no local interest in this matter, but I look at it from the standpoint of the whole country, from the standpoint of orderly, fair legislative procedure, from the standpoint of doing justice to every interest in this country. We should not proclaim to the country that we have a new method here of legislating, not by Congress, which has the power under the Constitution to legislate, but by a conference committee, which may add to any bill passed by the House and Senate a proposition which will wipe out very large business interests, which will threaten the employment and the wages of tens of thousands of men, and which will reverse almost overnight the policy of a century.

Mr. CUMMINS. Mr. President, it will be impossible for me to vote for this conference report, for two reasons. I shall state them as briefly and as clearly as possible.

I feel in one respect just as the Senator from Idaho [Mr. BORAH] feels. The great volume of the products of the West and of the Middle West has been put upon the free list, and our producers are compelled to compete upon even terms with their rivals throughout the world. I have believed, therefore, that it was fair to them to have free trade in ships; and, as I have more than once said and as I have more than once voted, I am in favor of allowing Americans to buy ships abroad and to bring them into the service of the country without the payment of any duty in order to equalize as far as possible the burdens imposed by tariff duties and by transportation rates. If this report were limited to the privilege of buying ships abroad and putting them into the service of our own people, whether in the foreign trade or in the domestic trade, I would be inclined to favor it; but, Mr. President, there is in the report an injustice which, as I view it, can not be defended by any man, and no such defense has been as yet suggested in this debate.

What is done here? An American buys a ship abroad; he is permitted to register it for the foreign trade, and the President suspends for that ship practically all our navigation laws; he suspends in behalf of that ship all the regulations which make the operation of a domestic vessel more expensive than the operation of a foreign vessel; and by virtue of the registry so acquired that ship, with a foreign captain, with foreign mate, with all her responsible officers foreign and all her crew foreign, without having been burdened by the test of our survey and our inspection, enters our coastwise trade side by side with a ship built in the United States that is compelled to have American officers, an American crew, and a ship that will withstand and fulfill the test of the American rules of safety and sanitation. What chance has a home-built ship in competition with such a foreign-built ship?

Mr. BORAH. Mr. President——

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Idaho?

Mr. CUMMINS. I do.

Mr. BORAH. The Senator from Iowa states the proposition as if it were obligatory upon the President of the United States to suspend these laws. Of course the Senator means that the President may do so in case the emergency appeals to him?

Mr. CUMMINS. Precisely. I am arguing the case upon the basis that something is to be accomplished. I am arguing the case upon the theory that the President of the United States will find it necessary to suspend these laws in order to induce American registry, and whenever that contingency happens we have just the picture that I endeavored to paint—a foreign ship, with foreign crew and foreign officers, with foreign barbarities and cruelties practiced upon the men, and an American ship running side by side with her, surrounded by all our regulations dictated by humanity, governed by American officers, who owe allegiance to the American flag. I want you to tell me whether that is a spectacle upon which the American people will look with any gratification. I want you to tell me whether it can possibly be defended upon the basis of justice or equality among men.

I am perfectly willing to have the ship built abroad. That is one of the consequences of the free trade which our friends on the other side of the Chamber have established in the United States; but I should like to know, after this administration gets the ship into American waters, without the payment of any duty or without the imposition of any burden, how it will defend the proposition that the ship shall not be subject to the same law that controls a ship built in the United States. This is not free trade in ships; it is paying a premium to foreign ships; it is a tax put upon American shipping in favor of foreign shipping; and it is beyond my comprehension to understand the spirit of a people that will permit or tolerate that invasion upon the commonest dictates of patriotism and justice. Why, may I ask the Senators on the other side—but few of them are here; I do not know why. I assume that their minds are already made up upon this question, or, if their minds are not made up, that the question is being considered elsewhere——

Mr. LIPPITT. Mr. President, if the Senator will permit me, I suggest that it would be a very good time to suggest the absence of a quorum, which I do.

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Rhode Island?

Mr. CUMMINS. No, Mr. President; if I am asked to yield for that purpose, I will not yield.

Mr. LIPPITT. Mr. President, I should like to rise to a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Iowa has the floor. It is in his control to yield or not.

Mr. LIPPITT. Can I not have the floor for the purpose of making a point of order?

The VICE PRESIDENT. The Chair rules that the suggestion of the absence of a quorum is not a point of order.

Mr. LIPPITT. I was going to make the point of order that the Senate can not transact business in the absence of a quorum, and that when the lack of a quorum is suggested it is essential that it shall be discovered whether there is or is not a quorum present.

The VICE PRESIDENT. The Chair rules that, under the plain rules of the Senate, the Senator from Iowa having the floor, it is the duty of a Senator desiring to interrupt the Senator from Iowa to address the Chair. The Senator from Rhode Island did address the Chair, and the Chair then inquired of the Senator from Iowa whether he consented to the interruption. He did not consent. The mere fact that the Senator from Rhode Island has risen gives him no right.

Mr. CUMMINS. Mr. President, I have no quarrel with the ruling of the Chair. The reason why I did not yield was because I understand it is the present interpretation of the rules of the Senate that if I yield for that purpose I have yielded the floor, and I do not desire to do so, and I am not particularly anxious that a roll call shall be resorted to in order to supply me with a larger audience.

I have given one reason why it will be impossible for me to vote for the conference report. I desire simply to repeat the conclusion. This is not a proposition for free ships; with that proposition I am in sympathy; this is a proposition for granting to foreign-built ships privileges which are denied to American-built ships, and, so far as I am concerned, it is impossible for me at this time, and I hope it will be impossible for me at any time, to support a measure so contrary to our fundamental conceptions of justice and so contrary to our high instincts of patriotism.

I pass to the second point. Even if this proposal were in the same form as it was when it left the Senate, I could not and would not vote for the conference report, because I believe that when the conferees eliminated from the bill the provision which

required the majority of the stock of the American corporation which purchased a foreign ship to be owned and held by American citizens they simply extended an invitation to the whole world to commit a fraud upon the laws of neutrality and to inflict an indignity upon the belligerent powers of Europe.

My friend from Idaho says that even if the provision which the Senate after a long debate incorporated in the bill had remained, it would have been of little value. I know, Mr. President, that skillful and unscrupulous people can evade a law. I do not think, however, that this particular provision would have been so easy of evasion as the Senator from Idaho believes it would have been. If, however, the amendment which I offered, and which, after serious and careful consideration, was adopted by the Senate, was inadequate in that respect, the Senate conferees ought to have amended it so as to make it adequate and sufficient, instead of eliminating it entirely from the bill. The conferees in so doing would have taken vastly less liberty with the bill than they did take in rewriting the whole measure, so far as the provision affecting our coastwise trade is concerned. I submit, Mr. President, that a provision which requires that a majority of the stock of an American corporation purchasing a ship in the future shall be owned and held by American citizens could not be evaded so easily as to take away the substance of the protection with which I sought to surround the transaction.

What have we done? We have a law which is utterly unjustifiable in itself. It was adopted, as I remember, in 1912; it was adopted, however, without any reference to the exigency for which we are now legislating; it was adopted at a time when there was no temptation and no inducement for a foreign ship to seek American registry, because our laws were such that a ship under American registry could not be profitably operated in the trade between this and other nations. The law to which I refer provided that not only a citizen, not only a person, could buy a foreign-built ship, but that a corporation organized under the laws of the United States or of any State could buy a foreign-built ship. Those of us who are familiar with the operation of corporations—and that has been a subject of general inquiry within the last few years—understand perfectly well the uses and purposes to which a corporation can be put.

Mr. LIPPITT. Mr. President, I wonder if the Senator would yield to me for just one moment, that I might make a parliamentary inquiry?

Mr. CUMMINS. I yield for a parliamentary inquiry.

Mr. LIPPITT. I should like to call the attention of the Chair to Rule V, on page 7, section 2, which says:

> If at any time—

I emphasize the words "at any time"—

> during the daily sessions of the Senate a question shall be raised by any Senator as to the presence of a quorum, the presiding officer shall forthwith direct the Secretary to call the roll and shall announce the result, and these proceedings shall be without debate.

Mr. President, it seems to me that that language is perfectly definite and very strong, and that when I rose a minute ago to suggest the absence of a quorum I was doing so in strict accordance with that rule and with the ordinary precedents of this body. I should like to suggest to the Vice President that it seems to me I have the right at this time to suggest the absence of a quorum.

The VICE PRESIDENT. Just one moment.

Mr. GRONNA. Mr President, I simply wish to suggest to the Senator from Rhode Island that the Senator from Iowa has refused to yield to the Senator from Rhode Island for that purpose.

Mr. LIPPITT. I will suggest to the Senator that the Senator from Iowa has just yielded to me for the purpose of making a parliamentary inquiry, which I am now making.

The VICE PRESIDENT. These rules must be construed together, or they do not amount to anything. Rule XIX provides:

> No Senator shall interrupt another Senator in debate without his consent, and to obtain such consent he shall first address the presiding officer.

The Senator from Iowa having the floor, the Senator from Rhode Island had no right to interrupt the Senator from Iowa without his consent; and while Rule V does provide that at any time during the daily sessions of the Senate a question may be raised at to the presence of a quorum, the ruling of the Chair is that when a Senator is addressing the Senate the interruption must be with his consent.

Mr. LIPPITT. But I had his consent, Mr. President.

The VICE PRESIDENT. The Chair inquired of the Senator from Iowa whether he had his consent, and the Senator from Iowa said, "No; not for that purpose."

Mr. LIPPITT. When I rose I asked if I might interrupt the Senator, and he allowed me to do so. At all events, even if that had not been the case, Mr. President, where language is so unqualified as Rule V about such a question as that relates to——

Mr. CUMMINS. What I meant was that I did not know that the Senator from Rhode Island rose for that purpose, and if I had known that his purpose was to demand the presence of a quorum I would not have yielded, because I intend to pursue in the future the policy of not yielding for that object, although I did not qualify it when he rose and interrupted me.

Mr. LIPPITT. With that acknowledgment on the part of the Senator that he did yield the floor to me, and with the statement on the part of the Chair that in order to suggest the absence of a quorum it was merely necessary to get the consent of the Senator having the floor for permission to interrupt him, which I did do, and I then suggested the absence of a quorum, it seems to me that I was entirely in order and in accordance with the rules of the Senate.

The VICE PRESIDENT. The Chair will ask the Reporter to turn back to the record and read what occurred when the Senator from Rhode Island first rose.

Mr. LIPPITT. I will say that I should not have risen to suggest such a thing, except that the Senator himself had called attention to the lack of interest in the debate on the other side of the Chamber; and it did seem to me that on a matter which I consider of such great importance the propriety of Members being present was very great, to say nothing of the interest that always attaches to whatever the Senator from Iowa says.

Mr. CLARKE of Arkansas. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Arkansas will State it.

Mr. CLARKE of Arkansas. What has become of the ruling made by the Chair some days since that debate was not intervening business?

The VICE PRESIDENT. Nothing has become of it.

Mr. GALLINGER. I will ask the Senator from Arkansas where he finds the rule which provides that business shall intervene. I have looked for it in vain.

Mr. CLARKE of Arkansas. That was the ruling the Chair made several days since.

Mr. LIPPITT. I believe this question really is not subject to debate, and I should like to have the question decided upon the statement of the Chair.

The VICE PRESIDENT. The Chair has sent for the Reporter who took the notes. The Chair desires the Reporter to read, starting with what the Senator from Rhode Island said the first time he rose, and the subsequent record.

The Reporter read as follows:

> Mr. LIPPITT. Mr. President, if the Senator will permit me, I suggest that it would be a very good time to suggest the absence of a quorum, which I do.
>
> The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Rhode Island?
>
> Mr. CUMMINS. No, Mr. President; if I am asked to yield for that purpose, I will not yield.
>
> Mr. LIPPITT. Mr. President, I should like to rise to a parliamentary inquiry.

The VICE PRESIDENT. That is as far as the Chair cares to have the record read.

Mr. LIPPITT. Mr. President, I will ask to have the record read when I rose a minute ago.

The Reporter read as follows:

> Mr. LIPPITT. Mr. President, I wonder if the Senator would yield to me for just one moment that I might make a parliamentary inquiry?
>
> Mr. CUMMINS. I yield for a parliamentary inquiry.
>
> Mr. LIPPITT. I should like to call the attention of the Chair to Rule V, on page 7, section 2, which says:
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> "If at any time"—
>
> I emphasize the words "at any time"—
>
> "during the daily sessions of the Senate a question shall be raised by any Senator as to the presence of a quorum, the presiding officer shall forthwith direct the Secretary to call the roll and shall announce the result, and these proceedings shall be without debate."

Mr. LIPPITT. Mr. President, I will ask the Senator from Iowa if he will yield to me?

Mr. BORAH. Mr. President, the Senator from Rhode Island raised a parliamentary inquiry. I understand now he desires the Senator from Iowa to yield, I presume for the purpose of suggesting the absence of a quorum. That, I suggest, is not exactly the right way to get possession of the floor. He asked for the mere right to make a parliamentary inquiry, and that matter has not been disposed of yet.

Mr. LIPPITT. When I first rose I asked, in the way in which it is usually done in the Senate, whether the Senator would permit me. He did not object, and I took his silence for consent. I presume that the Chair may be able to assume a technicality there, that I should have waited and heard him say "I do." What I did say was——

The VICE PRESIDENT. The Chair assumes only the technicality that, as the record shows, the Senator from Rhode Island took the floor without addressing the Chair. That is what the Chair assumes, and the record shows it.

Mr. STONE. Mr. President, I should like to have the Chair informed of a fact which occurred when the Vice President was not in the chair. I do not know that I quite understand the question before the Chair; but if I do, it is that some Senator has made, or attempted to make, the point of no quorum, and the point was made that no business had intervened since the last roll call. I wish the Chair to know that while the Senator from New Jersey [Mr. MARTINE] was in the chair, by consent of the Senate a bill or more was introduced.

The VICE PRESIDENT. That is not the point at all. If the Senator from Rhode Island had obtained permission of the Senator from Iowa to interrupt him and suggest the absence of a quorum, there is not a question of doubt that he would have been entitled to have a roll call to disclose a quorum, and the Chair would have so ordered it.

Mr. LIPPITT. That is a little different, Mr. President, if the Chair will allow me to interrupt him, from the ruling that was originally made. I think the Chair is correct, on the basis of that statement.

The VICE PRESIDENT. Oh, no; the Senator from Rhode Island did not understand the Chair, because the Chair did not so rule. The Senator from Rhode Island did not address the Chair. The record has just been read. He rose and said: "This would be a good time, I think, to have a roll call," or something like that; whereupon the Chair, instead of suggesting to the Senator from Rhode Island that he was out of order, desiring to be courteous to the Senator, as the Chair hopes to be courteous to everybody, asked the Senator from Iowa whether he would yield to the Senator from Rhode Island, and the Senator from Iowa refused to yield.

Mr. GALLINGER. Mr. President, just a word. I know this matter is not debatable, but in the early days of my service here it was quite customary for a Senator to make the point of no quorum regardless of everything else. The Chair is entirely right, however, in interpreting those two rules together—that a Senator can not be taken off the floor without his consent. If he can not, of course the point of no quorum can not be made. I think the Chair has ruled with entire correctness upon this matter.

The VICE PRESIDENT. The Chair has had no desire to be discourteous to the Senator from Rhode Island or to any other Senator.

Mr. GALLINGER. There is just one other point upon which I will say just a word. A fiction has grown up here that business has to intervene. A search, however diligent, will not disclose any rule of this body that provides that, but perhaps it is well enough. If we could all agree to it, I think it might be well, but that is not a rule of the body.

Mr. LIPPITT. Mr. President, if the Senator from Iowa will allow me to say just one thing, I have discovered that in the course of the discussion of this question a quorum apparently has arrived in the Senate, so that, as far as I am concerned, the necessity of calling one has disappeared.

Mr. CUMMINS. Mr. President, I hope the Senator from Rhode Island will not think that I was in the least discourteous to him; but it has become distressing to some of us, certainly to me, to have repeated calls of the roll simply for the purpose of getting Senators into the Chamber, staying long enough only to answer to their names, and then immediately seeking some more desirable and comfortable place.

In view of the interruption, I shall find it necessary to restate the proposition I was attempting to argue. I am addressing myself now to the second objection I made to the conference report, namely, that it contains no safeguard whatever respecting the ownership of the stock of an American corporation which may hereafter buy a foreign-built ship.

Mr. LEWIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Illinois?

Mr. CUMMINS. I yield.

Mr. LEWIS. I desire to take the liberty of calling the able Senator's attention to the exact point where he left off, as I was very much interested. I understood the Senator was about to address himself to the question of how to avoid the evasion which the able Senator from Idaho called attention to as one of the invariable results of just such legislation.

Mr. CUMMINS. No, Mr. President; I think the Senator from Illinois has rather exaggerated the statement made by the Senator from Idaho. The latter statement was, in my view, somewhat unduly emphasized, but now the Senator from Illinois has multiplied it many times. The Senator from Idaho said that the provision in the bill, which had been adopted after great consideration in the Senate, could be evaded, and now the Senator from Illinois understands the Senator from Idaho to have said that the provision would be invariably evaded. The Senator from Idaho did not so say. I shall address myself to that question presently; but I had already said concerning it that if the conference committee thought the words in which the amendment was couched were inadequate it could have strengthened those words and rendered the evasion still more difficult than it would have been had the amendment remained as I originally offered it. Instead of that, understanding the danger, I think, the conference committee simply eliminates the entire provision and leaves the name of the United States open to the charge of bad faith which will be made against it from every quarter of the globe.

When I was interrupted I was discussing the way in which this unguarded provision came into the law. I think it came in in 1912. Before that time a foreign-built ship could not be registered, either for the foreign trade or for the domestic trade, under the laws of the United States. That change was made in 1912, in the Panama Canal act, which permitted an American citizen or an American corporation to become the owner of a foreign-built ship not more than 5 years old, and to enter it for foreign trade. There was no danger then, as I was about to say when interrupted; that is, the danger was not seen. We all knew that American registry was a burden upon a ship, that it involved certain expenses and involved the compliance with rules and regulations which made an American registry a very undesirable thing; and no one thought at that time of the dangers that might be lurking in the phrase "American corporation," without any guard as to the ownership of the stock of the corporation. Moreover, at that time the world was at peace, and every country was at liberty to carry its own flag over its own ships without any peril at all. The subject was not discussed. I doubt if it ever entered the mind of any Member of the Senate or any Member of Congress.

But what happens now? All Europe is at war. The great nations of the world have placed their interdiction upon commerce, and there are certain countries of the world whose ships are driven from the sea. That is to say, circumstances make it practically impossible that the ships of certain nations shall carry on their ordinary business. In 1909 a convention was held in London with regard to the rules which ought to govern neutral nations, and we took part in that convention, and there issued from it a code with regard to the purchase of ships by the subjects of a neutral power during time of war; that is to say, the circumstances under which a ship could be changed from the flag of a belligerent to the flag of a neutral power.

I shall not enter into the details of this convention. They were expressive in very large measure of international law as it was understoood before that time. There was no great innovation or change made in the established law of the world, but one of the things which was then declared, and which, I think, has always been understoood to be the international law, was that if the registry of the ship was changed in order to escape the consequences of war it would be disregarded by belligerents. There were certain periods fixed in some of the rules of the convention, but that is the substance of it all.

Let us now go forward a step and see what will happen if this bill passes as it is. German ships have no home on the Atlantic Ocean. England is mistress of that sea, and the German flag disappears from the accustomed routes of transportation and travel. But there are German ships, and many of them, in American ports. They are incapable of being used in commerce. If, under this law, an American corporation purcases one of those ships, she will be entitled to an American registry even though the actual ownership of the vessel remains exactly as it was before. Suppose a corporation were organized under the liberal laws of New Jersey or any other Commonwealth. The ship is now owned by a foreign corporation. All the foreign corporation has to do is to take the stock of the American corporation and make the transfer and the transaction is complete. The vessel is absolutely entitled, without any discretion whatsoever on the part of American officers, to an American registry. The vessel then departs upon her journey laden with either the goods of this country or the goods of some other country. England seizes the ship, and England, under the convention which I have just referred to, would have a right to seize the ship. She would be taken to the nearest port and would fall immediately under the jurisdiction of the prize courts of Great Britain, and she would be condemned as a prize of war.

Now, that does not necessarily involve the United States in war. It would not be necessary for us to quarrel with England because England chose to exert her sovereignty in that way, in a way in which she would have a right to exert it. If, however, that thing happened over and over again, as it would happen over and over again; if ship after ship bearing the American flag were borne into the ports of the belligerents of Europe, there to be condemned by the prize courts of the several countries, little by little there would arise a feeling of hostility, there would arise an irritation that would destroy the amity which now exists between the United States and these warring powers, and I predict that with such events we would be inevitably drawn into the controversies of Europe.

It will be difficult enough for the United States to stand straight and free and neutral as it is. There will be causes enough for disturbance. If this war continues six months, it will require the wisest minds and the most patriotic hearts to conduct the affairs of the United States so as to escape the entanglements which lead to war. Why should we, for the purpose of allowing the shadow of an American corporation to lift the flag of the United States over a ship that really belongs to citizens of other countries, incur this peril, which must be obvious to every reflective mind?

Let us look at it from another standpoint. The countries of Europe have not protested against the change we made in the law in 1912, for they had no reason to believe that under it there could be committed an act really hostile and unfriendly to themselves. I repeat that in 1912, when we made it possible for an American corporation to buy a foreign ship without guarding that act with the provision that the real interest of the corporation should be American, as well as the name of the corporation, we felt no danger. There was no danger. Now, however, we are facing an emergency, it is said. What is the emergency? The emergency is that we have products at our ports and no vessels to carry them abroad. I think I may say in passing that the emergency has already well-nigh gone. Every ship in the world except the ships of Germany and Austria is at liberty now to ply its accustomed business. There may be some obstacles in the way of ships that must penetrate the North Sea and the channels into the Baltic Sea, but that phase of it is negligible.

My proposition is still broadly and substantially true, that the apprehension which the shipowners of other nations naturally felt when the war first burst upon the world has well-nigh passed away, and these ships are already beginning to do what they did before. Nevertheless I am not opposed to furnishing other ships to do this business. I am very much in favor of furnishing American ships to do the business if we can, but I want them to be American ships. I do not want to see a foreign captain and foreign mates, foreign watch officers and a foreign crew sailing a foreign ship under the American flag, and whenever we permit that atrocity we are sure to incur the gravest danger.

Now, one thought more. England would have a right to complain of us if this law were to pass, France would have a right to complain of us, and every other country in Europe, with the possible exception of Germany and Austria, would have a right to complain of our act. Why, Mr. President? I will endeavor to answer. We have an unguarded law which permits nominal transfers of title without real changes of ownership. In the effort of England to block the ports of Germany, in the effort of France to destroy the power of Austria, we come and relieve, so far as we can, the very ships which England and France are attempting to render useless, and enable them to go out upon the sea under the American flag and with all the protection that such a registry and such a flag can confer upon them. I do not know how other Senators may feel about it, but as for me, if I were a subject of Great Britain I would look upon it as an unfriendly act. If we were at war with another nation, and a neutral power would do just as we are proposing to do here, I could not view it otherwise than as a hostile attempt to interfere with the rights of nations.

I would not say that, if it were not true, that we know that a ship at this time, or so long as this war lasts, transferred to an American corporation with the substantial interests of the corporation held abroad would be condemned in any prize court as a violator of the laws of neutrality. We are trying to open the way to do that very thing by this legislation.

If under our legislation as it existed before the war these things should happen, there would be no reason to complain of the Government of the United States, because we would not have taken our action in view of war, but we are taking this step in the face of war; we are taking it to avoid the consequence of war; and it is impossible for me to reach any other conclusion than that either of the belligerent powers whose commerce may be affected, whose strength in the war may be affected by what is done under this statute, would have grave cause for complaint; not against the individual citizen of the United States; not against the corporation that might become the owner of the ship—that complaint could be worked out in the constituted courts—but it would have a just cause for complaint against the Government of the United States, which, in so far as this proceeding is concerned, is represented in the two Houses of Congress and by the President of the United States.

Mr. POINDEXTER. Mr. President——

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Washington?

Mr. CUMMINS. I yield.

Mr. POINDEXTER. There is a great deal of force in what the Senator is saying, but of course it would not apply to the full extent except in a case where a vessel transferred to American registry under this law was plying between two foreign ports, for the reason that the United States itself has an interest, and a very profound interest, in the acquirement of shipping facilities for its own commerce, whether domestic or whether foreign.

I wanted to ask the Senator from Iowa if, due to the conditions arising from the war and other conditions which are accentuated and aggravated perhaps by the war, we find ourselves with a great accumulation of surplus products and no shipping, it is not manifestly to our interest to provide means of shipments, and in good faith for that purpose to allow foreign ships to be registered under our laws, even though it should exempt them from the liability of a belligerent ship as between the warring powers, whether any belligerent would have cause to complain of our action in that respect?

Mr. CUMMINS. I think so.

Mr. POINDEXTER. Would we not be justified by our own interest, and, being so justified, what just complaint would a belligerent power make against us?

Mr. CUMMINS. We have assumed the position of a neutral power. There is no profit which can arise to the United States that will justify the violation of the law of neutrality. We had the privilege of becoming one of the belligerent powers. We could declare war if we wanted to and remove ourselves from the attitude of a neutral power; but so long as we remain a neutral we must obey the law of neutrality, no matter how much it might profit the people of this country to disobey that law. I think that the Senator from Washington will admit my proposition.

Now, if what we are about to do is to open the door for a fraud upon the laws of neutrality, and a fraud which once exposed will at once condemn the transaction by the law of neutrality, I am sure that there is no citizen of the United States, however desirous he may be to provide ships for our foreign commerce, who will approve it. That is all I ask. I simply ask that these transfers shall be real transfers. As it is now, they need not be real transfers. It matters not if you put a placard upon every wall of the country that the transfer to the American corporation was made simply because the ship could not safely sail under her former registry, yet it would be valid under our law, and the ship would be entitled to the registry. Of course, if captured, the whole affair would be at once exploded, and the ship would stand in exactly the same position before the courts as though it had been captured flying its former flag instead of the flag of this country. But we are adopting this law to enable that to be done.

The Senator from New York [Mr. O'GORMAN] this morning made a declaration. I do not know whether he gave the author of the statement or not. I imagine that he did, but I am not certain enough about it to mention the name. I ask his attention. Was I right in saying that the Senator from New York gave the name of his informant this morning, when he said it had been stated to him that unless the corporations whose stock is owned abroad could buy ships and have their flags changed there would be no relief under this bill?

Mr. O'GORMAN. No; what I did say was in substance that if this restrictive requirement were retained in the bill it would seriously discourage and hamper the transfer of ships to the American flag that may be purchased by American corporations.

Mr. CUMMINS. May I ask if the Senator from New York stated his informant upon that point, or did he make it from his own knowledge? That is what I wish to know.

Mr. O'GORMAN. That has been my own personal view for some days. I gave expression to that view several times during the past week. I know it is shared by others. I believe it is shared by the administration.

Mr. CUMMINS. As I remember it, the Senator from New York gave that opinion as reflecting the view of the Secretary of the Treasury.

Mr. O'GORMAN. I understand that also to be his view.

Mr. CUMMINS. I do not know what opportunities the Secretary of the Treasury has had to reach a conclusion upon that subject, but I can not imagine that he has had any better opportunity than the Senator from New York or any other Senator in this body.

It means simply this: That we can not get these ships and register them under this bill if American capital is required in the transaction. That is all it means.

It means, and every man here knows that it means, and we all know it is true, that no American, no sane man, will part with his money in the purchase of a foreign ship and put it into an American registry under the indefinite suspension provided for in this bill; for the very moment that the suspension is removed, the very moment it becomes necessary for the ship to obey the laws and regulations of the United States, that moment the operation of the ship becomes impossible in competition with foreign ships of foreign register.

Mr. O'GORMAN. There are those who believe that while the foreign-built ships now acquired by American corporations will at once devote their activities to the trans-Atlantic trade, when the attractions of that trade cease they will then take advantage of the permanent permission granted to them by this bill to engage in the coastwise trade.

Mr. CUMMINS. No; Mr. President, that is reasoning in a complete circle. My proposition is that in good faith there is not one dollar of American capital to be found for investment in the purchase of foreign-built ships at this time, and no evidence can be secured or submitted to the Senate of any such willingness. The Senator from New York, with his customary candor, for which I compliment him, because he does not desire this bill to be adopted upon a false understanding, declares that if the provision in the bill which requires American ownership is retained the bill will be inoperative; that there will be no ships bought and registered under it. That is the truth, and we might as well admit it. We might as well publish to the world, as the world already knows, that we are preparing the way here for an American corporation organized under the laws of some one of the States, and probably under the laws of New Jersey, for that is the most liberal State with regard to such things, with its stock held abroad, to take a transfer that is colorable, formal, that means nothing whatsoever except the work of a clerk in preparing incorporation papers and filing a copy in the office.

And that is the sort of a transaction we are inviting, are preparing for, are telling the world that we are about to authorize. What does the Senator think of the opinion that will be held of the good faith of this country among the nations that are now at war?

Mr. BORAH. Mr. President——

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Idaho?

Mr. CUMMINS. I do.

Mr. BORAH. The Senator from Iowa says it would only require the services of a clerk to make this transfer. If the Senator's amendment were adopted it would only require that clerk to work about 30 minutes longer.

Mr. CUMMINS. No, Mr. President; I do not agree with that. I was about to come to that. If the provision had remained in the bill it would have required the officers of the United States to ascertain that a majority of the stock of that corporation was owned and held by American citizens. That inquiry, if carried on efficiently, and I assume it would be, could only be satisfied by the discovery of a real investment, a bona fide investment, on the part of American citizens in the stock of the corporation. It would not be satisfied if there accompanied the transaction an agreement or understanding that after the registry had been secured the stock should be transferred to some foreign corporation or to foreign citizens. I said, when that question was asked me, that I had no doubt that the law could possibly be evaded. We have not a law upon our statute books but can be evaded. The most important of our statutes are violated without discovery every month in the year, but we do not, therefore, repeal all those statutes. We do not repeal the antitrust law because it is capable of evasion; we do not repeal the interstate-commerce law because there are ways in which its mandates can be avoided; and, as it seems to me, we plant ourselves upon unsafe and untenable ground when we eliminate the provision for the reason that it can be evaded.

The Senator from Idaho [Mr. BORAH], however, apparently does not put his willingness to strike out the amendment on the same ground chosen by the Senator from New York [Mr. O'GORMAN]. The Senator from New York takes the ground that it would not be evaded, and that its enforcement would prevent the transfer of ships nominally to an American corporation. I put the two positions one against the other, and I am sure that from that conflict I may justly draw the conclusion that the provision would be helpful.

Mr. BORAH. Mr. President, the position of the Senator from New York and that of the Senator from Idaho are not at all in conflict. The Senator from New York apprehends that in the mere matter of transfer it would be an embarrassment. I simply say that it would only be a temporary affair; if they desired to evade the law it would require but a step further. While they might hesitate, owing to the fact that the transaction would be subject to examination in a certain way, in case the amendment prevailed it would simply change the process.

The Senator from Iowa has said that we should have enlarged this amendment so as to make it effective. That was one of the things that we found it impossible to do. We did not know any way by which we could compel the individual to hold stock if he did not want to hold it; we did not know any method by which a man could be compelled to take stock and not transfer it to some one else if the owner wanted to sell it.

Mr. CUMMINS. There is not any way.

Mr. GALLINGER. Mr. President——

Mr. CUMMINS. Just a moment. The Senator from Idaho says it will only take one step more, but that step, Mr. President, is one that would involve fraud——

Mr. BORAH. Not at all.

Mr. CUMMINS. And bad morals, whereas the bill as it now is invites a nominal transfer through a paper corporation without the commission of any fraud whatsoever.

Mr. BORAH. Mr. President, it would not necessarily involve fraud or immoral conduct at all. It might be a perfectly legitimate transaction.

Mr. CUMMINS. It would not be legitimate if it were understood beforehand that the stock was to be retransferred.

Mr. BORAH. That is true; but the amendment of the Senator from Iowa did not provide that it shall continue to be held by an American citizen; it simply provided that at the particular time of the registry it should be so owned and held. A man may transfer it 20 minutes afterwards and do so upon perfectly legal and perfectly moral grounds.

Mr. CUMMINS. Mr. President, how easy it would have been for the Senate conferees to have insisted that there should be put into the amendment the provision that if it appeared that the majority of the stock at any time belonged to citizens of foreign countries the registry should be canceled.

Mr. BORAH. If the Senator from Iowa had made any such suggestion as that, I think the debate would have taken an entirely different turn, because it would have been almost impossible of execution. The machinery to carry such a provision into effect would have been almost impossible to erect.

Mr. CUMMINS. Now I yield to the Senator from New Hampshire.

Mr. GALLINGER. Mr. President, I know it is not becoming in a layman to undertake to engage in a controversy in reference to matters of purely legal construction, but I was yesterday honored by receiving a letter from Mr. R. G. Bickford, of Newport News, Va., a very famous maritime lawyer, in which he has cited—and I will pass the paper to the Senator from Iowa in a moment for his examination—hundreds of instances where this question has been more or less discussed. Mr. Bickford, to start with, quotes from Glenn's International Law, section 191, in which it is said:

> The nature of such a transfer, when made in time of war, is such that a belligerent can with good reason make a most searching examination of all the circumstances connected therewith. The temptation and opportunities for committing fraud in such transfers being very great, they are not considered as valid unless the title and interest of the vendor has passed absolutely. In case there is any covenant, condition, or understanding of any kind that the vendor retains an interest in the vessel or profits, or any control over it or a right of restitution at some future period, or a power of revocation, the transfer would be invalidated.

Again, he gives certain other citations with this note—this, I think, is from a decision of Sir William Scott—

> The court has often had occasion to observe that where a ship, asserted to have been transferred, is continued under the former agency and in the former habits of trade, not all the swearing in the world will convince it that it is a genuine transaction.

Mr. BORAH. Mr. President, that citation does not present anything in favor of this particular amendment. There would be the same right to make an investigation, and the fraud could be declared upon the same principle, whether the transaction took place under the amendment or under the provision as reported by the conferees.

Mr. GALLINGER. Further quoting from Case No. 7,107, the Island case, 13 Federal cases, page 171—I do not know how

directly this applies to the question, and I am presenting these suggestions with a great deal of modesty—

The rule of decision in some countries has been that, as to a vessel, no change of ownership during hostilities can be regarded in a prize court. In the United States, as in England, the strictness of this rule is not observed. But no change of property is recognized where the disposition and control of a vessel continue in the former agent of her former hostile proprietors.

Then, quoting from the case of the *Georgia*, 7 Wallace, page 43—

The question in this case can not arise under the French code, as, according to that law, sales of even merchant vessels to a neutral, flagrante bello, are forbidden. And it is understood that the same rule prevails in Russia. Their law in this respect differs from the established English and American adjudications on this subject.

I will hand the letter to the Senator from Iowa. There are hundreds of citations.

Mr. CUMMINS. I will be very glad to read the paper, although the law on this subject is very well understood. As I have said, it was elucidated and somewhat clearly stated, so far as it affects this question, in the neutrality convention of 1909; but the Senator from Idaho, in answering the Senator from New Hampshire, I think is a little in error in this, that no matter what precaution we might take, the right of seizure and of search upon the part of the belligerent power would remain the same. Theoretically that is true; but if we do the thing that will convince the belligerent powers that we are endeavoring to be fair with them, then the American flag will mean something. It will be some protection, and the belligerents will not seize and search an American vessel unless they have some reason to believe that she is violating the laws of neutrality; but if we pass this bill and notify the belligerents of Europe that we are fostering, encouraging, and inviting fraudulent and nominal transfers of a ship from one ownership to another, and if the world comes to believe that one of our corporations that has no real interest whatsoever in the vessel is yet the owner of the title under an act of this sort, then our flag will mean nothing. Every ship that bears the American flag will be looked upon with suspicion by all nations. Instead of our flag carrying with it some evidence, at least prima facie evidence, that we have not violated the laws of neutrality, it will, on the other hand, be prima facie evidence that the ship is sailing under a false color; that the flag is flying above a falsehood instead of above the truth, above dishonesty instead of honesty; and this belief throughout the world will lead to the search of every merchant ship over which the Stars and Stripes appear, and it will give rise to a severity of search and an insolence of search that otherwise would not be known.

Mr. MARTIN of Virginia. Mr. President——

Mr. CUMMINS. Just a moment—I do not suggest that because I fear collision with a foreign power; I suggest it because I do not want the United States to give just offense, for whatever we do, whether our act is just or unjust, if it is assailed by a foreign power, we must defend it, and defend it with all our men and with all our treasure; and because the patriotism of every American would impel him to defend it right or wrong, we ought to provide some safeguard to prevent an incident for which we might be justly criticized. I yield to the Senator from Virginia.

Mr. MARTIN of Virginia. Mr. President, I agree with the Senator from Iowa that in purchasing ships from belligerents the utmost care will be necessary; but I want to make the inquiry if offense could be given or suspicion be aroused except as to Germany? The other nations of Europe would not be likely, I think, to take any offense at dealings of that sort.

Mr. CUMMINS. On the contrary, Mr. President, while I am not skilled in diplomacy or in tracing the relations of the various nations to each other, it is my judgment that Great Britain would have more cause for complaint against us for the passage of this act than any other nation, unless it might be France.

Mr. BORAH. Mr. President——

Mr. CUMMINS. I yield to the Senator from Idaho.

Mr. BORAH. Mr. President, I can not conceive of the situation being so serious as the Senator from Iowa seems to think. The great conflict which is unfortunately now raging in Europe has brought upon us a condition which is unfavorable to our commerce, and an emergency exists in this country with reference to taking care of our commerce. Anything that we may do which can in any sense bring us in a legitimate way the means to take care of our commerce and take care of our interests can in no sense be offensive to the neutrality laws and can not possibly be an offense to any other nation in the world. We are not seeking to interfere with their affairs at all, but we are seeking to gather to ourselves the means and the methods of taking care of our own commerce; and if we, as a Congress, deem this the wisest and the best way to take care of our commerce and provide for the existing emergency, what nation on the face of the earth can object to it?

Mr. CUMMINS. Does the Senator from Idaho think that we ought to violate the law of nations, which includes the laws of neutrality, because we might thereby for the moment help ourselves?

Mr. BORAH. No; but under this bill we will not violate any law of neutrality. The law of neutrality does not go to that extent.

Mr. CUMMINS. Let me see if it does not. Suppose that we were to pass a law that a German ship sailing into one of the ports of the United States should have the right upon application to take an American registry and use the American flag and such a transaction should occur and the ship should then sail out and be captured by Great Britain, is that ship violating the laws of neutrality?

Mr. BORAH. Yes; I think so; but we are making here a general provision for the registry of ships, and there is no presumption and no indication in the terms of the law that, so far as our act is concerned, it involves anything except perfectly valid transaction. Back of that stands the law of nations, to the effect that if indeed a transaction is fraudulent, whether or not we make any provision at all in regard to it, the ship may be seized; and there is no better safeguard and no surer guide to direct shipowners in the line of an honest transaction than the universal law of nations, that if the transaction is fraudulent the ship will be seized. That is an infinitely stronger safeguard than to require the mere transfer of a majority of stock which may be transferred back in a moment.

Mr. CUMMINS. I do not agree with the last statement, because I do not think the stock can be transferred back in a moment. Theoretically that would be possible, but practically it would never happen or rarely happen.

I return now to the former suggestion of the Senator, which is really pertinent and probably sound. I think the administration of international law through prize courts would be more drastic than any law that we could now enact. The amendment which I have offered does not go nearly to the length which the law of neutrality might require. I am simply endeavoring to put some provision in the law which will indicate to the world that we are acting in good faith; that we are not trying, through our Congress and through our administration, to enable either our citizens or foreign citizens to violate the obligation of neutrality.

I agree that we must depend, in the main, upon the enforcement of the law in the courts; but I am reluctant to see the great Government of the United States bid God-speed to the men who may engage in a conspiracy to violate the laws of neutrality and plunge the American Nation into the horrors of war; for, if I understand this bill aright, I put upon it just that construction. I think it is a letter of marque to those who have found it impossible to navigate their ships under the laws which have formerly controlled them to take refuge under the law of the United States and to lift the American flag, in the hope that our name, our prestige, and the reputation that we hold for honor and fair dealing will protect them in their unlawful enterprises.

Mr. BORAH. Mr. President, I wish to say just a word, and only a word, on this matter, in reply to the Senator's suggestion.

The first suggestion which the Senator makes is with reference to the lines from 17 to 23, as I understand, upon page 4, and that is in regard to the proposition contained in these words:

Whenever, in the judgment of the President of the United States, the needs of foreign commerce may require, he is also hereby authorized to suspend by order, so far and for such length of time as he may deem desirable, the provisions of the law requiring survey, inspection, and measurement by officers of the United States of foreign-built vessels admitted to American registry under this act.

That I understand the Senator to regard as unfair to American ships, and so forth.

Mr. CUMMINS. I couple with that the first paragraph of section 2, which is of the same character.

Mr. BORAH (reading):

Whenever the President of the United States shall find that the number of available persons qualified under now existing laws and regulations of the United States to fill the respective positions of watch officers on vessels admitted to registry by this act is insufficient, he is authorized to suspend by order, so far and for such time as he may find to be necessary, the provisions of law prescribing that all the watch officers of vessels of the United States registered for foreign trade shall be citizens of the United States.

Mr. President, it will be observed, in the first place, that this says that "whenever, in the judgment of the President of the United States, the needs of foreign commerce may require, he

is also hereby authorized to suspend by order, so far and for such length of time as he may deem desirable," these laws as to measurements, and so forth. Of course, this is an emergency. As a permanent proposition, I would be just as much opposed to that rule as the Senator; but if we are going to have any benefits from this law some condition must be therein provided for by which we can take advantage of the emergencies which may arise under it. Now, the President is limited in his action to the demands of foreign commerce, and when he deems it absolutely necessary and desirable he may do so to such extent as he deems proper and for the length of time that that controlling, impelling necessity exists. If you are going to leave anything open to be taken advantage of in case of emergency, anything to be taken care of with reference to conditions of which we can not know at this time, I do not know how you could do it in more guarded language. I do not fear that the President will suspend the law or permit this law to take effect under any other conditions than those of impelling necessity; and if there is that necessity I do not see why it should not be provided for. For that reason we are passing this law.

Now, Mr. President, just a word in regard to the second proposition. I do not say that this amendment is drawn, of course, to invite evasion; certainly not. It was drawn for a different reason, and that was to require the bona fide holding by American citizens of a majority of the stock of a corporation taking over one of these ships. The difficulty with which we are met on the threshold of the proposition is to secure anything like an observance of the intent or purpose which is contained in the amendment. The amendment provides that upon the registry there shall be at that time a holding of a majority of the stock by American citizens.

So far as the law of nations is concerned, and so far as the rights of belligerents are concerned, what is the difference whether they hold 49 per cent or 51 per cent? The corporation owns the vessel. The stockholders have no title in it at all. It is owned by an American citizen; by an American corporation. The mere fact that a majority of the stock is owned by American citizens would not, in my judgment, have any effect at all with reference to the law of neutrality or with reference to the question of interfering with the rights of belligerent powers.

If it were possible to enforce this provision from time to time and from day to day, if any method could be suggested by the Senator by which that could be made a practical proposition, the purpose and the object of the amendment could be accomplished, but no feasible plan has been suggested and none occurs to me by which the very thing the Senator desires to prevent could not be accomplished by a single step in advance of that which it is necessary to take now. He assumes that that would not be done; but why would it not be done if it was the original intent of the parties, as he must presume that it would be in the other instance, to make a formal transfer? If there is any inducement, if there is any reason for these ships to come in under cover to protect themselves, would they be retarded or impeded in accomplishing that purpose and realizing their design because it was necessary to take one step further and transfer this stock? We must assume that there will be some compelling or controlling reason for them to take advantage of this law; and if there was that reason, why would they hesitate for a moment to take the other step, which would be perfectly legitimate upon its face?

The stockholders of a corporation may be certain persons to-day and a perfectly legitimate transfer may be made to-morrow or a week from to-day or a month from to-day, and no possible reason in the world may exist for a challenge of the transfer.

The Senator has said that this amendment was discussed at length before the Senate. So far as this particular amendment was concerned, I do not understand that it was discussed at all. The other amendment, which went much further, was discussed; but this was offered and debated for but a moment, if at all, and was agreed to; and how to enforce it, how to make it effective, how to render it a substantial provision to accomplish the purposes for which the parties desired it to be agreed to was never discussed, and has not been suggested. There has not been a suggestion in the debate up to this time as to how this amendment could be made effective. The Senator does not himself suggest any method for making this amendment effective. It would hinder and retard in this emergency without accomplishing any permanent benefit whatever. The Senator argues at length and with great earnestness how the failure to adopt his amendment will involve us in war. That argument does not seem to me well founded, and I will not seek to meet it.

Mr. O'GORMAN. Mr. President, it was hoped that we might reach a final vote on the conference report to-day; but that does not seem to be practicable. I now ask unanimous consent that we vote on the pending motion not later than 12 o'clock on Monday next.

Mr. LIPPITT. There can be no amendments?

Mr. O'GORMAN. No amendments.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Gronna	Nelson	Simmons
Borah	Hollis	Norris	Smith, Ga.
Burton	Johnson	O'Gorman	Smoot
Chamberlain	Jones	Overman	Sterling
Clapp	Kern	Perkins	Stone
Clark, Wyo.	Lane	Pittman	Swanson
Clarke, Ark.	Lea, Tenn.	Poindexter	Thomas
Culberson	Lee, Md.	Pomerene	Thornton
Cummins	Lewis	Ransdell	Tillman
Fall	Lippitt	Saulsbury	Walsh
Gallinger	McCumber	Sheppard	West
Gore	Martin, Va.	Shields	Williams

The VICE PRESIDENT. Forty-eight Senators have answered to the roll call. There is not a quorum present. The Secretary will call the names of absent Senators.

The Secretary called the names of absent Senators, and Mr. BRADY, Mr. BRYAN, Mr. MARTINE of New Jersey, Mr. THOMPSON, Mr. VARDAMAN, and Mr. WHITE answered to their names when called.

The VICE PRESIDENT. Fifty-four Senators have answered to the roll call. There is a quorum present.

Mr. GALLINGER. Mr. President, anticipating the request that is to be made, and understanding that we are not to be in session to-morrow, I will ask the Senator from New York if he can not make it 2 o'clock, the bill to be taken up immediately upon assembling?

Mr. O'GORMAN. I have no objection.

Mr. GALLINGER. And that no Senator shall speak more than once. There will be no amendments.

Mr. O'GORMAN. I embody that in my request.

Mr. LIPPITT. The Senator means that no Senator shall speak more than 20 minutes in case anybody else wants to speak.

Mr. GALLINGER. Yes; certainly.

Mr. O'GORMAN. That we proceed to vote not later than 2 o'clock on next Monday, and that meanwhile no Senator shall occupy more than 20 minutes in addressing the Senate.

Mr. GALLINGER. If any other Senator desires to speak.

The VICE PRESIDENT. The Senator from New York asks unanimous consent for the following:

That from this time forward no Senator shall speak longer than 20 minutes upon the conference report if some other Senator desires to speak, and that not later than 2 o'clock on Monday next the vote shall be taken upon the question as to whether the conference report shall be adopted.

Mr. BORAH. Mr President, I understood that no Senator was to speak more than 20 minutes if some other Senator desired to speak. I do not know exactly how a Senator who was on the floor would know, unless some other Senator should go up and tell him that he would like him to quit.

Mr. GALLINGER. I think we can adjust that.

Mr. BORAH. I think it had better be limited to 20 minutes to a Senator.

Mr. GALLINGER. There is no objection to that on my part.

Mr. LIPPITT. I think there is no harm in the arrangement the way it is proposed. Certainly there could be no difficulty about a Senator getting information to the Senator on the floor that he would like to take his place. There are various ways of doing that.

The VICE PRESIDENT. Is it understood that no Senator shall speak more than once?

Mr. GALLINGER. Yes.

Mr. O'GORMAN. And that no Senator shall speak more than once.

The VICE PRESIDENT. Let the Secretary state the proposed unanimous-consent agreement.

Mr. LIPPITT. I have not made any remarks on this subject, and I think I should like to occupy rather more than 20 minutes. I shall not want to make a long address, but I think I shall want to say something, and 20 minutes is a very short time. Various Senators have already occupied an hour or two. The distinguished Senator from Idaho has occupied a few minutes, and I can not see that there is any great objection to allowing a Senator to occupy more than 20 minutes, provided he is not depriving somebody else of the floor during that time.

Mr. BORAH. Mr. President, the Senator from Idaho has occupied perhaps 20 minutes altogether upon this bill.

Mr. LIPPITT. I have no doubt it has been very well occupied.

Mr. BORAH. Yes; I hope so, and I hope it will have an effect on the Senator from Rhode Island.

Mr. GALLINGER. And on the country. Let the agreement be stated.

The VICE PRESIDENT. It is in the handwriting of the Chair, and the Chair will read it:

It is agreed by unanimous consent that at not later than 2 o'clock on Monday, August 17, 1914, the Senate proceed to vote upon the adoption of the conference report on the bill H. R. 18202, and that hereafter no Senator shall speak more than once nor longer than 20 minutes upon the report should any other Senator desire to speak at the expiration of such 20 minutes.

Mr. SMOOT. From the statement made by the Senator from New Hampshire I take it that it has been virtually agreed that we are to adjourn over until Monday.

Mr. O'GORMAN. I understand that is the purpose.

Mr. SMOOT. I do not object to the unanimous-consent agreement, but I should like to ask the Senator from Indiana if it would not be agreeable to all to have a session to-morrow to take up the calendar under Rule VIII and consider bills to which there is no objection.

Mr. GALLINGER. Let us dispose of the unanimous-consent agreement first.

Mr. SMOOT. I have no objection to agreeing to that.

The VICE PRESIDENT. Is there objection to this unanimous-consent agreement?

Mr. CLARK of Wyoming. I desire to ask a question. It is proposed to adjourn over until Monday. I am not informed, but I suppose there is some good reason why we should waste a day in this session, which we hope to draw to a close without unduly delaying the very necessary work that is before the Senate. I should like, before agreeing to any part of this program, to ascertain what reason there is for cutting out to-morrow as a legislative day.

Mr. KERN. There has been a pretty general desire expressed on the part of Senators, who are very tired and very much worn, to have a day's rest. Inquiry was made as to whether any Senator was prepared to go on with the unfinished business—the Clayton bill—to-morrow, and inquiry failed to develop the fact that anyone is so ready.

Mr. CLARK of Wyoming. Then why can we not vote on it?

Mr. KERN. If we could secure a quorum, I would have no objection.

Mr. CLARK of Wyoming. Why can we not obtain a quorum? This is a regular session of Congress. I do not see why we should not have a quorum to-morrow just as well as at any other time.

Mr. KERN. I have no objection to a session to-morrow for the purpose of calendar work. I think that would be a very wise arrangement.

The VICE PRESIDENT. Is there objection to the unanimous-consent agreement? The Chair hears none.

COTTON WAREHOUSE LICENSES.

Mr. SMITH of Georgia. I desire to ask unanimous consent out of order to introduce a bill. I think the character of the bill is one which justifies this request.

Mr. SMOOT. It is an emergency measure?

Mr. SMITH of Georgia. It is. It is a bill which was prepared by Members of both the House and Senate in cooperation with the Agricultural Department looking toward the establishment of cotton warehouses licensed by the Agricultural Department. It is a very important and pressing measure, growing out of the war situation.

Mr. GALLINGER. That sounds familiar to me, but I have to go back a good many years to find the original author of it.

Mr. SMITH of Georgia. I do not know who originally offered it. I am perfectly willing to take the personal responsibility.

The VICE PRESIDENT. Is there objection?

Mr. BURTON. Mr. President, one minute. I understand it does not involve any expenditure of money by the Government unless, perhaps, for inspectors.

Mr. SMITH of Georgia. That is all. There is a small cost provided in the bill.

Mr. BURTON. Not for furnishing warehouses or advancing money, or anything of that kind.

Mr. SMITH of Georgia. I would be glad to have the bill read. I am not asking for its present consideration, but for leave to introduce it. I do not ask to have the bill passed now.

Mr. BURTON. It is only to introduce it.

Mr. SMITH of Georgia. That is all.

The bill (S. 6266) to authorize the Secretary of Agriculture to license cotton warehouses, and for other purposes, was read twice by its title and referred to the Committee on Agriculture and Forestry.

Mr. SMITH of Georgia. I ask that the bill may be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

A bill (S. 6266) to authorize the Secretary of Agriculture to license cotton warehouses, and for other purposes.

Be it enacted, etc., That this act shall be known by the short title of "United States cotton warehouse act."

SEC. 2. That the term "warehouse" as used in this act shall be deemed to mean every building, compress, ginhouse, and other structure in which any cotton is, or may be, stored or held for, or in the course of, interstate or foreign commerce.

SEC. 3. That the Secretary of Agriculture is authorized to investigate the storage, warehousing, and certification of cotton; upon application to him, to inspect warehouses or cause them to be inspected; at any time, with or without application to him, to inspect, or cause to be inspected, all warehouses licensed under this act; to determine whether warehouses for which licenses are applied for, or have been issued, under this act are suitable for the proper storage or holding of cotton; to classify warehouses in accordance with their location, surroundings, capacity, condition, and other qualities, and the kinds of licenses issued, or that may be issued, to them pursuant to this act; and to prescribe the duties of warehouses licensed under this act with respect to the care of cotton stored or held therein.

SEC. 4. That the Secretary of Agriculture is authorized, upon application to him by the owner or operator of a warehouse, to issue a license for the conduct of the same, subject to this act and such rules and regulations as may be made hereunder. Each license shall specify the date upon which it is to terminate, and, upon showing satisfactory to the Secretary of Agriculture, may, from time to time, be renewed, or extended, by a written instrument which shall specify the date of its termination.

SEC. 5. That applications may be made to the Secretary of Agriculture by the owner or operator of any warehouse licensed under this act for permission to designate the same as bonded under this act. No warehouse shall be so designated, and no name or description, conveying the impression that it is so bonded, shall be used until a bond, with such penalty, containing such conditions and with such security as the Secretary of Agriculture may require, shall have been given, and he shall have approved the same, nor unless the approval by the Secretary of such bond remains uncanceled and in full force and effect. Any person owning cotton stored in a warehouse bonded under this act, or owning a receipt for cotton therein issued under this act, shall be entitled, in an action upon the bond brought in any court of the United States having jurisdiction of the same, to recover all damages he may have sustained in respect to such cotton or receipt by reason of either the negligence or the misconduct of the owner or operator of the warehouse or of his agents or servants.

SEC. 6. That the Secretary of Agriculture may, upon presentation to him of satisfactory proof of competency, issue to any person a license to grade or classify cotton, and to certificate the grade or class thereof, under such rules and regulations as may be made pursuant to this act.

SEC. 7. That for all cotton stored or held by a warehouse licensed under this act original receipts, serially numbered, shall be issued by the owner or operator thereof, signed by himself or by his duly authorized agent. No such receipt shall be issued except for cotton actually stored or held in the warehouse at the time of the issuance thereof. No duplicate or copy of an original receipt shall be issued unless the same be plainly and conspicuously marked "duplicate" or "copy," as the case may be, upon the face thereof. While an original receipt, or any duplicate or copy thereof, issued under this act is outstanding, and uncanceled by the owner or operator of the warehouse issuing the same, no other or further receipt shall be issued for the cotton, except that in the case of lost or destroyed receipts new receipts may be issued upon the giving of satisfactory security in compliance with the rules and regulations made pursuant to this act. Any receipt issued in lieu of an original shall be upon the same terms and subject to such conditions as are prescribed by this act for such original receipt. Each original receipt shall include a true statement of the date and place of its issuance, its serial number, the location of the warehouse in which the cotton is stored or held, the weight of the cotton at the time of the issuance of the receipt, a description of the bales or packages by marks, numbers, or other means of identification, the amount or rate of storage charges, if any, which have accrued or are to accrue within six months from the date of the issuance of the receipt, and constitute a lien on the cotton which has not been waived by the warehouseman, and when payable, and the amount and period of insurance, if any, on the cotton. Each such receipt shall include statements that it is issued subject to this act and that no other receipt for the cotton described therein or any part thereof is outstanding and, in addition to complying with this section, shall contain such terms and conditions, not inconsistent with the laws of the respective States in which issued, as the Secretary of Agriculture may require for carrying out the purposes of this act. Receipts may run to bearer, or to a specified holder, or to a specified holder or his assigns. The owner of an original receipt issued pursuant to this act shall be entitled, upon presentation thereof, to receive the identical cotton described therein.

SEC. 8. That each warehouse licensed under this act, whether bonded or not, shall keep correct records of all cotton stored or held therein and withdrawn therefrom, of all original warehouse receipts, and the duplicates or copies of the same, issued by the owner or operator of the warehouse, and of the receipts returned to and canceled by the owner or operator thereof, shall make reports to the Secretary of Agriculture, in such form and at such times as he may require, and shall be conducted and operated in all other respects in compliance with this act and the rules and regulations made hereunder.

SEC. 9. That any warehouse receipt or certificate of the grade or class of cotton issued under this act may specify the grade or class of the cotton covered thereby in accordance with the official cotton standards of the United States, as the same may be fixed and promulgated under authority of law from time to time by the Secretary of Agriculture, or in accordance with any other standard. If such receipts and certificates state the grade or class, they shall show the standard in accordance with which the cotton has been graded or classified.

SEC. 10. That the Secretary of Agriculture is authorized to cause inspections and examinations to be made of any cotton which, in any warehouse receipt or certificate issued pursuant to this act, has been certified or represented to conform to any grade or class established in the official cotton standards of the United States and to ascertain whether the cotton is in fact of the specified grade or class. Whenever, after opportunity for hearing has been afforded to the owner of the cotton involved and the licensee concerned, it is determined by the Secretary that any such cotton has been incorrectly certified or represented to conform to a specified grade or class of the official cotton standards of the United States, he may publish his findings.

SEC. 11. That the Secretary of Agriculture may suspend or revoke any license issued, and may cancel his approval of any bond given, under this act for any violation of, or failure to comply with, any provision of this act or of the rules and regulations made hereunder. Any license may be suspended or revoked, after opportunity for hearing has been afforded to the licensee concerned, upon the ground that unreasonable or exorbitant charges have been made for services rendered.

SEC. 12. That the Secretary of Agriculture, from time to time, shall publish the results of investigations made under this act, the names and locations of warehouses licensed and bonded, and the names and addresses of persons licensed under this act, and lists of all licenses suspended or revoked and of all bonds canceled hereunder.

SEC. 13. That the Secretary of Agriculture is authorized, through officials, employees, or agents of the Department of Agriculture designated by him, to examine all books, records, papers, and accounts of warehouses licensed under this act and of the owners or operators of such warehouses relating thereto.

SEC. 14. That the Secretary of Agriculture shall, from time to time, make such rules and regulations as he may deem necessary for the efficient execution of the provisions of this act.

SEC. 15. That there is hereby appropriated, out of any moneys in the Treasury not otherwise appropriated, the sum of $50,000, available until expended, for the expenses of carrying into effect the provisions of this act, including the payment of such rent and the employment of such persons and means as the Secretary of Agriculture may deem necessary in the city of Washington and elsewhere. He is authorized, in his discretion, to call upon qualified persons not regularly in the service of the United States for temporary assistance in carrying out the purposes of this act and out of the moneys appropriated by this act to pay the salaries and expenses thereof.

AMELIA ERICKSON.

Mr. WILLIAMS, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate resolution 440, submitted by Mr. STERLING yesterday, reported it without amendment, and it was considered by unanimous consent and agreed to, as follows:

Resolved, That the Secretary of the Senate be, and he hereby is, authorized and directed to pay to Amelia Erickson, widow of John L. Erickson, late a messenger to Senator STERLING, a sum equal to six months' salary at the rate he was receiving by law at the time of his death, said sum to be considered as in lieu of funeral expenses and other allowances.

PORT OF PEMBINA, N. DAK.

Mr. SIMMONS. I ask unanimous consent to report favorably a bill from the Committee on Finance in which the Senator from North Dakota [Mr. MCCUMBER] is very much interested, and I call his attention to it.

I am directed by the Committee on Finance, to which was referred the bill (S. 5449) to make Pembina, N. Dak., a port through which merchandise may be imported for transportation without appraisement, to report it favorably without amendment, and I submit a report (No. 742) thereon.

Mr. MCCUMBER. I ask unanimous consent for the present consideration of the bill.

There being no objection, the bill was considered as in Committee of the Whole. It extends the privilege of the first section of the act approved June 10, 1880, governing the immediate transportation of dutiable merchandise without appraisement to the port of Pembina, N. Dak.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

RATES ON SUGAR.

Mr. RANSDELL. In view of the very rapid increase in the price of food products I ask unanimous consent to print in the RECORD two very interesting letters from Mr. Paul J. Christian, for the American Cane Growers' Association. They contain very valuable information, which I think will be read with great interest by Senators. I ask that they be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD as follows:

AMERICAN CANE GROWERS' ASSOCIATION OF UNITED STATES,
Washington, D. C., August 8, 1914.

Hon. JOS. E. RANSDELL,
United States Senate, Washington, D. C.

DEAR SENATOR: My letter of July 20 was accompanied by two charts showing the range of raw and refined sugar on the wholesale New York market from June 5, 1913, to July 16, 1914, inclusive.

Your attention was called to the action of the refiners in advancing the price of their highest price brand, "Crystal Dominoes," 25 cents a hundred pounds in the last six weeks of the period covered by the charts. In citing this advance the statement was made that it was not warranted by conditions in the raw sugar market.

Developments in Europe during the past week have resulted in a sensational advance in both raw and refined sugar. Prices now promise to soar far above the level of 1911, when the shortage of the European beet crop was followed by a world-wide advance in prices.

But *the refiners should not be allowed to take advantage of the war in Europe to deceive Congress or the consuming public regarding their course* in advancing prices. Their record in this connection should be made plain to the people.

They broke their promise, at the same time issuing misleading statements that the consumers were receiving the full benefit of the 25 per cent cut in the tariff on raw sugar. This was before the slightest cloud had appeared upon the horizon of European politics.

As stated in the cited case of Crystal Dominoes, *the refiners began the advance during the week of May 21-28, a full month before the Austrian Archduke Ferdinand was assassinated* at Sarajero, on June 28. All of the advances I cited occurred prior to July 16, but Austria did not send her ultimatum to Servia until a week after that date, July 23. *Consequently the refiners can not plead the European trouble for breaking their promise.*

Should a readjustment of the import duties be deemed necessary by reason of the European war, these facts should be brought to the attention of Congress in considering the sugar schedule.

Not only did the Sugar Refining Trust and its allies fail to live up to its promise to give the consumers the full benefit of the tariff cut on raw sugar, but *before the war in Europe afforded them the slightest excuse they were cleaning up millions of dollars* at the expense of the domestic producers.

The Department of Agriculture estimates the last Louisiana crop at 292,000 short tons. Approximately two-thirds of that crop was marketed in New Orleans, where there was but one purchaser, the Refining Trust, for practically the entire lot.

Of the 202,000 tons received at New Orleans, 187,000 tons arrived between November 1, 1913, and January 29, 1914, and had to be sacrificed by the planters at prices ranging from 3.70 to 3.23 cents a pound, less the fictitious freight between New Orleans and New York, which the trust has for years extorted from the Louisiana producers. Louisiana did not suffer alone in marketing the last crop at ruinous prices. The same treatment was meted out to Porto Rico and to Hawaii by the refiners, and yet it was this cheap sugar, bought at figures that spelled the ruin of the domestic industry as a result of the tariff cut, upon which the greedy refining combine has been clearing millions of profits both prior to and since the opening of the war in Europe.

This is but a repetition of the course they followed in 1911, when the high price of sugar became such a burden to the consuming masses. Speaking of the policy they pursued at that time, the United States Department of Labor says in its publication, "Sugar Prices from Refiner to Consumer" (p. 6):

"When raw sugar reached the extremely high prices in 1911 the refiners simply did not buy until they had exhausted the large stocks laid in at much lower prices, and in August, 1911, while the average market price for the month for 96° centrifugal sugar was 4.88 cents per pound, the average actual cost price of 96° centrifugal sugar melted by one of the large refineries was close to 4 cents per pound."

There is every promise that the refiners will clean up much larger profits in 1914 than in 1911, and it is obvious that this will not be entirely due to the European war.

Very respectfully,

PAUL J. CHRISTIAN,
For the American Cane Growers' Association.

AMERICAN CANE GROWERS' ASSOCIATION OF UNITED STATES,
Washington, D. C., July 20, 1914.

Hon. JOS. E. RANSDELL,
United States Senate, Washington, D. C.

DEAR SENATOR: Under date of June 17, 1914, Frank C. Lowry, of the Federal Sugar Refining Co., and spokesman of the sugar-refining industry, issued a circular letter to the Members of Congress in which he said:

"DEAR SIRS: Three months operation under the new tariff show that the consumer is receiving all the benefit of the 25 per cent reduction in the duty on sugar. Since the new rates went into effect refiners' selling price has averaged 3.819 cents per pound, as compared with an average price for the last 10 years of 4.85 cents per pound."

In refutation of the statement that "*the consumer is receiving all the benefit of the 25 per cent reduction in the duty on sugar,*" I desire to submit the following data:

First. A statement compiled from Willett & Gray's Weekly Statistical Sugar Trade Journal, showing the New York wholesale price of the leading brands of refined sugar on July 16, 1914, as reported in the last issue, compared with the price for the same grades quoted October 9, 1913, as reported in the first issue of the same publication following the passage of the tariff act, and in which issue the news was announced to the sugar trade that President Wilson had signed the Underwood-Simmons bill:

Wholesale New York prices.

	July 16, 1914.	Oct. 9, 1913.	Result after 10 months of new tariff (per hundred pounds).
Crystal Dominoes, cases, 2 pounds	7.80	7.45	Advance 5 cents.
Crystal Dominoes, cases, 5 pounds	7.00	6.95	Do.
Eagle tablets	5.80	5.70	Advance 10 cents.
Cut loaf	5.30	5.20	Do.
Crystal Dominoe granulated (cartons)	4.70	4.70	Stationary.
Mould A	4.85	4.75	Advance 10 cents.
Diamond A	4.40	4.40	Stationary.
Fine granulated, barrels and 100-pound bags	4.40	4.40	Do.
Fine granulated, 25 and 50 pound bags	4.45	4.45	Do.
Fine granulated, 2, 3½, and 5 pound cartons	4.60	4.60	Do.
Coarse granulated	4.45	4.50	Decline 5 cents.
Standard granulated	4.40	4.45	Do.
Extra fine granulated	4.40	4.40	Stationary.
Cubes	4.65	4.65	Do.
XXXX powdered	4.55	4.55	Do.
Confectioners' A	4.30	4.25	Advance 5 cents.
No. 1	4.15	4.15	Stationary.
No. 2	4.10	4.10	Do.
No. 3	4.05	4.05	Do.
No. 4	4.00	4.00	Do.
No. 5	3.95	3.95	Do.
No. 6	3.90	3.90	Do.
No. 7	3.85	3.85	Do.
No. 8	3.80	3.80	Do.
No. 9	3.75	3.75	Do.
No. 10	3.70	3.70	Do.
No. 11	3.65	3.65	Do.
No. 12	3.55	3.60	Decline 5 cents.
No. 13	3.50	3.55	Do.
No. 14	3.50	3.55	Do.
No. 15	3.50	3.55	Do.

Second. The statements prepared by the United States Department of Commerce, showing that *the United States Treasury has been losing more than $2,000,000 a month* as a result of the new import rates on sugar. They are as follows:

	New rates.	Old rates.	Difference.
March	$7,172,850.33	$9,652,208.95	$2,479,358.62
April	5,712,113.74	7,663,312.65	1,951,198.91
May	5,499,815.45	7,370,674.95	1,870,859.50
June	6,863,661.07	9,199,060.92	2,335,999.85
Total	25,248,440.59	33,885,857.47	8,637,416.88

Third. Excerpts taken from the advertising columns of the daily papers of almost every State, now on file in the Library of Congress. *These advertisements show the retail price of sugar.*

This is the fairest way of ascertaining *how the consumer has actually fared.* The merchants paid for the newspaper space carrying these advertisements. The prices were announced as "bargains," and in many cases *sugar was offered* at cost in order to stimulate the sale of other goods.

Wherever it has been possible to do so corresponding prices for a year ago have been given from the papers on file in the library.

1914.	*1913.*

ALABAMA.

Hy. C. Meyer, Mobile, X standard granulated sugar, 22 pounds, $1. (From the Item, July 10, p. 3.)

Atlantic & Pacific Tea Co., Mobile, 22 pounds granulated sugar, $1. (From the Register, July 6, p. 5 B.)

ARKANSAS.

Special City Market & Arcade, Little Rock, 20 pounds granulated sugar, $1. (From the Gazette, July 11, p. 2.)

Aydlett, Little Rock, 10 pounds sugar, 49 cents; sales for cash only. (From the Gazette, July 6, p. 10.)

CALIFORNIA.

Arata Bros., Sacramento, best cane sugar, 21 pounds, $1. (From the Bee, July 13, p. 5.)

A. Walke, Sacramento, 17 pounds fine granulated sugar, 50 cents. (From the Union, July 13, p. 20.)

COLORADO.

The John Thompson Grocery Co., Denver, 22 pounds fine granulated sugar, $1. (From the Rocky Mountain News, July 12, p. 4, sec. 2.)

The John Thompson Grocery Co., Denver, sugar, 100 pounds, beet, $5.10; sugar, 100 pounds, cane, $5.30. (From the News, July 13, p. 4.)

CONNECTICUT.

The Mohican Co., Waterbury, 5 pounds granulated sugar, 23 cents. (From the Republican, July 15, p. 13.)

E. Schoenberger & Sons, New Haven, 5 pounds fine granulated sugar, 24 cents. (From the Evening Register, July 11, p. 27.)

DELAWARE.

Heroy, Wilmington, sugar, 4½ cents with pound of tea or coffee; limit, 8 pounds. (From the Every Evening, July 10, p. 7.)

Diamond Tea Co.'s Stores, Wilmington, granulated sugar, 5 cents per pound. (From the Every Evening, July 11, p. 3.)

FLORIDA.

A. B. Anderson, Jacksonville, 25 pounds granulated sugar, $1.18. (From the Florida Metropolis, July 17, p. 12.)

Atlantic & Pacific Tea Co., Jacksonville, granulated sugar, 21 pounds, $1. (From the Times-Union, July 20, p. 8, sec. 2.)

GEORGIA.

The A. M. Patrick Stores, Savannah, 5 pounds sugar, 25 cents. (From the Press, July 10, p. 8.)

Atlantic & Pacific Tea Co., Savannah, 25 pounds sugar, $1.15. (From the Morning News, July 3, p. 4.)

ILLINOIS.

United Grocery Co., Peoria, 25-pound bag Havemeyer & Elder sugar, $1.09. "Friday only with $2 order, except eggs, grape juice, lard, feed, and butter. An amazing offer, considering the local wholesale market to-day stands about $5 a hundred." (From the Star, July 16, p. 14.)

New York Grocery & Produce Co., Springfield, 25-pound sack H & E. sugar, $1.19; 20 pounds H. & E. sugar, $1 (with order). (From the State Register, July 18, p. 5.)

INDIANA.

O. K. Cash Grocery, South Bend, 10 pounds sugar, 41 cents, with $1 order. (From the News-Times, July 13, p. 5.)

Lockhart's mill-end sales. The New York Store, Indianapolis, 5-pound carton best granulated sugar, 25 cents. (From the Indianapolis News, July 4, p. 8.)

IOWA.

Baron's Department Store, Sioux City, 5 pounds cane sugar, 25 cents. (From the Tribune, July 6, p. 12.)

K. & K. Grocery Co., Sioux City, cane granulated sugar, 25-pound sack, $1.35. (From the Journal, July 12, p. 5.)

KANSAS.

The Magnet, Leavenworth, best granulated sugar, 21 pounds, $1. To-day only. (From the Times, July 8, p. 6.)

The Magnet Grocery Co., Leavenworth, best granulated sugar, 20 poulds, $1. (From the Times, July 5, p. 6.)

KENTUCKY.

Mammoth Grocery Co., Louisville, 7-pound bags, 34 cents; 3 bags, $1. "Standard granulated has advanced again and will go higher." (From the Evening Post, July 17, p. 12.)

Mammoth Grocery Co., Louisville, 7 pounds granulated sugar, 34 cents; 3 bags, $1. (From the Times, July 2, p. 3.)

MAINE.

The Mohican Co., Lewistown, 5 pounds sugar, 17 cents. (From the Evening Journal, July 17, p. 7.)

Capital Fish Market, Kennebec, 25 pounds sugar, $1.25. (From the Daily Kennebec Journal, July 26, p. 7.)

MARYLAND.

Stewart & Co., Baltimore, 25-pound muslin bags sugar, $1.11. (From the News, July 14, p. 9.)

Bernheimer Bros., Baltimore, 5 pounds granulated cane sugar, 19 cents. (From the Evening Sun, July 2, p. 3.)

MASSACHUSETTS.

Bay State Market Co., New Bedford, 10 pounds sugar for 48 cents. (From the Evening Standard, July 16, p. 14.)

The Ginter Co., Boston, sugar, finest granulated, 4½ cents. (From the Boston Herald, July 2, p. 2.)

MICHIGAN.

Peter Smith & Sons, Detroit, 25 pounds sugar, $1.17. (From the Free Press, July 17, p. 9.)

Drake & Erickson, Grand Rapids, 25 pounds H. & E. granulated sugar, $1.15, with additional order of $1.50. (From the Herald, July 11, p. 5.)

MINNESOTA.

George A. Beck, Minneapolis, 25 pounds sugar, $1.15. (From the Journal, July 1, p. 4.)

George A. Beck, Minneapolis, 25 pounds cane sugar, $1.20. (From the Journal, July 15, p. 7.)

MISSISSIPPI.

Kuehn Bros., Natchez, sugar 5 cents per pound. (From the Daily Democrat, July 15, p. 8.)

Scott's Sanitary Store, Natchez, 19 pounds granulated sugar, $1. (From the Daily Democrat, July 29, p. 3.)

NEBRASKA.

Frendrich Bros., Lincoln, 18 pounds sugar, $1. (From the State Journal, July 11, p. 6.)

Frendrich Bros., Lincoln, 18 pounds cane sugar, $1. (From the State Journal, July 12, p. 6.)

NEW HAMPSHIRE.

The Mohican Co., Concord, 25 pounds sugar, $1.19. (From the Evening Monitor, July 17, p. 6.)

The Mohican Co., Concord, granulated sugar, 10 pounds, 50 cents. (From the Evening Monitor, July 22, p. 3.)

NEW JERSEY.

Charles M. Decker & Bros., Newark, 7 pounds sugar, 32 cents. (From the Evening News, July 15, p. 10.)

Roth & Co., Newark, 10 pounds granulated sugar, 47 cents. (From the Evening News, July 17, p. 16.)

NEW YORK.

The Mohican Co., Rochester, 10 pounds best granulated sugar, 45 cents on Tuesday with every 35-cent purchase of coffee. (From the Herald, July 14, p. 4.)

The Sweeney Co., Buffalo, best granulated sugar, 10 pounds, 44 cents, with $1 purchase. (From the Express, July 6, p. 36.)

NORTH CAROLINA.

Culp Bros., Charlotte, 10 pounds sugar, 50 cents. (From the News, July 17, p. 8.)

OHIO.

Kroger's, Dayton, 25 pounds sugar, $1.12. (From the Journal, July 17, p. 6.)

The Fair Co., Cincinnati, 25 pounds cane granulated sugar, $1.18. (From the Ohio Enquirer, July 6, p. 15.)

OKLAHOMA.

E. L. Powers, Muskogee, 18 pounds sugar, $1. (From the Times-Democrat, July 10, p. 8.)

Union Market, McAlester, 18 pounds granulated sugar, $1. (From the McAlester News Capital, July 23, p. 8.)

OREGON.

Olds, Wortman & King, Portland, 100 pounds sugar, $4.80. (From the Daily Journal, July 13, p. 7.)

Ben A. Bellamy, Portland, 19 pounds cane sugar, $1. (From the Daily Journal, July 2, p. 5.)

PENNSYLVANIA.

Divés, Pomeroy & Stewart, Harrisburg, 5 pounds sugar, 24 cents. (From the Telegraph, July 14, p. 12.)

Robinson & Crawford, Philadelphia, best granulated sugar, 4½ cents pound. (From the Evening Bulletin, July 1, p. 7.)

SOUTH CAROLINA.

C. D. Kenny Co., Spartanburg, 20 pounds sugar, $1. (From the Herald, July 18, p. 8.)

The Teapot, Charleston, sugar, 5 cents pound. (From the News and Courier, July 26, p. 2.)

TENNESSEE.

Castner-Knott Co., Nashville, best Havemeyer & Elder sugar, 10-pound bag, 50 cents. (From the Tennessean, July 12, p. 3.)

Castner's, Nashville, granulated sugar, 100 pounds, in cloth sacks, $4.60. (From the Tennessean, July 3, p. 3.)

TEXAS.

Bleich's Grocery, Galveston, 4 pounds sugar, 25 cents. (From the Tribune, July 15, p. 3.)

A. & P. Tea Co., Galveston, 21 pounds granulated sugar, $1. (From the Daily News, July 6, p. 29.)

UTAH.

Utah Grocery, Salt Lake City, 20 pounds sugar, $1, with $1 purchase of other goods. (From the Deseret Evening News, July 10, p. 3.)

Chicago Store, Salt Lake City, 18½ pounds sugar, $1. (From the Deseret Evening News, July 19, p. 2.)

VERMONT.

Combination Cash Store, Rutland, 25 pounds sugar, $1.13. (From the Herald, July 15, p. 12.)

Combination Cash Store, Rutland, 25 pounds granulated sugar, $1.19. (From the Herald, July 1, p. 12.)

VIRGINIA.

Harry Morris, Norfolk, Franklin 2, 4, and 25 pound packages, 4½ cents per pound; not over 25 pounds to customer. (From the Norfolk Virginian-Pilot, July 12, p. 28.)

Ullman's Sons, Richmond, best American granulated sugar, 4½ cents. (From the Times-Despatch, July 6, p. 7.)

WASHINGTON STATE.

People's Store, Tacoma, 22 pounds pure cane sugar, $1. (From the Daily Ledger, July 14, p. 14.)

People's Store, Tacoma, 20 pounds sugar, $1. (From the Daily Ledger, July 3, p. 14.)

WEST VIRGINIA.

Modern Market & Cash Grocery Co., 25 pounds sugar for $1.25. (From the Charleston Gazette, June 27, p. 5.)

Barlow & Co., Wheeling, 25-pound sack of sugar, $1.19. (From the Register, July 14, p. 2.)

WISCONSIN.

Rauch's, Milwaukee, 6 pounds sugar, 23 cents. (From the Daily News, July 10, p. 8.)

Boston Store, Milwaukee, 10 pounds sugar, 44 cents, with $1 order of other goods. (From the Sentinel, July 6, p. 9.)

When Mr. Lowry began the refiners' campaign of publicity to destroy the tariff on American-grown raw sugar he said in the first of his long series of letters:

"There is absolutely no question but that the *consumer will get all the benefit from 'free sugar' or a reduction in the tariff rate on raw sugar, with a corresponding reduction in the rate on refined sugar.*"

This statement was repeated on page 2 of the publication entitled "Our High Tariff on Sugar From the Consumers' Standpoint," issued by the Federal Sugar Refining Co., with which Congress was flooded during the consideration of the sugar schedule.

You can judge from the above three exhibits whether "*the consumer is receiving all the benefit of the 25 per cent reduction in the duty,*" also whether there has been "*a corresponding reduction in the rate on refined sugar.*"

In the article I have quoted from Mr. Lowry, in which he promised on behalf of the refiners the reduction to the consumer, he continued:

"Those in the sugar trade fully recognize this [a reduction in refined following a reduced tariff]. It is also shown by the domestic producer's anxiety. He well knows that a reduced tariff rate means that he will have to sell his product at a lower price. If it were not so, he would not be working so hard to have the present rate maintained, but in the hope of confusing the issue he does a lot of talking about it being useless to reduce the rate because the 'consumer will not get the benefit,' knowing that this is 'rot.'"

I now wish to call your attention to one of the deceitful practices followed by the refiners to create free-sugar sentiment while the tariff was undergoing revision and continued by them "to save their face" for a short time thereafter. Sugar was marked down so low that it was sold at an actual loss. After their purpose was accomplished and public interest began to subside, they steadily advanced prices to make up their losses, and now the consumer, who was deceived for a short period, "is paying the fiddler." This is clearly illustrated by the advertisements of retail stores appearing in the Washington (D. C.) newspapers. They are easily accessible and are typical of the prices advertised throughout the United States during the corresponding period:

September 11, 1913: Atlantic & Pacific Tea Co., sugar 3½ cents per pound—tariff bill still pending. (From the Evening Star.)

October 20, 1913: Atlantic & Pacific Tea Co., sugar 3.3 cents per pound—new sugar schedule not yet operative. (From the Evening Star.)

April 2, 1914: Old Dutch Market, sugar 3.8 cents per pound—new duty effective. (From the Evening Star.)

April 19, 1914: Old Dutch Market, sugar 4 cents per pound—sugar going up. (From the Washington Times.)

June 15, 1914: Old Dutch Market, sugar 4½ cents per pound—still going up. (From the Washington Post.)

The campaign carried on by the refiners last winter to depress the price of raw sugar resulted in that commodity being depressed to the lowest point on record. Many producers were compelled to sell at less than the cost of production. Thousands of farmers were irretrievably ruined. Their protest that they were being sacrificed without warning and that no one would benefit from their ruin but the greedy Refining Trust was received as "rot."

During that period of depression the Journal of Commerce on January 7 last announced that the Federal Sugar Refining Co. had suspended the quarterly dividends of its common stock, but quoted President Spreckels as saying that the dividends would be resumed "as soon as the normal price between raw and refined sugar is resumed."

On June 24, 1914, the same paper had the following interesting announcement:

"While a great many manufacturers and merchants are complaining of business depression, and are ascribing it in part to the reduction of the tariff, Claus A. Spreckels, president of the Federal Sugar Refining Co., declares that the sugar business is booming as a result of the tariff changes, which, he says, has had the effect of reducing the price to the consumer, and has resulted in a large increase in the consumption of sugar.

"In an interview with a representative of the Journal of Commerce yesterday Mr. Spreckels said that the consumption of sugar during the past three and a half months, since the tariff reduction went into effect, had increased about 20 per cent, compared with the same period of 1913."

In view of all the facts there is small wonder that Mr. Spreckels should proclaim that: "The sugar business is booming."

For years the American public has been "gulled" as to the price it was paying for sugar by having the New York wholesale price of raw and granulated "net cash" sugar quoted as an index. These prices are given in chart No. 2 for the same period covered by the refined sugar prices set forth in chart 1.

Chart No. 1, giving the range of prices of refined sugar, shows how the warning of the domestic producers of raw sugar, that the Refining Trust would absorb for its own advantage any reduction in the tariff, has been fulfilled. By way of illustration refer to Crystal Dominoes in 2 pound and 5-pound cartons, the highest-priced product of the refiners, now selling at 6.75 cents and 7.25 cents per pound, respectively. There was no condition in the sugar market early in June to cause that already high-priced sugar to be advanced. Raw sugar had just declined from 3.39 on May 28 to 3.32 on June 4, during which period granulated had remained stationary. After remaining at 3.32 for one week raws went back to the 3.39 level, as shown by the report of June 18, but immediately declined again to the 3.32 level, as reported June 25; it was carried at that same price the next week of July 2; it declined on July 9 to 3.26, and is again repeated at the latter figure in the issue of July 16.

Notwithstanding this depression in the raw market the refiners ran their costly Crystal Dominoes up 10 cents a hundred between May 21 and 28; again advanced them 10 cents higher between June 11 and 18, and put up the price for a third time between July 9 and 16 by a further advance of 5 cents, a total of 25 cents a hundred. And Willett & Gray announced that further advances may be expected.

When the American farmers, whose industry has now been ruined, and who knew from years of experience what to expect of the Sugar Trust promises, predicted that this thing would happen, their warnings were pronounced "rot" by the refiners, and Congress chose to believe the refiners.

Whole communities that were prosperous have been reduced to actual poverty and distress; a great agricultural industry of more than a century's development and growth has been wiped out over night; the price of sugar has not only not been cheapened but actually increased to the customer; the Treasury of the United States is losing more than $2,000,000 a month, and that huge sum has been diverted into the coffers of the meanest and most criminal of all the predatory trusts that have preyed upon the public.

In your speech delivered on the floor of the Senate on June 2 last year you quoted the predecessor of the present Attorney General of the United States as having denounced the Sugar Refining Trust in his annual report as "*guilty of unparalleled depravity.*" There was no theft or depravity too low or too mean for it to stoop to. It "monkeyed with the meter" and stole the water from the public mains with which it refined the sugar; it bribed and corrupted United States employees on the docks; it put secret springs in the Government scales on which the imported cargoes were weighed so that it could steal a pound or two on each sack; it secured secret railroad rebates, and in numberless other ways enriched itself at the expense of the American farmer, the American consumer, and the United States Treasury. In your speech you pointed out that they had been compelled to hand back to the Government about $4,000,000 of their stealings.

Many Members of Congress hesitated long before agreeing to support the new sugar legislation. They realized it marked the destruction of a great agricultural industry, and would not have lent their aid to such a policy unless they felt that they were aiding a much greater number of Americans by materially reducing the price of sugar. Surely these men will not consent to the continuation of a policy that works solely to the benefit of the Sugar Trust. Already the refiners have broken their word with Congress, as I have shown. But the worst is still to come.

Willett & Gray, in the issue of July 16, says:

"The forecast that the next change in refined, when it came, *would be an advance has been verified* during the week. * * * No immediate further advance is looked for, but *eventually the next change when it comes will be an advance*, so buyers can carry liberal stocks with confidence during the hot season.

"All refiners can ship promptly *while the raw sugar supplies are so abundant.*

"We advise carrying full supplies."

With their only competitors, the domestic producers, practically exterminated; with the pie-crust promise of cheaper sugar broken and prices already back at the old level and going higher; with more than $2,000,000 a month diverted from the Public Treasury into the trust treasury, it is easy to understand why the refiners are so well satisfied.

Very respectfully,

PAUL J. CHRISTIAN,
For the American Cane Growers' Association.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House disagrees to the amendment of the Senate to the bill (H. R. 1055) for the relief of T. S. Williams, asks a conference with the Senate on the disagreeing votes of the two Houses thereon, and had appointed Mr. POU, Mr. STEPHENS of Mississippi, and Mr. SCOTT managers at the conference on the part of the House.

The message also announced that the House agrees to the amendment of the Senate to the bill (H. R. 14685) to satisfy certain claims against the Government arising under the Navy Department.

ENROLLED BILL SIGNED.

The message further announced that the Speaker of the House had signed the enrolled bill (S. 1644) for the relief of May Stanley, and it was thereupon signed by the Vice President.

PETITIONS AND MEMORIALS.

Mr. CLARK of Wyoming presented petitions of sundry citizens of Burns and Orin, in the State of Wyoming, praying for national prohibition, which were referred to the Committee on the Judiciary.

Mr. BRANDEGEE presented a memorial of the Woman's Home Missionary Society of the Methodist Episcopal Church of Stafford Springs, Conn., remonstrating against the enactment of legislation to facilitate the use of square No. 673, in the city of Washington, D. C., for storage-warehouse purposes, which was referred to the Committee on the District of Columbia.

Mr. SHIVELY presented the petitions of H. E. Leech, T. H. Eaton, O. H. Monger, and 125 other citizens of Greenfield, Ind., praying for the enactment of legislation to provide for recogni-

tion of Dr. Cook's polar efforts, which were referred to the Committee on the Library.

He also presented a petition of the Common Council of Muncie, Ind. praying for the enactment of legislation to provide pensions for civil-service employees, which was referred to the Committee on Civil Service and Retrenchment.

Mr. NELSON presented memorials of sundry citizens of St. Paul and Minneapolis, in the State of Minnesota, remonstrating against national prohibition, which were referred to the Committee on the Judiciary.

Mr. CLARK of Wyoming (for Mr. WARREN) presented a petition of sundry citizens of Orin, Wyo., praying for national prohibition, which was referred to the Committee on the Judiciary.

Mr. BRANDEGEE (for Mr. OLIVER) presented a petition of sundry citizens of Pittsburgh, Pa., praying for national prohibition, which was referred to the Committee on the Judiciary.

He also (for Mr. OLIVER) presented a petition of Local Union No. 250, United Mine Workers of America, of Lattimer, Pa., praying for the passage of the so-called Clayton antitrust bill, which was ordered to lie on the table.

He also (for Mr. OLIVER) presented petitions of the First Reformed Church of Salina, Pa.; the Reformed Church of Apollo, Pa.; the Bell Point Union Sunday School, of Apollo, Pa.; and of sundry citizens of Pennsylvania, praying for the adoption of an amendment to the Constitution to prohibit polygamy, which were referred to the Committee on the Judiciary.

REPORTS OF COMMITTEES.

Mr. BRYAN, from the Committee on Claims, to which was referred the bill (H. R. 6609) for the relief of Arthur E. Rump, reported it without amendment and submitted a report (No. 744) thereon.

He also, from the Committee on Post Offices and Post Roads, to which was referred the bill (H. R. 11686) to provide that the United States shall in certain cases aid the States and civil subdivisions thereof in the construction and maintenance of rural post roads, reported it with an amendment and submitted a report (No. 743) thereon.

Mr. SWANSON, from the Committee on Public Buildings and Grounds, to which was referred the bill (S. 4256) to provide for the acquisition of a site and the erection of a public building thereon at Tonopah, Nev., reported it without amendment and submitted a report (No. 745) thereon.

He also, from the Committee on Naval Affairs, to which was referred the bill (S. 3561) to appoint Frederick H. Lemly, a passed assistant paymaster on the active list of the United States Navy, reported it without amendment.

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SHIVELY:

A bill (S. 6263) granting an increase of pension to Luther Curtis; to the Committee on Pensions.

By Mr. MARTIN of Virginia:

A bill (S. 6264) granting an increase of pension to Oliver J. Johnson; to the Committee on Pensions.

By Mr. VARDAMAN:

A bill (S. 6265) to establish an electric mail between cities and towns of the United States; to the Committee on Post Offices and Post Roads.

By Mr. GRONNA:

A bill (S. 6267) to provide a headstone for the grave of Scarlet Crow; to the Committee on Indian Affairs.

By Mr. POINDEXTER:

A bill (S. 6268) providing for relief of settlers on unsurveyed railroad lands; to the Committee on Public Lands.

A bill (S. 6269) providing an appropriation to equip and put in the field wire-drag parties for surveying the navigable waters of the Alaskan coast; to the Committee on Appropriations.

By Mr. SHEPPARD:

A bill (S. 6270) granting to rural mail carriers December 25 as a legal holiday; to the Committee on Post Offices and Post Roads.

A joint resolution (S. J. Res. 176) for control and distribution of the flood waters of the Rio Grande; to the Committee on Irrigation and Reclamation of Arid Lands.

T. S. WILLIAMS.

The VICE PRESIDENT laid before the Senate the action of the House of Representatives disagreeing to the amendment of the Senate to the bill (H. R. 1955) for the relief of T. S. Williams, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. BRYAN. I move that the Senate insist upon its amendment and agree to the conference asked for by the House, the conferees on the part of the Senate to be appointed by the Chair.

The motion was agreed to; and the Vice President appointed Mr. BRYAN, Mr. LEE of Maryland, and Mr. NORRIS conferees on the part of the Senate.

RECESS—THE CALENDAR.

Mr. SMOOT. I ask unanimous consent that the Senate now take a recess until 11 o'clock to-morrow, and that on to-morrow we consider the calendar under Rule VIII, and consider only bills to which there is no objection.

Mr. GALLINGER. And no other business to be transacted.

Mr. SMOOT. And no other business to be attended to.

The VICE PRESIDENT. The Senator from Utah asks unanimous consent that the Senate take a recess until 11 o'clock to-morrow, at which time the calendar under Rule VIII is to be taken up, only unobjected bills to be considered.

Mr. SMOOT. And no other business to be transacted.

The VICE PRESIDENT. And no other business to be transacted.

Mr. WILLIAMS. Reserving the right to object, I wish the Senator would put the request in a different form. We have been going on and neglecting the calendar except where unanimous consent was given. Unanimous consent is not given except for insignificant measures. There are upon the calendar several very important bills, amongst others the bill to regulate the sale of opium and cocaine, and all that sort of thing.

Mr. SMOOT. There is no objection to considering that bill.

Mr. WILLIAMS. It has been objected to every time. It has been called again and again, and some one has objected to its consideration.

Mr. SMOOT. The last time the bill was before the Senate we spent an hour and a half upon it, and it was laid aside because of some amendments that were not prepared and which could not be offered at that time.

Mr. WILLIAMS. We had it before the Senate once and we discussed it for quite a while, and after that whenever there was an opportunity to bring it up, whenever it was reached upon the calendar, it was objected to and passed over.

Mr. THOMAS. The Senator is mistaken. We called it up one night when the calendar was before the Senate for consideration and it was considered as in Committee of the Whole, and then by agreement it was laid over for the printing of the new amendments. It is now before the Senate with those amendments for further consideration.

Mr. WILLIAMS. It might be objected to when it comes up. I was not present at the night session of which the Senator from Colorado tells me. I wish the Senator from Utah would modify his request to this extent, that bills which have already been considered and laid temporarily aside when reached shall be considered.

Mr. SMOOT. If I did that, on the first bill which came up the yeas and nays would be perhaps demanded, and there might be no quorum, and the whole day would be lost. I have had no other object in view than to clear the calendar of bills to which there is no objection.

Mr. WILLIAMS. The bills to which there is no objection are the most insignificant bills that come before the Senate.

I shall not object to the request, because I do not want to stand in the way of Senators' individual bills, but this is just a system of letting the private bills of Senators, which are never objected to, go through while important public measures remain upon the calendar.

The VICE PRESIDENT. Is there objection to the request of the Senator from Utah?

Mr. POINDEXTER. I should like to hear the request stated.

The VICE PRESIDENT. It is a request upon the part of the Senator from Utah that the Senate take a recess until 11 o'clock to-morrow, at which time the Senate will proceed to the consideration of unobjected bills upon the calendar under Rule VIII, and that the Senate shall do no other business to-morrow.

Mr. POINDEXTER. I do not think I will object to the request, but I agree with the Senator from Mississippi that what we ought to do is to take up the calendar regularly under the rule. However, I will not object.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The Senate thereupon (at 5 o'clock and 15 minutes p. m., Friday, August 14, 1914) took a recess until to-morrow, Saturday, August 15, 1914, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES.

FRIDAY, *August 14, 1914.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

We bless Thee, infinite spirit, our heavenly Father, that under the dispensation of Thy providence the world moves, and always to a definite purpose. In spite of the terrible calamities often visited upon Thy children on land and on sea, in spite of the appalling war which now absorbs the interests of the world and threatens destruction to life and home, out of it all shall come larger life and a betterment of conditions for all mankind: for God lives and reigns, and nothing shall thwart His plans. So we believe; so we hope and pray; for Thine is the kingdom, and the power, and the glory forever. Amen.

The Journal of the proceedings of yesterday was read and approved.

REGISTRY OF FOREIGN-BUILT VESSELS.

Mr. ALEXANDER, from the Committee on the Merchant Marine and Fisheries, presented, for printing under the rule, the conference report and accompanying statement on the bill (H. R. 18202) to provide for the admission of foreign-built ships to American registry for the foreign trade, and for other purposes.

The conference report and accompanying statement are as follows:

CONFERENCE REPORT (NO. 1087).

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 18202) to provide for the admission of foreign-built ships to American registry for the foreign trade, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with the following amendment: In lieu of the matter proposed by the Senate insert the following:

"That section 4132 of the Revised Statutes of the United States as amended by the act entitled 'An act to provide for the opening, maintenance, protection, and operation of the Panama Canal and the sanitation and government of the Canal Zone,' approved August 24, 1912, is hereby amended so that said section as amended shall read as follows:

"'SEC. 4132. Vessels built within the United States and belonging wholly to citizens thereof; and vessels which may be captured in war by citizens of the United States and lawfully condemned as prize, or which may be adjudged to be forfeited for a breach of the laws of the United States; and seagoing vessels, whether steam or sail, which have been certified by the Steamboat-Inspection Service as safe to carry dry and perishable cargo, wherever built, which are to engage only in trade with foreign countries or with the Philippine Islands and the islands of Guam and Tutuila, being wholly owned by citizens of the United States or corporations organized and chartered under the laws of the United States or of any State thereof, the president and managing directors of which shall be citizens of the United States, and no others, may be registered as directed in this title. Foreign-built vessels may engage in the coastwise trade if registered pursuant to the provisions of this act within two years from its passage: *Provided*, That such vessels so admitted under the provisions of this section may contract with the Postmaster General under the act of March 3, 1891, entitled "An act to provide for ocean mail service between the United States and foreign ports, and to promote commerce," so long as such vessels shall in all respects comply with the provisions and requirements of said act.'

"SEC. 2. Whenever the President of the United States shall find that the number of available persons qualified under now existing laws and regulations of the United States to fill the respective positions of watch officers on vessels admitted to registry by this act is insufficient, he is authorized to suspend by order, so far and for such time as he may find to be necessary, the provisions of law prescribing that all the watch officers of vessels of the United States registered for foreign trade shall be citizens of the United States.

"Whenever, in the judgment of the President of the United States, the needs of foreign commerce may require, he is also hereby authorized to suspend by order, so far and for such length of time as he may deem desirable, the provisions of the law requiring survey, inspection, and measurement by officers of the United States of foreign-built vessels admitted to American registry under this act.

"SEC. 3. With the consent of the President and during the continuance of hostilities in Europe, any ship chartered by the American Red Cross for relief purposes shall be admitted to American registry under the provisions of this act and shall be entitled to carry the American flag. And in the operation of any such ship the President is authorized to suspend the laws requiring American officers, if such officers are not readily available.

"SEC. 4. This act shall take effect immediately."

J. W. ALEXANDER,
RUFUS HARDY,
O. W. UNDERWOOD,
Managers on the part of the House.
JAMES A. O'GORMAN,
J. R. THORNTON,
JOHN K. SHIELDS,
WM. E. BORAH,
Managers on the part of the Senate.

STATEMENT.

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 18202) to provide for the admission of foreign-built ships to American registry for the foreign trade, and for other purposes, submit the following written statement explaining the effect of the action agreed on:

The provision of section 1 of the Senate amendment "that foreign-built vessels registered pursuant to the act shall not engage in the coastwise trade" is stricken out and the following provision is inserted in lieu thereof: "Foreign-built vessels may engage in the coastwise trade if registered pursuant to the provisions of this act within two years from its passage."

The effect of the provision agreed to by the conferees will be, first, to admit foreign-built vessels to American registry for the foreign trade if wholly owned by citizens of the United States or corporations organized and chartered under the laws of the United States, or of any State thereof, the president and managing directors of which shall be citizens of the United States, without any limitation as to time within which the vessels are admitted to American registry, and without limitation as to the age of the vessels, provided the vessels have been certified by the Steamboat-Inspection Service as safe to carry dry and perishable cargo; and second, to admit foreign-built vessels, the ownership and seaworthiness of which is as above provided, to American registry for the coastwise trade, as well as the foreign trade, if such vessels are registered within two years after the passage of the act.

The provision of section 1 of the Senate amendment amending section 4132 of the Revised Statutes as amended by section 5 of the Panama Canal act relating to foreign-built yachts, pleasure boats, or vessels not used or not intended to be used for trade, is struck out for the reason that it was repealed by the provisions of the tariff act of 1913.

The third paragraph of section 2 of the Senate amendment, which provides that the President of the United States and Secretary of the Navy may, under certain conditions named, direct the navy yards with their equipment to be used for the purpose of repairing merchant vessels now or hereafter registered under the American flag, was stricken out by the conferees. The effect will be to authorize and permit such repairs to be made only in privately owned yards.

The conferees struck out section 3 of the Senate amendment for the reason that the subject matter is disposed of in section 1, as modified by the conferees, a detailed explanation of which has been hereinbefore given.

The conferees struck out section 5 of the Senate amendment, which provides that naval officers, active and retired, and men serving and employed in the Navy of the United States, may, upon application to the Secretary of the Navy, accept temporary service upon vessels admitted to registry under the provisions of the Senate amendment.

The effect of striking out this provision will be to require such vessels to be officered as provided in the first paragraph of section 2 of the bill, or as provided by existing law, and to be manned as provided by existing law.

Except as herein mentioned, the Senate amendment is agreed to by the conferees.

J. W. ALEXANDER,
RUFUS HARDY,
O. W. UNDERWOOD,
Conferees on the part of the House.

RISE IN PRICES OF COMMODITIES.

Mr. ADAMSON. Mr. Speaker, I ask unanimous consent to have read at the Clerk's desk a letter from the Secretary of Commerce on certain resolutions introduced touching the sudden rise of prices of commodities.

The SPEAKER. The gentleman from Georgia [Mr. ADAMSON] asks unanimous consent to have read from the Clerk's desk a letter from the Secretary of Commerce on the sudden rise of prices of food products.

Mr. ADAMSON. Pending that, Mr. Speaker, I wish to state that it has not been practicable to have a meeting of the committee. I have no motion myself to make at this time, but I think the letter ought to be read for the benefit of the House.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read as follows:

DEPARTMENT OF COMMERCE,
OFFICE OF THE SECRETARY,
Washington, August 13, 1914.

Hon. WILLIAM C. ADAMSON,
Chairman Committee on Interstate and Foreign Commerce,
House of Representatives, Washington, D. C.

MY DEAR SIR: I have before me copies of House resolutions 489, 318, and 590, with your request for the views of the department concerning the same. It will be a pleasure to cause a searching examination to be made into the increases in prices of commodities which are mentioned in various resolutions, to determine whether they have been arbitrarily and unnecessarily advanced, and whether artificial or monopolistic methods have been used in that connection. The department lacks, however, both the staff and the funds requisite to make an investigation of this character, and the sum of $10,000, mentioned in resolution 318, would be both necessary and sufficient. Authority should be given to employ special agents for the work.

I respectfully suggest for your consideration whether the matter could not be more efficiently handled by the Department of Agriculture, which has, in its Bureau of Markets, a force particularly well informed upon such subjects.

Possibly I may interpret the request of your committee as justifying a statement of what the situation seems to be. The crop of wheat is the largest ever grown, and there is at the moment some congestion at export points and a consequent delay in shipping it abroad. The crops of other cereals are, I think, not unusually large—in some cases quite otherwise. In shipping these there is also some temporary congested condition. Two other facts need, however, consideration in this connection. The first is that the crops of other countries are not large and the armies engaged in conflict not only draw men from agriculture and industry but add very largely to the demand for grain, through the excessive consumption and destruction incident to war. Europe therefore is not only short in her supply, but demands more than usual, and is likely to continue so doing for some time. These conditions normally tend to enhance prices. In the second place, the existing stoppage of transit is not likely to continue long; indeed, both from private and official sources, I am advised that the interruption is already passing away, and both transit and exchange are assuming a more normal condition. Certain of the combatant nations are dependent upon others for their supply of food and their supply of materials to operate their industries, and this dependence is more real than usual, because of the increased demand for food and the increased call upon their industries, arising from the war itself. Consequently it is vital to them that they should have the ocean free, and should maintain its freedom at any cost, merely because their commercial, and to a very large degree their physical, existence depends upon it. I think therefore it may be considered more than probable that the embargo will soon cease, the ordinary processes of trade will be reopened, and that ordinary economic influences will come into operation. This may mean, in the case of grains, where our own supply is not exceptionally large and the foreign supply is short and the foreign demand is large, that prices will normally rise. War prices are commonly high prices, and the present is no exception.

It would be in the highest degree wrong, however, to have this occasion seized as a means of exceptional personal or private profit by speculators or by combinations, and in so far as the powers of this department can be used to determine if such methods exist, and to expose them where they may be found to exist, I shall be very glad, if provided with the necessary funds, to undertake the work.

Very truly, yours,

WILLIAM C. REDFIELD, *Secretary.*

Mr. FARR rose.

The SPEAKER. For what purpose does the gentleman from Pennsylvania rise?

Mr. FARR. To make a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. FARR. Would it be in order, by unanimous consent, to consider these resolutions at this time?

The SPEAKER. Anything is in order by unanimous consent.

Mr. FARR. I ask unanimous consent to consider the resolutions that were referred to the Committee on Interstate and Foreign Commerce.

Mr. GREGG. Mr. Speaker, I object.

The SPEAKER. The gentleman from Texas [Mr. GREGG] objects.

PRICES PAID FOR WHEAT IN KANSAS.

Mr. DOOLITTLE. Mr. Speaker, I ask unanimous consent for the present consideration of House resolution 571.

The SPEAKER. The gentleman from Kansas [Mr. DOOLITTLE] asks unanimous consent for the present consideration of resolution 571, which the Clerk will report.

The Clerk read the title of the resolution, as follows:

H. Res. 571. Resolution requesting the Secretary of Commerce to report to the House all facts and information in his possession concerning the prices paid for wheat to the producer thereof in the State of Kansas, and the prices at which said wheat is sold for export by dealers, concerns, and exporters at Kansas City, Mo., and how such prices are fixed and determined.

The SPEAKER. Is there objection?

Mr. FARR. Reserving the right to object, Mr. Speaker, I feel, in justice to the gentlemen who presented resolutions on this matter, that all of them should be considered at the same time.

Mr. DOOLITTLE. This resolution has already been favorably reported and has been on the calendar for about three weeks.

Mr. MANN. Has the resolution been reported, Mr. Speaker?

The SPEAKER. No. The Clerk will report the resolution.

The Clerk read as follows:

Resolution.

Whereas there has this year been produced in the State of Kansas approximately 180,000,000 bushels of wheat; and

Whereas said wheat is now being moved to markets in and outside the said State of Kansas in large quantities; and

Whereas large quantities thereof are sold to different grain dealers, concerns, and exporters at Kansas City, Mo.; and

Whereas the average purchase price of said wheat paid to the producer is 63 cents per bushel at the loading elevators within the State of Kansas, and large quantities of the same wheat are sold for export by grain dealers, concerns, and exporters at Kansas City, Mo., for 82½ cents per bushel to 85 cents per bushel; and

Whereas the cost of transportation and other expenses from any shipping point in the State of Kansas to Kansas City, Mo., is far less than 20 cents per bushel; and

Whereas it is stated and believed that a combination, agreement, and understanding in restraint of trade exists between certain dealers, concerns, and exporters of wheat in Kansas City, Mo., to depress the purchase price paid for wheat to the producer: Now, therefore, be it

Resolved, That the Secretary of the Department of Commerce report to this body all facts and information in his possession concerning the prices paid for wheat to the producer thereof in the State of Kansas and the prices at which said wheat is sold for export by dealers, concerns, and exporters at Kansas City, Mo., and how such prices are fixed and determined.

With a committee amendment, as follows:

Strike out the preamble, and on page 2, line 2, after the word "commerce"——

Mr. DOOLITTLE. Mr. Speaker, let the Clerk read the yellow paper.

Mr. MANN. The yellow paper can not be the committee amendment.

The SPEAKER. What is the yellow paper?

Mr. DOOLITTLE. I wish that to be considered in lieu of the reported resolution.

Mr. MANN. Let that be read for information.

The SPEAKER. That is not to be read now.

Mr. MANN. I ask that it be read for information pending a reservation of the right to object.

The SPEAKER. Without objection, the proposed amendment by the gentleman from Kansas [Mr. DOOLITTLE] as a substitute will be read for information.

The Clerk read as follows:

Resolved, That the Secretary of the Department of Commerce is directed to report, if not incompatible with the public interest, to the House of Representatives all facts and information in his possession concerning the prices paid for wheat since June 15, 1914, to the producer thereof in the State of Kansas and the prices at which said wheat has been sold for export by dealers, grain brokers, and exporters at Kansas City, Mo., and how such prices are fixed and determined.

The SPEAKER. Is there objection?

Mr. PAYNE. Reserving the right to object, Mr. Speaker, I notice that there are inserted in this resolution, as has become the custom in this Congress in resolutions calling upon Secretaries to report to Congress, the words "if not incompatible with the public interest." It is a new thing in the House and in the Congress to have any such subserviency to the chief of a department or a Secretary in the Cabinet. Heretofore Congress has directed them to report without inserting the words "if not incompatible with the public interest," not allowing the opinion of the Secretary to be interjected or permitting him to determine whether it is compatible with the public interest or not. It seems to me that Congress ought to get rid of this subserviency right here in the beginning and allow its own judgment to determine, and not the judgment of some man who happens to be in the Cabinet.

Mr. DOOLITTLE. I certainly have no objection to striking out that feature of the resolution. It was only inserted to conform to the custom.

The SPEAKER. The Chair thinks it ought to be stricken out. [Applause.]

Mr. MURDOCK. Reserving the right to object, Mr. Speaker——

The SPEAKER. The gentleman from Kansas [Mr. MURDOCK] reserves the right to object.

Mr. MURDOCK. Of course I am in favor of the gentleman's resolution, but I want to ask this question: Was the resolution prepared previous to the outbreak of European hostilities?

Mr. DOOLITTLE. Yes.

Mr. MURDOCK. Does the supplementary resolution which he has presented take that fact into consideration?

Mr. DOOLITTLE. It will cover everything from the 15th of June up until the time that the investigation was made.

Mr. MURDOCK. Of course, wheat is not bringing 63 cents in Kansas now. It is bringing more.

Mr. DOOLITTLE. Yes; but at the time the resolution was prepared it was bringing that amount. It went up the next day after it got into the newspapers.

The SPEAKER. Is there objection to the present consideration of the resolution?

Mr. STAFFORD. Reserving the right to object, I should like to inquire why we should specify the conditions in Kansas, when those conditions prevail, I assume, all over the West? In view of the letter sent here by the Secretary of Commerce this morning, would it not be better to have a much broader resolution, investigating the rise of prices of all commodities, rather than just limiting it to the localized spot of the Sunflower State?

Mr. DOOLITTLE. I would have no objection. This is a different matter. The complaints that came to me up to the time of the introduction of this resolution were as to Kansas City. The marketing conditions are what I want investigated in this resolution.

Mr. GREGG. Mr. Speaker, seeing the drift of the gentleman's statement, I shall object.

The SPEAKER. The gentleman from Texas objects.

LEAVE TO EXTEND REMARKS.

Mr. CONNELLY of Kansas. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from Kansas asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. GOLDFOGLE. Mr. Speaker, I make a similar request.

The SPEAKER. The gentleman from New York asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

ORDER OF BUSINESS.

Mr. GREGG. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Texas rise?

Mr. GREGG. To make the motion that the House resolve itself into the Committee of the Whole House for the consideration of bills on the Private Calendar.

Mr. POU. Will not the gentleman withhold that motion?

Mr. GREGG. I will not withhold it, Mr. Speaker.

Mr. MANN. Regular order, Mr. Speaker. I make the point of order that that motion is not in order.

The SPEAKER. The House will be in order. What point of order is it that the gentleman makes?

Mr. MANN. I first asked for the regular order, although I am willing——

Mr. POU. I want to ask unanimous consent to take up a bill that will not take more than a minute.

Mr. GREGG. I insist on my motion, Mr. Speaker.

Mr. MANN. I insist on the regular order, and make the point of order that the motion of the gentleman from Texas is not in order. The House adopted a rule the other day; I hold in my hand a copy of that rule, and will send it to the Speaker's desk if the Speaker desires it, although I have no doubt the Speaker has a copy of it. The copy of the rule as adopted, and also the copy of the report of the Committee on Rules, provides for the automatic resolving of the House into the Committee of the Whole House on the state of the Union for the consideration of certain bills. The last paragraph of the rule as agreed to by the House, and also the last paragraph of the report of the committee as printed by the House, reads:

> The order of business provided by this resolution shall be the continuing order of business of the House until concluded, except that it shall not interfere with Calendar Wednesday, unanimous consent, or District days, nor with the consideration of appropriation bills, or bills relating to the revenue and the bonded debt of the United States, nor with the consideration of conference reports on bills, nor the sending of bills to conference.

Under that rule, which passed the House, the House is required automatically to resolve itself into the Committee of the Whole House on the state of the Union. Now, the day after that rule was passed my colleague, the gentleman from Illinois [Mr. FOSTER] asked to have the RECORD corrected by inserting in the paragraph printed in the RECORD relating to the rule the exception of Friday; but the official document printed by the House, the substitute presented by the committee and passed by the House—the official document—as well as the report of the committee, officially printed, does not contain that, and a mere correction of the RECORD would not change that official document.

The SPEAKER. The Chair will read what happened:

> Mr. FOSTER. Mr. Speaker, I notice yesterday in the order of business that was adopted that there is inadvertently left out a provision for the exception of business in order on Fridays, and I ask unanimous consent to insert, after the words "District days," the words "and business in order on Fridays."
>
> The SPEAKER pro tempore. Is there objection?
>
> Mr. MURDOCK. Mr. Speaker, reserving the right to object, is that in the rule?
>
> Mr. FOSTER. That is in the rule.
>
> Mr. MURDOCK. The gentleman failed to read it.
>
> Mr. FOSTER. It was offered and read.
>
> Mr. JOHNSON of Kentucky. Mr Speaker, reserving the right to object, I did not hear what the gentleman said.
>
> Mr FOSTER. I stated that Fridays should be excepted from the order of business to which this rule applies.
>
> Mr. MANN. What the gentleman wants to do is to correct the RECORD.
>
> Mr. FOSTER. That is all.
>
> The SPEAKER pro tempore. Is there objection? [After a pause.] The Chair hears none, and it is so ordered.

Mr. UNDERWOOD. Mr. Speaker, I think undoubtedly the conclusive point in this matter is the Journal. If the Journal shows that Fridays were included in this rule, why, that is the action of the House.

Mr. MANN. There is no doubt about that, but the Journal does not so show.

The SPEAKER. That is true, but the House, by unanimous consent, could change that rule just as easily as it could change anything else; but the interlocutory performance which the Speaker read seems simply to correct the RECORD.

Mr. FOSTER. Mr. Speaker——

Mr. UNDERWOOD. Mr. Speaker, if the Journal does not show that the rule adopted excluded Fridays, there can be no question that the rule does not include Fridays.

Mr. MANN. The Journal does not so show.

The SPEAKER. Undoubtedly the rule itself cuts out Fridays—that is the printed rule which the gentleman from Illinois [Mr. MANN] has.

Mr. MANN. If the Speaker does not have the official print of it before him, I will be very glad to send it to him.

The SPEAKER. The Chair has the official print, and also the original rule.

Mr. FOSTER. Mr. Speaker, I think if the Chair will look at that rule he will find that after the rule was typewritten it was gone over and any mistake that was made in it was corrected, and it was the intention of the Committee on Rules, and it was so stated at the time, when the Committee on Rules met, that they were to except these various days, including Fridays.

The SPEAKER. Here is a statement of the case. The words "and Fridays" are written into the rule with a lead pencil, and the Clerk says that he read them when he read the rule.

Mr. FOSTER. Mr. Speaker, I think there is no doubt that that is correct, and I think I can call upon the members of the Committee on Rules who will remember it.

Mr. MANN. Mr. Speaker, it seems more than passing strange that the Clerk would print the rule as adopted without that in it, and also print the report of the committee without that in it.

Mr. FOSTER. I think so, too, but I think it was simply a mistake in the printing.

Mr. MANN. Mr. Speaker, it seems to me that when we have a rule adopted and an official print of it, we ought to be bound by that.

Mr. UNDERWOOD. Mr. Speaker, I should like very much to see the gentleman from Texas get up his business under the Friday calendar, but I do not think it would be well for us to make a precedent of not standing by the Journal of the House. That is the official record of the House, and no matter if through a misunderstanding there is a mistake in the Journal, that mistake could have been corrected and should have been corrected, but we ought not to establish the precedent of taking the statements of gentlemen outside of the Journal, or even of papers that are not shown in the Journal, though they may be correct and the Journal incorrect. To do so would carry Congress into a mass of confusion, and there would be no safe basis upon which to stand.

The SPEAKER. There can be no question but that the Journal is the highest authority on what is done in the House.

Mr. UNDERWOOD. Mr. Speaker, it seems to me that that must be conclusive as to the action of the House, regardless of what action the House took.

The SPEAKER. The reason the Chair read the colloquy that occurred was because he wanted the House to understand what had happened. It seems to be absolutely clear that the gentleman from Illinois [Mr. FOSTER] started out to ask unani-

mous consent to change the rule, but wound up on the suggestion of the gentleman from Illinois [Mr. MANN] by asking to change the RECORD.

Mr. MANN. Mr. Speaker, I do not know just what my colleague started out to do, but he and I had a conversation about the matter before the House met, and I understood it was merely a correction of the RECORD.

The SPEAKER. What good was to come of correcting the RECORD?

Mr. MANN. I do not know. I never object to anybody correcting the RECORD in any way he pleases.

Mr. GARNER. Mr. Speaker, where is the Journal? Let us have the Journal read upon the subject.

The SPEAKER. The Chair has sent for the Journal. These things are not printed in full in the Journal.

Mr. GREGG. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. GREGG. If the original rule, as introduced by the Committee on Rules, makes an exception of business in order on Fridays, would not that control, and can not we correct the Journal if it is not correct?

The SPEAKER. But the Journal was approved in due course.

Mr. GREGG. Suppose the Journal is silent, which would control—the rule itself or the Journal? Suppose the Journal does not set it out in full?

The SPEAKER. This is the practice in respect to that: The Journal is read every morning, and if anyone does not think the Journal is correct, the time to correct it is right then and there; and it is often corrected when suggestions are made that it should be corrected. I have seen the Journal corrected here two or three hundred times since I have been in the House; but it is like any other record now. The House could change the Journal and could change that rule by unanimous consent, but it did not do it.

Mr. TOWNER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. TOWNER. In case the Journal does not set out in full the rule—and I do not know whether it does or not——

The SPEAKER. It does not.

Mr. TOWNER. Then it seems to me, Mr. Speaker, that what was done should be and ought to be made effective, and this is the reason for that: It would not be changing the Journal to change the text of the RECORD, and what was actually done was to change the text of the RECORD, and that was done by unanimous consent. Surely it was then within the power of the House to change the RECORD, as it did, by unanimous consent; and that is in no way challenging the correctness of the Journal. The Journal refers to the rule, but it does not set it out in hæc verba, and for that reason the change in the text of the RECORD under the circumstances, as requested by the gentleman from Illinois [Mr. FOSTER], by unanimous consent, was certainly within the power of the House.

Mr. FOSTER. Mr. Speaker, I beg to state that I had a conversation with my colleague the gentleman from Illinois [Mr. MANN] the next day in reference to this rule, when I noticed the omission—it being called to my attention—and I went down to the Clerk's desk after the Journal had been read to see if there was any reference to that matter in the Journal. Not finding any, I then asked that this RECORD be changed accordingly, thinking, of course, that that would probably correct the defect; and that is the matter as it stands, and as it stood at that time. Of course, if the Journal failed to show that, I agree with the gentleman from Alabama [Mr. UNDERWOOD] and others here that we could not, when the Journal has been approved, go back upon it. That is true. I regret the mistake, but it is one of those things that has happened which we could not help; but if the gentleman is willing, I would like to ask unanimous consent that we may except the business in order on Fridays, which it was the intention to do at the time.

Mr. MANN. This is pension Friday. I apprehend that the gentleman from Texas [Mr. GREGG], judging by the documents that he has before him, thinks it is war claims Friday, but it is not.

The SPEAKER. It seems to the Chair it would be a very pestiferous kind of a precedent to make when we have the official print of the resolution and the official print of the report and the Journal and the whole thing, but still if the Chair were exercising any personal predilection he would recognize the gentleman from Texas.

Mr. FOSTER. Mr. Speaker, I ask unanimous consent, if it is in order, that this order may apply so as to except Fridays, so that Fridays shall not be embraced within the terms of the resolution.

Mr. MANN. I would have no objection to excepting Fridays under the rule devoted to claims or war claims, but I do not know why we should except Fridays devoted to pension business when there is no pension business.

Mr. FOSTER. Mr. Speaker, I ask unanimous consent that the rule shall except Fridays devoted to claims and war claims under the rules.

The SPEAKER. The gentleman from Illinois [Mr. FOSTER] asks unanimous consent that the rule which was adopted last Tuesday be so modified as to except business on the Private Calendar on Fridays——

Mr. MANN. Not every Friday.

The SPEAKER. This Friday.

Mr. MANN. With the exception of pension Fridays, there being no pension business on the calendar.

The SPEAKER. The Chair wishes the gentleman from Illinois [Mr. FOSTER] to state over again what he desires.

Mr. FOSTER. I ask unanimous consent that exception be made in this rule to bills reported from the Committees on Claims and War Claims on Fridays under the rules of the House, and bills on the Private Calendar; I think we might want to take up some other bills.

Mr. MANN. The gentleman means coming up on the other days?

The SPEAKER. The gentleman from Illinois [Mr. FOSTER] asks unanimous consent that the rule adopted last Tuesday be so extended and amended as to permit the consideration of bills on the Private Calendar——

Mr. MANN. Except the second and fourth Fridays.

Mr. FOSTER. Why not take up those from the Claims Committee?

The SPEAKER. The gentleman from Illinois asks unanimous consent that the rule adopted last Tuesday be so modified as to permit business in order——

Mr. MANN. Except the second and fourth Fridays of the month.

The SPEAKER. On Fridays except the second and fourth. This is the second Friday——

Mr. HOWARD. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HOWARD. On the first and third Fridays what is in order under the rule?

The SPEAKER. Claims and war claims.

Mr. HAY. Mr. Speaker, do I understand the request of the gentleman only includes claims?

The SPEAKER. The gentleman from Illinois [Mr. FOSTER] seems to be endeavoring to get claims considered to-day, and, as far as the Chair could ascertain, the gentleman from Illinois [Mr. MANN] wants to fix it so they would not have to-day. [Laughter.]

Mr. BURKE of South Dakota. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BURKE of South Dakota. The Chair, in answer to an inquiry of the gentleman from Georgia [Mr. HOWARD], who inquired what business would be in order on the first and third Fridays, replied, claims and war claims. I would like to ask the Chair if business on the Private Calendar would not be in order from committees other than War Claims and Claims?

The SPEAKER. Not until claims and war claims are disposed of. Here is the rule.

Mr. BURKE of South Dakota. Mr. Speaker, has the Chair recently considered that matter, because there is a ruling by Speaker Henderson that business on the Private Calendar on the first and third Fridays of the month was in order, regardless of what committee reported the bills, and I would ask the Chair not to make a decision at this moment that would be conclusive, because the matter may come up when this calendar is called.

The SPEAKER. In answer to the gentleman from South Dakota, the Chair will state this: Speaker Henderson did make a ruling to which the gentleman refers, and somewhere near the beginning of this Congress the gentleman from Indiana [Mr. ADAIR] was in the chair of the Committee of the Whole House for the consideration of claims, and he ruled the other way, and everybody submitted to it during this whole session; so it seems to the Chair it would be claims——

Mr. BURKE of South Dakota. Do I understand that the present occupant of the Chair made a ruling similar to that ruling?

The SPEAKER. No; the Chair did not do it, but the gentleman from Indiana [Mr. ADAIR] did in the Committee of the Whole, and there is nothing before the Chair to rule on, but the Chair will read this rule:

On Friday of each week, after the disposal of such business on the Speaker's table as requires reference only, it shall be in order to entertain a motion for the House to resolve itself into the Committee of the Whole House to consider business on the Private Calendar in

the following order: On the second and fourth Fridays of each month preference shall be given to the consideration of private pension claims and bills removing political disabilities and bills removing the charge of desertion. On every Friday except the second and fourth Fridays the House shall give preference to the consideration of bills reported from the Committee on Claims and the Committee on War Claims, alternating between the two committees.

Mr. POU. Mr. Speaker, it would be for the Chairman of the Committee of the Whole to determine the question propounded.

The SPEAKER. That is what the Chair stated. The chief trouble about this special-rule controversy is the shape in which it was reported to the House.

Mr. GARNER. Mr. Speaker, will the Speaker indulge me for just a moment?

The SPEAKER. Yes.

Mr. GARNER. The situation here appears to me in this wise: The Journal does not state in full the rule as passed reported from the Committee on Rules, but only states the amendments which were offered from the floor. Now, the official document printed at the Government Printing Office does not show that it includes Fridays in the operation of this rule.

But the testimony of the Clerk who read this rule is that he read into the rule the word "Friday"; also the original rule shows on its face that the words "and Fridays" had been interlined in pencil. Now, I submit to the Chair that if the Printing Office makes a mistake and the Journal does not show that mistake, whether it occurred at the Printing Office or at the desk, then the original instrument, supplemented by the testimony of the real reading, ought to prevail, or else you permit the Printing Office to make the mistake, and it overrides the action of the House. It seems to me when the Journal does not show specifically what was done, then the original instrument, with the statement of the Clerk as to what was done, should prevail; especially is this true when this is only a House resolution and did not have to be engrossed.

Mr. MANN. Will the gentleman yield for a question?

Mr. GARNER. Certainly.

Mr. MANN. Suppose we pass a bill and the Journal does not show the contents of the bill. Does the gentleman think that we could take a statement, whenever that is officially transmitted, by the Speaker, that that was in there, or was transmitted by the copy of the bill?

Mr. GARNER. It would go on to the Senate, and you could recall it by resolution. This is a special rule directing the House as to the manner of conducting its business. If the Printing Office made a mistake, which they evidently did in this instance—if they failed to print that at the Printing Office—it seems to me we ought not to exclude it here.

Mr. MANN. The Printing Office is not the one that is responsible for the error that is made.

Mr. GARNER. The original rule shows that the word "Fridays" was in it. Who made the mistake, whether the Printing Office or somebody else——

Mr. MANN. Assuming it was written in, and I assume for the purpose of argument that it was—as a matter of fact, I do not have any doubt about it, as anybody can write in something, a line or a word, in a rule, or in any other document if advisable—are we to trust to a thing of that kind instead of to the official copy? Where would we end if we did it? Now, I do not question the statement of my colleague about it at all.

Mr. GARNER. Why, if the gentleman from Illinois [Mr. MANN] will permit, here is the situation:

If it were a bill, of course you could recall it and change it if in the engrossed copy there was an error. This is merely a direction of the House, and this is the first time the question has come up as to the correction of the printed copy and a different status than a matter merely directing the proceedings in the House and one proposed to be put on the books as law.

Mr. MANN. Here is the rule as printed:

Mr. FOSTER reported the following substitute for House resolution 536, which was agreed to.

The substitute resolution was set out. This is an official print. Are not the Members of Congress and the House entitled to rely upon the official print as to what can come up and what does come up in the House? Even supposing there was an error, are we not bound by it at present?

Mr. PAGE of North Carolina. A parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. PAGE of North Carolina. Granting the acceptance of the print in the RECORD, by what right does the Committee on War Claims ask for this day which, under the rule, is for consideration of pensions?

The SPEAKER. The rule simply provides that preference shall be given on certain Fridays to pensions. In the first place, this print which the gentleman from Illinois has and the one that the Speaker has were never printed until after the rule was adopted. The print was not the thing that the House was considering. The operation about a report from the Committee on Rules differs from every other one in the fact that it is never printed; that is, generally. Now, here is what happened: The Chair has been trying to piece it together for the last half hour. The Journal simply recites that a certain rule was adopted, that a certain amendment was offered, and a certain rule was adopted as amended. That is all that the Journal ever shows. The Journal does not undertake to set out these things. Now, in the original typewritten copy of the rule as adopted the words "and Fridays" appeared. It is true they were written in. The Clerk said he read them in. This printed copy we have here is simply a reproduction in a different kind of type and in a different shape of what was in the RECORD. The RECORD prints the resolution in full. Through somebody's mistake—the Chair does not know whose mistake—the words "and Fridays" were left out of the rule as printed in the RECORD and, consequently, as printed in this separate bill. On Wednesday this colloquy took place:

Mr. FOSTER. Mr. Speaker, I notice yesterday in the order of business that was adopted that there is inadvertently left out a provision for the exception of business in order on Fridays and I ask unanimous consent to insert, after the words "District days," the words "and business in order on Fridays."

After a good deal of conversation, that was agreed to. Evidently the gentleman from Illinois [Mr. FOSTER] was trying to get his rule agreed to as he reported it here originally.

And the House, if it understood what was being said—sometimes there is so much noise that it can not—must have understood that the gentleman from Illinois [Mr. FOSTER] was trying to get that rule as it appeared in the RECORD, and consequently appeared in this separate print, fixed the way he sent it up here to the Clerk's desk to be reported.

That being the case, the Chair recognizes the gentleman from Texas [Mr. GREGG].

Mr. MANN. Mr. Speaker, I ask for the regular order, which, under the rules, is consideration of business on the Speaker's table.

The SPEAKER. What business is there on the Speaker's table that anybody wants to consider?

Mr. POU. I have a little bill there that I want to consider.

Mr. GREGG. Am I recognized, Mr. Speaker?

The SPEAKER. The Chair will recognize the gentleman from Texas in due time. Has the gentleman from North Carolina [Mr. POU] the bill on the Speaker's table?

NAVY CLAIMS AGAINST GOVERNMENT.

Mr. POU. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 14685, with Senate amendment, and agree to the Senate amendment.

The SPEAKER. The gentleman from North Carolina asks unanimous consent to take from the Speaker's table the bill H. R. 14685, with Senate amendment, and agree to the Senate amendment. The Clerk will report the title.

The Clerk read as follows:

H. R. 14685. An act to satisfy certain claims against the Government arising under the Navy Department.

The Senate amendment was read.

Mr. POU. Mr. Speaker, I ask that it be taken from the Speaker's table and that the House agree to the Senate amendment.

The SPEAKER. The gentleman from North Carolina asks unanimous consent to take the bill from the Speaker's table and agree to the Senate amendment.

Mr. FARR rose.

The SPEAKER. For what purpose does the gentleman from Pennsylvania rise?

Mr. FARR. Reserving the right to object, Mr. Speaker, a little while ago I asked unanimous consent for the consideration of the resolutions to investigate the increase in the prices of foodstuffs, and objection was made by gentlemen on that side to that request for unanimous consent. Now, in view of the fact that these resolutions concern vitally 100,000,000 of people, and that the prices of foodstuffs are soaring every day, it does seem to me that the request submitted by the gentleman from North Carolina [Mr. POU] can be deferred at least until such time as we shall have acted on the other vastly more important question.

The SPEAKER. Is there objection?

Mr. STAFFORD. I reserve the right to object, Mr. Speaker.

Mr. HOWARD. Mr. Speaker, reserving the right to object——

Mr. FARR. I desire to interrogate the gentleman from North Carolina as to how long it will take to consider this matter?

Mr. POU. About one minute.

Mr. FARR. Then I shall not object.

The SPEAKER. Is there objection?

Mr. STAFFORD. Reserving the right to object, Mr. Speaker, I wish to inquire whether this claim has ever been passed upon by the House Committee on Claims and reported in a bill by the House committee?

Mr. POU. It has not been. It was an amendment added in the Senate, but it has been carefully investigated by the Navy Department.

Mr. MURDOCK. If it is going to take only a minute, will the gentleman explain what the bill does?

Mr. POU. This bill that the Navy Department presented is to liquidate certain claims that the Navy Department admits exist against the Government. This is just one of those claims.

Mr. MURDOCK. What was the instance or the origin of the claim?

Mr. POU. It is to pay the owners on May 12, 1913, of the steamer *Annie* for damages arising out of the collision between their steamer and the United States ship *C-5* in the southern branch of the Elizabeth River, off the navy yard at Norfolk, Va.

Mr. MURDOCK. Ship *C-5* is an American war vessel?

Mr. POU. Yes. It has all been gone over carefully by the Navy Department.

Mr. MURDOCK. What is the amount involved?

Mr. POU. Five thousand nine hundred and sixty-nine dollars and thirty-five cents.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The question is on agreeing to the Senate amendment.

The Senate amendment was agreed to.

T. S. WILLIAMS.

Mr. POU. Now, Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 1055) for the relief of T. S. Williams, disagree to the Senate amendment, and ask for a conference.

The SPEAKER. The Clerk will report it.

The Clerk read as follows:

H. R. 1055. An act for the relief of T. S. Williams.

Mr. POU. Mr. Speaker, I ask unanimous consent to disagree to the Senate amendment and ask for a conference.

The SPEAKER. The Clerk will report the amendment.

The Senate amendment was read.

The SPEAKER. The gentleman from North Carolina [Mr. POU] asks unanimous consent to take the bill from the Speaker's table, disagree to the Senate amendment, and ask for a conference. Is there objection?

Mr. MANN. Reserving the right to object, Mr. Speaker, may I ask the gentleman if there is just one claim in this bill?

Mr. POU. Yes; just the one claim.

Mr. MANN. The difference between three hundred and odd dollars and something less.

Mr. POU. Yes. The difference between three hundred and odd dollars and $47.17.

The SPEAKER. Is there objection?

There was no objection; and the Speaker announced as the conferees on the part of the House Mr. POU, Mr. STEPHENS of Mississippi, and Mr. SCOTT.

EXTENSION OF REMARKS.

Mr. ALLEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting an article from the Cincinnati Post on the extension of the American merchant marine.

The SPEAKER. The gentleman from Ohio [Mr. ALLEN] asks unanimous consent to extend his remarks by the insertion of the article named. Is there objection?

There was no objection.

CALL OF THE HOUSE.

The SPEAKER. Has any other gentleman a bill on the Speaker's table that he wants to be considered now?

Mr. MANN. If not, Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Illinois makes the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and thirty-seven Members are present—not a quorum.

Mr. FITZGERALD. Mr. Speaker, I move a call of the House.

The SPEAKER. The gentleman from New York [Mr. FITZGERALD] moves a call of the House. The question is on agreeing to that motion.

The motion was agreed to.

The SPEAKER. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Ainey	Driscoll	Kennedy, R. I.	Patten, N. Y.
Anthony	Elder	Kent	Patton, Pa.
Ashbrook	Esch	Kiess, Pa.	Peters, Me.
Aswell	Estopinal	Kinkead, N. J.	Peterson
Austin	Fairchild	Knowland, J. R.	Phelan
Avis	Faison	Konop	Platt
Barchfeld	Ferris	Korbly	Porter
Bartholdt	Fess	Kreider	Post
Bartlett	Fields	Lafferty	Powers
Beall, Tex.	Finley	Langham	Ragsdale
Bell, Ga.	Flood, Va.	Langley	Rainey
Borland	Fordney	Lazaro	Reilly, Conn.
Bowdle	Francis	L'Engle	Riordan
Brodbeck	Frear	Lenroot	Sabath
Broussard	Gard	Lewis, Pa.	Saunders
Brown, N. Y.	Gardner	Lindbergh	Sherley
Browne, Wis.	George	Lindquist	Sherwood
Browning	Gillett	Linthicum	Shreve
Buckner	Gittins	Loft	Slemp
Bulkley	Glass	Logue	Small
Burke, Pa.	Godwin, N. C.	McAndrews	Smith, Md.
Calder	Gordon	McClellan	Smith, J. M. C.
Callaway	Gorman	McGillicuddy	Smith, N. Y.
Campbell	Goulden	McGuire, Okla.	Stanley
Cantrill	Graham, Ill.	McKenzie	Steenerson
Carew	Graham, Pa.	Madden	Stephens, Miss.
Carter	Griest	Mahan	Stephens, Nebr.
Chandler, N. Y.	Griffin	Maher	Stephens, Tex.
Clark, Fla.	Gudger	Manahan	Stevens, N. H.
Connelly, Iowa	Hamilton, Mich.	Martin	Stringer
Copley	Hamilton, N. Y.	Merritt	Switzer
Covington	Hardwick	Metz	Taggart
Cramton	Hart	Montague	Taylor, Ala.
Crisp	Hayes	Moore	Taylor, N. Y.
Crosser	Heflin	Morgan, La.	Thompson, Okla.
Dale	Henry	Morin	Treadway
Danforth	Hinds	Moss, Ind.	Tuttle
Davenport	Hobson	Mott	Underhill
Decker	Houston	Murray, Okla.	Vare
Deitrick	Howell	Neeley, Kans.	Vollmer
Dershem	Hoxworth	Neely, W. Va.	Walker
Dickinson	Hughes, Ga.	Nelson	Wallin
Dies	Hughes, W. Va.	Norton	Watkins
Difenderfer	Hulings	O'Leary	Weaver
Dixon	Jacoway	Padgett	Willis
Dooling	Johnson, S. C.	Palmer	Winslow
Doremus	Kennedy, Conn.	Parker	Woodruff

The SPEAKER. On this call 243 Members, a quorum, have responded to their names.

Mr. UNDERWOOD. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The SPEAKER. The Doorkeeper will unlock the doors.

PRIVATE CALENDAR.

Mr. GREGG. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House for the consideration of bills on the Private Calendar.

The motion was agreed to.

The SPEAKER. The gentleman from Virginia [Mr. HAY] will take the chair.

Mr. HAY. I will state, Mr. Speaker, that there are a great many bills on the Private Calendar that come from my committee.

The SPEAKER. The gentleman from Virginia [Mr. CARLIN] will take the chair.

Accordingly the House resolved itself into the Committee of the Whole House for the consideration of bills on the Private Calendar, with Mr. CARLIN in the chair.

The CHAIRMAN. The Clerk will report the first bill.

Mr. GREGG. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GREGG. What bills have precedence or preference today, if any?

Mr. MANN. That is provided by Rule XXIV, paragraph 6.

Mr. STAFFORD. Page 400.

Mr. MANN. Page 400 of the Manual.

The CHAIRMAN. Pension bills would have precedence, but as there are no pension bills on the calendar all bills on the Private Calendar would seem to have the same footing.

Mr. MANN. Evidently the Chair did not read the rule carefully. It provides that—

On the second and fourth Fridays of each month preference shall be given to the consideration of private pension claims and bills removing political disabilities and bills removing the charge of desertion.

The CHAIRMAN. None of those bills seem to be on the calendar.

Mr. MANN. The Chair is not correctly informed. There are a large number of them on the calendar, and they will probably take the day for their consideration.

Mr. RUSSELL. There are no pension bills, but other bills referred to in the rule.

The CHAIRMAN. The Chair was mistaken. There are some bills on the calendar from the Military Affairs Committee.

That being the case, the Military Affairs Committee will have the right of way.

Mr. MANN. Either the Committee on Military Affairs or the Committee on Naval Affairs, as to bills of that character; not as to any other character of bills.

Mr. STAFFORD. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. STAFFORD. I direct the attention of the Chairman to the bill, No. 220 on the Private Calendar, a bill from the Committee on Claims, granting the pension claim of Dr. Joseph Hunter, and I wish to inquire whether that bill should not be given precedence under the rule? The rule says that preference shall be given to the consideration of private pension claims. This bill is a private pension claim, to reimburse Dr. Joseph Hunter for a pension that was withheld from him during certain years. I think that bill is entitled to precedence, if there are no other pension bills to be reported from the Committee on Pensions or the Committee on Invalid Pensions.

The CHAIRMAN. The Chair will examine the bill.

Mr. HOWARD. Mr. Chairman, in reply to the parliamentary inquiry of the gentleman from Wisconsin [Mr. STAFFORD], I desire to state that that bill is not in the nature of a private pension claim. It is in reality a claim against the Government, reported from the Committee on Claims, by virtue of the fact that a pension which he claims to have been unlawfully or illegally withheld from him during certain years was not paid by the Government. It is a bill reported from the Committee on Claims, and I submit that under the rule it would not have precedence, because it is on all fours with any other claim for the payment of money out of the Treasury of the United States.

The CHAIRMAN. The Chair is examining the bill.

Mr. STAFFORD. If the Chair will permit me, I call the attention of the Chair to the fact that the rule does not limit it to bills reported from the Committee on Pensions or the Committee on Invalid Pensions, but the rule is general in its phraseology, and says that preference shall be given to the consideration of private pension claims, and this bill that I refer to—H. R. 2344—is a bill granting a pension claim of Joseph Hunter. Now, whether it is a continuing pension claim, or whether it is for a deferred pension claim, it is a private pension claim within the phraseology of the rule. I can not see how the Chair can rule otherwise than that this bill is entitled to precedence under that phraseology.

The CHAIRMAN. The Chair does not agree with the gentleman. This is a bill for the payment of a specific sum of money which should have been allowed under a certain pension, and not a pension bill within the meaning of the rule.

Mr. FOWLER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. FOWLER. Under the parliamentary status will any other bills be considered except bills relating to pensions?

The CHAIRMAN. They are to be considered in the order provided by the rule, which says that—

> On the second and fourth Fridays of each month preference shall be given to the consideration of private pension claims and bills removing political disabilities and bills removing the charge of desertion.

There are bills of that character on the calendar.

Mr. FOWLER. Will there be any other bills considered except those enumerated by the chair?

The CHAIRMAN. Not until they are disposed of.

Mr. GOLDFOGLE. A parliamentary inquiry.

The CHAIRMAN. The gentleman from New York will state it.

Mr. GOLDFOGLE. Following the rule just read by the Chair, I desire to ask further, when the bills referred to in the general rule are disposed of—if they are all disposed of to-day—if claim bills may then be considered?

The CHAIRMAN. Bills will then be taken up in their order on the calendar, and claim bills will be considered after these other bills are disposed of, unless in the meantime the committee should determine to rise.

Mr. GOLDFOGLE. All right.

Mr. HOWARD. Mr. Chairman, I want to catch the purport of the Chair's ruling. Does the Chair hold that after these bills to correct military records are disposed of, then claims and other bills on the Private Calendar will be considered?

The CHAIRMAN. Under the motion we are in Committee of the Whole for the consideration of business on the Private Calendar, and bills will be taken up in the order mentioned in the rule. The Clerk will report the first bill.

SANFORD F. TIMMONS.

Mr. HAY. Mr. Chairman, I think the bill on the Calendar removing the charge of desertion is Calendar No. 321, H. R. 15735, to correct the military record of Sanford F. Timmons.

The CHAIRMAN. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That Sanford F. Timmons shall hereafter be held and considered to have been honorably discharged from the military service of the United States as captain of Company C, Forty-third Regiment Ohio Volunteer Infantry, on September 8, 1863.

Mr. MANN rose.

Mr. HAY. Mr. Chairman, I will state to the gentleman from Illinois that I am not in a position to give him any information about this bill. It was considered by a subcommittee and reported by that committee. There seems to be quite a full report upon the bill and I will ask the Clerk to read the report, if the gentleman desires it.

Mr. MANN. I am perfectly willing to have the Clerk read the report.

Mr. HAY. Then, Mr. Chairman, I ask that the Clerk read the report in my time.

The CHAIRMAN. The Clerk will read the report.

The Clerk read as follows:

> The Committee on Military Affairs, to whom was referred the bill (H. R. 15735) to correct the military record of Sanford F. Timmons, having considered the same, report thereon with a recommendation that it do pass.
>
> The record shows that Sanford F. Timmons was enrolled April 28, 1861, and was mustered into service to date the same day, as a sergeant of Company I, Thirteenth Ohio Infantry Volunteers, to serve three months. He reenlisted June 19, 1861, and was mustered into service on the same day, as first sergeant, Company I, Thirteenth Ohio Infantry Volunteers, to serve three years. He was promoted to be second lieutenant, and is recognized by the War Department as having been in the military service of the United States as second lieutenant, same company and regiment, from June 13, 1861. He was honorably discharged the service as second lieutenant on tender of resignation in special orders from headquarters, Army of Occupation, Western Virginia, dated September 24, 1861.
>
> The records also show that Sanford F. Timmons was mustered into service to date December 19, 1861, as first lieutenant of Company G, Forty-third Ohio Infantry Volunteers. He was promoted to be captain, same company and regiment, and is recognized by the War Department as having been in the military service of the United States, as such, from April 9, 1862. He was dismissed from the service of the United States as captain in general orders from headquarters Sixteenth Army Corps, dated September 8, 1863, to take effect September 3, 1863, for tendering his resignation on the grounds of opposition to the policy of the administration. The dismissal was confirmed by direction of the President in special orders from this department, dated June 3, 1864.

Mr. HAY (interrupting the reading). Mr. Chairman, I see from the reading of the report that this is not a desertion bill.

Mr. MANN. It is practically a desertion bill, is it not?

Mr. HAY. No; it is a court-martial bill. The man is not charged with desertion, and for that reason it is not in order.

The CHAIRMAN. The Clerk will report the next bill.

Mr. MANN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MANN. Where a bill comes up and is reported by the Clerk and debate ensues upon it, no point of order having been reserved, can it then be set aside? I am perfectly willing that it should be, but I just make the inquiry to ascertain what the rule is.

Mr. HAY. I suggest to the gentleman——

Mr. MANN. Oh, I am not raising the question as to whether it is entitled to consideration, but having been reported and having been debated, can some gentleman—myself, for instance—hereafter casually say to the Chair that it is not a desertion bill and thereby deprive the bill of further consideration?

The CHAIRMAN. The Chair thinks the bill is before the committee. The report having been read in the gentleman's time and debate having been begun, the bill is now before the committee.

Mr. MANN. I am sorry the Chair could not rule the other way, but I think that that is the correct ruling.

The CHAIRMAN. By unanimous consent it can be withdrawn.

Mr. HAY. Does the Chair hold, when a point of order is made against the consideration of a bill, when it is disclosed that it is not in order under the rule, that the fact that debate has occurred on the bill makes it in order?

The CHAIRMAN. The fact is that the committee had begun to debate the bill. The bill was laid before the committee for its consideration and the committee had begun its consideration, and debate had been started.

Mr. HAY. Then the Chair holds that the point of order came too late?

The CHAIRMAN. Exactly. If the gentleman wishes the bill withdrawn, it can be withdrawn by unanimous consent.

Mr. HAY. I am not asking to have it withdrawn.

The CHAIRMAN. Then the Chair recognizes the gentleman from Virginia.

Mr. HOWARD. Mr. Chairman, I desire to submit a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOWARD. The gentleman from Virginia made the point of order that under the rule which gave preference to a certain character of bills on the Private Calendar, this particular bill, not being a bill in that class, was, therefore, not in order. There was no way for the membership of the House to have disclosed to it whether or not the bill was of the particular character which made it in order until the bill was read. The bill itself did not show the technical character of the bill, and the report was read. The report showed that it was not of the character of bill that is privileged. Does the Chair now hold that because of that particular presentation of the bill, that this bill shall therefore have the right of way, when it is outlawed under the rule, over bills that are in order?

The CHAIRMAN. It is because the gentleman's statement, which the Chair considers in the nature of raising the point of order, came too late. The Clerk will conclude the reading of the report.

The Clerk read as follows:

The service of Capt. Timmons was in every way honorable, he having arisen to the rank of captain solely by his own merit in the performance of the duties intrusted to him, and he once tendered his resignation to Gen. U. S. Grant, who replied in writing: "Good officers can not be spared the service. Capt. Timmons may have 30 days' leave of absence." A short time after this a controversy arose between Capt. Timmons and the colonel of his regiment, Wager Swane, concerning the merits of the political candidates for governor of Ohio, and it was upon the expression of the individual political preference of Capt. Timmons that the question was made as to his opposition to the policy of the national administration.

He was dismissed from the service, to take effect September 3, 1863, and was kept under arrest for six weeks without any charges or specifications, then sent north under guard to Cairo, Ill., and released there by the commanding officer.

He never had a trial, and it is the opinion of the committee that the punishment heretofore inflicted upon him was so done without any reason, and that the only offense that Capt. Timmons was guilty of was that he expressed an individual preference for a certain political candidate against another political candidate, and therefore the committee believes that he should hereafter be held and considered to have been honorably discharged from the military service of the United States as captain of Company C, Forty-third Ohio Volunteer Infantry, on September 8, 1863.

Mr. HAY. Mr. Chairman, I have no further remarks to make about the bill.

Mr. MANN. Mr. Chairman, I would like to be heard for a few moments.

Mr. HAY. How much time does the gentleman desire?

Mr. MANN. Well, I will take an hour.

Mr. HAY. But I have not yet yielded the floor.

Mr. MANN. I am quite willing that the gentleman shall keep the floor.

Mr. HAY. Mr. Chairman, I reserve the balance of my time.

Mr. MANN. Mr. Chairman, I very much regret that the point of order made by the gentleman from Virginia [Mr. HAY] came too late as to this bill, because I do not think the bill ought to be passed; but under the circumstances, if the Chair had not held that the point of order came too late, there would have been inextricable confusion in relation to subsequent bills, I fear.

It is to be noted in reference to this bill that it was not sent to the War Department for any report upon it. It is impossible for Congress or for committees to learn, without access to the records of the War Department, all of the facts in relation to any matter concerning the Army during the Civil War, or, for that matter, at other times. I do not know what the fact may be, whether the committee acted upon purely ex parte statements prepared in behalf of the claimant in this case. But I suppose from the fact that there is nothing in the report of the committee to show that this bill was ever considered by the War Department, or information asked from the War Department, the committee may possibly have been led, contrary to its usual practice, to act upon ex parte statements.

What are these statements? It appears from the report of the committee that the claimant, Sanford F. Timmons, was enrolled on April 28, 1861, and was mustered into the service on the same day as a sergeant of Company I, Thirteenth Ohio Infantry Volunteers, to serve three months. He then patriotically reenlisted on June 19, 1861, and was mustered into the service on the same day as first sergeant of Company I, Thirteenth Ohio Infantry Volunteers, and served three years. He was promoted to be second lieutenant, and is recognized by the War Department as having been in the military service of the United States as second lieutenant of the same company and regiment from June 13, 1861. He was honorably discharged the service as second lieutenant on tender of his resignation in special orders from the headquarters, army of occupation, western Virginia, dated September 24, 1861.

He was mustered into service to date December 19, 1861, as a first lieutenant of Company G, Forty-third Ohio Infantry Volunteers. This was the third enlistment up to December 19, 1861. He was promoted to be captain, same company and regiment, and is recognized by the War Department as having been in the military service of the United States as such from April 9, 1862. He was dismissed from the service of the United States as captain in general orders from headquarters Sixteenth Army Corps, dated September 8, 1863, to take effect September 3, 1863, for tendering his resignation on the grounds of opposition to the policy of the administration. The dismissal was confirmed, by direction of the President, in special orders from this department, dated June 3, 1864. This man, after having enlisted three times in the course of a few months, and having been promoted to be captain, because he did not agree with the policy of President Lincoln, tendered his resignation. There is nothing to show what he said to the department, because we have not asked for the record from the War Department, but he must have stated in his resignation his reason for it, that he resigned because he was opposed to the policy of President Lincoln. At that time the very life of the Nation stood in the balance. There was a political campaign on, and this man, who now claims that he wanted to help save the Union, because he did not agree with some part of the policy of President Lincoln, wanted to turn his back to the enemy instead of fronting them with his face, and resigned and gave that as a reason, and they very properly dismissed him instead of accepting his resignation. There is not an army on earth that maintains any discipline that permits a subordinate officer to resign because he does not approve the commands of his superior officers or the policy of the Government which he is in the army to support when he offers that as a reason.

Now, the report states, and very likely it is true, that the service of Capt. Timmons was in every way honorable, he having risen to the rank of captain solely by his own merit in the performance of duties intrusted to him, and he once tendered his resignation to Gen. U. S. Grant, who replied in writing:

Good officers can not be spared the service. Capt. Timmons may have 30 days' leave of absence.

It seems, notwithstanding his efforts to prove now how anxious he was to preserve the Union, that he tried to get out of the Army before. The report states that "a short time after this a controversy arose between Capt. Timmons and the colonel of his regiment, Wager Swane, concerning the merits of the political candidates for governor of Ohio, and it was upon the expression of the individual political preference of Capt. Timmons that the question was made as to his opposition to the policy of the national administration." Well, that is his side of the tale. We do not have the other side of the tale, and we do not have a statement from the War Department as to the real facts in the case. "He was dismissed from the service, to take effect September 3, 1863, and was kept under arrest for six weeks without any charges or specifications, then sent North, under guard, to Cairo, Ill., and released there by the commanding officer." I do not know where he was when he tendered this resignation because he did not agree with President Lincoln's policy, but he was somewhere south of Cairo, and was kept under arrest for six weeks and sent, under guard, to Cairo because they were afraid that he would give comfort to the enemy. The committee says further that "he never had a trial; and it is the opinion of the committee that the punishment heretofore inflicted upon him was so done without any reason, and that the only offense that Capt. Timmons was guilty of was that he expressed an individual preference for a certain political candidate against another political candidate, and therefore the committee believes that he should hereafter be held and considered to have been honorably discharged from the military service of the United States as captain of Company C, Forty-third Ohio Volunteer Infantry, on September 8, 1863." Why, that was not his offense at all, expressing an individual preference for a political candidate. The offense was that in the face of the enemy he tendered his resignation, for the reason that he did not agree with his commanding officer. If he had been tried, he would have been shot. The committee say that he never had a trial. Well, it is very lucky for him that he did not. They put him under arrest for six weeks, sent him North under guard, to be sure that he was kept out of the enemy's country. He was allowed to associate with a number of other very good people who did not believe that the Union ought to be preserved, who did not believe in Lincoln's administration.

They were at home; they had every right to their opinion and to their preference, but the man who enlisted in the Army and was an officer in the Army had no right to an opinion that his commanding officers were wrong and to express an opinion in the form of a resignation from the Army and have it accepted. He had sworn to fulfill the duties of his office, and one of them was to obey orders. He did more damage by his action than he would have done if he had deserted from the Army to begin with or if he had gone with the enemy at first. It was the

traitorous conduct of such men as he which prolonged the war for years. I can see no reason why a man who does a thing like this should escape the responsibility. It is always unfortunate when any person makes a mistake in life, but a man who makes a mistake can not always correct it. The man who slips and breaks his leg, his leg is broken; he may wish all he please that he had not slipped, but the leg has been broken. This man can not escape, except by a vote of a Democratic Congress, the result of his treasonable conduct. I do not think he ought to receive any honorable discharge and be placed upon the pension rolls and given a tribute to his conduct in showing his feeling against Lincoln's administration.

Mr. KIRKPATRICK. Mr. Chairman, will the gentleman yield?

Mr. MANN. I will.

Mr. KIRKPATRICK. Is it not a fact that this man, Capt. Timmons, championed the cause of one Clement C. Vallandigham, who had been found guilty and banished beyond the Confederate lines?

Mr. MANN. I understand that to be the fact.

Mr. KIRKPATRICK. That is true.

Mr. MANN. I reserve my time, Mr. Chairman.

Mr. HAY. Mr. Chairman, I ask unanimous consent that this bill be passed by. The gentlemen interested in it are not here, but are detained in their homes, and I think it would be fair to them to have the bill passed over; so I ask unanimous consent to have that done.

The CHAIRMAN. The gentleman from Virginia [Mr. HAY] asks unanimous consent that the bill be passed over without prejudice.

Mr. MONDELL. Mr. Chairman, reserving the right to object, I want to make just this observation. I do not think it is fair to the House on the part of any committee to present a matter to the House proposing to change an official record without giving the House the benefit of a statement of that official record. The report on this bill and a number of other bills reported and on this calendar contains statements which we must assume are accurate, because they are made by the Member reporting the bill, and yet how much stronger they would be, how much more convincing the statement would be, if supported in every detail by the official record! And where a committee refers to official records it seems to me the committee should place those records before Congress for its consideration.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia [Mr. HAY] that this bill be passed without prejudice?

There was no objection.

JOHN MITCHELL.

The next business in order on the Private Calendar is the bill (H. R. 12161) to remove the charge of desertion against John Mitchell.

The bill was read as follows:

Be it enacted, etc., That the Secretary of the Navy be, and he is hereby, authorized and directed to remove the charge of desertion against John Mitchell, late of U. S. gunboat *Oriole*, and issue to him an honorable discharge from the Navy of the United States.

Also the following committee amendment was read:

Strike out all after the enacting clause and insert the following:

"That the Secretary of the Navy be, and he is hereby, authorized to remove the charge of desertion against John Mitchell, who served in the U. S. S. *Great Western*, *Oriole*, and *Huntress*, and to issue to the said John Mitchell, or in case of his death to his heirs or other legal representatives, a certificate of discharge: *Provided*, That no pay or bounty for any period of time during which the said John Mitchell was absent from his command without leave of absence shall accrue or be payable by virtue of the passage of this act."

Mr. WITHERSPOON. Mr. Chairman, this bill was recommended by the Committee on Naval Affairs to the House to be passed under this state of facts: John Mitchell enlisted in the United States Army in 1861 for two years and served his time and had received an honorable discharge. In March, I believe, in 1865 he enlisted in the Navy and served until August, 1865, when he deserted. Now, under the general law the Secretary of the Navy had the authority to remove the charge of desertion from one who had deserted from the Navy, provided he had served six months in the Navy prior to the 1st of May, 1865. This young man had not served a sufficient length of time in the Navy to authorize the Secretary to remove the charge of desertion, but he had served much longer than was required in the Army, and he asks by this bill to be given the benefit of his service in the Army; and the committee took that view of it and reported the bill to the House with the recommendation that it pass. I think the gentleman from Wisconsin [Mr. REILLY] can explain the fact to the House more fully.

Mr. MANN. Mr. Chairman, this bill brings up a very interesting proposition. For years, I think, after I came here we passed bills occasionally that removed the charge of desertion, and the rules provide for giving preference to bills to remove the charge of desertion. Some years ago when Gen. Ainsworth was at the head of the Record and Pension Office in the War Department, if that was the title, he reached the conclusion—and other gentlemen connected with the War Department—that Congress could not alter a fact. We might write history as we pleased, but we could not change facts. We might say that the Federals or the Confederates won at some battle which was not according to history, but that would not alter the fact; that the fact would remain that the one who had won did so regardless of what Congress might say. And when a man had deserted and the record showed he deserted, we could not change the fact of his desertion. The fact existed.

Mr. WITHERSPOON. Will the gentleman yield for a question?

Mr. MANN. Certainly.

Mr. WITHERSPOON. It is self-evident that we can not change a fact, but I observed that this House spent one entire day doing nothing else than removing the charge of desertion against men who had had that charge standing against them for half a century.

Mr. MANN. I do not remember that day.

Mr. WITHERSPOON. I remember it. It made a profound impression upon my mind. The object of it was to permit them to draw pensions. Now, while we can not change a fact we can put this man in a position where he can get a pension.

Mr. MANN. I was reciting to the House not my conclusions but the conclusions of the War Department. The War Department reached that conclusion after full consideration and deliberation, and the result of it was that the President commenced to send veto messages to Congress, and they vetoed, not a great many bills but all the bills that were passed in that form. And the result of that was that the Committee on Military Affairs adopted a new form of bill, that wherever a Member of the House had introduced a bill to remove a charge of desertion the Committee on Military Affairs, for a number of terms of Congress, if it reported the bill at all, reported striking out all after the enacting clause and inserting a provision something like this—and I am reading from a bill now before the House:

That in the administration of the pension laws and the laws governing the National Home for Disabled Volunteer Soldiers, or any branch thereof, Jacob M. Cooper, now a resident of Iowa, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a private in Company C, Twenty-second Regiment United States Infantry, July 18, 1868: *Provided*, That no pension shall accrue prior to the passage of this act.

That became the settled policy of the administration and of Congress. There were not many of these bills before the Committee on Naval Affairs. I do not recall any in recent years, I think, until I ran into this one, although I may be mistaken about that. It became the settled policy. Once in a while the Committee on Military Affairs, in reporting a bill into the House for the removal of the charge of desertion, through some one's inadvertence, has not had the amendment printed into the bill, and in every such case that has come up in recent years, when the bill was reached for consideration in the House, the Committee on Military Affairs or the gentleman in charge of the bill offered the amendment on the floor, because it was the settled policy of both the administration and Congress that these bills should not pass with the idea that Congress could change a fact and say that a man had not deserted when the facts showed that he had deserted, and that they could not alter the records, and also the settled policy of the administration to veto such bills.

Mr. BURKE of Wisconsin. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Illinois yield to the gentleman from Wisconsin?

Mr. MANN. Certainly.

Mr. BURKE of Wisconsin. Is there any way in which a charge of desertion that has been entered upon the records by mistake against a soldier or sailor can be corrected?

Mr. MANN. I beg to say that I am not going to offer any individual opinion of mine on the subject, and I have not yet offered one. I have not expressed any opinion on the subject. I do not know. But that has been the position of the administration for a number of terms, and the position of the War Department, and the position which Congress has taken in the legislation which it has enacted. Whether it is right or wrong I do not know.

Mr. McKELLAR. Mr. Chairman, will the gentleman yield?

Mr. MANN. Yes; I yield.

Mr. McKELLAR. Did not that position of the War Department grow out of the fact that in about 99 per cent of the cases

the desire was to enable the applicant to obtain a pension from the Government?

Mr. MANN. Well, I presume that very likely that is pretty close to the fact, if not the absolute fact. Whatever the reason may have been, it was a policy established after a good deal of consideration. We had a number of veto messages sent to Congress on the subject. Now comes along a bill, referred to the Committee on Naval Affairs, and the Committee on Naval Affairs is not subject to criticism in anything that I say. That bill provides:

That the Secretary of the Navy be, and he is hereby, authorized and directed to remove the charge of desertion against John Mitchell, late of U. S. gunboat *Oriole*, and issue to him an honorable discharge from the Navy of the United States.

If that bill had been a bill to remove the charge of desertion in the Army, and had been referred to the Committee on Military Affairs, and that committee had desired to report it favorably, it would have stricken out all after the enacting clause and inserted a provision giving the man rights under the pension laws and other laws without affecting the charge of desertion. The Committee on Naval Affairs, in reporting the bill, has stricken out all after the enacting clause, but has inserted this provision:

That the Secretary of the Navy be, and he is hereby, authorized to remove the charge of desertion against John Mitchell, who served in the U. S. S. *Great Western*, *Oriole*, and *Huntress*, and to issue to the said John Mitchell, or in case of his death to his heirs or other legal representatives, a certificate of discharge: *Provided*, That no pay or bounty for any period of time during which the said John Mitchell was absent from his command without leave of absence shall accrue or be payable by virtue of the passage of this act.

This amendatory or substitute provision reported by the committee was reported upon the recommendation of the Secretary of the Navy, who furnished the language, and we shall soon be in this anomalous position—if this bill is passed and the President signs it—that if a bill passes through the Committee on Naval Affairs to remove a charge of desertion from the Navy, the President, on the recommendation of the Secretary of the Navy, will sign it; but if an identical bill, in identical form, to remove a charge of desertion from the Army should pass the House and the Senate and go to the President, the President, on the recommendation of the War Department, will veto it on the ground that the Congress can not do it. I think we ought to have some fixed policy on the subject, and not leave it to that haphazard. What does my friend from Mississippi [Mr. WITHERSPOON] think of it? Or has he paid any attention to this matter at all?

Mr. WITHERSPOON. So far as I am concerned, I am personally opposed to all pensions, and opposed consequently to all bills whose object it is to secure pensions. But the House has to my certain knowledge done this very same thing a number of times. As I said before, I saw the House spend one entire day doing nothing else than removing the charge of desertion from the records of soldiers, all for the purpose of putting them on the pension roll.

Now, in this man's case he had this additional claim, that if his service had been altogether in the Navy, instead of partly in the Navy and partly in the Army, the Secretary of the Navy could have removed the charge of desertion without appealing to Congress.

Mr. MANN. Well, I do not like to put my recollection up against the recollection of the gentleman from Mississippi; but I watch the proceedings of the House very closely, and I undertake to say that we have not passed a bill to remove the charge of desertion while the gentleman from Mississippi has been a Member of the House.

Mr. WITHERSPOON. That seems to raise a conflict between the gentleman and myself.

Mr. MANN. Well, it is a conflict that I think will not exist when I have gone a little further. The gentleman has in mind bills which come under the provision of the rule to remove charges of desertion, but these bills are to grant the right of pensions and other rights which honorably discharged soldiers have, without removing the charge of desertion.

I will ask the gentleman from Tennessee [Mr. MCKELLAR], who is, I believe, the chairman of the subcommittee of the Military Affairs Committee that has charge of these matters, and who handles most of these bills from that committee, whether he knows of any bills to remove the charge of desertion which we passed coming from the Military Committee?

Mr. MCKELLAR. No. Our committee has adopted the plan since I have been chairman of the subcommittee—and, as a matter of fact, I do not think any were reported before I became chairman of the subcommittee—but we adopted this year the plan of striking out everything after the enacting clause, regardless of how the bills are drawn, unless they are drawn according to our formula, and simply putting the applicant on a pensionable status, with the provision that no back pay, bounty, or back allowance of any kind shall be allowed.

Mr. MANN. I understand also—and the gentleman will probably know—that the Senate follows the same practice, in the main at least.

Mr. MCKELLAR. No. The Senate undertakes to follow that with amendments to nearly all of their bills that leave out the proviso about back pay, and frequently they run the gantlet here.

Mr. MANN. They do not pass bills to remove the charge of desertion any more?

Mr. MCKELLAR. I think not.

Mr. REILLY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. MANN. Certainly.

Mr. REILLY of Wisconsin. Perhaps I can throw some light on how the change in the ruling of the Navy Department to which the gentleman from Illinois [Mr. MANN] has referred came about.

In 1911 a similar bill was introduced in this House for the relief of John Mitchell, and was referred to the Committee on Naval Affairs. The Committee on Naval Affairs referred the bill to the Secretary of the Navy for a ruling, and the Navy Department, through the Assistant Secretary, gave an opinion to the effect that the records of the Navy Department could not and should not be changed; that a compliance with the bill would require an altering of the historical records of the department, which should be kept inviolate; and the said Assistant Secretary of the Navy suggested the enactment of such a bill as has been outlined by the gentleman from Illinois [Mr. MANN].

When this bill was introduced in this Congress it contained the words "honorable discharge." The bill took the usual course from the Committee on Naval Affairs to the Navy Department for an opinion. It was suggested to the authorities in the Navy Department that while a former Assistant Secretary of the Navy had ruled that a bill in the language and form in which this bill was when it was introduced should not be passed, because the records of the Navy Department should not be altered and should be kept inviolate, that a great many of the records of the Navy Department had been changed in the removal of the charges of desertion from the records of the Navy Department pursuant to a law passed by Congress in 1888.

The Secretary of the Navy replied to the Naval Committee on the matter of this bill that the relief sought should be granted; but he suggested a phraseology for the bill, which language as recommended by the Secretary of the Navy the committee adopted.

The only practical difference between the bill as introduced and the bill as recommended by the Secretary of the Navy and reported from the committee to this House is that the word "honorable" is omitted, the Secretary of the Navy being simply required to furnish a discharge and not an honorable discharge to John Mitchell.

In 1880 Congress passed an act empowering the Secretary of the Navy, in his discretion, to remove the charge of desertion from the records of certain enlisted and appointed men who deserted from the Navy, providing such men deserted after May 1, 1865, and had served faithfully six months prior to May 1, 1865.

The facts of this case are, briefly, as follows:

Mitchell enlisted in the Army May 14, 1861, for two years' service and was mustered out of service and honorably discharged from the Army May 24, 1863. On March 15, 1865, he enlisted in the Navy as a landsman for two years and served until August 26, 1865, when he went home without having been formally discharged.

Had Mitchell served in the Navy six months prior to May 1, 1865, he would have come within the terms of the law of 1888, and would have been entitled to have his war record cleared up by an act of the Secretary of the Navy without any act on the part of Congress.

The Secretary of the Navy has ruled that Mitchell having had a record of honorable service for two years in the Army prior to May 1 and having deserted after the war was over, his case comes within the spirit of the law of 1888, and that Mitchell was entitled to the same relief by a special act of Congress that other enlisted men of the Navy who deserted after May 1, 1865, after having served six months, received under the general act of 1888.

The soldiers and sailors who deserted after May 1, 1865, and who have had the charge of desertion removed from their records in the Navy Department by the Secretary of the Navy received a discharge, and not an honorable discharge.

It is submitted that John Mitchell, on his record as a soldier in the Army, and in view of the fact that he went home after the war was over, and in view of the further facts, as shown by the evidence filed with this committee, that he had a brother who had recently died in the war, and that his father had recently died, and that he went home at the urgent solicitation of his widowed mother, is entitled to some consideration at the hands of Congress.

He was in no sense a deserter, as the term is ordinarily used. He did not turn his back on the enemy; he did not leave his colors when the war was raging; he simply went home when he thought that the work for which he had enlisted was accomplished, when his country was safe, and when a widowed mother's call came to him.

John Mitchell did not know he was deserting the Navy; he did not know it was necessary for him to go through certain formalities in order to be discharged from the service of the Government; and if he had known of the necessity of such steps, he could easily have secured a discharge and could have gone home with an honorable discharge from the Government.

The contention of the gentleman from Illinois [Mr. MANN], that the records of the War and Navy Departments can not and should not be altered or changed is absurd in view of the fact that for years the records of these departments have been changed as regards the records of soldiers in the service of our late wars.

In 1913 Congress passed a bill correcting the war record of one Bartley L. Dennison and construing his discharge to be an honorable discharge as of a certain date. There is no difference between the correcting of a war record and the removing of a war record. When you correct a war record you change the record just as much as when you remove a war record.

I do not know what the President will do with this bill, but I do know that the bill has the sanction of the Secretary of the Navy and that he apparently sees no insuperable objection to the removal of the charge of desertion against John Mitchell.

This man is not asking for a pension in this bill. He believes that his record as a volunteer soldier in the war, his enlistment in the Navy, and the circumstances under which he left the service of the United States Government entitle him to have the charge of desertion removed from his record in the Navy. The matter of a pension he is willing to take up afterwards with the proper authorities.

John Mitchell is asking to have the charge of desertion removed from his record not because he is asking for a pension, but because he feels and believes he was not a deserter when he went home after the war was over, and because he did not know at the time that he was doing something that he had no right to do. He supposed the war was over and that the Government no longer had use for his services, knowing full well that a widowed mother at home had great demand for his services.

Mr. MANN. I should like to ask the gentleman from Wisconsin [Mr. REILLY] a question.

Mr. REILLY of Wisconsin. I yield to the gentleman from Illinois.

Mr. MANN. Does this man expect to get a pension?

Mr. REILLY of Wisconsin. That question has never been raised.

Mr. MANN. Does the gentleman from Wisconsin think that he could get a pension after this bill passed?

Mr. REILLY of Wisconsin. I have been informed that the soldiers and sailors of the war who got relief under the act of 1888 or had charges of desertion removed by virtue of that act are drawing pensions from the Government. These men received from the Government the same kind of a discharge that this bill contemplates that John Mitchell shall receive.

Mr. MANN. My recollection about the law is that a man must have an honorable discharge in order to get a pension.

Mr. REILLY of Wisconsin. That is what the general conception is.

Mr. MANN. That is what the law is, whatever the general conception is.

Mr. REILLY of Wisconsin. As stated before, I have been informed by the Pension Department that the soldiers and sailors who had the charge of desertion removed under the law of 1888, and who received the same kind of certificate of discharge that this bill provides that John Mitchell shall receive, are drawing pensions from the United States Government; but, as stated before, the question of a pension is not the paramount idea in the mind of John Mitchell. John Mitchell is interested in having his war record cleared up, in having this charge of desertion now on the records of the Navy Department against him removed, because he believes the circumstances of his case are such as to warrant such action on the part of Congress.

Mr. MANN. Mr. Chairman, I do not know but I agree largely in theory with the gentleman from Wisconsin. But what is the use? Here the President vetoes these bills coming from the War Department; and while it is true that the President and the Secretary of War may reverse the ruling, it is also true that in matters of that sort both of them are likely to be guided in the main by the men in the War Department who are permanent, and who fix the policy, or ought to fix it, in the main in matters of that kind. It would certainly be an anomaly to veto a bill relating to the Army and sign a bill relating to the Navy, both alike, vetoing one because it is not in proper form, and signing the other because it is in proper form, when both are in the same form.

Mr. LOBECK. In a report which I have in my hand I find under "Findings of fact"—

III. By Special Orders, No. 121, War Department, A. G. O., dated Washington, March 17, 1866, claimant was, by direction of the President, dropped from the rolls of the Army, to date October 6, 1865, for desertion. An extract from Special Orders, No. 304, War Department, A. G. O., dated July 30, 1866, is as follows:

"By direction of the President, upon recommendation of his commanding general, so much of Special Orders, No. 121, paragraph 8, March 17, 1866, from this office, as dropped from the rolls the name of Capt. Guy C. Pierce, Fourth Wisconsin Cavalry, is hereby revoked and he is honorably discharged the service of the United States upon tender of resignation, to date October 6, 1865."

Mr. MANN. What is the gentleman reading from?

Mr. LOBECK. I am reading from the report in the case of Guy C. Pierce.

Mr. MANN. Oh, some other case.

Mr. LOBECK. I want to show that the War Department and the President have reversed their order.

Mr. MANN. But you can not show that, because they have not.

Mr. LOBECK. It says:

By direction of the President, upon recommendation of his commanding general, so much of Special Orders, No. 121, paragraph 8, March 17, 1866, from this office, as dropped from the rolls the name of Capt. Guy C. Pierce, Fourth Wisconsin Cavalry, is hereby revoked, and he is honorably discharged from the service of the United States upon tender of his resignation, to date October 6, 1865.

Mr. MANN. Why, certainly. Congress has passed a general law, as it has the right to pass a law, saying that certain things were not desertion. For instance, after a certain date in 1865, if a man who was in the Army went home and was marked as a deserter, Congress said it was not desertion, and hence the War Department removed the charge of desertion in such cases; but that is an entirely different thing from changing a fact.

Mr. REILLY of Wisconsin. Will the gentleman explain why the Secretary of the Navy, under that theory, said they could not remove the charge of desertion or could not change the records when that has been done in hundreds of cases under the law?

Mr. MANN. The gentleman is mistaken about the law. We have the right to change the articles of war. It has always seemed to me as though Congress had pretty full power under the Constitution, and might say a good many things about the Army and the Navy.

I am calling attention to the distinction which is being made between the Army and the Navy. The gentleman from Virginia [Mr. HAY], if the matter is referred to his Committee on Military Affairs, will not report one of these bills in this shape, because it has been the policy of the War Department that they should not be signed by the President. Are we to make a distinction between that committee and the Naval Committee?

As to the facts in the case, this report is made upon the strength of a report from the Navy Department, and it is claimed that the man served in the Army a certain length of time, and that if that service in the Army had been in the Navy they would have been authorized to grant him a discharge under the general law. The Secretary of the Navy says that if the Mitchell is identical with the one who served in the Navy, as above set forth, he would be entitled to a discharge, and again he says:

Assuming that the Mitchell who served in the Army is identical with the one who served in the Navy, the department, in view of the above, recommends to the favorable consideration of the committee the draft of the bill herewith submitted in lieu of that now in the hands of the committee.

They have no information that I know of, and we have no information, as far as I am informed, that the "if" has been wiped out or that the "assuming" has been wiped out. Of course if the moon were made of green cheese and we would get at it we might do away with the high price of food.

Mr. REILLY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. MANN. Yes.

Mr. REILLY of Wisconsin. These affidavits have been filed with the committee, showing that this man is the same person, and I called the attention of the Navy Department to that very language, and they said they invariably used that language, no matter whether the facts were true or not.

Mr. MANN. I do not care what they said; that statement is not correct as to what the department does.

Mr. REILLY of Wisconsin. That is what they told me.

Mr. MANN. Then the gentleman saw the wrong man. The gentleman can not find another report from the Navy Department in the House in recent years where they used any such language as that.

I reserve the balance of my time.

Mr. MONDELL. Mr. Chairman, I am somewhat familiar with the circumstances under which Congress first began to modify the language of the acts which were intended to relieve to a greater or less extent those who were suffering under charges of desertion. In my early service in the House I had the honor of being placed upon the Committee on Military Affairs, and I was assigned to the very honorable and exceedingly arduous duty of a subcommittee on desertion cases. I think I may truthfully say that I gave more time to the study of the cases before the committee than any man who had served on that committee prior to my service, and I think that my record of inquiry in these matters has not been equaled since unless it has been by the gentleman from Tennessee [Mr. MCKELLAR], who has reported so many of these bills which are now upon the calendar, and who has given these cases much attention, and who, I am sure, has gone into them carefully. About the time of the beginning of my service upon that committee Congress awoke to the fact that it had been rather too liberal in correcting military records, and there was a feeling in the House and all over the country that Congress ought to be very careful about taking any action that would place a man who deliberately deserted the colors, particularly in time of war, on a par with a man who had been faithful in his service, and so the committee began to scrutinize these cases more carefully than it had been accustomed to do. There were some fifteen hundred cases at that time, if I recollect right, before the committee, and I think I gave more or less personal study to some 500 of them, careful consideration to more than half that number. I discovered some very curious and some very extraordinary things in connection with some of those applications. About that time Gen. Ainsworth, then at the head of the Record and Pension Division of the War Department, having charge of military records, suggested that instead of changing the record we should in meritorious cases remove the disability under which the charge of desertion placed the soldier, and particularly when the fact was that the man had deserted. In such a case to remove the charge of desertion and to write on the record the statement that he had not deserted would be to write in the record an untruth.

Mr. Chairman, it is too bad that men deserted in the face of the enemy. It is unfortunate that men under different circumstances left the colors and went home, where it was much more comfortable in every way than at the front—it is to be regretted.

Many of those men as they grew older very much regretted their action, and they are good citizens, some of them; and the better citizens they are, the more they regret their conduct. We all live to regret some things we do. We may live them down, we may be forgiven for them, but we can not wipe them out. There ought never to come a time when the record that tells the story of a soldier's service shall tell anything but the facts and the truth. Under certain circumstances and conditions offenses may properly be condoned. Under certain circumstances and conditions the soldier should not suffer the lack of a pension; he should not suffer without some relief the odium which attaches when a soldier has placed against him in an official record a charge of having deserted his flag and service.

Mr. CLINE. Mr. Chairman, will the gentleman yield?

Mr. MONDELL. In a moment. But if the fact is that he did, through weakness or thoughtlessness or forgetfulness or homesickness, desert, if the fact is that he did not stick, then he is not entitled to the same amount of credit that the man is who, under those same circumstances and conditions and under possibly infinitely more trying conditions, did stay with the colors and did remain loyal. I now yield to the gentleman from Indiana.

Mr. CLINE. I think the gentleman is correct, but I do not understand the gentleman to assume that there may not have been conditions and circumstances where the record is wrong and ought to be corrected. Is it not possible, for instance, that a soldier might have been detailed to some duty by a superior officer, and the man making up the record makes up a wrong record and states that he is a deserter?

Mr. MONDELL. The question was asked the gentleman from Illinois [Mr. MANN] as to what his opinion is as to the practice of the War Department in correcting a record.

Mr. CLINE. I was wanting to get the gentleman's opinion more than that of anyone else.

Mr. MONDELL. I am prefacing what I am about to say by that observation. The gentleman from Illinois, as I recall, did not express an opinion. My understanding is that one provision of the act of 1888, which I have not the time to read now, does authorize the department in certain cases to correct errors.

It further authorizes the department, where certain acts have been considered acts of desertion, to no longer consider them such and to change the record to that extent. My understanding is that the department holds that it has the right, where the record is clearly in error, possibly a clerical error in transcribing from one record to another, to make those changes, but the cases that we have to consider are not that sort of cases. This man did desert; nobody denies it. Now, I do not altogether agree with the view of the Secretary of the Navy in his letter as to what might be done for this man had conditions been different, and yet I will not say the Secretary is not right; it may be I am wrong, but my opinion is that the charge of desertion could not have been removed from this man had all of his service been in the Navy, because my interpretation of the act referred to is that the service from which the charge of desertion is removed has no relation to some service the man might have rendered at some other time somewhere else, and, therefore, if this man had served in the Army or in the Navy altogether, instead of part of the time in one and part of the time in another, the charge of desertion could not have been removed from his record under the law.

Mr. REILLY of Wisconsin. Will the gentleman yield?

Mr. MONDELL. I will.

Mr. REILLY of Wisconsin. Suppose he had enlisted six months prior to May, 1865, would he not have the right to try to get the Secretary of the Navy to remove the charge?

Mr. MONDELL. It would depend upon conditions; it would depend upon certain conditions.

Mr. REILLY of Wisconsin. Provided the other conditions come in there.

Mr. MONDELL. We have conditions applying to a soldier enlisting in a volunteer organization that do not apply to the Regular Establishment. There are men who served during the Rebellion more than six months who deserted and the charge of desertion is not removed by the act referred to.

Mr. REILLY of Wisconsin. They had to serve up to May 1.

Mr. MANN. Will the gentleman from Wyoming yield?

Mr. MONDELL. In just a moment. If a man had enlisted in a volunteer regiment as a volunteer, with the understanding that he would serve during the war, and after the war was over and there was no longer anyone to fight—there was nothing to do but remain in camp—he concluded his services were no longer needed and went home, Congress has said that should not be considered a desertion, provided he had served six months; but that does not apply to a man in the Regular Establishment—does not apply to a man who enlisted with the idea of serving without regard to service in the War of the Rebellion. Now I yield to the gentleman from Illinois.

Mr. MANN. I would like to call the attention of the gentleman from Wyoming to the fifth paragraph of the Secretary's letter. I do not recall the exact provisions of the act of 1888, but the paragraph of the Secretary says that the man—

> Shall have served faithfully until May 1, 1865, having previously served six months or more, or shall have been prevented from completing his term of enlistment by reason of wounds received or disease contracted in the line of duty.

Mr. MONDELL. Well, I think——

Mr. MANN. I see that is in the alternative, "or shall have." The gentleman from Wyoming calls my attention to an error I made.

Mr. MONDELL. The gentleman from Illinois further called attention to the fact that, as far as the Navy Department has information, it does not even know whether this John Mitchell is the same John Mitchell who served in the Army in the early part of the war. I understand that matter has been cleared up by affidavits. Now, John Mitchell served, and it is to be hoped he served well. It is said that several years later the same John Mitchell enlisted in the Navy, the inland Navy, the landlocked Navy—rather a safe Navy—the latter part of the war, being stationed on the placid waters of the inland lakes

and rivers. He served, how long—a month, or was it quite a month?

Mr. TOWNER. He served until August 26, 1865.

Mr MONDELL. He served less than six months, and finally concluded that he would go home. Now he wants us to write into law a statement that he did not go home, that he remained on duty. Should we declare that this valiant landlocked sailor still continued to tread the gunboat deck in defiance of the enemy when, as a matter of fact, he was at home taking care of the cows and chickens, safe and comfortable? I do not think we should do it; not but what I have a kindly feeling for such a man—no doubt he is a good man—but John did go home, and we have no business to say that he did not go home. Now, if Mr. Mitchell is suffering by reason of the fact that he is barred from a soldiers' home because he can not secure a pension, which he can not, it is possible we should relieve him from that particular disability, leaving his record as he made it. We had nothing to do with it then; we have not anything to do with it now. If he had had a little more stamina, a little more enthusiasm, a little more patriotism, he would have served out his time and he would have had an honorable discharge, as many men did who served out their time, on both sides. Now, it has been a long time since Congress ceased passing this kind of bills. I do not recall having seen one in this form for years. We ought not return to that very bad practice, though we may remove a disability which prevents him from drawing a pension or from receiving the benefits of a soldiers' home. With an amendment to the bill, putting it in the usual form, I should not specially object to it, assuming that the two military records have been completely connected and that the desertion was at a time when the man's services were no longer needed by his country.

Mr. NORTON. Mr. Chairman, at first I was not very familiar with this case, and so I listened with a great deal of interest to the argument of the gentleman from Wyoming [Mr. MONDELL]. On general principles I am not personally in favor of removing this stigma of dishonorable discharge from any soldier or any enlisted man in the Navy who deserts without good cause. But after listening to the gentleman from Wyoming I have come to the conclusion from his citations of the law covering other cases that this man Mitchell has a pretty good case and that he has reasonably good ground for having this dishonorable charge removed.

Mr. MONDELL. How a good case, may I ask my friend?

Mr. NORTON. I will be very pleased to tell the gentleman from Wyoming. It appears that if he had served in the Navy for 6 months prior to May 1, 1865, he would come under certain provisions of law that would permit the Secretary of the Navy to remove that charge. Now, it appears that instead of serving in the Navy 6 months prior to May 1, 1865, he, as a matter of fact, served 5 months and 11 days, from the date of his enlistment on March 15 until August 25, 1865, the date of his alleged desertion. Now, the gentleman from Wyoming [Mr. MONDELL] says that this man enlisted in the landlocked Navy of our Great Lakes, and enlisted, as he intimates, at a time and at a place where Mitchell felt safe and secure from the strife and dangers of war, and suggested that he was not the ordinary brave American citizen who is found enlisted in our Navy, but that his enlistment was to secure some temporary employment.

Mr. MONDELL. The gentleman knows that I did not say anything of that sort.

Mr. NORTON. Well, I listened carefully to the gentleman's statements, and I gained from what the gentleman did say that impression of his argument. I further call the gentleman's attention to the fact that some of the most glorious and historic battles that have been fought by the American Navy and our American sailors have been fought on the Great Lakes and by our landlocked Navy. This man Mitchell enlisted when the Civil War was being most bitterly contested between the North and South and——

Mr. MONDELL. At Mound City, Ill.?

Mr. NORTON. Yes; at Mound City, Ill. Can the gentleman inform me where the ships on which this man served were plying?

Mr. MONDELL. Probably on the turbid waters of the Missouri.

Mr. NORTON. Possibly that may have been true.

Mr. MONDELL. Or possibly on the rolling surges of the Mississippi.

Mr. NORTON. It appears that the gentleman does not know where the service of this man was given to his country. I want to say that no facts appear in the report on this bill or elsewhere to indicate that John Mitchell was not just as brave, just as patriotic, and just as worthy an American citizen as any man who enlisted in the Navy of the United States in the trying days of March, 1865, when the ranks of our Army and Navy were most in need of heroes and brave defenders. It seems when the war drums ceased beating and when the chance of fighting was over, Mitchell became dissatisfied with life in the Navy and took his departure from the Navy without receiving a formal discharge or release. In view of the fact that he served in the American Army during the first two years of the Civil War, it seems unfair and unjust that an honorable discharge should be withheld from him at this time, under all the circumstances of this case.

The CHAIRMAN. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The question is on laying the bill aside with a favorable recommendation.

The motion was agreed to.

Mr. HAY. Mr. Chairman, I move that the committee do now rise and report the bill with a favorable recommendation.

The motion was agreed to.

Thereupon the committee rose; and the Speaker having resumed the chair, Mr. CARLIN, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 12161) to remove a charge of desertion against John Mitchell, and had directed him to report the same to the House with a committee amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The SPEAKER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken, and the Speaker announced that the noes seemed to have it.

Mr. HAY. Division, Mr. Speaker.

The House divided; and there were—ayes 32, noes 3.

So the bill was passed.

ADJOURNMENT.

Mr. HAY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 3 minutes p. m.) the House adjourned until Saturday, August 15, 1914, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. LINTHICUM, from the Committee on Foreign Affairs, to which was referred the joint resolution (H. J. Res. 292) authorizing the President to accept an invitation to participate in an exposition to be held in the city of Panama, and for other purposes, reported the same without amendment, accompanied by a report (No. 1088), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 10979) granting a pension to Mary Pierce; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 18188) granting an increase of pension of Joseph L. Hall; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. SMALL: A bill (H. R. 18368) to authorize the construction of a lighthouse and fog signal upon Diamond Shoal, at Cape Hatteras, on the coast of North Carolina; to the Committee on Interstate and Foreign Commerce.

By Mr. THOMAS: A bill (H. R. 18369) authorizing the Treasury Department to make certain advances for the relief of the tobacco growers of Kentucky and Tennessee; to the Committee on Appropriations.

By Mr. WINGO: A bill (H. R. 18370) providing for the issuance of Federal reserve notes to producers of cotton, and for other purposes; to the Committee on Banking and Currency.

By Mr. O'HAIR: A bill (H. R. 18371) compensating the privates of the Capitol police force for extra services; to the Committee on Appropriations.

By Mr. KAHN: A bill (H. R. 18372) for erecting a suitable monument to Commodore Uriah P. Levy in the city of Washington, D. C.; to the Committee on the Library.

By Mr. ALEXANDER: A bill (H. R. 18373) to authorize the United States Government to establish and operate a steamship service between ports of the United States and ports of the various countries of South America, and such other ports as may from time to time appear desirable, and to establish a service of value to the national defense in time of war; to the Committee on the Merchant Marine and Fisheries.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALEXANDER: A bill (H. R. 18374) granting an increase of pension to J. A. Neff; to the Committee on Invalid Pensions.

By Mr. BARKLEY: A bill (H. R. 18375) for the relief of the estate of James E. Morgan, deceased; to the Committee on War Claims.

By Mr. FITZHENRY: A bill (H. R. 18376) to correct the military record of John B. Ford; to the Committee on Military Affairs.

By Mr. STEPHENS of Texas: A bill (H. R. 18377) granting an increase of pension to Clara Robinson; to the Committee on Pensions.

By Mr. STONE: A bill (H. R. 18378) granting an increase of pension to Henry Hotchkiss; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18379) granting an increase of pension to Sarah McDaniel; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Petition of the Socialist Party of Ohio, protesting against the war in Europe; to the Committee on Military Affairs.

Also (by request), petition of certain members of the St. John's Lutheran Church of Ambler, Pa., favoring national prohibition; to the Committee on Rules.

By Mr. ALEXANDER: Memorial of the Grant City (Mo.) Chautauqua, favoring an amendment abolishing polygamy in the United States; to the Committee on the Judiciary.

By Mr. BOOHER: Petition of A. D. Gresham and 72 other citizens of Platte City, Mo., favoring the passage of House joint resolution 282; to the Committee on Naval Affairs.

By Mr. CONNELLY of Kansas: Petitions of 50 citizens of Beloit, 29 citizens of Osborne, and 43 citizens of Mankato, all in the State of Kansas, favoring national prohibition; to the Committee on Rules.

By Mr. DILLON: Petition of 34 citizens of Milltown, S. Dak., favoring national prohibition; to the Committee on Rules.

Also, memorial of the Sioux Valley Medical Association, protesting against the Nelson amendment to House bill 6282, the Harrison antinarcotic bill; to the Committee on Ways and Means.

By Mr. JOHNSON of Washington: Petition of sundry citizens of Port Angeles, Wash., protesting against national prohibition; to the Committee on Rules.

By Mr. KENNEDY of Rhode Island: Petition of Edna B. Hale, Mrs. Joseph H. Kendrick, W. B. Shepard, Agnes Mackinnen, all of Providence, R. I., favoring national prohibition; to the Committee on Rules.

By Mr. LOBECK: Petition of the Richardson Drug Co., of Omaha, Nebr., protesting against increasing revenue tax on cigars; to the Committee on Ways and Means.

Also, petitions of H. A G. Dreibus and A. Lagrotto, both of Omaha, Nebr., protesting against national prohibition; to the Committee on Rules.

By Mr. O'HAIR: Petition of sundry citizens of the State of Illinois, favoring House joint resolution 282, for the purpose of giving a hearing to Dr. Frederick A. Cook; to the Committee on Naval Affairs.

By Mr. YOUNG of North Dakota: Resolutions of the Dakota Conference of the Evangelical Association; 400 citizens of Lisbon; 300 delegates of the Epworth League of Jamestown; the Christian Endeavor Society of Bismarck; the Fargo College, of Fargo; petitions of sundry citizens of Westhope; 12 citizens of Juanita; various citizens of Kintyre, Braddock, Linton, and Bathgate; and the Christian Endeavor Society of Heaton, all in the State of North Dakota, all favoring national prohibition; to the Committee on Rules.

Also, petition of A. G. Leonard, of North Dakota, regarding means of distribution of topographic and hydrographic surveys; to the Committee on Expenditures in the Interior Department.

Also, petition of the Fargo Chautauqua Association, relative to abolishing polygamy; to the Committee on the Judiciary.

SENATE.

SATURDAY, *August 15, 1914.*

(Legislative day of Tuesday, August 11, 1914.)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

THE CALENDAR.

The VICE PRESIDENT. The calendar under Rule VIII will be proceeded with.

The bill (S. 1240) to establish the legislative reference bureau of the Library of Congress was announced as first in order on the calendar.

Mr. GALLINGER. Let that go over.

Mr. SMOOT. I ask that it may go to the calendar under Rule IX.

Mr. GALLINGER. The Senator presenting it is not present. I think it had better be passed over.

The VICE PRESIDENT. The bill will be passed over.

The joint resolution (S. J. Res. 41) authorizing the Secretary of the Interior to sell or lease certain public lands to the Republic Coal Co., a corporation, was announced as next in order.

Mr. SMOOT. Let that go over.

The VICE PRESIDENT. The joint resolution will go over.

The bill (S. 2242) making it unlawful for any Member of Congress to serve on or solicit funds for any political committee, club, or organization was announced as next in order.

Mr. GALLINGER. Let that go over.

The VICE PRESIDENT. The bill will go over.

The resolution (S. Res. 156) limiting expenditures for telegrams sent or received by Senators was announced as next in order.

Mr. SMOOT. Let that go over.

The VICE PRESIDENT. The resolution will go over.

The resolution (S. Res. 84) providing that any Senator, upon his own request, may be recorded and counted as present in order to constitute a quorum was announced as next in order.

Mr. McCUMBER. Let that go over.

The VICE PRESIDENT. The resolution will go over.

The resolution (S. Res. 218) proposing an amendment to the standing rules of the Senate was announced as next in order.

Mr. SMOOT. Let that go over.

The VICE PRESIDENT. It will go over.

The joint resolution (S. J. Res. 26) proposing an amendment to the Constitution of the United States was announced as next in order.

Mr. GALLINGER. Let that go over.

The VICE PRESIDENT. The joint resolution will go over.

PUBLICATION OF LAND-OFFICE NOTICES.

The bill (S. 3023) relating to the duties of registers of United States land offices and the publication in newspapers of official land-office notices was considered as in Committee of the Whole.

Mr. BURTON. I have an amendment to offer to the bill.

The VICE PRESIDENT. There are amendments from the Committee on Public Lands to be acted on first. The amendments will be stated.

The amendments were, on page 1, line 8, to strike out "some certain stated day" and insert "Saturday," and in line 10, to strike out "such day" and insert "each Saturday," so as to make the bill read:

Be it enacted, etc., That whenever the law requires the register of a United States land office to publish a notice for a certain period of time in a newspaper to be designated by him, such publication may be made by publication each week, successively, in a weekly newspaper of general circulation for the prescribed period of time, or by publication once a week on Saturday of each successive week in the daily issue for each Saturday of a daily newspaper of general circulation until such prescribed period of time shall have elapsed from the first day of publication in such daily newspaper.

The amendments were agreed to.

Mr. BURTON. I offer the amendment I am sending to the desk.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. Add at the end of the bill the following proviso:

Provided, That in the selection of newspapers in which such notices are published no distinction or discrimination shall be made by reason of political opinions expressed or advocated therein.

Mr. CLARK of Wyoming. Mr. President, I really think there is no necessity for that amendment. The law already provides that notices shall be published in the newspaper of general circulation nearest the land in question.

Mr. BURTON. I think it will do no harm, however. I have a circular letter which I have received, and I think the Senator from Wyoming has heard something about it, in which it is said:

It is considered that the registers of the land service should recognize the propriety of designating newspapers whose political principles are in harmony with the administration.

Mr. CLARK of Wyoming. Well, Mr. President, that may be so where there are two newspapers within equal distance of the land. I am inclined to think the register still ought to have the say-so as to the paper in which the notice shall be published. The law is very explicit that the notices shall be printed in the newspaper which is published nearest the land in controversy. While, perhaps, the theory upon which the Senator offers his amendment is a correct one, I have lived a great many years in a public-land State and in a town where Democratic and Republican newspapers are published, and I do not think there are any further safeguards to be thrown around the matter. I do not know that I have any particular objection to the amendment. I do not think it will change the situation in any way.

Mr. McCUMBER. Mr. President, I wish to voice my objection also to the amendment. I should not object to an amendment to allow the party making the proof to select the paper if it came within the character of papers required.

Mr. CLARK of Wyoming. No; I would not, either.

Mr. McCUMBER. I should object to nothing of that kind, but I do not believe it is a good plan to get into a conflict over what constitutes the political policy of a paper. There are quite a number of papers in my State that I think it would take a very big magnifying glass to discover what are their political policies, and considerable question might arise upon that point.

Mr. BURTON. This amendment does not seek that. It merely seeks to ignore entirely the political opinions expressed by newspapers. If they have no opinions, they are eligible; if they have opinions on political subjects they are also eligible.

Mr. CLARK of Wyoming. We have tried for a great many years to keep the public-land service and everything connected with it free from any political bias so that there might be a business operation of the Land Office. I think the present system has succeeded fairly well, and I do not like to see any more legislation upon land matters or upon the execution of the functions of the Land Office than can possibly be avoided. I do not see how the amendment can possibly do any good. I do not see how it could change the situation in any particular, and I for one am not in favor of the amendment.

Mr. GRONNA. Mr. President, I am not in sympathy with the amendment offered by the Senator from Ohio. I believe it should be left to the discretion of the register and receiver of the land office. It will conserve a better purpose to leave the law as it is rather than to adopt the amendment of the Senator from Ohio.

Mr. BURTON. But, Mr. President, will the Senator from North Dakota yield for a question?

Mr. GRONNA. I will yield.

Mr. BURTON. How can it be left to the discretion of the register of the land office, which no doubt would be safe, when an instruction goes out, which is that the register of the land office "should recognize the propriety of designating newspapers whose political principles are in harmony with the administration." It is not now left to the law.

Mr. CLARK of Wyoming. Has any such thing as that gone out?

Mr. BURTON. I am so informed, and I have a copy of the circular letter.

Mr. CLARK of Wyoming. I should like to see it, because any department that has sent it out has done it in absolute and direct violation of the statute laws.

Mr. GRONNA. I will say to the Senator from Wyoming that I have seen it; and, as the Senator has said, it is in violation of the law; but it is no reason that because some one has violated the law we should change the law now.

Mr. CLARK of Wyoming. The way to remedy that is by action on the official who sent out the circular, and I give notice right now to the Senator from Ohio and to the official who sent it out that, if a circular of that sort has been sent out, the official will receive attention from official quarters.

Mr. THOMAS. Mr. President, if there has been a circular sent out, it has simply been done in harmony with the practice of the Interior Department for the last half a century. We all know that the administration in power patronizes, in the publication of such articles, as far as it can be done, papers which are in sympathy with the administration. I am glad of it. It ought to be done. It was done during the long period of time when the Republican Party was in power; and, so far as that feature of the Republican administration is concerned, it has always met with my sincere and hearty approbation.

My objection to the amendment offered by the Senator from Ohio is that it will not accomplish anything. Registers and receivers who are in political sympathy with the administration will, wherever there is more than one paper coming within the purview of the law, give these publications to the paper which is in sympathy with the administration. The Senator from Wyoming knows that; we all know it. Hence the incorporation of an amendment of this sort in the bill would still leave it entirely within the power of these officials to carry out that policy; and it is perfectly consistent, and it is due to no expression of opinion, political or otherwise, on the part of the chief in question.

Mr. CLARK of Wyoming. I agree with the last part of the Senator's statement, but the first part is entirely contrary to my experience. I have had some experience in these matters during the last 30 years and I know that that experience has not justified the statement the Senator has made, which is that the policy of the officials of the General Land Office was controlled or influenced in any way by political consideration. I know that time and again complaints have come to me from Republican publishers in my own State, because they thought they were entitled to the land office printing, which, of course, as the Senator knows, is a very considerable item in the revenue of country newspapers in the public-land States, and I have taken occasion to refer those letters to the department, and invariably the reply has come—I have not had any experience with this administration in that respect—but invariably the reply has come from prior administrations that the Land Office at Washington does not seek to control and can not, under the law, as it is put down, control in any way the publications of the local land office; that they are entirely within the control of the register of the land office, who designates the paper, and in designating that paper he must designate the paper of general circulation which is published nearest the land in question.

Of course, where there are two papers of opposite political views in the same town the register is left to his discretion, and equally, of course, as the Senator remarked in the last part of his statement, that patronage goes to the paper of the party in power. I think that is right. I do not think it has been abused, and I think the less we meddle with the established ways of transacting affairs in that way the better it is for everybody concerned.

Mr. THOMAS. Whatever the ostensible and outspoken policy may have been, the practice is as I have stated; at least that is my experience. I am perfectly frank to state that, so far as protests are concerned, of course they are made. Since the 4th of March last I have been in receipt of a large number of such protests, some of them from Republican papers and some from Democratic papers, which papers complain of favoritism, and also complain that they are not receiving their share of this patronage. The practice will still proceed, and it ought to proceed, whatever may be the fate of this amendment.

Mr. SHAFROTH. Mr. President, I thought the calendar was to be considered this morning by unanimous consent. If we are going to waste time on amendments and differences between parties, I shall object to the further consideration of this bill.

Mr. THOMAS. Unanimous consent does not preclude the offering of an amendment or the discussion of it, as I understand it.

Mr. BURTON. I think the general impression is as the Senator from Colorado has stated, and for that reason I do not blame any person particularly for issuing such an order. Oftentimes officials are possessed of the opinion that the administration should be conducted along political lines, and one main reason is because of the opinion that their opponents have pursued the same policy. I have a letter from Mr. Garfield, who was Secretary of the Interior, in regard to this matter under date of June 23, 1913, in which he says:

CLEVELAND, *June 23, 1913.*

Hon. T. E. BURTON,
United States Senate, Washington, D. C.

MY DEAR SENATOR BURTON: I have your letter of the 20th with the inclosure. I am very confident that during my administration no such direction to registers to land offices was issued. * * * I remember very well that the question of publication came up several times, and

I invariably directed that the publication be made in papers of such character and circulation as would most surely give the information to those who might be affected by the entry.

Very truly, yours, JAMES R. GARFIELD.

I do not have it in my file here, but I have a similar letter from Secretary Fisher.

Mr. JONES. Mr. President, I simply want to say, as coming from one of the public-land States, that my experience is exactly the same as that of the Senator from Wyoming. During the few years I have been down here I have had this matter called to my attention several times, and, as the Senator suggests, the reply has come from the department exactly as he states.

Mr. WALSH. Mr. President, I think the Senator from Ohio could not possibly have reflected upon the practical operation of the amendment which he offers. It can have none whatever. It is utterly impossible under the law as it exists now. The paper published nearest the land must be designated by the register as the one in which the publication shall take place.

Mr. BURTON. Will the Senator from Montana yield for a question?

Mr. WALSH. Certainly.

Mr. BURTON. Suppose there is an entry 3 miles from a town in one of the public-land States and there are two newspapers published on opposite sides of the same square in that city. Is an exact measurement made and the one selected that is a few feet nearer the entry?

Mr. WALSH. Not at all. That is exactly the case I was going to put to the Senator. I want to put the case of a Republican newspaper and a Democratic newspaper published in the same town. This commands that no preference shall be given upon any political consideration, but the register is obliged to select one of the two newspapers. Now, how are you going to control the discretion that you repose in him?

Mr. BURTON. As a matter of policy, it seems to me where you have a rule that there shall be no discrimination made according to politics the selection will be made according to the circulation and efficiency in informing the largest number of persons, ignoring politics.

Mr. WALSH. Yes; but I want the Senator to assume two papers, as there are, for instance, in my town a Republican newspaper and a Democratic newspaper. They are both good mediums of advertising. They circulate through exactly the same fields, and they both stand on an equality, so far as an advertising medium is concerned. Now, what will you do? You command the register not to pay any attention to the politics of the papers in making the assignment; and, under those circumstances, what would you say if a Republican register would give the patronage to the Republican paper? What would you say if a Democratic register gave it to the Democratic newspaper? How would this injunction of the law affect or control his action under those circumstances?

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Ohio [Mr. BURTON].

The amendment was rejected.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILLS, ETC., PASSED OVER.

The joint resolution (S. J. Res. 94) to authorize the Secretary of Commerce to investigate the condition of trade in China, for the purpose of determining the desirability of establishing there a permanent exposition of the products of the United States of America, was announced as next in order.

Mr. SMOOT. Let the joint resolution go over.

The VICE PRESIDENT. It will go over.

Mr. POMERENE. Will not the Senator consent to have it taken up?

Mr. SMOOT. Not to-day, Mr. President.

Mr. POMERENE. At this time, when we are trying to extend the foreign trade, it seems to me it would be good policy to pass the joint resolution.

The bill (S. 2425) to authorize the Roanoke River Development Co. to construct and maintain a dam across the Roanoke River in Mecklenburg County, in the State of Virginia, approximately 20 miles below the town of Clarksville, in said State, was announced as next in order.

Mr. BURTON. I ask that the bill may go over.

The VICE PRESIDENT. It will go over.

The bill (S. 3971) to provide for a permanent exhibit of the resources of the States of the Union in or near Washington, D. C., was announced as next in order.

Mr. SMOOT. Let that go over.

The VICE PRESIDENT. It will go over.

The joint resolution (S. J. Res. 10) proposing an amendment to the Constitution of the United States fixing the time for the convening of Congress and commencement of the terms of the President, Vice President, Senators, and Representatives was announced as next in order.

Mr. SHAFROTH. I should like to have the joint resolution considered. It has been on the calendar for quite a while.

Mr. WALSH. I object.

The VICE PRESIDENT. The joint resolution will go over.

The resolution (S. Res. 254) to create a special committee of five Senators to assist the Interstate Commerce Commission in investigating certain facts regarding the methods and practices of the Louisville & Nashville Railroad, and for other purposes, was announced as next in order.

Mr. GALLINGER. Let that go over.

The VICE PRESIDENT. The resolution will go over.

The bill (S. 392) to create in the War Department and Navy Department, respectively, a roll designated as "the Civil War volunteer officers' retired list," to authorize placing thereon with retired pay certain surviving officers who served in the Army, Navy, or Marine Corps of the United States in the Civil War, and for other purposes, was announced as next in order.

Mr. OVERMAN. Let that go over.

The VICE PRESIDENT. The bill will go over.

The bill (S. 121) to provide that petty officers, noncommissioned officers, and enlisted men of the United States Navy and Marine Corps on the retired list who had creditable Civil War service shall receive the rank or rating and the pay of the next higher enlisted grade, was announced as next in order.

Mr. OVERMAN. Let that go over.

The VICE PRESIDENT. The bill will go over.

TRAFFIC IN OPIUM.

The bill (H. R. 6282) to provide for the registration of, with collectors of internal revenue, and to impose a special tax upon all persons who produce, import, manufacture, compound, deal in, dispense, sell, distribute, or give away opium or coca leaves, their salts, derivatives, or preparations, and for other purposes, was announced as next in order.

Mr. CUMMINS. I ask that that bill go over.

Mr. THOMAS. I trust the Senator from Iowa will permit this bill to come up now. It has been considered as in Committee of the Whole, and a number of amendments at that time offered were adopted. It then went over and was ordered to be reprinted. It is a bill the passage of which is necessary for the proper enforcement of the provisions of the opium treaties between the different countries which have been signed. The State Department has been especially urging its early consideration, stating that it has been largely handicapped in the execution of other laws on account of the failure of this bill to become a law. But for the tacit assurance given yesterday, when the unanimous-consent agreement was entered into, that this bill could be considered the Senator from Mississippi [Mr. WILLIAMS], in charge of the subcommittee which considered this bill, would have objected. This is a very important matter, and I appeal to the Senator from Iowa to permit its consideration.

Mr. CUMMINS. I hope the Senator from Colorado will allow the bill to pass over for a few moments until I can look it over. I have some communications about it, but I have them not in mind now.

Mr. THOMAS. Of course, I am entirely helpless if the Senator from Iowa insists on his objection. I may say to the Senator, however, that ever since the bill was before the Senate the last time I have been overwhelmed with communications concerning it, and if it is going to be postponed because of objections to it coming up, then unfortunately we shall not be able to have the bill passed at this session.

Mr. OVERMAN. The Senator from Iowa suggested that the bill be passed over temporarily.

Mr. THOMAS. I am quite willing that it shall be passed over temporarily.

Mr. CUMMINS. I have an objection to an amendment which has been agreed to, as I understand, although I do not know whether or not it is now in the bill. If it is, I shall object to the consideration of the bill; and if it is not, I shall not object. If, however, I am compelled to decide just at this moment, I shall ask that the bill go over.

Mr. THOMAS. I will, of course, consent that the consideration of the bill may be temporarily suspended.

Mr. GALLINGER. Before the bill goes over——

Mr. THOMAS. Pardon me just a moment. If the Senator from Iowa will get the two-star reprint of the bill, it will show all of the amendments which have been agreed to up to date.

Mr. GALLINGER. If the Senator from Colorado will permit me, I wish to say that I have had numerous letters in reference

to this matter, only one of which is at hand, and one particular objection that has been urged against it is this:

That such a record—

Alluding to a provision in the bill—

such a record requirement is unnecessary in the general plan of this proposed law, and, therefore, an unreasonable burden upon the medical profession, entailing enormous clerical labor; is of such a character as to be impossible of exact compliance, and, therefore, an intolerable and dangerous restriction on the medical profession; and it is so prohibitive in application as to curtail the useful, legitimate, and humane service of the medical practitioner, particularly in the rural districts.

Mr. THOMAS. Let me ask if the Senator refers to the proviso on page 5?

Mr. GALLINGER. I confess I have not examined the bill.

Mr. THOMAS. I will read it to the Senator.

Mr. GALLINGER. But I have had letters from several physicians, saying that under the provisions of this bill they would have to keep a record of every prescription they make.

Mr. THOMAS. That is the proviso to which I now refer. For the sake of getting this bill passed at this time, if that is the same objection to which the Senator from Iowa [Mr. CUMMINS] refers, I will consent that that proviso be stricken out.

Mr. GALLINGER. From what knowledge I have of the matter, I think it should be stricken out. I think it would be, as is stated, almost an intolerable burden, particularly upon the country practitioner.

Mr. THOMAS. Let me ask the Senator from Iowa if that is the objection to which his attention has been called. The proviso is on page 5, beginning with line 6.

Mr. CUMMINS. That is the objection I have to the bill.

Mr. THOMAS. That being so, I will consent that that language be stricken out.

Mr. CUMMINS. I do not think it practicable to require every person who compounds a medicine to make a record of the fact.

Mr. THOMAS. That language may be stricken out.

Mr. GALLINGER. I think probably that is the only objection to the bill. I have a communication likewise from the National Drug Co., which I find among my papers, calling attention to this very provision, and I feel sure that with that stricken out there can be no objection to the bill.

The Senate, as in Committee of the Whole, resumed the consideration of the bill.

Mr. THOMAS. Mr. President, when that part of the bill is reached I will move to reconsider the vote by which that amendment was agreed to, and then ask that it may be rejected.

The VICE PRESIDENT. The vote by which the amendment was agreed to will, by unanimous consent, be reconsidered, and by unanimous consent it will be stricken out. The Secretary will state the amendment.

The SECRETARY. On page 5 of the original print, line 2, after the word "act," it is proposed to strike out the following proviso:

Provided also, That a record of the drugs thus dispensed shall be made in a suitable book kept for that purpose, and shall be preserved for two years in such a way as to be readily accessible to inspection by the officers, agents, employees, and officials hereinbefore mentioned.

The VICE PRESIDENT. The proviso is stricken out by unanimous consent.

Mr. CUMMINS. Mr. President, I desire to ask the Senator from Colorado with regard to a portion of the bill which is found before the part just stricken out. Suppose that a doctor in a hospital prescribes for one of the patients in the hospital; he is not specially employed. Does the Senator from Colorado intend that he shall be required to report every prescription that he makes?

Mr. THOMAS. With the striking out of the proviso I do not see how any special record of the prescription by the physician would be required.

Mr. CUMMINS. I refer to the following language in the bill:

Provided, That such physician, dentist, or veterinary surgeon shall have been specially employed to prescribe for the particular patient receiving such drug.

Now——

Mr. THOMAS. It is impossible, Mr. President, to enlarge that provision without subjecting the proposed act to the danger of constant infractions by unscrupulous physicians ministering to the wants of those addicted to the use of drugs.

Mr. CUMMINS. What is the difference between "specially employed" and "employed"?

Mr. THOMAS. There may be no difference, generally speaking, but the purpose of this amendment was to prohibit, so far as possible, those pretended employments to which some physicians would resort in order to comply with the wishes of those addicted to the drug habit, and who would thus obtain the drug regardless of the prohibition of the statute.

Mr. POMERENE. Mr. President, if I may be permitted to make a suggestion, I will say that my attention was also called to this provision to which the Senator from Iowa [Mr. CUMMINS] referred, and it occurred to me that if the phrase "personally attend upon such patient" were restored, and perhaps qualified by words like these, "personally attend in good faith upon such patient," it would meet the purpose which the Senator from Colorado had in mind. To use an illustration, if a physician were going along the street and saw some one who was severely injured, and he went immediately to his assistance, and found that it was necessary, in the proper practice of his profession, to administer some drug of the prohibited character, the physician is not in that case "specially employed" to do that, but from humanitarian instincts he may administer a remedy. It seemed to me that if we would strike out the phrase "have been specially employed," and say "shall personally in good faith attend upon such patient," it would meet all the criticisms which have been made.

Mr. McCUMBER. Mr. President, this is an amendment which was inserted in the bill on my motion after very lengthy consideration of the subject. It was to avoid the very objection which the Senator suggests in connection with the requirement of personal attendance. Let me give the Senator an illustration. Here, we will say, is a person out in the country who may have been riding with a little child 12 or 15 miles, perhaps, from a doctor; that child may have nothing more than a cinder in his eye, but considerable pain may follow. According to this bill, as it read before the adoption of the amendment, it would be necessary to send for a doctor and have that doctor "specially employed" in actual attendance upon that child, when the moment the physician was informed of what the trouble was he could have written out a prescription containing a little cocaine in order to alleviate the suffering. If we adopt the rule that the surgeon "shall personally attend upon such patient," which means actual physical attendance on the individual, you compel the attendance of a physician in thousands of cases where it is not at all necessary. It was to avoid that and yet at the same time to be careful and not get over the line whereby a physician might send drugs in some way to persons generally, without any employment by them, that the words were inserted.

I can not see any objection to striking out the word "specially" if the Senator wants that word stricken out. I do not think it adds very much to the provision, because if the physician is employed generally to look after patients in a hospital, I think that is all that is necessary, and I do not believe we need the words "specially employed."

Mr. CUMMINS. There are two words in the bill, Mr. President, that ought not to be used, in my opinion, and I think if they should be stricken out the section would accomplish the objects sought to be accomplished by the Senator from North Dakota. They are the words "specially," in the second line, and "particular," in the third line.

Mr. GALLINGER. On what page?

Mr. CUMMINS. On page 5. We have every day this situation: The hospitals of the country employ surgeons and physicians to do the work of the hospital; they are not specially employed to prescribe for a particular patient, but they are regularly employed to prescribe and care for probably all the patients in the hospital.

Mr. McCUMBER. Let me ask the Senator, does not the greater include the less? If they are employed to prescribe for all, they are necessarily employed to prescribe for the particular ones constituting the all.

Mr. CUMMINS. I think not.

Mr. McCUMBER. I think so.

Mr. CUMMINS. If they are employed generally by the hospital, they are not specially employed to do a thing for a particular patient, and if those two words were stricken out I would have no objection.

Mr. McCUMBER. Let me say to the Senator that while I will agree with him in thinking that the word "specially" does not add very much to the provision, I think there is danger in striking out the word "particular," for this reason: We know it is a custom of those people who want to secure cocaine from any source to dispense it again or to hand it over to divers persons, to go to a physician who may get it for himself and yet turn it over to some one else, or he may get it for some one, a particular person, and yet it may not be used by that person.

It is to prevent the indiscriminate disposal of the drug that we seek in every instance to require that there should be some relation, a direct relation, between the physician prescribing it and the patient who is to receive it, and I am fearful if we strike out the words "particular patient" that some one may

get from a physician any quantity of drugs and may dispense them generally.

Mr. CUMMINS. Mr. President, I do not think that the case the Senator has in mind will be left unprovided for if these words are stricken out, because it would simply be required that the physician "shall have been employed to prescribe for the patient receiving such drugs."

All that I am afraid of is that you will paralyze the ordinary operations of the great hospitals of the country.

Mr. McCUMBER. I can not give it that construction; and yet I do not know that it is of very great importance, except I can see that if we strike out the words "particular patient," we lose the relationship between the doctor and his patient, and the law may be avoided by any person obtaining drugs for persons who are in no way known to the physician; and we ought to be very careful about that.

Mr. CUMMINS. I agree to that; I agree that we ought to be careful; but the Senator from North Dakota has just this case in mind, of a physician prescribing generally and not for a patient, and he fears that the drug may then escape into the hands of persons who ought not to use it. If you say, however, that the physician must be employed to prescribe for the patient receiving the drug, you have, I think, covered every case, and you will then permit physicians employed for patients generally when they are brought together in groups, as they are found in the hospitals, to prescribe under the law.

It has been pointed out to me—it is not an original notion on my part—by those who are deeply interested in that subject that there would be grave danger if those two words were left in the amendment.

Mr. McCUMBER. Let me suggest a case to the Senator to see how he would meet the supposition: Suppose that a physician—of not the very best standing possibly, but still a physician who is authorized by law to administer to patients—should go to another physician and say to him, "I have a dozen patients who are all affected by some particular disorder; I want to get a dozen prescriptions in which cocaine is used, leaving it to me to dispense that to my particular patients." Suppose, then, that he obtains cocaine and gives it to those who do not need it in any way whatever. You have then avoided the direct relation and responsibility of the doctor making the prescription to any particular individual. In other words, if the prescription is always made to a certain person so that you can establish the connection between them, I should have no fear.

Mr. CUMMINS. I should think the case stated by the Senator from North Dakota would be prohibited by the amendment, as it would be with these words stricken out. The physician who compounded the medicine or who made the prescription must be employed to do so, and he must be employed to prescribe for the patient who receives the drug. In the case put by the Senator from North Dakota there would be no employment at all. The patient who was to receive the drug would have had no relation of any kind with the physician who prepared the prescription.

I move, Mr. President, that the word "specially," in line 2, be stricken out.

Mr. THOMAS. Let me inquire of the Senator from North Dakota whether that is satisfactory to him.

Mr. McCUMBER. As I have stated, I have no objection to the word "specially" being stricken out. I still think the other ought to be retained.

Mr. THOMAS. Then, I accept that amendment and ask to have the word "specially" stricken out.

The VICE PRESIDENT. The amendment agreed to as in Committee of the Whole will be reconsidered by unanimous consent.

Mr. SMOOT. Just one word in relation to the amendment on page 5, which was allowed to be stricken from the bill.

Mr. BURTON. Has this amendment been disposed of? Has the word "specially" been stricken out?

The VICE PRESIDENT. Not yet.

Mr. BURTON. As I understand, the Senator from Utah is taking up a different phase of the bill.

Mr. SMOOT. I understood that amendment had been disposed of.

Mr. BURTON. No; it has not yet been disposed of.

Mr. SMOOT. Then, of course, I will not say what I intended to say until that has been done.

The PRESIDING OFFICER (Mr. GALLINGER in the chair). The question is on the amendment of the Senator from Iowa to strike out the word "specially."

The amendment to the amendment was agreed to.

Mr. SMOOT. Now, Mr. President——

Mr. CUMMINS. I have not finished with this amendment. I move that the word "particular," in line 3, be stricken out, so that it will read:

Provided, That such physician, dentist, or veterinary surgeon shall have been employed to prescribe for the patient receiving such drug.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The SECRETARY. In the original print, on page 4, line 24, it is proposed to strike out the word "particular" where it appears before the word "patient."

The PRESIDING OFFICER. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was rejected.

Mr. POMERENE. Mr. President——

Mr. CUMMINS. Mr. President, if the Senator from Ohio will pardon me, the word "specially" is also used on page 10, line 7, in the same connection.

The PRESIDING OFFICER. The question is on agreeing to the amendment as amended.

The amendment as amended was agreed to.

The PRESIDING OFFICER. Without objection, the vote whereby the amendment on page 10 was agreed to will be reconsidered.

Mr. CUMMINS. I move to strike out the word "specially," on page 10, line 7.

Mr. THOMAS. I accept that amendment.

The PRESIDING OFFICER. The amendment proposed by the Senator from Iowa will be stated.

The SECRETARY. On page 10, line 7, of the print of June 5, it is proposed to strike out the word "specially" where it appears before the word "employed."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. POMERENE. Mr. President, on the same page, in line 1, after the word "shall," I move to insert the words "personally attend upon such patient or." My reason for that amendment is this—and I can perhaps make my reason clear by an illustration:

If a physician were to be going along the street and should be an eyewitness to a severe accident wherein a man was severely hurt, and he should rush to his assistance and find it necessary to administer a drug, he would not be specially employed to attend the injured party, but, prompted by humanitarian instincts and with full knowledge of what his professional duty should be under the circumstances, if he were to administer a drug he would be subject to the provisions of this act with regard to record, and so forth, and he would not be regularly or specially employed. It seems to me it would be well to insert this provision so as to apply to that class of cases.

Mr. THOMAS. Mr. President, it was considered by the committee that emergencies might and probably would arise whereby a physician would not be immediately available, but who might be reached by telephone or telegraph. Therefore it was thought best to strike out that proviso and to insert in place of it the amendment which follows immediately afterwards.

Mr. POMERENE. It would meet my objection if both of these provisions were retained. In the instance I have suggested the physician would not be specially employed, but he would be attending, nevertheless; so that if my amendment is adopted it would read:

Provided, That such physician, dentist, or veterinary surgeon shall personally attend upon such patient or have been employed to prescribe.

Mr. BURTON. Mr. President, will my colleague permit me to make a suggestion?

Mr. POMERENE. Certainly.

Mr. BURTON. I think the word "shall" should be inserted before the word "have," so as to read "or shall have been employed."

Mr. POMERENE. Perhaps that is so.

Mr. BURTON. Because the word "shall" is used in the preceding line.

Mr. POMERENE. I will modify my amendment, then, so as to have it read as follows: After the word "shall," in line 1, insert the words "personally attend upon such patient or shall."

Mr. THOMAS. Mr. President——

Mr. McCUMBER. Mr. President——

Mr. THOMAS. I yield to the Senator from North Dakota.

The PRESIDING OFFICER. Two bills seem to be before the Senate, and some confusion on the part of the clerk is occasioned by that fact. Does the Senator refer to page 10 of the two-star bill?

Mr. POMERENE. Mine is the two-star bill, page 5, lines 1 and 2.

Mr. McCUMBER. Mr. President, I think we are refining refinement down to its very last essence in some of the suggestions that are being made. I suppose a man who is unconscious is scarcely capable of employing a physician; I assume, also, that a horse is not capable of employing a veterinary surgeon; but I do not think I would change the law to meet that contingency. I think when a man seizes another and drags him out of the water and stands him on his head to get the water out of his lungs he may be guilty of an assault in law. There is no law authorizing him to handle another——

Mr. POMERENE. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Ohio?

Mr. McCUMBER. Just one moment; let me finish my sentence. There is no law authorizing a man to use his brother in such a way as that, and yet no court would sustain the proposition that he had unlawfully assaulted another under those circumstances.

I think it may be assumed that if a physician finds a man unconscious he is supposed to do everything that is necessary. Ordinarily the unconscious man must be in the hands of somebody, somewhere, and in whosoever's custody he may be there may be an employment of the physician by that individual. I can scarcely conceive of a case where a physician will go out and find a man lying on the street, with no one in charge of him, and be called upon to administer an opiate of this kind without some one calling upon him to do so.

Mr. POMERENE. Mr. President, I am not speaking of a man who is unconscious. I am speakng of a man who is suffering intensely. Every physician in his experience comes in contact with many cases of that kind, where there is an emergency, where accidents happen, where they have gone to the rescue at once, and they ought not to be hampered by any red tape such as this is under those circumstances.

Mr. McCUMBER. Why, I do not think the Senator would say for a moment that if a physician was called upon in a case of emergency of that kind it would not be an employment. The individual does not have to employ him under this law. If his services are requested in that case he meets the law by responding to whatever may be necessary.

Mr. THOMAS. Mr. President, I think the language of the bill as amended includes everything that is expressed in the proposed amendment. The amendment reads:

Provided, That such physician, dentist, or veterinary surgeon shall have been employed—

And so forth. That includes both personal attendance and the emergent cases that have been supposed. Hence, I think the addition of the words suggested by the Senator from Ohio is entirely unnecessary.

Mr. POMERENE. But my thought is—perhaps I have not made myself clear—that in the case I have recited there is no employment at all. The physician simply happens on the scene.

Mr. THOMAS. I am inclined to agree with the Senator from North Dakota that there is employment wherever there is attendance. It may be one not followed by pecuniary compensation, but certainly it is employment. Consequently, I do not see the necessity for the amendment.

The PRESIDING OFFICER. The amendment proposed by the Senator from Ohio will be stated.

The SECRETARY. In the original print, on page 4, line 22, after the word "shall," it is proposed to insert the words "personally attend upon such patient or shall."

Mr. LANE. Mr. President, perhaps a physician ought to have very little to say about the phraseology employed by lawyers. I wish to say, however, for the benefit of the Senator from North Dakota, that there are times when a physician or surgeon is compelled by necessity to attend upon patients without being employed by anyone. For instance, he may be walking or driving down a street, and an accident may occur while he is in the immediate vicinity, and then the responsibility of his profession forces him to take charge of the case without being employed by anyone. Perhaps the injured person is an entire stranger to everyone who is passing, himself included, and he sometimes secures his very worst cases in that way. The most serious cases which are presented to him are sometimes forced upon him without any will or any employment by anyone. If this would prevent him from immediately responding, it should not do so. If it does not, it is a matter of no importance.

Mr. McCUMBER. I should say, most emphatically, that it does not.

Mr. LANE. In the case of railway accidents he is compelled to volunteer his services without respect to payment or anything of the kind. If it does not affect cases of that kind, it is all right.

The PRESIDING OFFICER. The parliamentary situation is that the words that the Senator from Ohio proposes to insert, with two exceptions, were in the original bill, and were disagreed to. The question is upon reconsidering the action of the Senate in striking out the words "personally attend upon such patient."

The motion to reconsider was rejected.

Mr. GRONNA. Mr. President——

The PRESIDING OFFICER. The Senator from North Dakota will please suspend for a moment. The Chair would like to consult the Senator from Ohio for a moment. [After a pause.] The Chair will state that a good deal of difficulty arises from the fact that there are two separate prints of the bill, and it is very difficult to find the place where amendments come in.

Mr. THOMAS. The two-star print, if used, will obviate all difficulty. It is the last print.

The PRESIDING OFFICER. The Secretary will state the amendment proposed by the Senator from Ohio.

The SECRETARY. On page 4, line 22 of the original print, after the word "shall," it is proposed to insert the words "personally attend upon such patient, or shall."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was rejected.

Mr. THOMAS. Mr. President——

Mr. SMOOT. Mr. President——

Mr. THOMAS. I yield to the Senator from Utah.

The PRESIDING OFFICER. A moment ago the Chair asked the Senator from North Dakota to suspend. The Chair will now recognize the Senator from North Dakota.

Mr. GRONNA. Mr. President, I was going to ask what action has been taken on the amendments offered by the committee?

Mr. THOMAS. We have not yet taken up the committee amendments, but we will do so very shortly.

Mr. SMOOT. I was going to call attention to the amendment that was agreed to be stricken from the bill on page 5. In a letter from the Acting Secretary of the Treasury to the Secretary of State in connection with the bill I call the attention of the Senate to the fact that the Acting Secretary specifically recommended that amendment which has been stricken from the bill. I find that he uses these words in commenting upon it:

> The bill as the House passed it exempted the physician from the operation of the law only with respect to patients he personally attended. The Senate committee has amended the bill so as to make it possible for a physician to send to a patient whom he has not seen but whom he has been specially employed to prescribe for. It is argued that this amendment is necessary to provide for emergencies that the physician otherwise might not feel at liberty to meet. The amendment, however, opens a way for illegal traffic by mail or express under the guise of prescribing for and supplying to distant patients. The above addition to the paragraph is designed to control this evil.
>
> Surely if the manufacturer or wholesale purveyor must keep a record in the form of official order blanks he is required to preserve, and the purchaser and dealer must keep a record in the form of duplicates of the orders he has sent and the druggist a record of his sales in the form of prescriptions he has filled, then the doctor who occasionally dispenses should keep a record of what he has dispensed to check against what he has purchased.

To my mind this is one of the most important amendments that have been made to the House bill. I was sorry to see it go out of the bill, and I simply want to record my dissent to the action at this time. I shall not ask, however, that it be reconsidered.

Mr. THOMAS. I was quite as unwilling to see this amendment go out as was my colleague on the committee, but it is very necessary that this bill should be passed at the present session of Congress, and it is obvious to my mind that the only manner in which we can secure that result is to take the course which I did take in the premises.

Mr. McCUMBER. Mr. President——

Mr. THOMAS. Now, Mr. President, I ask to take up the bill for committee amendments.

The PRESIDING OFFICER. The Chair is informed that all the committee amendments in the bill have been agreed to.

Mr. THOMAS. There are amendments which have been suggested and which have been accepted in addition to those which have been agreed to, and it is those to which I wish now to recur.

The PRESIDING OFFICER. The Chair will again state that he is informed by the clerks that those amendments were agreed to on the 5th day of June, and unless there are some new amendments to be offered there does not seem to be anything to consider.

Mr. THOMAS. I move to reconsider the vote by which the amendment beginning on line 19, page 2, was adopted.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 2, line 19, the following proviso was inserted:

Provided further, That officers of the United States Government who are lawfully engaged in making purchases of the above-named drugs for the various departments of the Army and Navy and for Government hospitals and prisons, and officers of any State government, or of any county or municipality therein, who are lawfully engaged in making purchases of the above-named drugs for State, county, or municipal hospitals or prisons, and officials of any territory or insular possession of the United States who are lawfully engaged in making purchases of the above-named drugs for hospitals or prisons therein shall not be required to register and pay the special tax as herein required.

The motion to reconsider was agreed to.

Mr. THOMAS. After the word "Navy," in line 23, of the two-star print, I move to insert "the Public Health Service."

The amendment to the amendment was agreed to.

Mr. THOMAS. In the two-star print I move to amend the amendment now under consideration by inserting after the word "of" in line 2, page 3, the words "the District of Columbia or of."

The PRESIDING OFFICER. The proposed amendment to the amendment will be stated.

The SECRETARY. In the two-star print, page 3, line 2, after the word "of," insert the words "the District of Columbia or of," so as to read "and officials of the District of Columbia or of any territory or insular possession," and so forth.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. THOMAS. On page 4 of the two-star print, line 24, I move to reconsider the vote by which the words "registered under this act" were stricken from the bill.

Mr. LANE. I should like to ask the Senator how they are to be registered? What provision is made for their general registration?

Mr. THOMAS. I want to reinsert those words.

The PRESIDING OFFICER. The Senator from Colorado moves to reconsider the vote whereby the words "registered under this act" were stricken from the bill in line 24, on page 4.

Mr. LANE. The Senator wishes to restore them, and then they will have to register under this act?

Mr. THOMAS. Yes.

Mr. LANE. How will they register?

Mr. THOMAS. The act provides for a means and method of registration.

Mr. LANE. All physicians are to be registered?

Mr. THOMAS. Yes.

The PRESIDING OFFICER. The question is on agreeing to the motion to reconsider.

Mr. McCUMBER. Mr. President, just a moment. I want to understand it. Does the Senator mean to say that no physician can practice unless he registers under this act? A physician, in order to be entitled to practice, must register under certain acts within his own State according to the State law.

Mr. THOMAS. He may practice, Mr. President, but unless registered he can not dispense or distribute any of the aforesaid drugs. The words "registered under this act," which it was designed to strike out at this point, occur on page 5 of the two-star print, lines 15 and 16, and my purpose in wanting a reconsideration of the amendment is to make that change.

Mr. McCUMBER. I understand the Senator. I think he is correct.

The PRESIDING OFFICER. The question is on agreeing to the motion to reconsider.

The motion to reconsider was agreed to.

The PRESIDING OFFICER. The words will remain in the bill.

Mr. THOMAS. On page 5 of the two-star print, lines 15 and 16, I move to strike out the words "registered under this act."

The amendment was agreed to.

Mr. THOMAS. On page 6 of the two-star print, I move to reconsider the vote by which subsection (d), beginning in line 11 and ending at line 17, was stricken out.

The PRESIDING OFFICER. The subsection will be read.

The SECRETARY. On page 6, beginning in line 11, subsection (d) reads as follows:

(d) To the sale, barter, exchange, or giving away of any of the aforesaid drugs to any officer of the United States Goverment or any State, county, or municipal government lawfully engaged in making purchases thereof for the various departments of the Army and Navy, and for Government, State, county, or municipal hospitals or prisons.

The PRESIDING OFFICER. The Senator from Colorado moves to reconsider the vote by which the subsection was agreed to.

The motion to reconsider was agreed to.

Mr. THOMAS. I move to insert the word "of" after the word "or," in line 13; the words "Territorial, District" after the word "State" in the same line; the words "or insular" after the word "municipal" in the same line; and to add the words "Territorial, District" after the word "State" in line 16.

The PRESIDING OFFICER. Will the Senator kindly take them up separately? The Senator from Colorado moves to insert the word "of" after the word "or" in line 13.

The amendment to the amendment was agreed to.

Mr. THOMAS. I move to insert the words "Territorial, District" after the word "State" in the same line.

Mr. SMOOT. May I ask the Senator to read the subsection as it will read after the several amendments he has offered are agreed to?

Mr. THOMAS. Certainly:

(d) To the sale, barter, exchange, or giving away of any of the aforesaid drugs to any officer of the United States Government or of any State, Territorial, District, county, or municipal or insular government lawfully engaged in making purchases thereof for the various departments of the Army and Navy, and for Government, State, Territorial, district, county, or municipal or insular hospitals or prisons.

The PRESIDING OFFICER. The remaining amendments to the amendment will be stated.

The SECRETARY. In line 13, after the word "State," insert the words "Territorial, District"; after the word "municipal" insert the words "or insular"; in line 16, after the word "State," insert the words "Territorial, District"; and in line 16, after the word "municipal," insert the words "or insular."

The amendments to the amendment were agreed to.

The amendment as amended was agreed to.

Mr. THOMAS. On page 7 of the two-star print I move to reconsider the vote by which the amendment beginning with the word "*Provided*," in line 2 on that page, was adopted.

The PRESIDING OFFICER. It will be stated.

The SECRETARY. On page 7, line 2, after the word "District," the proviso reads:

Provided, That such forms shall be furnished by the collector without cost to the officers of the United States Government or the State governments who are lawfully engaged in making purchases of the aforesaid drugs for the various departments of the Army and Navy and for Government and State hospitals.

The motion to reconsider was agreed to.

Mr. THOMAS. I ask that the proviso be stricken out.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was rejected.

Mr. THOMAS. On page 8 of the two-star print I move to reconsider the vote by which the amendment on that page beginning in line 3 was adopted.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 8 of the two-star print, commencing in line 3, the Senate, as in Committee of the Whole, inserted matter, down to and including line 25, in the following words:

The provisions of this act shall apply to the United States of America, the District of Columbia, the Territory of Alaska, the Territory of Hawaii, the insular possessions of the United States, and the Canal Zone. In Porto Rico and the Philippine Islands the administration of this act, the collection of the said special tax, and the issuance of the order forms specified in section 2 shall be performed by the appropriate internal-revenue officers of those Governments, and all revenues collected hereunder in Porto Rico and the Philippine Islands shall accrue intact to the general Governments thereof, respectively. The courts of first instance in the Philippine Islands shall possess and exercise jurisdiction in all cases arising under this act in said islands. In the Canal Zone the administration of this act, the collection of the said special tax, and the issuance of the order forms specified in section 2 shall be performed by such officer or officers in said Canal Zone as the President may designate for that purpose. The courts of the Canal Zone having jurisdiction of crimes and offenses committed in said zone shall have jurisdiction to hear, try, and determine all actions and proceedings in which any person shall be charged with having violated any of the provisions of this act within the limits of said Canal Zone.

The PRESIDING OFFICER. The question is on reconsidering the provision just read.

The motion to reconsider was agreed to.

Mr. THOMAS. I move to strike out that part of the amendment on page 8 beginning in line 16 with the words "in the Canal Zone," down to and including line 25, ending with the words "in the limits of said Canal Zone," and to insert:

The President is authorized and directed to issue such Executive orders as will carry into effect in the Canal Zone the interest and purpose of this act, by providing for the registration and the imposition of a special tax upon all persons in the Canal Zone who produce, import, compound, deal in, dispense, sell, distribute, or give away opium or coca leaves, their salts, derivatives, or preparations.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. THOMAS. That amendment was offered in accordance with the request of the War Department, and in this connection I ask to place in the RECORD, without reading, a letter from the Secretary of War to the chairman of the Committee on Finance.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WAR DEPARTMENT, *Washington, July 3, 1914.*

Hon. F. M. SIMMONS,
Chairman Committee on Finance, United States Senate.

DEAR SENATOR: Referring to the bill (H. R. 6282), now pending in the Senate, providing for the registration of all persons who produce, import, manufacture, compound, deal in, dispense, sell, distribute, or give away opium or coca leaves, etc., it having been noticed that an amendment was adopted on the floor of the Senate, at the end of section 2, making the provisions of the bill applicable to the Canal Zone, with the proviso that in the administration of the act in the zone the collection of the special tax and the issuance of forms specified in section 2 shall be performed by such officers in the Canal Zone as the President may designate, a copy of the bill was forwarded to Col. Goethals, Governor of the Panama Canal, for his information. The Washington office of the Panama Canal is just in receipt of a cable from Col. Goethals requesting that all reference to the Canal Zone in this bill be omitted. Col. Goethals expresses the opinion in the cable that the bill is too complicated and cumbersome for local application in the Canal Zone and suggests that the matter can be taken care of by Executive order if additional legislation is needed.

It is hoped that Col. Goethals's request may be complied with, but if it is not considered desirable to do so, it would seem that the desired object might be obtained by eliminating the present clause in the bill relating to the Canal Zone and substituting therefor a provision somewhat of the following nature:

"The President is authorized and directed to issue such Executive orders as will carry into effect in the Canal Zone the intent and purpose of this bill by providing for the registration of and the imposition of a special tax upon all persons in the Canal Zone who produce, import, manufacture, compound, deal in, dispense, sell, distribute, or give away opium or coca leaves, their salts, derivatives, or preparations."

Very respectfully,

LINDLEY M. GARRISON,
Secretary of War.

Mr. THOMAS. On page 9 of the two-star print, line 22, I move to insert the word "acting" after the word "employee," so that the clause will read "or to any employee acting within the scope of his employment."

The amendment was agreed to.

Mr. THOMAS. I move to reconsider the vote by which the amendment beginning on page 10, line 4, was agreed to.

The PRESIDING OFFICER. The provision will be read.

The Secretary read as follows:

Or to any person who shall deliver any such drug which has been prescribed or dispensed by a physician, dentist, or veterinarian, who has been specially employed to prescribe for the particular patient receiving such drug.

The PRESIDING OFFICER. The question is upon reconsidering the paragraph just read.

The motion to reconsider was agreed to.

Mr. THOMAS. I move to amend the amendment by adding thereto the following words:

Or to any United States, State, county, municipal, District, Territorial, or insular officer or official acting within the scope of his official duty.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. THOMAS. On page 11, line 24, of the two-star print, I move to strike out the word "or," before "dispensing," and after the word "dispensing" to insert the words "or possession," so as to read "giving away, dispensing, or possession of preparations," and so forth.

Mr. LANE. Before this section is adopted as amended——

The PRESIDING OFFICER. Will the Senator from Oregon permit the Chair to put the question on the amendment to the amendment?

Mr. LANE. Certainly.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. LANE. Before the section is adopted I wish to——

Mr. THOMAS. I will state to the Senator that these are verbal amendments, and the objection which he wants to offer will come in later.

On page 12, line 11, I move to strike out the word "or," before "dispensed," and after the word "dispensed" to insert the words "or possessed," so as to read:

That such remedies and preparations are sold, distributed, given away, dispensed, or possessed as medicines—

And so forth.

The amendment was agreed to.

Mr. THOMAS. On page 13, I move to strike out the last word in line 13, all of lines 14 and 15, and down to the word "otherwise" in line 16, and to insert in lieu thereof what I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 13, after the word "State," it is proposed to strike out "or municipal officer, board, or other authority who or which has possession of any of such drugs for purposes of investigation, enforcement of law, or otherwise" and to insert "county, municipal, District, Territorial, or insular officer or official who has possession of any of said drugs by reason of his official duties."

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Colorado.

The amendment was agreed to.

Mr. THOMAS. On page 13, line 23, I move to strike out the words "said exception" and insert the words "such exemption."

The amendment was agreed to.

Mr. THOMAS. Those are all of the committee amendments, Mr. President.

Mr. POMERENE. Mr. President, on June 20 I gave notice of my intention to offer an amendment to this bill exempting from its provisions physicians and surgeons who prescribed or administered the drugs in good faith, or to nurses or attendants who gave such drugs in good faith under the direction of physicians given in good faith. That amendment was suggested by the fact that what is known as the Nelson amendment had been offered, and, as I understood at the time, had been adopted. After some publicity had been given to that amendment I received telegrams from members of the medical profession in my own State, both from societies and from individuals in large numbers, and I have many of them here [exhibiting]. After investigating the subject, I found that the Nelson amendment had not, in fact, been adopted.

I think the amendment as I offered it was too broad. I recognize the very great evil which grows from the excessive use of improper drugs quite as much as do any of my brethren in this Chamber. At the same time, I also recognize the difficulty which surrounds the country practitioner, whose patients may be 5, 10, 15, or 20 miles away from his office and away from a drug store. I know something about the embarrassments which surround the country practitioner, and I know how utterly impossible it would be for him to practice his profession and keep the records as required by the Nelson amendment, so called. I feel, however, that the physicians ought, under all the circumstances, to be required to take out a license. I have had conferences with a number of men who have given a great deal of study to this question and a number of letters from men who have been very conversant with the subject. I am satisfied that, in view of the fact that the Senator from Colorado [Mr. THOMAS] has consented to strike out the record provisions of the bill as applied to regularly licensed practitioners, we have all in the bill which ought to be placed in it in the way of regulations.

I do not believe that as the bill now stands there is any necessity for the amendment which I offered, and if I were to offer it now I should modify it so as to narrow its scope. In other words, I believe that the physicians and surgeons ought, in view of the prevalence of this evil, to be required to take out a license, so that the Government officials may be able to keep in touch with whatever of growing evils there are in the country.

We must have a cure for the drug habitué, but we must not forget the innocent sufferer on his or her bed of sickness and pain. Let us protect the country from the physician or druggist who is encouraging the drug habit for purely commercial purposes; but let us not by too much red tape hinder the physician in the proper practice of his profession. We can prevent the abuse of the drug without unduly hampering its proper use.

In view of the fact that the record provision of the bill as applied to physicians and dentists has been stricken out of the bill, I do not insist on my amendment in any form.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The PRESIDING OFFICER. The bill is in the Senate and open to amendment.

Mr. LANE. Mr. President, I wish to call attention, without any hope of accomplishing any change in this bill, to one of its provisions which I know is a bad provision. I refer to section 6. Under the terms of that section it is provided:

SEC. 6. That the provisions of this act shall not be construed to apply to the sale, distribution, giving away, or dispensing of preparations and remedies which do not contain more than 2 grains of opium, or more than one-fourth of a grain of morphine, or more than one-fourth of a grain of heroin, or more than 1 grain of codeine, or any salt or derivative of any of them in 1 fluid ounce.

There carte blanche is given to anyone without any responsibility fixed anywhere to dispense, to sell, to give away, a preparation which contains 2 grains of opium to a fluid ounce. A fluid ounce is equivalent to about three of the ordinary household tablespoonfuls. That license permits anyone who wishes to do so to set up business and manufacture a colic cure—he can call it anything he wishes—a cough mixture—to advertise it extensively, and to sell it all over the country. The trouble with it is not that it affects adult persons but that it affects children. Infants, helpless little babies from 10 days old up to a year old, will be subjected to medication of this sort.

If the baby becomes fretful and begins to cry, the mother, who loves her baby with a love that is not equaled by any other love in the world, not knowing what is the trouble, in her effort to seek relief for the child, not knowing herself what else to do, gets hold of somebody's soothing sirup, if you please, and gives the child 5 or 15 or 20 drops of it, or whatever the dose may be. The baby goes to sleep; its pain, which is nature's warning, ceases; it quits fretting and the mother is lulled into a feeling of safety. The child, however, may have in its intestinal canal something which has been fed to it that is fermenting there, and that substance is kept locked up in the child's system. The proper thing to do is to remove the irritating cause, but instead of that it is locked in, to be reabsorbed into the general circulation, and the child may develop a fever and in a few days may die. In many instances the child gets well—in fact, in most cases—but thousands upon thousands of babies die in consequence of that kind of treatment each and every year in this country. Within half a mile of where we are now standing discussing this bill death has claimed scores of little children under such circumstances during hot weather.

An intelligent physician, a man who has studied medicine and anatomy and dissected the human body and made all the scientific research that is at the command of the human race to-day, is not allowed to prescribe any of these articles without restrictions being placed upon him. If anyone should know about these things, he is the one, and he is the man who should be intrusted with the responsibility of using such medicines if he deems it wise; but I have no objection to restricting him; I want him to register and take the responsibility for his acts. Here, however, you turn loose, not upon the dope fiend, for 2 grains of opium to the ounce will not satisfy him—it is not strong enough—but upon little babies a concoction 1 tablespoonful of which might cause death in nine out of ten cases. Yet it is proposed to allow these mixtures to be placed in the hands of ignorant old women who, no matter how well-meaning and kindly they may be and how greatly they wish to do the child good, may in their ignorance be the indirect cause of its death. We propose to give permission to the men to market and advertise these nostrums extensively to do all this harm. There have been millions of dollars made from the sale of those preparations. Firms have manufactured them and sold them over this country for years and years, and as a consequence little babies have died by the thousand.

In the old days we used to read in folklore stories about ogres who demanded a toll of the handsomest girls and the finest boys of a village in order that the inhabitants might be left in peace for another year, and the parents took the best of their children out and delivered them over to be eaten by such monsters. We are doing the same thing here in a different way. We are doing it in a less merciful way, for the reason that the fabled monster made a single meal of his victims and the end was over. A quick death is always a merciful death; the cruel death is the slow, the lingering one. The little child with his bowels locked up and the symptoms of disease disguised sleeps and the mother's fears are quieted until the disorder progresses, and then when an intelligent person, be it a nurse or a physician of any one of the different schools who understands medicine, is called in, it is too late.

The worthy Senator from New Hampshire [Mr. GALLINGER], at the present time occupying the chair, will confirm what I have said. He has practiced medicine for years, and has been called in, I have no doubt, to attend children under such circumstances when it was too late for him to do any good, for the reason that the time had gone by when the simplest of remedies could have saved the life of some poor helpless baby.

I wish to say that there should be some restrictions placed upon the manufacture and sale of such nostrums. I am informed that if the portion of this bill to which I have referred is not allowed to stay in the bill will be defeated; that the interests who sell these articles containing these pain killers, consisting of not to exceed 2 grains of opium to the ounce, are so strong and their influence is so great upon the executive officers of this Government who have this matter in hand, and upon this legislative body and the legislative body at the other end of the Capitol, that if I fight it and cause the elimination of that section the bill will fail and the traffic in opium and cocaine for the morphine and cocaine drug fiends will go on.

Now, I wish to state that at one time I was the superintendent of an institution where opium, cocaine, and other drug fiends were cared for, and I have had a number of them in my charge. As a rule, after they have become addicted to the habit the percentage of ultimate recoveries is very small. I have seen very few, after they once became addicted to the habit, who afterwards remained free from it; but we are now by this legislation attempting to save those who have already contracted the habit and stop others from acquiring the habit, and that is a good motive.

A little child, with its tissues so soft that you can bend its bones in any shape you wish and they will remain where you place them, with the same pliability existing in all its tissues, with its brain just forming and the cells beginning to come in connection with one another, is in the most impressionable period of its life. Now, if a baby—we will say an infant under a year old—has been soothed with a soothing sirup and by the grace of God and the kind treatment of its mother in other respects has got well, despite the original cause of its trouble and the opiate which has been given it, later along in life, when 25 or 35 years old, under the stress of the daily struggle of life and the effort to make a living, because of the early impress made upon his little brain and his little nerves will not have entirely forgotten the pleasant tingle and soothing effect of opium, is likely to search for a somnolent; and from that class of babies, if you will believe me, although I can not prove the theory, come a large percentage of adult dope fiends.

As I said when I began, it will do no good to protest against this, for a gentleman who represents the Treasury Department and is anxious to secure the passage of this bill asked me not to protest. I said to him: "It kills 10,000 children a year." He said, "More than that." Think of it. More than 10,000 babies will die each year if we compromise and allow the enactment of this particular section. I said, "Do some men make millions out of it?" "Yes; they have made millions, and they are here to protect it. They are protecting it—they and others—and they will beat the bill if you beat this section." I said, "Well, I will not promise you anything but that I will try to beat it if I can. I will not be responsible for it. I will make the representation fair, without prejudice, as nearly as I can, and then leave it. If the people of this country must pay a toll of thousands upon thousands of little babies, helpless folk, and this bill can not pass without containing a provision that allows the shoemaker, the blacksmith, the bootblack, or anybody else to go out on the street and sell, give away, or dispense preparations containing 2 grains of opium to the ounce: if this Congress can not pass a bill unless it has that provision tied on to it, tantamount to the destruction of many innocent lives, it is unfortunate. I do not expect to stop it, but I shall make it known and protest it."

Mr. SMOOT. Mr. President, before the Senator leaves I should like to ask him a question. Did I understand the Senator to say that as a result of the passage of this bill there would be killed 10,000 babies more than are killed or die under the laws as they exist?

Mr. LANE. Yes; I think probably more than that will come to their death in consequence of this; yes, probably many times more. The Government representative acknowledges there will not be less than that.

Mr. SMOOT. What I want to know is this, Mr. President: The soothing sirups of which the Senator speaks, and other medicines carrying opiates, are sold to-day, and what I can not understand is how the passage of this act would increase the death rate that is taking place to-day. I am fully aware of the fact that there are many, many infants killed through the administration of medicines carrying opiates; but I was wondering how the Senator figures that there would be an additional number of 10,000 or more killed on account of the passage of this bill.

Mr. LANE. Mr. President, I will say, in answer to the Senator, that there are many being killed now through the use of these preparations.

Mr. SMOOT. I think more.

Mr. LANE. And more; and we are now making it lawful for that practice to continue, and as the population increases there will be a greater death rate in proportion. Why not strike it out and stop the death rate? Why not make these people register for every grain of opium that they put out, and hold them responsible, as nearly as you can, for the effect of it? You can not do it entirely. It is insidious. It is because it is insidious and you do not see it that you do not notice it, but any physician will tell you what it does.

Mr. THOMAS. Mr. President——

The PRESIDING OFFICER. The Chair will take the liberty of suggesting that we are operating under the five-minute rule.

Mr. THOMAS. Mr. President I do not think I shall take that amount of time. I merely wish to say that I think the Senator's humanitarian instincts and impulses cause him to exaggerate this situation a good deal. If the only use of opiates were in such forms as paregoric, which has been a standard remedy for a great many years, there would be no necessity for this measure. In addition to that, this is a measure which affects interstate commerce and which is de-

signed to supplement State legislation. Nearly all of the State statutes upon this subject, which are very stringent and beneficent in their operations, make the same exception that is here found, and, among others, the Senator's own State.

I have a letter on this subject from the National Association of Manufacturers of Medicinal Products, whose headquarters are in the city of Detroit. It is an association of high-class business men and manufacturers of medicinal products, men who are very anxious to secure the enactment of this and all other laws designed to suppress the inordinate and unhealthful use of drugs and who are quite as humanitarian in their impulses as my esteemed friend the Senator from Oregon. The secretary of that body wrote me upon the subject of the Senator's remarks which were made on the occasion of the last consideration of this bill, and in that letter he says, speaking of the Senator's objection to this section made at that time:

It is strange that this question never arose before. The Senator is mistaken if he thinks the exceptional clause originated with the druggists and manufacturers connected with the National Drug Trade Conference. As I explained yesterday, it is inherited, so to speak, from all previous legislation upon the subject and from the previous Harrison bills introduced in Congress.

I have before me a "Digest of laws and regulations in force in the United States relating to the possession, use, sale, and manufacture of poisons and habit-forming drugs," by Dr. Martin I. Wilbert and Murray Galt Motter, prepared by direction of the Surgeon General, published by the Treasury Department, and identified as Public Health Bulletin No. 56, November, 1912. I quote section 4759 of Lord's Oregon Laws, 1910, as found upon page 193 of this work. The underscoring, of course, does not appear in the original.

"It shall be unlawful for any person from and after the passage of this act to retail any of the following poisons, to wit: Arsenic and its preparations, corrosive sublimate, white precipitate, biniodide of mercury, cyanide of potassium, hydrocyanic acid, strychnine, morphine, cocaine and their combinations, and essential oil of bitter almonds, aconite, belladonna, nux vomica, oil of savin, oil of tansy, ergot, cotton root, cantharides, digitalis, and their pharmaceutical preparations, croton oil, chloroform, chloral hydrate; preparations containing opium, except paregoric and other preparations containing less than 2 grains to the ounce, and other deadly poisons, without labeling the box, vessel, or paper in which said poison is contained with the name of the article, the word 'poison,' and the name and place of business of the seller, nor shall it be lawful for any person to deliver or sell such poisons unless upon due inquiry it be found that the purchaser is aware of its poisonous character, and represents that it is to be used for legitimate purposes."

The same work indicates that Oregon has a law restricting the sale of opium except to those who present a prescription for the same, etc., that makes no mention of compounds and mixtures containing opium as do the laws of other States. Dr. Wilbert, who represented the American Medical Association at several meetings of the National Drug Trade Conference, is connected with the Public Health Service, has made a special study of State legislation, and is doubtless prepared to give yourself and Senator LANE full information upon this subject.

I find from a supplement to this volume (reprint No. 146 from Public Health Reports, dated Oct. 10 and 11, 1913) that this law was amended by omitting any reference whatever to preparations containing opium, and in the same year (1913) a law was passed controlling the sale and use of cocaine and narcotics. Dr. Wilbert's compilation does not pretend to give this narcotic law in full, but makes this remark:

"The provisions do not apply to sales at wholesale, to preparations containing less than specified quantities of the drugs, nor to the sale and compounding of remedies used for veterinary purposes and liniments."

Of course I have not the remotest desire of reflecting in the slightest degree upon the laws of the State of Oregon nor upon the sentiments of the Senator from Oregon, because the laws of the State of Oregon with reference to this subject are practically the same as those of other States, as far as my examination has gone, and in harmony with this general provision.

I continue reading:

The American Association of Pharmaceutical Chemists issue from time to time bulletins containing new laws of interest to the drug trade.

And then other extracts are given. The writer is the secretary of the association, and he adds these comments:

I wonder if Senator LANE did not have morphine in mind when he spoke. The United States Pharmacopœia gives the average dose of opium as 1½ grains.

The dose of a liquid mixture is generally 1 fluid drachm, or a teaspoonful; each teaspoonful would therefore contain about one-fourth grain opium; but, as you probably know, paregoric is dosed out by drops.

It would appear, then, that Oregon and all the States of the Union except three or four "permit the use of these drugs in soothing sirups, cough mixtures, and all kinds of dopes which can be sold by fakirs, and which are deadly to infants." There is one thing, however, that we have forgotten. The provision of the food and drugs act of June 30, 1906, which requires the content of opium to be stated upon the label has practically driven out of the market these fake preparations or compelled their proprietors to substitute some drug not required to be stated upon the label for opium, etc.

Evidently Mr. LANE does not understand the composition of the National Drug Trade Conference, for he says: "You can, no doubt, secure many indorsements from manufacturing druggists who make patent medicines, for the reason that they sell them at a profit, and they are in many patent medicines." The manufacturers represented in the National Drug Trade Conference through either the National Association of Manufacturers of Medicinal Products, of which there are 31 members (see inclosed), or the American Association of Pharmaceutical Chemists, of which there are 50 members, are not commercially interested in patent or proprietary medicines (for definitions see inclosure with my letter of yesterday), but are manufacturing purveyors to the medical profession and make only those things which are likely to be prescribed or purchased by physicians.

I doubt if there is a manufacturer represented in the National Drug Trade Conference who is not going to lose money by reason of the fact that the sale of one or more of the preparations they put out will be materially curtailed. Let me try to explain this more clearly. Some years ago Parke, Davis & Co. introduced to the medical profession a preparation that promised and proved to be of special value in the treatment of certain forms of cough. Because of its peculiar therapeutic properties it was never advertised or offered by them to the public, and Parke, Davis & Co. never expected that it would be finally dispensed otherwise than upon the prescriptions and orders of physicians. Its popular sale has exceeded all bounds without any effort or intention on their part. The sale of this preparation will be decreased 50 if not 75 per cent by the Harrison bill, due to the fact that under the operation of the Harrison law it can only be dispensed upon orders and prescriptions of physicians. But of this Parke, Davis & Co. do not complain. The other pharmaceutical manufacturers are in the same boat.

The manufacturers do not care anything about section 6, so far as it would effect sales. They feel, however, that it is going to be burdensome at best to comply with this law, and that the burden should not be increased by including a large number of items to look after that are not within the reason of the law.

The patent and proprietary medicine men have an association of their own called "The Proprietary Association of America." This association was not and is not represented in the National Drug Trade Conference. It was invited to express its views but replied, through its attorney, Mr. Harry B. Thompson, of Chicago, Ill., that it had no interest in the legislation whatever and felt it should not take part in our deliberations, even in an advisory capacity.

No doubt individually some patent or proprietary medicine concerns have petitioned respecting H. R. 6282; but I venture a statement that you are probably in position to confirm, qualify, or refute. The remonstrances from these sources have far outnumbered the petitions. It seems to me that Senator LANE will agree that he has been hastily unjust in his aspersions upon manufacturing pharmacists. He will surely concede that physicians do not prescribe opium, morphine, heroin, and cocaine from choice; that physicians would gladly accept any available substitutes that might be discovered and proved efficient and enable our legislatures to make laws absolutely prohibiting the importation and manufacture of these drugs, just as smoking opium is outlawed.

I shall only add the reflection that the requirement of this law which makes it necessary to state publicly and particularly by label the equivalent proportions of these drugs which are part of the contents of these proprietary medicines will, as is stated in this letter, very largely minimize the evils of which the Senator complains.

Mr. LANE. Mr. President, I do not wish to be considered as criticizing the manufacturing druggists; it is the fakers who manufacture these things for immediate sale and dispense them themselves.

Mr. THOMAS. Mr. President, I am satisfied the Senator did not.

Mr. LANE. Oh, no; I did not.

Mr. THOMAS. But the remarks he made upon the subject when the bill was before the Senate in June would justify that impression.

Mr. LANE. I think not. I think they have been a little bit sensitive on that. I said that anyone could manufacture these articles and sell these drugs, but what I referred to was the irresponsible persons who will manufacture them. The large manufacturing houses will not enter into that kind of business. I know that. They are all right. I have no fear of them.

With respect to the laws of Oregon, I will say to the Senator from Colorado that I am in nowise more responsible for the laws of Oregon than he is for those of Colorado. I never had any part in the making of them.

Mr. THOMAS. I did not intend to intimate that.

Mr. LANE. No; I know that; but the Senator read that quotation.

Mr. THOMAS. Pardon me a moment. I called attention specifically to the fact that the laws of Oregon upon that subject were like the laws of all the States of the Union, except about four.

Mr. LANE. I wish to say that I should like to have this bill go over until to-morrow, so that I can put in an amendment in regard to registration, forcing the people to register who sell these articles, which do take a tribute of thousands upon thousands of the lives of little children.

Mr. THOMAS. Mr. President, I can not consent to that.

Mr. LANE. Well, I object to the consideration of the bill.

Mr. McCUMBER. I hope the Senator will not object to the final disposition of this matter at this time. I want to say just one word about the idea of striking out this section. Remember that the section as it now appears is a limitation, and that by striking it out you take away the limitation and allow the sale in any quantity, in any proportion, of these particular drugs.

Let me call the Senator's attention to another matter. It is this: I do not believe the Senator would be in favor of preventing the sale of all kinds of prepared medicines in drug stores. There are a great many different kinds of pains in the human

body the remedy of which is rather well known. A man has a headache. He will go to a physician, and the physician will prescribe 16 grains of antipyrin to a fluid ounce of water, and he will tell him to take a teaspoonful every half hour until the headache disappears. Now, you can get half a thousand headache medicines in the different drug stores that are put up in about that proportion, without going to a physician. By striking out this provision you will send everyone to a physician for every little ache he might have and which he might easily cure.

I appreciate the fact that the death of a great many little children has been caused by the use, perhaps, of Castoria or Mrs. Winslow's Soothing Syrup or like medicines, but I appreciate also that there are tens of thousands of people in the United States who die every year from the excessive use of cigarettes; and yet I find Senators still pulling away at the cigarette as though it were a perfectly harmless thing. I believe the Senator will agree with me that there are many thousands of people who die from what is called tobacco cancer, a cancerous growth affecting the throat from the overuse of cigars; and yet we find perhaps 60 per cent of the Senators pulling away at the cigar as unconcerned as though no one were dying as a result of these cancers.

I believe the Senator would simply compel us to go to a doctor for the alleviation of almost every known pain. There are a great many of these preparations which the physician would prescribe himself, and perhaps in nearly half of the cases in which prescriptions are written out they prescribe a prepared medicine by Parke Davis or some one else. It may contain heroin, it may contain a given amount of cocaine, a very small amount, so that one could scarcely gain the habit unless he were to take a full glassful of the medicine at one time. I believe that greater danger and greater hardship would follow if we should prevent those people from getting at the ordinary drug stand what they want for the little ordinary ills of life and compel them to go to a physician in every instance.

Mr. POMERENE. I send to the desk the following amendment.

Mr. SWANSON. Mr. President, a parliamentary inquiry. I think we are proceeding under a rule which requires speeches to be limited to five minutes and under which a Senator is allowed to speak but once.

The PRESIDING OFFICER. The Senator is correct. The Chair called attention to the matter in part, and as the Chair's attention has been called to it, the rule will now be enforced.

Mr. POMERENE. In explanation of the amendment——

The PRESIDING OFFICER. The Senator will allow the amendment to be stated.

The SECRETARY. On page 3, line 25, and page 4, line 1, strike out the words "purchaser or person to whom such article is given" and insert "persons to whom such article is sold, bartered, exchanged, or given," so as to read:

That it shall be unlawful for any person to sell, barter, exchange, or give away any of the aforesaid drugs except in pursuance of a written order of the persons to whom such article is sold, bartered, exchanged, or given.

Mr. POMERENE. The Senate will notice that the first part of the section makes it unlawful for any person to sell, barter, exchange, or give away any of the aforesaid drugs except in pursuance of a written order from the person to whom such article is given, but it makes no requirement for a written order in case the article is bartered or exchanged. The amendment is simply in the interest of certainty and in harmony with what I am sure was the intent of the section.

Mr. THOMAS. Please let the Secretary read the section as it would read if amended.

The PRESIDING OFFICER. The Secretary will read as requested.

The Secretary read as follows:

SEC. 2. That it shall be unlawful for any person to sell, barter, exchange, or give away any of the aforesaid drugs except in pursuance of a written order of the persons to whom such article is sold, bartered, exchanged, or given, on a form to be issued in blank for that purpose by the Commissioner of Internal Revenue.

Mr. THOMAS. Why is the word "purchaser" omitted?

Mr. POMERENE. That is included in the words "to whom such article is sold."

Mr. THOMAS. I accept the amendment.

The amendment was agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

PUBLIC HEALTH SERVICE.

The bill (H. R. 6827) to amend an act entitled "An act to change the name of the Public Health and Marine-Hospital Service to the Public Health Service, to increase the pay of officers of said service, and for other purposes," approved August 14, 1912, was announced as next in order.

Mr. SMOOT. I have no personal interest in this bill and I would not object to its consideration, but one of the Senators has asked me to request that it go over to-day because he desires to be present when it is considered.

The PRESIDING OFFICER. The bill will go over.

UNITED STATES DISTRICT COURTS.

The bill (S. 2902) to reduce fees in the United States district courts, to fix the salaries of the clerks of such courts, to increase the mileage and per diem of witnesses and jurymen therein, and to repeal section 840 of the Revised Statutes and all other conflicting laws, was announced as next in order.

Mr. CHAMBERLAIN. I move that the bill be indefinitely postponed. The subject matter was included in the sundry civil appropriation act, and it has been finally disposed of.

The motion was agreed to.

IMPORTATION OF CONVICT-MADE GOODS.

The bill (S. 4161) to prohibit the importation and entry of goods, wares, and merchandise made in whole or in part by convict, pauper, or detained labor, or made in whole or in part from materials which have been made in whole or in part or in any manner manipulated by convict or prison labor, was announced as next in order.

Mr. VARDAMAN. The bill was reported by the Senator from Missouri [Mr. REED], who is not in the Chamber. I suggest that it go over temporarily.

The PRESIDING OFFICER. The bill will be passed over.

POSTAL SAVINGS DEPOSITORIES.

The bill (H. R. 9318) to amend the act approved June 25, 1910, entitled "An act to establish postal savings depositories for depositing savings at interest with the security of the Government for repayment thereof, and for other purposes," was announced as next in order.

Mr. McCUMBER. That is an important measure, and it ought to go over.

The PRESIDING OFFICER. The bill will go over.

Mr. VARDAMAN. Does the Senator insist on that? It is a matter the committee has carefully considered and the Post Office Department are very anxious that it should be passed. It merely abolishes the stamp and——

Mr. McCUMBER. It struck me that a bill of this vast importance ought not to be passed with the limited number now in the Senate Chamber. I know it was opposed by those who had made a study of the question when it was before the Senate on a former occasion. I have not been informed that the differences have been settled. Under those circumstances it seems to me the bill ought to go over.

Mr. SMOOT. Allow me to ask the Senator from Mississippi if he knows whether the objections of the Senator from Kansas [Mr. BRISTOW] were withdrawn to the provisions of the bill?

Mr. VARDAMAN. I do not know whether he has withdrawn his objections or not. It is the purpose of the bill to change the law so as to prevent the necessity for using special stamps in correspondence transmitting through the mails matter relating to the Postal Savings System.

Mr. McCUMBER. I think the bill had better go over.

The PRESIDING OFFICER. The Senator from North Dakota repeats his objection, and the bill has gone over.

Mr. VARDAMAN. Of course I have no personal interest in the matter, except that the department is very anxious it shall be passed.

Mr. McCUMBER. As far as I am concerned, I confess I do not know enough about the conditions or the present status of the matter. So I make the objection.

The PRESIDING OFFICER. The bill has gone over.

PUBLIC HEALTH SERVICE.

The bill (S. 2616) to promote the efficiency of the Public Health Service was considered as in Committee of the Whole.

The bill was reported from the Committee on Public Health and National Quarantine, with amendments, in section 2, page 2, line 8, after the word "That," to strike out "a vacancy in the grade of Surgeon General shall be filled by appointment by the President, by and with the advice and consent of the Senate, from among the commissioned medical officers in the grade of senior surgeon or surgeon, and"; in section 3, page 2, line 23, after the word "Service," to strike out "and" and insert "be appointed by"; in line 24, after the word "Treasury," to strike out "be commissioned by the President, by and with the advice and consent of the Senate"; on page 3, line 5, after the word "the," to strike out "President may commission, by and with the advice and consent of the Senate," and insert "Secretary of the Treasury may appoint"; in line 11, after the word "appointed,"

to strike out "unless recommended by the Surgeon General and the Secretary of the Treasury" and insert "until"; in line 13, after the word "examination," to strike out "as being fully qualified" and insert "to be conducted under the direction of the Surgeon General of the Public Health Service, to determine their fitness"; so as to make the bill read:

Be it enacted, etc., That hereafter when commissioned medical officers of the Public Health Service on the active list are not provided quarters they shall receive in lieu of same commutation therefor at the rate of $12 per room per month, as follows: Surgeon General, eight rooms; Assistant Surgeon General, seven rooms; senior surgeon, six rooms; surgeon, five rooms; passed assistant surgeon, four rooms; assistant surgeon, three rooms; and shall receive commutation for necessary fuel and lights for the same at rates to be fixed by the Secretary of the Treasury: *Provided*, That officers while serving beyond the continental limits of the United States or on sea duty shall receive an additional 10 per cent of their salaries and increase while on such duty.

The allowance for baggage and personal effects to an officer in changing stations shall be fixed by the Secretary of the Treasury, not to exceed in any case 7,200 pounds.

SEC. 2. That the term of office of the Surgeon General shall be for a period of four years, at the expiration of which term he shall, unless reappointed, be carried as an extra officer in the grade of senior surgeon. Assistant surgeons shall be promoted to the grade of passed assistant surgeon in the order of seniority at the expiration of three years' commissioned service and after satisfactory examination.

SEC. 3. That the chiefs of the Divisions of Zoology, Pharmacology, and Chemistry in the Hygienic Laboratory may, upon the recommendation of the Surgeon General of the Public Health Service, be appointed by the Secretary of the Treasury as professors of zoology, pharmacology, and chemistry, respectively, of the Public Health Service, and they shall be entitled to leaves of absence as now provided by law for the commissioned medical officers of the Public Health Service: *Provided*, That the Secretary of the Treasury may appoint five additional professors in the Public Health Service, who shall be entitled to the same leaves of absence, pay, and allowances as are the commissioned medical officers in the grade of senior surgeon: *Provided further*, That said additional professors shall not be appointed until after satisfactory examination, to be conducted under the direction of the Surgeon General of the Public Health Service, to determine their fitness for special work in sanitary engineering, epidemiology, pathology, bacteriology, housing, or other matters that relate to the propagation and spread of diseases of man.

The amendments were agreed to.

Mr. SMOOT. I have a number of amendments to offer to the bill. I will state that I have discussed the amendments with the Senator having the bill in charge, and I understand that they are satisfactory to him and also to those who are interested in this legislation. I will also say that the amendments to section 1 that I shall offer are to conform with the bill that was passed some two years ago and went to the House for consideration and failed of passage.

The first amendment that I offer is on page 1, line 7, to strike out the word "eight" and insert the word "six" before "rooms," so as to read "six rooms."

Mr. RANSDELL. There is no objection to that amendment.

The amendment was agreed to.

Mr. SMOOT. In line 8, before the word "rooms," I move to strike out "seven" and insert "six."

The amendment was agreed to.

Mr. SMOOT. In the same line I move to strike out "six" and insert "five," so as to read, "five rooms."

The amendment was agreed to.

Mr. SMOOT. On page 2, line 25, I move to strike out the words "professors of zoology, pharmacology, and chemistry," respectively, and insert the word "officers," so that it will read:

Be appointed by the Secretary of the Treasury as officers of the Public Health Service.

Mr. RANSDELL. There is no objection to that amendment.

The amendment was agreed to.

Mr. SMOOT. On page 3, line 7, I move to strike out the word "professors" and insert the word "officers," so as to read:

Five additional officers in the Public Health Service.

The amendment was agreed to.

Mr. SMOOT. Beginning with line 9, I move to strike out the words "pay and allowance as are the commissioned medical officers in the grade of senior surgeon" and to insert: "and each shall receive a salary of $4,000 per annum."

Mr. RANSDELL. I have no objection to that amendment.

The amendment was agreed to.

Mr. SMOOT. On page 3, line 11, I move to strike out the word "professors" and insert the word "officers," so as to read:

That said additional officers shall not be appointed—

And so forth.

Mr. RANSDELL. There is no objection to that amendment.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

SADDLE MOUNTAIN NATIONAL PARK, OREG.

The bill (S. 531) to set apart certain lands in the State of Oregon as a public park, to be known as the Saddle Mountain National Park, was announced as next in order.

Mr. SMOOT. At the request of a Senator, I ask that the bill may go over for the present.

The PRESIDING OFFICER. The bill will go over.

S. W. LANGHORNE AND ESTATE OF H. S. HOWELL.

The bill (S. 2334) for the relief of S. W. Langhorne and the legal representatives of H. S. Howell was announced as next in order.

The PRESIDING OFFICER. This bill formerly had consideration as in Committee of the Whole.

The Senate, as in Committee of the Whole, resumed the consideration of the bill. It proposes to pay to S. W. Langhorne and the legal representatives of H. S. Howell, of Helena, Mont., $1,568, being the amount paid by them for rent of the building used by the United States for a land office at Helena, Mont., from November, 1885, up to and including June, 1900, a period of 56 months, at $28 per month.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

RADIUM-BEARING ORES.

The bill (S. 4405) to provide for and encourage the prospecting, mining, and treatment of radium-bearing ores in lands belonging to the United States, for the purpose of securing an adequate supply of radium for Government and other hospitals in the United States, and for other purposes, was announced as next in order.

Mr. SMOOT. Let that go over.

The PRESIDING OFFICER. The bill will go over.

REGULATION OF IMMIGRATION.

The bill (H. R. 6060) to regulate the immigration of aliens to and the residence of aliens in the United States was announced as next in order.

Mr. SMOOT. I hardly think that bill could be considered to-day.

The VICE PRESIDENT. The bill will go over.

OMNIBUS CLAIMS BILL.

The bill (H. R. 8846) making appropriation for payment of certain claims in accordance with findings of the Court of Claims, reported under the provisions of the acts approved March 3, 1883, and March 3, 1887, and commonly known as the Bowman and the Tucker Acts, and under the provisions of section 151 of the act approved March 3, 1911, commonly known as the Judicial Code, was announced as next in order.

Mr. BURTON. That is a measure too elaborate to take up at this time.

Mr. BRYAN. I wish to make a statement to the Senator from Ohio, and then I think he will consent to consider the bill now or let it be passed temporarily and come back to it later in the day.

The bill was passed by the House of Representatives and reported to the Senate in December, 1913. It was shortly thereafter referred to a subcommittee of three, consisting of the Senator from Arkansas [Mr. ROBINSON], the Senator from West Virginia [Mr. GOFF], and myself, as chairman of the committee. We went over each item contained in the House bill. We were very glad to have the assistance of the Senator from West Virginia [Mr. GOFF] and the benefit of his long judicial experience in passing upon the items. There is not an item contained in the bill that has not been passed upon by the Court of Claims. There is not an item contained in the bill about which there is any question either as to the loyalty of the claimant or as to the reasonableness of the amount stated in the bill.

The bill was reported to the full committee, and my recollection is that practically every member of the committee was present, and the bill after consideration was reported to the Senate by the unanimous vote of the entire Committee on Claims, with the exception that the Senator from Kansas [Mr. BRISTOW] reserved the right to oppose it, if he saw fit. My understanding is since that he does not desire to oppose it.

I wish to say to the Senator from Ohio that it is the first claims bill, I believe, that has ever received the unanimous indorsement of the Committee on Claims, which is indicative of the fact that the bill has in it no claims that have not been passed upon by the court and that do not meet with the approval of the members of both parties after a full and thorough investigation.

The bill was reported to the Senate in March. This is August. We have had many meetings to consider the calendar by unanimous consent, and because of the length of the bill I

have not felt that it would be proper to call it up. I do not know of anybody who desires to discuss it. The chief difficulty is in having it read, I apprehend. I am willing to have it go over temporarily, but I should like to have it considered during this day.

Let me say also to the Senator from Ohio that there is in the bill nothing but war claims or claims growing out of the war. There are two other classes of claims known as the longevity pay claims and overtime navy-yard cases that have also been reported.

At one time or another either the Senate or the House has passed every one of these items except the very few which have been reported by the Court of Claims since Congress has had an opportunity to act upon them. I should say that 98 per cent of the items incorporated in the bill have had the approval of both the Senate and the House, but not during the same session, and therefore the bill has heretofore failed. The session is drawing to a close. I do not know that we will have another opportunity to present the bill for the consideration of the Senate.

It is a matter of considerable work to go over a bill containing 1,200 or 1,500 items. That work has been done. It was done by the Senator from South Dakota [Mr. CRAWFORD], who was chairman of the committee during the last Congress. It takes two or three months to go through the bill and it is hardly fair to these claimants, who have met every test and convinced the court and the committees of the justice of their claims, not to allow the bill to be considered because of its extreme length.

If the Senator from Ohio will be willing to go through the calendar and then return to this and the other omnibus claims bills reported by the Committee on Claims I would appreciate it very much. In that way there would be no impediment to the consideration of the other bills on the calendar.

Mr. BURTON. Mr. President, I do not say definitely that I would object if we could finish the calendar, but it seems to me this is not at all the kind of a measure which it was intended should be considered to-day. There are 131 pages of the bill, and in glancing over it I see that the number of claims to a page must aggregate eight to a dozen. There are over a thousand claims in this bill. Undoubtedly it will lead to some considerable amount of discussion. So I must for the present object; but I do not say definitely that I will object after the calendar shall be finished, though I am inclined for the present to do so.

Mr. BRYAN. I am willing that the bill shall be passed over temporarily with the understanding that we shall come back to it.

The PRESIDING OFFICER. The bill will be passed over temporarily.

PURCHASE OF MONTICELLO.

The joint resolution (S. J. Res. 120) creating a joint committee of Congress and authorizing said committee to acquire, by purchase or condemnation, the property known as Monticello, and embracing the former home of Thomas Jefferson and the family graveyard in which his remains were interred, with such lands and grounds appurtenant thereto as the committee shall find necessary in order to carry out the various public objects and purposes in said resolution set forth, all of said property being located in Albemarle County, Va., was announced as next in order.

Mr. SMOOT. While I am in favor of the joint resolution, I know there are a number of Senators who want to discuss it who are not present. For that reason only I ask that the joint resolution may go over.

The PRESIDING OFFICER. The joint resolution will go over.

HIGHWAY-IMPROVEMENT WORK.

The bill (S. 3545) to provide for the highway-improvement work by the United States Department of Agriculture in cooperation with the highway departments of the several States was announced as next in order.

Mr. WHITE. At the suggestion of the senior Senator from North Carolina [Mr. SIMMONS] I ask that the bill may go over.

The PRESIDING OFFICER. The bill will be passed over.

COST OF LIVING IN THE DISTRICT OF COLUMBIA.

The joint resolution (S. J. Res. 93) authorizing and directing the Department of Labor to make an inquiry into the cost of living in the District of Columbia and to report thereon to Congress as early as practicable was announced as next in order.

Mr. BRYAN. I observe by the papers that the grand jury here is conducting such an investigation, and perhaps it will not be necessary for us to expend the money to carry out the purpose in view. Therefore I ask that the joint resolution may go over.

The PRESIDING OFFICER. The joint resolution will go over.

HYGEIA HOTEL PROPERTY.

The resolution (S. Res. 313) referring to the Court of Claims the bill (S. 1495) to compensate the Old Point Improvement Co. for the demolition and removal of the Hygeia Hotel property from the Government reservation at Old Point, Va., was announced as next in order.

Mr. SMOOT. Allow me to ask a question first. I have not had time to read the resolution. Does it provide for an appropriation or does it authorize the finding of facts?

Mr. BRYAN. I think it is for the finding of facts.

Mr. SMOOT. Let it be passed temporarily.

The PRESIDING OFFICER. There is no appropriation stated in the resolution, the Chair will state.

Mr. SMOOT. If it only authorizes the court to report the findings of fact I have no objection to it.

The resolution was agreed to.

COAL LANDS IN ALASKA.

The bill (S. 4425) to provide for the leasing of coal lands in the Territory of Alaska, and for other purposes, was announced as next in order.

Mr. PITTMAN. This is the bill known as the coal-leasing bill for Alaska. I trust no Senator will object to the consideration of it. There seems to be an urgent need for that coal. The telegrams we are receiving indicate that the coal supply from British Columbia will probably be cut off on the Pacific coast in the very near future, and that makes the Alaska coal more needful.

This bill has been considered in the Committees on Public Lands of both Houses. It has been carefully considered, and I believe it was reported practically without objection.

Mr. SHAFROTH. Mr. President——

Mr. PITTMAN. I insist that it may be allowed to come up at this time. I ask to have the telegram which I send to the desk read.

The PRESIDING OFFICER. The telegram will be read, as requested.

The Secretary read as follows:

CORDOVA, ALASKA, *August 12, 1914.*

Hon. KEY PITTMAN, *Washington, D. C.:*

British Columbia coal Alaska's only supply. Liable to be withheld any day. Can't you give us legislative assistance opening our coal?

CORDOVA CHAMBER OF COMMERCE.

Mr. WALSH. Mr. President, as indicative of the concern the people of Alaska feel over the existing condition of affairs, I will state to the Senate that there was sent me a like telegram. I also add to the urgent request of the Senator from Nevada my own that we proceed to the consideration of this measure.

Mr. SHAFROTH. Mr. President, I feel that the discussion of this question involves the question of a leasing system for the entire Government, and that is going to take several days in order to get through with it. We could not consider it under the five-minute rule for debate.

I will state that under the laws of the United States at the present time the coal laws apply to Alaska. A man has the right to locate upon 160 acres of land containing coal without entering into any lease whatever. For that reason, it seems to me, that urgency can not exist; but even if the emergency exists, there is the great fundamental question as to whether we are going to make tenants of our people or whether we are going to make independent, loyal citizens of them.

I therefore can not consent to the discussion of this bill under any five-minute rule.

Mr. WALSH. Before the Senator from Colorado insists upon an objection of that character I feel like saying to him that all the coal lands of Alaska are withdrawn from entry.

Mr. SHAFROTH. The Government can open them in just a minute.

Mr. WALSH. They have been withdrawn for the purposes of classification under the provisions of the law. There is no law, the Senator ought to know, and doubtless does know, by which any man can to-day take up an acre of coal land in Alaska.

Mr. SHAFROTH. It is all within——

Mr. WALSH. I wish to say further that we have passed the Alaskan bill for the construction of railways in Alaska. We have charged the President of the United States with the undertaking of that great piece of constructive work. He himself said that it would be one of the great achievements he hoped of his administration. The Senator from Colorado must

recognize that you can not turn a wheel in that work until the coal lands of Alaska are opened up to appropriation.

The Senator from Colorado does not certainly expect that that great work is going to be carried on by means of power supplied by oil carried from Colorado or coal imported from the Province of British Columbia. Accordingly, sir, all of that beneficent work is interrupted and held up.

Now, the people of Alaska are confronted with this situation: With limitless deposits of coal at their very door, they are denied the opportunity to take any of that coal. They have been obliged to rely to protect them against the rigors of their winter climate upon the coal from the neighboring Province of British Columbia, and they are now in hourly dread that for the purposes of war that supply will be shut off. The Senator stands here opposing the bill upon the academic proposition that the States have certain rights; but let me say to him——

Mr. SHAFROTH. I am opposing it upon the ground that it should not be considered under the five-minute rule. I will ask the Senator whether he thinks the bill ought to be considered under a unanimous-consent rule?

Mr. WALSH. I very cheerfully say to the Senator from Colorado that if I felt there was any hope of getting consideration for this measure at any other time during the present session I would not think of insisting upon its consideration now. But I ask the Senator from Colorado whether he thinks, in view of the important legislation which engages this body in its ordinary sessions, we may hope to have consideration for this measure at this session? The Senator knows that an objection now will absolutely defeat this measure for this session.

Mr. SHAFROTH. Mr. President, I regard this as one of the greatest questions before the American Congress. I regard the question of fastening a leasing system upon this Government as fraught with consequences too momentous to be even considered under Rule VIII, under which we are now proceeding, which limits speeches to five minutes.

The PRESIDING OFFICER. Does the Senator from Colorado insist upon his objection?

Mr. SHAFROTH. I want to say to the Senator that it is all within the power of the Interior Department to waive these classifications and to permit entries under the coal-land laws. The policy which was inaugurated six or seven years ago of withdrawing those lands and withdrawing other lands of the United States was for the purpose of forcing a leasing system upon the people of the West, and that I do not believe is right.

Mr. SMOOT. Regular order!

The PRESIDING OFFICER. The regular order having been demanded, the Chair will ask if the Senator from Colorado insists upon his objection?

Mr. SHAFROTH. I will ask that the bill go over, because I can not consent to argue it within five minutes.

The PRESIDING OFFICER. The bill goes over under objection.

Mr. JONES. Mr. President, I merely wish to make a suggestion in reference to the bill which has just gone over.

The PRESIDING OFFICER. The bill has gone over.

Mr. JONES. I understand that it has gone over, but I only desire to occupy a few moments to make a suggestion.

I wish to say that I do not think there is any more important proposition which can come before Congress than the one involved in the bill last under consideration; there is nothing much more urgent; in fact, I think it is far more important, and would be of far more greater benefit to the people of this country, than the legislation which it is proposed to force through this Congress; and I hope that the Senator from Montana will use every effort in his power to bring this bill up for consideration before this Congress adjourns at a time when it can be considered, and that he will urge its passage. I know that he is just as much interested in this matter as am I; but I do not believe that Congress could spend its time in any more important legislation than the legislation involved in the bill. I simply want to express the hope that the Senator will endeavor at some other time to get this bill up, and, if possible, to get it made the unfinished business and let us put it through.

Mr. WILLIAMS. Mr. President, I want to say that this is a very good illustration of the objection which I expressed yesterday without making it. Whenever a matter comes up which is of any public importance, there is objection to its consideration because it will take a little time perhaps to discuss it; but when matters come up which are of no importance at all, or rather which are merely important to individual Senators, they go through without objection.

Mr. SMOOT. We have passed the very bill which the Senator from Mississippi said on yesterday he was afraid we would not consider.

Mr. WILLIAMS. I know that; but I am talking about the bill to which the Senator from Washington [Mr. JONES] just referred.

Mr. SMOOT. But this bill could not be passed if we discussed it all day.

Mr. WILLIAMS. And because of the failure to pass it the whole Pacific slope is destined to suffer for coal pretty soon. I am just as much opposed as is anybody to a general leasing system of this sort.

Mr. SHAFROTH. The Interior Department can open these lands to entry in 10 minutes.

The PRESIDING OFFICER. The matter has gone over and is not open to debate.

EXPENDITURES ON RIVERS AND HARBORS.

The resolution (S. Res. 312) requesting of the Secretary of War information as to expenditures upon harbors, rivers, and canals of the United States by the Government since the adoption of the Constitution was announced as next in order.

Mr. SMOOT. Mr. President, the information asked for by that resolution was intended to be considered in connection with the bill to repeal the tolls-exemption clause of the Panama Canal act. That act has passed, and I will ask that the resolution go over under Rule IX.

The PRESIDING OFFICER. Without objection, the resolution will go over under Rule IX.

Mr. CHAMBERLAIN subsequently said: Mr. President, a while ago the Senate passed over Calendar No. 319, being Senate resolution 312. I desire to move its indefinite postponement, because subsequent to the presentation of the resolution another resolution was passed which elicited the information which was sought by this resolution.

Mr. SMOOT. I have asked that it go over under Rule IX.

Mr. CHAMBERLAIN. I ask that it be indefinitely postponed.

The VICE PRESIDENT. In the absence of objection, Senate resolution 312 will be indefinitely postponed.

CENSUS ENUMERATION OF TULSA, OKLA.

The bill (S. 4601) to authorize the Director of the Census to enumerate the population of the city of Tulsa, State of Oklahoma, was announced as next in order.

Mr. SMOOT. Let that go over, Mr. President.

The PRESIDING OFFICER. Being objected to, the bill goes over.

EXPERT ASSISTANCE FOR BANKING AND CURRENCY COMMITTEE.

The resolution (S. Res. 318) authorizing the Committee on Banking and Currency to employ expert assistance in drafting a bill relating to rural credits was announced as next in order.

Mr. SMOOT. Mr. President, I will ask the Senator from Mississippi if this resolution was not reported when we were considering the currency bill?

Mr. WILLIAMS. No; this is in connection with a bill providing for rural credits. The committee are taking up the question of rural credits, and they want experts to help them in that work.

Mr. SMOOT. Has the Senator from Mississippi inquired as to whether the committee really needs the expert help now?

Mr. WILLIAMS. I think they do, because I consider the work of the experts they had in connection with the banking and currency legislation over with; and I would not be willing to let those accounts be allowed after the work was done. They were allowed for a certain purpose, and that purpose has been accomplished.

Mr. SMOOT. Does the Senator think that the proposed investigation will be made during the remainder of this session?

Mr. WILLIAMS. I am not sure whether the investigation is to be made at this session or at the next session. The committee have been already making, to some extent, an investigation of the matter, as the Senator knows.

Mr. SMOOT. I certainly think they have. They have had enough matter printed to inform all the world as to the rural-credit systems of every country on earth. I do not see why we should go to the expense of securing any more information.

Mr. WILLIAMS. There is a good deal in that; but the Committee on Banking and Currency, of which committee, by the way, I am not a member, are of the opinion that they need this expert assistance in connection with drafting and coordinating and indexing and various other things, and I think the resolution ought to go through.

Mr. SMOOT. I understand the bill has already been prepared, and I know that, so far as information is concerned, the committee has collected it from all over the world. I can not see why extra help should be authorized. I ask, therefore, that the resolution go over.

The PRESIDING OFFICER. Under objection, the resolution goes over.

BUSINESS PASSED OVER.

The concurrent resolution (S. Con. Res. 21) authorizing the printing of additional copies of Senate Document No. 147 (57th Cong., 2d sess.), "Bills and debates in Congress on trusts," was announced as next in order.

Mr. WILLIAMS. Let that resolution go over.

The PRESIDING OFFICER. The resolution goes over.

The resolution (S. Res. 305) to print a pamphlet entitled "The Power of the Federal Judiciary to Declare Legislation Invalid which Conflicts with the Federal Constitution," by David K. Watson, as a Senate document, was announced as next in order.

Mr. WILLIAMS. Let that go over.

The PRESIDING OFFICER. The resolution will be passed over.

Mr. BURTON. Mr. President, that resolution has been on the calendar for a long while, and it could be disposed of in a moment. I think we ought to dispose of such resolutions either favorably or unfavorably. They involve the mere question of printing documents. This resolution has been on the calendar since the 28th day of March last. We should dispose of it at some time, and it will take us a very short time to do so.

Mr. WILLIAMS. My objection to taking up this resolution is that I shall vote against it if it is taken up. Therefore I object to its consideration. I do not see any sense in publishing as Senate documents pamphlets written by everybody.

The resolution (S. Res. 322) relative to illiteracy among Jewish immigrants and its causes was announced as next in order.

Mr. WILLIAMS. Let that go over.

The PRESIDING OFFICER. The resolution will be passed over.

The bill (S. 4843) to amend section 4 of the act entitled "An act to provide for a permanent Census Office," approved March 6, 1902, was announced as next in order.

Mr. SMOOT. Mr. President, I should like to ask if there is present any member of the committee from which this bill is reported who can state what changes are proposed to be made in the existing law? I wish to say that appropriations have already been made to provide for the Census Bureau, and I think if there is no Senator here who can tell what changes are proposed we had better allow this bill to go over.

The PRESIDING OFFICER. There being objection, the bill goes over.

The resolution (S. Res. 320) for the printing of an address by Lewis Jerome Johnson before the First National Conference on Popular Government upon "The preferential ballot as a possible substitute for the direct primary," was announced as next in order.

Mr. WILLIAMS. I ask that that go over.

The PRESIDING OFFICER. The resolution goes over.

MINE RESCUE CAR.

The bill (S. 4891) to provide for the purchase and equipment of a mine rescue car, and for other purposes, was considered as in Committee of the Whole.

The bill had been reported from the Committee on Mines and Mining with an amendment, on page 1, line 5, after the word "fields," to strike out "in Arkansas and Oklahoma," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized and directed to purchase and equip a mine rescue car for advancing mine safety work in the southwestern coal fields with headquarters at Fort Smith, Ark.; and there is hereby authorized to be appropriated for the purchase and equipment of such car the sum of $10,000, and for the operation and maintenance of said car during the fiscal year 1915 the sum of $16,500.

The amendment was agreed to.

The bill was reported to the Senate as amended and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

COAL AND MINERAL DEPOSITS IN INDIAN LANDS.

The bill (S. 587) relating to the disposal of coal and mineral deposits in Indian lands, was announced as next in order.

Mr. SHAFROTH. Mr. President, if the Senator having that bill in charge will agree to strike out the words "or from the leasing or working thereof," in lines 10 and 11, I shall have no objection to its consideration. Otherwise, I ask that the bill go over.

Mr. STONE. The Senator reporting the bill is not present.

The PRESIDING OFFICER. Under objection, the bill goes over.

Mr. GRONNA subsequently said:

Mr. President, I was called out of the Chamber a moment ago when Order of Business 345, being Senate bill 587, was reached. I understand that some Senator objected to the consideration of that bill.

Mr. SHAFROTH. I will state to the Senator from North Dakota that I objected to it unless a certain amendment, which I indicated, were made. I will ask the Senator to look at line 10 and advise me whether or not he can consent to strike out the words "or from the leasing or working thereof." If the Senator will agree to that amendment, then I will have no objection whatever to the consideration of the bill.

Mr. GRONNA. Will the Senator please repeat his suggestion?

Mr. SHAFROTH. I desire to strike out, beginning in line 10, the word "or from the leasing or working thereof." If the Senator will strike those works out, leaving the bill otherwise intact—it is not dependent upon those words—I shall be perfectly willing to have the bill acted upon; but I regard all these references to leasing as establishing by the Government a policy of leasing to which I am absolutely opposed, and I do not want it taken up unless it can have full and careful consideration. I do not desire to obstruct or oppose the passage of measures, but I want time to consider such important questions, and under the five-minute rule it is impossible to do so.

Mr. GRONNA. I will say, Mr. President, that this bill does not establish a leasing system; but I simply, as a precautionary measure, put those words in. I have no real objection, however, to striking them out.

Mr. SHAFROTH. Then I shall at the proper time move that the bill be amended by striking those words out.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (S. 587) relating to the disposal of coal and mineral deposits in Indian lands, which had been reported from the Committee on Indian Affairs with amendments, on page 1, in line 6, after the word "disposition," to strike out "such" and insert "the"; in line 7, after the word "reservation," to insert "of such coal and other minerals"; in line 8, after the words "of the," to strike out "Indians" and insert "Indian tribe or tribes"; in line 9, after the word "such," to strike out "lands" and insert "Indian reservation"; and in line 11, after the word "thereof," to insert "as may be determined by law," so as to make the bill read:

Be it enacted, etc., That where the coal or other minerals contained in any lands embraced in any Indian reservation which have been opened to settlement and entry, or shall hereafter be opened to settlement and entry, have been reserved from disposition, the reservation of such coal and other minerals shall inure to the benefit of the Indian tribe or tribes to whom such Indian reservation belonged, and all proceeds arising from the disposal of such coal or mineral deposits or from the leasing or working thereof, as may be determined by law, shall be deposited in the Treasury of the United States and shall be applied in the same manner as the proceeds derived from the disposal of the lands contained in the reservation within which such coal or mineral deposits are located.

The amendments were agreed to.

Mr. SHAFROTH. I now move to amend the bill on page 1, line 10, after the word "deposits," by striking out the words "or from the leasing or the working thereof."

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Colorado.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

WOMAN SUFFRAGE.

The joint resolution (S. J. Res. 130) proposing an amendment to the Constitution of the United States was announced as next in order.

Mr. WILLIAMS. Let that go over.

The PRESIDING OFFICER. The joint resolution will be passed over.

GENEVA ARBITRATION EXPENSES.

The bill (S. 3002) making appropriation for expenses incurred under the treaty of Washington was considered as in Committee of the Whole. It provides for the reappropriation of the unexpended balance of the appropriation for expenses incurred under the treaty of Washington, being the sum of $831.59, together with the further sum of $668.41, to enable the Secretary of State to pay to any secretary to the counsel of the United States, as remuneration for services rendered by him in the preparation and trial of the case of the United States at Geneva, such sum, if any, as remains due and unpaid of the amount directed by Secretary Fish to be allowed as compensation to each of the secretaries to the counsel of the United States.

Mr. LEWIS. Mr. President, might I ask for information whence this bill comes? What committee, if any, has reported it and who are the beneficiaries?

Mr. BURTON. The bill was reported from the Committee on Foreign Relations. I was directed to report it on behalf of that committee. It proposes to pay $1,500 as compensation for services rendered as secretary to Mr. Caleb Cushing in the Geneva award. The amount is made up of $831.59, an unexpended balance of an appropriation, and the further sum of $668.41, making in all $1,500.

Each of the other secretaries to our American counsel, Mr. Waite and Mr. Evarts, received $3,000, while Mr. Hackett received only $1,500. The committee thought that it was fair to him that he should receive the same compensation as the others. A memorandum was filed by the State Department justifying that course in regard to the matter. There can be no question that the services were of a very valuable nature.

Mr. SMOOT. Mr. President——

Mr. LEWIS. Has the matter received attention on the part of the Senator from Ohio and the Senator from Utah?

Mr. BURTON. I was instructed by the Committee on Foreign Relations to report the bill favorably, after a somewhat extended discussion.

Mr. SMOOT. I will say to the Senator from Illinois that this matter has been before Congress for many years. It has been before the Claims Committee, but I do not believe that there has ever been a favorable report from that committee.

As I understand, the amount paid to Mr. Hackett was the amount which had been agreed upon with him originally. I have not the facts in detail in my mind now, Mr. President, because I never thought the matter would come before the Senate again and I dismissed them from my mind, but I know that when the details were at hand the impression I had at the time was that the claim was not a just claim and should not be paid.

Mr. BURTON. The Committee on Foreign Relations held this opinion in regard to it: The other secretaries who had performed no more valuable services and showed no greater degree of ability and industry received $3,000. The attorney for the United States to whom Mr. Hackett was especially assigned, Mr. Caleb Cushing, filed no receipts, while the other attorneys did. I think there is no possible aspersion on his honesty; I would not under any circumstances wish to say anything in disparagement of an attorney of so high standing, but he did not pay—that is conceded—to Mr. Hackett more than $1,500. It is thought that he employed some other secretaries outside, but, be that as it may, Mr. Hackett labored in the preparation of the briefs and did very substantial work in connection with this arbitration, which was one of the most successful arbitrations ever conducted on behalf of any country. While the Committee on Foreign Relations recognize that the matter has been pending for some time and is an old claim, the bill was reported, as I recollect, unanimously.

Mr. SMOOT. Of course, Mr. President, this is purely a claim bill, and it ought to have gone to the Committee on Claims, where it has been many, many times. I want to ask the Senator from Ohio if I am not correct in stating that Mr. Hackett was paid every dollar which it had been agreed he should receive before he accepted the position as secretary to the counsel of the United States?

Mr. BURTON. I am not sure but that that is the case. However, when he entered upon this service there was no assurance as to the length of time he would be employed or as to the value or the extent of his services. Of course, everyone knows that a lawyer in a successful litigation feels entitled to somewhat more generous compensation than he would have received if he had been unsuccessful. As I understand, in entering on this service the understanding with all the secretaries was that they were to receive $1,500, but later an apportionment of $3,000 was made for secretarial services and the other two secretaries received that amount.

Mr. SMOOT. It is only another instance, Mr. President, of the evil that grows out of appropriations for conventions to be held on this subject and that subject in some foreign country. Of late we have made no appropriations whatever for such purposes, but just so soon as the delegates return from the conventions, then there is a claim of some kind made here and we are almost compelled to pay it, because of the fact that we have authorized the holding of the convention.

Mr. BURTON. It was not a convention at all, but an international lawsuit, and perhaps the most important one that was ever conducted.

Mr. SMOOT. Yes; I understand that to be true. I only cite this instance by way of comparison, but so far as the Government of the United States is concerned, it does not owe Mr. Hackett a cent.

Mr. BORAH. Mr. President, is this bill up for consideration?

The PRESIDING OFFICER. It is being considered as in Committee of the Whole, and objection can be made.

Mr. BORAH. I thought some Senator made objection.

The PRESIDING OFFICER. Objection has not as yet been made.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

ST. CROIX CHIPPEWA INDIANS OF WISCONSIN.

The bill (S. 4857) for the relief of the St. Croix Chippewa Indians of Wisconsin was considered as in Committee of the Whole. It directs the Secretary of the Interior to cause an investigation to be made of the condition and tribal rights of the so-called St. Croix Chippewa Indians now residing in the counties of Polk, Burnett, Washburn, and Douglas, State of Wisconsin, and said to be in a destitute condition, and to ascertain and report to Congress at the beginning of its next session whether the said Indians belong to the Lake Superior Chippewas of Wisconsin or to the Chippewas of Minnesota; what tribal rights, if any, they have with any band or tribe of Chippewa Indians residing in either Minnesota or Wisconsin; what benefits in land and money they would have received had they removed to a reservation in Wisconsin or had not been excluded from enrollment and allotment with the Chippewa Indians of Minnesota under the provisions of the act approved January 14, 1889 (25 Stat. L., p. 642). It also directs the Secretary of the Interior to cause a census and enrollment to be made of the St. Croix Chippewas and to report their actual condition and needs, with such recommendation for their relief as he may deem necessary. It also proposes to appropriate for the purpose of making the investigation and enrollment and for the immediate relief of such of the Indians as are now in need of food, clothing, medicines, and other supplies, $25,000.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

REVISION OF PUBLIC PRINTING LAWS.

The bill (S. 5340) to amend, revise, and codify the laws relating to the public printing and binding and the distribution of Government publications was announced as next in order.

Mr. OWEN. I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. SMOOT. Mr. President, I should like to inquire who objected to consideration of the printing bill?

Mr. OWEN. It is a very long bill, and it will arouse discussion, and therefore I think it had better go over.

Mr. SMOOT. Yes; if it will arouse discussion, but I did not think that it would.

Mr. OWEN. Oh, yes; it will.

The PRESIDING OFFICER. Objection is made, and the bill goes over.

CLAIMS OF SHOSHONE INDIANS OF WYOMING.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 5036) authorizing the Shoshone Tribe of Indians residing on the Wind River Reservation in Wyoming to submit claims to the Court of Claims.

The PRESIDING OFFICER. The amendment reported by the committee was agreed to when the bill was under consideration on July 9. Unless there is objection the bill will be reported to the Senate as amended.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILLS PASSED OVER.

The bill (S. 1991) correcting the military record of Abraham Johnson was announced as next in order.

Mr. WHITE. Mr. President, at the request of the senior Senator from North Carolina [Mr. SIMMONS] I ask that that bill go over, and also the one next in order on the calendar.

The PRESIDING OFFICER. In the absence of objection, Senate bill 1991 and Senate bill 1988 will be passed over.

CAPT. TEMPLIN M. POTTS, UNITED STATES NAVY.

The bill (S. 3804) for relief of Templin Morris Potts, captain on the retired list of the United States Navy, was announced as next in order.

Mr. BRYAN. Mr. President, the Senator from West Virginia [Mr. CHILTON] reported that bill from the Committee on Naval Affairs. The report was a favorable one by a majority of one. So far as I am concerned I am willing to have the bill considered now and disposed of, because I believe that the Senate will defeat the bill whenever it comes to a vote. I hardly think,

however, that it would be fair to the Senator from West Virginia to act upon it in his absence, although I do not ask that it go over. I think in five minutes I can explain to the Senate my position on the bill if it is desired to take it up.

Mr. STONE. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

MUSKOGEE (CREEK) NATION OF INDIANS, OKLAHOMA.

The bill (S. 5392) to provide for carrying into effect the agreement between the United States and the Muskogee (Creek) Nation of Indians ratified by act of Congress approved March 1, 1901, and supplemental agreement of June 30, 1902, and other laws and treaties with said tribe of Indians, was considered as in Committee of the Whole.

The bill had been reported from the Committee on Indian Affairs with amendments, on page 2, line 22, after the word "Nation," to insert "and any other Creek lands in townships 11 and 12 north, range 6 east, that may have been erroneously taken and disposed of by the United States," and on page 3, line 23, after "$15,000," to insert "in each case," so as to make the bill read:

Be it enacted, etc., That to carry into effect the agreement between the United States and the Muskogee (Creek) Nation of Indians ratified by act of Congress approved March 1, 1901 (31 Stats., p. 861), and the supplemental agreement of June 30, 1902 (32 Stats., p. 500), and other laws and treaties providing for a minimum allotment to each Creek citizen whose name has been placed on the roll by the Government of the United States under authority of said agreements and laws, of the standard value of $1,040; and in order that the claim of said citizens of the Creek Nation who have received allotments in land and money of a less value than the standard allotment of 160 acres of the standard value of $1,040 might be determined and finally adjudicated, jurisdiction is hereby conferred upon the Court of Claims, with right of appeal as in other cases, to hear, determine, and render final judgment against the United States for such amount, if any, as may be found due by the United States, and as may be necessary to equalize all of such allotments up to the treaty standard value of allotments of $1,040; also to hear, determine, and render final judgment, with right of appeal as herein provided, in the matter of the claim of the Muskogee (Creek) Nation against the United States based on alleged errors in the survey of the boundary of said nation, and any other Creek lands in townships 11 and 12 north, range 6 east, that may have been erroneously taken and disposed of by the United States, and the actions herein authorized may be brought in the name of the Muskogee (Creek) Nation and against the United States. Said suits shall be begun by petitions filed within six months after the approval of this act, which petitions shall be verified by the principal chief of said nation or the national attorney for said nation, and said suit or suits shall be prosecuted by the national attorney for the Creek Nation and by attorney or attorneys, if any, employed by said nation or tribe, or its duly authorized representatives or individual members of said tribe, to prosecute said claims: *Provided*, That no attorney shall be authorized to represent said nation, or individual members of said nation, by reason of any contract or agreement made with the tribe or members thereof unless such contract of employment shall have been, subsequent to the passage of this act, approved by the Commissioner of Indian Affairs and the Secretary of the Interior: *And provided further*, That in the event of the employment of additional attorneys, as herein set out, the said attorney or attorneys shall not be paid out of any funds now to the credit of the Creek Nation, but his or their fee shall be fixed by the Commissioner of Indian Affairs and the Secretary of the Interior after final judgment, but in no event to exceed $15,000 in each case, and in event of a recovery shall then be taxed and paid as other costs of the actions in which such attorney or attorneys may be authorized to appear.

The money accruing under any judgment or judgments rendered under this act shall be distributed by the Secretary of the Interior to the persons entitled to participate therein under such rules and regulations as he may prescribe, payment to minors and restricted Indians to be subject to the conditions affecting the payments of funds derived from the sale of restricted lands. To effect a speedy settlement of the affairs of the Creek Nation said suits shall be advanced for hearing by the Court of Claims, and by the Supreme Court if the same shall be appealed.

The amendments were agreed to.

Mr. SMOOT. Mr. President, I should like to ask the Senator from Oklahoma [Mr. OWEN], who, I understand, reported this bill, if the action of the committee was unanimous?

Mr. OWEN. I do not recall whether it was or not, but I think the report was unanimous.

Mr. SMOOT. I also notice there is no report from the department as to their opinion of the measure, and I wondered whether there had been such a report and whether the action of the committee was unanimous.

Mr. OWEN. I can state in just a moment what the facts are. The United States made a treaty with the Creeks promising them $1,040 per capita as the result of the disposition of certain land, that being its estimated value. Afterwards the Government used a part of the lands to give allotments to some additional Indians who were newly born children between 1902 and 1906, and diminished the amount which the Government had in hand for the distribution, and therefore cut down the $1,040 somewhat; and it is in order to settle that controversy now that it is desired to have this matter go to court.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

WOMAN SUFFRAGE.

The joint resolution (S. J. Res. 128) proposing an amendment to the Constitution of the United States was announced as next in order.

Mr. WILLIAMS. Let that go over.

The PRESIDING OFFICER. The joint resolution will be passed over.

AARON KIBLER.

The bill (S. 146) for the relief of Aaron Kibler was considered as in Committee of the Whole.

The bill had been reported from the Committee on Military Affairs with an amendment, in line 7, after the words "United States," to insert "in his final service," so as to make the bill read:

Be it enacted, etc., That in the administration of the pension laws and the laws governing the National Home for Disabled Volunteer Soldiers, or any branch thereof, Aaron Kibler shall hereafter be held and considered to have been honorably discharged from the military service of the United States in his final service as a private of Company G, Sixth Regiment Iowa Volunteer Infantry: *Provided*, That no pension shall accrue prior to the passage of this act.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

LANDS IN CADDO COUNTY, OKLA.

The bill (H. R. 9829) authorizing the Secretary of the Interior to sell certain unused remnant lands to the Board of County Commissioners of Caddo County, Okla., for fairground and park purposes, was considered as in Committee of the Whole. It authorizes the Secretary of the Interior to sell to the Board of County Commissioners of Caddo County, Okla., at the price of $1.25 per acre, a parcel of land, or any part thereof, being that portion of the southwest quarter of section 14, in township 7, north of range 10, west of the Indian meridian, Oklahoma, lying south of the Chicago, Rock Island & Pacific Railroad, containing 111.40 acres, more or less, provided that said association shall, within 90 days from approval hereof, apply to purchase under this act, and that the sale shall be upon the express conditions that if the land be not used for park or fairground purposes within one year from date of conveyance to said association, or shall at any time thereafter cease to be so used, the title thereto shall revert to the United States upon the fact of such nonuse being ascertained and declared by the Secretary of the Interior.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

THOMAS SMART.

The bill (S. 717) to correct the military record of Thomas Smart was announced as next in order.

Mr. BRYAN. Mr. President, I observe that the report accompanying this bill does not undertake to give any of the facts upon which the report is based. The report simply reads, "Amend the title so that it will read 'A bill for the relief of Thomas Smart.'" I do not think we ought to pass a bill unless we know something about the circumstances. There seems to be nobody from the Committee on Military Affairs here to explain it, and I will ask that it go over.

The PRESIDING OFFICER. The bill will be passed over.

DONATIONS OF CONDEMNED CANNON.

The bill (S. 5495) authorizing the Secretary of War to make certain donations of condemned cannon and cannon balls was announced as next in order.

Mr. GALLINGER. Mr. President, in reference to that bill I have offered two bills, which are in print, and which I desire to move as amendments, if the Senator in charge of the bill will withhold its consideration for a moment.

Mr. SMOOT. I will ask if the bill has been read.

Mr. GALLINGER. It has not been read.

The PRESIDING OFFICER (Mr. GRONNA in the chair). The Secretary will read the bill.

The Secretary read the bill; and there being no objection, the Senate, as in Committee of the Whole, proceeded to its consideration. It authorizes the Secretary of War, in his discretion, to deliver—

To Topeka Post, No. 71, Grand Army of the Republic, for use in its plat in the Mount Auburn Cemetery, in Topeka, Kans., four condemned bronze or brass cannon or fieldpieces;

To O. M. Mitchell Post, No. 69, Grand Army of the Republic, Osborne, Kans., two condemned bronze or brass cannon or fieldpieces;

To the city of Concordia, Kans., to be mounted in the courthouse square in the said city of Concordia, two condemned bronze or brass cannon or fieldpieces;

To the Masonic homes property at Elizabethtown, Pa., four condemned bronze or brass cannon or fieldpieces and a suitable outfit of cannon balls;

To the city of Stafford, Kans., one condemned bronze or brass cannon;

To the Fort Totten Indian School, at Fort Totten, N. Dak., one condemned bronze or brass cannon or fieldpiece and a suitable outfit of cannon balls;

To Wadsworth Post, No. 7, Grand Army of the Republic, Council Grove, Kans., two condemned bronze or brass cannon or fieldpieces and a suitable outfit of cannon balls;

To the city of Hope, N. Dak., one condemned bronze or brass cannon or fieldpiece and a suitable outfit of cannon balls;

To Custer Post, No. 25, Grand Army of the Republic, Cherokee, Iowa, two condemned bronze or brass cannon or fieldpieces and a suitable outfit of cannon balls;

To Post No. 305, Grand Army of the Republic, Towanda, Kans., one condemned bronze or brass cannon or fieldpiece;

To the village of Ellsworth, Wis., two condemned bronze or brass cannon or fieldpieces and a suitable outfit of cannon balls;

To the town of Eagle River, Wis., two condemned bronze or brass cannon or fieldpieces and a suitable outfit of cannon balls;

To the Grand Army of the Republic post, Chariton, Iowa, two condemned bronze or brass cannon or fieldpieces and a suitable outfit of cannon balls;

To the town of New Preston, Conn., to be placed in the village cemetery of that town, one condemned bronze or brass cannon or fieldpiece;

To the H. G. Libby Post, No. 118, Grand Army of the Republic, Newport, Me., one condemned bronze or brass cannon or fieldpiece and a suitable outfit of cannon balls;

To the incorporated town of Alden, Iowa, to be mounted and used in the public park of said town, one condemned bronze or brass cannon or fieldpiece and a suitable outfit of cannon balls;

To General Hazen Post, No. 258, Grand Army of the Republic, Lincoln, Kans., one condemned bronze or brass cannon or fieldpiece and a suitable outfit of cannon balls;

To the town of Nottingham, N. H., to be used in the public square in said town, four condemned bronze or brass cannon or fieldpieces and a suitable outfit of cannon balls;

To the city of Pittsburg, Okla., one condemned bronze or brass cannon or fieldpiece and a suitable outfit of cannon balls;

To the town of West Warwick, R. I., to be used in the soldiers' park in said town, four condemned bronze or brass cannon or fieldpieces and a suitable outfit of cannon balls.

Provided, That no expense shall be incurred by the United States through the delivery of any of the foregoing condemned military equipment: *And provided further*, That each and every article of condemned military equipment covered by this act shall be subject at all times to the order of the Secretary of War.

Mr. SMOOT. Mr. President, I offer the amendment which I send to the desk, to be inserted at the proper place in the bill.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. It is proposed to insert, after line 7, page 4, the following:

To Maxwell-McKean Post, No. 1, Grand Army of the Republic, Salt Lake City, Utah, one condemned bronze or brass cannon or fieldpiece and a suitable outfit of cannon balls.

The amendment was agreed to.

Mr. SMOOT. In behalf of the senior Senator from Minnesota [Mr. NELSON], I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. It is proposed to insert, after the amendment just agreed to, the following:

To the village of Paynesville, Minn., to be placed on the tract of land lately given to the said village by the local camp of the Sons of Veterans, one condemned bronze or brass cannon or fieldpiece and a suitable outfit of cannon balls.

The amendment was agreed to.

Mr. SMOOT. In behalf of the senior Senator from Delaware [Mr. DU PONT], I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. It is proposed to insert, after the amendment just agreed to, the following:

To the town of Newark, Del., three condemned bronze or brass cannon or fieldpieces and a suitable outfit of cannon balls.

The amendment was agreed to.

Mr. WILLIAMS. I move to insert, at the proper place, Lintonia Park, Yazoo City, Miss.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. It is proposed to insert, after the amendment just agreed to, the following:

To the city of Yazoo, in the State of Mississippi, to be placed in Lintonia Public Park, one condemned bronze or brass cannon or fieldpiece and a suitable outfit of cannon balls.

The amendment was agreed to.

Mr. BRYAN. I ask for two for Tallahassee, Fla.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. It is proposed to insert, after the amendment just agreed to, the following:

To the city of Tallahassee, Fla., two condemned bronze or brass cannon or fieldpieces and a suitable outfit of cannon balls.

The amendment was agreed to.

Mr. GALLINGER. I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. It is proposed to insert, after the amendment just agreed to, the following:

To the town of Derry, in the State of New Hampshire, two condemned bronze or brass cannon or fieldpieces and carriages, together with a suitable outfit of cannon balls, to be used in connection with the soldiers' monument in said town.

The amendment was agreed to.

Mr. JONES. Mr. President, my recollection is that I offered one or two joint resolutions of this kind a short time ago. I have sent for them, but they are not here yet. I ask that the bill may be temporarily laid aside for just a few minutes until I can find these joint resolutions that I wish to offer as amendments.

Mr. CHAMBERLAIN. I have no objection to that.

The PRESIDING OFFICER. The Senator from Washington asks that the bill may go over temporarily without prejudice.

Mr. CHAMBERLAIN. The Senator asks simply that it may be laid aside temporarily, as I understand.

The PRESIDING OFFICER. In the absence of objection, that will be done.

BILLS, ETC., PASSED OVER.

The resolution (S. Res. 351) to print the manuscript entitled "A Treatise on the Economic Value of Man," by Dr. Chauncey Rea Burr, of Portland, Me., as a Senate document was announced as next in order.

Mr. WILLIAMS. Let that go over.

The PRESIDING OFFICER. The resolution will be passed over.

Mr. SHEPPARD. Mr. President, what became of Order of Business 412, Senate bill 5495?

The PRESIDING OFFICER. It went over temporarily.

Mr. STONE. I do not know but that I ought to object to that bill.

The PRESIDING OFFICER. Does the Senator from Missouri offer an objection?

Mr. STONE. No; I will not.

The resolution (S. Res. 357) to print the address of Chief Justice Walter Clark, of the North Carolina Supreme Court, upon "Government by Judges," as a Senate document was announced as next in order.

Mr. WILLIAMS. Let that go over.

The PRESIDING OFFICER. The resolution will be passed over.

The bill (S. 1887) to annul the proclamation creating the Chugach National Forest and to restore certain lands to the public domain was announced as next in order.

Mr. SMOOT. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

CONSTRUCTION OF WAGON ROADS OVER PUBLIC LANDS.

The bill (S. 740) to promote and encourage the construction of wagon roads over the public lands of the United States was considered as in Committee of the Whole.

The bill had been reported from the Committee on Public Lands with amendments, on page 1, line 11, after the words "extent of," to strike out "one hundred" and insert "fifty," and on page 3, after line 7, to insert:

SEC. 7. That any road located, constructed, or operated under the provisions hereof shall be open and free for use by the public and no tolls or other charges shall be levied for the use thereof, and the upkeep and operation thereof shall at all times be under the direction and control of the highway authorities of the county or counties within which such road shall be situate.

So as to make the bill read:

Be it enacted, etc., That any corporation or association of persons duly organized under the laws of any State of the United States is hereby granted the right of way over the public lands of the United States for the construction and operation of roads, wagon roads, and roads upon which vehicles operated by power can be operated, to and from any and all points and places where any public or private business shall be carried on within the State wherein such corporation or asso-

ciation of persons so organized shall be located, to the extent of 50 feet in width on each side of the center line of such roads.

SEC. 2. That any such corporation or association of persons desiring to construct any such road or roads shall file with the Secretary of the Interior due proofs of its organization, and shall make a definite survey of its road or roads, and shall file a map or maps with the Secretary of the Interior of the line or lines of road desired by them over the public lands, and upon the filing of such map or maps the corporation or association of persons shall have the right to construct such road or roads and put the same into operation for the passage of vehicles thereon.

SEC. 3. That upon the location of any such road or roads and the filing of the map or maps thereof as herein provided, the public lands upon which the same shall be located shall thereafter be disposed of subject to such rights of way, as shown and delineated on the map or maps thereof filed with the Secretary of the Interior.

SEC. 4. That the rights of way herein granted shall be void and of no effect unless the said road or roads shall be completed and put into operation for the passage of vehicles thereon within two years after the date of the approval of the maps thereof filed as herein provided for.

SEC. 5. That upon the completion of such road or roads ready for operation of vehicles thereon the corporation or association of persons shall file with the Secretary of the Interior due proofs of the completion of said road or roads, in such form as shall be provided by the rules and regulations under this act.

SEC. 6. That the Secretary of the Interior shall have the right to make all needful and proper rules and regulations for carrying into effect the provisions of this act.

SEC. 7. That any road located, constructed, or operated under the provisions hereof shall be open and free for use by the public and no tolls or other charges shall be levied for the use thereof, and the upkeep and operation thereof shall at all times be under the direction and control of the highway authorities of the county or counties within which such road shall be situate.

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

RAILROADS IN ALASKA.

The bill (S. 5526) to amend an act entitled "An act extending the homestead laws and providing for right of way for railroads in the District of Alaska, and for other purposes," was announced as next in order.

Mr. SMOOT. Mr. President, I should like to ask the Senator from Nevada a question about this bill.

The PRESIDING OFFICER (Mr. GALLINGER in the chair). Will the Senator permit the bill to be read?

Mr. SMOOT. I did not think there was any necessity for having it read if we are going to object; but I did not want to do that until I asked a question of the Senator from Nevada.

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. SMOOT. I notice in the report of the committee that there is no report from the Secretary of the Interior in relation to this bill. Was the bill referred to the Secretary of the Interior?

Mr. PITTMAN. It was, and he approved of it. It originated because of a great many troubles that the Department of the Interior were having by reason of this very act. It seems that for the purpose of preventing the monopolization of certain harbors in Alaska, in 1898, in extending the homestead act to Alaska they reserved along all navigable waters spaces 80 rods in length. That was done so that there would always be an outlet from the interior to these harbors. It has undoubtedly served a very good purpose in some cases; but there are thousands of miles of coast line in Alaska, and many thousands of miles of rivers that are navigable, and in many cases this land has been located upon and improved to a great extent, through either mistake or misapprehension as to the law.

These complaints have been coming in to the Department of the Interior for years, and the Department of the Interior had no authority in law to grant any remedy, although there were many cases of merit that required remedying. For that reason the suggestion was first made to me, as chairman of the Committee on the Territories, by the Commissioner of the General Land Office. This bill was then prepared and submitted to the Department of the Interior, and met with their approval. It simply permits the Secretary of the Interior, whenever in his opinion the interests of the Government will be subserved by doing so, to allow so much of this land as he sees fit to revert to the Government.

Mr. SMOOT. Let me ask a question of the Senator. Does the bill provide that there shall be reserved by the Government the 80 rods between the 80 rods that are supposed to be opened for entry under this bill?

Mr. PITTMAN. Yes; it does.

Mr. SMOOT. In other words, when the land was withdrawn it was withdrawn for the purpose of preventing monopolization of the harbor. I have not had time to read the bill, but I want to ask the Senator if the bill provides that there shall be a reservation made by the Government of every alternate 80 rods?

Mr. PITTMAN. It does, and the only provision is that if a portion of one of these 80-rod spaces is actually settled upon and improved, and the Secretary of the Interior believes that it is for the interest of the Government to dispose of it, then he has the authority to do so.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The Secretary read the bill, as follows:

Be it enacted, etc., That section 1 of the act entitled "An act extending the homestead laws and providing for right of way for railroads in the District of Alaska, and for other purposes," approved May 14, 1898, be, and the same is hereby, amended to read as follows:

"SECTION 1. That the homestead laws of the United States and the rights incident thereto, including the right to enter surveyed or unsurveyed lands under provisions of law relating to the acquisition of title through soldiers' additional homestead rights, are hereby extended to the District of Alaska, subject to such regulations as may be made by the Secretary of the Interior; and no indemnity, deficiency, or lieu lands pertaining to any land grant whatsoever originating outside of said District of Alaska shall be located within or taken from lands in said District: *Provided*, That no entry shall be allowed extending more than 80 rods along the shore of any navigable water, and along such shore a space of at least 80 rods shall be reserved from entry between all such claims: *Provided, however*, That if in the opinion of the Secretary of the Interior the reservation of any such space or tract of land or any portion of any reserved space or tract is no longer necessary in order to prevent the monopolization of sites suitable for use in connection with the navigation of such navigable stream, inlet, gulf, bay, or seashore, or for other public use, or wherever, in the opinion of the Secretary, the public interests require that any lands so reserved shall be restored to the public domain and become subject to settlement, entry, appropriation, and disposition under the provisions, conditions, and restrictions applicable to such lands; and if any person, association, or corporation, or the predecessors in interest of any person, association, or corporation, has entered into and remained in possession of any of said land and has made improvements thereon under the belief that title could be acquired thereto and with the bona fide intention of acquiring title to such land under the laws of the United States, then such person, association, or corporation, if otherwise qualified and if prior in time in the initiation of such acts, shall be granted the prior right to appropriate, enter, purchase, or acquire title to such land under the provisions of this act or other acts of the United States that may be applicable to the same."

SEC. 2. That section 10 of the same act be, and the same is hereby, amended to read as follows:

"SEC. 10. That any citizen of the United States 21 years of age, or any association of such citizens, or any corporation incorporated under the laws of the United States or of any State or Territory now authorized by law to hold lands in the Territories, hereafter in the possession of and occupying public lands in the District of Alaska in good faith for the purposes of trade, manufacture, or other productive industry, may each purchase one claim only not exceeding 80 acres of such land for any one person, association, or corporation, at $2.50 per acre, upon submission of proof that said area embraces improvements of the claimant and is needed in the prosecution of such trade, manufacture, or other productive industry, such tract of land not to include mineral or coal lands, and ingress and egress shall be reserved to the public on the waters of all streams, whether navigable or otherwise: *Provided*, That no entry shall be allowed under this act on lands abutting on navigable water of more than 80 rods: *Provided further*, That there shall be reserved by the United States a space of 80 rods in width between tracts sold or entered under the provisions of this act on lands abutting on any navigable stream, inlet, gulf, bay, or seashore, and that the Secretary of the Interior may grant the use of such reserved lands abutting on the water front to any citizen or association of citizens, or to any corporation incorporated under the laws of the United States or under the laws of any State or Territory, for landings and wharves, with the provision that the public shall have access to and proper use of such wharves and landings at reasonable rates of toll, to be prescribed by said Secretary; and a roadway 60 feet in width, parallel to the shore line as near as may be practicable, shall be reserved for the use of the public as a highway: *Provided, however*, That if in the opinion of the Secretary of the Interior the reservation of any such space or tract of land or any portion of any reserved space or tract is no longer necessary in order to prevent the monopolization of sites suitable for use in connection with the navigation of such navigable stream, inlet, gulf, bay, or seashore, or for other public use, or wherever in the opinion of the Secretary the public interests require that any lands so reserved shall be restored to the public domain and become subject to settlement, entry, appropriation, and disposition under the provisions, conditions, and restrictions applicable to such lands; and if any person, association, or corporation, or the predecessors in interest of any person, association, or corporation, has entered into and remained in possession of any of said land and has made improvements thereon under the belief that title could be acquired thereto and with the bona fide intention of acquiring title to such land under the laws of the United States, then such person, association, or corporation, if otherwise qualified and if prior in time in the initiation of such acts, shall be granted the prior right to appropriate, enter, purchase, or acquire title to such land under the provisions of this act or other acts of the United States that may be applicable to the same: *Provided further*, That in case more than one person, association, or corporation shall claim the same tract of land, the person, association, or corporation having the prior claim, by reason of actual possession and continued occupation in good faith, shall be entitled to purchase the same; but where several persons are or may be so possessed of parts of the tract applied for, the same shall be awarded to them according to their respective interests: *Provided further*, That all claims substantially square in form and lawfully initiated prior to January 21, 1898, by survey or otherwise, under sections 12 and 13 of the act approved March 3, 1891 (26 Stat. L., ch. 561), may be perfected and patented upon compliance with the provisions of said act, but subject to the requirements and provisions of this act, except as to area, but in no case shall such entry extend along the water front for more than 160 rods: *Provided further*, That the Secretary of the Interior shall reserve for the use of the natives of Alaska suitable tracts of land along the water front of any stream, inlet, bay, or seashore for landing places for canoes and other craft used by such natives: *And provided further*, That the Annette, Pribilof

Islands, and the islands leased or occupied for the propagation of foxes be excepted from the operation of this act.

"That all affidavits, testimony, proofs, and other papers provided for by this act and by said act of March 3, 1891, or by any departmental or executive regulation thereunder, by depositions or otherwise, under commission from the register and receiver of the land office, which may have been or may hereafter be taken and sworn to anywhere in the United States, before any court, judge, or other officers authorized by law to administer an oath, shall be admitted in evidence as if taken before the register and receiver of the proper local land office. And thereafter such proof, together with a certified copy of the field notes and plat of the survey of the claim, shall be filed in the office of the surveyor general of the District of Alaska, and if such survey and plat shall be approved by him, certified copies thereof, together with the claimant's application to purchase, shall be filed in the United States land office in the land district in which the claim is situated, whereupon, at the expense of the claimant, the register of such land office shall cause notice of such application to be published for at least 60 days in a newspaper of general circulation published nearest the claim within the District of Alaska, and the applicant shall at the time of filing such field notes, plat, and application to purchase in the land office, as aforesaid, cause a copy of such plat, together with the application to purchase, to be posted upon the claim, and such plat and application shall be posted in a conspicuous place on such claim continuously for at least 60 days, and during such period of posting and publication or within 30 days thereafter any person, corporation, or association having or asserting any adverse interest in or claim to the tract of land or any part thereof sought to be purchased may file in the land office where such application is pending, under oath, an adverse claim setting forth the nature and extent thereof, and such adverse claimant shall, within 60 days after the filing of such adverse claim, begin action to quiet title in a court of competent jurisdiction within the District of Alaska, and thereafter no patent shall issue for such claim until the final adjudication of the rights of the parties, and such patent shall then be issued in conformity with the final decree of the court."

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER.

The bill (S. 1269) for the adjudication and determination of the claims arising under joint resolution of July 14, 1870, authorizing the Postmaster General to continue in use in the Postal Service Marcus P. Norton's combined postmarking and stamp-canceling hand stamp patents, or otherwise, was announced as next in order.

Mr. STONE. Mr. President, the Senator who reported this bill [Mr. BRYAN] is not in the Chamber at present. It carries a pretty large appropriation, and I think it had better go over.

The PRESIDING OFFICER. The bill will be passed over.

TENNESSEE STATE CLAIMS.

The joint resolution (S. J. Res. 65) to amend S. J. Res. 8, approved May 4, 1898, entitled "Joint resolution providing for the adjustment of certain claims of the United States against the State of Tennessee and certain claims against the United States," was considered as in Committee of the Whole.

Mr. SMOOT. Mr. President, I should like to ask the Senator from Tennessee [Mr. SHIELDS] to explain this joint resolution in as few words as possible. The report is not very extended. I should like to have the Senator explain the object of the joint resolution and what it is really intended to carry out.

Mr. SHIELDS. I will do so, Mr. President.

There are certain controversies between the United States and the State of Tennessee of long standing, beginning, in part, as far back, I believe, as 1850. The United States holds certain bonds of the State of Tennessee—approximately $400,000 in amount—and also has certain other claims against the State growing out of the sale by the United States to Tennessee of certain rolling stock that the Federal Government placed upon railroads in Tennessee while seized and operated by it during the Civil War. When it surrendered the roads to the State and the owners it sold to the State this rolling stock, and a value was then placed upon it, but which, as I understand, was open to future adjustment.

Those are the claims of the Federal Government against the State. As an offset against those claims Tennessee claims compensation for the use of railroads that were seized and operated by the Government, as I have just stated, and for certain rolling stock on those roads that the Federal Government wore out while operating them, and also the steel on one road which it took up and removed from the State, and certain rolling stock that was seized and converted in the same way.

Those claims have been standing since the close of the war, and an effort has been made from time to time to adjust and settle them between the two Governments.

Mr. WEST. Mr. President——

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Georgia?

Mr. SHIELDS. I do.

Mr. WEST. All the time that the National Government was administering this property were the proceeds converted into the Treasury of the Government?

Mr. SHIELDS. There were no proceeds further than the use of the railroads in transporting the troops of the United States and supplies for the Army. Perhaps that statement is too broad. They may have done some business for the general public. On reflection, I recall that some business of that kind was done as common carriers, because the Government continued to hold and operate these roads after the close of the war, after all questions of loyalty and disloyalty were ended. I think they surrendered these roads some time in September to the State, and certainly there were several months in which no question of loyalty was involved.

Mr. SMOOT. Mr. President, I notice these words, "without regard to any question of loyalty or disloyalty."

Mr. SHIELDS. I will explain that.

Mr. SMOOT. Would the Senator object to striking those words out of the joint resolution and allowing it simply to read?—

The claims of the parties, respectively, shall be considered, adjusted, and settled on their merits and upon such terms as to amounts, allowance, and interest, and so forth, as shall do equal and impartial justice to the parties.

Mr. SHIELDS. Yes; those words are the meat of this amendment. If the Senator will bear with me, he will understand the bearing of them. I have not completed the statement.

Mr. SMOOT. Of course I think I understand why they are in there. If they were not there, the parties that were disloyal to the Government of the United States could have no claim against the Government.

Mr. SHIELDS. That is one of the questions to be settled in the final adjustment of this compromise. There are very grave questions presented, both under the question whether a State government could be disloyal or merely the citizens of the State; and, furthermore, as to the effect of the general amnesty law and certain other laws. I wish the Senator would let me conclude the statement, and he will see that those words do no harm at this stage of the proceeding.

With those controversies existing, Congress in 1868 passed a resolution of which I will read a portion:

Resolved, etc., That the Attorney General, the Secretary of the Treasury, and the Secretary of War be, and they are hereby, authorized and required to proceed, by conference with such agents, counsel, or commissioners as may be appointed by said States for that purpose, to compromise, adjust, and settle with the State of Tennessee, through such duly appointed agents, all said matters, upon such terms as to amounts, allowance of interest, and so forth, as shall do equal and impartial justice to both parties.

Pursuant to that resolution the State of Tennessee, by a resolution passed by its general assembly, appointed three commissioners to act for it, and these commissioners have met with the commissioners of the United States, the Secretary of War, the Secretary of the Treasury, and the Attorney General, but have been unable to agree. They have had several meetings. At various times it has been suggested that pending the time that part of these claims accrued to the State of Tennessee, Tennessee was disloyal and had seceded, and therefore those claims could not be allowed; but it has been insisted all the time by the commissioners of Tennessee that the facts should be reported, regardless of the legal status of the parties or any question of law that might be presented, so that Congress, when their report came in, might pass upon the merits of it. As I said, however, some one has always raised that question, and the commissioners have never gotten down to the merits. The object of this resolution is to amend the former one so as to direct them, regardless of that question, to proceed and ascertain all the facts and report.

I call the Senator's attention to the concluding clause of this amendment:

The claims of the parties respectively shall be considered, adjusted, and settled on their merits without regard to any question of loyalty or disloyalty, and upon such terms as to amounts, allowance of interest, etc., as shall do equal and impartial justice to the parties. The said compromise or settlement is not to be effective or final until approved by Congress.

So this is simply directing them to proceed, regardless of this question, and report all the facts, whether or not they have just claims, independent of this question of law and aside from it, so that Congress in the end, by a proper proceeding, may pass on the merits of the matter.

I think it is well for that to be done. It saves litigation. The claims of the United States against Tennessee aggregate probably from $800,000 to $1,000,000. Those of Tennessee amount to nearly as much. The matter is of long standing. It is a stale claim in its nature. I may say that Tennessee has not been derelict in this matter, as its commissioners, from the time the original resolution was passed, in 1898, have been anxious for this adjustment. The State wants to get it out of the way, but this obstacle came up continually. I must further say that on several occasions when a time was agreed

upon to settle it matters of great importance arose here at Washington and engaged the attention of the Cabinet officers, who are made commissioners ex officio, to such an extent that it was continued on that account, and properly, in some instances, as I remember.

The original resolution provides for a report to be made to Congress upon this matter. This amendment specifically provides that it shall not be final or binding until there is an act of Congress upon the report. The object of this is to waive that question for the present and bring the whole matter before Congress, in order that we may have an adjustment upon the merits in that way.

The question of the extent of the pardon involved in the general amnesty law that was granted, I believe, in December, 1865, and its effect upon such claims as this, has received a good deal of consideration by the courts, and there are some very grave questions and nice distinctions involved in that. Furthermore, the question whether or not a State could be disloyal so as to affect its interest has been before the Supreme Court of the United States. I have those cases before me, or a reference to them, and it has held that it could not be; that the action of the general assemblies and of the State officers in passing seceding ordinances were null and void; that they were beyond their power. The term "ultra vires" might be used as to them. Those, however, are all questions that will come up when the report is made by the several commissioners for the respective parties, and they can be settled then. I had not prepared myself to go into the matter of these several claims. I simply desire to get the award made now.

Mr. SMOOT. Mr. President, I notice the joint resolution does not refer particularly to the State of Tennessee. It says, "The claims of the parties, respectively," and, of course, that may include individuals who were disloyal to the Government. I would not want to have it understood that Congress was going to pay the claim of any person who was disloyal to the Government at the time of our Civil War.

I recognize the fact, however, Mr. President, that this compromise or settlement is not to be effective or final until approved by Congress, and that is about the only saving grace there is in this proposition. With that amendment made to the joint resolution, I suppose all it amounts to is that they shall investigate and find out how much the State of Tennessee and the individual citizens of Tennessee claim against the Government for the taking over of the railroad in that State.

Mr. SHIELDS. I will correct the Senator. He misunderstood me in that respect. There is no claim of any individual involved in the submission of this matter. It is the claims of the respective Governments, the Federal Government and the State of Tennessee.

Mr. SMOOT. There is another thing. Under the terms of the joint resolution the commissioners are to consider, adjust, and settle the claims on their merits "and upon such terms as to amounts, allowance of interest," and so forth. It seems to me that the words "and so forth" ought to be stricken from the joint resolution and that it should apply only to amounts and allowance of interest. I can not imagine anything else outside of that.

Mr. SHIELDS. I really do not think that would affect the meaning of it. If there were no claims, of course the commission would not consider them. That part was intended to describe the character of the claims.

Mr. SMOOT. It is rather an ambiguous phrase to use in legislation.

Mr. SHIELDS. I have no objection to having it stricken out. I accept the amendment.

Mr. SMOOT. I think the words "and so forth" ought to be stricken out.

Mr. SHIELDS. I accept the amendment.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 3, line 1, after the word "interest" and the comma, strike out "and so forth."

The amendment was agreed to.

Mr. SMOOT. I move to insert the word "and" after the word "amounts," so that it will read: "amounts and allowance of interest."

The amendment was agreed to.

The PRESIDING OFFICER. The amendment of the Committee on Claims will be stated.

The SECRETARY. On page 2, line 3, strike out the numeral "8" and insert "34"; and on page 3, line 2, after the word "parties," insert "The said compromise or settlement is not to be effective or final until approved by Congress," so as to make the joint resolution read:

Resolved, etc., That the said S. J. Res. 34 be, and is hereby, amended by adding thereto the following, namely:

"The claims of the parties respectively shall be considered, adjusted, and settled on their merits without regard to any question of loyalty or disloyalty and upon such terms as to amounts and allowance of interest as shall do equal and impartial justice to the parties. The said compromise or settlement is not to be effective or final until approved by Congress."

The amendments were agreed to.

The joint resolution was reported to the Senate as amended, and the amendments were concurred in.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A joint resolution to amend S. J. Res. 34, approved May 12, 1898, entitled 'Joint resolution providing for the adjustment of certain claims of the United States against the State of Tennessee and certain claims against the United States.'"

The PRESIDING OFFICER. The Committee on Claims report amendments to the preamble, which will be stated.

The SECRETARY. In the second line of the first whereas strike out "8, approved May 4, 1898," and insert "34, approved May 12, 1898," and in the fifth line of the second whereas strike out "8" and insert "34," so as to make the preamble read:

Whereas the resolution in the caption mentioned, being S. J. Res. 34, approved May 12, 1898, providing for the adjustment of certain claims of the United States and of the State of Tennessee, provides that the Attorney General, the Secretary of the Treasury, and the Secretary of War of the United States, as representatives of the United States, and agents or commissioners to be appointed by the State of Tennessee, as representatives of the State, shall proceed by conference to compromise, adjust, and settle the claims in the resolution mentioned, but that the compromise or settlement shall not be effective as final until approved by Congress; and

Whereas at conference held between said representatives they have been unable to proceed because the said representatives of the United States have insisted that the settlement or compromise of the claims of the State of Tennessee under said S. J. Res. 34 should be precluded by the consideration that the State of Tennessee was during the Civil War, in the resolution mentioned, a public enemy and in rebellion, and not entitled to compensation for any losses suffered by reason of the action of the United States in suppressing such rebellion; and

Whereas it was the true intent and purpose of said resolution to provide for the compromise, adjustment, and settlement of all the matters in the resolution mentioned, upon terms that would do equal and exact justice to the parties, on the merits of their claims; and

Whereas it is not deemed just that the consideration of the claims of Tennessee should, or can be, precluded, or the same disallowed upon the ground that the State was a public enemy and in rebellion: Now, therefore, be it

The amendments were agreed to.

The preamble as amended was agreed to.

DONATION OF CONDEMNED CANNON.

Mr. JONES. The bill (S. 5495) authorizing the Secretary of War to make certain donations of condemned cannon and cannon balls was temporarily laid aside. I call it up and desire to offer an amendment to it.

The Senate, as in Committee of the Whole, resumed the consideration of the bill.

Mr. JONES. At the end of the bill I move to add:

To the proper authorities of Columbia County, in the State of Washington, two condemned bronze or brass cannon and a suitable outfit of cannon balls; to be placed in the public square in the city of Dayton.

The amendment was agreed to.

Mr. JONES. I also move to add to the bill:

To the order of the Dan McCook Post, No. 195, Grand Army of the Republic, in the State of Washington, one condemned bronze or brass cannon or fieldpiece and a suitable outfit of cannon balls.

The amendment was agreed to.

Mr. GRONNA. I offer an amendment to the bill.

Mr. STONE. I should like to know where all the plunder is to come from. If there is any of it left——

Mr. WILLIAMS. Let it be divided pro rata.

Mr. STONE. If there is no other use for it, I should like to get a little for my State.

Mr. GRONNA. I move to add to the bill:

To the city of Hope, N. Dak., one condemned bronze or brass cannon or fieldpiece and a suitable outfit of cannon balls.

The amendment was agreed to.

Mr. GRONNA. I also move to add to the bill:

To deliver to the Fort Totten Indian School, at Fort Totten, in the State of North Dakota, one condemned bronze or brass cannon or fieldpiece, with its carriage and a suitable outfit of cannon balls.

The amendment was agreed to.

Mr. SHEPPARD. In the absence of the Senator from Kansas [Mr. THOMPSON] and the Senator from Maine [Mr. JOHNSON], I wish to offer some amendments on their behalf. For the Senator from Maine I move to add to the bill:

To the Caribou Board of Trade, in the town of Caribou, State of Maine, one condemned bronze or brass cannon or fieldpiece, with its carriage and cannon balls.

The amendment was agreed to.

Mr. SHEPPARD. For the Senator from Kansas I move to insert:

To James Shields Post, No. 57, Grand Army of the Republic, Wellington, Kans., two condemned bronze or brass cannon or fieldpieces.

To the city of Alma, Kans., to be mounted in the courthouse square in said city of Alma, two condemned bronze or brass cannon or fieldpieces.

The amendment was agreed to.

Mr. SHAFROTH. I desire to offer an amendment. I move to insert:

To the city of Boulder, in the State of Colorado, for use of Nathaniel Lyon Relief Corps, No. 21, Department of Colorado and Wyoming, Auxiliary to Post No. 5, Grand Army of the Republic, two condemned bronze or brass cannon or fieldpieces and a suitable outfit of cannon balls.

The amendment was agreed to.

Mr. STONE. I move as an amendment that two brass cannon and the other things be granted to the city of Nevada, Mo.

The amendment was read, as follows:

To the city of Nevada, Mo., two condemned bronze or brass cannon or fieldpieces and a suitable outfit of cannon balls.

The amendment was agreed to.

Mr. STONE. I move to add the following:

To the city of Carthage, Mo., two condemned bronze or brass cannon or fieldpieces and a suitable outfit of cannon balls.

The amendment was agreed to.

Mr. STONE. I also move to add the following:

To the city of Chillicothe, Mo., two condemned bronze or brass cannon or fieldpieces and a suitable outfit of cannon balls.

The amendment was agreed to.

Mr. MYERS. I move to add to the bill:

To the city of Hamilton, in the State of Montana, two condemned bronze or brass cannon or fieldpieces and a suitable outfit of cannon balls.

The amendment was agreed to.

Mr. STERLING. I move to add to the bill:

To the city of Vermilion, S. Dak., two condemned bronze or brass cannon or fieldpieces and a suitable outfit of cannon balls.

To the city of Redfield, S. Dak., two condemned bronze or brass cannon or fieldpieces and a suitable outfit of cannon balls.

The amendment was agreed to.

Mr. LEA of Tennessee. I propose the following amendment. I move to add to the bill:

To the city of Chattanooga, Tenn., two condemned bronze or brass cannon or fieldpieces and a suitable outfit of cannon balls.

To the city of Nashville, Tenn., two condemned bronze or brass cannon or fieldpieces and a suitable outfit of cannon balls.

The amendment was agreed to.

Mr. OWEN. I move to add to the bill:

To the city of Muskogee, Okla., two condemned bronze or brass cannon or fieldpieces and a suitable outfit of cannon balls.

To Oklahoma City, Okla., two condemned bronze or brass cannon or fieldpieces and a suitable outfit of cannon balls.

The amendment was agreed to.

Mr. McCUMBER. As there are quite a few hungry Senators absent, I object to the passage of the bill at this time. I ask that it may go over.

The PRESIDING OFFICER. The Senator from North Dakota objects to the further consideration of the bill.

Mr. SHAFROTH. I rise to a point of order. The bill has been considered, and the Chair had presented the question to the Senate as to whether there would be any objection to its consideration.

The PRESIDING OFFICER. The Chair did not. It is proper for an objection to be made at any stage of the proceeding on the bill. The next business on the calendar will be stated.

CLAIMS AGAINST COLOMBIA.

Senate resolution 367, for the printing of certain documents relating to claims against the Government of Colombia as a Senate document, was announced as next in order.

Mr. SMOOT. Let that go over.

The PRESIDING OFFICER. The resolution will go over.

JAMES B. SMOCK.

The bill (S. 4288) to remove the charge of desertion against James B. Smock was considered as in Committee of the Whole.

The bill was reported from the Committee on Military Affairs with an amendment to strike out all after the enacting clause and insert:

That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers James B. Smock, who was a private of Company H, One hundred and sixty-ninth Regiment Pennsylvania Drafted Militia Infantry, shall hereafter be held and considered to have been discharged honorably from the military service of the United States as a member of said company and regiment on the 27th day of November, 1862.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of James B. Smock."

SPANISH WAR PENSIONS, ETC.

The bill (H. R. 13044) to pension widows and minor and helpless children of officers and enlisted men who served during the War with Spain or the Philippine insurrection or in China, between April 21, 1898, and July 4, 1902, was announced as next in order.

Mr. WILLIAMS. The senior Senator from North Carolina [Mr. SIMMONS], who had to leave the Chamber, requested the junior Senator from Georgia [Mr. WEST] when this calendar number came up, and he in turn being compelled to leave requested me, to ask that it go over.

The PRESIDING OFFICER. The bill will go over.

IMPORTATION OF CONVICT-MADE GOODS.

The bill (S. 14330) to prohibit the importation and entry of goods, wares, and merchandise made in whole or in part by convict, pauper, or detained labor, or made in whole or in part from materials which have been made in whole or in part or in any manner manipulated by convict or prison labor, was announced as next in order.

Mr. WILLIAMS. I ask that the bill may go over.

The PRESIDING OFFICER. The bill will go over.

INDIAN LANDS.

The bill (S. 3899) to provide for the acquiring of additional lands by railroad companies through Indian reservations, Indian lands, and Indian allotments, and for other purposes, was considered as in Committee of the Whole.

The bill was reported from the Committee on Indian Affairs with amendments on page 2, line 5, to strike out the words "for other purposes in connection with the Indian Service, or"; in line 14, before the word "protection," to insert the word "fire"; on page 3, line 4, after the word "any," to insert the words "ballast or construction"; in line 7, after the word "any," to insert "such"; in line 8, after the word "allotment," to insert "as herein provided"; in line 13, after the word "protection," to strike out "of or," and in the same line, after the word "from," to insert "fire of"; and at the end of the bill to add the following additional proviso:

And provided further, That the Secretary of the Interior shall not be authorized under the foregoing provisions of this act to grant any land which may control any water power or which contains any mineral or oil.

So as to make the bill read:

Be it enacted, etc., That paragraphs 2 and 3 of section 1 of an act of Congress entitled "An act making appropriations for the current and contingent expenses of the Indian Department, for fulfilling treaty stipulations with various Indian tribes, and for other purposes, for the fiscal year ending June 30, 1910," approved March 3, 1909, be, and the same are hereby, amended so as to read as follows:

"That when in the judgment of the Secretary of the Interior it is necessary for any railway company owning or operating a line of railway in any Indian reservation or through any lands reserved for an Indian agency, or through any lands which have been allotted in severalty to an individual Indian, under any law or treaty, but which have not been conveyed to the allottee with full power of alienation, to acquire lands in such Indian reservations, Indian lands, or Indian allotments for reservoirs, rights of way for ditch or pipe lines used in connection with any such reservoirs, material or ballast pits, for the construction, operation, repair, and maintenance of its railway, or for the purpose of providing any manner of fire protection to its line of railway, or the property adjacent thereto, the said Secretary be, and he is hereby, authorized to grant such lands to any such railway company upon such terms and conditions and such rules and regulations as may be prescribed by the said Secretary.

"That when any railway company desiring to secure the benefits of this provision shall file with the Secretary of the Interior an application describing the lands which it desires to purchase, and upon the payment of the price agreed upon, the said Secretary shall cause such lands to be conveyed to the railway company applying therefor, upon such terms and conditions as he may deem proper: *Provided*, That no lands shall be acquired under the provisions of this act in greater quantity than 40 acres for any one reservoir and 160 acres for any ballast or construction material or ballast pit, or to the extent of more than one reservoir and one material and ballast pit in any one section of 6 miles of any such railway in any such Indian reservation, Indian land, or Indian allotment as herein provided: *Provided further*, That the lands acquired for any ditch or water pipe line shall not exceed 15 feet in width on each side of the center line of such ditch or pipe line: *And provided further*, That the land acquired for the protection from fire of any line of railway shall be taken only at such places along the line of the railway company applying therefor, as in the judgment of the Secretary may be necessary, and shall be taken in strips adjoining and parallel with the right of way of the railway company taking the same and shall not exceed 150 feet in width: *And provided further*, That the Secretary of the Interior shall not be authorized under the foregoing provisions of this act to grant any land which may control any water power or which contains any mineral or oil."

The amendments were agreed to.

The bill was reported to the Senate as amended and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

TOWN SITES IN MONTANA.

The bill (S. 4180) to validate title to certain town sites in the State of Montana was announced as next in order.

Mr. SMOOT. I received a letter the other day in relation to this bill, calling attention to some matters connected with the locating of the land, and so forth. Among other things, the writer says:

I do not believe that Senator MYERS was familiar with the circumstances when he reported this bill.

Mr. MYERS. I did not hear the Senator. I will have to ask for order in the Chamber.

The PRESIDING OFFICER. The Senate will be in order.

Mr. SMOOT. The other day I received a letter from Redstone, Mont., in relation to this bill, giving a history, as the writer understood, of the former locations of the land and the scrip application, and the writer also says:

I do not believe that Senator MYERS was familiar with the circumstances when he reported this bill.

The writer of the letter objects to the bill, and I have not had time to take up the matter with the Senator. I ask that the bill may go over for to-day, and I will submit this letter to the Senator.

Mr. MYERS. Of course, if the Senator after hearing me still desires to object, the bill will have to go over. My colleague [Mr. WALSH], I understand, intends to offer a substitute which, he thinks, will meet some objections to the bill; and after the substitute has been offered, I do not believe there will be any objection to it at all. The history of the bill is set out very fully in the report, and if the Senator will listen to the substitute which, I understand, my colleague intends to offer, perhaps he will not then have any objection. If he does, of course I would not have anything further to say.

Mr. SMOOT. I will say to the Senator that I very much prefer that the bill should go over for to-day, and I will submit this letter to him, and we will talk about what is in the letter in relation to the Northern Pacific lieu-land scrip and other matters, and then I would have no objection to it if it is all straight.

Mr. McCUMBER. Before the Senator makes the request that the bill go over, I think the junior Senator from Montana [Mr. WALSH] has an amendment which he purposes to offer which will remove any objections that can possibly be urged in the letter.

Let me call the attention of the Senator from Utah to the fact that under the provisions of the law where land is selected and set aside as coal land there is no provision whatever for the location of anything but homesteads and regular settlement.

Mr. SMOOT. I understand that thoroughly.

Mr. McCUMBER. Just let me make it clear. There is no provision for a town site. Where the land has been selected, and whole counties nearly are selected as coal lands and new railroads are being built, and three of them are putting their lines through that country, there ought to be some way of locating a town in those places.

I understand that the amendment which will be offered to the bill will apply generally, so that where there has been a lieu-land selection made, without describing the tract at all, there may be selected as much as 160 acres for town-site purposes. If we do not get the bill through at this session you can not have town sites in that whole section of the country, and the matter will be delayed until Congress shall have acted upon it.

Mr. SMOOT. Do I understand the Senator to say that there will be an amendment offered providing that hereafter any lieu-land scrip of the Northern Pacific can be located on land withdrawn?

Mr. McCUMBER. Oh, no. These lands can be taken for town-site purposes where a proper selection, of course, has been made. I think the Senator from Montana [Mr. WALSH] can better explain it by reading his amendment.

Mr. WALSH. Mr. President, if the Senator from Utah will pardon me for a moment, I could not give my approval to the bill as reported to the Senate, but I think that it ought to be passed and the relief ought to be granted to those people. As the Senator from Utah doubtless knows, that section of our State is being very rapidly settled at this time. Towns spring up overnight. They are creating new counties so fast in that part of the State that I can not keep track of them. Many of the town sites have been laid out upon lands which have been located by virtue of the soldiers' additional homestead scrip or by virtue of the Northern Pacific lieu-land scrip, and the title to all those lands is under a cloud by reason of the fact that the land has been classified as coal land or it is reserved for classification as coal land.

I have been obliged lately to investigate very carefully the whole subject matter to which I have no doubt the letter relates. I appeared before the Secretary of the Interior about three weeks ago as representing settlers there who are urging against the contention of the Northern Pacific Railroad that they are entitled to a large portion of this land under the Northern Pacific selection. I have no doubt the letter refers to that claim.

Mr. SMOOT. I will say to the Senator that that is one of the matters referred to in the letter.

Mr. WALSH. I felt sure it was, but I will say to the Senator that it is a matter quite separate and apart from this. I introduced a bill the other day to repeal the act of March 3, 1911, under which the Northern Pacific selections were made. I will say to the Senator that that whole region at the time the map of definite location was filed, in 1882, was an Indian reservation. It was opened under the provisions of the act of 1888, and it was made subject to only four classes of entry—homestead, preemption, town-site, and mineral-land entry; but notwithstanding that, the department went on and permitted entries of all classes. Then an act was passed in 1911 extending over these lands the general land laws, and under that the Northern Pacific has gone in and selected 150 acres of the land. But that is something entirely separate from this. Those selections are made, I will say to the Senator, under the provisions of the general act granting the lands to the Northern Pacific. Those are not town sites at all. There is certain scrip belonging to the Northern Pacific that is assignable and has been used extensively for the purpose of locating town sites in that locality, and, likewise, the soldiers' additional homestead scrip has been used.

This bill was intended to cover the case of 280 acres located with Northern Pacific scrip and 40 acres located by means of the soldiers' additional homestead scrip. That has been granted, town sites have been sold, and people have gone there. The report, I will say, gives a long list of improvements that have been made by people who have bought lots in those various towns, and now patent is denied by reason of the fact that the lands are coal lands or they are reserved for classification as coal lands. The purpose of the bill is to permit those to go to patent, but patent for the surface right only, reserving to the Government the coal land.

Mr. SMOOT. I so understand it. Let me read a part of this letter.

Mr. WALSH. I will be very glad to hear it all.

Mr. SMOOT. The letter says:

The bill, which I believe is Senate bill 4180, also cedes surface rights to the soldier's additional homestead application filed by one W. F. Hanks as assignee of the right of William H. Shaffer. The land embraced in Mr. Hanks's application, while not a part of the town site of Redstone, is contiguous thereto and is also contiguous to the present homestead entry of one Joseph O. Oswald.

Mr. Hanks's application was rejected by both the local land office and by the General Land Office at Washington for the reason that the land embraced in the same had been withdrawn as coal lands and not subject to entry under soldier's additional application. Mr. Hanks allowed the time for appeal to expire without taking any action, and it was then that Mr. Oswald, the owner of 280 acres of Government homestead adjoining, filed an additional homestead application for the same land. His application was suspended pending final disposition of the soldier's additional application for Hanks, and for some reason or other we are unable to induce the General Land Office to close the case as to Hanks and issue notice of allowance to Oswald.

I do not believe that Senator MYERS was familiar with the circumstances when he reported this bill, or he surely would not have included the clause to which I have referred. Inasmuch as Oswald has tendered an application for the land, and it being subject to entry thereunder, and it also being the only application that has ever been tendered for the land under which the same was subject to entry, it seems that equitable consideration would entitle him to a filing upon this land.

On behalf of Mr. Oswald allow me to say that we will surely appreciate any effort you may see fit to extend in his behalf. I beg to remain,

Yours, very truly,

S. E. PAUL.

That is the position taken by Mr. S. E. Paul, of Redstone, Mont., an attorney in that city.

Mr. WALSH. If the fact is, Mr. President, that anyone claims to have made a filing on this land and is contesting it against the soldier's additional location, of course no act of Congress ought to pass directing the soldier's additional-land application to go to patent. With one particular objection to the act as it stands, I have, however, made it general, and provided that any entry made shall proceed to patent, though they may be classified or set aside as coal lands. There is a report accompanying the bill which tells us there are no adverse filings at all.

Mr. SMOOT. That is why I voted that the bill should be reported from the committee. I did so on the report that came from the department; but evidently there are from this letter adverse claims to the land.

Mr. WALSH. I think, however, that all rights will be reserved if the substitute which I propose should be adopted.

Mr. SMOOT. I call the Senator's attention to the fact that the bill specifically states—

That the Secretary of the Interior be, and he is hereby, authorized and directed to accept for surface rights only Northern Pacific lieu-land selection heretofore made.

The Secretary is directed by Congress to do that; and unless an amendment was offered to the bill and accepted stating that it shall not interfere with any rights, of course he could not do otherwise than to issue the patent.

Mr. WALSH. For greater safety, it would be wise to put such a provision as that in. I drafted it upon the report of the department that there were no adverse claims of any kind, but I should be glad, at the suggestion of the Senator, to add such a clause.

Mr. SMOOT. I should like to have the Senator read the amendment he desires to offer.

Mr. WALSH. It follows the language of the bill, but makes it general:

That the Secretary of the Interior be, and he is hereby, authorized and directed to accept for surface rights only Northern Pacific lieu-land selection heretofore filed——

Mr. SMOOT. That would be worse than this bill. I very much prefer to have this bill pass.

Mr. WALSH. I think the Senator had better wait until I get through.

Mr. SHAFROTH. I should like to ask the Senator from Montana whether there is anything in this bill that involves the question of leasing by the Government. I have not been able to read the provisions of the bill, but I have heard the Senator's statement as to the public lands.

Mr. WALSH. I am very glad to reassure the Senator from Colorado upon that point.

Mr. SHAFROTH. There is no provision in the bill as to leasing. I have no objection to the bill.

Mr. SMOOT. I am going to ask that the bill go over.

The PRESIDING OFFICER. The Senator from Utah objects, and the bill goes over.

PANAMA CANAL TOLLS.

The resolution (S. Res. 376) requesting the President to open diplomatic negotiations for the settlement of the Panama Canal tolls question by international arbitration was announced as next in order.

Mr. OVERMAN. Let that go over.

The PRESIDING OFFICER. The resolution will go over.

Mr. SMOOT. I ask that the resolution be indefinitely postponed.

Mr. WILLIAMS. What is the motion?

Mr. SMOOT. If the Senator from Mississippi objects to its indefinite postpontment I will ask that the resolution go over under Rule IX. Then it can be brought up on motion.

Mr. WILLIAMS. I object to that.

Mr. BURTON. The resolution ought to be disposed of in some way. It was introduced when the bill was pending for the repeal of the exemption of coastwise vessels from the payment of Panama tolls.

Mr. SMOOT. That is why I asked that it be indefinitely postponed.

Mr. BURTON. Upon the passage of that bill there is no further reason for the adoption of the resolution.

Mr. WILLIAMS. The Senator from Ohio is very much mistaken. The Senator from Utah [Mr. SUTHERLAND] who introduced the resolution thought that perhaps he could get it as an amendment upon that act. Then afterwards it was thought well to make up a case between the two Governments and have that question arbitrated so that it could be settled forever.

The matter is at present in this condition, that a succeeding Congress could reenact the law which we repealed. That would again bring up the question. So it was thought by the Senator from Utah [Mr. SUTHERLAND] and by me and several others that it was well to settle the question and have it settled for all time in order that if Congress ever did want to reenact it the right to do so would be thoroughly established, or the wrong in doing it would have been arbitrated, so that Congress would not attempt to do it. I object to its going through at this time.

The PRESIDING OFFICER. The resolution will go over under objection.

BUSINESS PASSED OVER.

The bill (S. 5210) to correct the military record of Nelson T. Saunders was announced as next in order.

Mr. OVERMAN. Let that go over.

The PRESIDING OFFICER. The bill goes over.

The resolution (S. Res. 393) to print the pamphlet entitled "Doniphan's Expedition," containing an account of the conquest of New Mexico, with illustrations, was announced as next in order.

Mr. WILLIAMS. Let that go over, Mr. President.

The PRESIDING OFFICER. The resolution goes over.

The bill (H. R. 13811) making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, was announced as next in order.

The PRESIDING OFFICER. Let that go over.

The joint resolution (S. J. Res. 117) to determine the rights of the State of Colorado and of its citizens in the beneficial uses of waters of the Rio Grande and its tributaries within the boundaries of Colorado was announced as next in order.

Mr. SHEPPARD. Let that go over.

The PRESIDING OFFICER. The joint resolution goes over.

The bill (H. R. 4541) to consolidate the veterinary service, United States Army, and to increase its efficiency, was announced as next in order.

Mr. SMOOT. Mr. President, a Senator deeply interested in this bill, who is not present, asked me to request that it go over to-day.

Mr. KERN. I hope the Senator from Utah will not object to the consideration of the bill.

Mr. SMOOT. I promised the Senator to whom I have referred that I would ask that the bill go over for to-day.

The PRESIDING OFFICER. The bill goes over.

E. F. ANDERSON.

The bill (H. R. 14404) for the relief of E. F. Anderson was considered as in Committee of the Whole. It proposes to quiet and confirm the title of and to issue patent to E. F. Anderson in and to the west half of the northwest quarter of section 30, township 15, range 17, Noxubee County, Miss., as assignee of the conveyance of She-uk-oh.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

C. F. JACKSON.

The bill (H. R. 14405) for the relief of C. F. Jackson was considered as in Committee of the Whole. It proposes to quiet and confirm the title of and to issue patent to C. F. Jackson in and to the northwest quarter of section 27, township 15, range 16, Noxubee County, Miss., as assignee of the conveyance by McKee Folsom.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

BILLS PASSED OVER.

The bill (S. 4282) to establish in the War Department and in the Navy Department, respectively, a roll designated as "The Army and Navy medal of honor honor roll," and for other purposes, was announced as next in order.

Mr. OVERMAN. Let that go over.

The PRESIDING OFFICER. The bill goes over.

The bill (S. 5977) to authorize Bryan and Albert Henry to construct a bridge across a slough, which is a part of the Tennessee River, near Guntersville, Ala., was announced as next in order.

Mr. OVERMAN. I ask that that bill go over.

The PRESIDING OFFICER. The bill goes over.

Mr. SHEPPARD subsequently said: Mr. President, recurring to Senate bill 5977, I wish to ask the Senator from North Carolina, who objected to its consideration, if he has any particular objection to the bill? It is an ordinary bridge bill in which the Senator from Alabama [Mr. BANKHEAD] is very deeply interested, and he wishes it passed to-day.

Mr. OVERMAN. I know nothing in the world about the bill, except a certain Senator, who is not here, asked me to object to its consideration.

Mr. SHEPPARD. Very well, Mr. President.

LAND ENTRIES IN WYOMING.

The bill (S. 5629) for the relief of certain persons who made entry under the provisions of section 6, act of May 29, 1908, was considered as in Committee of the Whole.

The bill had been reported from the Committee on Public Lands with an amendment, on page 2, after line 8, to insert:

Provided, That this legislation is to be construed as only removing the objection with relation to transfer heretofore raised by the Interior Department against said entries, and is not to be construed as confirming entries, if any, made for lands not subject to entry or entries made by persons not entitled thereto: *Provided further*, That if any of the said entries under the remedial act or amendments thereto have been canceled and the lands embraced therein reentered by intervening

adverse claimants, such canceled entries are not to be reinstated and validated by this act, but the right to make new locations in lieu thereof for lands subject to homestead entry is hereby granted.

So as to make the bill read:

Be it enacted, etc., That all entries made by beneficiaries under section 6 of the act of Congress approved May 29, 1908, entitled "An act authorizing a resurvey of certain townships in the State of Wyoming, and for other purposes" (35 Stats., 465), in connection with which such beneficiaries have submitted proof of their compliance with the homestead law in Wisconsin and where such proof shows full five years' residence and improvements on the Wisconsin land, to which their title failed by reason of the decision of the Supreme Court in the case of the Wisconsin Central Railroad Co. v. Forsythe (159 U. S., 46), whether such entry is now being asserted by the original entryman or by his transferee, be, and the same are hereby, confirmed, and the Secretary of the Interior is directed to issue patents thereon: *Provided*, That this legislation is to be construed as only removing the objection with relation to transfer, heretofore raised by the Interior Department against said entries, and is not to be construed as confirming entries, if any, made for lands not subject to entry or entries made by persons not entitled thereto: *Provided further*, That if any of the said entries under the remedial act or amendments thereto have been canceled and the lands embraced therein reentered by intervening adverse claimants, such canceled entries are not to be reinstated and validated by this act, but the right to make new locations in lieu thereof for lands subject to homestead entry is hereby granted.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

WATER SUPPLY OF NEVADAVILLE, COLO.

The bill (S. 2518) granting to the town of Nevadaville, Colo., the right to purchase certain lands for the protection of water supply was considered as in Committee of the Whole.

The bill had been reported from the Committee on Public Lands with an amendment, in section 3, page 4, after line 9, to insert:

Provided, That there is reserved to the United States all gas, oil, coal, and other mineral deposits and the right to prospect for, mine, and remove the same: *And provided further*, That the cost of the survey mentioned in section 2 of this act shall be paid by the said town of Nevadaville: *And provided further*, That in the event said lands are ever abandoned and not used for municipal purposes all right, title, and interest therein to be conveyed to the said town of Nevadaville by this act shall be forfeited and the same shall revert to the United States.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ORIGINAL ORDINANCE OF SECESSION OF LOUISIANA.

The joint resolution (H. J. Res. 295) authorizing the Secretary of War to return to the State of Louisiana the original ordinance of secession adopted by said State, was considered as in Committee of the Whole. It authorizes the Secretary of War to return to the State of Louisiana the original ordinance of secession which was adopted by the people of that State in convention assembled and which is now in the possession of the War Department.

The joint resolution was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

LOAN OF TENTS AND CAMP EQUIPAGE.

The joint resolution (S. J. Res. 92) authorizing the governor of any State to loan to military colleges and schools within his State such tents and camp equipage as have been issued to the State by the United States under the provisions of existing laws, was considered as in Committee of the Whole.

The joint resolution had been reported from the Committee on Military Affairs with amendments. The first amendment was, in section 1, page 1, line 3, after the word "That," to strike out "when it can be spared," and in line 9, after the word "issued," to insert "or shall be issued," so as to read:

That the governor of any State is authorized, under such regulations as he may prescribe not inconsistent with the provisions of this act, to lend for short periods to the military colleges and schools within his State to which Army officers are detailed as professors of military science and tactics such tents, flies, poles, ridges, pins, and camp equipage as have been issued or shall be issued to the said State by the United States under the provisions of existing laws.

The amendment was agreed to.

The next amendment was, in the same section, on page 2, line 9, after the word "schools," to insert:

Nor shall any property be so loaned when the loan would interfere with the use of the property for the purpose for which it has been issued or shall have been issued to the State.

The amendment was agreed to.

The joint resolution was reported to the Senate as amended, and the amendments were concurred in.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A joint resolution authorizing the governor of any State to loan to military colleges and schools within his State such tents and camp equipage as have been issued or shall be issued to the State by the United States under the provisions of existing law."

AMENDMENT TO THE RULES.

The resolution (S. Res. 293) to amend Rule XXV of the standing rules of the Senate was announced as next in order.

Mr. OVERMAN. Let the resolution go over.

The PRESIDING OFFICER. The resolution goes over.

MAJ. WILLIAM O. OWEN.

The bill (S. 5525) restoring Maj. William O. Owen to the active list of the Army was considered as in Committee of the Whole.

The bill had been reported from the Committee on Military Affairs with an amendment to strike out all after the enacting clause and to insert:

That, subject to the examination required by law, regulations, and orders for promotion from the grade of major to that of lieutenant colonel in the Medical Corps of the Army, the President be, and he is hereby, authorized to appoint, by and with the advice and consent of the Senate, Maj. William O. Owen, United States Army, retired, a colonel in the Medical Corps on the active list of the Army, with the same rank and relative position he would now hold if he had not been retired, the number of officers in the grade of colonel in the Medical Corps of the Army to be temporarily increased by one during the time that he shall occupy an office in that grade and corps on the active list.

The amendment was agreed to.

The bill was reported to the Senate as amended and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to authorize the President to appoint Maj. William O. Owen, United States Army, retired, a colonel on the active list of the Army."

Mr. POMERENE. Mr. President, the report on the bill which has just been passed is very short, and I ask that it be printed in the RECORD.

The PRESIDING OFFICER. Without objection, that order will be made.

The report, which was submitted by Mr. CHAMBERLAIN on July 30, 1914, is as follows:

The Committee on Military Affairs, having had under consideration Senate bill 5525, restoring Maj. W. O. Owen to the active list of the Army, recommends that the bill be amended to read as follows:

"A bill to authorize the President to appoint Maj. William O. Owen, United States Army, retired, a colonel on the active list of the Army.

"Be it enacted, etc., That, subject to the examination required by law, regulations, and orders for promotion from the grade of major to that of lieutenant colonel in the Medical Corps of the Army, the President be, and he is hereby, authorized to appoint, by and with the advice and consent of the Senate, Maj. William O. Owen, United States Army, retired, a colonel in the Medical Corps, on the active list of the Army, with the same rank and relative position he would now hold if he had not been retired, the number of officers in the grade of colonel in the Medical Corps of the Army to be temporarily increased by one during the time that he shall occupy an office in that grade and corps on the active list."

And as thus amended that it pass.

Maj. Owen was appointed assistant surgeon May 23, 1882, promoted to captain and assistant surgeon May 23, 1887, and to major and surgeon February 1, 1900. He was retired as major November 23, 1905, upon the findings of an examining board of Army surgeons that he was "incapacitated for active service, and that the cause of said incapacity is fusiform aneurism of the ascending arch of the aorta and neurasthenia; * * * that said incapacity is an incident of the service; * * * that said incapacity is permanent; * * * the date of the origin of disability being about December, 1902."

This officer has submitted the certificates of 10 well-known physicians of Washington and Baltimore, 2 of whom are X-ray specialists. All of these physicians unite in the belief that Maj. Owen was at the time of examination (April and May, 1914) in excellent physical health.

Attention is called to a statement in the report of Surg. Gen. Gorgas, as follows:

"If a man has been retired for physical disability, due to aneurism of aorta, and it afterwards turns out that this was a mistake, and in the course of time he entirely recovers his health, then it is manifestly for the advantage of the Government to have this man on the active list rather than on the retired."

The committee is of the belief that Maj. Owen was retired upon a mistaken diagnosis. The bill recommended by the committee was drawn by the Judge Advocate General of the Army, as submitted to the committee by the Secretary of War and the Surgeon General of the Army, and your committee believes, should Maj. Owen prove his competency under the examination therein provided for, that the best interests of the United States will be served by restoring him to the active list of the Army.

CHARLES A. COULSON.

The bill (H. R. 13698) to correct the military record of Charles A. Coulson was announced as next in order.

Mr. SMOOT. Mr. President, the senior Senator from Montana [Mr. MYERS] reported this bill. I notice that in the report there is no reason given why the bill should be passed. There is nothing before the Senate to justify its passage, and

if the Senator from Montana is not in the Chamber, I ask that the bill go over.

The PRESIDING OFFICER. Being objected to, the bill goes over.

DEPARTMENT OF JUSTICE BUILDING.

The bill (S. 6059) to provide for the erection, furnishing, and equipping of a building in the city of Washington, D. C., for the Department of Justice was announced as next in order.

Mr. BURTON. Mr. President, I should like to ask the chairman of the Committee on Public Buildings and Grounds if there was not a prior bill passed providing for the construction of this building and the selection of an architect to prepare plans; and also if that architect has not prepared such plans for the building?

Mr. SWANSON. Mr. President, I will state to the Senator from Ohio that a bill was passed authorizing the expenditure of $8,000,000 for the construction of a building for the Departments of Commerce, of State, and of Justice, and that $200,000 was appropriated for plans and specifications.

In pursuance of the statute, which authorized the President and the Secretary of the Treasury to enter into no contract further than for the plans and specifications, an advertisement was published, but in publishing the advertisement for plans and specifications the Secretary of the Treasury went further, and an architect was selected to prepare plans and specifications as authorized by the law. The contract with the architect went further, and provided that if Congress should authorize it, the architect should be employed to supervise the building, and he was to receive, I think, a compensation not exceeding 5 or 6 per cent of the cost of the building. The Secretary of the Treasury had no authority whatever to make any such agreement. It was not included in the authorization, which limits the expenditures to $200,000, which was about 2½ per cent of the appropriation made of $2,000,000 for the building for the Department of Justice. The plans of an architect of New York were accepted, and some modifications were to be made. The architect has been paid $19,000 for those plans, and the contract, if that were accepted, I think authorized him to get $48,000.

Congress never made any further authorization and the matter has been delayed from year to year until finally this bill was introduced. It was drawn by the department, and I have here a letter and memorandum from the department regarding it.

Mr. BURTON. Before that is read, I dislike to object to this bill, but I have received a protest against what I take it is an identical bill in the House of Representatives from a chapter or chapters of architects in my own State, and I must ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. SWANSON. I will say to the Senator that, unless the bill is acted on speedily, it will be almost impossible to pass it at this session of Congress. It is a most urgent matter, and the department has been trying for years to secure the construction of this building.

Mr. BURTON. I should like to examine the matter somewhat further.

Mr. SWANSON. Mr. President, so that the Senator may have full and complete information on this subject, which I presume is what he wants, I will ask to have printed in the RECORD a memorandum from the Assistant Secretary of the Treasury Department, together with copies of contracts, the statute, and other documents pertaining to this matter. Then the Senator can very quickly find accessible the information he desires for use when this bill comes up again, which I hope will be soon.

The PRESIDING OFFICER. Without objection, the matter referred to will be printed in the RECORD.

The matter referred to is as follows:

TREASURY DEPARTMENT,
Washington, July 29, 1914.

Hon. CLAUDE A. SWANSON,
Chairman Committee on Public Buildings and Grounds,
United States Senate.

MY DEAR SENATOR: In accordance with your personal request, I am transmitting herewith certain papers relating to the proposed building for the Department of Justice. With these I inclose a memorandum which I have had prepared reviewing the entire history of this project. I thought that perhaps your committee might desire to submit a more or less complete report with the bill for the Department of Justice Building in case you act favorably upon it, and believe that the accompanying memorandum gives you all necessary facts.

Very respectfully,

BYRON R. NEWTON,
Assistant Secretary.

Memorandum re Department of Justice.

JULY 29, 1914.

The original authorization for the proposed new buildings for the Departments of State, Justice, and Commerce and Labor will be found in section 31 of the public-building act (Public, 265) approved June 25, 1910. A copy of this section is attached.

The legislation referred to directs the Secretary of the Treasury to prepare designs and estimates for a separate fireproof building for each department; it fixes a total limit of cost for the three buildings of not to exceed $8,000,000; it authorizes an expenditure of not to exceed $200,000 for the preparation of designs and estimates; it authorizes the employment of expert services to assist in the preparation of designs and estimates; but it specifically states that the act does not authorize the appropriation of any part of the limit of cost of $8,000,000 except the sum of $200,000 for the purpose of obtaining designs and estimates.

The preceding section of the same act authorizes the construction of the new Washington post office. This section provides for the securing of expert services to assist in the preparation of designs, plans, drawings, specifications, and estimates, and the changes and modifications thereof, for the post-office building and its mechanical equipment, machinery, and mechanical mail-handling devices, lighting system, fixtures, and vaults.

The sum of $200,000, authorized to be appropriated for the preparation of designs and estimates for the three proposed department buildings is 2½ per cent of the limit of cost of $8,000,000. The preceding section, authorizing the construction of the Washington post office, places a limit of 4 per cent of the cost of the building for the employment of the qualified persons to assist in the preparation of the plans, designs, etc., previously described in detail.

The section authorizing the Washington post office does not authorize the employment of any persons outside the regular force in the Office of the Supervising Architect for supervising the construction of the building. The usual fee of 5 per cent or 6 per cent to an architect includes the supervision of the work. This explains the fact that for the Washington post office an expenditure of not to exceed 4 per cent was authorized for all necessary services, exclusive of supervision.

The two sections of the act referred to above may be read together in any attempt to reach a conclusion concerning the intention of the committee which framed the act and the intention of Congress in passing it. The legislation for the post-office building provides for all of the necessary designs, plans, drawings, specifications, estimates, etc., which would be required in connection with the actual construction of the building and fixes a limit of cost for these services which is in accordance with recognized practice. The legislation for the Departments of State, Justice, and Commerce and Labor restricts the authority given the Secretary of the Treasury to the preparation of designs and estimates only, and fixes a less limit of cost for this portion of the service than fixed in the preceding section for a much fuller service.

There is no doubt but that in the case of the three new department buildings Congress intended that the Secretary of the Treasury should merely prepare preliminary designs and estimates, in order to submit them to Congress as showing the accommodations which could be provided for each building within the total limit of cost of $8,000,000.

The legislation for the three department buildings did not segregate the total limit of cost of $8,000,000; it did not give the Secretary of the Treasury any authority to segregate that total in such a manner that it would be binding upon Congress in the event of actually authorizing the construction of any one or all of the buildings; it did not authorize the employment of services for the preparation of all of the drawings, specifications, etc., which would be required in connection with the actual construction of the building, and which were authorized for the Washington post office; it did not authorize the Secretary of the Treasury to enter into contracts for any services other than those necessary for the preparation of designs and estimates; it did not authorize him to enter into any contracts for the supervision of the work; and it did not authorize him to enter into any contracts for the actual construction of any one or all of the buildings.

In October, 1910, the competition was held among architects for the buildings for the Departments of State, Justice, and Commerce and Labor, presumably in accordance with section 31 of the act referred to. The program, of which a copy is attached, states that the competition is for the selection of an architect. It states that the competition is to be in accordance with the act approved June 25, 1910; that it is one of three competitions which will be held simultaneously for the selection of three architects, to whom the erection of the three buildings for the Departments of State, Justice, and Commerce and Labor will be awarded. It states that the selection of one of the designs by the Secretary of the Treasury, and its subsequent approval, shall be final and conclusive. It refers in several places to the architect to whom the commission is awarded. It states that the architect, or architects, to whom said commission shall be awarded will receive in compensation, for full professional service, including local supervision of the building, a fee computed at the rate of 6 per cent upon the cost of the work executed from his drawings and specifications and under his superintendence. It provides for the payment of one-fifth of the fee when preliminary drawings are completed and approved. It stipulates that the architects shall provide for the use of the Treasury Department one set of tracings of all working drawings, one copy of the specifications, and one copy of detailed estimate of costs of the entire building, and provides that the architects shall furnish all other detail and full-size drawings and sketches necessary for the use of contractors during the construction.

It will be noted that the program provides for services far in excess of those authorized in the public building act, and far in excess of those for which the Secretary of the Treasury could make any legal contract.

The competition referred to was duly held, and, as a result, the award was made to Mr. Donn Barber, architect, of New York. A contract was entered into with Mr. Barber, of which a copy is inclosed.

This contract refers to the act approved June 25, 1910, which directs the Secretary of the Treasury to prepare designs and estimates. It states that the Secretary of the Treasury desires to secure the services of Donn Barber, architect, to prepare such designs and estimates for the building for the Department of Justice. It then states that Mr. Barber shall render all the services required in the preparation of sketches, estimates, and complete scale-working drawings, and changes therein required to be made, but exclusive of specifications, full-size detail drawings and large-scale drawings, local supervision of the construction, and the preparation of assignment plans. It provides that Mr. Barber shall be paid a fee of $48,579.64 for the services required, and it further agrees that, should Congress hereafter grant the necessary authority, a supplemental contract will be entered into with Mr. Barber for the further services required in the erection and completion of the said building, but the total fee to be paid under the original and

supplemental contract is not to exceed 6 per cent of the actual construction cost of said building.

The limit of cost of $8,000,000 was divided between the three buildings by the Treasury Department as follows:

Department of Commerce and Labor	$3,650,000
Department of State	2,100,000
Department of Justice	2,000,000
Contingencies	250,000
Total	8,000,000

A fee of 2½ per cent upon the allotment of $2,000,000 for the Department of Justice would be $50,000. Mr. Barber's contract calls for $48,579.64, that being 2 per cent of $2,000,000, less his commission, as he was not entitled to a percentage on his own fee.

Upon the award of the competition, Mr. Barber revised his designs, and the same were forthwith approved. He was then paid, September 5, 1911, $19,431.85, approximately 1 per cent upon the tentative limit of cost of $2,000,000.

No further fee has been paid to Mr. Barber, and he has had no instructions to proceed with the preparation of scale details or other supplemental drawings.

A review of the entire situation by the Treasury Department late in the year 1912 developed the fact that the program for the competition for the selection of an architect for each of the three buildings and the subsequent contract entered into with each of the three architects greatly exceeded any legislative authority.

It is recognized in the architectural profession that for a building the size of any one of these three department buildings a fee of 1 per cent would be a fair remuneration for the preparation of designs or preliminary studies and estimates. Mr. Barber, as well as the architects selected for the two other buildings, has therefore been paid all that may be paid him without exceeding the authority conveyed in the act. Should any further payments have been made, they would not have been legal, and it would have been probably necessary to require each architect to refund the excess amounts.

Any contract entered into by an official of the Government on behalf of the United States is void in so far as it calls for services in excess of that provided for in any legislation existing at the time the contract was drawn. The contract with Mr. Barber and those with the architects selected for the two other buildings are therefore valid contracts only in so far as the provisions covering the preparation of designs and estimates and the making of payment therefor. Any agreement between the then Secretary of the Treasury and any one of these architects to enter into a supplemental contract was without authority and not binding upon the United States. Its value is merely that which lies in the expression of a desire to continue the services of a contractor in the event that Congress grants the necessary authority.

The bill H. R. 13870, Sixty-third Congress, second session, introduced by Hon. FRANK CLARK, of Florida, of which a copy is attached, authorizes the construction of a building for the Department of Justice and authorizes the obtaining of the necessary designs, plans, estimates, specifications, etc., either through competition among architects or from an architect to be specially selected.

Had the act of June 25, 1910, actually authorized the construction of a building for the Department of Justice or had it actually authorized the Secretary of the Treasury to select an architect and enter into a contract for all the professional services necessarily incident to the construction of the building, either with or without local supervision, it would not only be unnecessary to now introduce a bill for the same objects but such a procedure would be absurd. The mere fact that it is necessary to pass subsequent legislation in order to either obtain the necessary architectural services or contract for the erection of the building would appear to be sufficient evidence that the original legislation was incomplete in those respects.

The proposed legislation (H. R. 13870) does not prevent the recognition of Mr. Barber's undoubted moral claim to consideration. The fact that the bill expressly carries discretionary power to select an architect would permit of the employment of Mr. Barber. The attached copy of a letter of June 8, 1914, to Senator CHAMBERLAIN from the Secretary of the Treasury states explicitly that the proposed legislation permits of the employment of Mr. Barber, that nothing it contains would prevent the acknowledgment of his claim, and that the department would, in the event of the passage of the legislation, give him every consideration.

It has been shown that the act of 1910 did not contain authority to contract with Mr. Barber for the full professional service. It would manifestly be against considerations of good administration to pass an act of Congress requiring an officer of the Government to employ any person for the execution of any piece of work if the officer had not previous authority to enter into an agreement which would be binding upon the person to be employed. Should the bill H. R. 13870 be amended so as to make the employment of Mr. Barber mandatory upon the Secretary of the Treasury, then the latter could be placed in a position by the former which would make it impossible to agree upon whatever terms the latter might consider to be in the interest of the United States. It is not believed that Congress would desire to place an executive officer of the Government in such an anomalous position. It is not intimated and it is not believed that under the conditions Mr. Barber would take advantage of the situation. Nevertheless, it is not believed that such a form of procedure would, for the reason stated, be one that could be recommended. It is only necessary to consider the situation in which the Secretary of the Treasury would be placed should an act of Congress be approved requiring him to enter into a contract with a particular contractor for the erection of a public building in the absence of any prior authority to make any agreement with the contractor regarding the cost of the work, terms of payment, etc.

There is attached a copy of a letter addressed to the chairman of the House Committee on Public Buildings and Grounds under date of July 1, 1914, which discusses more briefly the subject matter of this memorandum.

[From the public building act, approved June 25, 1910.]

SEC. 30. That the Secretary of the Treasury be, and he is hereby, authorized and directed to enter into contracts for the erection and completion of a suitable fireproof building or buildings for a post office and other purposes of the Postal Service, on square No. 678, now owned by the United States, in the city of Washington, D. C.

That the building or buildings shall be constructed on plans and estimates to be approved by a board to consist of the President, the Postmaster General, and the Secretary of the Treasury, and shall be so constructed as to cost, complete, with approaches, heating apparatus, mechanical equipment, machinery and mechanical appliances for handling mail, vaults, etc., not to exceed the sum of $3,000,000, and of this authorization there shall be available an amount not to exceed $200,000 during the fiscal year ending June 30, 1911.

That the Secretary of the Treasury is hereby further authorized, without regard to civil-service laws, rules, or regulations, to secure such special architectural, engineering, or other expert technical services as he may deem necessary and specially order in writing, to serve either within or without the District of Columbia, to assist in the preparation of the designs, plans, drawings, specifications, and estimates, and the changes and modifications thereof, for said building or buildings and the mechanical equipment, machinery and mechanical appliances for handling mail, lighting system and fixtures, and vaults, and to pay for such services at such prices or rates of compensation as he may consider just and reasonable, from the appropriation for said building or buildings, any statute to the contrary notwithstanding: *Provided*, That expenditures under the foregoing authorization for securing specially qualified persons to assist the Secretary of the Treasury, together with any expenditures heretofore made for plans, designs, etc., for said building or buildings, shall not exceed in the aggregate 4 per cent of the limit of cost of said building or buildings, and shall be in addition to and independent of the authorizations and appropriations for personal services for the Office of the Supervising Architect otherwise made: *Provided further*, That the building or buildings shall be constructed under the supervision of the Secretary of the Treasury as other public buildings are constructed.

SEC. 31. That the Secretary of the Treasury be, and he is hereby, authorized and directed to prepare designs and estimates for a separate fireproof building for each of the Departments of State, Justice, and Commerce and Labor, to be erected upon land acquired for sites thereof in the city of Washington, D. C., at a total limit of cost not to exceed $8,000,000; but no part of this amount is authorized to be appropriated by this act except as hereinafter provided. Such designs and estimates shall be approved by a board consisting of the President, the Secretary of the Treasury, and the head of the respective executive department for the use of which such building is to be constructed, and an appropriation is hereby authorized for carrying out the purposes of this section of not to exceed $200,000.

That the Secretary of the Treasury be, and he is hereby, further authorized, without regard to civil-service laws, rules, or regulations, to secure such special architectural, engineering, or other expert technical services as he may deem necessary and specially order in writing, to serve either within or without the District of Columbia, to assist in the preparation of designs and estimates, and to pay for such services at such prices or rates of compensation as he may consider just and reasonable from the appropriation herein authorized, any statute to the contrary notwithstanding: *Provided*, That the foregoing authorization for securing the services of specially qualified persons shall be in addition to and independent of the authorizations and appropriations for personal services for the Office of the Supervising Architect otherwise made.

PROGRAM OF A COMPETITION FOR THE SELECTION OF AN ARCHITECT FOR A BUILDING FOR THE DEPARTMENT OF JUSTICE IN COMPLIANCE WITH THE ACT APPROVED JUNE 25, 1910, AND UNDER THE FOLLOWING REGULATIONS APPROVED BY THE PRESIDENT, THE SECRETARY OF THE TREASURY, AND THE ATTORNEY GENERAL.

GENERAL CONDITIONS.

This competition is one of three which will be instituted simultaneously for the selection of three architects, to whom the erection of the three buildings for the Department of State, Justice, and Commerce and Labor will be awarded.

It must be understood therefore that the evidence of ability of one designer to work in harmony with the successful competitors for the other buildings will be taken into consideration in making the award, and that while each successful competitor will be free to carry out his design it is an essential part of this program that the designers of the three buildings shall cooperate to the fullest extent in order that the three buildings, as a group, shall form a harmonious composition. The designs shall be modified and studied together until satisfactory to the Secretary of the Treasury, to whom the result of the joint study of the designs of the three successful architects must be submitted.

The accepted designs will then be presented to the President, the Secretary of the Treasury, and the Attorney General for approval.

The following suggestions of the National Fine Arts Commission are quoted for the information of the competitors:

"It is, in our opinion, important that the buildings for the Department of Justice and the Department of State be placed at either end of the composition and that the building for the Department of Commerce and Labor be placed between them, but we do not consider it a matter of artistic importance which one of the end buildings be placed on Pennsylvania Avenue. We think that the northern elevation of the building on Pennsylvania Avenue should be parallel with the existing municipal building or normal to Fifteenth Street; that it should be somewhat in advance of the municipal building façade, but not enough to diminish greatly the irregular space which we recommend to be left open between the building and Pennsylvania Avenue. We recommend that the two end buildings be elevated on terraces, both because of the existing grades and because of the character which it is desirable to give to these buildings; that the Fifteenth Street façade of the central building should be placed farther back from the street line than the two end buildings and that the central axis on this street need not coincide with that of the ellipse in the White Lot, since the latter area can be at some future time modified in design. Further, we think that the building farthest south should occupy a position as nearly as possible parallel with the National Museum."

The accompanying plat shows the suggested location of the several buildings as decided on for the purpose of this competition.

COMMISSION OF AWARD.

1. A commission of award will be appointed by the Secretary of the Treasury, which shall judge and report to him as to the relative merit of the designs submitted.

No member of the commission shall have any interest whatever in any design submitted in the competition or any association with or employment by any of the competitors, and no employee of the Treasury Department shall be eligible to enter the competition or to assist any competitor in any manner.

FINDING OF COMMISSION.

2. The commission of award shall reject any set of drawings as to which the conditions of these regulations have not been observed and shall examine the remaining designs, giving to each the rank to which, in their judgment, its merit entitles it, and submit their findings to the Secretary of the Treasury in the form of a written report.

OPENING OF DRAWINGS.

3. Upon opening the packages containing the drawings, the commission will number the envelope containing the name and address of the competitor and will place the same number upon each drawing, description, etc., submitted by him, and will preserve unopened the envelope containing such name and address until final selection shall be made.

FINAL SELECTION.

4. The selection of one of the designs by the Secretary of the Treasury and its subsequent approval by the President, the Secretary of the Treasury, and the head of the executive department to occupy the building shall be final and conclusive.

DATA FURNISHED.

5. The data on which the plan and design shall be based and the information as to cost and general requirements of the building is attached hereto, and the successful competitor will be designated to prepare complete drawings and specifications and to locally supervise the erection of the building.

COMPETITIVE DRAWINGS.

6. Each set of drawings, with its accompanying description, must be securely wrapped and sealed and addressed to the "Secretary of the Treasury, Washington, D. C.," plainly and conspicuously marked with the name of the building under competition, and without any distinguishing mark or device which might disclose the identity of the competitor.

There must be inclosed with each set of drawings, etc., a plain, white, opaque envelope, within which the competitor will place a card bearing his name and address. The envelope must be securely sealed with a plain wax seal having no impression, legend, device, or mark upon it which might disclose the identity of the competitor.

MISCONDUCT.

7. It must be understood that a competitor will forfeit all privileges under these regulations who shall violate any of the conditions governing this competition, or who shall seek in any way, directly or indirectly, to gain advantage by influencing in his favor any member of the commission of award.

REJECTED DESIGNS.

8. The department agrees to make selection from the designs submitted if, in its opinion, one suitable in all respects as to design, detail, and cost be submitted, but expressly reserves the right to reject any and all plans, designs, etc., submitted, and to reopen the competition if, in the opinion of the commission herein referred to, or of the Secretary of the Treasury, no design suitable in all respects has been submitted.

UNSUCCESSFUL COMPETITORS.

9. It must be understood that no claim shall be made upon the United States by any unsuccessful competitor for any fee, percentage, or payment whatever, or any expense incident to, or growing out of, his participation in the competition, other than herein stated.

SUCCESSFUL COMPETITOR MAY BE REJECTED.

10. In the event that the architect to whom the commission is awarded should prove to be an incompetent or improper person, the Secretary of the Treasury expressly reserves the right to remove him, to revoke the commission awarded him, and to annul the contract entered into with him; but such architect shall receive equitable compensation for the work properly performed by him up to the time of his removal, to be fixed by the Secretary of the Treasury.

RETURN OF COMPETITIVE DRAWINGS.

11. Upon the award of the commission to the architect, all designs of unsuccessful competitors will be returned to them, and no use will be made of any of the drawings not accepted, or of any part that may be original, without the consent of the author thereof.

DRAWINGS AFTER AWARD.

12. The architect to whom the commission is awarded shall revise his competitive drawings to meet the further requirements of the Secretary of the Treasury and the officials of the department to occupy the building, and upon the basis of these revised preliminary drawings shall prepare full detailed working drawings and specifications for said building; and shall thereafter, from time to time, make such changes in the drawings and specifications as may be directed by the Secretary of the Treasury, for which just compensation shall be allowed; but no changes in the drawings and specifications shall be made without written authority from the Secretary of the Treasury.

ARCHITECT'S FEE.

13. The architect (or architects) to whom said commission shall be awarded will receive in compensation for full professional services, including local supervision of the building, a fee computed at the rate of 6 per cent upon the cost of the work executed from his drawings and specifications and under his superintendence. The sum upon which the architect's commission is to be computed shall be the actual construction cost of the building as ascertained from the net amount of contracts awarded and proposals accepted for additions or deductions.

The architect's commission shall be paid as the work progresses in the following order:

One-fifth of fee when preliminary drawings are completed and approved in the manner herein provided; three-tenths of fee when general working drawings and specifications are completed and copies delivered to the Supervising Architect; and balance of percentage monthly upon the basis of payments for work performed as of record on the books of the Office of the Supervising Architect.

Until the actual cost of the building can be determined the fee of the architect will be based upon the proposed cost of the work as above indicated, or as may be readjusted from time to time, and will be paid as installments of the entire fee.

The compensation herein stipulated to be paid to said architect shall be in full payment of all charges for his full services, inclusive of all traveling and other expenses necessary to his proper superintendence of the work. Expenses incurred in traveling under orders from the department may be reimbursed on approval of the Secretary of the Treasury.

Alterations in the working drawings and specifications which may be necessary to keep the cost of the building within the limit furnished by the Office of the Supervising Architect shall, when required by the Secretary of the Treasury, be made by the architect in charge at his own cost.

The architect is to provide for the use of the Treasury Department one set of tracings of all working drawings, one copy of the specifications, and one copy of detailed estimate of cost of entire building, which, with the competitive drawings or revised competitive drawings as may be necessary, shall remain in the custody of the department, and to be and remain the property of the United States and not of the architect; but such drawings and specifications shall not be used for any other building. The Office of the Supervising Architect will furnish for the use of intending bidders all necessary duplication of general working drawings and specifications. All other detail and all full-size drawings and sketches necessary for the use of contractors during construction must be furnished by the architect and copies supplied by him both to the contractors and the Government superintendent of construction at the building. The architect shall furnish the superintendent of construction with copies of all letters addressed by him to the contractors relative to the work.

GOVERNMENT SUPERINTENDENT OF CONSTRUCTION.

14. The department will appoint and maintain on the work as its local representative a superintendent of construction. This officer will act under orders from the department and solely as its representative, and not at all as the representative of the architect in charge, who will not be relieved in any particular from his responsibilities for the actual superintendence of the work by the superintendent of construction. The last-named official will not give orders to contractors or their employees.

ARCHITECT'S CERTIFICATE OF WORK DONE.

15. Payments upon the work of construction under contract will be made upon vouchers certified by the architect in charge and countersigned by the "superintendent of construction" representing the United States Government, which will be paid by a disbursing officer appointed by the Secretary of the Treasury.

CONTRACTS FOR CONSTRUCTION.

16. The Supervising Architect of the Treasury Department will receive the proposals for contracts to be awarded, and shall likewise determine the manner in which the various branches of the work are to be contracted for.

All further details necessary to properly carry out these regulations may be arranged by the Supervising Architect from time to time, provided they do not conflict herewith.

CONDITIONS SPECIAL TO THE DEPARTMENT OF JUSTICE.

17. The invitation to enter this competition is personal to the architect invited, and the competitive drawings submitted are to be prepared by the competitor in his own office, and without assistance other than the usual force of his office. The invitation is not transferable to a new partnership including an architect not invited by the department without the assent of the department first being obtained.

The cost of the building must be kept within $1,900,000, and is to include the plumbing and gas piping, electric conduits and wiring, heating and ventilating apparatus, generating plants for heat, light, and power, elevators, approaches, lighting fixtures, both gas and electric, mural painting and commissions of architects—everything, in fact, necessary to the completion of the building ready for occupancy, furniture only excepted.

Special attention is called to the above stated limit of cost, and drawings presented which can not be estimated within the stated limit at the rate of 46 cents per cubic foot, reckoned from the floor level of the lowest story of the building, will be placed out of consideration.

The building must be of fireproof construction, the exterior to be of such material as each competitor deems best suited for the execution of his design, and the interior to be finished generally in the same manner as a first-class office building, with such special finish of the more important rooms as the designer may consider advisable or required.

The site of the building is shown by the plat hereto attached. The north front will be especially important, and the treatment of the several fronts and the arrangement of entrances is left to the discretion of the competing architects, according to the arrangement of the interior devised by them. The height of the exterior order shall be between 47 and 50 feet, including columns and entablature. The approximate height of the stories is to be as follows:

Basement	12′ 0″ in the clear.
First floor	14′ 6″ in the clear.
Second floor	12′ 6″ in the clear.
Third floor	12′ 6″ in the clear.

The following statement furnishes approximate information as to the accommodations required:

The ground area of the building is to be about 57,600 square feet, exclusive of any light courts to be provided. The necessary space is to be arranged to receive the heating and power plant, etc.

GENERAL STATEMENT OF ACCOMMODATIONS REQUIRED.

	Square feet.
Attorney General: Office, private office with toilet, reception room, 2 additional offices, 1 messengers' room; total floor space	3,700
Solicitor General: Office, private office with toilet, reception room, private secretary's office, 4 rooms for attorneys, 2 rooms for stenographers, 1 messengers' room; total floor space	3,600
(This suite of rooms should be located near those of the Attorney General.)	
Assistant to Attorney General: Office, private office with toilet, reception room, private secretary, 6 rooms for attorneys and special agents, 3 rooms for stenographers, messengers' room; total floor space	4,800
Suites of rooms for 4 Assistant Attorneys General should be provided, each suite to contain the following: Office, private office and toilet, reception room, 2 rooms for stenographers, 3 rooms for attorneys, messengers' room; total floor space of each suite, 3,300 square feet; total floor space of 4 suites	13,200
(Three of these suites should be located near the offices of the Attorney General.)	
Assistant Attorney General for the Court of Claims: Office, private office with toilet, reception room, private secretary, 20 rooms for attorneys, 10 rooms for clerks and stenographers, 6 rooms to be used for files of correspondence, press-copy room, etc., and for 4 clerks engaged on docket work; library (625 square feet), 4 rooms for messengers; total floor space	12,500
Assistant Attorney General for the Court of Customs Appeals: 4 rooms; total floor space	1,600
Assistant Attorney General for the Court of Commerce: 10 rooms, same general character as those for the Assistant to the Attorney General; total floor space	4,800

	Square feet.
Chief clerk and superintendent of building: Office, private office with toilet, 3 rooms for clerks and stenographers, 1 room for messenger; total floor space	1,800
(These offices should be as centrally located as possible, and at the same time consideration should be given to having them conveniently located with reference to the offices of the Attorney General.)	
Mail and Files Division:	
Basement room for storage of files, with lift and stairs to first floor	3,000
Office	900
Private office with toilet	300
Stenographers' room	480
Clerks' room	480
Files room (adjacent to clerks' room)	2,000
Total floor space	7,160
(This division should be convenient to the office of the chief clerk.)	
Supply division: Office chief of division, bookkeepers' room, office sufficient for 3 or 4 clerks, packing and shipping room, stock room (3,500 square feet floor space); total floor space	5,000
(This division may be located in basement under space assigned to the chief clerk.)	
Stenographic bureau: Office for 8 or 10 stenographers, telegraph room, telephone operators' room; total floor space	1,200
(This bureau should be located near the offices of the chief clerk.)	
Miscellaneous rooms: First story, office of chief messenger; basement, office and workrooms for engineer and assistant; carpenter shop, cabinet shop, storage space for carpets and furniture, dressing rooms for firemen, dressing rooms for charwomen, office for watchmen, office of head charwoman; total floor space	6,300
Library (this may be located on the top floor): In the main stack room 12,000 linear feet of shelf space will be required; in addition to this room and the office of the librarian, there should be one large general reading room and several small reading rooms or alcoves in connection with the library; also rooms which could be used for conferences, dictation, hearings, cataloguing, packing, etc. The library and adjacent rooms for conference, dictation, etc., are to constitute a feature of the building. The stack room need not be lighted by daylight and might be placed on a mezzanine floor or on the same floor with the reading room. The reading room should be provided with open bookcases on the walls for books most in use, say, to the number of 5,000 to 6,000. Total floor space for library and appurtenances	7,500
Superintendent of prisons: Office of superintendent, office of assistant superintendent, 2 rooms for stenographers and clerks, 2 rooms for special agents, file room; total floor space	2,100
Bureau of Investigation: Reception room, office of chief of bureau, office of chief clerk, office of chief special agent, workroom of special agents, office of chief examiner, workroom for examiners, office of chief accountant, workroom for accountants, chief law officer, chief Miscellaneous Division, workroom for Miscellaneous Division, 1 extra room, 4 workrooms, viz, for file room with vault, for storage and supplies, for photograph work and criminal records, with vault, for stenographers; total floor space	9,160
Public Lands Division: Reception room, office for attorney in charge, private office, 10 rooms for assistant attorneys, 4 rooms for stenographers and clerks, library room (about 600 square feet), vault; total floor space	6,400
Appointment clerk: Private office, office, file room (about 900 square feet); total floor space	2,100
Pardon attorney: Attorney's office, attorney's private office and toilet, general office, file room (about 900 square feet); total floor space	2,400
(These rooms should be located reasonably near the offices of the Attorney General.)	
Disbursing clerk: Private office, clerks' office, file room, vault; total floor space	2,400
Attorney in charge of titles: Four rooms sufficient for attorney in charge, assistant attorney, and one stenographer, vault; total floor space	1,200
Assistant attorneys: Six rooms; total floor space	1,800
Division of Accounts: Office of chief of division, 4 offices for clerks, file room; total floor space	5,000

18. The purpose of an architectural competition being not to secure fully developed plans but such evidence of skill in directing the essential elements of a preliminary as will assist in the selection of an architect, the drawings required have been limited as given below:

Each design shall consist of the following drawings only, at a scale of one-sixteenth inch to 1 foot (no alternate design will be considered), and shall be inclosed in a portfolio or between stiff cardboard. They shall be securely wrapped, sealed, addressed to the Secretary of the Treasury, Office of the Supervising Architect, Washington, D. C., plainly and conspicuously marked with the name of the building under competition, and with no other marks whatever.

(1) Plan of the first floor, showing location of building on the lot. This drawing to be rendered in india ink, sections blacked in, but no elaborate tiling, furniture, etc., shown.

(2) Plan of the second floor.

(3) Plan of the third floor.

(4) The elevation of the north front, rendered in india ink wash, with shadows accurately cast, with the projection of the light falling at an angle of 45° from the left side of the drawing. One figure only may be shown on this rendered elevation to give scale. Wash to contain no appreciable color.

(5) Block section.

(6) Outline sketch elevation of one other front, with no brushwork or shading.

The plans of the second and third floors, the block section, and the outline elevation may be in pencil on tracing paper, if preferred. No perspective sketch will be received.

Tracings must be attached to white paper, and drawings other than those on tracing paper must be on white drawing paper, unmounted, and of a size to allow approximately 4 inches of clear paper on all sides of the drawing proper. It is desired to have all sheets of any one competitor of uniform size.

Two drawings may be on one sheet, if desired.

Drawings to be titled "Competition for building for Department of Justice," with only such other words or figures as may be necessary to designate their parts, etc.

All words and figures to be simple lettering and not script or writing.

Inquiries for additional information must be made in writing only and forwarded by mail to the Office of the Supervising Architect, and any replies made will be simultaneously communicated by mail to each competitor by circular letter; but no information will be given after November 30, 1910.

Designs must be delivered at the Office of the Supervising Architect, Treasury Department, Washington, D. C., not later than 2 o'clock p. m., December 30, 1910.

A brief description of the building, typewritten on plain legal cap, calling attention to any special points of the design, materials proposed, etc., must accompany the drawings.

An estimate of the cost must also be forwarded with this description and be in the following form:

Cubic contents of building _____ feet.

Exterior surface (gross) of all stonework _____ square feet.

Estimated amount of contracts of all work necessary to complete the building $_____.

WM. H. TAFT,
President.
FRANKLIN MACVEAGH,
Secretary of the Treasury.
GEO. W. WICKERSHAM,
Attorney General.

CONTRACT BETWEEN THE UNITED STATES OF AMERICA AND DONN BARBER.

Whereas the act of Congress approved June 25, 1910, authorizes and directs the Secretary of the Treasury to prepare designs and estimates for a separate fireproof building for each of the Departments of State, Justice, and Commerce and Labor, etc., and to secure such special architectural, engineering, or other expert technical services as he may deem necessary etc.; and

Whereas, acting under said authorization, the Secretary of the Treasury desires to secure the services of Donn Barber, architect, to prepare such designs and estimates for the building for the Department of Justice:

Now, therefore, this agreement made and entered into by and between Franklin MacVeagh, Secretary of the Treasury, for and in behalf of the United States of America, of the first part, and Donn Barber, of New York, N. Y., of the second part, witnesseth: That the party of the second part, for the consideration hereinafter mentioned, covenants and agrees to and with the party of the first part to render all the services required in the preparation of sketches, estimates, and complete scale working drawings and the changes therein required to be made (but exclusive of all specifications, full-size detailed drawings and large scale drawings in connection therewith, local supervision of the construction of the building, and the assignment plans therefor) in connection with the new building in Washington, D. C., for the Department of Justice hereinbefore referred to, in strict and full accordance with the instructions of the Secretary of the Treasury, including all engineering or other expert services necessary to enable said party of the second part to furnish said sketches, estimates, and scale working drawings, complete, to the satisfaction of the Supervising Architect of the Treasury Department.

And the party of the second part further covenants and agrees to revise the approved designs and estimates to meet the further requirements of the Secretary of the Treasury, if called upon to do so, and to prepare complete scale working drawings necessary, in the judgment of the Supervising Architect, for said building; and thereafter, from time to time, to make such changes in the drawings, etc., as may be directed by the Secretary of the Treasury; and to make such revisions and alterations of the scale working drawings, as may be necessary, in the judgment of said Supervising Architect, to make them harmonize with those for the other buildings included in the group hereinbefore enumerated, and to insure that the building can be constructed, complete, within the limit of cost therefor as furnished by the Supervising Architect of the Treasury Department; but no change in the scale working drawings as approved shall be made without written authority therefor from the Secretary of the Treasury.

And the party of the second part further covenants and agrees to provide, without extra cost to the United States, one set of tracings of all scale working drawings and one copy of the detailed estimate of cost of the entire building; all of which, together with the approved competition sketches, shall remain in the custody of the Treasury Department and be and remain the property of the party of the first part.

And the party of the first part covenants and agrees to pay, or cause to be paid, unto said party of the second party, or the heirs, executors, or administrators of the said party of the second part, a fee of $48,579.64.

And the party of the first part covenants and agrees that payments shall be made in the following manner, viz, two-fifths of the fee when the sketches and estimates are completed and approved, and the balance of the fee when the scale working drawings are completed and approved and copies thereof delivered to said Supervising Architect, a portion of such final payment being subject, however, to the appropriation by Congress of the remaining $40,000 of the authorization of $200,000 for designs and estimates.

And it is further covenanted and agreed by the parties hereto that the payments herein stipulated to be made by the party of the first part shall be in full compensation and payment of all charges for the full services of the party of the second part in the preparation of all sketches, estimates, and scale working drawings, and changes therein, and for all traveling, subsistence, contingent, and other expenses of the said party of the second part; but any travel required of the party of the second part by the party of the first part for its own purposes, and specially ordered, shall be at the expense of the party of the first part.

And it is further covenanted and agreed by and between the parties hereto that in case the party of the second part from any cause becomes unable to complete the foregoing contract, or if the conduct of the said party of the second part is such that the interests of the United States are thereby likely to be placed in jeopardy, or if the said party of the second part violates any of the conditions or stipulations of this contract, the said Secretary of the Treasury, acting for and in behalf of the party of the first part, shall have the right to revoke this contract and to complete or cause to be completed this contract, using for that purpose all sketches, estimates, and scale working drawings, etc., which may have been prepared by the party of the second part; provided, in such case, however, that the party

of the second part shall receive equitable compensation for all service properly performed under this contract up to the date of its revocation, such compensation to be fixed by the Secretary of the Treasury upon the basis of the percentages herein provided for.

It is further covenanted and agreed by and between the parties hereto that, in the event that Congress shall hereafter grant the necessary authority therefor, they will enter into a contract supplemental hereto for the further architectural services of said party of the second part in connection with the erection and completion of said building to such an extent as Congress may authorize; but the total fee to be paid hereunder and under said proposed supplemental contract shall not exceed 6 per cent of the actual construction cost of said building as shown upon the books of the Supervising Architect's Office.

It is an express condition of this contract that no Member of or Delegate to Congress, or Resident Commissioner, or other person whose name is not at this time disclosed, shall be admitted to any share in this contract, or to any benefit to arise therefrom; and it is further covenanted and agreed that this contract shall not be assigned.

In testimony whereof the parties hereto have hereunto subscribed their names this 24th day of July, A. D. 1911.

FRANKLIN MACVEAGH,
Secretary of the Treasury.
DONN BARBER, *Contractor.*

Witnesses to contractor's signature:
JAS. A. WETMORE,
L. H. BLANTON.

We hereby certify that this contract has been correctly prepared.

L. H. BLANTON,
Acting Chief Law and Records Division.
L. A. SIMON,
Superintendent of Drafting and Constructing Division.

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DEPARTMENT OF JUSTICE,
July 24, 1911.

Certified copy. Contract of Donn Barber, of New York, N. Y., for sketches, estimates, and working drawings for the United States Department of Justice at Washington, D. C., dated July 24, 1911. Amount, fees.

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TREASURY DEPARTMENT,
OFFICE OF THE SUPERVISING ARCHITECT,
August 1, 1911.

Respectfully referred to the Solicitor of the Treasury for examination and indorsement.

JAS. A. WETMORE,
Executive Officer.

—

DEPARTMENT OF JUSTICE,
OFFICE OF THE SOLICITOR OF THE TREASURY,
August 1, 1911.

I have examined the within instruments as to form and execution, and in these respects they are approved.

F. A. REEVE,
Assistant Solicitor of the Treasury.

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TREASURY DEPARTMENT,
OFFICE OF THE SUPERVISING ARCHITECT,
August 8, 1911.

I hereby certify that the within papers are true and correct copies of the originals on file in this department.

JAS. A. WETMORE,
Executive Officer.

—

TREASURY DEPARTMENT,
Washington, June 8, 1914.

Hon. GEORGE E. CHAMBERLAIN,
United States Senate.

MY DEAR SENATOR: I beg to acknowledge the receipt of a letter addressed to you under date of May 20 by the secretary of the Oregon Chapter of the American Institute of Architects, which under date of June 1, you transmitted to the Supervising Architect with a request for information. This letter is one of several communications relative to the proposed legislation for the Department of Justice building which have been referred to the Treasury Department.

Inasmuch as the proposed legislation is not as yet a matter of law, and therefore no authority has been vested in the Treasury Department, any extended discussion of its various phases might be premature. Nevertheless I am glad to furnish you a statement of the facts.

Section 31 of the public-buildings act approved June 25, 1910 (Public, No. 265), authorized the Secretary of the Treasury to prepare "designs and estimates" for a separate fireproof building for each of the Departments of State, Justice, and Commerce and Labor, at a total limit of cost not to exceed $8,000,000. The act authorized an expenditure of not to exceed $200,000 for this purpose, but did not authorize the construction of the buildings.

The then Supervising Architect, with the approval of the then Secretary of the Treasury, issued a program calling for a competition among architects for each of the three buildings. The program stated in each case that the competition would be for the selection of an architect. The program also stated that the architects selected for the three buildings would be retained and would furnish full professional services at a fee of 6 per cent upon the cost of the work.

The competitions were duly held, and an award made in each case. For the building for the Department of State Mr. Arnold W. Brunner, of New York, was selected. For the building for the Department of Justice Mr. Donn Barber, of New York, was selected. For the building for the Department of Commerce and Labor Messrs. York & Sawyer, of New York, were selected.

The then Secretary of the Treasury entered into a contract with each of the above architects for a certain portion of the professional service referred to in the competition program. This partial service included the preparation and revision of sketches, the preparation of working drawings and specifications, but not the preparation of full-size details nor the furnishing of local supervision, but agreed to enter into a subsequent contract for these, contingent upon Congress making the necessary authorizations.

It is greatly to be regretted that the then Supervising Architect and the then Secretary of the Treasury appear to have exceeded the authority contained in the legislation in connection with the holding of the competitions, the selection of architects, and entering into contracts with the latter.

Any contract entered into by a Government official on behalf of the United States which calls for services in excess of those authorized by law is automatically void to that extent. The legislation to which reference is made in the foregoing called for only the preparation of "designs and estimates." It carried no authority for the selection of an architect, no authority for the construction of the buildings, and no authority for entering into a contract for the full professional services. Had it done so, subsequent legislation would evidently have been unnecessary.

Messrs. Barber, Brunner, and York & Sawyer have each prepared the "designs and estimates" called for in the legislation and have been paid for their work. The requirements of the legislation would seem therefore to have been complied with. The department is now in the position of a private client who employs an architect to prepare sketches and estimates for a contemplated project. If the client pays the architect for these preliminary services, no further obligation exists. The suggestion that the present Secretary of the Treasury is repudiating a valid contract made by his predecessor is based upon erroneous premises and is without justification. To do so would render the United States liable for damages unless Congress, by legislation, was responsible for the act of repudiation. The proposed legislation for the building for the Department of Justice does not repudiate any existing contract for the very simple reason that no valid contract exists.

The legislation for the proposed building for the Department of Justice permits of the employment of Mr. Barber. The clause which it also contains, permitting of the employment of another architect, was inserted in order to give the commission created by the legislation a discretion which I believe it should have in the public interest.

In so far as this department is concerned the obligation of the department to Mr. Barber is a moral one. Nothing in the pending legislation prevents the acknowledgment of this claim, and the department would undoubtedly, in the event of the passage of the legislation, give Mr. Barber every consideration.

Your inclosure is returned herewith.

With expressions of high regard, I beg to remain,

Very respectfully,

W. G. MCADOO, *Secretary.*

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JULY 1, 1914.

Hon. FRANK CLARK,
Chairman Committee on Public Buildings and Grounds,
House of Representatives, United States.

MY DEAR MR. CHAIRMAN: The introduction of H. R. 13870, a bill providing for the erection, under the direction of this department, of a new building for the Department of Justice, has been followed by numerous protests on the part of the architectural profession. These protests have generally taken the form of petitions from architectural bodies addressed to various Members of Congress. The gist of the petitions—or, at least, of such of them as have been referred to the Treasury Department—is that the legislation, through not definitely recognizing Mr. Donn Barber, of New York, as the architect, repudiates a contract already entered into with him. Because of the fact that these petitions appear to place the department, whether intentionally or not, in a somewhat unenviable position, it would seem that I should lay before you a statement of the facts as they appear from the department's records. This I am particularly anxious to undertake for the reason that the bill referred to was introduced by you at my request, and, of course, I would not desire that you should be made the target for any criticism.

The proposed legislation is, of course, not as yet a law, and no discretion is actually vested in the Treasury Department, so that the following statement must largely concern itself with prior developments.

I inclose a copy of section 31 of the public building act approved June 25, 1910. This legislation authorizes the Secretary of the Treasury to prepare "designs and estimates" for a separate fireproof building for each of the Departments of State, Justice, and Commerce and Labor, at a total limit of cost not to exceed $8,000,000. The act authorized an expenditure of not to exceed $200,000 for this purpose, but did not authorize the construction of the buildings.

The then Supervising Architect, with the approval of the then Secretary of the Treasury, issued a program calling for a competition among architects for each of the three buildings. The program stated in each case that the competition would be for the selection of an architect. The program also stated that the architects selected for the three buildings would be retained and would furnish full professional services at a fee of 6 per cent upon the cost of the work.

The competitions were duly held, and an award made in each case. For the building for the Department of State Mr. Arnold W. Brunner, of New York, was selected. For the building for the Department of Justice Mr. Donn Barber, of New York, was selected. For the building for the Department of Commerce and Labor Messrs. York & Sawyer, of New York, were selected.

The then Secretary of the Treasury entered into a contract with each of the above architects for a certain portion of the professional service referred to in the competition program. This partial service included the preparation and revision of sketches, the preparation of working drawings and specifications, but not the preparation of full-size details nor the furnishing of local supervision, but agreed to enter into a subsequent contract for these, contingent upon Congress making the necessary authorizations.

It is greatly to be regretted that the then Supervising Architect and the then Secretary of the Treasury appear to have exceeded the authority contained in the legislation in connection with the holding of the competitions, the selection of architects, and entering into contracts with the latter.

Any contract entered into by a Government official on behalf of the United States which calls for services in excess of those authorized by law is automatically void to that extent. The legislation to which reference is made in the foregoing called for only the preparation of "designs and estimates." It carried no authority for the selection of an architect, no authority for the construction of the buildings, and no authority for entering into a contract for the full professional services. Had it done so, subsequent legislation would evidently have been unnecessary.

Messrs. Barber, Brunner, and York & Sawyer have each prepared the "designs and estimates" called for in the legislation, and have been paid for their work. The requirements of the legislation would seem, therefore, to have been complied with. The department is now in the position of a private client who employs an architect to prepare sketches and estimates for a contemplated project. If the client pays

the architect for these preliminary services, no further obligation exists. The suggestion that the present Secretary of the Treasury is repudiating a valid contract made by his predecessor is based upon erroneous premises and is without justification. To do so would render the United States liable for damages, unless Congress, by legislation, was responsible for the act of repudiation. The proposed legislation for the building for the Department of Justice does not repudiate any existing contract, for the very simple reason that no valid contract exists.

This department, of course, has no intention, and could have no intention, of repudiating the existing contract with Mr. Barbet in so far as it is authorized by existing law; in fact, Mr. Barber has already furnished all of the services which were authorized. Any further obligation of the department to Mr. Barber is necessarily a moral one. Nothing in the pending legislation prevents the acknowledgment of this claim, and the department would undoubtedly, in the event of the passage of the legislation, give Mr. Barber every consideration.

With expressions of high regard, I beg to remain,

Very respectfully,

W. G. MCADOO, *Secretary.*

Mr. BURTON. I should like to ask the Senator from Virginia if the Senate bill is identical with the House bill?

Mr. SWANSON. The two bills are identical. Similar bills were introduced in the House and in the Senate. The architect is antagonizing the passage of any bill, unless Congress will direct that the Secretary of the Treasury shall employ him. I want to say here and now that I will never consent that the action of a former Secretary of the Treasury, who was not authorized under the statute to employ an architect, shall bind all of his successors. I would never consent that this bill should pass if it compelled the Secretary of the Treasury to carry out a contract made by a former Secretary of the Treasury, who had no authority to make it.

Mr. BURTON. I have heard from no architect who is interested in the construction of this building. The protest which was sent to me was against the House bill; I was not aware that there was any such Senate bill. I answered the protest against the House bill by stating that I would give the measure attention if it should reach the Senate.

Mr. SWANSON. I received the same protest, and a copy, I presume, was sent to every Member of Congress.

Mr. BURTON. I must ask that the bill go over at this time.

The PRESIDING OFFICER. There being objection, the bill goes over. The Secretary will state the next bill on the calendar.

LIEUT. COL. JUNIUS L. POWELL, UNITED STATES ARMY.

The bill (S. 784) to place Lieut. Col. Junius L. Powell on the retired list of the Army with the rank of brigadier general was announced as next in order.

Mr. OVERMAN. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. WILLIAMS. Mr. President, I will inquire who objected to that bill.

Mr. OVERMAN. I objected. I have not had time to examine the matter, and I do not understand why we should raise an officer from the grade of lieutenant colonel to brigadier general, and place him on the retired list.

Mr. WILLIAMS. If the Senator had examined the report he would find that there is every reason in the world for it.

Mr. OVERMAN. If the Senator will state the reason, I may withdraw the objection.

Mr. WILLIAMS. If the Senator will turn to the report he will find the facts. I read from the report of the Secretary of War, which is embodied in the report submitted by the committee:

> Col. Powell is now the only officer on the rolls of the Regular Army who had service in the Confederate Army. The law of July 28, 1866, forbade the appointment in the United States Army of any person who had served in the Confederate Army. Col. Powell obtained a special act on January 29, 1879, authorizing an exception to be made in his case, under which he was appointed an assistant surgeon with the rank of first lieutenant. Since that time he has had about 30 years' continuous service on the active list of the Army, which includes service in the field during Indian campaigns and during the Spanish-American War.
>
> Gen. Joseph Wheeler had two years' service in the Regular Army and resigned to enter the Confederate Army. He had two years' service as a volunteer during the Spanish-American War and was made a brigadier general in the Regular Army three months before the date of his retirement with that grade. Gen. Fitzhugh Lee had about five years' service in the Regular Army when he resigned to enter the Confederate service. He served as a major general and brigadier general of volunteers from 1898 to 1901, when he was appointed a brigadier general upon the retired list of the Army by a special act of Congress.

What I have read you is a quotation from the report of the Secretary of War. I now read the recommendation of the committee:

> The committee having carefully considered the long and faithful service of Col. Powell, taken in connection with the precedents above cited, are of the opinion that he is entitled to be placed upon the retired list of the Army with the rank of a brigadier general.

Mr. OVERMAN. I withdraw my objection to the consideration of the bill.

The PRESIDING OFFICER. The objection is withdrawn.

The Senate, as in Committee of the Whole, proceeded to consider the bill (S. 784) to place Lieut. Col. Junius L. Powell on the retired list of the Army with the rank of brigadier general.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

WILLIAM WALTERS.

The bill (S. 1174) for the relief of William Walters, alias Joshua Brown, was considered as in Committee of the Whole.

The bill had been reported from the Committee on Military Affairs with an amendment to strike out all after the enacting clause and insert:

> That in the administration of the pension laws William Walters, alias Joshua Brown, who was a private of Battery M, First Regiment United States Artillery, shall hereafter be held and considered to have been discharged honorably from the military service of the United States as a member of said battery and regiment on the 13th day of September, 1865: *Provided*, That no pension shall accrue prior to the passage of this act.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

OLIVER C. RICE.

The bill (S. 5684) to correct the military record of Oliver C. Rice and to grant him an honorable discharge was considered as in Committee of the Whole.

The bill had been reported from the Committee on Military Affairs with an amendment to strike out all after the enacting clause and insert:

> That in the administration of the pension laws Oliver C. Rice shall hereafter be held and considered to have been in the military service of the United States as a drummer of Company D, Nineteenth Regiment Indiana Volunteer Infantry, from the 7th day of August, 1861, to the 7th day of March, 1862, and to have been discharged honorably as a drummer of said company and regiment on the date last mentioned.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Oliver C. Rice."

SURVEY OF RIO GRANDE BORDER.

The joint resolution (S. J. Res. 98) authorizing a survey and examination of the Rio Grande border of the United States to determine the advisability of constructing a highway either along the entire border or certain sections thereof was announced as next in order.

Mr. WILLIAMS. I ask that the joint resolution go over.

The PRESIDING OFFICER. The joint resolution will be passed over.

Mr. SHEPPARD. I appeal to the Senator from Mississippi to allow this bill to be passed. It merely provides for an examination and survey, and if he knew the conditions on the border I do not believe he would object; they are exceptional. An examination and survey certainly are needed.

Mr. SMOOT. Mr. President, I will say to the Senator that I have received a request to ask that the bill go over.

Mr. SHEPPARD. Very well.

The PRESIDING OFFICER. The bill will be passed over.

MARY CORNICK.

The bill (H. R. 10460) for the relief of Mary Cornick was considered as in Committee of the Whole.

It directs the Secretary of the Treasury to pay Mary Cornick, widow of Peter Cornick, $642.40 on account of the death of Peter Cornick on the 2d day of December, A. D. 1901, while employed in the steam engineering department at the navy yard at Norfolk, Va., through no negligence on his part, in the line of his duty; but no agent, attorney, firm of attorneys, or any persons engaged heretofore or hereafter in preparing, presenting, or prosecuting this claim shall directly or indirectly receive or retain for such service in preparing, presenting, or prosecuting such claim, or for any act whatsoever in connection with this claim, any fee or compensation whatsoever.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

CLARENCE L. GEORGE.

The bill (H. R. 14679) for the relief of Clarence L. George was considered as in Committee of the Whole.

It directs the Secretary of the Treasury to pay to Clarence L. George, late a first-class private, Company H, of the Signal Corps of the Army, the sum of $296.03.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

SPARROW GRAVELY TOBACCO CO.

The bill (H. R. 13965) to refund to the Sparrow Gravely Tobacco Co. the sum of $176.90, the same having been erroneously paid by them to the Government of the United States, was considered as in Committee of the Whole.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

WHALING IN ALASKAN WATERS.

The bill (S. 5283) to regulate the catching of whales in the waters of the Territory of Alaska was announced as next in order.

Mr. LANE. I ask that the bill go over.

Mr. SMOOT. Mr. President, I will say that the Senator from Minnesota [Mr. NELSON] asked me to call attention to this bill and to state that he would like to have it passed to-day. He left with me a copy of a letter from the Department of Commerce addressed to the Hon. JOHN R. THORNTON, chairman of the Committee on Fisheries, in support of the bill. I inquire if the Senator from Oregon especially desires that the bill go over.

Mr. LANE. Yes. There are several members of the committee who wish it to go over, including the Senator from Louisiana [Mr. THORNTON], the chairman of the committee, the Senator from California [Mr. WORKS], the Senator from Maine [Mr. JOHNSON], and myself.

The PRESIDING OFFICER. The bill will be passed over.

STANDARDIZATION OF APPLE CONTAINERS.

The bill (S. 4517) to establish a standard box for apples, and for other purposes, was considered as in Committee of the Whole.

The bill had been reported from the Committee on Standards, Weights, and Measures, with amendments.

The first amendment was, in section 1, page 1, line 3, after the word "apples," to insert "hereinafter provided for"; so as to make the section read:

That the standard box for apples hereinafter provided for shall be of the following dimensions when measured without distention of its parts:

Depth of end, 10½ inches; width of end, 11½ inches; length of box, 18 inches; all inside measurements, and representing, as nearly as possible, 2,173½ cubic inches.

The amendment was agreed to.

The next amendment was, in section 2, page 1, line 12, after the word "sale," to insert "in interstate or foreign commerce"; so as to make the section read:

SEC. 2. That any box in which apples shall be packed and offered for sale in interstate or foreign commerce which does contain less than the required number of cubical inches, as prescribed in section 1 of this act, shall be plainly marked on one side and one end with the words "Short box," or with words or figures showing the fractional relation which the actual capacity of the box bears to the capacity of the box prescribed in section 1 of this act. The marking required by this paragraph shall be in block letters of the size not less than 72-point block Gothic.

The amendment was agreed to.

The next amendment was, in section 6, page 3, line 14, after the word "act," to insert "*Provided, however*, That all shipments in boxes to foreign countries in which a standard box may have been established may be marked 'For export, quality of contents equal to American standard,'" so as to make the section read:

SEC. 6. That boxes containing apples marked "Standard" shall be deemed to be misbranded within the meaning of this act—

When the size of the box does not conform to the requirements of section 1 of this act, and when the markings on the box and the contents thereof do not conform to the requirements of sections 3 and 4 of this act: *Provided, however*, That all shipments in boxes to foreign countries in which a standard box may have been established may be marked "For export, quality of contents equal to American standard."

The amendment was agreed to.

The next amendment was, in section 7, page 3, line 21, after the word "apples," to insert "intended for interstate or foreign commerce," so as to make the section read:

SEC. 7. That any person, firm, company, or organization who shall mark or cause to be marked boxes packed with apples intended for interstate or foreign commerce, or sell, or offer for sale, shipment, or delivery, in interstate or foreign commerce, apples in boxes contrary to the provisions of this act or in violation hereof, or shall sell or offer for sale or delivery in interstate or foreign commerce in a standard box apples other than those originally packed therein without first completely obliterating the original markings and labels on such box and mark the box to conform to the provisions of this act shall be liable to a penalty of $1 for each box so marked, sold, or offered for sale or delivery, and costs, to be recovered at the suit of the United States in any court having jurisdiction: *Provided*, That the penalty to be recovered on any one shipment shall not exceed the sum of $100, exclusive of costs.

The amendment was agreed to.

Mr. THOMAS. Mr. President, I offer the amendment which I send to the desk, to come in at the end of section 1.

The PRESIDING OFFICER. The Senator from Colorado proposes an amendment, which will be stated.

The SECRETARY. On page 1, line 10, after the word "inches," it is proposed to insert:

Provided, That nothing herein contained shall prevent the packing, shipment, or offering for sale of apples in boxes or containers whose dimensions do not comply with those hereinabove described.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Colorado.

The amendment was agreed to.

Mr. JONES. On page 4, line 12, I move to strike out "fourteen" and insert "fifteen." That will make the act take effect next July instead of last July.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. WALSH. Mr. President, I wish to inquire of the Senator from Colorado what will be left of the bill with his amendment added to it?

Mr. THOMAS. Why, Mr. President, the bill is designed to establish a standard box, which may or may not be used. Those who desire to use it can do so by complying with the statute and obtain whatever advantage there may be in the use of a box of such dimensions. A good many of the apple raisers of my State, however, feel——

Mr. SMOOT. I should like to ask the Senator if he will not allow that amendment to apply only to Colorado? We certainly would not like to have it apply to the State of Utah.

Mr. THOMAS. I was going to say that I think a careful reading of the bill will demonstrate that this amendment is superfluous. I offered it out of an abundance of caution. I think the bill, as drawn, is not mandatory; but I am perfectly willing to accept the suggestion of the Senator, and limit the operations of the amendment which I offered to the State of Colorado.

Mr. SMOOT. I believe that would be very much better, because I have received letters from nearly all of the shippers of fruit in Utah, and what they want to insist upon is a uniform box, so that if anybody orders a box of apples it will be a uniform box of apples, from any grower or any part of the State; and I know that this is in conformity with their desire.

Mr. THOMAS. The only requirement of this bill is to provide that if a standard box is used it shall be stamped in a certain way. It does not inhibit the use of boxes of any other size, in my judgment.

Mr. JONES. If people want to send out apples marked "Standard," then they must conform to certain requirements.

Mr. THOMAS. Yes.

Mr. JONES. If they are not marked "Standard," they need not do so.

Mr. THOMAS. Yes. I am willing to accept the amendment.

Mr. SMOOT. Perhaps other States would not——

The PRESIDING OFFICER. Does the Senator from Colorado desire to modify his amendment?

Mr. THOMAS. I do.

The PRESIDING OFFICER. Then, without objection, the vote whereby the amendment was agreed to will be reconsidered. The Senator from Colorado will now present it as modified.

The SECRETARY. The Senator from Colorado proposes to modify the amendment so as to read "packing, shipping, or offering for sale apples grown in the State of Colorado," and so forth.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL AND JOINT RESOLUTION INTRODUCED.

Mr. WILLIAMS. Mr. President, I ask unanimous consent, out of order, to introduce a joint resolution for proper reference.

The PRESIDING OFFICER. Is there objection? The Chair hears none. The title of the joint resolution will be stated.

The SECRETARY. A joint resolution (S. J. Res. 177) to transfer to the custody and possession of the Attorney General sealskins.

The PRESIDING OFFICER. The joint resolution will be referred to the Committee on Finance.

The SECRETARY. Also, a bill (S. 6271) for the relief of Marin Elizabeth Burnett.

The PRESIDING OFFICER. The bill will be referred to the Committee on Claims.

Mr. SMOOT. Mr. President, I wish to call attention——

Mr. BRYAN. Mr. President, can that be done under the unanimous-consent agreement under which we are now proceeding?

Mr. SMOOT. No business was to be done to-day other than the consideration of bills under Rule VIII.

The PRESIDING OFFICER. The Chair would not care to rule on that question. If there is objection, it could not be done.

Mr. SMOOT. Why, Mr. President, of course we agreed that there should be no business transacted except the consideration of bills under Rule VIII.

The PRESIDING OFFICER. The Chair is of opinion that that would apply only to legislative matters; but if there is objection, the Chair will hold that the objection is well taken.

WILLIAM H. SHANNON.

The bill (H. R. 962) for the relief of William H. Shannon was announced as next in order.

Mr. BRYAN. Let that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

LEMUEL H. REDD.

The bill (S. 1231) for the relief of Lemuel H. Redd was considered as in Committee of the Whole.

The bill has been reported from the Committee on Military Affairs with an amendment, to strike out all after the enacting clause and insert:

That in the administration of the pension laws Lemuel H. Redd shall hereafter be held and considered to have served as a private in Col. Stephen Markham's command, Utah Indian war: *Provided*, That no pay, bounty, or back pension shall accrue or become payable by virtue of this act.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DAVIS SMITH.

The bill (H. R. 16205) for the relief of Davis Smith was considered as in Committee of the Whole. It authorizes the Secretary of the Interior to issue a patent to Davis Smith, of Wewela, Tripp County, S. Dak., for the northeast quarter of section No. 10 in township 95 north of range 76 west of the fifth principal meridian, South Dakota, regardless of the fact that said Davis Smith had commuted a former entry under the provisions of an act entitled "An act relating to the public lands of the United States," approved June 15, 1880 (21 Stat., 237): *Provided*, That said Davis Smith make satisfactory proof of his compliance with the homestead law and pay the price per acre provided in the law under which he made homestead entry for the land described herein.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

TENNESSEE RIVER BRIDGE, NEAR GUNTERSVILLE, ALA.

Mr. OVERMAN. Mr. President, referring to Order of Business No. 566, I withdraw my objection to the consideration of that bill.

The PRESIDING OFFICER. The Secretary will state the title of the bill.

The SECRETARY. A bill (S. 5977) to authorize Bryan and Albert Henry to construct a bridge across a slough, which is a part of the Tennessee River, near Guntersville, Ala.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill. It authorizes Bryan and Albert Henry, of Guntersville, Ala., and their assigns, when authorized by the State of Alabama, to construct, maintain, and operate a bridge and approaches thereto across a slough, which is a part of the Tennessee River, at a point suitable to the interests of navigation, at or near Guntersville, Ala., said bridge to connect the mainland with Henry Island, in said Tennessee River, in the county of Marshall, in the State of Alabama, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, and expressly reserves the right to alter, amend, or repeal this act.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

GEORGE M. VAN LEUVEN.

The bill (H. R. 10765) granting a patent to George M. Van Leuven for the northeast quarter of section 18, township 17 north, range 19 east, Black Hills meridian, South Dakota, was considered as in Committee of the Whole. It authorizes and directs the Secretary of the Interior to issue to George M. Van Leuven patent for the northeast quarter of section 18, township 17 north, range 19 east, Black Hills meridian, South Dakota, notwithstanding that his homestead entry therefor was invalid upon the ground that he had exhausted his homestead right through purchase of 160 acres of land under the provisions of section 2 of the act of June 15, 1880 (21 Stat. L., 237): *Provided*, That he shall first have shown compliance with the provisions of the homestead law and shall have made the required payments: *Provided further*, That there exists no valid adverse claim for said tract.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

T. A. ROSEBERRY.

The bill (H. R. 1528) for the relief of T. A. Roseberry was considered as in Committee of the Whole. It authorizes and directs the Secretary of the Interior, upon payment to the Government of the United States of the full sum of $1.25 per acre having first been made, to issue patent to T. A. Roseberry and his heirs for the land embraced in his timber-claim entry No. 147, being the west half of the northeast quarter and the northeast quarter of the northwest quarter section 20, township 39 north, range 9 east, Mount Diablo base and meridian, in the Susanville land district in Modoc County, Cal.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

WILLIAM L. WALLIS.

The bill (H. R. 17045) for the relief of William L. Wallis, was considered as in Committee of the Whole. It authorizes the Secretary of the Interior to issue a patent to William L. Wallis, of Ardmore, Fall River County, S. Dak., for the west one-half of the southeast quarter and the east one-half of the southwest quarter of section No. 35, in township 11 south, of range 2 east, of the Black Hills meridian, South Dakota, regardless of the fact that said William L. Wallis had commuted a former entry under the provisions of an act entitled "An act relating to the public lands of the United States," approved June 15, 1880 (21 Stat., p. 237): *Provided*, That said William L. Wallis make satisfactory proof of his compliance with the homestead law and pay the price per acre provided in the law under which he made homestead entry for the land described herein.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

WILLIAM H. MILLER.

The bill (H. R. 16431) to validate the homestead entry of William H. Miller, was considered as in Committee of the Whole. It validates the homestead entry of William H. Miller, No. 010224, made October 28, 1909, for the northwest quarter of section 29, township 20 north, range 49 west of the sixth principal meridian, in the State of Nebraska.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

HOMESTEAD ENTRIES BY FEMALE AMERICAN CITIZENS.

The bill (H. R. 11745) to provide for certificate of title to homestead entry by a female American citizen who has intermarried with an alien, was considered as in Committee of the Whole.

The bill had been reported from the Committee on Public Lands with an amendment, on page 1, line 8, after the word "alien," to insert "who is entitled to become a citizen of the United States," so as to make the bill read:

Be it enacted, etc., That any female citizen of the United States who has initiated a claim to a tract of public land under any of the laws applicable thereto, and who thereafter has complied with all the conditions as to the acquisition of title to such land prescribed by the public-land laws of the United States, shall, notwithstanding her intermarriage with an alien, who is entitled to become a citizen of the United States, be entitled to a certificate or patent to such entry equally as though she had remained unmarried or had married an American citizen.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

OMNIBUS CLAIMS BILL.

The bill (S. 6120) for the allowance of certain claims reported by the Court of Claims was announced as next in order.

Mr. BURTON. I ask that that bill may go over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. BRYAN. Mr. President, I make the same request as with reference to the other omnibus bill—that it be passed over temporarily.

Mr. BURTON. I dislike to object, but I think I shall have to object to either of those bills coming up to-day.

Mr. BRYAN. The Senator does not make that statement now?

Mr. BURTON. Well, we will see when they are reached.

CAPT. ARMISTEAD RUST.

The bill (S. 1267) to transfer Capt. Armistead Rust from the retired to the active list of the United States Navy was considered as in Committee of the Whole.

The bill had been reported from the Committee on Naval Affairs with amendments.

The first amendment was, on page 1, line 3, after the word "authorized," to insert "to nominate and, by and with the advice and consent of the Senate," so as to read:

That the President be, and he is hereby, authorized to nominate and, by and with the advice and consent of the Senate, to appoint Armistead Rust, now a captain on the retired list of the United States Navy, to the active list of captains of the United States Navy, etc.

The amendment was agreed to.

Mr. THORNTON. Mr. President, I ask that the bill may go over.

The PRESIDING OFFICER. The bill will be passed over.

THOMAS F. HOWELL.

The bill (H. R. 1516) for the relief of Thomas F. Howell was considered as in Committee of the Whole. It authorizes the Secretary of the Interior to reinstate the homestead entry No. 3944 of Thomas F. Howell, and to issue a patent to said Thomas F. Howell for the land embraced in his homestead entry No. 3944, Redding, Cal., for the southeast quarter of northeast quarter of section 6, south half of northwest quarter and southwest quarter of northeast quarter section 5, township 28 north, range 5 east, Mount Diablo meridian, upon submission of proof of residence upon and improvement and cultivation of said land as required by the homestead laws: *Provided*, That such final proof be submitted at any time within four years after the approval of this act.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

ENLARGED HOMESTEAD.

The bill (H. R. 1698) to amend an act entitled "An act to provide for an enlarged homestead," and acts amendatory thereof and supplemental thereto, was considered as in Committee of the Whole.

The Secretary read the bill, as follows:

Be it enacted, etc., That where any person qualified to make entry under the provisions of the act of February 19, 1909, and acts amendatory thereof and supplemental thereto, shall make application to enter under the provisions of said acts any unappropriated public land in any State affected thereby which has not been designated as subject to entry under the act (provided said application is accompanied and supported by properly corroborated affidavit of the applicant in duplicate, showing prima facie that the land applied for is of the character contemplated by said acts), such application, together with the regular fees and commissions, shall be received by the register and receiver of the land district in which said land is located, and suspended until it shall have been determined by the Secretary of the Interior whether said land is actually of that character; that during such suspension the land described in said application shall be segregated by the said register and receiver and not subject to entry until the case is disposed of; and if it shall be determined that such land is of the character contemplated by the said acts, then such application shall be allowed; otherwise it shall be rejected, subject to appeal: *Provided*, That the provisions of this act shall apply to the application of a qualified entryman to make additional entry of unappropriated land adjoining his unperfected homestead entry, the area of which, together with his original entry, shall not exceed 320 acres.

Mr. STERLING. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. It is proposed to insert, as a new section, the following:

SEC. 2. That the provisions of said act of February 19, 1909, and acts amendatory thereof, and also the provisions of this act, shall extend to and include the State of South Dakota: *Provided*, That the Secretary of the Interior may designate tracts of land in said State of South Dakota subject to entry under said acts, not exceeding in the aggregate 320,000 acres, which shall be subject to entry without the necessity of residence upon the land entered, such designation to be under the same conditions and limitations as are provided by section 6 of the act of June 17, 1910, relating to enlarged homesteads in the State of Idaho.

Mr. PITTMAN. Mr. President, to what States does that apply?

The PRESIDING OFFICER. To the State of South Dakota. The question is upon agreeing to the amendment.

The amendment was agreed to.

Mr. PITTMAN. I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. It is proposed to add, at the end of the amendment just agreed to, the following:

Provided, That the provisions of section 6 of said act shall include and extend to all the States named in the first section of said act.

Mr. GRONNA. Will the Senator from Nevada kindly explain that amendment?

Mr. PITTMAN. This attempts to accomplish for all of the Western States exactly what the Senator from South Dakota is attempting to accomplish for his own individual State of South Dakota; but, to make the amendment a little more definite, I will modify it so as to read "of said act of February 19, 1909."

The SECRETARY. The Senator from Nevada modifies the amendment by adding, after the words "of said act," the words "of February 19, 1909."

The PRESIDING OFFICER. The question is upon the amendment offered by the Senator from Nevada as modified.

Mr. STERLING. Mr. President, I should like to say as to the amendment of the Senator from Nevada that I do not know that I have any objection to it; but section 6 of the act of 1909 to which he refers relates particularly to the State of Utah, and permits the Secretary of the Interior to designate not exceeding 2,000,000 acres of land of which entry may be made without the necessity of residence, whereas the act of 1910 relates alone to the State of Idaho; and in the amendment offered by myself I provide for 320,000 acres as the number of acres to be designated by the Secretary of the Interior, and which may be subject to entry without the necessity of residence.

Mr. PITTMAN. Mr. President, the States mentioned in the first section of the bill are the following: Colorado, Montana, Nevada, Oregon, Utah, Washington, Wyoming, Arizona, and New Mexico. All of those States have a great deal more public land than has the State of South Dakota, and the 2,000,000 acres mentioned is simply a limit upon the Secretary of the Interior. The Secretary of the Interior is not to permit this character of location on any land unless the land falls within the particular classification of section 6. There may not be nearly that much.

Mr. BORAH. Mr. President, I think it is perfectly safe to have that done. It seems to me the amendment of the Senator from Nevada is all right. If there is anything that needs changing as to the details of it, it could be shaped up in conference.

The PRESIDING OFFICER. The question is on the amendment presented by the Senator from Nevada.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

COL. JAMES W. POPE.

The bill (S. 2353) to authorize the President to appoint Col. James W. Pope, assistant quartermaster general, to the grade of brigadier general in the United States Army and place him on the retired list was announced as next in order.

Mr. SMOOT. Mr. President, my copy of the calendar does not show a report of any kind on that bill. I should like to ask the Senator in charge of it to explain why the bill was introduced and why it should pass?

Mr. THOMAS. Mr. President, Col. Pope has served actively for something like 40 years with great distinction and in various phases of the service. If he had remained for a short time longer upon the list of active officers, he would have been in line for promotion. He is a very meritorious man. He is afflicted with a trouble with his eyes which has put him to very considerable expense, and, of course, he is retired upon the pay which retired officers receive. However, I am not basing the application upon that ground. I am putting it entirely upon the meritorious services of the officer and as a reward for the services he has rendered.

Of course, there is no report from the office of the Secretary of War to the committee. There is a report, which I supposed was here, outlining at length the services of this officer, with which the Senator from Idaho [Mr. BRADY] is familiar. I had supposed, until the Senator called my attention to the fact, that the report of which I speak—which is not a committee report, however—had been made a committee report and attached here. I can say to the Senator that it is a very meritorious case.

Mr. SMOOT. We all know that there are hundreds of colonels who every day desire promotion to the rank of brigadier general. There have been a number of colonels located at Fort Douglas, particularly Col. Scott, and he should have been appointed a brigadier general, but the time for his retirement

arrived perhaps one month before he would have been appointed a brigadier general. I never have thought that we could introduce a bill and have him made a brigadier general.

Mr. THOMAS. I think in an instance of that kind it is not only a desirable thing but a highly meritorious thing.

Mr. SMOOT. If this is to be the policy——

Mr. THOMAS. No; it is not.

Mr. SMOOT (continuing). Of course, I will know hereafter that in meritorious cases, such as the one of which I have just spoken, the committee will act favorably.

Mr. THOMAS. Certainly. This matter was very carefully considered, and particularly by the Senator from Idaho [Mr. BRADY].

Mr. BRADY. Mr. President, I was appointed a subcommittee to examine and report on Col. Pope's claim. I want to say that it is meritorious in every way, and I sincerely hope the bill will pass.

Mr. WALSH. Mr. President, I should like to inquire why the bill is not accompanied with some report from some quarter, to give us some information about why this man is singled out for this honor?

Mr. THOMAS. Mr. President, I have just said that I had been under the impression that the report to the committee had been embodied in the report to the Senate, and I am surprised that it is not here. I am not blaming anybody for it, but my impression was, when it was reported out of the committee, that that would be done.

Mr. WALSH. I am interested in the matter because I am very much interested in the elevation to the rank of brigadier general of a colonel in the Quartermaster's Department, and I did not know that it was an ordinary thing to do.

Mr. THOMAS. It is not an ordinary thing to do, Mr. President; but it is not an unprecedented thing to do, by any means. For example, in the report to the committee in this particular instance there is a long list of similar cases that have been provided for in a similar way.

Mr. WALSH. I think I shall be obliged to object; at least until I have an opportunity to see a report.

Mr. THOMAS. I hope the Senator will not object.

Mr. WALSH. I do not know what I am here for. I have not anything upon which I can act.

The PRESIDING OFFICER. Objection being made, the bill will be passed over.

WILHELMINA ROHE.

The bill (H. R. 11166) for the relief of Wilhelmina Rohe was considered as in Committee of the Whole. It proposes that in the administration of the pension laws John Rohe shall be hereafter held and considered to have been drowned in Nagasaki Harbor, Japan, on the 20th day of March, 1901, in line of duty and while in the service of the United States as a private in Company M, Twenty-sixth Regiment United States Volunteer Infantry.

The bill was reported to the Senate without amendment.

Mr. BRYAN. Mr. President, let that bill go over. I think the report shows very great doubt as to whether or not this man was drowned.

The PRESIDING OFFICER. The bill will be passed over.

ABRAHAM HOOVER.

The bill (H. R. 816) for the relief of Abraham Hoover was considered as in Committee of the Whole. It proposes that in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Abraham Hoover, who was a private in Company H, Seventh Regiment Pennsylvania Reserve Infantry Volunteers, shall hereafter be held and considered to have been discharged honorably from the military service of the United States as a private in said company and regiment on or about the 16th day of September, 1863: *Provided*, That no back pay, bounty, pension, or allowance shall be allowed by reason of this act.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

MONUMENT TO FRANCIS SCOTT KEY.

The bill (S. 5711) providing for the appropriation of a sum of money for the erection at Fort McHenry, Baltimore, Md., of a monument to Francis Scott Key and the soldiers and sailors who participated in the Battle of North Point and the defense of Fort McHenry in the War of 1812, was announced as next in order.

Mr. SMOOT. Mr. President——

Mr. SMITH of Maryland. Mr. President, this bill has been cared for in the deficiency bill. Therefore I ask that the bill as it is on the calendar be indefinitely postponed.

The PRESIDING OFFICER. The Senator from Maryland moves the indefinite postponement of the bill.

The motion was agreed to.

BILL PASSED OVER.

The bill (S. 7151) to remedy in the line of the Army the inequalities in rank due to the past system of regimental promotion, was announced as next in order.

Mr. OVERMAN. Let that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

CHARLES AUGUST MAYER.

The joint resolution (S. J. Res. 136) to authorize the appointment of Charles August Mayer as a cadet at the United States Military Academy was considered as in Committee of the Whole.

The joint resolution was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

CLIFFORD HILDEBRANDT TATE.

The joint resolution (S. J. Res. 137) to authorize the appointment of Clifford Hildebrandt Tate as a cadet at the United States Military Academy was considered as in Committee of the Whole.

Mr. BURTON. Mr. President, I should like to inquire why these two bills are here for the appointment of cadets. The law makes very full provision for the appointment of cadets, and here seems to be two joint resolutions, introduced by the same Member of the Senate, for appointment. What are the special reasons?

Mr. CHAMBERLAIN. They are not really for appointment. These two young men failed in one or more of their studies—one study, I think. They bore most excellent reputations up at West Point, and the committee, after investigating the cases of both of them, thought that following precedents which had been heretofore established they might safely authorize their reinstatement if the President approved the action of Congress in authorizing it to be done. I will say to the Senator that similar bills were introduced in the House, and the House committee also reported favorably on both.

Mr. BURTON. Were there exceptional circumstances? Was it thought they did not have a fair opportunity in the examination, or did they come very near to passing and fail under such circumstances that it was thought it would be fair to give them a further chance?

Mr. CHAMBERLAIN. They came very near passing. The committee felt, too, that there were exceptional circumstances, and that the boys ought to have another chance. They are both bright fellows, and their conduct while there was exemplary. The officers at the Military Academy testify to that fact. I will say to the Senator, in addition, that it has appeared in many cases where there have been failures in one study that they have been given another chance; have been given an opportunity to perfect themselves and to enter the academy again; but in these cases it was not done, and the committee were unanimous in feeling that the cases ought to receive favorable consideration.

Mr. BURTON. I am not going to object, Mr. President. I think this is a rather dangerous precedent.

Mr. MARTINE of New Jersey. I feel, Mr. President, if the Senator from Ohio will permit me, that these are exceptional cases. I know both these young men as well as their families. They are most exemplary in habits and manner. They failed, however, in one study and only one. They passed an excellent examination except in one study, and they were immediately dismissed. They were not put back, but they were dismissed. The request was made that they might be permitted to go back and start again, but for reasons or purposes that satisfied the authorities that was not done. They have pressed their cases most earnestly. I know them well, and the treatment seems to have been really cruel. It has been their life and hope and aim and ambition to serve their country in a military capacity. They are most exceptional young men. I appeared before the Committee on Military Affairs, and I am happy to state that the result is the reporting out of these joint resolutions. I trust the Senate may pass the measures as reported.

Mr. BURTON. I shall not object.

The joint resolution was reported from the Committee on Military Affairs with an amendment to strike out all after the resolving clause and to insert:

That the President be, and he is hereby, authorized to reappoint as a cadet at the United States Military Academy, without regard to age or the existence of vacancies, Clifford Hildebrandt Tate.

The amendment was agreed to.

The joint resolution was reported to the Senate as amended, and the amendment was concurred in.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "Joint resolution to reinstate Clifford Hildebrandt Tate as a cadet at the United States Military Academy."

SYSTEM OF REGIMENTAL PROMOTION.

Mr. CHAMBERLAIN. In my absence temporarily from the Senate the bill (S. 1151) to remedy in the line of the Army the inequalities in rank due to the past system of regimental promotion was passed over. I hope very much that the Senate will consider that measure. I do not know who interposed the objection or what were the reasons for the objection.

Mr. OVERMAN. I understood that it would take up considerable time.

Mr. CHAMBERLAIN. I do not think it will, if the Senator will let me state the facts. The report goes into them quite at length, and I think there is merit in the bill. Has the Senator read the report?

Mr. OVERMAN. I did not have time to read it all, as it is very long, but I think it is a very important bill, and it ought not to be considered this afternoon. It is general legislation.

Mr. CHAMBERLAIN. I wish to say, in this connection, that practically the same bill was passed in favor of officers on the active list of the Army. It was included in the appropriation act of March 3, 1911. There are very few men who will be affected by this legislation if it passes. They are all of them past 75 years of age, and 40 of them have died in the past 18 months. In the very nature of things if the bill should become a law it could not do very much injury to the country, and it certainly would be of great benefit to these old men.

Mr. OVERMAN. What amount of money would it take?

Mr. CHAMBERLAIN. I have not made a calculation, but I call the attention of the Senator to this fact: Under the measure there are 20 colonels and 33 lieutenant colonels who would become brigadier generals by retirement.

Mr. OVERMAN. I must object to the consideration of the bill until I can have an opportunity to examine it.

The PRESIDING OFFICER. The bill has gone over.

CAPT. DANIEL H. POWERS.

The bill (S. 1985) to remove the charge of desertion from the military record of Capt. Daniel H. Powers was announced as next in order.

Mr. CULBERSON. Let that go over.

The PRESIDING OFFICER. The bill will go over.

PUBLIC BUILDING AT GRAND JUNCTION, COLO.

The bill (S. 4012) to increase the limit of cost of the United States public building at Grand Junction, Colo., was considered as in Committee of the Whole.

The bill was reported from the Committee on Public Buildings and Grounds with an amendment, in line 5, to strike out "$250,000" and insert "$200,000," so as to make the bill read:

Be it enacted, etc., That the limit of cost of the United States public building at Grand Junction, Colo., be, and the same hereby is, increased from the sum of $100,000 to the sum of $200,000, said increase being necessary in order to complete the building according to the present plans and specifications.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

GEORGIA RAILROAD & BANKING CO.

The bill (S. 926) for the relief of the Georgia Railroad & Banking Co. was announced as next in order.

Mr. BRYAN. Let the bill go over.

The PRESIDING OFFICER. It will go over.

JAMES F. BARBOUR.

The bill (S. 4492) to authorize James F. Barbour and his successors in title to permanently maintain and use siding from the tracks of the Philadelphia, Baltimore & Washington Railroad in the city of Washington was announced as next in order.

Mr. BRYAN. Let the bill go over.

The PRESIDING OFFICER. The bill will go over.

SPENCER ROBERTS.

The bill (H. R. 12844) for the relief of Spencer Roberts, a member of the Metropolitan police force of the District of Columbia, was considered as in Committee of the Whole. It authorizes the Commissioners of the District of Columbia to appoint and promote Spencer Roberts, now a member of the Metropolitan police force of said District, in class 2, to any vacancy that may exist in class 3 of the Metropolitan police force.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

PROPOSED ANTITRUST LEGISLATION.

The bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes, was announced as next in order.

Mr. CULBERSON. That being the unfinished business of the Senate, let it go over.

The PRESIDING OFFICER. The bill will go over.

LANDS AT SUSANVILLE, LASSEN COUNTY, CAL.

The bill (H. R. 16476) authorizing the Secretary of the Interior to issue patent to the city of Susanville, in Lassen County, Cal., for certain lands, and for other purposes, was considered as in Committee of the Whole.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

WILLIAM G. KERCKHOFF.

The bill (S. 5990) to authorize the sale and issuance of patent for certain land to William G. Kerckhoff was considered as in Committee of the Whole. It directs the Secretary of the Interior to sell and issue patent to William G. Kerckhoff for the following real property situated in the county of Los Angeles, State of California, more particularly described as follows:

Commencing at the quarter corner of section 30, township 2 north, range 7 west, this corner being the northwest corner of the southwest quarter of said section 30, running thence easterly along the north line of said southwest quarter 990 feet; thence at right angles south 330 feet; thence at right angles westerly 660 feet; thence at right angles south 330 feet; thence west at right angles 330 feet to the range lines between range 8 west and range 7 west, San Bernardino base and meridian; thence northerly 575.4 feet to the point of beginning, containing 10 acres of land; on the payment of the sum of $2.50 per acre.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

SECURITIES OF COMMON CARRIERS.

The bill (H. R. 16586) to amend section 20 of an act to regulate commerce, to prevent overissues of securities by carriers, and for other purposes, was announced as next in order.

Mr. SMOOT. Let that go over.

The PRESIDING OFFICER. The bill will go over.

PUBLIC BUILDING AT DALLAS, TEX.

The bill (S. 5630) for the erection of a public building at Dallas, Tex., was considered as in Committee of the Whole.

The bill was reported from the Committee on Public Buildings and Grounds with amendments, on page 1, line 5, after the word "purpose," to strike out "bounded by and running along the following streets for the distances hereinafter set out, to wit, 236.7 feet on Ervay Street, 267.2 feet on Bryan Street, 232.08 feet on Mason Street, and 267.33 feet on Cottage Street."

On page 2, line 3, after the word "courts," to strike out the words "the United States internal-revenue office, the United States engineer office," and, in line 8, to strike out "$1,500,000" and insert "$1,250,000"; so as to make the bill read:

Be ie enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to cause to be erected, on the site heretofore acquired for that purpose, a suitable building, including fireproof vaults, heating and ventilating apparatus, elevators, and approaches, for the use and accommodation of the United States post office, the United States courts, and other Government offices in the city of Dallas and State of Texas, the cost of said building, including said vaults, heating and ventilating apparatus, elevators, and approaches, not to exceed the sum of $1,250,000.

SEC. 2. That the Secretary of the Treasury be, and he is hereby, authorized, in his discretion, after completion of the new Federal building herein provided for, to sell the old post office and Government building and site thereof, situated in the city of Dallas, State of Texas, at public or private sale, after proper advertisement, at such time and on such terms as he may deem to be to the best interests of the United States, and to execute a quitclaim deed to the purchaser thereof, and to deposit the proceeds of said sale in the Treasury of the United States as a miscellaneous receipt.

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

LANDS AT PLUMMER, IDAHO.

The bill (S. 2692) authorizing the Secretary of the Interior to sell all unsold lots in the town site of Plummer, Kootenai County, Idaho, and for other purposes, was considered as in Committee of the Whole.

The bill was reported from the Committee on Public Lands with amendment, on page 2, line 2, before the word "direction," to strike out "the" and insert "his," and in the same line, after the word "direction," to strike out the words "of the board of trustees of the village of Plummer, Kootenai County, Idaho," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized and directed to cause to be sold for cash all lots not heretofore disposed of within the town site of Plummer, Kootenai

County, Idaho, authorized to be disposed of under the act of June 21, 1906: *Provided*, That the purchase price of all town lots hereafter sold under the supervision of the Secretary of the Interior, in the said town site of Plummer, Kootenai County, Idaho, shall be paid for in cash, and he shall cause 25 per cent of the net proceeds arising through such sales to be set apart and expended under his direction for public improvements in the town site in which said lots are sold.

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

COL. JAMES W. POPE.

Mr. THOMAS. The Senator who objected to the consideration of Senate bill 2353 does not persist in his objection and I ask for its consideration.

The bill (S. 2353) to authorize the President to appoint Col. James W. Pope, Assistant Quartermaster General, to the grade of brigadier general in the United States Army and place him on the retired list was considered as in Committee of the Whole.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

LANDS OF QUINAIELT RESERVATION, WASH.

The bill (H. R. 12463) to authorize the withdrawal of lands on the Quinaielt Reservation, in the State of Washington, for lighthouse purposes, was considered as in Committee of the Whole.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

GEORGE FREDERICK KUNZ.

The joint resolution (H. J. Res. 249) for the appointment of George Frederick Kunz as a member of the North American Indian Memorial Commission was considered as in Committee of the Whole.

The joint resolution was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

BUREAU OF LABOR SAFETY.

The bill (H. R. 10735) to create a bureau of labor safety in the Department of Labor was announced as next in order.

Mr. WALSH. I have an amendment which I will propose to that bill, but it is at my office, and I ask that it may be passed over for the present.

The PRESIDING OFFICER. The bill will be passed over.

Mr. SHIVELY. The Senator has an amendment to offer to the bill, and therefore desires to have it go over for the present?

Mr. WALSH. Yes, sir.

Mr. SHIVELY. I hope we may have consideration of the bill this afternoon.

JAMES W. M'GREEVEY.

The bill (H. R. 12909) to correct the military record of James W. McGreevey was announced as next in order.

Mr. BRYAN. I ask that the bill may go over.

The PRESIDING OFFICER. The bill will go over.

Mr. SMITH of Maryland. What is the objection to the bill? It has been thoroughly investigated by a subcommittee. I can not see any reason why it should not be put upon its passage.

Mr. BRYAN. I object to it. I have read the committee report.

Mr. SMITH of Maryland. There was a subcommittee appointed to investigate it, and it considered it carefully.

Mr. BRYAN. The object is to place upon the pension roll a deserter, according to the showing of the committee in its report.

Mr. SMITH of Maryland. I do not understand that any pension whatever is asked.

Mr. BRYAN. Of course that is the object of the bill. It is the only object it could have. It is the sole purpose of it.

Mr. SMOOT. If it were not for that the beneficiary would not be asking for this legislation.

The PRESIDING OFFICER. The bill will go over.

REMOVAL OF REMAINS OF LATE ELSIE M'CAULLEY.

The bill (S. 5705) authorizing the health officer of the District of Columbia to issue a permit for the removal of the remains of the late Elsie McCaulley from Glenwood Cemetery, D. C., to Philadelphia, Pa., was considered as in Committee of the Whole.

Mr. BURTON. I should like to inquire why such a bill has to be introduced here? Why does the United States Congress have to pass a bill to allow the removal of the remains of a deceased person from the District to Philadelphia? Is it necessary that Congress should take such action?

Mr. CHAMBERLAIN. I do not know anything about it, but I heard the Senator from Wyoming [Mr. WARREN], or some one on the floor, state when the bill first came up that it is necessary to have an act of Congress, as the authorities of the District can not grant permission to authorize the removal of the remains.

Mr. BURTON. I really should like to know under what circumstances it is necessary. It is a matter usually entirely within the jurisdiction of the health officer of cities. Of course, primarily it belongs to the relatives of the decedent, and unless there was some contagious disease or some danger to public health, I do not see why an act of Congress is required.

Mr. JONES. I have not read the report, but it is my recollection that they can not remove a body from the District of Columbia after a certain number of years, at any rate, even with the permission of the health office.

Mr. BURTON. That is a general law?

Mr. JONES. I think so. I have not examined it, but that is my recollection.

Mr. BURTON. It would seem to me to be a very singular regulation.

Mr. JONES. That is the law, if my recollection is correct.

Mr. BURTON. Suppose the friends of a decedent desire to remove the body to another place, are they prevented from doing so unless Congress solemnly takes action upon it by the passage of a bill?

Mr. JONES. They would be prevented, if my recollection is correct.

Mr. SMITH of Maryland. A similar bill was passed by the Senate a few weeks ago. The remains can be removed only by an act of Congress. The Senator from Minnesota [Mr. CLAPP] had charge of a bill of a similar character, which was passed.

Mr. BURTON. Is the Senator from Maryland able to state the number of years within which no removal can be made?

Mr. SMITH of Maryland. I am not.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

LEAVE OF ABSENCE FOR HOMESTEAD ENTRYMEN.

The bill (H. R. 13717) to provide for leave of absence for homestead entrymen in one or two periods was considered as in Committee of the Whole.

The bill was read as follows:

Be it enacted, etc., That the entryman mentioned in section 2291, Revised Statutes of the United States, as amended by the act of June 6, 1912 (37 Stat., 123), upon filing in the local land office notice of the beginning of such absence at his option shall be entitled to a leave of absence in one or two continuous periods not exceeding in the aggregate five months in each year after establishing residence; and upon the termination of such absence, in each period, the entryman shall file a notice of such termination in the local land office; but in case of commutation, the 14 months actual residence, as now required by law, must be shown, and the person commuting be at the time a citizen of the United States.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

BOARD OF MANAGERS OF NATIONAL SOLDIERS' HOME.

Mr. POMERENE. I am obliged to leave the Chamber, and with the consent of the chairman on Military Affairs I ask that the joint resolution (H. J. Res. 241) for the appointment of four members of the Board of Managers of the National Home for Disabled Volunteer Soldiers may go over.

The PRESIDING OFFICER. Without objection, that order will be made.

HARRY T. HERRING.

The bill (S. 5028) for the relief of Harry T. Herring was considered as in Committee of the Whole. It authorizes the President of the United States, by and with the advice and consent of the Senate, to appoint Harry T. Herring, late a cadet at the Military Academy at West Point, to the position of second lieutenant of Infantry in the Army, and to place him on the retired list with the pay of a retired second lieutenant of Infantry.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

SIXTH INTERNATIONAL SANITARY CONFERENCE.

The joint resolution (S. J. Res. 166) authorizing the President to designate two officers connected with the Public Health Service to represent the United States at the Sixth International Sanitary Conference of American States to be held at Montevideo, Uruguay, in December, 1914, and making an appropriation to pay the expenses of said representatives, and for other purposes, was considered as in Committee of the Whole. It authorizes the President to appoint or designate two officers of the United States connected with the Public Health Service to represent the United States in the Sixth International Sanitary Conference of American States to be held at the city of

Montevideo, Uruguay, in December, 1914, and to pay the necessary expenses of the representatives in attending the conference, including the expenses of assembling the necessary data and of the preparation of a report, the sum of $2,000 is appropriated.

The joint resolution was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

INDIAN DEPREDATION CLAIMS.

The bill (S. 2824) to amend an act entitled "An act to provide for the adjudication and payment of claims arising from Indian depredations," approved March 3, 1891, was considered as in Committee of the Whole.

The bill was reported from the Committee on Indian Affairs with an amendment, on page 2, line 12, after the word "claimant" to insert "or alienage," so as to make the bill read:

Be it enacted, etc., That the first section of paragraph 1 of an act entitled "An act to provide for the adjudication and payment of claims arising from Indian depredations," approved March 3, 1891, be, and the same is hereby, amended so as to read as follows:

"First. That in all claims for property of citizens or inhabitants of the United States, except the claims of Indians heretofore or now in tribal relations, taken or destroyed by Indians belonging to any tribe in amity with and subject to the jurisdiction of the United States without just cause or provocation on the part of the owner or agent in charge, and not returned or paid for, and in all adjudications under said act as now amended, the alienage of the claimant shall not be a defense to said claimant: *Provided*, That the privileges of this act shall not extend to any person whose property at the time of its taking was unlawfully within the Indian country: *Provided further*, That all cases heretofore filed under said act of March 3, 1891, and which have been dismissed by the court for want of proof of the citizenship of the claimant or alienage shall be reinstated and readjudicated in accordance with the provisions of this act: *Provided further*, That nothing in this act shall be construed to authorize the presentation of any other claims than those upon which suit has heretofore been brought in the Court of Claims: *Provided further*, That all acts and parts of acts in so far as they conflict with the provisions of this act are hereby repealed."

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

THOMAS L. GRIFFITHS.

The bill (S. 6162) authorizing issuance of patent for certain lands to Thomas L. Griffiths was considered as in Committee of the Whole.

It directs the Secretary of the Interior to issue to Thomas L. Griffiths a patent for lot 3 of section 30 in township 29 south of range 8 west of the Salt Lake meridian, in the State of Utah, provided that he shall first have paid at the rate of $1.25 per acre therefor.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

M. FORSTER REAL ESTATE CO., OF ST. LOUIS, MO.

The bill (H. R. 11765) to perfect the title to land belonging to the M. Forster Real Estate Co., of St. Louis, Mo., was considered as in Committee of the Whole.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

MARTHA HAZELWOOD.

The bill (S. 2668) for the relief of Martha Hazelwood was considered as in Committee of the Whole. It proposes to confer full jurisdiction upon the Court of Claims to rehear and retry the claim of Martha Hazelwood for damages suffered by her husband on account of depredations of the Kiowa and Comanche Indians in Texas from 1865 to 1871, and to award judgment therein in the same manner and to the same effect as if the motion for a new trial had been entered within the term at which the petition was dismissed and allowed, and to the same effect as if the case was being heard de novo; and provides that all evidence, memorandum, and other data filed with the claim in the Indian Office, or memorandum of the same, and any testimony since that time taken and filed in the Court of Claims, are made competent evidence for the consideration of the court in determining the issues in the case, and upon them the court is directed to award its judgment.

Mr. OVERMAN. Does that bill provide that the Court of Claims shall proceed to judgment?

The PRESIDING OFFICER. The Secretary will again read the bill.

The Secretary again read the bill.

Mr. OVERMAN. I will not object to the consideration of the bill, Mr. President.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

ELLA M. EWART.

The bill (H. R. 6420) for the relief of Ella M. Ewart was considered as in Committee of the Whole. It appropriates $135 to enable the Postmaster General to reimburse Ella M. Ewart, a clerk in the post office at Marion, Ohio, that amount made good by her to the United States on account of a postal savings certificate fraudulently paid without fault or negligence on her part.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

ESTATE OF JOHN STEWART, DECEASED.

The bill (S. 1373) for the relief of the estate of John Stewart, deceased, was announced as next in order.

Mr. SMOOT. Mr. President, I desired to ask the Senator from Maryland [Mr. LEE], who reported the bill, why $2,000 should be appropriated as extra compensation, but I see the Senator is not present.

Mr. OVERMAN. Let the bill go over.

Mr. SMOOT. I ask that it go over.

Mr. GRONNA. Mr. President, I will ask that the bill be passed over temporarily until I can confer with my colleague [Mr. MCCUMBER], who introduced it.

The PRESIDING OFFICER. The bill will be passed over temporarily.

WILLIAM E. MURRAY.

The bill (H. R. 3920) for the relief of William E. Murray was considered as in Committee of the Whole. It directs the Secretary of the Treasury to pay William E. Murray $720, in full compensation for personal injuries sustained by him without fault on his part and while in the discharge of his duties as a watchman in the Department of the Interior, as found by the Court of Claims, in findings of fact filed May 20, 1909, and printed in House Document No. 226, Sixty-first Congress, second session; but no sum of money due or to become due to William E. Murray under this act shall be liable to attachment, levy, or seizure under any legal or equitable process whatever, but shall inure wholly to his benefit.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

SOUTHERN TRANSPORTATION CO.

The bill (S. 5695) for the relief of the Southern Transportation Co. was considered as in Committee of the Whole. It directs the Secretary of the Treasury to pay to the Southern Transportation Co., of Philadelphia, Pa., $5,556.70, to reimburse that company for the repairs, expenses, and demurrage in connection with the barge *Anticlam*, owned by it, on account of damage to the barge by collision with U. S. lightship *No. 80*.

Mr. SMOOT. I will ask the Senator from Virginia why there was not a report filed to accompany the bill?

Mr. MARTIN of Virginia. There was no written report made because a letter was received from the department which set forth the matter so clearly and fully that I did not think it necessary to write out a report. The letter is in the papers and can be read if the Senator desires to hear it. The matter has been very carefully investigated and every item of expense incurred has been approved by the department.

Mr. SMOOT. I will take the Senator's word for it, but it would have been very much better to have had the letter incorporated in a written report.

Mr. MARTIN of Virginia. The letter is in the papers.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

The PRESIDING OFFICER. The question is on agreeing to the preamble.

Mr. BRYAN. I move that the preamble be stricken out.

The preamble was rejected.

ESTATE OF HENRY H. SIBLEY, DECEASED.

The bill (S. 1851) for the relief of the legal representatives of the estate of Henry H. Sibley, deceased, was announced as next in order.

Mr. NORRIS. I ask that that bill go over.

Mr. SHAFROTH. Mr. President, I should like for the Senator from Nebraska to withhold that request. This bill has been continuously introduced in Congress for the last 25 or 30 years. There was a partnership existing between two persons, one of whom was in the Confederate Army and the other in the Union Army. The Court of Claims allowed the partner

who was in the Union Army the full amount which the Government contracted to pay, but the one who was in the Confederate Army has not been allowed anything. It seems to me that inasmuch as the case was decided favorably by the Court of Claims and then went to the Supreme Court, which held that the Government was liable for the amount, it ought to be allowed.

Mr. BRYAN. Mr. President, the Senator from South Dakota [Mr. CRAWFORD] reported the bill. The Senator from Maine [Mr. JOHNSON] and the Senator from Nebraska [Mr. NORRIS], I understand, desire to file a minority report. It was agreed between those two Senators and the Senator from South Dakota, who had to leave the Chamber and is not present here to-day, that they might have time in which to do so. I think the request made by the Senator from Nebraska [Mr. NORRIS] is perfectly proper.

The PRESIDING OFFICER. The bill will be passed over.

BUREAU OF LABOR SAFETY.

Mr. SHIVELY. Mr. President, I understand the Senator from Montana has now prepared the amendment which he desires to offer to the bill (H. R. 10735) to create a bureau of labor safety in the Department of Labor, and I now ask consideration of the bill.

Mr. WALSH. I join with the Senator from Indiana in asking that we now recur to the bill named by him.

The PRESIDING OFFICER. The bill has been read.

Mr. WALSH. I present the amendment which I send to the desk.

Mr. SMOOT. I will ask that the bill go over to-day.

Mr. SHIVELY. I hope the Senator may withdraw his objection and not compel the bill to go over.

Mr. SMOOT. I have been asked by a Senator who is not present to request that the bill go over. I want to call the Senator's attention to another feature of the bill. The amendment which the Senator from Montana proposes to offer, I presume, is the one that was suggested to several of us designed to take care of the Bureau of Mines.

Mr. WALSH. That is the object of the amendment.

Mr. SMOOT. Then there is another question that seems to me is even more serious than that. The bill reads:

There shall be a commissioner of labor safety, who shall be at the head of said bureau, to be appointed by the President, and who shall receive a salary of $5,000 per annum.

Mr. OVERMAN. Does the bill establish another bureau?

Mr. SMOOT. Yes.

Mr. OVERMAN. Then I think it had better go over.

Mr. SMOOT. Here is a provision which will impose upon the proposed bureau a duty which I think it will be very hard, if not impossible, to perform.

And also the study of devices and methods for the prevention of vocational diseases, and to make public the results of such investigation, examination, and study from time to time.

What are vocational diseases?

Mr. SHIVELY. Mr. President, I can not give the precise technical definition of vocational diseases, but it is patent they are diseases peculiar to certain employments—say, lead poisoning to the painter.

Mr. SMOOT. I can think of lead poisoning, which is a vocational disease, for the reason that the inhaling of the lead is the real cause of that disease.

Mr. WALSH. We have many cases of miners' consumption in Montana.

Mr. SMOOT. Yes; there are some, but I know of very few of that class of diseases that are vocational diseases. It seems to me that that is not of sufficient importance to justify the creation of a new bureau, if that is all this bill is designed to do.

Mr. SHIVELY. If the Senator please, that is only one of the objects the bill is designed to accomplish, though this is by no means unimportant. The value of this feature is not to be judged by the number of vocational diseases the Senator can count offhand. In any event, to investigate and report on these diseases is only one function of the proposed bureau.

Mr. OVERMAN. Can the Senator tell us how much this bill is going to cost the Government?

Mr. SHIVELY. The bill indicates the magnitude of the establishment. The head of the bureau will cost the Government $5,000 a year.

Mr. OVERMAN. I suppose he will be coming here the next year with a request for about $200,000 more.

Mr. SHIVELY. The Senator is supposing things that may or may not come to pass. Suppose the saving by stopping preventable accidents be five times that?

Mr. SMOOT. If they request no less than $200,000, I will be very greatly surprised.

Mr. SHIVELY. Do I understand the Senator to withdraw his objection?

Mr. SMOOT. I object to the consideration of the bill to-day.

The PRESIDING OFFICER. The bill will be passed over.

Mr. KERN. Mr. President, I hope the Senator will examine into this question by the time the calendar is called again. Employers and employees of the country are both interested in this subject. It goes to the protection of human life and limb.

Mr. SMOOT. I certainly will look into the matter; but I desire to say to the Senator that to create a bureau is a very simple thing to do. We were told time and time again that the creation of a certain bureau would not involve the expenditure of more than $25,000 at any time of its history, and that was the smallest bureau that we have ever created since I have been in the Senate; but the last appropriation bill carried for that bureau $190,000. In one bill there was the sum of $169,000, and then there was a sum of $28,000 in addition to that, making over $190,000.

Mr. SHIVELY. Mr. President, I certainly hope the Senator will look into this matter so that we may secure action, at all events, at an early day. As has been suggested by my colleague, this is a measure that has the support of the employees of the country and of the employers alike. It is a measure in which all the States are becoming increasingly interested, just as the question of accident compensation is being forced on the attention of their respective legislatures. The measure contemplates action to reduce the awful toll that preventable accidents ever lay on workingmen and their families.

Mr. SMOOT. It may, Mr. President, have that object and it may be a splendid thing, but before we create another bureau I think we ought to know something about what it is going to cost the Government. If it is to accomplish what the Senator says, I would not care if it cost $150,000, but I really think we ought to know something about what the expense is going to be and how large an army of men we will be compelled to provide for.

Mr. OVERMAN. Regular order!

The PRESIDING OFFICER. Will the Senator from Utah withhold his objection until the amendment submitted by the Senator from Montana [Mr. WALSH] may be considered? It might be well to amend the bill before laying it aside.

Mr. SMOOT. Let the amendment be pending.

The PRESIDING OFFICER. The amendment, then, will be pending.

Mr. KERN. I also have an amendment to the bill which limits the cost of organization and salaries to $15,000. I will ask that that also be pending.

The VICE PRESIDENT. The amendment offered by the Senator from Montana and the amendment offered by the Senator from Indiana will be pending. The Secretary will state the next bill on the calendar.

GEORGE P. HEARD.

The bill (H. R. 2728) for the relief of George P. Heard was considered as in Committee of the Whole. It authorizes the Secretary of War to allow George P. Heard, late captain, Medical Corps, United States Army, to take the examination prescribed by law and under the regulations for the government of the Army for the grade of major in the Medical Corps, and if he successfully passes the required examination the President is authorized to appoint him a major, Medical Corps, upon the active list of the Army; but the number of officers shall not be increased by reason of his appointment.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

POST-OFFICE BUILDING AT ROCKINGHAM, N. C.

The bill (S. 5113) for increase of cost of a site for a post-office building in the city of Rockingham, N. C., was considered as in Committee of the Whole. It directs the Secretary of the Treasury, in securing a suitable site for a post-office building in the city of Rockingham, N. C., to increase the limit of cost from $5,000 to $10,000.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

PUBLIC BUILDING AT SHELBYVILLE, TENN.

The bill (H. R. 13415) to increase the limit of cost of public building at Shelbyville, Tenn., was considered as in Committee of the Whole. It proposes to increase the limit of cost of the United States post-office building at Shelbyville, Tenn., $5,000.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

REZIN HAMMOND.

The bill (S. 3663) for the relief of Reezes Hammond was considered as in Committee of the Whole.

The bill had been reported from the Committee on Military Affairs with an amendment, on page 1, line 5, before the word "Hammond," to strike out "Reezes" and insert "Rezin," and on the same page, line 10, after "sixty-three," to insert "*Provided*, That no back pay, pension, or other emolument shall accrue prior to the passage of this act," so as to make the bill read:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, or benefits upon honorably discharged soldiers, Rezin Hammond, who was a private in Company A, Thirteenth Regiment Indiana Volunteers, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of said company and regiment on the 18th day of March, 1863: *Provided*, That no back pay, pension, or other emolument shall accrue prior to the passage of this act.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Rezin Hammond."

JOHN E. JOHNSON.

The bill (S. 3107) for the relief of John E. Johnson was considered as in Committee of the Whole. It proposes that in the administration of the pension laws and the laws governing the National Home for Disabled Volunteer Soldiers, or any branch thereof, John E. Johnson shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a private in Company F, Twenty-eighth Regiment Massachusetts Volunteer Infantry, on the 16th day of June, 1864: *Provided*, That no pension shall accrue prior to the passage of this act.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

ISAAC BETHURUM.

The bill (S. 5970) for the relief of Isaac Bethurum was considered as in Committee of the Whole. It proposes that in the administration of the laws conferring rights, privileges, and benefits upon honorably discharged soldiers, Isaac Bethurum, who was a private of Company B, Fifteenth Regiment Kansas Volunteer Cavalry, shall hereafter be held and considered to have been discharged honorably from the military service of the United States as a member of said company and regiment on the 17th day of October, 1865: *Provided*, That no back pay, bounty, or pension shall accrue to him prior to the passage of this act.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

RURAL POST ROADS.

The bill (H. R. 11686) to provide that the United States shall in certain cases aid the States and the civil subdivisions thereof in the construction and maintenance of rural post roads was announced as next in order.

Mr. BURTON. Let that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

ARTHUR E. RUMP.

The bill (H. R. 6609) for the relief of Arthur E. Rump was considered as in Committee of the Whole. It proposes that there be paid, out of any money in the Treasury not otherwise appropriated, the sum of $2,000 to Arthur E. Rump, of St. Louis, Mo., to compensate him in full for all claims he may have against the United States arising out of injuries received by him while in the Government employ in the United States post office at St. Louis, Mo., in May, 1902.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

PUBLIC BUILDING AT TONOPAH, NEV.

The bill (S. 4256) to provide for the acquisition of a site and the erection of a public building thereon at Tonopah, Nev., was considered as in Committee of the Whole. It authorizes and directs the Secretary of the Treasury to acquire, by purchase, condemnation, or otherwise, a suitable site and cause to be erected thereon a suitable building, including fireproof vaults, heating and ventilating apparatus, and approaches, complete, for the use and accommodation of the United States post office and other governmental offices at Tonopah, in the State of Nevada, the cost of said site and building, including said vaults, heating and ventilating apparatus, and approaches, not to exceed the sum of $80,000: *Provided*, That the building when constructed shall be unexposed to danger from fire in adjacent buildings by an open space of at least 40 feet on either side, including streets and alleys.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

FREDERICK H. LEMLY.

The bill (S. 3561) to appoint Frederick H. Lemly, a passed assistant paymaster on the active list of the United States Navy, was considered as in Committee of the Whole. It authorizes the President, by and with the advice and consent of the Senate, to appoint Frederick H. Lemly a passed assistant paymaster on the active list of the Navy, to take the same rank and position on the list of passed assistant paymasters that he occupied on March 5, 1908 (the date upon which his resignation as a passed assistant paymaster in the Navy was accepted): *Provided*, That the said Frederick H. Lemly shall establish to the satisfaction of the Secretary of the Navy by the usual examinations required for promotion to the grade of passed assistant paymaster his fitness in all respects to perform the duties thereof: *Provided further*, That the said Frederick H. Lemly shall be carried as additional to the number of the grade to which he may be appointed or at any time thereafter promoted: *And provided further*, That nothing in this act shall be construed as entitling said Frederick H. Lemly to any pay or allowances from the date of the acceptance of his resignation herein referred to and the date of the passage of this act.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

The PRESIDING OFFICER. That completes the consideration of bills on the calendar.

ELIZABETH RIVER BRIDGE, VIRGINIA.

Mr. SHEPPARD. Mr. President, I have here a bridge bill (S. 6227, S. Rept. 746) which I report favorably from the Committee on Commerce, and which was introduced by the senior Senator from Virginia [Mr. MARTIN], who is very anxious to have it passed. I ask for its immediate consideration.

Mr. SMOOT. Mr. President, of course I want it understood that this is done by unanimous consent. We agreed to do no business whatever, with the exception of taking up the calendar under Rule VIII.

Mr. SHEPPARD. I understood that we had completed the consideration of the calendar.

Mr. SMOOT. We have, and that completed the work we were understood to do to-day.

The PRESIDING OFFICER. Is there objection?

Mr. MARTIN of Virginia. When the unanimous-consent agreement is exhausted there is no reason for another unanimous-consent agreement.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

Mr. BURTON. What is the bill?

The PRESIDING OFFICER. The Secretary will read the title of the bill.

The SECRETARY. A bill (S. 6227) granting the consent of Congress to the Norfolk-Berkley Bridge Corporation, of Virginia, to construct a bridge across the eastern branch of the Elizabeth River in Virginia.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

Mr. MARTINE of New Jersey. Mr. President, are we in the stage of the presentation of bills?

Mr. OVERMAN. By unanimous consent.

Mr. BRYAN. Mr. President, I rise to a point of order.

The PRESIDING OFFICER. The Senator from Florida makes the point of order that no further business except the calendar can be considered, and the Chair sustains the point of order.

OMNIBUS CLAIMS BILL.

Mr. BRYAN. Mr. President, we passed over temporarily Order of Business 298, the omnibus claims bill. I ask the Senator from Ohio if he will object to having the bill read at this time?

Mr. BURTON. Mr. President, I think I must object to that. There are 132 pages in that bill. The session to-day was for a special purpose. As the Senator from Indiana [Mr. KERN] most aptly remarked yesterday, the Members of the Senate were weary, and it was at first contemplated that we should adjourn over until Monday. We met, as I understand, to dispose of legislation which may be styled "detail legislation."

We have attended to one very important bill to-day, the anti-narcotic bill; but I do not think this measure ought to be taken up. I do not think it ought even to have the advantage that will be given to it by reason of the first reading. Those two bills naturally go together—Order of Business 298 and Order of Business 594—and it is in the power of the majority to set aside a day for their consideration. I think they should be taken care of in that way.

The PRESIDING OFFICER. Objection is made.

Mr. BRYAN. Then, Mr. President, I am going to ask that the Senate meet Tuesday night for the purpose of considering the two omnibus claims bills upon the calendar.

Mr. SMOOT. Would it not be better for the Senator to make that request on Monday, when there are a number of Senators here?

Mr. BRYAN. There are enough here now. This bill has been upon the calendar for more than five months, and important legislation has the same right for consideration as unimportant legislation. The Senator from Ohio objects now to a mere reading of the bill. The Senator need not stay here. Nothing else will be done. He objects to that being done; so the only way ever to have it read is to have a session some night and let that be done, and then another session, I suppose, so that the bill may be acted upon.

Mr. SMOOT. I do not want the Senator to think——

Mr. BRYAN. I understand the Senator.

Mr. SMOOT. I do not want the Senator to think that I do not want to have a session of the Senate Tuesday night. I am perfectly willing to have a session Tuesday night, but I do think a request of that kind ought to be made when there are more Senators present than are here at this time. I do not think the Senator from Florida will have any trouble on Monday in getting an agreement to meet Tuesday night for this particular purpose.

Mr. MARTIN of Virginia. What would be the difference between Tuesday night and now? This bill is made up, really, of unobjected cases. Every doubtful claim was eliminated. The claims in it are largely church claims, claims of eleemosynary institutions, and claims that are perfectly just. The Government owes them, and it has been ascertained by the Court of Claims that they are due.

Mr. BURTON. Mr. President, I can not take the Senator from Virginia quite so seriously as usual in making that statement. Here are two bills, one of 132 pages and the other of 102. The first bill must contain at least 2,000 claims, including quite a number that have come in by Senate amendments. The second bill must contain a thousand claims. How can it be said that these are all unobjected claims, claims that we should pass without attention, when they are practically 50 years old, every one of them?

Mr. MARTIN of Virginia. We can give attention to them now just as easily as Tuesday night.

Mr. BURTON. I think it is something which ought not to be attended to in haste, or even begun Saturday afternoon at 4.50 o'clock. We ought at least to have a chance to scrutinize these claims. If we were to pass them by and say they were unobjected, we might as well turn over the whole subject of passing upon claims to the Committee on Claims, and say the Senate has no responsibility in the premises.

Mr. MARTIN of Virginia. That has been done with every claim that has been passed to-day.

Mr. BURTON. I understand from at least one member of the committee that he did not know about any of these claims.

Mr. BRYAN. What possible harm can come from the reading of the bill this afternoon?

Mr. BURTON. In the first place, it is now 4.50 o'clock. If the bill is read, it should not be a mere travesty. It should be actually read. The reading clerk should not merely read a line at the top of each page. It should be read in full. That will take at least two hours or more. Then, again, I think we should have ample time to consider this measure. I shall place no obstacle in the way of meeting at a proper time when we can take up this subject deliberately and in an orderly manner.

Mr. VARDAMAN. Mr. President——

Mr. BURTON. There are certainly not more than 20 Members of the Senate on the floor at present, and I do not think we ought to take up the bill on Saturday afternoon or even fix the time when we shall take it up, though I shall not now object to fixing a date, so far as I am concerned.

Mr. BRYAN. Let me prefer my request, then. I ask unanimous consent that the Senate meet——

Mr. MARTIN of Virginia. That can not be done without a roll call.

Mr. BRYAN. Oh, yes, it can. I ask unanimous consent that the Senate meet Tuesday night at 8 o'clock to take up the omnibus claims bill on the calendar—two of them.

Mr. VARDAMAN. Mr. President——

Mr. SMOOT. We can not agree to take up the bill without a roll call.

Mr. BRYAN. Why, of course we can. We can not get a unanimous-consent agreement to vote upon a bill without a roll call, but we can agree to proceed to the consideration of a bill without a roll call.

The PRESIDING OFFICER. The Senator from Mississippi has twice addressed the Chair. The Chair will now recognize him.

Mr. VARDAMAN. Mr. President, I desire to join the Senator from Florida in the very earnest request he is making that in case the bill is not taken up this afternoon it may be considered Tuesday evening. I agree with the Senator from Ohio that it should be very carefully considered. I apprehend that no one is going to insist upon the passage of the bill until that shall be done; but in order to consider it carefully we ought to have plenty of time, and the time that would be taken up in reading the bill this evening, as requested by the Senator from Florida, would save just that much time in the subsequent consideration of the bill.

Every Member of the Senate is going to scrutinize this bill. He is going to consider every item in it. The reading is usually perfunctory. Nobody pays any especial attention to it. The Senators read the bill themselves.

If the Senator from Ohio objects to having the bill read this afternoon, I hope he will not object to taking up the bill Tuesday evening for consideration. There are claims here that are old, it is true, and if the Government owes these claims it should pay them. The Government of the United States can not afford to be unjust and unfair with its citizens. If these claims were against private individuals, it would be regarded as bad faith if the debtor should hesitate to pay his honest debts.

The question ought to be determined as to whether or not the Government owes these claims. If the Government owes them it is the duty of Congress, it is the duty of the Senate, to pass the bill and make the appropriation. I have a great many constituents who are interested in the items of this bill. Their claims have been passed upon by the Court of Claims. They have been adjudicated. There is scarcely any doubt about the liability of the Government to them; and I do sincerely hope that objection will not be made to fixing a time Tuesday evening for the consideration of the bill.

Mr. SMOOT. Mr. President——

Mr. JONES. Mr. President, I have no objection to fixing a time, so far as that is concerned, for coming in here to consider these bills; but I think the request is contrary to the unanimous-consent agreement made yesterday.

Mr. SMOOT. That is just what I was going to say.

Mr. JONES. The calendar, as I understand, has been completed; and I make the point of order that the request is contrary to the unanimous-consent agreement of yesterday.

The PRESIDING OFFICER. The point of order is sustained.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 12161. An act to remove the charge of desertion against John Mitchell; and

H. R. 12796. An act to provide for the removal of the Botanic Garden to Rock Creek Park and for its transfer to the control of the Department of Agriculture.

ENROLLED BILL SIGNED.

The message also announced that the Speaker of the House had signed the enrolled bill (S. 110) to tax the privilege of dealing on exchanges, boards of trade, and similar places in contracts of sale of cotton for future delivery, and for other purposes.

HOUSE BILLS REFERRED.

H. R. 12161. An act to remove the charge of desertion against John Mitchell was read twice by its title and referred to the Committee on Naval Affairs.

H. R. 12796. An act to provide for the removal of the Botanic Garden to Rock Creek Park and for its transfer to the control of the Department of Agriculture, was read twice by its title and referred to the Committee on the Library.

RECESS.

Mr. KERN. I move that the Senate take a recess until Monday morning at 11 o'clock.

The motion was agreed to; and (at 4 o'clock and 55 minutes p. m., Saturday, August 15, 1914) the Senate took a recess until Monday, August 17, 1914, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES.

SATURDAY, *August 15, 1914.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

We praise and magnify Thy holy name, our Father in heaven, for this day, which marks an epoch in the world's progress—the opening of the Panama Canal, the greatest engineering feat extant, the gift of our Republic to all mankind, an illustration of man's wonderful capabilities. May it be an inspiration to those who shall come after us to strive for the victories of peace rather than the victories of war; that nation may vie with nation in the things which make for brotherhood; that Thy kingdom may come and Thy will be done in all hearts. In the spirit of the Lord Jesus Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Carr, one of its clerks, announced that the Senate had passed bill of the following title, in which the concurrence of the House of Representatives was requested:

S. 5449. An act to make Pembina, N. Dak., a port through which merchandise may be imported for transportation without appraisement.

The message also announced that the Senate had insisted upon its amendment to the bill (H. R. 1055) for the relief of T. S. Williams, disagreed to by the House of Representatives, had agreed to the conference asked by the House on the disagreeing votes of the two Houses thereon, and had appointed Mr. BRYAN, Mr. LEE of Maryland, and Mr. NORRIS as the conferees on the part of the Senate.

The message also announced that the President of the United States had on August 13, 1914, approved and signed bills of the following titles:

S. 4628. An act extending the period of payment under reclamation projects, and for other purposes;

S. 4969. An act granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy and of wars other than the Civil War, and to certain widows and dependent relatives of such soldiers and sailors;

S. 5278. An act granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy and of wars other than the Civil War, and to certain widows and dependent relatives of such soldiers and sailors;

S. 5501. An act granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy and of wars other than the Civil War, and to certain widows and dependent relatives of such soldiers and sailors; and

S. 5899. An act granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy and of wars other than the Civil War, and to certain widows and dependent relatives of such soldiers and sailors.

The message also announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 110) to regulate trading in cotton futures and provide for the standardization of "upland" and "gulf" cottons separately.

ENROLLED BILL SIGNED.

The SPEAKER announced his signature to enrolled bill of the following title:

S. 110. An act to tax the privilege of dealing on exchanges, boards of trade, and similar places in contracts of sale of cotton for future delivery, and for other purposes.

Mr. DONOHOE rose.

The SPEAKER. For what purpose does the gentleman from Pennsylvania rise?

Mr. DONOHOE. To ask unanimous consent for the consideration of a resolution.

The SPEAKER. The gentleman will send it to the Clerk's desk.

Mr. MANN. I object, Mr. Speaker.

The SPEAKER. The gentleman from Illinois objects.

Mr. DONOHOE. Will the gentleman withhold his objection for a moment?

Mr. MANN. No.

Mr. DONOHOE. The gentleman will not withhold it for a moment?

Mr. MANN. No.

REQUEST FOR LEAVE OF ABSENCE.

The SPEAKER. The Chair lays before the House the following request for leave of absence, which the Clerk will read.

The Clerk read as follows:

HOUSE OF REPRESENTATIVES,
COMMITTEE ON WAR CLAIMS,
Washington, D. C., August 15, 1914.

Hon. CHAMP CLARK,
Speaker of the House of Representatives.

DEAR SIR: I respectfully ask leave of absence for two weeks on account of important matters, both public and private. I remain,

Yours, very truly, FRANK PLUMLEY.

Mr. DONOVAN. I object, Mr. Speaker.

The SPEAKER. The gentleman from Connecticut objects.

RESIGNATION OF A MEMBER.

The SPEAKER. The Chair lays before the House a letter from the Hon. ANDREW J. PETERS, which the Clerk will report.

The Clerk read as follows:

COMMITTEE ON WAYS AND MEANS,
HOUSE OF REPRESENTATIVES,
Washington, D. C., August 14, 1914.

Hon. CHAMP CLARK,
Speaker of the House, Washington, D. C.

DEAR SIR: I herewith tender my resignation as a Member of the United States Congress from the eleventh Massachusetts district, to take effect on Saturday, August 15, 1914.

Respectfully, yours, ANDREW J. PETERS.

ENROLLED BILL SIGNED.

Mr. ASHBROOK, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bill of the following title, when the Speaker signed the same:

H. R. 14685. An act to satisfy certain claims against the Government arising under the Navy Department.

SENATE BILL REFERRED.

Under clause 2, Rule XXIV, Senate bill of the following title was taken from the Speaker's table and referred to its appropriate committee, as indicated below:

S. 5449. An act to make Pembina, N. Dak., a port through which merchandise may be imported for transportation without appraisement; to the Committee on Ways and Means.

WATER POWER ON THE PUBLIC DOMAIN.

The SPEAKER. Under the rule, the House automatically resolves itself into Committee of the Whole House on the state of the Union for the consideration of House bill 16673, to provide for the development of water power and the use of public lands in relation thereto, and for other purposes, with the gentleman from New York [Mr. FITZGERALD] in the chair.

Mr. DOOLITTLE. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman rise?

Mr. DOOLITTLE. To ask if it is too late at this moment to ask unanimous consent for the consideration of House resolution 571?

The SPEAKER. The Chair thinks it is.

Mr. MANN. I ask for the regular order, Mr. Speaker.

Mr. MURDOCK. Mr. Speaker, in that case, it would take objection, would it not, if the Speaker had not left the chair?

The SPEAKER. It would take objection to do what?

Mr. MURDOCK. To stop the gentleman from Kansas [Mr. DOOLITTLE] from bringing his resolution up.

The SPEAKER. The gentleman from Kansas can not get up a resolution at all in the Committee of the Whole. The Chair had announced that the House automatically resolved itself into Committee of the Whole House on the state of the Union, with the gentleman from New York [Mr. FITZGERALD] in the chair, and the gentleman from New York had started when the Speaker was done, and the Speaker will not resume the chair until the gentleman from New York gets through.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 16673) to provide for the development of water power and the use of public lands in relation thereto, and for other purposes, with Mr. FITZGERALD in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 16673. When the committee rose on Thursday there was pending the amendment offered by the gentleman from Wyoming [Mr. MONDELL] to the amendment offered by the gentleman from North Carolina [Mr. PAGE].

Mr. FERRIS. Mr. Chairman, may we have the amendment reported? The debate was two or three days ago.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment by Mr. PAGE of North Carolina: Page 1, line 13, strike out the words "national monuments," and page 2, line 15, strike out the words "national monuments."

Amendment by Mr. MONDELL: Page 1, line 13, strike out the words "and other"; page 2, line 1, strike out the word "reservations"; page 2, line 13, strike out the words "or reservations"; page 2, line 15, strike out the words "or reservations."

The CHAIRMAN. That is the amendment of the gentleman from Wyoming, to add to the motion of the gentleman from North Carolina, striking out certain words—certain other words.

Mr. FERRIS. Mr. Chairman, I ask unanimous consent that debate on the amendments close at the expiration of—how much time?

Mr. MILLER. I want five minutes.

Mr. STAFFORD. The gentleman does not want to close debate on the proposition of including Indian reservations?

Mr. FERRIS. I thought we could have an agreement to get through with this amendment. We had considerable debate on it the other day.

Mr. STAFFORD. I would like to have time to debate the Indian reservation amendment offered by the gentleman from Minnesota [Mr. MILLER].

Mr. MANN. That is another matter.

Mr. FERRIS. I mean this amendment and all amendments to it. I ask unanimous consent, Mr. Chairman, that at the expiration of 10 minutes, 5 of which shall be occupied by the gentleman from Wyoming [Mr. MONDELL] and 5 by myself, all debate be closed on this amendment and all amendments thereto. I will make it 15 minutes or even 20 minutes.

Mr. MILLER. Reserving the right to object, Mr. Chairman, when the committee rose and the House adjourned I had the floor and had 5 minutes.

The CHAIRMAN. The gentleman's time had expired.

Mr. MILLER. Yes; but it was extended.

Mr. FERRIS. Mr. Chairman, there is no disposition to shut off the gentleman from Minnesota. I understand he wanted to talk on his amendment?

Mr. MILLER. I wanted 5 minutes to talk on the amendment that I had started to talk about.

Mr. FERRIS. Mr. Chairman, I ask unanimous consent that debate on this amendment and all amendments thereto close in 25 minutes—5 minutes to be occupied by the gentleman from Minnesota [Mr. MILLER], 5 by the gentleman from Illinois [Mr. MANN], 5 by the gentleman from Washington [Mr. JOHNSON], 5 by the gentleman from Wyoming [Mr. MONDELL], and 5 by myself. Then other amendments can be offered under the section.

The CHAIRMAN. The gentleman from Oklahoma [Mr. FERRIS] asks unanimous consent that at the expiration of 25 minutes—5 minutes to be occupied by the gentleman from Minnesota [Mr. MILLER], 5 minutes by the gentleman from Wyoming [Mr. MONDELL], 5 minutes by the gentleman from Washington [Mr. JOHNSON], 5 minutes by the gentleman from Illinois [Mr. MANN], and 5 minutes by the gentleman from Oklahoma—the debate on the pending amendment and all amendments thereto close. Is there objection?

There was no objection.

The CHAIRMAN. The gentleman from Minnesota is recognized for five minutes.

Mr. MILLER. Mr. Chairman, a word further in reference to whether or not Indian reservations are included in the language of this bill.

Since the committee adjourned on Thursday I have taken occasion to again read carefully the language of this paragraph and succeeding paragraphs, and I am further convinced, and emphatically convinced, that the language does not include Indian reservations.

Furthermore, I think it should not include Indian reservations. But if there is any possibility in the mind of any gentleman here that it does include Indian reservations, I think it should be amended so as to except them.

Now, a word as to the language. The language of the bill is that it is proposed to lease, under certain conditions, portions of the territory, lands, and other property of the United States. Indian reservations could never be comprehended within an act of this kind by implication. They must be specifically included. The object of the bill is not to lease property belonging to others, but to lease property belonging to the United States; and if it is designed not only to lease property belonging to the people of the United States, but also to lease property belonging to people other than the people of the United States, the legal title of which is in the United States as trustee, why, of course, specific and appropriate language will be necessary. But in the face of the words "property of the United States" no court in Christendom, according to my opinion, would ever construe it as applying to property in the hands of a guardian belonging to a ward, or in the hands of a trustee belonging to a cestui que trust; and there is every reason on earth why it should not apply to Indian reservations. The mind almost stops in its effort to comprehend what would be done with the Indian property in the hands of the United States if this act did apply. It is proposed to do a great many things in this bill, and if it is intended that these things can be done respecting Indian property, then it is the purpose of the bill to affect Indian property in certain revolutionary ways.

As I said at the outset, this has never received the consideration of the Committee on Indian Affairs or any of the persons immediately connected with the management of Indian affairs, so far as I know, excepting that it is stated that it has been referred to the Indian Office for an opinion as to whether or not the language included Indian reservations.

Now, it is fortunate that there are several distinguished gentlemen on the Public Lands Committee who are very well versed in Indian affairs. I question whether their attention was ever directed to the fact that the terms of this bill were intended to include Indian reservations, and I question further whether they ever gave consideration to the application of the terms of this bill to the property of the Indians.

Now, just look at the thing the bill proposes to do. It proposes to lease to private citizens or corporations of any State in the Union water powers on lands for a period of 50 years. Has the Indian said anything about his desire to have his property tied up in perpetuity, it may be? Because there is a provision that after the period of 50 years the property, if not continued to the present corporation, may be bought and taken over by another, and from that time on I suppose until human life disappears from the face of the earth.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MILLER. I only got started, but I will take occasion to say something more later on. [Applause.]

The CHAIRMAN. The gentleman from Wyoming [Mr. MONDELL] is recognized for five minutes. [Applause.]

Mr. MONDELL. Mr. Chairman, I should like to address myself partly to the gentleman from Oklahoma [Mr. FERRIS], who seems to be busily engaged with other gentlemen.

Mr. FERRIS. The gentleman has my attention.

Mr. MONDELL. When we legislate touching the landed property of the United States, all of it, and desire to use an all-embracing term, we say "the public lands and reservations of the United States." The words "public lands" embrace all public lands, or all lands that the United States owns, except lands that are reserved for some specific purpose. The word "reservations" includes all lands of the United States set apart for some special purpose. Now, when we come to use the term "public lands" in recent times, it is necessary to use some qualifying words, by reason of the fact that sometimes public lands are temporarily reserved for certain purposes, but that temporary reservation for those certain purposes does not constitute those lands a reservation. It makes them reserved public lands. Now, this bill applies, first, to the public lands; that is, all of the public lands, all of the lands the Government owns except the reservations of all sorts and kinds. But in order to make it perfectly clear that we intend to cover public lands reserved, as well as public lands unreserved, we use the words "public lands, reserved and unreserved," so that the words in lines 11 and 12 include all of the public lands, whether temporarily reserved under the withdrawal acts or otherwise.

The other provisions of the bill relate to various classes of reservations, naming them. The gentleman from North Carolina [Mr. PAGE] moved to strike out one class of reservations, to wit, national monuments, and I think they ought to go out. I propose to ask also to strike out the words "and other reservations," so that if my amendment is adopted and the amended motion of the gentleman from North Carolina carries, the bill will then refer to the public lands, all of them, reserved and unreserved, and to the forest reserves. Now, that is all that the bill should relate to. It should cover all of the public lands, whether temporarily reserved or not. It should cover all of the forest reserves, but it should not include any kind of a reservation for a specific purpose, permanently made.

Now, let me reiterate that. The Government has two kinds of landed property—public lands and reservations. In order to include all public lands you must use the term "reserved and unreserved" if you intend to take them all in. Now, that is what the committee has done. The public lands—that is, the public lands not in permanent reservations; the public lands, reserved and unreserved—ought to be included in the bill. All reservations except forest reserves ought to be excluded from the bill. And if the amendment which I have offered to the amendment of the gentleman from North Carolina is adopted, and that amendment is adopted, the bill will then apply to all of the public lands, reserved and unreserved, and to the forest reserves.

The CHAIRMAN. The time of the gentleman from Wyoming has expired. The gentleman from Washington [Mr. JOHNSON] is recognized for five minutes.

Mr. JOHNSON of Washington. Mr. Chairman, I call the particular attention of the committee to the fact that the exclusion of monuments would exclude from use all of the potential water power lying in a district consisting of 660,000 acres in the Olympic Peninsula, and known as the Olympus Monument.

Mr. Chairman, while I am opposed to this entire bill, I feel sure that if we are going to have regulation at all the regulations should include that enormous water power in that large district. I want to take advantage of this opportunity to say that by the passage of such bills as this, broad in their scope, you bring about just such situations as was brought about when we suddenly found our Olympus Monument made for us, without any warrant of law. It has been suggested to me that I should not object to this amendment excluding monuments to go into this bill, and that I should then undertake some special legislation to relieve the Olympus Monument situation. Gentlemen, the Members from Washington have tried that. It must be apparent to every Member of Congress that the western Members are here all of the time, working day and night with private bills, trying to relieve this and certain situations that were brought about through bills of this kind in the past—to say nothing of doubtful Executive orders. The great hope of the Olympic Peninsula is that development will come to it. Within the last two or three years we have succeeded in bringing a trunk line of railroad to the north side of the peninsula—the Chicago, Milwaukee & Puget Sound Railroad—at an immense expense. If this amendment is added, and the bill passes, there will be all of the water power in 660,000 acres of mountainous country tied up still further. It is tied up now. This adds another knot.

In that great monument even now one can not, without special permission, drive a pick or strike a match. That is what has happened in the Olympus Monument. If you are going to regulate water power do not make useless for the next 50 years the water power that is in that great stretch of territory.

The Olympic Peninsula is drained by many rivers, most of which head in the Olympus Monument and radiate outward toward the four points of the compass. The streams flowing to the east empty into Hood Canal, and are short, with steep descents. Chief of these are the Quilcene, Dusewallips, Duckabush, Hamahama, and Skokomish. To the south flow the Humptulips, Hoquiam, Wishkah, Wynooche, and three branches of the Satsop. To the north, into the Strait of Juan de Fuca, flow the Dungeness and Elwha, while to the west the Quillayute, with its branches, the Dickey, Soleduck, Bogachiel, and Kalawa, and the Hoh River, Queets River, the Clearwater, and the Queniult flow directly into or toward the Pacific Ocean—quite a number of swift rivers to be tied up not only now but for still further time under this amendment.

Mr. MANN. Mr. Chairman, I doubt whether the adoption of the amendment would make any change in the provisions of the section unless further amendment were made. The section reads:

Any part of the lands and other property of the United States.

If you strike out "including" and all that follows it, that does not change the situation, because the bill covers as it stands all lands and all other property of the United States. That includes everything. It would include the Capitol Building, if you could use it—everything. I had supposed that the intention of this bill was to give to the Secretary of the Interior power to make leases for water-power purposes of the lands of the United States—the public domain. The gentleman from Wyoming [Mr. MONDELL] said that that would not include national forests. Of course, nobody doubts that the desire is to include national forests; and, if anything is to be done with it, it ought to include national forests, because probably that is where most of the water power is. I do not think Congress ought to give to the Secretary of the Interior, without further congressional action, the power to lease any of the property of the United States other than where it is necessary for water-power purposes, on the public domain or in the national forests. I have no objection to laying down rules and regulations, such as we did in the Adamson bill, for the leasing of such property when Congress shall specifically authorize it. I do not believe that we ought to start in by giving a blanket authority to the Secretary of the Interior, however much confidence we may have in the present Secretary or in future Secretaries or in the Interior Department, to make leases, without control, of all of the property or any of the property of the United States which some one may desire for the development of power or the construction of dams. No one knows how far that will go.

I understood the gentleman to say that an amendment was to be offered that would restrict this authority as to the navigable streams. Of course, I do not know just what that amendment will cover. As the bill stands it would authorize the Secretary of the Interior to lease locks and dams constructed by the Government out of the Federal Treasury, under the supervision of the War Department. That is undoubtedly the way it stands in the bill. It is now proposed to remove any question about that; but that would still leave open a very wide latitude of authority. For instance, we have property reserved at the headwaters of the Mississippi and other places for the purpose of providing a permanent water suply. Under the terms of this bill that is property of the United States, and the Secretary of the Interior may lease it for power purposes. You may say that he will not abuse the authority. Maybe he will not and maybe he will. Nobody knows. Any Secretary of the Interior himself very likely would not, but matters of this sort are not disposed of in the individual cases as a rule by the Secretary himself. They are disposed of by inferior officials, who, even if they do the best they can, are liable under the provisions of this law to do something that we might consider to be an abuse of authority. I think the bill ought to be amended so as to apply to the public lands, including forest reserves—the public domain—and then, if when that is in successful operation there is any occasion for extending it, it could be done either by special act of Congress giving somebody authority to construct a dam in accordance with the provision of this act or otherwise.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. FERRIS. Mr. Chairman, neither of the amendments offered is intended to destroy the bill, and neither of them, if adopted, would materially harm the bill, but this is the situation: The act of June 25, 1910, known as the Pickett Act, or the general withdrawal act, gave the President of the United States power to withdraw any of the public lands for any public purpose. My thought is, and the thought of our committee in constructing this provision was, that numerous withdrawals had been made. Hundreds of thousands of acres had been withdrawn. What for? Some for mineral purposes, some for national monument purposes, some for forestry purposes, some for oil purposes, some for water rights, some for this, and some for that. Many of these so-called Executive-order reservations embrace thousands of acres of hills that will not be mined within the generation, or perhaps will never be mined, and may or may not have any value for mineral, and so forth. It is the thought of the committee, it is the thought of the Interior Department, and of all of the Government officers who appeared before us that if there was water power on any of these reservations going to waste, it ought to be used. Personally, I feel that these amendments eliminating certain reservations ought to be voted down for the simple reason of sensible procedure and development of every resource that we have. The gentleman from Minnesota [Mr. MILLER] complains that if this does apply to Indian reservations, he thinks it should not be done, and thinks that it has had no consideration.

I hold in my hand a letter from the Commissioner of Indian Affairs; I hold in my hand a letter from the Secretary of the Interior, in which he suggests an amendment to the first proviso of section 8, which provides that the proceeds from any water-power development on Indian lands shall go into the funds of the Indians. In other words, I repeat, if the House decrees that these two amendments should be adopted and all these withdrawals and all these reservations will lie in idleness and the water will flow on to the sea, it will not destroy our bill. Again, in the alternative, should we create a separate water-power bureau in the Indian Office, which is under the Department of the Interior; should we create a water-power bureau in the General Land Office, which is under the Interior Department; should we create a water-power bureau under the Forest Service, which is under the Secretary of Agriculture? Should we create a little one-horse water-power bureau in each of these departments? Now, you must deal with one of two conditions. You will either let this water run idle to the sea, a total waste, or you will find an appeal coming from the Indian Office and all these other bureaus asking that they have a water-power bureau in their respective departments, and the result will be you will multiply help, duplicate work, and the whole proceeding would be lacking in good administration.

Mr. JOHNSON of Washington. Will the gentleman yield?

Mr. FERRIS. Not at this moment. I repeat, you will multiply the number of officers, you will make the question more complex and difficult, you will be duplicating and triplicating by doing the same identical thing. I again repeat that these amendments are not vital to the bill. No doubt the Members who propose

them believe they will, and no doubt that good patriotic supporters might well differ as to whether they ought to be included or not. Personally I think we ought to have in one place a head of the water-power proposition. As the matter now stands we have two departments that must necessarily take care of the water power—the War Department on navigable waters and streams, through the engineers, and the Interior Department on the public lands—and reservations and the nonreservations ought to be controlled by the one department that has to do with the disposal of the lands. Now I yield to the gentleman from Washington.

Mr. JOHNSON of Washington. In regard to a considerable number of these national monuments, is it not a fact they are and will be handled by the Secretary of Agriculture, while still others will be handled under this bill by the Secretary of the Interior?

Mr. FERRIS. In the forest reserves that is true; so far as it relates to forestry that is of course true. That part of it went to them years ago.

Mr. JOHNSON of Washington. And that brings about a situation of a double-headed management with so many laws concerning them that any man who wants to know about the public lands can not pick them out.

Mr. FERRIS. What the gentleman states is partially true, but the gentleman must view it from this standpoint: Take, for example, either the gentleman from South Dakota [Mr. BURKE] or the gentleman from Minnesota [Mr. MILLER], who are experts on Indian affairs.

Mr. STAFFORD. Will the gentleman yield?

Mr. FERRIS. Yes.

Mr. STAFFORD. Does not the gentleman think it would be advisable, when we have progressed so well in our management of these matters in the Indian Bureau, to wait and see whether this bill will be successful in its application to public lands? Why should we open the development at once to all the water power in the country? Why not try the experiment on the public lands before we reach out to the Indian reservations?

Mr. FERRIS. This water power is not so much of an experiment as the gentleman thinks. They have been developing water power already under the defective makeshift known as the revocable-permit law of 1901. So many people have failed to take the time required to keep up with development on the public domain.

The CHAIRMAN. The time of the gentleman has expired; all time has expired.

Mr. FERRIS. Mr. Chairman, I ask for a vote.

The CHAIRMAN. The question is on the amendment of the gentleman from Wyoming offered to the amendment offered by the gentleman from North Carolina [Mr. PAGE].

The question was taken; and the Chairman announced that the noes seemed to have it.

Upon a division (demanded by Mr. MONDELL) there were—ayes 35, noes 38.

So the amendment to the amendment was rejected.

The CHAIRMAN. The question is upon——

Mr. JOHNSON of Washington. Mr. Chairman, I desire to offer an amendment.

The CHAIRMAN. In a moment. The question is upon the amendment offered by the gentleman from North Carolina [Mr. PAGE].

Mr. JOHNSON of Washington. Mr. Chairman, I desire to offer an amendment to the Page amendment, which I send to the Clerk's desk.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 1, line 13, after the word "monuments," insert the words "except Mount Olympus National Monument and Grand Canyon National Monument," and also, on page 2, line 12, after the word "monument"——

The CHAIRMAN. The gentleman from North Carolina moved to strike out certain words. What is the amendment of the gentleman from Washington?

Mr. JOHNSON of Washington. I can only make it plain in this way: That where the gentleman's amendment proposes to leave the word "monuments" out of that provision I wish to except Mount Olympus National Monument——

The CHAIRMAN. The gentleman's amendment is not in order in the form in which it is offered. The question is on the amendment offered by the gentleman from North Carolina.

The question was taken, and the Chairman announced the noes seemed to have it.

On a division (demanded by Mr. PAGE of North Carolina) there were—ayes 48, noes 33.

So the amendment was agreed to.

Mr. JOHNSON of Washington. Mr. Chairman, I make the point of order there is no quorum present.

The CHAIRMAN. The gentleman from Washington makes the point of order there is no quorum present. The Chair will count. [After counting.] One hundred and nine Members are present, a quorum.

Mr. MILLER. Mr. Chairman, I offer the amendment which I send to the Clerk's desk.

The CHAIRMAN. The gentleman from Minnesota offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 2, line 1, before the word "for," insert "or Indian reservations or in lands or property held by the United States in trust."

Mr. MILLER. Mr. Chairman, if this amendment be adopted there will be specifically excluded from the operations of this act Indian reservations and lands held in trust by the United States. I believe we can experiment, if we want to, in respect to our own properties, but we have no right to experiment with properties which we hold in trust. Under the provisions of this bill the revenues from water-power plants whether on Indian reservations or elsewhere go into the General Treasury. Now, I understand the chairman of the committee stated the other day that it was his intention to offer an amendment specifying that revenues from water powers on Indian reservations should be applied to Indian purposes. I admit that a method of computation could be worked out and that an equitable distribution could be made of the proceeds, but that is a detail that has no bearing on the propriety of the entire legislation.

As I said a moment ago, it is proposed to tie up these water powers forever without the Indians having one word to say about the proposition. Now, it just happens that there are wonderfully fine water powers on many of the Indian reservations to-day. We have a great variety of irrigation projects being developed on Indian reservations, costing millions of dollars, for which already millions have been appropriated, and for which millions more are to be appropriated. We expect to make these appropriations reimbursable from the Indians' property. They are going to pay for them out of their own means. As an incident to these irrigation projects, there is natural opportunity to develop water power. Why, just take one illustration on the Blackfoot Reservation, a project originally estimated to cost $4,000,000, now estimated to cost $6,000,000, and before they get through it will probably cost $8,000,000 to $10,000,000, and will offer opportunity for the development of not less than 200,000 horsepower. It is a great industrial proposition. Should we for one moment dispose of that, one of the chief elements of property belonging to the Blackfoot Tribe, without having particular and due regard to their needs, to their conditions, to their wishes, and to their rights? Who can say what effect this bill would have if applied to that project in respect to the future prosperity and welfare of the Indians whose property it is? The great principle to-day underlying the management of Indian affairs, that at last all those handling such affairs have come to recognize, is to teach the Indian how to be self-supporting, put into his own hands means for handling his own property as quickly as you can with safety, and thereafter hold him up as an independent working citizen. You make paupers by treating men as paupers. You cut off opportunities for independent development and progress when you hold in trust a man's property and peddle out to him annuities. These great properties belonging to the Indians, if tied up in this way in the hands of the United States, without the Indians ever having an opportunity to say anything about their management, anything about what shall be done with the proceeds, anything about the parties that shall be permitted to make these leases, will take from them their best incentive to development and to progress.

Now, one thing further, Mr. Chairman. I do not know just what the committee that produced this bill considered. The committee is composed of very distinguished gentlemen, headed by one of the most distinguished and most amiable Members in this House, but I am somewhat appalled when I think that his committee has inserted in this paragraph a provision saying that a lease shall be made for 50 years and then what shall be done after the expiration of that period, when every particle of these lands, excepting in the Territory of Alaska, is within the sacred confines of a State. Can it be that the members of the committee forgot that there are sovereign States composing the United States?

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. MILLER. Mr. Chairman, I would like two or three minutes more. I do not like to encroach on the time of the committee——

The CHAIRMAN. The gentleman from Minnesota asks unanimous consent that his time be extended for five minutes. Is there objection?

Mr. FERRIS. Reserving the right to object, which I do not intend to do, I would like to ask if we can have some understanding as to time. I ask unanimous consent to close debate at the expiration of 30 minutes.

The CHAIRMAN. The gentleman from Oklahoma [Mr. FERRIS] asks unanimous consent to close debate on the pending amendment and all amendments thereto in 30 minutes——

Mr. FERRIS. And that I have control of the time, so that I may yield to the various gentlemen.

The CHAIRMAN. The gentleman from Oklahoma asks unanimous consent that he be recognized for 30 minutes on this amendment and all amendments thereto——

Mr. FERRIS. And debate close at the end of that time.

The CHAIRMAN. And debate close at the end of that time. Is there objection?

Mr. MILLER. I have no objection if I can have five of those minutes.

Mr. FERRIS. I will yield five minutes to the gentleman from Minnesota.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. FERRIS. I yield five minutes to the gentleman from Minnesota [Mr. MILLER].

Mr. MILLER. The public lands to be affected by this bill are all within the confines of sovereign States. All Indian reservations to-day are within the confines of sovereign States. It does seem to me that the committee which prepared this bill overlooked the fact that there have ever existed such things as State rights, and I do not use those words in a technical or in a flippant sense. I use them in a most serious sense.

There has never been a time, so far as I know, when it has been proposed that the United States Government had the authority to regulate the internal business carried on in a State—business that is not interstate business. That is exactly what this bill does. This bill says that in the State of Wisconsin, for example, where there are many Indian reservations, some public land, and many water powers, a lease can be made for but 50 years, when the laws of the State of Wisconsin say they can be made forever, under certain regulations. Now, who is going to control? Absolutely the laws of the State of Wisconsin are going to control.

Mr. FERRIS. The gentleman does not think that the laws of the State of Wisconsin or the laws of any other State have very much to do with the regulation of water power located on public lands, does he?

Mr. MILLER. I undertake to say that the United States Government has no power whatever to regulate the rights, the methods of transmission, the stock, the bonds, the business operations of a water-power company in the State of Wisconsin, whether on public or private land, if it is not engaged in interstate business; and if it is so engaged, then only in so far as it is engaged in interstate business.

Mr. FERRIS. Right on that point the gentleman is at right angles with all the authorities on the subject.

Mr. MILLER. I think I can convince the gentleman from Oklahoma, if he will yield me 15 minutes, that in my contention I am on all fours with the decision of the Supreme Court of the United States, and I do not care if the gentleman is in disagreement.

Now, there are many Indian reservations in the State of Arizona. About one-third of the land in the State of Arizona, or about 40 per cent of the land, is in Indian reservations.

Mr. JOHNSON of Washington. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Minnesota yield to the gentleman from Washington?

Mr. MILLER. Yes.

Mr. JOHNSON of Washington. Does the gentleman remember that in the State of Washington, in the great Quinaielt Indian Reservation the entire rapids rise and have their mouth in the Indian reservation?

Mr. MILLER. Yes. I am glad the gentleman mentioned that. The Indians have been gradually driven—although I do not like to express that thought—into the inner and more inaccessible mountain regions of the States where they are located. We find them in the interior, in the mountains that have been given to them. They have great water-power systems on their land.

I mentioned the State of Arizona a few moments ago, a State that, in order to be developed, must find its development along the lines of irrigation, mining, and forestry. It is a State that has great possibilities. The Indian lands in the State are to play a very important part in the development of that State.

Now, truly if we are to legislate in relation to these enormous properties, fundamental to the Indian's life and future prospects, we ought to consider that legislation from the Indian's standpoint. But not one moment's time, so far as I am informed, has ever been given to the consideration of the different parts of this bill from the Indian's standpoint. And, Mr. Chairman, while I do not think that the language as now used in the bill includes Indian reservations, yet if there are gentlemen whose opinions I respect who do think it does, let us cut it out. Let us treat these Indians' property from the Indian's standpoint. Let us give them consideration on their own merits, having in mind their own purposes. We can legislate for our own property as we please, but when it comes to tieing up forever property belonging to our wards; when it comes to violating the laws of the States in respect to the property rights of our wards, let us halt our efforts and stop. [Applause.]

The CHAIRMAN (Mr. PAGE of North Carolina). The time of the gentleman from Minnesota has expired.

Mr. FERRIS. Mr. Chairman, I yield five minutes to the gentleman from New Mexico [Mr. FERGUSSON].

The CHAIRMAN. The gentleman from New Mexico [Mr. FERGUSSON] is recognized for five minutes.

Mr. FERGUSSON. Mr. Chairman, I think it is regrettable—the spirit shown by some Members in their earnest desire, as I have no doubt, to improve this bill. It is regrettable that they should be inclined, judging by their manner, to attribute ignorance and lack of judgment to the committee, and not merely to the committee, but to the present Secretary of the Interior and to the previous Secretary of the Interior, Mr. Fisher, under President Taft, and to the preceding Secretary of the Interior, Mr. Garfield, under President Roosevelt. They have all been before this committee and sanctioned this bill.

Now I want to speak a word with reference to the Indians. There are nearly 30,000 Indians on different reservations in the State of New Mexico. I have lived there for a good many years. I can look back and remember when we first started the Indian schools for the improvement of the status of the Indians, so that when the young Indians left school they would be examples to their fellow Indians. I remember the fact that I came to this Congress with the earnest desire to get Congress to grant more school facilities to the Indians. The anxiety of the boys and the girls to get into school has increased to an astounding extent. It is a fact that now when they get out of school the girls go into domestic service and remain. They get into the millinery shops and into the stores. They find that they are catching step with our civilization. It is the same way with the boys. They avail themselves of the education they have had and gladly become carpenters, for instance, and followers of a vocation.

Now, here is an act which is backed by men who have had charge of the Indians for decades past and who know what they are trying to do; an act which is backed by the experts, and backed by every man who has an Indian in his State at home. Here is a bill particularly designed and intended to help the Indians, and the Indians are growing in appreciation of the fact that we desire to help them. Many of them raise corn and wheat. Many of them have goats and sheep and horses. I have seen Navajo Indians with two or three hundred ponies, driving them through the streets of a town; driving them up and down the street and offering them for sale.

Here is a proposition to make the waters useful, now too costly to be used; and yet you talk about it as a crime or as a very great impropriety, or, at least an improper act on our part, to urge this bill—we who know personally these things and who want to put the matter in the discretion of the Secretary of the Interior, who will protect the Indians, as the former Secretaries of the Interior have done all along.

He will protect them from abuses of even a 50-year lease. The honorable gentleman from Minnesota [Mr. MILLER], whom I respect greatly for his ability and sincerity, has referred to tying up these poor Indians under a 50-year lease. Another thing that is spoken of is that these leases will be to great corporations. The fact is that nine-tenths of the leases will be for the working of small enterprises by a few men. A man will construct a dam in some canyon to carry on a mining operation with cheap electric water power. He will run one small mill, perhaps, to work the ores taken out of a mine. The Secretary of the Interior can not make a lease for longer than 50 years. That large discretion is for the benefit of great enterprises that will take millions of dollars to put them on their feet, because the capitalists must be given sufficient time to enable them to see that they can get their money back. But the most of these leases will be for small enterprises, to de-

velop some rich valley by sinking wells and pumping water for farming purposes, 500 feet if necessary, with cheap hydro-electric power. Why, my friends, the intention of everybody back of this bill was to help the Indians. They are under the guardianship of the Secretary of the Interior all the time, and we have been endeavoring to protect and elevate them as and into useful citizens. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. FERRIS. I yield five minutes to the gentleman from Washington [Mr. BRYAN].

Mr. BRYAN. Mr. Chairman, generally speaking, I favor this bill. I believe it is a good bill. I believe it means the development and use of the water power on the public lands. Now, if it is good for the forest reserves, by what kind of reasoning is it bad for the Indian reservations? If this system of developing the water power on the forest reserves of the West will serve beneficially the interests of the people of the West, the people who go into the forest reserves and the people who live near the forest reserves, by what kind of reasoning can it be possible that this same bill will not beneficially serve the interests of the people who live in and near Indian reservations and who are interested in Indian reservations? You say "the poor Indian." And you worry about the poor Indian. Why do you worry any more about the poor Indian in the Indian reservations than you do about the poor white man or the poor black man, or any other poor man who has an interest in the forest reserves? Do you mean to say that you are going to inflict upon the forest reserves something that is injurious, but that you want to protect the Indians from any such kind of punishment?

The truth is there is nothing injurious about this bill. It is beneficial to the interests of the forest reserves and those who are interested in the forest reserves. That being so, it is beneficial to people who live in and are interested in the Indian reservations. A few moments ago we heard my able friend from Minnesota [Mr. MILLER] suggest that it affected the proposition of State rights, and he made the usual earnest plea that is made on behalf of State rights, arguing that the State was going to be oppressed.

Mr. RAKER. Will the gentleman yield?

Mr. BRYAN. I yield to the gentleman.

Mr. RAKER. What reason can be given why the Indian lands should be permitted to remain idle and the water go to waste? Can any reason be given why that should be done?

Mr. BRYAN. Of course no reason can be given why the water power on Indian lands should be measured by a different test than the water power on other public lands.

But it has been suggested that the State jurisdiction is affected. Gentlemen turn from the poor Indian to the poor State. It is said that the State of Wisconsin gives a perpetual lease, but the United States Government is only going to give one for 50 years, and they ask you if this Government can assert its authority to limit a Federal lease to 50 years when the State of Wisconsin in certain cases gives a 100-year lease or a perpetual lease. Of course the Government can establish its own regulations. What the poor Indian needs, what the poor white man needs, and what the public needs is complete control and some kind of definite rule for the development of this water power that will mean something, that will make it subject to use, and yet will not part with the title.

It is suggested that these things ought to be put in the hands of the poor Indian, and that he ought to be allowed to make these leases. I suppose no doubt you could get him to give a lease for eternity and then another eternity in addition. Perhaps a lease of the State of Wisconsin would be only for eternity, but an Indian lease would be a double eternity. We do not want to leave it in the hands of the Indians. The Indian is perfectly willing to rely upon the Government of the United States if it will retain some kind of effective control under some kind of definite rule.

These gentlemen do not love the poor Indian half as much as they think they love him. They want the timber, they want the water power, and they do not want the strong hand of the Government to lay down the conditions and the terms; but I believe the terms laid down by the Federal Government will be fair, and I stand for that very kind of thing. The people of the West stand for it, too. We are not worried about the Federal Government having the power to run things on the public domain rather than the State. They would rather have the Federal Government run things owned by the Nation, as they are running them in the Federal reserves in the State of Washington, than to have such things run by Federal troops, like the Federal Government is running them on Rockefeller's privately owned lands in Colorado. We would rather the hand of the Federal Government should be firm. We would rather you would make rules that mean something. We want the use of our reserves and the Federal resources our there, but we are perfectly willing to abide by the decent rules of the game. [Applause.]

Mr. FERRIS. Mr. Chairman, with the permission of the gentleman from Wisconsin [Mr. STAFFORD], I will yield to him four minutes. That is cutting him out of one minute, but I want to use that minute.

Mr. STAFFORD. Mr. Chairman, because it has been the policy of our Government to protect the Indian in the preserves found on the Indian reservations, such as the forests and everything that is found on their reservations, I believe we should except water powers on these Indian reservations to see first whether this plan is going to be successful and favorable to our Indians. The water power on the Indian reservations belongs to the Indians. It does not belong to the people of the United States or of the respective States. Those reservations are their property, and we are but the guardians of the Indians for that purpose.

Mr. FERGUSSON. Mr. Chairman, will the gentleman yield?

Mr. STAFFORD. I can not yield now. The bill under consideration is predicated upon the idea that the water power on the public lands should be available for the residents of the State where the water power is found. That should not be the principle so far as the water power that is contained on Indian reservations is concerned.

The water power on the public lands should be leased under such terms as would supply power to the public generally at the lowest possible cost; but the water power, as far as the Indian reservations are concerned, belongs to the Indians, and it is for them to determine its use and the conditions of its disposal. We know from the history of the appropriation of water powers in Canada and in the States, where there were no restrictions whatever, that as soon as this bill goes into effect every available, practical water power will be seized upon by persons who are desirous of laying claim to the future development of water power. If we could possibly restrict the application and enforcement of this bill to one-half of the undeveloped water powers on the public domain, it would be well to try it out as an experiment, to see whether it would protect the interests of the residents of those States. It would be well to reserve some of that water power for the future; but no, we are going pell-mell and opening up all of the water powers at once. I say that, so far as the Indian reservations are concerned, even if we consider the plan that is proposed here to be workable, it would be good policy not to include the water power on the Indian reservations, because, even if we have complete control over them, the Indians have certain rights to be considered.

Mr. FERRIS. Mr. Chairman, will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. FERRIS. Is it not true that one of two things must happen—if the Indian reservations are cut out from this, then the water remains in idleness and flows idly to the sea, or the Indian Bureau will get up a separate bill to do the same thing?

Mr. STAFFORD. Mr. Chairman, allow them to remain in idleness until you develop this proposition and see whether the proposed plan will be workable; and, furthermore, the water should be reserved for the benefit of the Indians and should not be leased merely for the benefit of the residents outside of the reservations.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. FERRIS. Mr. Chairman, I yield five minutes to the gentleman from Iowa [Mr. TOWNER].

Mr. TOWNER. Mr. Chairman, I think there must be some surprise in the mind of everyone who has read this bill over the proposition that it includes Indian reservations. Certainly such an important application of the bill ought to have been made plain by its terms. But, no; there is only the general statement here, "and other reservations." There are, of course, many public reservations of land; but that which is peculiar to Indian reservations is the fact that Indian reservations are held, not by the Government of the United States unreservedly subject to its control, subject to the interests primarily of the people of the United States, but the lands that are held in Indian reservations are held, as the gentleman from Minnesota [Mr. MILLER] said, subject to the limitation or obligation or incumbrance, if you choose to call it such, that they are held in trust, not for the people of the United States but for the Indians themselves. Certainly it is not too much to ask that an important measure so vitally affecting their interests be considered separately and apart from these other questions. I am ready to meet and to consider, and other gentlemen are ready to meet and to consider, the question of what is to the best interest of the Indians with regard to their reservations, but it

ought not to be mingled with or affected by entirely different interests and conditions. The cynical indifference that is displayed here by gentlemen who advocate this inclusion with regard to the rights of Indians is no surprise to the people of the United States. It has marked and stained the record of legislation through the century that we have had to deal with the Indians. They have been driven from their lands. They have been forced to submit to conditions and impositions that have brought to them not only material loss, but suffering and misery extreme and utterly unnecessary.

The history of our treatment of the Indians from the beginning is not one that we look upon with pride by any means, and to-day we are asked to add another instance which is expressive of our indifference and contempt. These Indians, who have been driven from their own lands to these reservations in the extremities of the land, where the white man does not care to go or can not live, in the canyons, among the mountains, in the forests remote from civilization, are not safe even there. We are asked by this bill to allow the speculator and the promoter to enter even these remote fastnesses and to take from them their water power and subject all their interests to the promotion of enterprises in which they will have no possible benefit. In any instance when a project is under consideration under the operations of this bill it will be other interests that will control. Mr. Chairman, it is clearly our duty to consider such propositions separately. I can conceive of no reason why it ought not to be done, so that then we may determine the question, not in connection with other lands, not with regard primarily to the selfish interests of other people, not with regard even to the interests of the United States as a Nation, but primarily with regard to the Indians themselves. We boast of being a humanitarian and generous people, but the cynical indifference that we exercise with regard to our operations with and our obligations to the Indians ought not to be emphasized again by this act on this day. I hope the amendment of the gentleman from Minnesota will be adopted.

Mr. FERRIS. Mr. Chairman, I yield two minutes to the gentleman from Wyoming [Mr. MONDELL].

Mr. MONDELL. Mr. Chairman, ordinarily I should be of opinion that a fair construction of the language of the bill would not include within its provisions Indian reserves, but I understand the Secretary of the Interior, who is to administer the law, considers it does include Indian reserves, and therefore the amendment offered by the gentleman from Minnesota should be adopted. We do not as a people own these Indian lands. They belong to the Indians. Excluding these lands from this bill does not tie up the water power on the Indian lands. It would simply leave them in this position, that when there was any need of development on the Indian reservations the matter would be brought to Congress, and Congress, probably after consultation with the Indians and inquiry as to their needs, would make proper provision for the development. If the enterprise were approved, they might be brought under this bill. As a matter of fact, it is a question whether we have any right to bring the Indian under the terms of this bill without his consent. It might be possible that the Secretary of the Interior would believe that it would be well to utilize the waters on an Indian reservation for the development of power to be carried hundreds of miles away. The Indians might believe it was better to use that power for pumping water for the irrigation of their land, and the Indians' view of it ought to be considered by Congress.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FERRIS. Mr. Chairman, I again repeat what I said before. If the Committee on Indian Affairs and the House should decree otherwise, there would be no feeling at all about the matter, because it is a matter of policy, of course, whether or not we should leave the Indian lands in idleness and let the school reserves be nonsupporting and in idleness or whether we should try to give them an effective method of developing water power for their own benefit. Some things have been said that ought not to be said in fairness. It has been said that it is an attempt to strip the Indian of all he has. On the contrary, this is the very best effort in good faith to try to help the Indian.

Mr. MONDELL. Will the gentleman yield?

Mr. FERRIS. I can not yield; I have only a few minutes, in which I wish to cover three or four points. All over the country we have school reserves of three or four sections of land lying there in absolute idleness, in absolute waste. Why? Because, perchance, they are not near by to anybody who has a disposition to develop them. Does anybody here think that a blanket Indian has business ability sufficient to develop water power in his own right? Does anybody here think that a blanket Indian knows enough to develop water power to irrigate their school reserves and make them supporting? Surely not. So, inasmuch as the Interior Department is the head of the department, inasmuch as the Indian Bureau is under the Interior Department, inasmuch as I have a letter here from the Indian Commissioner and from the Secretary of the Interior, both wanting the Indian lands put in here, so that we can help improve the Indians and let them avail themselves of the possibilities of the reservations, surely no one will say that we are stripping the Indians of all they have.

Mr. BURKE of South Dakota. Will the gentleman yield?

Mr. FERRIS. I hope the gentleman will let me proceed. I have only a few minutes and I have several things I desire to say. If it was the purpose that we were going to strip the Indians of their all, certainly my own welfare, political as otherwise, would demand that I stand on only one side, and that would be on the side of the Indians, because in my State nearly half of all the Indians of the Republic live, and in my State they vote and hold office and have power. I hold in my hand a telegram from the governor of my own State, I hold in my hand a telegram from the governor of Montana, I hold in my hand a telegram from the governors of Wyoming and New Mexico and Washington, and of most of these Western States, urging that legislation be passed and that the water power of the West be developed. Some of the gentlemen of the West who are railing against this bill are railing against their own interests; they are unwittingly trying to let the intrenched water powers have a monopoly by the nondevelopment of water power that is now in the West going to waste. No one regards the interests of the West more than I; surely no one is a better friend of the West than Secretary Lane. He is the most untiring worker for your welfare I have ever met.

Mr. SLOAN. Will the gentleman yield?

Mr. FERRIS. I can not yield in the limited time I have. I do not desire to be discourteous to any gentleman, but I regret I can not in the limited time I have. Secretary Lane is trying to do more for the West than they can do for themselves, and the gentleman from Minnesota, good lawyer that he is and amiable gentleman that he is, laid down a legal proposition a while ago that I fear will not stand up. The Chandler-Dunbar case makes waste paper of all such debate and all such arguments and all such fundamental propositions as he lays down. What on earth has the State to do with Federal Government property? Nothing; and no one can controvert that. Many gentlemen here are asserting the State can develop it itself, and so forth. To my mind that means that nothing will be done, because the State has no power to do anything with our property. The argument of the gentleman from Minnesota has been abandoned by most of the good lawyers, and I think he will be driven to a like conclusion.

The CHAIRMAN. The time of the gentleman has expired; all time has expired. The question is on the amendment offered by the gentleman from Minnesota.

The question was taken, and the Chairman announced the noes seemed to have it.

On a division (demanded by Mr. MILLER) there were—ayes 20, noes 27.

So the amendment was rejected.

Mr. MANN. Mr. Chairman, I move, page 1, line 11, to strike out the words "and other property."

The CHAIRMAN. The gentleman from Illinois offers an amendment which the Clerk will report.

The Clerk read as follows:

Page 1, line 11, strike out the words "and other property."

Mr. FERRIS. Mr. Chairman, I assume the gentleman would be willing for us to accept the amendment. I think that amendment should go in, after conferring with the members of the committee present.

The question was taken, and the amendment was agreed to.

Mr. MANN. Mr. Chairman, I move to insert before the word "lands," in the same line, the word "public."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 1, line 11, before the word "lands," insert the word "public."

Mr. MANN. I take it that the gentleman thinks that would be proper language?

Mr. FERRIS. I think it would be.

The question was taken, and the amendment was agreed to.

Mr. MANN. Mr. Chairman, I move to strike out, on page 3, line 5, all after the word "permittee" down to the end of the section.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 3, strike out all of the section after the word "permittee" in line 5.

Mr. MANN. I ask to have it read.

The Clerk read as follows:

The words to be stricken out are:

"The tenure of the proposed lease and the charges or rentals to be collected thereunder to be specified in said preliminary permit, and such permittee upon filing an application for lease prior to the expiration of the permit period shall be entitled to a preference right to lease the lands embraced in the permit upon the terms, conditions, and limitations authorized by this act."

Mr. FERRIS. If the gentleman will yield just a moment——

Mr. MANN. Certainly.

Mr. FERRIS. I followed the gentleman from Illinois [Mr. MANN] very carefully in his general speech the other day, and I have in mind what he said; and, feeling the advisability of doing what he thought, I called at the department and talked with them about it no longer ago than this morning, and they thought they could pretty well accomplish under the regulations all we could accomplish under this; and I have little or no objection, so far as I am concerned, and I do not think the committee has.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Illinois [Mr. MANN].

The amendment was agreed to.

Mr. MANN. Mr. Chairman, I move to strike out the last word. I would like to ask the gentleman from Oklahoma a question. The proviso at the bottom of page 2 authorizes the Secretary of the Interior to issue a temporary permit to an applicant. Would there be any objection in the gentleman's mind to changing that so that the Secretary might issue a temporary permit to more than one applicant for investigation of the same place? In other words, instead of saying "an applicant," as in line 21, to say "applicants"; and then, in line 24, to strike out the letter "a" and insert the word "permits" instead of "permit," so that the Secretary would have authority to make regulations in order that more than one man or more than one concern might investigate the power possibilities of a particular place?

Mr. FERRIS. Will the gentleman yield?

Mr. MANN. Certainly.

Mr. FERRIS. I really think there is an objection to the gentleman's suggestion which I think the gentleman will agree to when I call his attention to what I have in mind. It was called to my attention by engineers that sometimes an expenditure aggregating a million or more dollars was necessary in order to make preliminary survey on watersheds and waterfalls to determine whether or not the thing was feasible. Again, it was called to my attention by the water-power people, and department officers as well, that they had to go and buy up already acquired water rights that had been filed under the State law as a part and parcel of the going concern to be. It was also called to our attention in the hearings—and the hearings are quite full on that point—in order that this be effective and operative that you give some one an opportunity for a short period of time, at least—we thought a year was sufficient, and if the gentleman thinks that is too long we can change it——

Mr. MANN. I have not any objection to the time.

Mr. FERRIS. I think that if you allow them to go out and issue a permit to two applicants either one of them would be unwilling to make the expenditure required unless they thought they could be sure to get the lease.

Mr. MANN. Here is what I wish to call to the attention of the gentleman: The right of a department to make personal favorites is always a dangerous right to confer. We do not let a department buy property without advertising for bids. We do not let them dispose of property without advertising for bids. We do not let them sell waste iron without advertising for bids. Now, here comes along two men, each of whom thinks there are great possibilities in a water power. They both apply to the Secretary of the Interior for a permit, and it is purely a matter of favoritism as to which one gets the permit. That would be conferring a power upon the Secretary which, if he exercises, might lead to charges made against him whether they are true or false.

Mr. FERRIS. If the gentleman will yield right there, the gentleman states the condition fairly and as it is, and it is a condition that is present and has to be met, but let me suggest to the gentleman that under the revocable permit law of 1901, under which we are now operating and under which a good deal of water power has been developed, they have the same right there.

Mr. MANN. And that is being repealed by this provision.

Mr. FERRIS. True, but the real complaint that is bringing about the repeal, as shown by the authorities who appeared before us, was that the Secretary of the Interior, without a hearing, could revoke it; could cut them off and take it away.

Mr. MANN. That no one would take it.

Mr. FERRIS. That no one would take it, and he could cut their heads off without a chance to be heard and no one would feel safe to develop under such a law.

Mr. MANN. But if you give the Secretary of the Interior authority to make general regulation, he can cover that question. For instance, the Geological Survey, in its investigation, discovers the potentialities of water power at some place. They communicate that information, or some one does to some friend, and he makes an application. It may be worth a great deal of money. No one else can get in. Now, ought not the Secretary of the Interior to have the authority to permit more than one person to make this examination, so that you really preserve the interests of the Government? He can make his general regulations. The language of the bill would confine it, I think, to one applicant at a place. No one else can investigate. It may be water power worth millions of dollars. The gentleman spoke of their spending a million or more dollars at a place in a preliminary survey. In such a case the water power is vastly valuable——

Mr. FERRIS. Very true.

Mr. MANN. Why not leave it so that the Secretary can make regulations and can permit under proper regulations more than one concern or person to make a preliminary examination as to the possibilities of the future?

Mr. FERRIS. I confess I can not see great objections to the suggestions of the gentleman other than——

Mr. MANN. I want to vote for this bill.

Mr. FERRIS. I know the gentleman does, and we need the help of the gentleman.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. MANN] has expired.

Mr. FERRIS. Mr. Chairman, I ask unanimous consent that the gentleman may have five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BURKE of South Dakota. While the gentleman is discussing the proviso, I would like to ask the chairman of the committee if in granting this preliminary permit it is intended, in granting the permit, to authorize the occupation of lands that are within Indian reservation, and I call his attention to the language on page 2, lines 24 and 25.

Mr. FERRIS. I did not get the suggestion of the gentleman.

Mr. BURKE of South Dakota. The suggestion is that if this bill is intended to apply to Indian reservations, does this proviso authorize the Secretary of the Interior to grant a permit authorizing the occupation of lands in Indian reservations?

Mr. FERRIS. Undoubtedly it would.

Mr. BURKE of South Dakota. Public lands?

Mr. FERRIS. I have no doubt if there was a feasible project on an Indian reservation the Secretary of the Interior would permit a company to go out and ascertain if it was a feasible proposition. Otherwise you would never get it developed.

Mr. BURKE of South Dakota. I think it is a permit authorizing the occupation of public land for water-power development.

Mr. MANN. I think the words "public land" would be construed in connection with the former part of the act where it says, "public lands, including Indian reservations." I hope the gentleman will agree to this amendment.

Mr. FERRIS. I do not object to it.

Mr. MANN. Mr. Chairman, I move to strike out, in line 21, page 2, the word "an" and to make the word "applicant" plural.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Illinois.

The Clerk read as follows:

Page 2, line 21, strike out the word "an" and make the word "applicant" plural.

Mr. MANN. And also at the same time, in line 24, strike out the word "a" and pluralize the word "permit."

The Clerk read as follows:

And in line 24, strike out the word "a" and pluralize the word "permit."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

Mr. THOMSON of Illinois. Mr. Chairman, will the gentleman yield?

Mr. MANN. Certainly.

Mr. THOMSON of Illinois. Would those amendments involve the changing of the last word on line 5 of page 3, from "permittee" to "permittees"?

Mr. MANN. Oh, no; because "permittee" refers to each one of the permittees, and each one would be extended under the general regulation.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Illinois.

The amendment was agreed to.

Mr. MONDELL. Mr. Chairman, I move to strike out the word "public," the first word on line 25 of page 2.

The CHAIRMAN. The gentleman from Wyoming offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 2, line 25, strike out the word "public."

Mr. MONDELL. Mr. Chairman, I desire to call the attention of the chairman and members of the committee to the fact that, as the section has been amended, it covers public lands, reserved and unreserved, and forest reserves which are not public lands, and reservations, and the word "public" at this point ought to go out of the bill.

Mr. FERRIS. Mr. Chairman, I think the suggestion of the gentleman from Wyoming is a good one. No one would want to put in a word that would limit the amendment that we have agreed to. I hope the gentleman's amendment will be agreed to.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Wyoming.

The amendment was agreed to.

Mr. MONDELL. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The gentleman from Wyoming offers another amendment, which the Clerk will report.

The Clerk read as follows:

Page 1, line 6, strike out the word "lease" and insert the word "grant," and in line 10, after the word "thereof," insert "the right of way over."

Mr. MONDELL. Mr. Chairman, I offer this amendment, not with the expectation that it will be adopted, for I see the gentleman from Illinois [Mr. MANN] shakes his head, and the gentleman from Oklahoma [Mr. FERRIS] catches the suggestion. I realize that these amendments would vitally change the character of this act, and change it so as to make it conform with our legislation on these subjects in the past, and in such a way as to make the bill really useful in the development of water powers on the public domain.

The adoption of this amendment would not affect anything that might follow in regard to the requirements relative to regulation and control of charges, but it would change the character of the right from that of a mere lease to that of a grant of a right of way. It would give permanence to the grant made, and, in my opinion, it would be very much more likely to insure development than the bill as it stands. The development being based on a permanent right, the power could be developed and furnished to the people more cheaply than it will be under a limited right with uncertain charges.

Mr. FERRIS. Mr. Chairman, I very much hope that no considerable portion of the House will think seriously of adopting the amendment offered by the gentleman from Wyoming. I think the views of the House are pretty well ironed out, and I believe the views of the country are in strong support of them. I believe that no one wants to grant or even talk about granting away the fee to water-power sites in this country. I feel that it is our greatest resource in this country. I feel that in importance it towers above coal, above oil and gas, and that we ought to lease for a limited period of time only the water powers of the country, so that we may get development, and in the end get them back for the benefit of the public and for the benefit of the Government and for the benefit of the people who will ultimately enjoy them. The amendment of the gentleman would change the entire purport of the bill, and I hope it will not be agreed to.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Wyoming.

The question was taken, and the amendment was rejected.

Mr. FOWLER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Illinois [Mr. FOWLER] offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 2, line 2, after the word "than," strike out the word "fifty" and insert the word "twenty-five."

Mr. FOWLER. Mr. Chairman, I offer this amendment because I feel that there are grave responsibilities resting upon the House with reference to placing these great powers in the hands of those who may hereafter lease them, or those who have already developed water powers.

In reading over some of the franchises which have been granted by this country and other countries I have discovered that this provision in this bill, and in the Adamson bill, which passed the House a few days ago, goes further than anything which I have read in modern times. Canada leases her water power, or the right to generate hydroelectric power, for a period of 20 years. The Federal reserve act, which we passed during this Congress, grants a franchise for 20 years only. The great majority of the franchises which are granted to our street railways in cities and to our electric-light plants and other franchises of a similar character are usually limited to 20 years.

The proposition in this bill is to grant this water-power franchise for a term of 50 years, nearly twice the average life of man. It seems to me that we are now working upon one of the greatest problems that affect the rights of the people of this country. It may be made very beneficial and useful to all, or it may be made very useful and beneficial to a few and exceedingly oppressive and detrimental to the many. If the water power of this country should pass into the hands of the few, and that few should undertake to use that power as they have used other special rights in this country, undoubtedly the people would suffer in the future.

We have an example of what the few do when they get control. The Sugar Trust of the country is giving us an example of trust power, as to what can be done when an opportunity is afforded. We have seen the price of sugar forced up a cent a day until I understand to-day it is selling at 10 cents a pound, on the theory that there is a disturbance in the east, and that the people will tolerate such increases under such a plea. There is no more reason or excuse for the increase in the price of sugar now than there was three months ago, and what is now being done is an exhibition of arbitrary power.

Mr. COOPER. Mr. Chairman, will the gentleman permit an interruption?

The CHAIRMAN (Mr. FITZGERALD). Does the gentleman from Illinois yield to the gentleman from Wisconsin?

Mr. FOWLER. Yes; I yield.

Mr. COOPER. Does the gentleman think that the Sugar Trust would have any such power over the price of sugar if the United States had developed the beet-sugar industry, so that it could furnish the home supply?

The CHAIRMAN. The time of the gentleman from Illinois [Mr. FOWLER] has expired.

Mr. FOWLER. I ask for an extension of five minutes.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent that his time be extended five minutes. Is there objection?

Mr. FERRIS. Reserving the right to object, I wonder if we can not agree as to time. I ask unanimous consent to close debate on this amendment and all amendments thereto at the end of 20 minutes.

Mr. MONDELL. Mr. Chairman, a parliamentary inquiry. I want to offer an amendment, either to the amendment offered by the gentleman from Illinois [Mr. FOWLER] or later.

Mr. FERRIS. I am only asking to close debate on this amendment and all amendments thereto, but not to close debate on the section.

Mr. MONDELL. If the amendment of the gentleman from Illinois [Mr. FOWLER] should prevail, would that prevent an amendment to strike out all reference to the limit?

Mr. FERRIS. Oh, not at all, as I understand the situation.

The CHAIRMAN. The gentleman from Oklahoma asks unanimous consent that all debate on the pending amendment be closed——

Mr. FERRIS. In 30 minutes.

The CHAIRMAN. In 30 minutes.

Mr. FOWLER. Mr. Chairman, I believe the understanding was that I should have 10 minutes.

Mr. FERRIS. I hope the gentleman will not ask for that.

Mr. FOWLER. I do not propose to take any more time after that on this bill.

Mr. FERRIS. I will have to modify my request and make it 35 minutes, then.

Mr. MONDELL. I am perfectly willing to discuss my amendment as an amendment offered to that offered by the gentleman from Illinois, but I should like to have 10 minutes on this proposition, either now or later. I will move to strike out the limitation.

Mr. FERRIS. Then let us make this limitation on both amendments. I ask unanimous consent to close debate at the end of 40 minutes.

The CHAIRMAN. The gentleman from Oklahoma asks unanimous consent to close debate on the pending amendment and all amendments thereto in 40 minutes. Is there objection?

Mr. MILLER. Reserving the right to object, do I understand that applies only to the amendment of the gentleman from Illinois [Mr. FOWLER]?

Mr. FERRIS. And amendments thereto.

The CHAIRMAN. Is there objection?

There was no objection.

The CHAIRMAN. The gentleman from Illinois [Mr. FOWLER] is recognized for five minutes.

Mr. FOWLER. Mr. Chairman, in answer to the gentleman from Wisconsin [Mr. COOPER], I desire to say that he has always been to me a very interesting Member of Congress, and I presume he has been interesting to all. I regard him as one of the most careful, painstaking, and thorough investigating of the membership of this House. [Applause.] Whatever he undertakes, it has been my observation that he is prompted by the purest motives, and whenever he propounds a question to me it appeals to my sense of honor and decency to reply honestly and conscientiously. He asks if I believe that if the United States had prepared for the protection of beet sugar in America the Sugar Trust would have been able to increase the price of sugar so radically and so persistently as it is doing to-day? That question demands a fair and candid answer. I do not believe that the gentleman wants to deal with this question lightly, and I presume he refers to the late tariff bill, by which sugar is ultimately to be placed in the free list. If I am not correct, I desire him to correct me.

Mr. COOPER. Mr. Chairman, my question was this: I did not say anything about the tariff. I said, "Does the gentleman think that if the United States had developed the beet-sugar industry so that it could supply the home demand for sugar, the Sugar Trust would have had any such power to manipulate sugar prices as it has to-day?"

Mr. FOWLER. That question can be answered yes and no. If in America we had the beet-sugar industry developed to such an extent that it would supply our demands, and the control of it were in the hands of the many, then there would be no trouble about it, and it would be impossible to increase the price systematically; but if it should pass into the hands of the few, as it is to-day, then it would matter not whether sugar was produced in America or abroad. We have an example of that in the case of coffee. Coffee is produced abroad, yet it is in the hands of a trust. I recollect when I was a boy 2 pounds of Arbuckle's roasted coffee was retailed for 15 cents. That was the weapon with which they wiped out all the handlers of coffee until it went into a trust, and now I pay 35 to 40 cents a pound for coffee for my wife. I do not drink it myself and never did. I know the gentleman from Wisconsin [Mr. COOPER] is honest in his convictions about these matters. What is true of sugar and coffee will be true of the water power of this country if it gets into the hands of men of this class. My colleagues, I shudder, not for myself but for my country, if the water power should pass into the hands of the few so that by its cheapness all other people will be driven out of business who do not have access to it, and when all of the money-making business of this country passes into the hands of the few. If you give it to them for 50 years, I shudder for the people of this country. I trust that we are not now sewing buckles on shackles for human limbs; but it appears to me that a 50-year lease is the strongest shackle, with the most complete buckle and lock that the Congress could possibly make by law. I trust that the people of this country will never be placed in the position that it appears to me I can see them in if the water power should pass into the hands of the few, and then they should secure complete control of it and the business operated by it, as they are doing now with the products of common use in this country.

There is only one relief that I can see, and that is the relief that might be obtained from electricity and air, for unlike other things they are so free and abundant that they can not be taken from us. Water by gravitation runs away from us, and wood and coal burn up when used for power purposes, but air and electricity stay with us forever and are never reduced in quantity and force by their use. The ingenuity of man, if we are placed under the condition that I think we might be by granting away this right for 50 years, may afford relief by some useful invention whereby we may be able to snatch from the air its great power and apply it as a propelling power for the wheels of industry, and we may be able to grab from the skies the electricity for the purpose of applying it also to the wheels of progress and of business.

Mr. SMITH of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. FOWLER. Yes.

Mr. SMITH of Minnesota. Does the gentleman believe that the water-power industries in the United States are not now in the hands of the monopolies and trusts?

Mr. FOWLER. Mr. Chairman, the gentleman is another one of those conscientious men on the floor of this House. While I am not as familiar with the different water-power projects over the country as some other men are, because there are none of them in my locality and only one, as I recollect, in my State, yet wherever water power has been harnessed it has gone into the hands of an oppressive monopoly, so far as I am able to learn.

Mr. SMITH of Minnesota. That being true, will we control it by lengthening or shortening the time of the grant or the lease?

Mr. FOWLER. Yes; we can do that, because it will revert to the State more readily and more often, so that those who get the control of it can not oppress us unmercifully for not only a lifetime but forever.

Mr. Chairman, this water power, in my opinion, is one of the most useful. I would not retard its use to man. It has lain unused for ages in America, yet it is one of the most useful and, I believe, the cheapest power within our reach. But in providing for its use I would not place it in such a condition that it can not be reclaimed to the country. I would not place it out of the reach of the common people. You know, all of you—and I am not speaking from a political or partisan standpoint—that after the passage of the Dingley bill within five years all of the great money-making businesses went into the hands of a few monopolies.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. MONDELL. Mr. Chairman, I offer the following substitute for the amendment offered by the gentleman from Illinois which I send to the desk and ask to have read.

The Clerk read as follows:

Page 2, lines 1 and 2, strike out "for a period not longer than 50 years."

Mr. MONDELL. Mr. Chairman, the bill as it stands provides for the granting of these leases for a period of 50 years. The gentleman from Illinois [Mr. FOWLER] offers to amend by making the period 25 years. I propose to strike out all reference to the period of the lease, leaving the bill so it will provide for an irrevocable lease. As a matter of fact, the bill as it stands is, to my mind, conflicting in that it provides for a 50-year lease, and a few lines farther down for an irrevocable lease. Mr. Chairman, the amendment offered by the gentleman from Illinois in the best of faith——

Mr. CULLOP. Mr. Chairman, will the gentleman yield?

Mr. MONDELL. Yes.

Mr. CULLOP. Does the gentleman construe that word "irrevocable" to mean that a lease would not terminate within a definite period named in it?

Mr. MONDELL. I am frank to say that I do not know how to interpret it. I think it would bear the interpretation the gentleman suggests.

Mr. CULLOP. I agree that that clause which contains the word "irrevocable" ought to go out of the bill; but I wanted to know what the construction of the gentleman from Wyoming was of the word "irrevocable," from the manner in which he has spoken of it.

Mr. FERRIS. Mr. Chairman, I do not want any false impression to get started about it. There is a section which specifically says that for any breach of contract they can go into the court and have their rights cut off.

Mr. CULLOP. This same section provides:

Which leases shall be irrevocable, except as herein provided, but which may be declared null and void upon breach of any of their terms.

Mr. MONDELL. Mr. Chairman, I would like to yield, but really my time is running. I think the section is somewhat conflicting, but I am not raising that question now. My proposition is this: These leases ought to be irrevocable except for violation of their terms and for these reasons: The gentleman from Illinois in good faith offered an amendment shortening the time. In the interest of whom? He said in the interest of the people. How on earth are the people going to be benefited by brief leases? Everybody knows that a corporation or a municipality undertaking one of these enterprises would be fully justified—in fact, as a business proposition it would be necessary—in amortizing their enterprise within the period of the lease. Under the terms of the bill, the lease ending in 50 years, they would be justified, and any public-service commission would necessarily recognize their right, in obtaining a complete and full return on the investment within the life of the lease. The result would be that the users of the power would be compelled to pay not only a reasonable return to the power company as interest upon the investment but to pay for the entire plant also within the period of the lease. The bill says every 50 years. The gentleman from Illinois would have the people pay for it every 25 years, from some curious notion that in so doing we would give the people the benefit of cheap water power.

Mr. McLAUGHLIN. Mr. Chairman, will the gentleman yield?

Mr. MONDELL. In a moment. Making a lease continuous does not prevent the adoption of provisions for a periodical readjustment of the charges to be made, if any, upon the enterprise. It does not take from the people any power of control whatever, but does take from the operator the opportunity to claim the right to receive within every period of the lease not only a fair return upon the investment but a complete return of the capital. It will be argued, of course, that at the end of the 50 years under the terms of this bill, if the property is taken over by the Federal Government, the Federal Government is to pay something for it. Just how much is not clear. Also, if it is leased to others they must pay for it, but just how much it is not clear. But those provisions are not a complete protection of the investment, and the result would be that the investor would be justified and would be held by the court to be justified in adding to his charge above what was necessary to cover a fair interest rate an additional rate to provide for the final wiping out of the capital invested within the period of the lease.

The CHAIRMAN. The time of the gentleman from Wyoming has expired.

Mr. MONDELL. Mr. Chairman, I ask that I may have five minutes more.

The CHAIRMAN. The gentleman from Wyoming asks unanimous consent that he may proceed for five minutes. Is there objection?

Mr. FERRIS. Mr. Chairman, the time has been limited.

Mr. MONDELL. I understood I was to have 10 minutes, but I did not ask for it when I first rose.

The CHAIRMAN. Is there objection to the request of the gentleman from Wyoming? [After a pause.] The Chair hears none.

Mr. FOWLER. Will the gentleman yield for a question?

Mr. MONDELL. I do.

Mr. FOWLER. Does the gentleman from Wyoming believe that there will ever be a recovery of the property if it passes into the hands of a corporation for a period of 50 years?

Mr. MONDELL. I do not know of any reason why there should be a recovery of the property. I have never been able to adopt the philosophy of the gentlemen who imagine that the Government should retain some special right, other than the right of sovereign eminent domain which it has, to recover these properties. What are these properties built for? They are built to serve the people. What is the interest of the people in them? The interest of all the people is to get this service at the best rates, at the lowest prices.

Mr. FOWLER. Is there any more reason——

Mr. MONDELL. I can not yield further.

Mr. FOWLER. One more question is all I wanted to ask.

Mr. MONDELL. I can not yield.

The CHAIRMAN. The gentleman declines to yield.

Mr. MONDELL. Now, the gentleman does not serve the people by placing added burdens on enterprises. He does not serve the people by shortening the life of the lease and giving those people who have put their money in the enterprise an opportunity, at least an excuse, to charge a higher rate because the life of the lease is brief. The interest of the people in these enterprises is to have them perpetually operated at all times, and until the end of time, under proper public control in order that the people using the product may not be charged an unfair and exorbitant price. Now, the way to make those charges low, to have them as low as possible, is to relieve them from burdens, to relieve them from breaks in the continuity of the enterprise and establish it on a solid foundation on which it may run on at the least cost. I am utterly unable to grasp the philosophy of gentlemen who imagine that they are going to help the people, whose only interest is cheap power, by breaking the continuity of the enterprises and by loading them down with heavy charges. Shorten the term of the lease, the greater the burden on the people for amortization charges.

Mr. BAILEY. Will the gentleman yield?

Mr. MONDELL. I do.

Mr. BAILEY. Does the gentleman know of any corporation that does that now?

Mr. MONDELL. Any corporation that does what?

Mr. BAILEY. That gives the service without wringing a tribute from the people. I do not happen to know of such.

Mr. MONDELL. Does the gentleman want me to understand that there is no effective public control anywhere in the United States? Is that the gentleman's proposition?

Mr. BAILEY. There is a great struggle I think.

Mr. MONDELL. If we are a lot of pusillanimous folks everywhere under this flag that we can not protect ourselves from public-service corporations, why, a statute written on the Federal statute books will not save us. If we have not virtue enough, the people of those States and communities, to protect ourselves from our own local corporations, we certainly can not be protected by putting burdens on enterprise. The gentleman seems to proceed on the theory that the way to protect ourselves from exorbitant charges is to lay burdens on power enterprises. We want cheap power. We want rates controlled. The best way to get cheap power is to give continuity of tenure. The water rights are perpetual. If now you make a lease 50 years you simply give the lessee the opportunity to claim that it should secure full return of its investment as well as interest on it. That is placing a burden on the users that is not justified.

Mr. BAILEY. The gentleman has not answered the question.

Mr. MONDELL. I can not yield further. The gentleman did not ask a question that anyone could answer. I am frank to say I did not understand the gentleman's question. My proposition is that shortening the period of these leases makes a charge to the people that use the product greater. There is no escape from it. There is no getting away from it. If the lease were 10 years the burden on the people using the product would be still greater.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FERGUSSON. Mr. Chairman, the gentleman from Wyoming [Mr. MONDELL] adopts one extreme; the gentleman from Illinois [Mr. FOWLER] is not exactly on the other extreme, but he is very near it. I understand the operations of the mind of the gentleman from Illinois, because when I first began to go into this proposition like he is doing now I halted at the proposition to make the possible limit of a lease as long as 50 years, but after hearing the men who have studied this question, men of the greatest eminence—Cabinet officers and ex-Cabinet officers—and after considering the arguments pro and con, I am now firmly satisfied that the possible limit ought not to be less than 50 years. That does not mean that all of these franchises are going to be granted for 50 years. There may be one granted for a shorter term, believed by the applicant to be sufficient, in a case where a man might want to develop a vein in a mine by the use of cheap hydroelectric power. There might be a case where a man would desire to saw timber in the forest and put it on the market; and in such a case he might desire a term for his lease for 10, for 15, or 20 years; and all of these things are to be in the discretion of the Secretary of the Interior. Then there will be propositions presented on the great streams for getting water for irrigation, some of them costing millions of dollars. Now, we can not expect capitalists to go into an enterprise taking ten, fifteen, twenty, or twenty-five million dollars without ample time certainly provided in the lease, provided they comply with the law, so long as they do not practice extortion on the poor people who are farming or mining who desire to procure this cheap hydroelectric power from the lessee. The lease may be canceled at any time for violation of its terms or the violation of any general regulation. It is not bound to stand for that 50 years. They will be under the supervision of the great Government of the United States, under men in high office. No difference what their politics may be, we can rely—we must rely—upon the patriotism, the integrity, and the wise discretion of men occupying such lofty official position.

So, my friends, in view of the fact that many enterprises will take great capital, we must make the inducement to men of large capital who are willing to abide by the terms of the franchises they are seeking. We must make it liberal, not only that they make as much as 6 per cent, a limit below which is unconstitutional, but make liberal terms, because electric power, if granted on a big enough scale, will be so cheap that we can afford that they make a fair return above 6 per cent and have the principal of the capital invested finally accrue. Nobody will object to that. Now, to cut it down to 25 years, as proposed by the gentleman from Illinois, will practically shut out great bodies of capitalists who can erect these great works of development on a big scale. The first objection to taking away all limit to the lease is this, that it puts too much power beyond the reach of the laws of the people. We must provide for ultimate control in the Government. When the period of 50 years has elapsed, if they have observed the law, if they have furnished adequate and reasonable service, and practiced no oppression on the public, the Government should have the discretion lodged in the Secretary of the Interior to renew it on the same or altered terms, as the then existing conditions and circumstances should warrant.

Mr. GOOD. Will the gentleman yield?

Mr. FERGUSSON. I will.

Mr. GOOD. In fixing the rate for this bill, it would become a law with this limitation, that the Secretary, as I understand

it, would have to fix a rate that would be high enough to permit the persons who put the money in the enterprise to earn a reasonable return to care for the rusting and wearing out of the property and for the replacement of the investment at the end of 50 years?

Mr. FERGUSSON. Not quite that; but still that they may be allowed, without any interference, to earn their 6 or more per cent. We must assume that the Secretary of the Interior is an honest, patriotic public servant who is fair to big capital and at the same time determined to protect the uses of the power. Nobody is waging war on big capital that is honest and is conserving the public weal. We have got to consider both interests, and the Secretary, at the end of 50 years, as well as during the intermediate time, should control and be able to punish any injustice to the public by evoking the franchise. Who can foretell what may be required at the end of 50 years; what economic developments may be coming? What seer 50 years ago would have dared to foretell the marvels of to-day of electrical facts existing all around us? The established facts of aviation?

The end of 50 years is a long way ahead. We are moving with startling rapidity in the civilization of the whole world, and our country bids fair, in view of the awful calamity taking place in the Old World at this moment, to be the only great Nation left to keep aloft the flag of peace and good will to all the world. [Applause.] The Statue of Liberty in New York Harbor, holding the flaming torch of civilization, may supply the light needed, in but a short time, maybe, to save the present civilization of the Old World from sinking into another Dark Ages, which followed the destruction of the civilization of Greece and Rome.

The CHAIRMAN. The time of the gentleman has expired.

Mr. THOMSON of Illinois. Mr. Chairman, speaking first to the amendment to the amendment offered by the gentleman from Wyoming, and then to the amendment offered by my colleague, as I understand the views of these gentlemen, they are well-nigh opposite, as the gentleman from New Mexico [Mr. FERGUSSON] has said. My colleague would limit these leases to 25 years, and the gentleman from Wyoming would take off the limit altogether and not place any maximum in the law, the idea being that 50 years may not be sufficient time to amortize some of these plants, as I understand him.

Mr. MONDELL. The gentleman perhaps did not clearly understand me. My proposition is that plants ought not to be amortized in 50 years, or in any such period, because it adds to the charge.

Mr. THOMSON of Illinois. I understand. In answer to that I would say it seems to me that these plants, even if the lease was of a longer period than 50 years, would be amortized in the 50 years. I do not believe, for instance, that bonds will ever be issued on a proposition of this kind for a longer period than of 50 years. From the standpoint of an investor, people are not looking for that kind of an investment. They would prefer a 20-year, or 30-year, or even a 50-year bond, certainly, to one running longer than that time.

Mr. MANN. What is to become of the property at the end of the 50 years?

Mr. THOMSON of Illinois. At the end of the 50 years, under section 6, I believe it is, any one of three things can be done: It can be re-leased under such terms as may then be agreed upon to the same lessee; it may be taken from him by the Government; or it may be leased to a new lessee at the end of 50 years. That is my recollection.

Mr. MANN. It can not absolutely cease, can it?

Mr. THOMSON of Illinois. No. If the Government takes it over it must take it over at a valuation to be fixed as the bill provides it shall be fixed under section 5.

Mr. MANN. So that if there were bonds outstanding then they would still be a lien upon the property or the proceeds, I take it?

Mr. THOMSON of Illinois. Certainly. And I will state further that the bill specifically authorizes the mortgaging of the property to such an extent as might be desired.

I want to speak, though, to the other end of this proposition, namely, to the original amendment, which is to the effect that these leases shall be limited to 25 years. When we started to consider this proposition in committee I felt somewhat as the gentleman from New Mexico [Mr. FERGUSSON] says he did. I questioned seriously the advisability of giving as long leases as 50 years. But as I listened to those who came before the committee who had studied the problem from the points of view that they gave us, I felt that 50 years was not unreasonable. Certainly such men as Secretary Lane and former Secretary Fisher, of my own State, and Mr. Pinchot would yield to nobody in their desire to protect the interests of the people in problems of this kind; and I was extremely interested, when those gentlemen appeared before the committee to give their views, to find out what they were going to say to us with reference to this particular phase of the problem, namely, whether or not 50 years was too long a time and longer than should be expected and was reasonable. I was gratified to find them practically of one mind on that proposition, and, as I understood each of these men, they gave it to us as their opinion that 50 years was not too long a time.

Mr. CLINE. Mr. Chairman, may I ask the gentleman a question, briefly?

The CHAIRMAN. Does the gentleman from Illinois yield to the gentleman from Indiana?

Mr. THOMSON of Illinois. Certainly.

Mr. CLINE. What is the objection to an indeterminate lease, provided it is sufficiently safeguarded by revocation clauses so as to protect the rights of the people?

Mr. THOMSON of Illinois. The main objection, as I recall it, was that a lease of that kind would preclude absolutely the community or the Government, whichever you want to call it, taking over this property at any time in the future, should conditions arise that would make it desirable to do so.

Now, my friend from Illinois [Mr. FOWLER] asked the question whether this property would ever be taken over under the terms of the lease. I have no doubt it will be. I have no doubt but that at the end of a great many of these leases the conditions will be such that there will be no desire to take them over, and that it will be agreeable to everyone to renew the lease to the same lessee, but I believe in some cases it will be desirable to have the Government take the property over, in which cases that action will be taken.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. FERRIS. Mr. Chairman, may I ask what the status of the time is? How much time is left on this?

Mr. BAILEY rose.

The CHAIRMAN. Five minutes will be left when the gentleman from Pennsylvania [Mr. BAILEY] has finished. Twenty minutes have now been used. The gentleman from Pensylvania is now recognized.

Mr. BAILEY. Mr. Chairman, I wish to speak a few words concerning the amendment offered by the gentleman from Illinois [Mr. FOWLER].

While I am profoundly in sympathy with the broader purposes of this far-reaching measure, it is impossible for me to approve some of its details. In an especial manner I protest against the 50-year term provided for these leases of water power. Fifty years is a long time. It is not so long a time measured in the life of nations, but it is very long measured in economic development. Not a man on this floor to-day can reasonably expect to live to see the expiration of one of these leases if the term provided in this bill shall stand. But I earnestly hope it may not stand. I hope and profoundly urge that it shall be reduced to a much lower limit, to a limit conforming to the better practice of the time in making grants to public-service monopolies. In most cities to-day franchises are limited to 20 or 25 years. Grants for longer terms are the exception rather than the rule.

But there is another phase to this question to which I wish to invite attention. We are proposing here to create a new monopoly force. We are deliberately inviting into the economic arena another and a fresh power against which we are certain later to be found struggling as to-day we are struggling with the power vested in those who control our iron highways, our water supply in cities and towns, our urban and interurban transportation, our telegraph and telephone, our light and heat, and other public utilities. Yes; this new power is to be subject to regulation; it is to be limited in the matter of charges and otherwise. But is this not true also of all the other forces enumerated above? And is not this matter of regulation one of the most serious of all the problems confronting our people to-day? Is it not a growing conviction everywhere that regulation is doomed to ultimate failure, and that it must be supplanted at last by public control and perhaps public operation? To me it seems that what we are really doing with respect to water power is precisely what we have already done, to our shame and our sorrow, with respect to other public utilities.

Mr. RAKER. Mr. Chairman, will the gentleman yield there for a question?

The CHAIRMAN. Does the gentleman from Pennsylvania yield to the gentleman from California?

Mr. BAILEY. I do.

Mr. RAKER. Does the gentleman make any distinction in this bill between where the Government simply proposes to lease its land for use and the governmental feature of a State in regard to its governmental functions?

Mr. BAILEY. I take it that there is no material difference between this proposed grant and a right of way when it is granted to a railway. The railway company which possesses the shortest and best route between two given points has an advantage which can never be overcome by another power. It therefore possesses a monopoly. There can not be two best water-power supplies for a given locality, and the one that obtains the best will have a monopoly.

Mr. RAKER. Will the gentleman yield again right there?

Mr. BAILEY. I will.

Mr. RAKER. Evidently the gentleman has not been in the Western States.

Mr. BAILEY. I have been in some of the Western States.

Mr. RAKER. There are many places where there are three or four or five available water powers.

Mr. BAILEY. Then you are more fortunate than most people are. I congratulate the gentleman.

Mr. RAKER. The trouble is that one concern tries to control it all.

Mr. BAILEY. That is, by combination. In Chicago I think they have 10 or 12 gas companies; but you have a gas monopoly there just the same, as I remember.

Mr. MANN. We have one gas company.

Mr. BAILEY. You have 1 company controlling 12 or 14.

Mr. MANN. We have at least one.

Mr. GOOD. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Pennsylvania yield to the gentleman from Iowa?

Mr. BAILEY. I would like to yield, but I have only a moment of time.

Mr. GOOD. Just for a question.

Mr. BAILEY. Very well.

Mr. GOOD. Does not the gentleman know that men like Dr. Bemis, who has, perhaps, made a greater study of this question than any other man in America, say that the only system is the granting of a franchise, a franchise perpetual, or for an indeterminate period? Because where the right to regulate is in a commission or in a State or Government the price must be such, if the franchise is for a limited period, as to give them a fair return on their property and on their investment at the end of the franchise.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. FERRIS. Mr. Chairman, I think the debate has quite well disclosed the fact that there is a wide diversity of opinion in the minds of gentlemen here as to what the exact term should be. For instance, we have our good friend from Iowa [Mr. GOOD], who thinks it ought to be in perpetuity, and he quotes what he claims to be the most noted authority on the subject, who says it should be in perpetuity. On the other hand, we have our distinguished friend from Illinois [Mr. FOWLER], who says that it should be 25 years. It is easy to differ about what should be the exact term of years and what should be the exact term of the lease.

Mr. GOOD. Mr. Chairman, will the gentleman yield?

Mr. FERRIS. Yes.

Mr. GOOD. What objection is there to that proposition if the Government has the right to purchase under reasonable regulation and has the right to regulate at all times?

Mr. FERRIS. I shall try to reply to the gentleman. The reason, in a word, is that practically all the developed water power now belongs to some 24 power companies, and I shrink from a complete surrender of the rest of it to them. It has gotten into the hands of a little handful of companies, so that now we do not want to give away the rest of it; and the pressing need, in my opinion, for this bill and for legislation is to put in operation more water power, so that there may be some competition preserved between the future water power and the water power that has already crept away from us.

Mr. GOOD. Mr. Chairman, will the gentleman yield for another question?

The CHAIRMAN. Does the gentleman from Oklahoma yield to the gentleman from Iowa?

Mr. FERRIS. I regret I can not yield further. I have so little time and I feel we must go on.

Mr. MANN. Mr. Chairman, will the gentleman yield to me for one question?

Mr. FERRIS. Yes.

Mr. MANN. Is not the position of this House practically foreclosed by the action which it took on the Adamson bill?

Mr. FERRIS. I so feel about it.

Mr. MANN. And the two bills ought to conform with each other?

Mr. FERRIS. I think they should; and I thank the gentleman from Illinois for the suggestion.

The gentleman from Illinois [Mr. FOWLER] has well said that this is a case of great interest to the country. The evidence was almost unanimous on the proposition that the terms should be for a maximum of 50 years. Like my colleague on the committee, Mr. THOMSON of Illinois, when we began the consideration of this bill and began the hearings on the subject, embodying pages and pages, I had certain views of my own in regard to the term, and I may say that every man on the committee had in mind a term of years that he thought was a correct one.

But after we had consulted engineers, after we had consulted financiers, after we had consulted what is conceded to be the most eminent authority on water power in the country, it was agreed—and the committee were unanimous, as a result of their investigations—that 50 years should be the term.

Mr. FOWLER. Will the gentleman yield?

Mr. FERRIS. I can not yield.

Mr. FOWLER. I think the gentleman is mistaken about this question having been discussed. No motion was ever made to change it.

Mr. FERRIS. Oh, yes; there was.

Mr. FOWLER. Only a motion to recommit.

Mr. FERRIS. The gentleman says there was no vote on that question. There was a motion to recommit.

Mr. FOWLER. It was never discussed, though.

Mr. FERRIS. It was also in the committee. The gentleman has forgotten. I know he does not intend to be mistaken, but nevertheless I feel sure he is.

Mr. FOWLER. That was on a motion to recommit.

Mr. FERRIS. The time or tenure of the lease is pretty well agreed to be 50 years. The enemies of this bill—or rather I will say the opponents of this bill—are insisting that the bill as drawn is not workable. I call to our assistance the friends of conservation, the friends of this bill, the friends of those who want to accomplish something, and ask them to stand by the 50-year term, to the end that they may not pass something that will be inoperative and that will not accomplish anything. The real friends of this bill do not want to make the term 25 years, because if you make the term 25 years you can not get capital to develop these water-power projects. The indictment hurled at the legislation by those opposed to it would then die. Then what will happen? The present entrenched water power of the country will go on without competition, without molestation or regulation, and our Government water power will run idly to the sea.

Mr. Chairman, this precise matter has been given great consideration. The Interior Department thinks 50 years the correct term, and every conceded authority that appeared before us stated that the term should be 50 years. The question is also res judicata in this House. It has been passed on. How can gentlemen justify making the term 50 years on the navigable streams in the East, where population is heavy, where men are rich, and capital more easy of acquirement, and then make the term 25 years out in the West, on the bald prairies, where it is hard to interest capital?

Mr. CULLOP. Mr. Chairman——

Mr. FERRIS. I hope the gentleman will not interrupt me. I do not want to be discourteous to my friend, but I am trying to present the views of the committee.

The CHAIRMAN. The time of the gentleman has expired. The question is on the amendment of the gentleman from Wyoming [Mr. MONDELL] to the amendment of the gentleman from Illinois [Mr. FOWLER].

Mr. STAFFORD. May we have both amendments reported?

The CHAIRMAN. If there be no objection, both amendments will be reported.

The Clerk read as follows:

Amendment by Mr. FOWLER:
Page 2, line 2, after the word "than," strike out the word "fifty" and insert the word "twenty-five."

Amendment to the amendment, by Mr. MONDELL:
Page 2, lines 1 and 2, strike out the words "for a period not longer than 50 years."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wyoming [Mr. MONDELL].

The amendment was rejected.

The CHAIRMAN. The question now is on the amendment of the gentleman from Illinois [Mr. FOWLER].

The question being taken, Mr. FOWLER demanded a division.

The committee divided; and there were—ayes 3, noes 35.

Accordingly the amendment was rejected.

Mr. FOWLER. Mr. Chairman, in line 2, page 2, I move to strike out the word "fifty," after the word "than," and insert in lieu thereof the word "thirty."

The CHAIRMAN. The gentleman from Illinois offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 2, line 2, strike out the word "fifty" and insert the word "thirty."

Mr. FOWLER. Mr. Chairman, I have always had the highest respect for the distinguished gentleman from Oklahoma [Mr. FERRIS]. He is always interesting, and always sincere. The gentleman undoubtedly has a section of country that he is most industrious for, and I congratulate him for that. There is great hope for the West. It is a hope for me, the same as it is for him. It is a hope for my posterity, the same as it is for his. It is a hope for my country, the same as it is for his. But when the gentleman says there was an amendment offered to the Adamson bill limiting the time to 25 years, and that that amendment was offered by me, and that it was thoroughly discussed on the floor of this House, his memory fails him. The truth is, Mr. Chairman, that no amendment was ever offered on the floor of this House to limit the time to 25 years, except an amendment offered to the motion to recommit the bill, and that amendment was offered by myself without debate, the right to debate being cut off by a rule of the House.

Now, it is said by the gentleman from Illinois [Mr. MANN] that the minds of the Members of this House are concluded upon this proposition. The vote a short time ago revealed that a majority of the minds are concluded in favor of corporations. Now, it may be proper to give this right away in perpetuity, and that is what this bill does——

Mr. FERRIS. Oh, no.

Mr. FOWLER. The Adamson bill gives it away in perpetuity, but I have the utmost confidence in the wisdom of the Senate that it will take care of the rights of the people and come in as the great rescuing power. This bill will grant this right in perpetuity if you make it 50 years. If the question of human slavery had been settled by our forefathers in the beginning of this Government, we would have had no Civil War. Talk about making it perpetual! Talk about taking away from the people a great right like this and giving it to corporations eternally! Do you know that such acts will sow the seeds of dissention within your own borders, which I fear in the future will cause such strife as the sixties hurled upon this Republic. To make it possible for corporations to control this country indefinitely is to sow the seed of bloodshed, and when you say that the Senate will make it perpetual, without limitation, you stand for sowing the seed that will breed dissention and will create more anarchists in America than all the rest of the powers put together. No organization, political or otherwise, will manufacture discord and discontent as fast as a law giving to corporations the control of the business of this country without limitation and without check.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FERRIS. Mr. Chairman, I want to see if we can agree on time. I ask unanimous consent to close debate on this subject in 40 minutes. I wish it could be a much shorter time, because we have debated it so long. I shall want the last 5 minutes myself.

The CHAIRMAN. The gentleman from Oklahoma asks unanimous consent that debate on the pending amendment close in 40 minutes. Is there objection?

There was no objection.

Mr. FALCONER. Mr. Chairman, I will vote against the amendment of the gentleman from Illinois, and I am not afraid that without his amendment the bill would cause socialism to take control of the Government of the United States. I want to say that I believe that before socialism is a controlling factor in the political field in the United States socialism will be neutralized to such an extent that it will probably be on a par, at least, with Democracy or Republicanism or Progressivism, so far as politics are concerned.

Mr. FOWLER. Mr. Chairman, will the gentleman yield?

Mr. FALCONER. Yes.

Mr. FOWLER. Does the gentleman know that socialism, not political, took charge of the burley tobacco district in Kentucky in order to get relief from the Tobacco Trust?

Mr. FALCONER. Oh, I have heard and read much about the conditions that were supposed to exist that caused that trouble. I have in mind a fine distinction, as I think every Member has, between socialism and anarchy. I am not a Socialist, but I am not afraid of socialism on the proposition submitted by the gentleman from Illinois. I do not believe that 30 years is a sufficient time. I think the bill ought to stand at 50. I think 50 years, however, is the maximum limit, and I would not agree with those who would continue indefinitely the contract with corporations that would develop water power in the United States under a fee simple and permanent title. The gentleman from Wyoming [Mr. MONDELL] a few moments ago made the statement that primarily companies build and construct these water-power plants for the purpose of serving the public.

Mr. Chairman, I believe business men invest their money primarily to make money. I do not believe that we have yet reached that standard of citizenship which is so thoroughly altruistic as to take the position that the business men of this country are going out and putting in their money or selling bonds for the purpose of serving the public. I believe the business man invests his money to make money. I think 50 years is a sufficient time for any company of men to develop a water-power proposition in America. As was stated by the gentleman from New Mexico [Mr. FERGUSSON], we are living in a rapid age, and 50 years is a long time.

I believe that never again should this Government give away water-power sites and forever surrender ownership. This Government should hold title to all water-power sites, and I believe that 50 years is the right period. Twenty-five years is not sufficient time. It would embarrass available capital and result in giving or continuing a monopoly now operating. It has been shown that 27 companies now control the developed water power in the United States. We need more capital to develop more water power. Fifty-year term operation is, in the judgment of men who are interested in conserving the natural resources to the public, the proper time limit.

Mr. Chairman, this Congress has had its time taken by many important measures. A heavy program has been partially worked out. Without question more important legislation has been considered and enacted in this Congress than in any Congress in many years past.

LAND QUESTION.

No question in the legislative program has been more continuously to the front, either directly or incidentally, than the land question, and, Mr. Chairman, no question is more important in its bearing upon the happiness and prosperity of this or any other country than that of land ownership and development.

Besides the several appropriation bills incident to the administration of Government we have given much time to tariff, Alaska Government railroads, currency, trust legislation, immigration, canal tolls, and a thousand and one matters of less importance.

But more important than these, Mr. Chairman, has been the line of legislation having to do with our natural resources.

"Conservation" is a household word in every American home, a subject for debate in every school of economics. Hundreds of bills with their many theories involving land problems have been introduced by Members here.

We have an exhaustive program in land reclamation; we have given much time to and expressed our views on the subject of hydroelectric development; and the conservation bills now before Congress for consideration, detailing proposed lines to be favored, each and all indicate the interest the country is taking in the land question.

During the past 18 months I have had some experience in serving my people in matters that have taken me to the Interior Department, and the experience has been worth while. I am impressed more than ever that the American people are awaking to the necessity for a radical change in land ownership, land development, land taxation, and land as security for low-interest, long-time loans.

There are many men who decry the practice of land monopoly. There are many who condemn land gambling and speculation, and there are many men who take the position that land tenancy under landlordism is a curse to the country fostering the system.

There is a principle as fundamental as life itself, Mr. Chairman, and it is involved in man's right to land possession to an amount sufficient to produce, under his industry, a competency.

The land monopolist does not conduce to general prosperity. The land speculator who boasts of wealth acquired through price manipulation is on a par with a trade-exchange operator. And I will say in passing, Mr. Chairman, that the one factor more than any other that tends to delay low-interest money to the farm borrower is the unstable, unreliable values of land due to the professional land speculator.

I have several times addressed the House on subjects pertaining to farm and land matters, and I have received many communications referring to the subjects discussed. I desire to read into the RECORD a letter I received some days ago from Mr. Theodore Teepe, of Seattle, Wash.

Mr. Teepe's communication leads to the land question. His views are accepted by many people in Washington State. He draws the conclusion that land monopoly, land privilege, and land speculation is a curse to the State.

He further emphasizes the proposition that cooperation conserves energy, and there are many who agree with each of these conclusions.

I insert his communication because I believe he covers important features of the land question:

SEATTLE, *July 23, 1914.*

Hon. J. A. FALCONER, *Washington, D. C.*

DEAR SIR: With the object of directing your attention to certain great questions of human welfare, I am taking the liberty to address you.

One of the big questions of immediate concern is, "What can be done to encourage business?" An analysis of the word "business" almost suggests the answer to the question. Business is nothing but "busy-ness"—that which one is busy about. In that sense all people who do something to make the world richer and better are business people. The term "business" has been associated entirely too much with the idea of exploitation. It is time we were bringing it back to its proper meaning.

If business is nothing but one's busy-ness, it is clear that one must have free play to be busy or active. That suggests just exactly what is the matter with business to-day. Its activities have been restricted to such an extent by the legalized special privileges of the few that business hasn't even room enough to turn around.

The most restrictive of all economic forces is land monopoly. There is not a monopoly of any kind that is not based on land privilege. Neither machinery nor any other commodity contains within it the powers of monopoly. If labor owns only the machinery, the landowners can dictate the terms of employment; but if labor has free access to nature's great storehouse, land, all of the machinery and other commodities in the world now privately owned could be duplicated in three or four years. The existence of the machine is in the mind of him who can construct it.

To open up business opportunity is merely a matter of making labor's access to natural opportunity easier. Holding land out of use is like owning a tollgate. Such tollgates should bear the full burden of our taxes, and such taxes should be increased, little by little, until it would be impossible for anybody to hold a piece of land out of use and profit by it.

LAND SPECULATION AN ECONOMIC CURSE.

Land speculation is probably the greatest of all economic curses. Betting on the rise in value of city lots and farm and timber lands has ruined tens of thousands, and, besides, practically all the stock-market gambling has its foundation on land privilege. The rise in the value of land automatically brings about hard times. When capital can get access to land—which includes timber, water power, minerals, etc.—prosperity abounds, but that very prosperity causes land values to rise until finally capital refuses to pay the high price and the panic is begun.

TAX LAND SPECULATION.

It behooves everybody who lives by the sweat of his brow, whether he be farmer, merchant, or laborer, to start on the steady and persistent policy of taxing all land speculation out of existence. Every penny of increased taxes on the privilege of holding natural opportunity out of use would make the storehouse of nature easier of success and increase the prosperity. If such a policy were started and steadily persisted in, there would never be another period of business inactivity, and when the final goal was reached where all speculative value was taxed out of natural opportunity, the human race would be free from economic oppression.

Think of the wealth producing capacity of such a people! Think of their capacity to enjoy the great and sublime things of life! And yet we, as a society, seem to be afraid to move in the direction of freedom, even though each step would bring greater and greater prosperity.

COOPERATION CONSERVES ENERGY.

Along with opening the storehouse of nature we must learn to save energy by cooperation. Cooperation is the great watchword of the century. Instead of waiting for a paternal Government to do things for us and make life one endless battle with politicians, we should learn to cooperate without the assistance of the State. Cooperative societies based on free access to land, and a money system which can not demand interest except for risk incurred, would make it impossible for the producers to be exploited. Such cooperatives would be run by the workers in, or, in other words, the owners of, that particular cooperative industry. Under a State-owned industry the whole State would be interested in its management through officials appointed or elected for the purpose, and the workers would be enslaved by voters who mean well but who could not be well enough informed to vote intelligently on the intricate questions involved. The small cooperative organizations now in existence are not temporary affairs, to be superseded by State-owned industries, but they are the beginning of the great voluntary organization of society so many dream about.

With this great goal in view, there are many things to do to-day and next day and the next. The Government should do everything in its power to widen the scope and make freer the activities of business. It should organize a nation-wide bureau of information about employment. A department of markets should be organized, with elaborate daily reports of market conditions affecting each locality. Special agents should be sent into every part of the United States to give aid to farmers in particular in organizing cooperative purchasing, selling, and producing societies. A special study of uncertain industries, such as the timber industry, and seasonable industries, such as farming, fishing, etc., should be made. It should be possible to do much to coordinate or dovetail the unsteady or temporary industries so as at least to mitigate their worst features.

When labor in the city and the country begins to cooperate it will demand cheaper money. The money bill recently passed makes plain that sound money should be based on wealth of ready commercial value. The Federal Reserve Board is authorized to issue currency against approved commercial paper, but for each hundred dollars of currency issued there must be deposited as security $100 of approved commercial paper and $40 in gold. It is the gold security that gives Wall Street the money monopoly. It is readily seen that the amount of currency is limited to two and one-half times the available gold, and the power that controls the gold controls the whole money system. Some day our money system will be based strictly on a commodity security and gold will have no advantage over any other commodity. If an individual or an organization has security of proper value, there is no economic reason why they should not be loaned money direct and without interest.

The legislator who can aid labor in realizing that there are ten or a hundred jobs for every laborer if all the restrictions are taken from natural opportunity, and then can aid in clearing away the rubbish so that labor can learn to cooperate, will be of great service to humanity.

With great respect, I am,

Yours, very truly, THEODORE TEEPE.

Mr. Thorwald Siegfried, of Seattle, wrote me some time ago, emphasizing the importance of land distribution to the end that independence and prosperity may come to the community and State.

I desire to read this letter, together with an article of his own writing published some months ago.

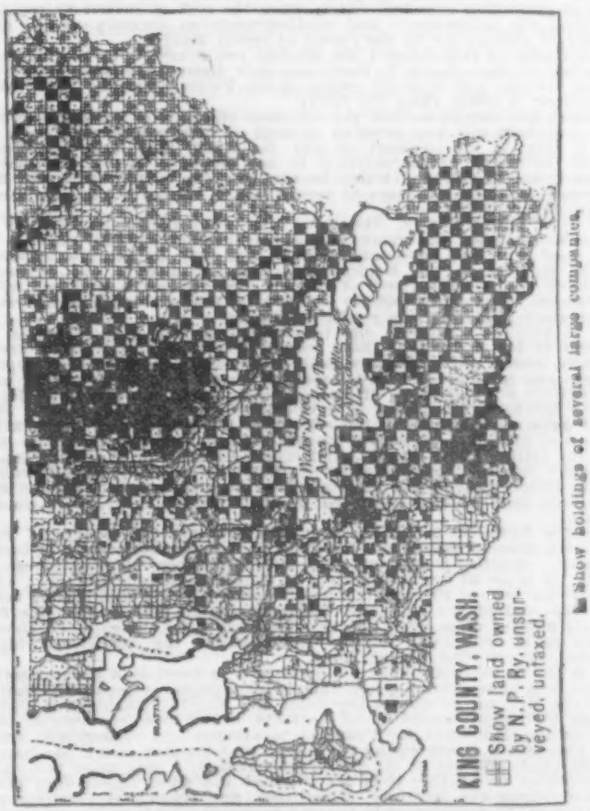
The accompanying map shows the large holdings of landowners and, further, the large areas of unsurveyed, untaxed lands in King County.

The area in black is largely timberlands and will not be available for agricultural purposes until the timber has been removed.

It is all interesting, and I insert this article and letter for the purpose of giving to the public the viewpoint of one who has made a study of the land problem and who has reached the conclusion that the land belongs to the people for their legitimate use and of right should not be held as the wares of exchange for the land speculator.

FUNDAMENTAL REFORM LEAGUE ISSUES MAP INTENDED TO SHOW SIX MEN HOLD MOST OF PROPERTY.

(By Thorwald Siegfried.)



The first day the Seattle Sun appeared its first editorial spoke for the future greatness of Seattle and pictured a metropolis without slums.

Next year immigrants out of whom slums usually grow, will begin arriving by hundreds and thousands.

The question is, Shall the immigrants form slums in the city or create wealth, commerce, and prosperity by working land?

What can the immigrant do with the land shown in the map in black—owned by six corporations?

Some of it is for sale, some can not be bought at any price. For instance, try to buy a lot or an acre in the big tract of timberland below West Seattle, inside the city limits. It is simply not for sale. In New York City the Astors put big signs on their property, "Astor estate: Not for sale." It is the same in King County but without the board signs. If it were for sale the price would still stand in the immigrant's way and would be a demand on him that he pay money and labor for something that is the Creator's gift to the race. Trying to determine what is a "fair" price for natural resources is like trying to find a "fair" price for permission to put a tollgate across Second Avenue; there isn't any fairness about it, looking at it from the immigrant's point of view.

Besides the land shown in black, much of the white land is also held idle for speculation, and it is not to be wondered at that the immigrant stops in the cities, where he can "flop" from night to night at 10 or 15 cents per, instead of going on to land for which tens, hundreds, and thousands of dollars are demanded before he can perform the labor for which we really want him to come here.

The real crux of the situation has been revealed in the dealings between the city of Seattle and the Northern Pacific in the watershed area. The condemnation jury ascertained, and the city will pay, the present value, in money, of the land and timber taken from various owners.

Rather than sell its land and timber at their present value, the Northern Pacific gave the city its land, free of cost, providing it could keep the timber and could remove it sometime within 30 years.

The value that is expected to accrue in the future is the lure that makes men hold land which they will never use themselves.

King County would take the greatest forward step in its history if it could, lawfully, and would pay the owners of all its lands what they are worth to-day and then throw them open to those who would actually use them productively, either without cost or at a cost never to exceed their present value.

Immigrants will test the soundness of our institutions. The fact that they give us concern in so new a country is proof that things are not altogether right. Oregon and Washington, if they had the whole population of the United States within their borders, would have a population less dense than that of England.

Seattle already has a small slum condition, revealed by the activities of Building Inspector Josenhans; the growth or extinction of slums depends in a large measure on what we do with the land.

The sections of land marked with double crosses on the map and similar lands in other counties are the lands affected by Congressman FALCONER'S proposal to have unsurveyed timberlands listed for taxation. At present they are untaxed, and the Government in protecting its timber from fire protects these untaxed lands also.

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SEATTLE, *July 25, 1914.*

Hon. J. A. FALCONER, *Washington, D. C.*

DEAR SIR: The foundations of our civil liberties were laid in the Magna Charta of 1215, of our religious liberty in the foundation of the American Colonies, and you, as a Member of Congress, can take part in grounding economic liberty upon the rock of justice by making practical the adjustments and readjustments so urgently needed and so clearly pointed out by the events of recent months.

As a part of this letter I am sending you a review of the Mexican situation by Hon. Louis F. Post, Assistant United States Secretary of Labor, founder and formerly editor of the Public, Chicago, from which the review is taken (May 29, 1914).

Mexico has taught us that the existence of a law or custom whereby men may hold idle any quantity of land or may permit other men to use it only on the payment of rent, for which they make no return except the giving of the privilege to use the land—a privilege which is not theirs to give and which inheres in every man by virtue of his existence—that the existence of such a law or custom breeds revolution of the unquenchable sort.

* * * Governments, like men, reap what they sow. You as a Congressman have the great privilege of helping our Government to sow good will and peace and wisdom not only in the international affairs incident to the Mexican situation but also in our domestic problems which, like those of Mexico, are too much polluted with selfishness, fear, and violence to endure the successive cataclysms which their malformations render inevitable.

It is needless for me to cite to you figures or specific instances in support of the claim that those economic relationships which express tyranny, greed, and constant violence have so far extended their depredations and have become so detested in the public conscience that our alternatives are only those of intelligent, conscientious effort at reform on the one hand as opposed to a violent overthrow on the other. For one I have faith enough in the efficacy of the former and in the willingness of men such as you to cooperate to that end, so that I do not fear the latter; yet I do not blind myself to the fact that our people are more irascible, less phlegmatic, than the siesta-loving Mexicans, and to tempt them to use in retaliation the violence with which they have been deceived and oppressed would be as foolhardy as it would be fatal.

Already 5,000,000 people in New York City are the tenants of but 125,000 landlords, and census returns show a constant increase in farm tenantry. Seattle, a city of over 300,000 people, is situated in a county as large as Delaware, rich in minerals, timber, and soil; yet over 40 per cent of the county's area is owned by six interlocking corporations, and of the remainder much more than half is held idle by a small number of persons. Mexico has taught us not so much about Mexico as it has taught us the significance of the conditions which we meet in everyday life at home.

Is it too much to ask that Congress take in hand as a Federal matter the task of ascertaining how far we tolerate institutions which have made the Mexican revolution inevitable and inextinguishable? If there is need for enlightenment as to the facts, is the task too large or too vital or too dangerous for Congress to attempt? I respectfully urge upon you that it is not asking too much; that the task is not too large, not too vital, and not at all dangerous. Indeed, I urge upon you consideration as to whether it is not the first and most urgent duty now devolving upon the Members, committees, and Houses of Congress to ascertain whether monopoly in natural resources—land, water, minerals, and sites—is not wholly deleterious to our welfare as a Nation and as individuals

I do respectfully recommend that a joint committee of the two Houses of Congress be authorized to make investigations, collect data, and take testimony, and to publish the results thereof, with respect to the causes and incidents of the Mexican revolution and their relationship to the internal problems of the United States.

Respectfully, THORWALD SIEGFRIED.

Mr. Chairman, I am inserting herewith extracts from the article of Mr. Louis F. Post referred to in Mr. Siegfried's letter. It is evident that Mr. Post attributes the persistent discord and ever-menacing turmoil which has characterized Mexico for a century to a land-spoliation system. Treating this subject, he says:

Beginning with the revolution of 1810, under the patriotic priest, Hidalgo, and closing with the military progress of the Constitutionalists in 1913, this history lays bare the terrible experiences of the Mexican masses in their patient efforts to recover land and liberty under law—under better laws in many ways than we boastful "Saxons" can truly claim our own to be.

Their struggle of a century has been animated by the longing of Mexican peasants to democratize Mexican land. Hidalgo led the first revolt. The land was in process of restoration to the people for tillage when he, betrayed to the aristocracy by one of his own officers, was condemned and shot for "treason." But the hundred years' war had only begun. Under the leadership of Morellos, the first constitution was adopted in 1813. It recognized equality of citizenship and established liberty of the press, a free ballot, abolition of personal taxation, partial abolition of land monopoly, and the popular initiation of laws. In 1815 the pendulum swung backward again. Morellos also was executed. Still the war went on, and the pendulum once more swung forward. A new constitution was adopted in 1824—though for national independence rather than popular freedom—and Guerrero, the great Mexican "Commoner" became President. Guerrero abolished the last vestige of chattel slavery, and loosened the bonds of peon servitude. His successor, however, was treacherous to the people, and there was despotic reaction again. But again not for long. The democratic spirit came uppermost in 1833, when for a little while popular government resumed its sway, but only to be thwarted by revivals of the old aristocratic, ecclesiastical, and military conspiracies. Through these, Santa Ana vaulted into the dictatorial saddle.

At this time Mexico offered temptations to the American slave-ocracy similar to those which have more recently made American plutocracy keen for war, and our war of conquest began. Its passions have lingered in Mexico all these years. The Mexican people have distrusted us ever since. Nor without reason. Our object in making war upon Mexico remembered, and the efforts of American investors in Mexican concessions to precipitate another war of conquest considered, why should they not be distrustful?

On both sides that war of Santa Ana's day was "a rich man's war and a poor man's fight," as most wars are. It served to solidify the Mexican classes while it lasted, but when it was over the long-drawn-out Mexican civil war of 1810 revived. The revolutionists under Alvarez were triumphant at first in this democratic revival, but his successor, Comonfort, was soon afterwards displaced by upper-class conspiracies. Conciliatory to those propertied interests of his country, which never in any country conciliate except to gain leverage for a vicious spring. Comonfort ended his life in exile.

Meantime, however, the constitution of 1857—perhaps the most advanced democratic constitution in history—was adopted. It declared that the right to landed property depends upon occupation, and that this requisite can not exist "unless the land be worked and made productive." Described by the authors of this history as "the exact expression of the Mexican people, as distinguished from the church, army, and aristocracy," the democratic constitution of 1857 had been 47 years in the making. For 57 years following the Mexican peasantry had fought for it against treachery within and speculation from without. They are fighting for it yet.

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Not only did the Mexican constitution of 1857 demand the land of Mexico for the industrious people of Mexico; it expressly recognized that "the rights of man are the foundation and the purpose of social institutions"; that "everyone is born free"; that education must be free; that "every man is free to adopt the profession, trade, or work that suits him—it being useful and honest—and to enjoy the product thereof"; that "no man shall be compelled to work without his plain consent and without just compensation"; that "the liberty of writing and publishing writings upon any matter is inviolable"; that religious institutions shall not own real estate, except buildings used immediately and directly for their own services; and that there shall be no law establishing or forbidding any religion.

The ecclesiastical attempts to overthrow this constitution, aided by foreign influences, were unsuccessful, thanks to the patriotic leadership of Juarez, until France established an imperial throne in Mexico with Maximilian upon it. When Maximilian's throne toppled, Juarez came again into high service and for nine years made that splendid constitution of 1857 a living thing. He remained the people's President from 1867 until his death, being again and again elected by free popular vote. During this golden reconstruction period Mexican peasants peacefully tilled the little farms that had been carved for them out of great estates, under their constitution of 1857.

But when Juarez had passed away, Diaz came into power. This was in 1876. The civilizing work done by Juarez has, by iteration and reiteration, been falsely attributed to Diaz. His own work consisted not in building up the Mexican democracy, but in turning democratic Mexico into despotic and barbarous Mexico.

It was under Diaz that the constitutional land reforms of Juarez were swept away by stupendous frauds, made effective by unbridled power. The details are shocking. Industrious peasants were evicted summarily from their little holdings, lawlessly and without even an investigation of their rights. The Diaz policy was the immediate cause of a renewal of this hundred years' war, the modern echoes of which we have been recently hearing from Torreon, Tampico, Saltillo, San Luis Potosi, and even from the City of Mexico.

* * * * * *

The land question is the core of this struggle by Mexican peasants for equal rights and by their adversaries for monopoly privileges. Until the land question in Mexico is settled, and settled right or in the right direction, the hundred years' war in Mexico, now well into its two hundredth year, will not end. There can be no permanent peace there until the land of Mexico has been democratized.

LOUIS F. POST.

Mr. Chairman, there are many students of land economics who advocate the reestablishment of the country-life commission. President Roosevelt by an Executive order established such a commission. His successor discontinued the services of the commission.

President Wilson, through the Agricultural Department, is giving some attention to rural organization. Dr. Carver, the expert of this branch of the work, is a firm believer in the necessity for a thorough investigation of all conditions pertaining to farm-land location and improvement.

He believes in getting at the conditions of land sales, land taxation, and the cooperative possibilities tending to mutual benefits, for all these details have to do with a farm credits system, which is now being considered by the department.

In consideration of this question with leading men in Congress it has generally been expressed that it was high time for the Government to investigate the methods employed by land speculators.

The rural-organization experts complain that land values, especially undeveloped land values, upon which to establish a farm-loan basis is made difficult by reason of the operations of the speculator and monopolist.

I believe the proper way and the most feasible is to extend the operations of the rural-organization branch of the department to do the work suggested in Mr. Siegfried's communication above quoted.

His position that reckless speculation in "mother earth" should be brought to an end is timely. The Government should act.

Mr. Chairman, I shall emphasize the necessity for an appropriation sufficient in amount to cover special work by the rural-organization branch in the next Agricultural appropriation bill, with a further provision that the department be instructed to procure all information regarding methods employed to inflate the selling prices of undeveloped lands.

A sufficient appropriation should be made by Congress to do this work. Inflated land prices drive men to the cities. "Idle land makes idle men."

Mr. GOOD. Mr. Chairman, this amendment presents a very interesting question. I am not in favor of the amendment of the gentleman from Illinois [Mr. FOWLER], because I believe that franchises of this kind should be perpetual in so far as the period of time is concerned. The rule of law is not different in respect to a water-power project from what it is in respect to gas companies and water companies or electric companies that occupy the streets of our cities. The Supreme Court of the United States has frequently held that when a franchise is given to a company to occupy the streets of a city for the purpose of laying gas pipes, water mains, or erecting electric-light poles to furnish a public utility the company so engaged in that enterprise is entitled to a rate that will not only pay a fair return upon the capital invested, make the repairs, and provide for the depreciation, but that will be sufficient at the end of the period for which the franchise has been given to turn back to the company its capital unimpaired.

What is the question here? The gentleman's amendment, if it means anything, would give to those men that will put their money in water-power propositions their money back at the end of 30 years, in addition to the annual interest thereon. The investment ought to be one that will continue for a great many years. The plant should be operated under regulations and rules, in this case, that will permit the Secretary of the Interior or a public-utilities commission of a State to regulate the price to be charged for power. I do not care what company or what individual may be granted the privilege and you do not care what company or what individual may own the water power any more than you care what company owns the gas pipes or the electric lines in your city. What you are interested in and what the people are interested in is a low rate, and in order to get a low rate for the commodity furnished you must give a long period of time, with proper regulations and with a right in the Government to purchase in the meantime.

Mr. FOWLER. Mr. Chairman, will the gentleman yield?

Mr. GOOD. I yield for a question.

Mr. FOWLER. Why not, then, make it indefinite?

Mr. GOOD. That is what I am arguing for, with the right to regulate the price, because I am not in favor of paying the man who puts his money into the plant a fair return upon his property and then every 30 years pay him back what his investment amounted to, and that is what the gentleman's amendment means.

Mr. FOWLER. The gentleman will deprive the people of the right of recovery entirely?

Mr. GOOD. Not at all. I would give the people a greater protection than the gentleman's amendment gives them. I would give them a lower rate, with the right of the Government to buy the property on reasonable terms and conditions.

Mr. FOWLER. When?

Mr. GOOD. At any time.

Mr. FOWLER. That is all right if it is provided that it may be done at any time.

Mr. GOOD. But the gentleman's proposition fixes a time when a person must have his investment back, and in order that he may get his investment back at frequent intervals the patrons must pay an increased rate. If the gentleman will look at the decisions, he will find that every decision of the Supreme Court has been to the point that the rate must be high enough to yield enough money so that at the end of the franchise the company shall not only have paid a return upon the investment, but shall have enough money out of the rate so fixed to return the original investment in cash.

Mr. FOWLER. Then why does not the gentleman offer an amendment to that effect? The bill does not provide for reclaiming the property at any time.

Mr. GOOD. This is not my bill, and I am amazed at the chairman of the committee, who says that the House is foreclosed from ever taking such action. Think of his claim that this great House of Representatives, claiming to be progressive, can not take an action that is right because it has already taken an action that is wrong. This, too, in connection with a bill that everybody knows will never become a law. I believe that if some one had offered a motion to strike out all after the enacting clause in the Adamson bill at the proper time the gentleman in charge of the bill, the chairman of the Committee on Interstate and Foreign Commerce, would not have resisted it.

Mr. FERRIS. Oh, the gentleman is speaking facetiously, and surely does not mean anything he says.

Mr. GOOD. I mean that it is a very peculiar argument when the gentleman says that the House is foreclosed against ever taking action in respect to a perpetual franchise in matters of this kind simply because in the Adamson bill it fixed the franchise period at 50 years. That is not only laughable, but it is ridiculous. That is standpatism run mad.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. RAKER. Mr. Chairman, some years ago—February 15, 1901—the House passed an act which gave the department the right to grant rights of way for pipe lines, telephones, electrical purposes, reservoirs, etc. Now, at that time the House thought it was extending conditions a long way, and it gave in that bill the same power as in this, so far as handling the public domain is concerned, and the question of tenure was fixed at the will and pleasure of the Secretary of the Interior. After men had gone out and expended their money, had expended hundreds of thousands of dollars, and even running into the millions, when they were then in a position to do a legitimate business, their revocable permit was ended, their right was determined, and they could proceed no further; and, practically speaking, the development of water power in the Western States has been at a standstill for the last six or seven years. There has been a clamor in this country for development. The people had the money and the people wanted to develop it. They recognized and realized that a few had obtained the right by purchase of private lands and water rights and ditches, some from the public domain, and had obtained an absolute monopoly upon the power situation; and my distinguished friend from Illinois, who talks about monopoly, evidently has not seen the condition of the West. Evidently he does not know the situation in the West. For the last eight years we have been doing but little development. We have been in the grasp and the control of a few interests, and the act of 1901 continued to give them that grasp; and this bill is for the purpose of relieving the situation so that the people may have a chance to develop this great industry—have a chance to develop that great country—and that the money not only of this country but of the world may go to the western country, where they can develop and receive a fair rate of interest and obtain a safe investment.

I know my friend from Illinois, judging what is in his mind from what he speaks, is not in favor of continuing this undevelopment. The very purpose of giving this time of 50 years is so that these men can expend their money to the end that they may charge a reasonable amount for the power that they furnish. We place restrictions on them. If we add to their rates and charge them large sums for it, then the consumer will have to pay for it in the end. This is not what we want. The consumer that my friend spoke about is always the man to go down in his pocket and pay it. Notwithstanding all the talk you may make, every engineer, every man who understood this subject who appeared before the committee, stated that in the long run the consumer will be compelled to pay, and therefore this bill ought to be made 50 years at least, so that this property may be properly developed, so that the consumer will not be absolutely robbed in the meantime, because he wants a little power. We have absolute control. This Congress can control these grants and make regulations when you make a grant like a private individual can. In addition to that, in addition to the rules and regulations specified by Congress under the provisions of the grant, the public-service corporations of each State can control them and make them sell their property, not only sell to all who may ask but make them sell at a reasonable and fair value to the consumer at all times; provided they get a fair rate of interest upon the money invested. What more do you want? The history of this country has been against leasing, has been against entailing, has been in favor of title in fee

simple from the Government. If these leases were indeterminate, if this property were sold outright and fee given, they have full control in regard to its service, in regard to all supplies, and what has made this country one of the greatest under the sun is to give each man, each institution, a fee simple title, in what he deals with, but at the same time keeping the control over the charges that he may make when he furnishes it to the public and when it is a public service——

The CHAIRMAN. The time of the gentleman has expired.

Mr. MONDELL. Mr. Chairman, I rise to oppose the amendment offered by the gentleman from Illinois and further to crave the indulgence of the committee for just a moment to call attention to the fact that this is a great and glorious day in our history as a people. This day, if all has gone well, down yonder on the Isthmus the good ship *Ancon*, newly painted, flag bedecked, with a delegation of representatives of the Republic of Panama and of the courageous men who have planned and completed the canal for us, is steaming from the waters of the Atlantic through the giant locks of Gatun out onto the great inland lake, over it and through the great cut of Culebra, through the locks of Pedro Miguel, and down to the Miraflores Lake, and just about this good hour [applause], just about now, it ought to be locking through the Miraflores Lock down the watery stairs to the calm waters of the Pacific. [Applause.] It is the modest but impressive unofficial opening to commerce of the greatest engineering work of all times. Thank God, it was undertaken by our people, carried through in less time than anticipated, more cheaply than we could have reasonably expected, without unnecessary loss of life, without a breath of scandal, it stands a monument of all the ages to the ability, the courage, the honesty, and the endurance of a great people and their honored representatives who have performed this great work. [Loud applause.]

Mr. CULLOP. Mr. Chairman, I would certainly vote for the amendment of the gentleman from Illinois, because I believe that a 50-year franchise in all works to be constructed under this bill would be too long, and I would vote to support his amendment if it were not for the language in the bill which provides for a period not longer than 50 years. Now, the gentlemen who are advocating the shorter period are contending that the grant, as I construe their arguments, must be for a period of 50 years. In this position they are mistaken, because he can make the grant for any period not to exceed 50 years. This meets their objection in this matter. The administration of this measure is lodged in the Secretary of the Interior, and the whole of it is dependent upon his good judgment. There are many of these plants that will entail a vast amount of expenditure for which the 50-year franchise would not be too long. There are many others for which I think 25 years or even 20 years would be amply long. But if the Secretary of the Interior is constructed upon the right plan and wants to protect the people of the country against the invasion of water-power monopolies, that power is lodged in him in the language of this bill.

And the administration of this law, whether it be good or bad, necessarily because of the law itself, depends upon the conduct and the judgment of the Secretary of the Interior. If he is constructed right and wants to do the right thing by the American people, by this great Government, he can make this an instrument of wonderful power and of wonderful benefit to the American people; but if he is inclined to favor monopoly, combines, and trusts, he can work a wonderful injury to the American people.

Now, I do not agree with these gentleman who say you must give a 50-year franchise in order to get capital. I know men interested in water power are making such assertions as that here. But gentlemen must not forget that they are not talking for the interests of this country, but are talking for their own interest and their own profit. It is a notorious fact that the franchises under the statutes of many States for cities, granting franchises for waterworks, for gas mains, for electric lights, and for all public utilities, can not be granted for a longer period than 20 years, notably, in Indiana, and perhaps a number of other States; and there is not a city in that State, or any other State having such a law, that has ever had to put an advertisement in any newspaper in this country to get capital to come to construct an electric light, waterworks, or any other public utility. They will invest their money in a city franchise involving in many instances quite as large an expenditure as is required to construct a water power or develop the properties. There will be no trouble to get capital, I assert, to make investments in these water powers, which will be vastly more profitable than public utilities in the cities. So the talk that capital will not invest in these properties amounts to nothing when you sift it out on this proposition. There will be no trouble, I predict, in that respect. And the men who have been making that argument around the committees and around the corridors of this House are not talking for the interests of the American people or the Government of the United States, but they are talking for their individual interests, to enhance their private investments or investments they propose to make.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. CLINE. Mr. Chairman, I am opposed to the amendment offered by the gentleman from Illinois [Mr. FOWLER]. I am not intimidated, Mr. Chairman, into voting for it because of the statement that we are liable to be involved in socialism if I do not. I believe that the democracy of this Republic after a hundred years of experience, after it has found that the liberties of the people are preserved by an obedience to law, will not turn away after that experience to the vagaries and theories advanced by Socialists. I am as much opposed to socialism as I am to communism, to nihilism, or to anarchy. They are children all born of the same mother, and all related except in a little different degree.

I am surprised, Mr. Chairman, to hear the chairman of this committee assert that the water-power monopolies are to be controlled by giving a 50-year franchise. That is not the remedy. You can not take the power to control water franchises away from these water-power companies by limiting the franchise. The only method to control water-power companies is to control them by limitations written in this bill and statutes to be enforced as to their power to inflict injuries upon the people. What is the difference between 25 years and 50 years? No man who has advocated 25, or 30, or 50 years, as a remedy for monopolistic oppression has pointed out how that number of years is going to effect the purpose.

If this Congress is wise it will write into the statute such limitations and put the execution of the statute into such hands as will absolutely control the operation of the parties having the right to develop hydroelectricity, and that is the only method by which and through which it can be done.

Gentlemen talk about preserving the rights of the people. The rights of the people will be preserved when we limit the operation of these companies through the statutes that we write, and in no other way. I am for this bill, Mr. Chairman, because I believe this settles one question—a question of control, and puts that control in the Federal Government—although I believe this bill has more holes in it than there are in a skimmer when it comes to its practical application, because there is no express and definite limitation written in the text. Yet I believe it to be in the interest of the people, because it initiates a beginning of development that future legislation may safeguard. In my opinion, there has not been a bill introduced in this House in the five years I have been here that so opens the door to monopolistic control as this bill does, and does it in favor of the water powers. Why? Because those restrictions that ought to be put in this bill in order to protect the people are absent. That is the reason. And gentlemen say we will preserve the rights of the States. Why, my friend, it is as natural to tend toward centralization as it is for democracy to exist, and we shall continue to do that in this empire of republics as long as the Republic shall stand. When great interstate problems arise in our rapid economic development that involve people beyond the confines of a State, then the Federal Government must be supreme. And the only recourse we have is to hedge about our legislation with such power of limitation as shall protect the interests of the people.

No man has pointed out here why a limitation should be written in this bill, and yet I understand why a limitation is put in. There is a fever of excitement in this country against indeterminate franchises. There is a bill here for the diversion of the waters of Niagara River, and we put a determinate franchise in it not for any well-founded reason, but to meet the spirit of the times on the subject. Every time you limit the operation of a franchise you at the same time load upon the consumer a price for the product that he must pay. That is the truth about the matter. Let us take an illustration from the Niagara Falls proposition, the greatest development of water power probably there is in the United States to-day. Two companies, operating on this side of the Niagara River, have an investment of over $40,000,000 in those two plants alone. Is it to be supposed by men of sound judgment that if those companies were limited to 30 years that you could go into the market and get $30,000,000 to invest in a plant of that character? [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. MANN. Mr. Chairman, on principle I have always been in favor of the indeterminate franchise, properly guarded, as

a regulation. However, I have observed that as a rule in the cities where the franchise for street car lines is limited to 20 years, as is the case in many cities, they work it out very well and do not attempt to collect during the period of the franchise a profit to remunerate themselves entirely for the principal, nor do I think that would be the case here. But the House the other day, when the Adamson dam bill was up, gave more consideration to the question of the length of the franchise than it did to any other proposition that was before the committee. The Adamson dam bill provided in section 9 for a 50-year franchise which should continue until compensation had been made to the grantee for the fair value of its property as provided in the bill, so that it made it a 50-year franchise, and at the end of that time an indeterminate franchise.

An amendment was offered by the gentleman from New Hampshire [Mr. STEVENS] to strike that section out of the bill and to insert a section which made a clear 50-year franchise. That was discussed at length. A vote was had on it in the House late in the afternoon. A point of no quorum was made, and when the House went into committee again I made a point of no quorum, so that the House would be fairly well filled in the committee, and a vote was had upon it by tellers. The amendment, making it a straight 50-year franchise, prevailed. I did not vote for the amendment. I voted against it. I thought it was worse than the provision in the bill. But the House having taken its position on this question in the Adamson bill, regulating the construction of dams over navigable waters, it would be made to look very silly if to-day, on another bill regulating dams over other waters, it should reverse its position and take any other position on a matter of that sort. Hence I am in favor of the provision in the bill for a 50-year franchise, recognizing, as I do, that in any event, whatever the length of the franchise is, the right of regulation during the period is preserved, and the value of the property at the end of the period is preserved to the owners of the property.

Mr. FERRIS. Mr. Chairman, I wish to consume only a moment, and then I shall ask for a vote.

The gentleman from Indiana [Mr. CLINE] was of the opinion that this bill had no features of regulation in it. I want to call his attention to the fact that we are considering only the first section of the bill at the present moment, and that all through the bill, first and last, and almost in every section, there is an absolute power of regulation. In other words, the Secretary of the Interior has the right to incorporate in the lease or in the contract, which is the very vital part of this whole transaction, such conditions, such safeguards, such provisions as will protect the public interest, so that the gentleman treats the committee without fairness when he says the bill is totally without regulation. Again——

Mr. CLINE. I did not want to cast any reflection on the committee, and did not do so. I did not say that. I said the bill did not have such regulations as I thought ought to be in the bill.

Mr. FERRIS. Then I misunderstood the gentleman. I gladly stand corrected.

Other gentlemen have made statements to the effect that the bill could be driven through with a team and six, and so forth. I shall not take any offense at that; I feel sure such statements can not be borne out. In any event the bill is open for amendments and any oversight of the committee will be corrected by the House. I do not want the House even momentarily to think that this bill is the product of my own handiwork. I hope no one has at any time been misled about that. This bill was framed after an extended conference with engineers from over the United States, after conferences with leading Senators, after conferences with Members of the House, and later after conferences with officials of the Geological Survey, the Interior Department, the Agriculture Department, and so forth; so that it is not a jumped-up affair, it is not a bill that has been without careful consideration. It is, on the contrary, a bill which has been very carefully prepared, however much it may be slandered on the floor of this House. It is easy for men who have given no consideration whatever to water-power legislation to jump up here and say, "This is merely waste paper." But a close analysis of the bill, a close analysis of its effect, and an analysis of the consideration which it has had will not bear up any such assault as that. On the contrary, this bill is open to such amendments as the committee desires to offer. It is subject, of course, to amendments from the Republican Party and from the Progressive Party and from the Democratic Party that will help the bill.

I call attention to the fact that the Republican Party and the Progressive and the Democratic Parties all helped to make this bill. The conferences that brought it into existence were all nonpartisan. The members of the committee acted in unison and accord. All the great political parties are pledged in their platforms to something along this line, and this House ought to do something. I am glad to see some of the Republican Members helping; I am glad to see the Democratic Members helping; and I am glad to see the Progressive Members helping. And I am proud of the present Secretary of the Interior for his attitude on this subject, because he took the lead in this matter and has blazed the way; and I am glad to see him taking hold of the plow where ex-Secretary Fisher left it, and doing work in keeping with the work of the preceding Secretary and in keeping with those people in this country who have given most thought to this matter.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. FOWLER. Mr. Chairman, I ask for a rereading of the amendment.

The CHAIRMAN. The gentleman from Illinois [Mr. FOWLER] asks that the amendment be again reported. Is there objection?

There was no objection.

The amendment was again read.

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the Chairman announced that the noes seemed to have it.

Mr. FOWLER. Mr. Chairman, I ask for a division.

The CHAIRMAN. A division is asked for.

The committee divided; and there were—ayes 5, noes 39.

So the amendment was rejected.

Mr. CURRY. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from California [Mr. CURRY].

The Clerk read as follows:

Page 2, line 17, after the word "Interior," strike out the words "may, in his discretion."

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. CULLOP. Mr. Chairman, may we have the amendment reported again?

The CHAIRMAN. Without objection, the Clerk will again report the amendment.

The amendment was again read.

Mr. CURRY. The word "shall" should be inserted.

The Clerk read as follows:

And insert in lieu thereof the word "shall."

Mr. CURRY. Mr. Chairman——

Mr. FERRIS. Mr. Chairman, I ask unanimous consent to close debate on this amendment at the end of five minutes. We debated this matter thoroughly on the first day on the question of making it mandatory.

Mr. CURRY. I had another amendment there that I wanted to offer.

Mr. FERRIS. This does not preclude the offering of that amendment.

The CHAIRMAN. The gentleman from Oklahoma [Mr. FERRIS] asks unanimous consent to close debate on this amendment in five minutes. Is there objection?

Mr. RAKER. Reserving the right to object, I do not want to take time; but I did not offer any amendment on this. This is a different proposition.

Mr. FERRIS. The gentleman offered it on the first day, to make it mandatory.

The CHAIRMAN. Debate is not in order. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The CHAIRMAN. The gentleman from California [Mr. CURRY] is recognized for five minutes.

Mr. CURRY. Mr. Chairman, it seems to me that the Secretary of the Interior should be required to give preference to the application of a sovereign State or any of its political subdivisions for the lease of a national resource within the boundaries of the State. This amendment makes it mandatory that the Secretary of the Interior shall give the preference to the filings and applications of States, counties, and municipalities. Under the bill as it now reads it is within the discretion of the Secretary of the Interior. It seems to me that that discretion ought not to be vested in the Secretary of the Interior, but that the provision should be mandatory that he should be required to give preference to the applications of States, counties, and municipalities. I do not care to take up the time of the committee; but I will state that a number of years ago the city of San Francisco made up its mind that it wanted to get the water and power from the Hetch Hetchy Valley. It took years to get the bill through this House. The city of San Francisco had one or two permits from the Secretary of the Interior. In the mean-

time some people in California, recognizing the fact that in time San Francisco would require and acquire the power and the water from the Hetch Hetchy Valley, filed on water and power sites necessary to the project, simply to stand up the city of San Francisco; and they did stand up the city of San Francisco, which had to pay those speculators $1,000,000 for their equity before it could use the water and power sites, the right of way to which was given to them by the Congress of the United States. This amendment of mine rectifies and makes impossible such a condition of affairs as that occurring in the future, and I think it ought to be adopted. And then, again, the filing of the people on a site for public use ought to be given preference over the filing of an individual or a private corporation.

The CHAIRMAN. The question is on the amendment of the gentleman from California [Mr. CURRY].

The question being taken, Mr. CURRY demanded a division.

The committee divided; and there were—ayes 13, noes 30.

Accordingly the amendment was rejected.

Mr. MILLER. Mr. Chairman, I move to strike out the word "required," on page 2, line 22, and to insert in lieu thereof the word "desired."

The CHAIRMAN. The gentleman from Minnesota offers an amendment which the Clerk will report.

The Clerk read as follows:

Page 2, line 22, strike out the word "required" and insert the word "desired."

Mr. MILLER. Mr. Chairman, this is in that part of the paragraph which provides that a prospective lessee may enter upon the public lands for the purpose of making suitable investigations. Now, the language of the bill is—

For the purpose of enabling an applicant for a lease to secure the data required in connection therewith.

I should like to ask some member of the committee just what is meant by the word "required"? Is it to ascertain some things required by this bill, or is it to ascertain some facts that may be valuable to the man or corporation upon which to determine the feasibility of the project?

Mr. TAYLOR of Colorado. The chairman of the committee [Mr. FERRIS] is out of the Hall temporarily. My recollection of the hearings and the investigation is that before the Secretary will give these permits he will require considerable data; he will want to know all the facts about the project; and we decided that the word "required" was more apt and appropriate under the circumstances than the word "desired" would be.

Mr. MILLER. Does not the gentleman think the word "desired" would be more suitable than the word "required," if it is the object to give to the lessee or the licensee the opportunity to acquire the information he wants?

Mr. TAYLOR of Colorado. I do not think it is of very great importance which word we use; but we thought "required" was nearer the intent. The meaning of the word "desired" might depend on who desired it.

Mr. MILLER. It makes this difference: The rights of the man or the corporation are to be determined by the law. If the law says he can go upon the land for one purpose, he surely can not go upon the land for another purpose.

Mr. TAYLOR of Colorado. It is a little more than the law here. The Secretary of the Interior has a right to and will adopt regulations which people will have to comply with, and his regulations will call for certain data that will be required by him, as well as by the law, and we thought that was the proper and appropriate expression. I see no reason to change that word.

Mr. MILLER. Now the gentleman has given me some information that I wanted at the outset. Is it the idea of the committee that the man or corporation, the licensee, can go upon the public lands to secure information that will enable him to answer certain things required by law, by the Government, or to enable him to get information that will be desirable on his part to determine whether or not he wants to take out the license or the lease?

Mr. TAYLOR of Colorado. He has got to obtain certain facts and data to show whether or not it is a feasible proposition, whether or not it is proper for the Government to grant and permit and tie up the site for a year pending somebody's application; and it would seem as though the Government, in order to prevent speculation and possible monopoly and bad faith, in order to prevent wildcatting and uselessly tying up of sites for a year, or probably a number of years in succession, must necessarily, in order to enable the Secretary to carry out the law in good faith, require certain definite investigation, probably rating and measurement of streams, topographical and other surveys, and maps and other things; in other words, to show the man's good faith, and that it is a feasible and practicable proposition, and that the applicant has or can acquire sufficient rights and suitable property to warrant the undertaking.

Mr. MILLER. In the balance of my time I thank the gentleman for his very courteous reply.

Mr. MONDELL. I desire to suggest that what is desired, as I understand it, is to give an applicant the opportunity to secure the information that it is necessary for him to have. Would it not be better to amend the provision so that it would read:

For the purpose of enabling the applicant for a lease to secure data in connection therewith.

Mr. MILLER. I think that would be the exact meaning or practically the exact meaning of the language, if it was amended as I suggested. One or the other ought to be adopted, and if the motion I make to strike out and insert is voted down, the suggestion of the gentleman ought to be adopted.

Mr. RAKER. Will the gentleman yield?

Mr. MONDELL. I am pleased to yield for a question.

Mr. RAKER. The very purpose of the bill would be defeated if the amendment suggested by the gentleman from Wyoming [Mr. MONDELL] were adopted, and that of the gentleman from Minnesota, as well.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. MILLER. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection?

Mr. FERRIS. Mr. Chairman, reserving the right to object, I ask unanimous consent to close debate in 10 minutes, 5 minutes to go to the gentleman from Minnesota and 5 minutes to the gentleman from New Mexico [Mr. FERGUSSON].

The CHAIRMAN. The gentleman from Oklahoma asks unanimous consent to close debate in 10 minutes. Is there objection?

There was no objection.

Mr. FERRIS. Mr. Chairman, let me modify that request and make it close debate on this amendment and all amendments to the section.

Mr. STAFFORD. Oh, I would object to that.

The CHAIRMAN. The request has been put and granted. The gentleman from Minnesota is recognized for five minutes.

Mr. MILLER. Mr. Chairman, I would like to make an inquiry of some member of the committee. As I understand, the opening part of this paragraph, wherein the language gives to the Secretary authority, was debated at length. That is, it was contended by the committee that the language here employed gives to the Secretary discretionary power, and, as I understood the chairman of the Committee on the Public Lands, he said that in his opinion it was wise that the Secretary should be in a position, if there were two applicants, John and Pete, and he thought Pete was better than John to deny John's application and to accept Pete's. If that is true, in what respect is his power enlarged or changed by the proviso, the language contained in lines 16, 17, 18, 19, and the first half of line 20? If he can give preference in his discretion to one corporation over another corporation, to one individual over another individual, why has he not, then, full power to give preference to a municipality as against a private corporation or as against a private individual? Is there any enlargement of his authority contained in there that is not apparent from reading the paragraph?

Mr. FERRIS. I understand the gentleman's amendment is to strike out the word "required" and insert the word "desired."

Mr. MILLER. I had departed from discussing that amendment and was making another inquiry.

Mr. FERRIS. Is the gentleman objecting to the granting of the discretion to the Secretary?

Mr. MILLER. I am not objecting to anything. I am an humble applicant for information.

Mr. FERRIS. Just what is it the gentleman desires to know?

Mr. MILLER. I was inquiring in what respect the authority or discretion of the Secretary of the Interior is enlarged by lines 16, 17, 18, 19, and 20—if under the language of the earlier part of the paragraph he can select one from two or more applicants and give him preference?

Mr. FERRIS. Mr. Chairman, I think the proviso deals with another matter, if the gentleman will read it.

Mr. MILLER. Oh, I have read it twenty times.

Mr. FERRIS. The original paragraph deals with leasing of the property, and the proviso that the gentleman is now speaking to deals with the issuance of the permit. It was our thought that he ought to have discretion.

Mr. MILLER. I beg the gentleman's pardon, but my interrogation is in reference to the language preceding the permit portion of the paragraph.

Mr. FERRIS. I was replying to that as well. It was our thought that he should have discretion both as to the granting of the lease and the granting of the permit.

Mr. MILLER. So that, as a matter of fact, it is redundant.

Mr. FERRIS. We wanted to make it plain; I do not think it is repetition.

Mr. MILLER. I would like now to ask the gentleman from California [Mr. RAKER], if I have any time left, to repeat the query that he made when my time previously expired.

Mr. RAKER. Mr. Chairman, in the provision that the gentleman moved to strike out, referring to the word "required," that is a Government function—that the Government requires of the applicant—and the gentleman's amendment would simply permit the man to furnish such data on the ground that he might desire for his own use and not for the Government's use; and if the amendment suggested by the gentleman from Wyoming were adopted, to secure such data, that might not give the department any information. He might secure certain data and then say, "That is all I want."

Mr. MILLER. What information does the department require of a prospective lessee?

Mr. RAKER. The department wants all of the information that it is possible to get.

Mr. MILLER. I thought that it possessed all possible information.

Mr. RAKER. Oh, no; they are not all wise. They need a good deal of information.

Mr. MILLER. Do I understand that the department does not intend to act upon the information that it secures through its agents, but upon the information secured by the prospective lessee?

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. FERGUSSON. Mr. Chairman, more to answer the gentleman's inquiry than to make any statement, I want to say that the word "desired" obviously is used from the standpoint of the applicant alone—what he desires to get from the Secretary. The word "required" refers to the Secretary's position. A man makes an application—"I desire this." "Well," the Secretary may say, "that is more than is 'required' for your purpose, fairly." Therefore, the word "required" is better, because it is a matter that both must agree upon, and it enables the Secretary to say, "You desire more than you need. We must check that. This is what is required for your purpose, and therefore we will grant you the request as to what is required for what you want to do."

Mr. MILLER. This is an application by a prospective lessee.

Mr. FERGUSSON. Precisely.

Mr. MILLER. To secure information. The information may be of two kinds—one kind that he will himself want to enable him to determine whether he wants to take the lease, and the other may be information required by the department. Surely the word "desired" comprehends information that the man would want or the corporation, and also information that the department might want, but the word "required" is vastly more restrictive. Now, just one word further—I appreciate I am using the gentleman's time.

Mr. FERGUSSON. The gentleman is welcome to it. I have already made the point I desired to make.

Mr. MILLER. I can not conceive of anything that a prospective lessee could want with a permit to go upon Government land in connection with a project other than to ascertain the amount of water, the rainfall in the basin, the amount of flowage of the stream, the accessibility in respect to building dams and getting highways in there, and possibility of the marketing of it, and so on, all reasonable public purposes in the case I present. Now, can the gentleman explain in what way some prospective lessee might want to go on the land and get information that the Secretary would not want him to get?

Mr. FERGUSSON. Not at all.

Mr. MILLER. Then, why is not the word "desired" much preferable?

Mr. FERGUSSON. If the word "required" is used, it still leaves him the right to go and get all the information he might want that he could not get otherwise than from the experts of the Secretary, who is presumed, through his experts, to know the capacity, possibility, and all the features of all of these prospects. Now, the word "desired," it seems to me, gives too much power to the applicant and leaves too little to the discretion of the Secretary, while the word "required" covers the whole business. He can get all the information he wants, but he must content himself with what the Secretary finally determines is required in closing up the lease, if he is to get one.

Mr. MILLER. The only difference, it seems to me, between the position of the gentleman from New Mexico and myself is what this word "desired" does or can do. I think the word "desired" does and can do, and what the word "desired" can not do I think the word "required" can not do.

Mr. FERGUSSON. The gentleman is welcome to his opinion.

The CHAIRMAN. The time of the gentleman has expired. The question is upon the amendment offered by the gentleman from Minnesota.

The question was taken, and the amendment was rejected.

Mr. KAHN. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD on the conference report on the ship-registry bill.

The CHAIRMAN. The gentleman from California asks unanimous consent to extend his remarks in the RECORD on the conference report on the ship-registry bill. Is there objection? [After a pause.] The Chair hears none.

Mr. CULLOP. Mr. Chairman, I move to strike out the last word. Mr. Chairman, I do that for the purpose of asking the chairman of the committee for an explanation of one feature of this bill. On page 2 occurs the phrase, "which leases shall be irrevocable except as herein provided, but which may be declared null and void upon breach of any of their terms." Now, I will ask the chairman of the committee if there is any provision other than this breach of any terms of the leases in this bill for which a lease may be revoked?

Mr. FERRIS. Mr. Chairman, the bill is so broad in its scope and the Secretary is given such unbounded authority to work out rules and regulations, which are incorporated in the leasing contract, which is really the most effective place to incorporate the regulations, prohibitions, restraints, and safeguards because in that event not only the Government is bound but the applicant is bound. He can then make the rules, regulations, safeguards, and so forth, that will protect the public. The exact authority so to do is provided for in one of the later sections. For instance, let me read on page 10, section 13:

SEC. 13. That the Secretary of the Interior is hereby authorized to perform any and all acts and to make such rules and regulations as may be necessary and proper for the purpose of carrying the provisions of this act into full force and effect.

Another section provides the Secretary may incorporate into the lease every regulation that the department, its engineers, and all agree may be desirable in the public interest. Furthermore there is a forfeiture clause in the event of a failure to comply with the terms of the act.

Mr. CULLOP. Now, that is getting back simply to this section. That is the section which says the leases may be declared null and void upon breach of any of their terms. Now, does not the gentleman think as a wise provision here that the phrase "which lease shall be irrevocable except as herein provided," ought to be eliminated from this measure?

Mr. FERRIS. Oh, surely not; because every authority who came before us, and Secretary Fisher was very pronounced in his opinion, and I must read the gentleman what he says; he contended that it would be subject to the same objection as the present revocable permit law which has been the stumbling block to all of them. Let me read you what Secretary Fisher says on page 12 of the hearings just had:

Now, the revocable feature in a permit not only works to the disadvantage of the promotor and developer and investor, but it will also work to the disadvantage of the public. It is perfectly clear that the public ought not and can not, if the permit is revocable, exact such terms and conditions as it otherwise could and should from a man. In many cases we may have a theoretical right to do a thing we do not exercise. If this provision is in the bill you can not expect the permittee, under those circumstances, to make the same sort of a contract with you that he otherwise would. In my opinion it will work out far worse for the public than it will for the water-power man, because the water-power man knows that, as a matter of fact, his permit is not likely to be revoked.

That is on the identical clause to which the gentleman referred.

Mr. CULLOP. I would like to call the gentleman's attention to this feature: Who can bring the suit to revoke the lease—the Secretary of the Interior?

Mr. FERRIS. A citizen.

Mr. CULLOP. A citizen can not act under this and bring a suit; he is not a party to this lease. There is where the trouble comes in reference to this provision. You are lodging in the Secretary of the Interior enormous discretionary power by this bill. If the Secretary of the Interior is all right in protecting the public interests, in protecting the interests of the Government, then it is all right; but if he is not right in protecting the country and the public and the interest of the people, then what is the condition? It is all wrong. In the last analysis it all depends on what kind of a man the Secretary

of the Interior is; upon him the whole thing depends for success or failure, for weal or woe. With him is lodged great authority for the administration of this measure.

No private citizen can come in and bring a suit to cancel one of these leases, no matter how extraordinary the proposition may be. He will have no standing in court; he is not known to the transaction, not a party to the contract, and hence could not be heard, however much he might desire and however anxious and willing he might be to protect the public and enhance the public interest.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GOOD. Mr. Chairman, I offer an amendment. I move to amend by adding the words "of the Interior" after the word "Secretary," in line 1, page 3.

Mr. FERRIS. I think that ought to be agreed to, Mr. Chairman.

The CHAIRMAN. The gentleman from Iowa offers an amendment which the Clerk will report.

The Clerk read as follows:

Page 3, after the word "Secretary," in line 2, add the words "of the Interior."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Iowa.

The amendment was agreed to.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last two words. My purpose in making that motion is to inquire whether it is proposed to grant unlimited time for the renewals of these permits under the phraseology of this section. You limit the preliminary permit to one year in duration, and then provide that it may, however, upon application, be extended by the Secretary without any limitation whatsoever as to its length. I hardly think the committee intended to have the extension after the expiration of the first year unlimited in extent.

Mr. FERRIS. The gentleman has stated the facts as they are and drawn the correct inference from the language. As I said earlier in the afternoon, it developed in the hearings that in some instances the surveys and the preliminary steps to be taken in these water-power concerns aggregated over a million dollars. In fact, several engineers called our attention to several projects that had exceeded that.

Mr. STAFFORD. I heard the chairman's statement as to that several times.

Mr. FERRIS. If a man in good faith held a temporary permit and had proceeded as best he could for 11 or 12 months, and had his proposition 95 per cent closed, we thought the Secretary ought to have a little latitude.

Mr. STAFFORD. You are granting the Secretary not only limited latitude, but unlimited latitude, because there is no limit of time on the extension. He might abuse his authority by tying up all the water powers indefinitely, and we would not be able to stop it. Why should we not limit that extension at least a year, so that other persons who might wish to develop the water power might be given the opportunity in case the first applicant would not be willing to proceed. The Secretary of the Interior might use this as a cloak to keep the water power from being developed.

Mr. FERRIS. If the gentleman wanted to offer an amendment to that effect I do not think any member of the committee would seriously object to it.

Mr. STAFFORD. I wanted to get the chairman's opinion in regard to it. I have an amendment here.

Mr. FERRIS. The gentleman understands that there may be some water powers in Alaska that may or may not be needed soon, but in the event they were needed the climatic conditions, railroad facilities, and the frozen condition of the country at certain periods of the year might make it a hardship to live up to this proposition if you put in a hard-and-fast rule——

Mr. STAFFORD. Within two years any promoting concern that has bona fide capital back of it will know whether or not it is going to be a going concern and will be able to have their plans consummated so that it will be a working affair, but without any limitation you give unlimited discretion to perpetuate the temporary permit for 10 or 15 years.

I ask unanimous consent, Mr. Chairman, to withdraw the pro forma amendment and offer the following amendment instead.

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn.

There was no objection.

Mr. STAFFORD. I offer an amendment.

The CHAIRMAN. The gentleman from Wisconsin offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 3, line 2, after the word "extended," insert "for another period of not exceeding one year."

Mr. FERRIS. Mr. Chairman, I ask unanimous consent to limit the debate on this amendment to 25 minutes.

The CHAIRMAN. The gentleman from Oklahoma asks unanimous consent to limit the debate on this amendment and all amendments thereto to 25 minutes. Is there objection?

There was no objection.

Mr. STAFFORD. Mr. Chairman, I do not believe that we should give to the Secretary of the Interior unlimited authority so that he can grant temporary permits in perpetuity.

Mr. RAKER. Will the gentleman yield?

Mr. STAFFORD. For a question.

Mr. RAKER. Is it not a fact that in lines 2, 3, 4, and 5 it fixes the limitations themselves?

Mr. STAFFORD. That is the very reason I wish to have some limitation on this authority, so that it can not be abused. You are proceeding under the idea that the Secretary of the Interior will pass upon all these provisions, when we know that the matter will be in charge of subordinates. If we knew that the Secretary of the Interior would absolutely pass upon these—we know that that can not be the fact, as he is too busily occupied—it would be different. You authorize the Secretary of the Interior to grant a temporary permit so that promoters may be able to make a survey and examination and see whether it is practicable to develop the water power, and then, after the first permit, you allow him to go ahead and extend it ad libitum. No such power should be granted to any Secretary of the Interior, no matter how much we may believe he is looking after the public interest. There should be some limit on his discretion. Here you have no limit whatever. You allow the Secretary of the Interior to abuse the discretion vested in him. I can not see, if one year is not enough, why you do not agree to two years; but at least put some limit on his discretion. This bill is full of absolute authority that is going to be delegated to him. I believe there should be some more limitations put upon his authority, that Congress should show its position on these matters, and not leave it to the unlimited discretion of the Secretary of the Interior.

Mr. CULLOP rose.

The CHAIRMAN. The gentleman from Indiana is recognized.

Mr. CULLOP. Mr. Chairman, I desire to oppose the amendment.

The gentleman from Wisconsin [Mr. STAFFORD] is right when he says that this lodges great power in the Secretary of the Interior; but if his amendment were adopted it would be the means in many instances of retarding water-power development instead of facilitating it. The gentleman must not forget that over many of these propositions there will be a great many contests. They will get into the courts. They will drag their weary way through the courts, and if the Secretary of the Interior could not extend the time more than one year many designing persons would defeat well-intending persons in procuring these leases and constructing these water powers. Instances of condemnation proceedings in the courts may be had and delays occasioned. All these things are probable.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Indiana yield to the gentleman from Wisconsin?

Mr. CULLOP. Yes.

Mr. STAFFORD. Following out the logic of the gentleman's statement, the 20-year limit that he advocates would all be taken up in litigation.

Mr. CULLOP. Oh, no; it would not. The gentleman is badly mistaken. It would not be taken up in litigation. Laws of that kind have been in practical operation in some States, and they have secured the very best of results.

The trouble about some gentlemen who are opposing those laws is because they strike down monopoly, and they seem unwilling to have that done. But if only one year's extension should be granted, some person who wanted to defeat the project could bring a suit in court, and before it would work its weary way through the court of last resort the time would expire and the project would fail for that reason.

One year's extension may not be sufficient. I do not think that the gentleman would contend that any Secretary of the Interior under any President that we have ever had or might have in this country would abuse the right in the manner in which some suggest; would abuse his powers to the detriment of the American people.

This is a most opportune time for the people of this great country. The unfortunate conditions to-day in Europe—the only competitor of this country in the commercial world—are such that they will bring greater stimulus and activity upon American production in the next year or two to come. These plants will begin to develop. Men will struggle to get posses-

sion of them. They will put impediments in the way of other men who are getting possession of them. They will retard the work and defeat the great purpose of this bill if such a limitation as the gentleman has proposed should be adopted here to-day. It is full of danger, and it is a stroke at the great benefits which this bill proposes to confer on the American people; and I hope the gentleman's amendment will be voted down. The conditions all over Europe, our great competitor in commerce, in manufacture, in all production, are such that her commerce, her mills, her factories, and her production are idle, and the men to operate them are in the field to do battle to save from dissolution the Government to which they owe allegiance, and her production must cease, yet her consumption, because of her condition, will increase. We, necessarily, will have the opportunity to supply their increased demands, and it will furnish us the greatest opportunity ever known to any country. We must be ready to meet the demand. It will give us the opportunity to capture the commerce of the world, and we should so manage the condition thrust upon us that we may retain it for years to come. We are able to cope with the condition, meet the requirements, and supply the demands. Let us do nothing in this or any other legislation we may enact which will embarrass us in taking advantage of the splendid opportunities cast upon us. However much we may deplore the unfortunate situation of Europe, we are not responsible for it in any manner, and must take care of the situation as best we can in our country. Our people are capable of exerting every effort to increase our production to meet the increased demands which will be made upon us. It is most essential that we do nothing which will retard the development of these great enterprises which are soon to play a most important part in our capacity of increasing production and meeting the great requirements which all know will be made.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Wisconsin [Mr. STAFFORD].

The question was taken, and the amendment was rejected.

Mr. MONDELL. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The gentleman from Wyoming offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 1, line 10, after the word "thereof," insert "who have acquired, under the laws of the State or Territory having jurisdiction over the same, the right to divert and use the waters intended to be utilized for the development of power."

The CHAIRMAN. The gentleman from Wyoming is recognized.

Mr. MONDELL. Mr. Chairman, this is an exceedingly important amendment. It goes to the very bottom of the larger questions involved, and I hope that I may have 10 minutes in which to discuss the matter. I ask unanimous consent that I may have 10 minutes.

The CHAIRMAN. The gentleman from Wyoming [Mr. MONDELL] asks unanimous consent to proceed for 10 minutes. Is there objection?

Mr. FERRIS. I ask unanimous consent, Mr. Chairman, to close debate at the end of 15 minutes on this amendment and all amendments thereto.

Mr. MILLER. Reserving the right to object, Mr. Chairman, may I inquire of the gentleman from Wyoming if he intends to discuss the constitutional features of the bill?

Mr. MONDELL. Partly, but not entirely.

The CHAIRMAN. The gentleman from Oklahoma [Mr. FERRIS] amends the request of the gentleman from Wyoming [Mr. MONDELL] by asking that the debate on the pending amendment and all amendments thereto be closed in 15 minutes, 10 of which shall be occupied by the gentleman from Wyoming. Is there objection?

Mr. DONOVAN. Mr. Chairman——

Mr. MILLER. Reserving the right to object, Mr. Chairman, I want to address myself to the constitutional features of this bill very briefly.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. DONOVAN. Mr. Chairman, I want to submit the point that there is no quorum present.

The CHAIRMAN. The gentleman from Connecticut makes the point that there is no quorum present. The Chair will count.

Mr. DONOVAN. Mr. Chairman, I withdraw the point of no quorum.

The CHAIRMAN. The gentleman from Connecticut withdraws the point of no quorum, and the gentleman from Wyoming [Mr. MONDELL] is recognized for 10 minutes.

Mr. MONDELL. Mr. Chairman, the amendment which I have offered would simply place in the bill the recognition of a condition that must be met before the Secretary can properly give anyone the right to develop an enterprise under this bill. There should be the widest opportunity to secure the right to develop these water powers, but we must remember that unless this bill as it becomes a law and as the courts construe it shall entirely overturn what we understand to be the relative jurisdiction of the States and of the National Government, no one can develop any one of these water powers who has not secured a water right from the State. There can be no question about that. Of course there may be gentlemen who believe that some day the courts will decide that that is not the law; but until such a decision is rendered, that is the situation. Those who shall secure the right to develop one of these water powers will be those who have the right from the State to divert the water for that particular purpose at that particular place. That is not only the law, but that is a wise and useful law. It does not tend to monopoly, because one securing that right to divert and appropriate must proceed to initiate and develop his enterprise, and must continue diligently; so it places the State right alongside of the Secretary of the Interior as an additional force to compel development.

If the bill is adopted in its present form there should be no question but what the Secretary will feel it necessary, as he considers it necessary under all of the present right-of-way acts, to make the possession of a water right a prerequisite to the granting of a lease. That is the practice to-day under the right-of-way acts. The law gives to the citizen a right of way, but the Secretary can not approve it until the citizen has secured the right from the State to divert the water. Therefore this amendment may not be necessary, but I think it ought to go into the bill in order to remove any doubt as to what is our intent in legislating. And it is all the more necessary by reason of this fact, a fact that has not been referred to in this five-minute debate so far, except briefly by the gentleman from Indiana. I referred to it in my speech under general debate. The great power the bill confers on the Secretary of the Interior. This bill is the absolute limit of federalism, centralization, and bureaucracy. Certainly never under this Government, and I doubt if anywhere under the sun, except in an absolute bureaucracy, has any one single official of a Government ever been given power and authority such as the Secretary of the Interior is given under this act. If in the days of Secretary Ballinger any committee had brought a bill like this on the floor of the House they would have been hooted and run out of the building. Why, we brought in here a leasing bill for leasing the coal lands in Alaska during those days, and the only discretion lodged in the Secretary was the discretion to decide between two applicants having practically the same claim or right. That bill was defeated because it lodged too much authority in the Secretary of the Interior. And now here is a bill, as the bill was reported, which practically said to the Secretary of the Interior, "We turn over to you all of the public lands of the United States that may ever be needed by anyone for the development of water power, to do as you please, to grant or withhold, to fix under whatever terms and conditions you see fit, to deny the right for any reason which seems good to you or for no reason at all, to grant to one man although another would be perfectly willing to pay more and agree to more advantageous terms."

The gentleman from Indiana asked the question a moment ago whether there were any conditions under which the Secretary could deny this right. He would have been more logical if he had asked whether there were any conditions under which the Secretary must grant a lease. There are none. No man or corporation, municipal or otherwise, under the flag can ever do anything or any number of things, or can place himself in any position of good faith or of ability to perform service which will compel the Secretary of the Interior to grant a right or lease. The Secretary can deny a man on account of the color of his hair or the way he spells his name, because of his political or religious faith or because he has none, or for any reason or for no reason at all; and that is what the gentleman calls regulating in the interest of the people. If this were Russia instead of the United States, I should not be specially surprised at this bill. I have great faith in the present Secretary of the Interior, but he will not be Secretary always, and, in any event, no one man should have the power this bill grants.

Mr. RAKER. Will the gentleman yield?

Mr. MONDELL. I will yield to the gentleman from California.

Mr. RAKER. If this amendment is adopted, it will practically defeat any leasing of the land for the purposes of the bill, will it not?

Mr. MONDELL. It will not, and the gentleman knows it will not, because he knows perfectly well that whether this amendment is adopted or not, no man can legally proceed to the development of one of these water powers on the public lands in his State or in my State or in Colorado, unless he has this right from the State to divert the water. Knowing that, I can not understand why the gentleman propounds that interrogatory.

Mr. SELDOMRIDGE. Is not the adoption of your amendment, or language similar, absolutely necessary in order to protect purchasers of power from plants operating under leases?

Mr. MONDELL. Why, certainly; because, after all, the base and bottom of the entire enterprise is the right to use the water, and without that right fixed and secured the enterprise is valueless as an investment. Further, I am not arguing this simply because it is the situation and therefore we insist upon its recognition, but because it is wise that it is the situation. For that control of the water by the people of the State in the arid States of the West is what gives the foundation to the right of public control. Out there in that arid country there is no question about the right of the people to control the use of the water, to regulate how it shall be used, and when and where it shall be used.

Mr. SELDOMRIDGE. A further question: In the absence of language such as you have indicated and in case these power companies fail to secure those water rights, would not their rights be subordinate to water rights that might be secured afterwards by individuals?

Mr. MONDELL. Why, certainly; the gentleman is right.

The CHAIRMAN. The time of the gentleman from Wyoming has expired.

Mr. FERRIS. Mr. Chairman, I shall consume only a minute. If the amendment be adopted it is doubtful if anyone would want ever to try to acquire rights in a State to develop water power. Certainly the House wants to do no such silly thing as that. Section 14, on page 10, contains a provision exactly identical with the one in the reclamation law with reference to the protection of State water rights and irrigation matters.

Mr. MONDELL. Mr. Chairman, will the gentleman yield?

Mr. FERRIS. I can not yield. The gentleman has had time in which to discuss the matter. Section 14 we clipped verbatim from the reclamation act, so that there could be no infringement upon anyone having rights under the law, but surely no one would want to say that the scope of this bill shall be confined to those only who had water rights already acquired.

Mr. MONDELL. But my amendment has nothing to do with water rights already acquired.

Mr. FERRIS. I think I understand the amendment. I do not intend to misquote the gentleman's amendment, neither do I intend to misquote him, nor do I believe I do. The gentleman offers an amendment, and instead of talking to his amendment spends his time in railing against the bill. I fear the gentleman does not want this bill to pass. I fear the gentleman does not want anything like it to pass. I gather his desire is to let water power pass into private ownership and thereby escape Federal regulation. Many good men harbor that desire and believe that to be the proper method. But I am so certain the House does not want to do that, and I again feel sure Congress does not want to do that, and I can not think the country wants to do that, and the gentleman himself ought not to want to do that. To my mind water-power sites is one thing that we ought to hold on to, at least so far as the fee is concerned. The word "lease," when dealing with water power, does not scare me. It is the thing that ought to be done. It is the only thing that will be done, and we all should join hands in doing it right.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wyoming.

The question was taken, and the amendment was rejected.

Mr. SMITH of Minnesota. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Page 2, line 25, after the word "development," strike out all of line 25 on page 2 and all of lines 1, 2, 3, 4, and that portion of line 5 ending with the word "permittee" on page 3.

Mr. FERRIS. Mr. Chairman, I ask unanimous consent that all debate on this amendment close at the end of five minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. SMITH of Minnesota. Mr. Chairman, I offer this amendment for the purpose of calling the attention of the committee to the effect of the language that is now in the bill. An amendment was offered a short time ago by the gentleman from Wisconsin limiting the time of the permit to go upon the premises for the purpose of getting data to an extension of one year, and that was voted down. The amendment which I offer, if adopted, will simply give the Secretary of the Interior the power to give such permit as he sees fit, and I submit in all candor that the language of the bill as it is written means just what my amendment would make it mean. If you adopt the amendment which I offer, it means that the Secretary may grant a permit to go upon the premises and secure data for such length of time as it pleases him to make. Under the bill the committee is considering, the Secretary of the Interior may grant a permit to go upon the premises, which permit shall be for one year. At the expiration of that year the Secretary of the Interior is permitted to extend that permit for such time as he sees fit. The amendment of the gentleman from Wisconsin ought to have been adopted, unless you want to give the Secretary of the Interior unlimited power. It has been stated and restated in this debate that the purpose of this bill, and its main purpose, is to break up a monopoly of the use, sale, and development of hydroelectric energy. What greater monopoly can you have than to place the hydroelectric development of this country in the hands of a single individual, without any restrictions whatsoever, the power not only to lease for a term of 50 years, upon such terms and conditions as that individual may care to exact, all of the great water powers on the public domain of this country, but to also regulate the services and charges to the consumer for the electric energy that may be developed from such water powers? No Government, to my knowledge, has ever vested such vast power in one man without at least the right to review his act by appeal or otherwise.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Minnesota.

The amendment was rejected.

Mr. HAYDEN. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Page 1, line 13, after the word "forests," insert the words "the Grand Canyon and Mount Olympus National Monuments."

Mr. STAFFORD. Mr. Chairman, on that I reserve the point of order.

Mr. HAYDEN. Mr. Chairman, the House in its wisdom a short time ago struck out all reference to national monuments in this bill. I have consulted with the gentleman who made the motion by which this action was taken, and the amendment I now offer is agreeable to him. It makes this bill apply to the two largest national monuments that there are in the United States. There have been created by presidential proclamation 31 national monuments, aggregating about a million and a half acres in area. Twenty-eight of them include but 100,000 acres, whereas the Grand Canyon Monument contains over 800,000 acres and the Mount Olympus over 600,000 acres. I have no desire to disturb any of these smaller monuments created under the law, and properly so, but these two large monuments that do contain water-power sites ought to come under the provisions of this bill. There is no reason why they should not, and I have offered the amendment with that idea in mind.

Of the 31 national monuments that have been created, 8 are located in Arizona. Four of them are designed to protect from vandalism the remaining evidences of a prehistoric race that at one time occupied the area now included within my State. The Casa Grande ruin, in Pinal County, was discovered by Padre Kino, a Jesuit missionary, in 1694, and is the most important ruin of its type in the Southwest. Montezuma's Castle is a picturesque assemblage of cliff dwellings located on Beaver Creek, in Yavapai County. The Navajo National Monument is located on the Indian reservation of that name in northern Arizona, and consists of two extensive pueblo or cliff-dwelling ruins. The Tonto Monument is about 5 miles southeasterly from the Roosevelt Dam, and consists of cliff dwellings situated in the entrance of a large shallow cavern.

Ten acres have been set aside in the Santa Cruz Valley near Nogales, Ariz., on which is located a very ancient Spanish mission, called Tumacacori, now in partial ruin. I have endeavored to obtain an appropriation for the preservation of this historic edifice, but without success.

Three other tracts of land have been reserved as national monuments in Arizona under that part of the act for the preservation of American antiquities which provides for the creation of national monuments to preserve objects of scientific interest. The Papago Saguaro National Monument was established by presidential proclamation on January 31, 1914, and includes about 2,000 acres of land in the vicinity of the Hole-in-the-Rock, north of Tempe, in Maricopa County. The celebrated petrified forest of Arizona lies in the area between the Little Colorado River and the Rio Puerco, in Apache and Navajo Counties. This monument is readily accessible from Adamana,

on the Santa Fe Pacific Railroad. It includes over 25,000 acres of land, but, so far as I am aware, possesses no available water-power site. The same can be said of all of the other national monuments in Arizona which I have just mentioned.

The Grand Canyon National Monument vastly exceeds in area all of the other national monuments in the United States. In fact, this monument contains more than one-half of the area that has been withdrawn from entry under the authority of the act that I have just cited. This part of the canyon was originally included within the Grand Canyon Forest Reserve, and, as a matter of fact, a considerable portion of it is covered by three different proclamations—one creating the forest reserve, one a game preserve, embracing that part of the national forest north of the river, and the third a monument proclamation.

The Mount Olympus National Monument is nearly as large as the Grand Canyon Monument, and I do know that both of them contain water power that ought to be developed.

Mr. STAFFORD. Does not the gentleman realize that when you designate two special monuments and except some thirty others you are indulging in class legislation, and should not the gentleman advance some pretty strong argument to justify such a position?

Mr. HAYDEN. But I have advanced a strong argument in that the two monuments that I have named contain enormous areas of land, and in each of them there is water power. We do not know whether or not there is any water power in the smaller monuments, but if there is and its development would interfere with the antiquities contained therein, then it should not be utilized. The use of the water power in the Mount Olympus and Grand Canyon Monuments would not interfere with our enjoyment of any of the beauties of nature. That was the case in the Hetch Hetchy bill, which we debated at great length in this House not long ago. This is a parallel case.

These two national monuments, by reason of their great area and from the fact that both contain power sites, ought to be included under the provisions of the bill.

Mr. STAFFORD. The gentleman has referred to the consideration of the Hetch Hetchy proposition. So far as it relates to the Grand Canyon there were some who voted with some reservation in favor of that proposition for fear it might impair somewhat the scenic value——

The CHAIRMAN. The time of the gentleman has expired.

Mr. STAFFORD. Mr. Chairman, I can not see why we should make an exception of this particular character in this bill. The gentleman's statement is that in the consideration of the Hetch Hetchy it developed that it would not impair any of the scenic beauty. Those who opposed that proposition, I think, strongly believed that it would impair the scenic beauties of that park to some extent. Unless some better reason is advanced by the gentleman why we should indulge in class legislation and single out these two monuments for special consideration I shall feel constrained to make the point of order. Another reason why we should not single out two propositions is that it will be a warrant for another body not only to include those two but to include all national monuments. The committee deliberately, after full consideration at the session the other day and to-day, voted to exclude national monuments from the provisions of this bill, and now the gentleman comes in, because perhaps he is somewhat interested in one of these projects near his State—and I do not blame him for it, but only praise him—and wishes to make an exception. I do not think that is very good legislation.

Mr. HAYDEN. If the gentleman will yield, it seems to me that the reasons are ample why an exception should be made in the case of these two monuments, because it appears upon the face of the record that they are both of enormous area and water-power sites are known to exist within their boundaries.

Mr. STAFFORD. This question was considered this morning by the committee, and the committee deliberately struck out national monuments, and I make the point of order that the amendment is not in order, this question having heretofore been disposed of.

The CHAIRMAN. The Chair overrules the point of order.

Mr. MANN. Mr. Chairman, I was called out for a moment. I believe this amendment is an amendment that provides in reference to the Grand Canyon and one other——

Mr. HAYDEN. The Mount Olympus National Monument, in the State of Washington.

Mr. MANN. Shall come within the provisions of this act.

Mr. HAYDEN. Yes, sir.

Mr. MANN. Let me ask the gentleman in reference to the Grand Canyon. That is now under whose control?

Mr. HAYDEN. Under the Secretary of Agriculture.

Mr. MANN. And the other the same?

Mr. HAYDEN. It is administered in the same way.

Mr. MANN. Under the terms of this bill the Secretary of the Interior would not have the authority to grant a temporary permit or a permanent lease without the consent of the Secretary of Agriculture and a certificate that it is not interfering with the scenic beauty of the property.

Mr. HAYDEN. The gentleman states the exact intention of the bill. The Secretary of Agriculture must make a finding that the creation or use of water power within these monuments will not injure or destroy or be inconsistent with the purposes for which they were created.

Mr. MANN. How long is the national monument reservation at the Grand Canyon?

Mr. HAYDEN. My recollection is that it extends along the Colorado River for about 50 miles, 25 miles each way from the Bright Angel Trail.

Mr. MANN. Does the gentleman know how much fall the water has?

Mr. HAYDEN. I have been at the bottom of the canyon and I know there are rapids in the river, but I can not state what the amount of fall per mile is.

Mr. MANN. Is it possible to construct a dam so as to have a reservoir or a lake so it would be quite valuable?

Mr. HAYDEN. I have no doubt of it. Such a scheme has been proposed at different times. I want to say, Mr. Chairman, that the Colorado River offers the only opportunity for the people of my State to obtain any benefit under this act. It is the only large river in Arizona, and if the power possibilities of this stream are not made available for use, then, so far as the people of my State are concerned, this bill might as well not be passed.

Mr. MONDELL. How does this national monument, or any other national monument, come under the jurisdiction of the Secretary of Agriculture? My recollection is that the national monuments are under the jurisdiction of the Secretary of the Interior.

Mr. HAYDEN. The last annual report of the Secretary of the Interior shows that there are 10 national monuments under the jurisdiction of the Secretary of the Interior, 10 under the jurisdiction of the Secretary of Agriculture, and 2 under the jurisdiction of the Secretary of War.

For the information of the House I shall insert in the RECORD a table containing data relative to all of the national monuments that have been created by presidential proclamations.

National monuments administered by Interior Department.

Name.	State.	Date.	Area.
			Acres.
Devils Tower	Wyoming	Sept. 24, 1906	1,152
Montezuma Castle	Arizona	Dec. 8, 1906	160
El Morro	New Mexico	do	160
Chaco Canyon	do	Mar. 11, 1907	20,629
Muir Woods	California	Jan. 9, 1908	295
Pinnacles	do	Jan. 16, 1908	2,080
Tumacacori	Arizona	Sept. 15, 1908	10
Mukuntuweap	Utah	July 31, 1909	15,840
Shoshone Cavern	Wyoming	Sept. 21, 1909	210
Natural Bridges	Utah	Sept. 25, 1909	2,740
Gran Quivira	New Mexico	Nov. 1, 1909	160
Casa Grande Ruin	Arizona	Dec. 19, 1909	480
Sitka	Alaska	Mar. 23, 1910	57
Rainbow Bridge	Utah	May 30, 1910	160
Lewis and Clark Cavern	Montana	May 16, 1911	160
Colorado	Colorado	May 24, 1911	13,883
Petrified Forest	Arizona	July 31, 1911	25,625
Navajo	do	Mar. 14, 1912	360
Papago Saguaro	do	Jan. 31, 1914	2,050

National monuments administered by Department of Agriculture.

Name.	State.	Date.	Area.
			Acres.
Cinder Cone	California	May 6, 1907	5,120
Lassen Peak	do	do	1,280
Gila Cliff Dwellings	New Mexico	Nov. 16, 1907	160
Tonto	Arizona	Dec. 19, 1907	640
Grand Canyon	do	Jan. 11, 1908	806,400
Jewel Cave	South Dakota	Feb. 7, 1908	1,280
Wheeler	Colorado	Dec. 7, 1908	300
Oregon Caves	Oregon	July 12, 1909	480
Devil Postpile	California	July 6, 1911	800
Mount Olympus	Washington	Apr. 17, 1912	608,480

National monuments administered by War Department.

Name.	State.	Date.	Area.
			Acres.
Big Hole Battlefield	Montana	June 23, 1910	5
Cabrillo	California	Oct. 14, 1913	1

Mr. MONDELL. Well, I do not understand how they get under the jurisdiction of these different officials. My understanding is, the law placed national monuments under the jurisdiction of the Secretary of the Interior.

Mr. HAYDEN. The act of June 8, 1906, says:

That the President of the United States is hereby authorized, in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic and scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments, and may reserve as a part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected.

I rather think the distinguished gentleman who was President of the United States at that time stretched the law considerably when he created a national monument containing 800,000 acres in Arizona and 600,000 acres in the State of Washington, but he did it, and these great areas are now included in such monuments.

Mr. PAGE of North Carolina. Is it not probable that this came under the jurisdiction of the Secretary of Agriculture because they were under forest reserves, and therefore under his jurisdiction at the time they were decreed as national monuments?

Mr. HAYDEN. I think that is the way it came about.

Mr. STAFFORD. Mr. Chairman, I ask for recognition. The gentleman from North Carolina and the gentleman from Illinois made reference to some phraseology which I believe has been heretofore eliminated in the amendment offered by the gentleman from North Carolina [Mr. PAGE]. The gentleman read the bill as its exists, yet in the amendment as voted this morning, as I understand the amendment, we eliminated the words "national monument," in lines 12 and 15, on pages 12. So that in case the provision is adopted we will have to restore that language.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arizona [Mr. HAYDEN].

The question was taken, and the Chairman announced that the noes seemed to have it.

Mr. HAYDEN. Division, Mr. Chairman.

The committee divided; and there were—ayes 22, noes 8.

So the amendment was agreed to.

Mr. HAYDEN. Now, Mr. Chairman, in order to perfect the bill it will be necessary to reinsert the words "national monument," in line 12, page 2, and in line 15, on page 2—of course referring to only these two national monuments. I ask unanimous consent to make that change, namely, to reinsert those words.

The CHAIRMAN. The gentleman from Arizona asks unanimous consent to insert the words "national monument," in line 12, page 2, after the word "forest," and in line 15, page 2, before the words "or reservation." Is there objection?

There was no objection.

Mr. FOWLER. Mr. Chairman, I offer an amendment, which I have sent to the Clerk's desk.

The CHAIRMAN. The gentleman from Illinois offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 2, strike out all of line 7, and in line 8 strike out the word "their," and after the word "terms," in line 8, insert the words "of the lease or of this act," so that the language will read: "Which lease shall be declared null and void upon breach of any of the terms of the lease or of this act."

Mr. FERRIS. Mr. Chairman, will the gentleman yield a moment?

Mr. FOWLER. Yes.

Mr. FERRIS. Mr. Chairman, I ask unanimous consent to close debate on this amendment at the end of 10 minutes.

The CHAIRMAN. The gentleman from Oklahoma asks unanimous consent that all debate on this amendment be limited to 10 minutes. Is there objection? [After a pause.] The Chair hears none. The gentleman from Illinois [Mr. FOWLER] is recognized.

Mr. FOWLER. Mr. Chairman, the language with which this amendment deals refers entirely to the lease of the property. Line 7 provides that the lease shall not be revoked except as "herein provided." There is no provision in the terms of this paragraph for the revocation of the lease except the following, "but which may be declared null and void upon breach of any of their terms." Now, Mr. Chairman, I call the attention of the members of the committee and also of the members of the Committee of the Whole House on the state of the Union to the fact that the only provision in this section that gives the right to interfere with the lease is this language, "but which may be declared null and void upon a breach of any of its terms." The language just above, in lines 6 and 7, "which leases shall be irrevocable except as herein provided," does not strengthen the bill at all. It does not protect the lessee in anywise whatever, because there is nothing in the bill affecting the right of a lease after it is granted unless there should be a violation of the terms of the lease. While you do not provide that it may be disturbed by a violation of the terms of the act, my amendment adds that much to the language of the bill. I have conferred with a number of the gentlemen who are on the committee, and most of them as far as I can learn agree that the amendment is proper and ought to be adopted, yet I understand there are a few of them who think there is reserve power somewhere in this bill affecting the lease that might be disturbed in some way if this language of the amendment were inserted. I mean the language to the effect that it shall not be revoked unless there is a violation of the terms of the act.

Now, Mr. Chairman, as I say, I think that to strike out line 7 would strengthen the bill, and make it more explicit, and clear up its ambiguity. No action can be taken by the courts unless there should be a violation of the terms of the lease or a violation of the terms of the act. This fixes the terms definitely, both for the lessee and the court.

Mr. BRYAN. Will the gentleman yield?

Mr. FOWLER. Yes.

Mr. BRYAN. Does not the gentleman feel that in adding the words "of this act" he narrows the grounds on which the lease might be terminated? As it is now, the lease can be terminated by a violation of any of the terms on which it is granted, and part of those terms are not of this act, but in the permit.

Mr. FOWLER. All the power in the bill might not be incorporated in the lease. If the provisions of the law are violated, we should provide for a revocation of the lease; and if the terms of the lease are violated, we should also provide for the revocation of the lease.

Mr. BRYAN. The Secretary can fix the rate that can be charged, and if they charge above that the lease will be subject to forfeiture, because it is a part of the terms that the Secretary can regulate them. But if you permit them to revoke on the violation of the terms of this act, you narrow the authority of the Secretary.

Mr. FOWLER. The amendment provides that the lease may be revoked or declared null and void if the lessee should violate any of the terms of the lease or any of the terms of the act itself. That is the intent and spirit of the amendment, and it should be adopted.

Mr. Chairman, I do not desire to take up any more time.

Mr. RAKER. Mr. Chairman, the very object and purpose of this provision is to cover the inefficient, unworkable, unreasonable, unjust law now upon the statute books, that gives the power to the Secretary of the Interior to revoke a permit that a man has for the development of water power after he has expended large sums of money upon it. Everyone that appeared before the committee, without a dissenting voice—every one of those who had experience in the matter—opposed the proposition of putting that back as it is now—that miserable makeshift—revocable permit. The gentleman's amendment puts it back so that the leases may be revocable, and may be declared null and void under the provisions of the act.

Now, mind you, look at the language as it reads here—"which leases shall be irrevocable except as herein provided." It ought to be that way. A man spends his time and his money. He has been given that lease. He ought to have the right to know that it should not be revocable unless the provisions of the lease have been violated, as well as the terms and the conditions provided in the bill. But it may be declared null and void upon breach of the terms of the bill. The gentleman from Illinois [Mr. FOWLER] now wants to change it so as to read "from the terms of this act."

Mr. FOWLER. No; the terms of the lease and the act, both.

Mr. RAKER. Whereas the provision of the bill is that as to all the rules and regulations, those wholesome conditions that may be placed in the lease by the Secretary of the Interior and consented to by the lessee, if they are violated, then in a court of competent jurisdiction that lease may be declared null and void. But at no time and under no circumstances ought this Congress again permit legislation to make leases revocable. It has been the law heretofore.

Mr. FOWLER. Mr. Chairman, will the gentleman yield?

Mr. RAKER. It is upon the statute books to-day. It has retarded and prevented development. It is preventing development to-day. The gentleman from Illinois wants to say that after we have given this time and consideration to this measure for the purpose of giving relief to the people we should go back now and continue the old law in a different form, and make the statute read so that these leases may be revocable, instead of giving them a fixed term and a fixed price under conditions that they know and understand.

Now, I yield to the gentleman from Illinois.

Mr. FOWLER. Under the terms of the bill, under what conditions could the lease be revoked?

Mr. RAKER. It depends on the language of the bill.

Mr. FOWLER. Where?

Mr. RAKER. I have not the time to go over it and explain. I answered, "under the terms of the bill."

Mr. FOWLER. What terms of the bill?

Mr. RAKER. I have answered the gentleman's question. I have not time to go into details. That is sufficient. The act says, "which lease shall be irrevocable except as herein provided."

Mr. FOWLER. Wherein violated?

Mr. RAKER. Where the lessee has violated it. Where he has done things prohibited in the lease; where he has entered into monopolistic agreements. There is some chance to act under that. But it appears to me that you might just as well defeat any hopes of legislation that will give capital an opportunity for investment if you are going to give a revocable permit and a revocable lease. Let us not lose our heads entirely upon the question of giving men who want to develop these powers some opportunity. You might just as well defeat outright the hopes of the West for the development of these water powers if you are going again to give a revocable permit and a revocable lease.

Mr. SELDOMRIDGE. Mr. Chairman, will the gentleman yield?

Mr. RAKER. What is the difference between a revocable lease and a revocable permit, with the power granted to the lessor, at his pleasure, at his will, and at his caprice, without reason, without law, to say, "I do not like the way you are doing, and I therefore revoke your lease."

Now I yield to the gentleman from Colorado.

Mr. SELDOMRIDGE. I was going to suggest to the gentleman from California that section 2 is very explicit in its language, giving information as to the terms of the lease and the reasons for which it might be revoked.

Mr. RAKER. Yes.

Mr. SELDOMRIDGE. It provides for the diligent, orderly, and reasonable development and continuous operation, and any failure of the lessee to carry out those provisions would work a revocation of the lease.

Mr. RAKER. I say, it subjects it to the mere caprice of one man. He may say, "You did not dig your ditch at the right angle; you did not give it the right elevation; you did not give it the right pitch; you left a few pine trees along the bank on the left side, when somebody said they should be removed; you did not build a concrete conduit at the proper place." Under the provisions of the proposed amendment the Secretary of the Interior may revoke your lease, and therefore you would lose your right and your opportunity. The judgment and final determination of the committee was that the revocable permit—that will-o'-the-wisp—should be ended forever. The West wants development. Give it a fair chance and it will do it. A development of one part of the Nation is an assistance to the whole country. Give capital, brains, and industry a chance to come together. It will benefit all. Let them build up their enterprises; then regulate them. Proper regulations will settle the whole trouble. Deliver us from the revocable permit. The amendment should be voted down. I hope the House will support the committee.

The CHAIRMAN. The time of the gentleman has expired. The question is on the amendment offered by the gentleman from Illinois [Mr. FOWLER], which the Clerk will report.

Mr. THOMSON of Illinois. Mr. Chairman, I wish to offer an amendment to the amendment.

The CHAIRMAN. The gentleman from Illinois [Mr. THOMSON] offers an amendment to the amendment of the gentleman from Illinois [Mr. FOWLER], which the Clerk will report.

Mr. THOMSON of Illinois. To change the word "lease" wherever it occurs in the amendment to the word "leases."

Mr. FOWLER. I accept that amendment, Mr. Chairman, from the singular to the plural. I think it is a proper amendment.

The CHAIRMAN. The Clerk will report the amendment to the amendment.

The Clerk read as follows:

Substitute the word "leases" for the word "lease" wherever it occurs in the amendment.

The question being taken, the amendment to the amendment was rejected.

The CHAIRMAN. The question is upon the amendment of the gentleman from Illinois [Mr. FOWLER].

The question being taken, Mr. FOWLER asked for a division.

The committee divided; and there were—ayes 13, noes 19.

Accordingly the amendment was rejected.

Mr. FERRIS. Mr. Chairman, I ask unanimous consent that all debate on this section and amendments thereto do now close. I do not want to cut off amendments, but I do not think we ought to debate this another day, and afterwards I want to move that the committee rise.

Mr. FOWLER. I have one other amendment.

Mr. MANN. Mr. Chairman, I make the point of order that there is no quorum of the committee present.

Mr. UNDERWOOD. Mr. Chairman, I appeal to the gentleman from Illinois to withdraw that point, and ask the gentleman from Oklahoma to move that the committee rise.

Mr. MANN. All the gentleman has to do is to move to rise.

Mr. FERRIS. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

The committee accordingly rose; and the Speaker having resumed the chair, Mr. FITZGERALD, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 16673) to provide for the development of water power and the use of public lands in relation thereto, and for other purposes, and had come to no resolution thereon.

DISCOUNTS OF ACCEPTANCES BY FEDERAL RESERVE BANKS.

Mr. GLASS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill which I send to the Clerk's desk.

The SPEAKER. The Clerk will report the bill.

The Clerk read the bill (H. R. 15038) proposing an amendment to the Federal reserve act relative to acceptances, and for other purposes, as follows:

Be it enacted, etc., That section 13, paragraphs 3, 4, and 5, of the act approved December 23, 1913, known as the Federal reserve act, be amended and reenacted so as to read as follows:

"Any Federal reserve bank may discount acceptances which are based on the importation or exportation of goods and which have a maturity at time of discount of not more than six months and indorsed by at least one member bank. The amount of acceptances so discounted shall at no time exceed one-half the paid-up capital stock and surplus of the bank for which the rediscounts are made, except by authority of the Federal Reserve Board, and under such regulations as said board may prescribe.

"The aggregate of such notes and bills bearing the signature of indorsement of any one person, company, firm, or corporation rediscounted for any one bank shall at no time exceed 10 per cent of the unimpaired capital and surplus of said bank, but this restriction shall not apply to the discount of bills of exchange drawn in good faith against actually existing values.

"Any member bank may accept drafts or bills of exchange drawn upon it and growing out of transactions involving the importation or exportation of goods having not more than six months' sight to run, but no bank shall accept such bills to an amount equal at any time in the aggregate to more than one-half of its paid-up capital stock and surplus, except by authority of the Federal Reserve Board, under such regulations as said board may prescribe."

The SPEAKER. Is there objection?

Mr. MANN. Reserving the right to object, I think the gentleman ought to explain to the House what change this makes, so that we will understand it.

Mr. GLASS. Mr. Speaker, this bill is designed to amend three paragraphs of the Federal reserve act so as to facilitate the financing of the exportation of cotton, grain, and other products of this country. As the act stands, it puts a limitation upon the amount of discounts that any regional reserve bank or member bank may make of acceptances based upon the exportation or importation of goods. The limitation is one-half of the capital stock and unimpaired surplus of the bank. The proposition of this amendment is to invest the Federal Reserve Board with power to suspend this limitation from time to time, in its discretion. It was ascertained by the organization committee of the Federal reserve banking system that there have grown up in this country quite a number of banking institutions that make a specialty of financing the exportation of grain, cotton, and other products, and these banks have built up a large business—a very much greater business than the limitation contained in the law would accommodate. The banks in question complained of this limitation, and I introduced this bill on the 25th of March last; but I did not press it, because there seemed to be no immediate demand for action pending the organization of the Federal reserve system. But now, with this European war confronting us, it is desired by the Federal Reserve Board to facilitate in every possible way the exportation of our grain, cotton, and other products, and this is a simple proposition to authorize the Federal Reserve Board to suspend this limitation upon the amount of acceptances that an individual bank may discount or that the regional banks may rediscount.

Mr. FARR. Mr. Speaker, will the gentleman yield?

Mr. GLASS. Certainly.

Mr. FARR. What is the limitation on?

Mr. GLASS. An amount equal to one-half of the capital stock and surplus of the bank.

Mr. STAFFORD. Is that the only change that has been made, or is there a change in respect to the duration?

Mr. GLASS. There is one other change, as to the duration. The law now provides that the regional reserve bank may discount these acceptances with a maturity of three months. The individual bank may discount acceptances with a maturity of six months; but the individual banks in such case will have to carry these discounted bills for three months before they are available for rediscount at the regional reserve bank, and we propose to alter that so as to permit the regional reserve bank to rediscount these six months' bills immediately.

Mr. STAFFORD. So the regional reserve bank may rediscount them immediately upon their presentation by the original bank?

Mr. GLASS. That is true. The reason for this is that it was testified before the committee by gentlemen having close contact with our export trade that it required six months to consummate a business engagement of that sort with the Orient and with the South American countries.

Mr. FITZGERALD. Mr. Speaker, will the gentleman yield?

Mr. GLASS. Yes.

Mr. FITZGERALD. As I understand the gentleman's explanation, these changes would have been suggested regardless of the present European situation, but that situation merely makes it more desirable to hasten the changes.

Mr. GLASS. That situation has accentuated the desirability for the change.

Mr. STAFFORD. Will the gentleman explain the theory which actuated the committee in having the original bank of discount hold the paper six months before having it rediscounted by the regional reserve bank?

Mr. GLASS. I can do that.

Mr. STAFFORD. I do not wish to make the gentleman enter into any elaborate statement. If it will do so, I will withdraw the query.

Mr. GLASS. We were engaged in quite a controversy in the Democratic caucus over the maturity of agricultural paper. Under the rediscount clause of the bill agricultural paper had but 90 days to run. The point was made by some member of the caucus that we were extending to the banks a six months' privilege that we did not extend to the individual farmer. We did not seem able to explain to the satisfaction of that member that conditions were different, and that these six months were necessary to consummate export transactions with the Orient and with the South American Republics, but not necessary to close up domestic transactions.

Mr. STAFFORD. Then, as I understand the gentleman, there was really no reason for carrying the original limitation?

Mr. GLASS. Not in my opinion.

Mr. CANTOR. Mr. Chairman, will the gentleman yield?

Mr. GLASS. Certainly.

Mr. CANTOR. Does the Federal Reserve Board favor this measure?

Mr. GLASS. Yes; I bring it up at the suggestion of members of the Federal Reserve Board.

The SPEAKER. Is there objection?

Mr. WINGO. Mr. Speaker, reserving the right to object, what objection is there to the Committee on Banking and Currency considering this bill?

Mr. GLASS. There is no objection, Mr. Speaker, except that there is not a quorum of the Committee on Banking and Currency in the city. I have made an effort to consult such members as are here—I did not happen to see the member from Arkansas—but I have seen five or six of the majority members and three or four of the minority members, and have submitted the matter to the minority leader and the majority leader, all of whom concur. I have done everything possible to make things agreeable.

Mr. WINGO. There is a majority of the committee, including the Republicans, in the city—a majority of two—or within a few hours' call of the city; and as the gentleman proposes by this bill to take the limit off absolutely, that is quite the effect of it. The gentleman takes off the limitations now in the present law in paragraphs—I believe they are 4 and 5 which the gentleman amends——

Mr. GLASS. Yes.

Mr. WINGO. Section 13.

Mr. GLASS. I will say to the gentleman from Arkansas the proposition does not take the limitation off. It authorizes the Federal Reserve Board, in its discretion, to suspend the limitation.

Mr. WINGO. Of course it removes all legislative limitation entirely. Under the proposed change the Federal Reserve Board can let one of these banks handle these foreign bills of exchange to the extent of 125 or 200 per cent of the capital and surplus.

Mr. GLASS. It is a discretion which the Federal Reserve Board may exercise.

Mr. WINGO. I think that a matter of this importance ought to be considered by the committee, and in addition there are other amendments which Members would like to consider.

Mr. GLASS. I will say, Mr. Speaker, that the effort recently made to get the committee together on propositions more vital than this failed; and as I shall be compelled to leave Washington this evening for several days, owing to a death in my family, I do not think it is practicable to attempt to get a committee meeting.

Mr. COOPER. Mr. Speaker, will the gentleman yield for a question?

Mr. GLASS. I will.

Mr. COOPER. Is this urged now because this is a war emergency?

Mr. GLASS. Well, I introduced the bill last March. It is urged right now because an emergency has arisen in the matter of marketing abroad cotton, grain, and other crops.

Mr. COOPER. I noticed it was introduced the 25th of last March, long antedating the war scare, and I wondered what the emergency was at this time.

Mr. GLASS. It is simply thought very desirable at this time upon representations made by the American banks which have been in the habit of financing our export trade.

Mr. COOPER. Why did not you provide for it in the original currency bill?

Mr. GLASS. We did; but there is a limitation in the original currency bill on the amount the bank may accept in this foreign trade, and this amendment proposes to give the Federal Reserve Board the discretion to suspend the limitation.

Mr. COOPER. Did not the importance of the proposed amendment occur to the committee, or had it been called to their attention when the bill was introduced or after that?

Mr. GLASS. Oh, the matter was discussed in the committee and in the caucus and in the House; but as the business of exceptances was something new to our financial system the caucus and the House thought we would better be cautious about it in the beginning. The Federal Reserve Board thinks now that this would very largely facilitate the financing of the cotton, grain, and other export crops.

Mr. FARR. Will the gentleman yield for a question?

Mr. GLASS. Yes.

Mr. FARR. Is there any emergency as regards money in this present situation? Is it not a matter of ships in which to export our goods?

Mr. GLASS. Yes; but what would be the use of getting shipping facilities if we should not also be able to finance the crops? Exchange is in a state of confusion now, and this would help.

Mr. GOOD. Will the gentleman yield for a question?

Mr. GLASS. Yes.

Mr. GOOD. There has been some considerable misunderstanding and no little criticism in regard to a ruling of the comptroller with regard to that provision of the bill which provides, if I recall the provision correctly, that national banks can loan 50 per cent of their capital and surplus on farm mortgages, or one-third of their time deposits.

Mr. GLASS. Twenty-five per cent of their capital and surplus, or one-half of their time deposits.

Mr. GOOD. As I understand, the Comptroller of the Currency has ruled that where a national bank has a capital and surplus, say, of $50,000, they could loan then to the extent of $12,500. Is that correct?

Mr. GLASS. Yes.

Mr. GOOD. And if that bank had time deposits of $400,000, the comptroller has ruled it can not loan on farm mortgages to exceed $12,500, thus practically nullifying that provision of the law with regard to time deposits. I would like to ask the gentleman if there would be any objection, now that it is proposed to amend the act, to amending by inserting some provision to make clear the intention of Congress that national banks could loan on real estate to the extent of one-third of their time deposits?

Mr. GLASS. As a matter of fact, I do not think the Comptroller of the Currency is authorized to make any "ruling" upon that question at all. It is a question that the Federal Reserve Board, composed of six other members besides the Comptroller of the Currency, will have to rule upon. I think the law is perfectly clear—as I know the intention of Congress was

perfectly clear—to permit banks to loan 50 per cent of their time deposits; but that is not relevant now.

Mr. GOOD. I know it is not relevant to the proposed amendment; but at this time in those sections of the country where national banks located in small towns do want to make loans on farm securities they are not permitted to do so.

Mr. GLASS. I think the law is perfectly clear. At least, it is clear to my mind on that point.

Mr. GOOD. The gentleman is familiar with the ruling of the Comptroller of the Currency on that point?

Mr. GLASS. I do not think that official is authorized to make a ruling on this point. He may have given an opinion, and if he has given the opinion indicated by the gentleman from Iowa, it is an opinion I do not agree with.

Mr. TEMPLE. Will the gentleman yield?

Mr. GLASS. Yes.

Mr. TEMPLE. Has the new Federal reserve system fully gone into effect yet?

Mr. GLASS. No; it has not.

Mr. TEMPLE. How can the ruling of the Comptroller of the Currency affect the operation of a law that has not gone into effect?

Mr. GLASS. I have said that I do not think the Comptroller of the Currency is authorized to rule upon a law that has not gone into effect, especially upon a question committed to the Federal Reserve Board.

Mr. TEMPLE. When it has gone into effect they will have a Federal Reserve Board and not the comptroller?

Mr. GLASS. I have said so.

Mr. GOOD. As I said to the gentleman, the ruling was made two months ago, at least, and was just as I have indicated. It was sent out as a department circular, signed by John Skelton Williams, comptroller. It is as follows:

TREASURY DEPARTMENT,
Washington, April 15, 1914.

To the CASHIER.

SIR: You are advised that section 24 of the Federal reserve act provides that—

"Any national-banking association not situated in a central reserve city may make loans secured by improved and unencumbered farm land situated within its Federal reserve district, but no such loan shall be made for a longer time than five years, nor for an amount exceeding 50 per cent of the actual value of the property offered as security. Any such bank may make such loans in an aggregate sum equal to 25 per cent of its capital and surplus or to one-third of its time deposits, and such banks may continue hereafter, as heretofore, to receive time deposits and to pay interest on the same."

National banks may therefore now legally make loans secured by real estate, provided they conform to the requirements of the law, including the following:

1. Real estate security must be farm land.
2. It must be improved.
3. There must be no prior lien.
4. Property must be located in the same Federal reserve district as the bank making the loan.
5. The amount of the loan must not exceed 50 per cent of the actual value of the property upon which it is secured.
6. The loan must not be for a period longer than five years.
7. The total of such loans by any bank must not exceed one-third of its time deposits, and must in no case exceed one-fourth of the capital and surplus of the bank.

In order that the examiner may readily classify real estate loans held by a bank at the date of his examination, a statement signed by the officers making the loan, and having knowledge of the facts upon which it is based, must be attached to each note, certifying in detail, as of the date of the loan, that the requirements of law have been duly observed.

Respectfully,
JNO. SKELTON WILLIAMS,
Comptroller.

Mr. GLASS. It may have been an opinion. It was not a "ruling." In this connection I would like to correct the widespread misconception about the Federal reserve act imposing a limitation upon loans on real estate by State banks and trust companies which may become members of the system. It does nothing of the sort. It simply contains an enabling provision which permits national banks to loan on farm mortgages—something they could not do under the national-bank act. The Federal reserve act does not intefere with the real-estate loans of State banks and trust companies in any particular.

Mr. WINGO. When do you think these Federal reserve banks will go into operation?

Mr. GLASS. I have been told it will be a matter of nearly 90 days.

Mr. WINGO. It will be 90 days before these banks will be established and get to doing business?

Mr. GLASS. I have had that opinion from one member of the Federal Reserve Board. On the contrary, the Secretary of the Treasury told me yesterday they were going into the oganization of the system right away.

Mr. WINGO. But to get into perfect working order it is your judgment it will take about 90 days, is it?

Mr. GLASS. To get the entire system into perfect working order; but it may be possible, Mr. Speaker, to organize the banks in the three central reserve cities right away, in order to take care of the exportation of cotton, grain, and other products.

Mr. WINGO. Now, Mr. Speaker, I wanted to suggest this: That I think the question of marketing the cotton crop and getting it to Europe and the exchanges are not the only problems. I think it is not so much a question of what you are going to do with the cotton crop as what you are going to do for the man who has produced it and has not any market for it now. It is very evident that you are not going to have any very great amount of cotton to export before these banks get into operation, some 30, 60, or 90 days from now. And there are some other amendments that the cotton producers think are very necessary to that act to meet the real emergency, and for that reason I think we ought not to take but one bite at the cherry. I think the committee ought to be gotten together, as it is easily done. The gentleman states that an effort to get them together heretofore has failed. I will state that I have been present every time it has been called. The last time I was the only man present.

Mr. GLASS. I made no criticism of anybody. I simply stated the fact that two attempts by me to get a meeting proved unavailing.

Mr. WINGO. The proposal involves the foreign exchanges of the country, and it authorizes the Federal Reserve Board to take the limit off. For that reason, Mr. Speaker, as we can not get the banks in operation for some time, I object. Let the gentleman get the committee together and consider this as well as other proposed amendments that are of more vital importance. The committee has a right to consider it, and the House is entitled to the judgment of the committee as a committee, and not merely the judgment of a few members consulted in private.

The SPEAKER. The gentleman from Arkansas [Mr. WINGO] objects.

Mr. GOOD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing the ruling of the comptroller that I have referred to.

The SPEAKER. The gentleman from Iowa [Mr. GOOD] asks unanimous consent to extend his remarks in the RECORD by printing the ruling of the comptroller. Is there objection?

There was no objection.

Mr. MANN. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Illinois makes the point of order that there is no quorum present.

ADJOURNMENT.

Mr. FERRIS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 5 minutes p. m.) the House adjourned until Monday, August 17, 1914, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. TEN EYCK, from the Committee on the Library, to which was referred the resolution (H. J. Res. 234) directing the selection of a site for the erection of a statue in Washington, D. C., to the memory of the late Maj. Gen. George Gordon Meade, reported the same with amendment, accompanied by a report (No. 1089), which said resolution and report were referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, private bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the Committee of the Whole House, as follows:

Mr. CLAYPOOL, from the Committee on the District of Columbia, to which was referred the bill (S. 5798) authorizing the health officer of the District of Columbia to issue a permit for the removal of the remains of the late Earl A. Bancroft from Glenwood Cemetery, District of Columbia, to Mantorville, Minn., reported the same without amendment, accompanied by a report (No. 1090), which said bill and report were referred to the Private Calendar.

Mr. BRITTEN, from the Committee on Naval Affairs, to which was referred the bill (H. R. 17954) for the relief of Frank Kinsey Hill, captain on the retired list of the United States Navy, reported the same without amendment, accompanied by a report (No. 1091), which said bill and report were referred to the Private Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. GRIEST: A bill (H. R. 18380) providing for the erection of a public building at the city of Lancaster, Pa.; to the Committee on Public Buildings and Grounds.

By Mr. DOUGHTON: A bill (H. R. 18381) providing for the purchase of a site and the erection thereon of a public building at Albemarle, in the State of North Carolina; to the Committee on Public Buildings and Grounds.

By Mr. MERRITT: A bill (H. R. 18382) for the purchase of a site and the erection thereon of a public building at Port Henry, N. Y.; to the Committee on Public Buildings and Grounds.

By Mr. TEN EYCK: A bill (H. R. 18383) to provide better sanitary conditions in composing rooms within the District of Columbia; to the Committee on the District of Columbia.

By Mr. LOBECK: A bill (H. R. 18384) to provide for a site and United States post-office at Omaha, Nebr.; to the Committee on Public Buildings and Grounds.

By Mr. GOLDFOGLE: Concurrent resolution (H. Con. Res. 46) providing for the printing of additional copies of House Documents Nos. 939 and 908, of the Sixty-third Congress, relative to the dress and waist industry in New York City; to the Committee on Printing.

By Mr. MURDOCK: Resolution (H. Res. 592) requesting the Secretary of the Treasury to inform the House of Representatives of the number of persons paying taxes upon incomes of more than $250,000 a year; to the Committee on Ways and Means.

By Mr. ROGERS: Resolution (H. Res. 593) authorizing the printing of 5,000 copies of The Hague Conventions of 1899 and 1907, as a House document; to the Committee on Printing.

By Mr. FARR: Resolution (H. Res. 594) authorizing the Secretary of Agriculture to investigate the cause or causes of advances in the price of foodstuffs; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CLARK of Missouri: A bill (H. R. 18385) for the relief of the widows of L. W. Hughes and L. A. Cain; to the Committee on Appropriations.

By Mr. COOPER: A bill (H. R. 18386) granting an increase of pension to John C. Magill; to the Committee on Invalid Pensions.

By Mr. DOOLITTLE: A bill (H. R. 18387) granting an increase of pension to Fenimore P. Cochran; to the Committee on Invalid Pensions.

By Mr. LEVER: A bill (H. R. 18388) for the relief of the Ursuline Convent; to the Committee on War Claims.

By Mr. MACDONALD: A bill (H. R. 18389) granting a pension to Chester H. Bettison; to the Committee on Pensions.

By Mr. MOSS of West Virginia: A bill (H. R. 18390) granting a pension to Lydia F. Stewart; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18391) granting an increase of pension to Mary M. Ayers; to the Committee on Invalid Pensions.

By Mr. SINNOTT: A bill (H. R. 18392) for the relief of Ed Van Buskirk; to the Committee on Claims.

By Mr. STEPHENS of Nebraska: A bill (H. R. 18393) granting an increase of pension to Melissa E. Dickinson; to the Committee on Invalid Pensions.

By Mr. TALCOTT of New York: A bill (H. R. 18394) granting an increase of pension to Anna Fetterly; to the Committee on Invalid Pensions.

By Mr. TAVENNER: A bill (H. R. 18395) granting a pension to George W. Townsend; to the Committee on Pensions.

Also, a bill (H. R. 18396) granting an increase of pension to Oscar Stice; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request and under the rule): Petition of D. H. Johnston, governor of the Chickasaw Nation, relative to distribution of the Choctaw-Chickasaw funds; to the Committee on Indian Affairs.

Also (by request and under the rule), petition of the Evangelical Slovak Union, against making Columbus Day a national holiday; to the Committee on the Judiciary.

Also (by request and under the rule), petition of Wharton Barker, of Philadelphia, Pa., relative to building up United States merchant marine; to the Committee on the Merchant Marine and Fisheries.

By Mr. BAILEY: Petition of letter carriers of Hollidaysburg, Pa., favoring Hamill civil-service retirement bill; to the Committee on Reform in the Civil Service.

By Mr. BROWNING: Petition of 20 citizens of Wenonah, N. J., favoring national prohibition; to the Committee on Rules.

By Mr. GRAY (by request): Petition of sundry citizens of the sixth congressional district of Indiana relating to Senate joint resolution 144 and House joint resolution 282, to investigate claims of Dr. F. A. Cook to be discoverer of the North Pole; to the Committee on Naval Affairs.

By Mr. HELGESEN: Petition from 30 citizens of North Dakota, praying for the passage of the Hobson resolution for national prohibition; to the Committee on Rules.

By Mr. KEISTER: Petition of L. J. Miller, of Sutersville, Pa., against national prohibition; to the Committee on Rules.

By Mr. MAGUIRE of Nebraska: Petition of various business men of Nebraska City, Nebr., favoring House bill 5308, to tax mail-order houses; to the Committee on Ways and Means.

By Mr. MERRITT: Petition of Mr. H. L. Smith, of Gouverneur, N. Y., favoring the appointment of a national motion-picture commission; to the Committee on Education.

Also, petition of Mr. H. L. Smith, of Gouverneur, N. Y., favoring the passage of the Sheppard-Hobson resolution providing for a national prohibition amendment; to the Committee on Rules.

Also, petition of Mr. George H. Springs, of Port Henry, N. Y., favoring national prohibition; to the Committee on Rules.

Also, petition of Mr. George H. Springs, of Port Henry, N. Y., favoring the appointment of a national motion-picture commission; to the Committee on Education.

By Mr. NEELEY of Kansas: Petition of the Shaw League and Shaw Sunday School, of Gray County, Kans., favoring national prohibition; to the Committee on Rules.

By Mr. J. I. NOLAN: Protest of the Marine Engineers' Beneficial Association, of San Francisco, Cal., against legislation that would permit other than American citizens licensed by the Steamboat-Inspection Service serving on any vessel under the American flag; to the Committee on the Merchant Marine and Fisheries.

Also, protest of the Tobacco Association of Southern California, against an increase of taxes on manufactured cigars; to the Committee on Ways and Means.

By Mr. PROUTY: Petition of the faculty and students of the Highland Park College, of Des Moines, Iowa, asking for an adjustment of the polar controversy; to the Committee on Naval Affairs.

By Mr. SINNOTT: Petition of 39 citizens of Wasco County, Oreg., favoring national prohibition; to the Committee on Rules.

Also, petition of 14 citizens of Sumpter, Oreg., and the labor union of Baker, Oreg., against national prohibition; to the Committee on Rules.

By Mr. SAMUEL W. SMITH: Petition of S. J. Pollock and others, of Belleville, Mich., against House bill 16904 relative to the Sibley Hospital; to the Committee on the District of Columbia.

By Mr. STEPHENS of California: Petition of the Tobacco Association of Southern California, against increased taxes on manufactured cigars; to the Committee on Ways and Means.

SENATE.

MONDAY, *August 17, 1914.*

(Legislative day of Tuesday, August 11, 1914.)

The Senate reassembled at 11 o'clock a. m. on the expiration of the recess.

REGISTRY OF FOREIGN-BUILT VESSELS.

Mr. O'GORMAN. Mr. President, I ask that the pending conference report be laid before the Senate.

The VICE PRESIDENT. The Chair lays before the Senate the conference report on House bill 18202.

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses upon the bill (H. R. 18202) to provide for the admission of foreign-built ships to American registry for the foreign trade, and for other purposes.

Mr. GALLINGER. Mr. President, I would suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bankhead	Fall	Overman	Stone
Bryan	Gallinger	Penrose	Swanson
Burleigh	Hitchcock	Perkins	Thomas
Burton	James	Pomerene	Thornton
Camden	Jones	Saulsbury	Tillman
Chamberlain	Kern	Sheppard	Walsh
Chilton	Lea, Tenn.	Smith, Ga.	Weeks
Clark, Wyo.	Martin, Va.	Smith, Md.	
Culberson	Martine, N. J.	Smoot	
Cummins	O'Gorman	Sterling	

Mr. JONES. I desire to announce that the junior Senator from Michigan [Mr. TOWNSEND] is necessarily absent. He is paired with the junior Senator from Arkansas [Mr. ROBINSON]. This announcement will stand for the day.

I will also state that the junior Senator from Vermont [Mr. PAGE] is necessarily absent on account of illness in his family. I will let this announcement stand for the day.

I wish also to announce that the senior Senator from Wisconsin [Mr. LA FOLLETTE] is absent on account of illness.

Mr. CLARK of Wyoming. I desire to announce the unavoidable absence of my colleague [Mr. WARREN]. I make this announcement to stand for the day.

The VICE PRESIDENT. Thirty-seven Senators have answered to the roll call. There is not a quorum present. The Secretary will call the roll of absentees.

The Secretary called the names of the absent Senators, and Mr. CLAPP, Mr. COLT, Mr. DILLINGHAM, Mr. GRONNA, Mr. LANE, Mr. NORRIS, Mr. THOMPSON, and Mr. WHITE answered to their names when called.

Mr. OWEN, Mr. BRADY, Mr. POINDEXTER, and Mr. LEE of Maryland entered the Chamber and answered to their names.

The VICE PRESIDENT. Forty-nine Senators have answered to the roll call. There is a quorum present.

Mr. PENROSE. Mr. President, I shall detain the Senate but a very few moments. I rise to make a brief statement upon the pending bill, and I would ask permission to have the Secretary read three telegrams, which are merely a sample of thousands which I have been receiving in the last two weeks.

The VICE PRESIDENT. Without objection, the Secretary will read as requested.

The Secretary read as follows:

NEWPORT NEWS, VA., *August 15, 1914.*

Senator BOIES PENROSE,
Washington, D. C.:

Many thousands of people on the Virginia Peninsula will be rendered practically homeless by the passage of the amendment admitting foreign-built ships to our coastwise trade. Eighteen millions of dollars invested in the shipbuilding industry here, besides property now worth perhaps twice that sum and dependent for value upon that industry, will be wiped out of existence. I most respectfully but urgently protest against the passage of the amendment which will accomplish this result.

B B. SEMMES, *Mayor.*

WARREN, PA., *August 16, 1914.*

Hon. BOIES PENROSE,
Senate, Washington, D. C.:

I beg to call your attention to the new shipping bill admitting foreign-built vessels in coastwise trade of this country. Such action would be a disastrous blow to American built vessels. As I and a number of friends are largely interested in American-built vessels, I trust you can see your way clear to oppose admission of foreign-built vessels to coastwise trade.

JERRY CRARY.

WARREN, PA., *August 16, 1914.*

Hon. BOIES PENROSE,
United States Senate, Washington, D. C.:

Many of our friends here and ourselves are largely interested in American shipping and its future welfare. We vigorously protest against admission to coastwise trade of foreign-built ships, even though flying our flag. Such an act would most seriously jeopardize hundreds of millions of American dollars now invested in our domestic shipping.

F. H. ROCKWELL & CO.

Mr. PENROSE. Mr. President, I have here a memorial addressed to myself, signed by thousands of the employees of the William Cramp & Sons Ship & Engine Building Co., of Philadelphia, Pa., declaring that they oppose the shipping bill now before Congress, as it would deprive them of their means of livelihood. At the proper time, when petitions are in order, I shall present the memorial and ask to have it lie on the table.

The VICE PRESIDENT. The memorial is in order now as a part of the discussion of the bill.

Mr. PENROSE. I will then present it now.

The VICE PRESIDENT. The memorial will lie on the table.

Mr. PENROSE. Mr. President, I am fully aware of the world-wide crisis which makes it necessary or desirable to do something for the relief of the conditions of our foreign commerce and enable us to carry American cargoes and American products in American bottoms under the protection of the American flag. But it seems to me that the proposition has been carried to an extreme which is utterly unjustifiable. In fact, it is difficult for me to conceive of legislation carried to such a radical and destructive extreme as seems to be contemplated by the pending bill.

There is no justification for this extreme measure. There is, in my opinion, no necessity for it. It is a sudden and unwarranted reversal of the policy of this country under Democratic administration as well as under Republican administration for a hundred years or more. The shipowners and builders of this country have "made good" under it. It is only American shipping in the foreign trade, which is without encouragement, that has declined.

American shipping in the coastwise trade has grown steadily. In 1883 this shipping amounted to 2,538,000 tons. By 1893 it had increased to 3,854,000 tons. In 1903 it amounted to 5,141,000 tons, and in 1913 to 6,816,000 tons. It is undoubtedly now 7,000,000 tons or more of American shipping engaged exclusively in American commerce. A part of this is on the Great Lakes, but by far the greater part is engaged in trade on the Atlantic Ocean, the Pacific Ocean, and the Gulf of Mexico.

The progress of this American industry, which is suddenly and without warning put in the present bill on a free-trade basis, is one of the most remarkable achievements of the United States. Though for reasons well understood in this body there are very few American ships engaged in trade overseas, the immense size of the coastwise shipping makes the United States the second maritime power in the world, having more tonnage than the German Empire has in both foreign and domestic commerce, and, indeed, more than Germany and France combined.

The building and repair of this great fleet of coastwise ships give constant employment to American labor. The maintenance and operation of the ships furnish employment to many more Americans. Twenty years ago the reports of the Commissioner of Navigation show that not more than 30 per cent of the men employed on American ships were American citizens. But the records of the United States shipping commissioners show that the number of American citizens so employed has been notably increasing of recent years. Thus in the year 1907 there were shipped by these commissioners on vessels of the United States chiefly in the coastwise trade, 69,822 American citizens, of whom 44,085 were natives of this country, and 25,737 were naturalized. In 1913 these commissioners shipped on vessels of the United States 95,820 American citizens, of whom 63,040 were natives of this country and 32,780 were naturalized. American citizens now make up one-half of the crews shipped by the United States commissioners. The bill of the conference committee, allowing the suspension of the law that requires that the officers of vessels of the United States shall be citizens of the United States, would inevitably lead to the displacing of American seamen by foreigners, for foreign officers would naturally prefer foreign crews, who not only will work for lower wages but will put up with mean living conditions and are less high spirited and more subservient than Americans.

This proposed bill, admitting foreign-built ships to American registry for the coastwise trade is a deadly blow at American labor, and American labor will sharply resent it at the very first opportunity. The emergency that exists can be met by confining foreign-built vessels, as the House bill proposed, to American registry for the foreign trade only. If admitted to the coastwise trade they will seek that trade because they will be safe there from annoyance by belligerent cruisers and safe from exorbitant war insurance rates. The original motive of this proposed legislation will be wholly defeated unless the coastwise amendment is stricken from the bill.

Mr. WEEKS. Mr. President, I wish to submit for the RECORD the protest of 2,000 employees at the Fore River Shipbuilding Yards, Quincy, Mass. Necessarily it has been difficult to get all of the interests which are involved in the pending legislation notified of its destructive qualities, but four or five days ago it was brought to the attention of the employees at this yard, and substantially every man has signed this protest, which I send to the desk and should like to have incorporated in the RECORD.

Mr. President, this protest expresses the fear which these men have that their employment, which has been of long standing in many cases, is going to be entirely taken from them. The employees of a great shipbuilding company are very largely expert machinists; they are not, to any considerable extent, the common labor which can be employed in any work, but are men who are trained for this particular service. If they lose

that employment it will be difficult for them to establish themselves in a similar work.

The VICE PRESIDENT. In the absence of objection, the protest will be printed in the RECORD.

The protest referred to is as follows:

FELLOW EMPLOYEES: The time at our disposal to prevent the passage of the bill which is engaging the attention of the Senate at the present time is very limited, as the vote is taken on Monday which will completely destroy the shipbuilding industry in this country. This bill provides free American registration for ships built in foreign countries, but also includes all our coastwise trade, which, up to the present time, has been rigidly maintained for the exclusive use of American ships built in American shipyards. The effect of the present bill will be to totally destroy our present source of employment, as foreign-built ships would dominate and control the whole situation. Your vote as a protest against the passage of such a bill is urgently required to present to the Senate, thus showing that you realize the effect which it would have on employees not only actually engaged in the construction of ships, but in the manufacture of the products which enter into it.

On behalf of the employees I ask your support in trying to prevent such an outrage on men engaged in our industry.

Mr. WEEKS. Mr. President, I also wish to read for the RECORD a protest signed by the secretary of the Carpenters' District Council of Boston. It is as follows:

BOSTON, MASS., *August 15, 1914.*

Hon. JOHN W. WEEKS,
Washington, D. C.

DEAR SIR: In behalf of our affiliated locals, numbering at present 32, we wish you to enter protest against the passage of legislation which will permit foreign-built ships or foreign-manned ships registering in American coast trade.

First. It will tend to reduce wages and demoralize the standard of American living.

Second. It will have a disastrous effect on our shipbuilders, their employees and kindred trades.

Yours, truly,
JOSEPH F. TWOMEY,
Secretary Carpenters' District Council.

I wish also to read into the RECORD an editorial taken from this morning's New York American, which is as follows:

AMERICANIZE THE SHIPPING BILL NOW AND AVOID FUTURE DIVISIONS.

The official appeal of tidewater Virginia to Mr. William Randolph Hearst and his newspapers for aid against the un-American shipping bill is a striking illustration of the intensity of the difference and opposition which that measure, as at present constructed, is receiving inside and outside of the Democratic Party.

The two Democratic Senators from Virginia—MARTIN and SWANSON—are opposing the bill vigorously.

It is not yet too late to amend and reshape the present shipping bill to make it more acceptable to the country.

The necessity for a merchant marine is so keen and pressing that many Senators seem willing to vote for any kind of an emergency bill that will meet the present situation, with the probable view that it will be at least the beginning of a merchant marine to meet the present urgent emergency, and can be amended and made American at leisure after it goes into operation.

There are some honest, even if humid and badly mistaken, Senators who take this view.

But, in the name of American common sense, why not take two or three more days now and lop off the unnecessary and un-American features that excite violent and continued opposition and give us from the beginning a more acceptable and serviceable bill that will do unimpeded service during this emergency and require less wrangling over when the European war is ended.

It is plainly and clearly not necessary to surrender everything American and to sacrifice our domestic shipping in order to get the ships to carry our Atlantic commerce and our South American trade.

Since the discussion began it has been made perfectly clear day by day that we can get the ships we need as American-owned ships.

Then why rush ruthlessly to a foreign ownership?

Why injure American commerce? Why seriously damage American shipyards?

Why raise serious questions of international law with other countries unless it was absolutely necessary to do so, unless it was the only way to get what we want?

That is the common-sense question at issue before the Senate.

It will be utterly impossible to maintain in Congress or before the people a merchant marine that is not American. It will be fought from the beginning to the end, and the American, whatever the outcome of Monday's senatorial ballot, will continually advocate the definite Americanizing of our marine, as it has always done.

This continual and inevitable division will do the bill more harm by far than can be done now by taking two days longer to insert the provisions that will provide a permanent American marine and will duly consider the American owners, the American officers, and the American men.

Just a little broad-minded, resolute national spirit now is needed in the eager rush for this commercial opportunity, and we can have a good merchant-marine bill instead of a bad bill.

Hasty legislation is always to be deplored. Let the Senate be deliberate and wise.

Mr. President, there are three or four questions involved in this legislation. The first question is, Is there need for ships in the trans-Atlantic service? Undoubtedly when this legislation was introduced there was pressing need for such ships, because the service of the vessels of all nations involved in the European war was temporarily discontinued. Since that time, however, the German fleet has been practically confined in its operations to the Baltic Sea and the ocean lanes of traffic for other merchant lines than those of Germany and Austria have practically been open.

It was stated yesterday in the New York Sun that substantially all of the English lines were prepared to continue their operations as heretofore, in some cases changing their English destination from Southampton to Liverpool, and that with the exception of the German and Austrian lines all other European lines, including the French, were in active operation.

Insurance rates, which vary from day to day and which represent the opinions of experts on the hazardous character of the business, are gradually, even rapidly, decreasing. The rate now charged bona fide American ships which are owned by American citizens and which were flying the American flag before the war is only about 2 per cent. The rates for "whitewashed" American ships, as indicated by the probable action of the insurance companies, would be substantially the rates charged for other shipping, even that included in the list of countries now at war, other than Germany and Austria. The rate on English ships is from 10 to 15 per cent; and there is a similar rate on French ships. As I have said, these rates are decreasing from day to day.

So our trans-Atlantic service is not entirely discontinued. The only real discontinuance that will affect our traffic is that of the German regular lines—the Hamburg-American Line and the North German Lloyd Line particularly. They are not entirely cargo carriers; they are very largely passenger ships; and therefore their loss is not so effective in preventing our shipping the goods which Europe needs and which we have to sell.

Necessarily European travel is going to fall off, and therefore the same number of steamers will not be required for this service that were required before the war. What we need is cargo carriers. The English Nation largely controls that service, and, as I have said, their ships are now in operation, at what seems a high insurance rate in normal times, but a rate that is decreasing from day to day and which will necessarily decrease as the conditions of the war progress if the English are successful on the seas.

Then we have in our own service six ships in the trans-Atlantic trade—the *St. Paul*, the *St. Louis*, the *New York*, and the *Philadelphia*, of the American Line, which are subsidized under the mail-subvention act, and the *Finland* and the *Kroonland*, of the Red Star Line, which are American built and American officered. Those ships are in actual operation to-day, and are carrying their full capacity of passengers and freight.

We also have the Ward Line between the Atlantic coast and Cuba and Mexico; the Red D Line between New York, Porto Rico, and Venezuela; and in the Pacific five ships of the Pacific Mail Line to the Orient, three ships to Australasia, all subsidized; one ship from Seattle to the Orient; and, in addition to that, between the coasts the American-Hawaiian Line, the line controlled by Luckenbach & Co., the line controlled by W. R. Grace & Co., and the line controlled by John S. Emery & Co., of Boston, these latter all prepared to take advantage of the Panama Canal and conduct a better service between the two coasts.

Mr. President, I am not opposed to the emergency bill as it passed the House, but I do not think it is nearly as necessary as it was when introduced; I think we will find that owing to the decreased volume of passenger traffic and of freight offering between here and Europe our ships and the English ships and the French ships will be able to take care of it fairly well; but if not, there are numerous offerings of our coastwise shipping to-day to go into this service. I was informed this morning by the representative of one company that his company had just offered four ships having an average tonnage of 7,200 tons to the Government, as they did when it looked as if we were likely to have war with Mexico. At that time they offered this tonnage to the Government for three or four months. Why? Because they wanted to do a patriotic service, in the first place, and because their ships were not employed to full capacity, in the second place. There are numerous cases of offering of coastwise vessels; the coastwise trade is dull now, so that we may supplement the English and French and the American service which we now have for the trans-Atlantic trade with many ships which are not now employed in the coastwise trade.

Mr. HITCHCOCK. Mr. President——

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from Nebraska?

Mr. WEEKS. Yes; I yield.

Mr. HITCHCOCK. Will the Senator state whether any of our coastwise shipping has actually entered the foreign trade since this disturbance began?

Mr. WEEKS. Mr. President, I understand that in one day in New York there were 10 applications for transfer from the coastwise to the ocean carrying trade. I have not the figures at hand, but I think that statement is authentic; and I am quite confident that, if insurance rates warrant, there will be ample offerings of shipping for that purpose.

I want to suggest here that the most important thing we could do would be to try to bring down insurance rates to a living figure. That is what England has done with its trade; the English Government has been and is cooperating with English shipping interests in regard to insurance rates, and that would be the most effective step we could take to get our trans-Atlantic traffic carried cheaply and effectively.

Mr. HITCHCOCK. Mr. President, that matter is being taken care of, as I understand, by a separate bill. I want to ask the Senator if he can tell the Senate the amount of tonnage now available in our coastwise trade which could be put into the international trade?

Mr. WEEKS. Mr. President, I can not do that with accuracy, and I would not want to guess at figures. I have just stated that one company, doing a coal-carrying business, has offered 28,000 tons of shipping for this purpose; and it is reported that the American-Hawaiian Line has offered a considerable part of its shipping for this service. I have no doubt that there is a very large tonnage available, if the insurance rates will warrant its going into the foreign service.

Mr. BURTON. Mr. President, will the Senator from Massachusetts yield for an interruption?

Mr. WEEKS. I yield.

Mr. BURTON. Is it not true that the offering of ships of American registry for the foreign trade all depends upon insurance against war risks? There are boats which would enter the foreign trade, but they do not wish to do so until they can obtain reasonable insurance rates; they are asking Congress to pass a bill under which the Government shall guarantee against loss by capture or from floating mines and other losses incident to the war, and until that question is settled we can not know whether or not these ships will enter the foreign trade.

Mr. HITCHCOCK. Mr. President, I should like to pursue that inquiry a little further. Is it not expected that the result of the war will really increase the trans-Atlantic trade by reason of the increased demand for our products from Europe?

Mr. WEEKS. Mr. President, the first effect has been to decrease trade. Of course, passenger traffic is going very largely to fall off; it has already largely fallen off. As soon as we get our people home, the passenger traffic is going to be greatly reduced from what it is in normal times. Great importations have been coming into this country from Germany, amounting to several hundred millions of dollars a year. Necessarily, that business, if the English Government controls the seas, is going to be wiped off the slate; so that in all probability the volume of trade until the war terminates will be much less than in normal times. Our exports to Germany, for instance, were $232,000,000 last year.

Mr. HITCHCOCK. But they were all in German boats, were they not?

Mr. WEEKS. Oh, not necessarily. It depends on the kind of traffic. It may be in any kind of a cargo carrier—a Norwegian boat, for instance.

Mr. HITCHCOCK. My information has been that one-fifth of all our trans-Atlantic trade has been in German bottoms heretofore.

Mr. WEEKS. I do not think that is correct. I have not the figures at hand, but I think that is distinctly wrong, because the number of German cargo carriers is relatively small, and always has been. If we were to consider alone the kind of traffic that is carried by the mail lines or the passenger lines, like the Hamburg-American and the North German Lloyd, which include passengers, I should say quite likely that statement would be true; but the heavier, bulkier freight—iron products, potash, phosphates, and things of that kind—is carried by tramp steamers and the steamers of any nation; of those, Germany has a relatively small number.

Mr. HITCHCOCK. The figures I had in my mind were that the total tonnage last year was 17,000,000 tons, and that of that amount the German vessels carried between three and four million tons.

Mr. WEEKS. Mr. President, I understand that a rule was adopted about 20 minutes' time, if other Senators wish to speak. I am quite willing and glad to answer inquiries, but there are a few things which I want to state in my own time; and if I am to be limited to 20 minutes and the inquiries are to be taken out of that time, I shall have to ask that I be not interrupted again.

The VICE PRESIDENT. The Chair has no way to keep the time except by the time a Senator is on the floor, and the Senator's 20 minutes have expired.

Mr. WEEKS. Mr. President, it seems to me this is a time when we might find out how many there are who wish to speak, and, if possible, that I might be given additional time.

Mr. POMERENE. My understanding of the rule was that the 20-minute provision applied only after 2 o'clock.

The VICE PRESIDENT. Oh, no.

Mr. STONE. There is to be no debate after 2 o'clock.

The VICE PRESIDENT. A vote is to be taken at 2 o'clock.

Mr. STONE. Mr. President, unless the time of the Senator from Massachusetts is to be extended, I desire to take the floor now in my own right.

Mr. THOMAS. Mr. President, I think it is hardly fair, in view of the interruptions to which the Senator has submitted, to count that time against him. I had intended to say something, but I am perfectly willing to waive any right I have in favor of the Senator from Massachusetts.

The VICE PRESIDENT. There is no earthly way in which the Chair can keep track of interruptions. The Senator who has the floor has the floor.

Mr. STONE. How much time does the Senator desire?

Mr. WEEKS. I should like to consume a good deal of time, but if I might be given 10 minutes without interruption I will try not to detain the Senate further.

Mr. STONE. There are several Senators, I know, who desire to speak on this matter between now and 2 o'clock.

Mr. WEEKS. I do not wish to take any more time than I am entitled to; but I inadvertently allowed interruptions, not thinking of the 20-minute rule, which was adopted when I was not present.

Mr. STONE. Mr. President, I ask that the Senator's time be extended 10 minutes.

Mr. SMOOT. That can not be done under the unanimous-consent agreement.

The VICE PRESIDENT. It is wholly impossible to change the unanimous-consent agreement unless it is going to be wiped out.

Mr. GALLINGER. Mr. President, undoubtedly the Senator from Massachusetts can continue under the unanimous-consent agreement unless some other Senator says he desires to speak.

The VICE PRESIDENT. Yes; there is no doubt about that.

Mr. GALLINGER. So the Senator can continue unless some Senator interrupts him.

Mr. STONE. Then I shall not insist on the floor until the Senator has occupied his 10 minutes.

The VICE PRESIDENT. The Senator from Massachusetts may proceed for 10 minutes, unless some other Senator desires to speak.

Mr. WEEKS. Mr. President, one of the questions which we should consider is this: Is it safe to purchase ships and make transfers as proposed under this bill? I shall not have time to discuss that matter in any great detail. I think if bona fide transfers are made, if the ships are actually paid for, quite likely it will not get us into trouble; but if we permit any paper transfers, the organization of paper corporations to take over the large shipping interest which we know is waiting to be sold to Americans, then we are liable to get ourselves into very serious trouble.

I find a precedent which might apply in such a case. During our Civil War, when Capt. Semmes, in the *Alabama*, was cruising in eastern waters he fell in with a ship which looked like an American, flying the British flag. It turned out to be a ship called the *Martaban*, which had been known in the American service as the *Texan Star*. This ship was in an Indian port and transferred its allegiance to England in some form—due form, as far as the ship's papers were concerned. Capt. Semmes made this report:

> In the Straits of Malacca, at half past 11 a. m., "Sail ho!" was cried from the masthead, and about 1 p. m. we came up with an exceedingly American-looking ship, which, upon being hove to by a gun, hoisted the English colors. Lowering a boat, I sent Master's Mate Fullam, one of the most intelligent of my boarding officers, and who was himself an Englishman—

That is noteworthy—

> on board to examine her papers. They were all in due form, were undoubtedly genuine, and had been signed by the proper customhouse officers. The register purported that the stranger was the British ship *Martaban*, belonging to parties in Maulmain, a rice port in India. Manifest and clearance corresponded with the register, the ship being laden with rice and having cleared for Singapore, of which port she was within a few hours' sail. Thus far, all seemed regular enough, but the ship was American—having been formerly known as the *Texan Star*—and her transfer to British owners had been made within the last 10 days, after the arrival of the *Alabama* in these seas had been known at Maulmain.

Capt. Semmes removed the officers, who were Americans, and the crew, who were Americans as well, hauled down the British flag, and destroyed the ship and cargo. There was no question about the cargo having been British. It was shipped in a British port to another British port, and yet he burned the

ship and the cargo, and no protest against this action was ever made by the British Government, either at the time or later.

That is an indication of what may happen. What are we going to do if one of these transferred ships, transferred under similar conditions, is carrying a cargo from one American port to another, if you please, and an English man-of-war overhauls her, takes off her crew, and sinks the ship, hauling down the American flag? What position are we going to take? Are we going supinely to do what the English did under those circumstances, knowing that we are in the wrong, or are we going to protect our flag, as we should do, on the high seas? I simply instance that as one of the possibilities that may come out of this legislation; and yet if the bill were before us in its original form I would vote for it notwithstanding that dangerous possibility, because in a case like this I think everything should be done that can be done to protect our interests, and I hope these dangerous conditions would not arise.

Now, the question arises, Is there need for further shipping in our coastwise service? I should like to discuss that subject in great detail, but the evidence is on every hand that the coastwise shipping is largely idle at this time; that there are ships not only on the Pacific coast, but very many of them on the Atlantic coast, which are ready to go into the foreign service if it can be conducted profitably; that there is sufficient tonnage not only to do the coastwise business under present conditions, but to supplement our foreign trade. Under those circumstances, what possible reason can there be for injecting here this proposition, which came as a result of the conference, to open our coastwise trade to foreign shipping without limit for the next two years?

That has been tried several times before. You will recall that during the consideration of the Panama Canal bill in 1912 that proposition came up, and was promptly voted down by the Senate. I do not remember whether it appeared in the House or not. Only six weeks or two months ago we had a similar proposition before the Senate, during the consideration of the canal-tolls bill. The amendment of the junior Senator from Missouri [Mr. REED] was pending, as amended by the Senator from Wisconsin [Mr. LA FOLLETTE]. It opened our coastwise trade to foreign ships. The vote on that amendment, as Senators on the other side will recall—many of whom, I understand, are going to vote for this proposition, though they voted against that one—was only 12 in favor, 67 against, and 16 absent.

There never has been an expression of opinion, either in the Senate or in the House or in the country, when there was any demand to open our coastwise trade to the ships of foreign nations. We will not only destroy a great interest, in my judgment, but we will do more than that, because the protection of shipping is not like the protection of any other industry. The protection of a manufacturing industry may affect that industry alone. The destruction of the shipping industry not only destroys that industry, but it also prevents the developing men for our naval service and ships for our naval service, and in many other respects demoralizes a service which is of great national value to us.

It is said that there are not sufficient officers to command and to serve on board the ships that may come here. Possibly that may be found to be true; and yet I should like to call to the attention of the Senate the fact that the State of Massachusetts has been maintaining a school ship for a great many years, spending something like $60,000 a year for that purpose. The ship has been furnished by the Government, and there have been turned out every year 40 or 50 American boys competent to serve in any capacity on board any ship, either in a minor or in a primary capacity. There are a large number of men serving in our coastwise fleet as officers in junior capacities who have passed or are competent to pass examinations of the first class—that is, the navigation examination, the seamanship examination, and other examinations which would entitle them to the command of a ship in the deep-sea service. It is not necessary, in my judgment, to admit the possibility that we must go abroad to obtain officers or men for our service. It would be a serious handicap to the development which has been going on for years in Massachusetts and New York and Pennsylvania in the way of educating these young men for this service, if at this time, instead of promoting these young fellows who are entitled to promotion, we should say to them: "You are not fit, so we will take foreign officers for this service."

Mr. President, just one word about the taking over of foreign shipping for this service and what is being done to prevent it. I noticed in the New York World yesterday an editorial attacking the American shipping interests for appearing in Washington at this time to protest against this legislation. Why should not they appear? They are representing an industry that employs $100,000,000 or more of capital, that employs 50,000 men in addition to the people employed in developing the material that goes into the ships, that employs in the shipping interest itself large numbers of American citizens. Why should not they be here? And why should they be criticized any more than any other citizens for coming here to point out to Congress that this legislation is going to be damaging to their interests?

Does anybody criticize the cotton growers of the South for coming here and trying to point out how their interests can be promoted? Does anybody criticize any other similar interest for doing the same thing? Not at all. We take that as a matter of course, for it is their right and their duty to do so.

This talk about a "trust" in the shipping business is without any foundation. We have seven or eight great shipyards in this country. The time has never been, when the United States has asked for bids for the building of a battleship or any other craft for the service, when there has not been active competition among those yards. The same is true as to ships for other service. It is not a profitable industry, even under the present conditions. The great yard in Massachusetts, the Fore River Shipbuilding Co., which employs in normal times 3,000 men, has been reorganized three times during the last 20 years. The Cramp company, which is familiar to you all, has been reorganized. There is not any evidence anywhere, and there never has been a word of evidence taken, that there is any combination among these shipbuilding interests or that the industry is profitable, even to the extent of a reasonable return on the amount of capital invested.

This other claim of a combination which controls our coastwise trade is equally without foundation. It is true that certain steamship lines do conduct a service, carrying passengers between certain ports on the Atlantic coast, and they do control that kind of carrying capacity; but that is only a small part of the coastwise trade of this country. I can say to Senators, also that there is not a single one of those companies in the case of which, if anyone wants to invest money, he can not buy the stock at less than their replacement value, and in some of them, to my knowledge, it can be bought for less than 50 per cent of its replacement value.

All of this talk about trusts controlling the shipbuilding industry of this country or controlling the coastwise shipping is so entirely without foundation that it ought not to be credited by any Senator for one moment.

I see that I have used the 10 minutes that were kindly allotted to me, and I am not going to trespass on the time of others. If time develops before 2 o'clock, I should like to continue the remarks which I intended to make.

Mr. STONE. Mr. President, within the 20 minutes at my disposal I can not discuss our entire code of navigation laws, not even that part relating to coastwise shipping, nor have I time to inquire into the extent of American tonnage and shipping facilities. The Senator from Massachusetts [Mr. WEEKS] seems to think there is a sufficient supply of ships now having American registry to answer the emergency immediately upon us. I do not agree with him, but, on the contrary, I am satisfied that we can not depend upon American ships now registered under our laws to meet more than a small fraction of the demand the country is making for facilities for transportation to foreign ports of the products of our fields and factories. I can not, within the limits of my time, take that matter up in detail. I assume and assert that we are very short of ships for the service I indicate. If we are not short of ships then this legislation is wholly unnecessary.

Mr. President, I wish here to say that I seriously doubt whether it is wise or advisable to enter upon the work of revising our navigation laws to any extent not absolutely necessary when we are now supposed to be engaged upon the work of enacting legislation to meet a pressing emergency. At the proper time, and when we can have before us a measure covering our entire system of navigation laws, and when we will have time to give to that subject the consideration its importance deserves, I shall be glad to take it up. Primarily, I do not hesitate to say that I favor admitting all ships of American registry into both the coastwise and over-seas traffic; but I seriously doubt the wisdom of undertaking at this time and in connection with this emergency legislation to revise this long-established system of laws—a system involving a national policy, I think a mistaken policy, but one which has been in force for many years, and undertake to discuss and dispose of such a question with only a few hours of hasty and imperfect consideration. I look forward with the hope that in the almost immediate future Congress will take up the question of enacting legislation in a large way with a view to rehabilitating our merchant marine. I am anxious to do that and will be glad to dis-

cuss the various aspects of that legislation when the occasion arises.

But, Mr. President, at this time the only paramount object I have in mind, and which I suppose this Congress had in mind when this legislation was initiated, is to procure and supply adequate facilities, immediately available, for transporting our products to foreign markets, and thus ameliorate, if not terminate, the congested condition now prevailing. I am not seeking at this time to provide additional ships for service in the coastwise trade, but to provide additional ships for use in the over-seas traffic. I want to reach the outside markets of the world. I think the conference bill now before us will have little, if any, effect beyond putting a number of foreign ships into the coastwise business without adding anything of consequence to the carrying facilities for our products going abroad. I am not sensitive about the effect of this legislation on the coastwise shipping interests. The coastwise shipping is a legalized monopoly, and I have no sympathy with it; but if we shall permit ships purchased under this act to go into the coastwise business, they will not go into foreign business. Why should they? There are numerous foreign-owned ships now idle in our ports unable to escape from them. If they leave the shelter of our ports, they are almost certain to be captured and confiscated. We are told that many of these ships are for sale to Americans at a low price, but Americans will not, in my opinion, purchase them for use in carrying our products abroad. The purchasers could not get anything like adequate insurance on ships or cargoes without paying rates so high as to make them prohibitory. I do not believe they will pay such rates of insurance and at the same time take the risk of having the ships captured and dragged into prize courts, where they may be condemned and confiscated. I went over all this the other day, and it is hardly necessary to advert to it more at length at this time. I do not believe that Americans will invest large sums in foreign ships under the provisions of this bill or under the provisions of any bill like this, for use solely in trans-oceanic trade, especially in trade going to any of the belligerent countries. But if you open our coastwise shipping to these foreign-owned ships, Americans will be tempted to purchase them at low rates and turn them into the coastwise business until the European war is closed; but, as I have said, that is not what we want.

The moment you open a coastwise business to ships purchased under this so-called emergency legislation you make it practically certain that the ships will not be used for the purpose which I have supposed was moving us to enact this emergency legislation. We erect an obstacle that will stand in the way of accomplishing the very thing we had in view when we initiated this legislation. What I am after now is to get ships for the over-seas traffic and not for the coastwise traffic. At this moment we are not looking for relief, so far as the coastwise business is concerned—we now have adequate facilities for that—but we want ships to take our products to the outside ports of the world. I think this bill would be an utter failure; it would hold out the word of promise and break it to the hope. As much as I favor putting all American registered vessels into the coastwise trade, if they elect to enter it, I think if we opened that trade to these newly purchased ships at this time we would defeat the very thing we are primarily attempting to accomplish. This proposition ought not to have been attached to this legislation, and the bill ought not to pass with it if we expect to get any benefit from it.

Personally I do not believe there is anything of value in this bill now before us, for the reason that Americans are not going to buy these ships and take the risk of operating them on the high seas unless the Government itself shall become the insurer and issue war risks covering both ships and cargoes; and I think it more than probable that we will have to do that before we can secure anything approaching adequate relief for our farmers and manufacturers. For myself, as I have said more than once, I believe the Government itself should buy the ships and furnish the relief so grievously needed, instead of leaving all this to private enterprise. In this emergency I am in favor of legislation for buying Government ships far more than for legislation authorizing private citizens to purchase them. There can be no doubt of the right of the Government to buy ships upon its own account; and if they do buy commercial ships they can be used in any way the Government pleases to use them. Only the other day we passed a bill authorizing the use of warships for carrying mails, passengers, and freight to the ports of South America. If we can use our warships for such purposes, we could certainly use our commercial ships for such purposes. The one really sensible thing for us to do would be for the Government to buy ships, and when the war storm raging in Europe is ended and normal conditions restored, the ships so purchased could be and should be transferred to the Navy Establishment as an auxiliary. I would not want to sell the ships we might buy, for that would entail a great sacrifice and loss. They ought not to be sold, even though no heavy loss should be incurred, but they ought to be attached to the Navy for its uses at all times and for the use of the Government in any period of emergency.

Mr. President, we are told that if the Government should purchase ships and carry cargoes on its own account, it would prevent the organization of a merchant marine owned and operated by private citizens or corporations. This statement is based on the idea that private enterprise would not compete with the Government. Why, Mr. President, no advocate of the policy of Government purchase ever favored for a moment the notion of the Government continuing in the commercial business of transportation in competition with private enterprise. As soon as the emergency confronting us is ended, the ships bought by the Government would be retired from commercial uses and devoted to naval purposes alone. There is nothing to that argument.

It is also said that if the Government itself undertook to operate vessels of its own in transporting cargoes to foreign ports, especially ports of belligerent countries, we would run the hazard of becoming embroiled with some of the countries engaged in war. I do not see why that should be so. I assume that the officials in charge and direction of the business would not be idiots; that they would not attempt to run blockades or carry contraband in their ships. Articles in ordinary use among civilized peoples, such as clothing and foodstuffs, are at most only conditional contraband. What do I mean by "conditional contraband"? I mean that if any attempt should be made to take such articles to a beleaguered fortress, or into an actually blockaded port, or to the armed forces of a belligerent on either land or sea, that would make them contraband; but ordinarily such articles are not contraband under international law. If the Government insures a ship and it is taken and dragged into a prize court, the Government, in fact, would be the real party interested in the case. I assume that the Government would not buy a foreign-owned ship if the foreign Government, whose people own it, had some claim upon the ship, at least that we would not buy it without the consent of that Government. But if the Government whose subjects own a ship is willing for the owners to sell it, no other nation has any right to object. As I have said, I assume that the Government officials operating or directing the operation of Government ships carrying American cargoes would be governed by the rules of prudence and common sense, as well as by the canons of international law. I do not think there is anything to the argument made on this ground against the purchase of ships by the Government.

Mr. President, my time, I see, is about up. I want to see something done in a sensible, practical way—something that will accomplish substantial results in the way of relieving the burdens this great war has cast upon our people. We did not start out to get ships for the coastwise trade, but to get ships to carry our products to Europe, to South America, and to the Orient. We do not now have bottoms sufficient to transport our products to these foreign markets, and because of that we are not only suffering at home but we are losing a great opportunity to develop and extend our commerce throughout the world, and especially on this hemisphere.

I am troubled about this bill, or, rather, as to what I should do with respect to it. I am so anxious to relieve the pressure upon us and afford an outlet for our products to the markets of the world that I hesitate to vote against or to delay the passage of any measure that promises relief; but I can not escape the conviction that this bill in its present form will accomplish practically nothing on the line upon which we should accomplish much.

Mr. SAULSBURY. Mr. President, I sincerely hope that the Senate will not adopt this conference report. To my mind there are two very good reasons why it should not be adopted. I will take the lesser one first, because it is purely a matter of money; it is purely a matter of the welfare of a certain line of business or lines of business in this country, whereas to my mind the other reason is a question largely of national honor.

Since this bill came from the House there has been injected into it, and particularly in the report of the committee of conference, a provision that to my mind may be destructive of a great business. So far as it goes it would be as destructive of one great business as if we had gone immediately without any step to absolute free trade in this country, and thereby destroyed necessarily many lines of business which had been hothoused to the point at which they then stood.

I do not care anything about the coastwise commerce of the country except as it benefits my fellow citizens. I do believe that that coastwise commerce is a great nursery of seamen. It is a great teacher of seamanship; and we see in the present condition of the world how absolutely necessary it is that a great nation shall have some power upon the sea, the greater the better.

The shipbuilders of this country have been greatly hampered in the past, Mr. President, by provisions which had no relation in themselves to shipping. I have tried to avoid any question of partisanship in regard to this bill or a reform of our shipping laws. I stated the other day when the Senator from New Hampshire [Mr. GALLINGER] was speaking that I might interject a great deal of partisanship into it; that coastwise shipping has been hampered in the cost of ships built by the high cost of the material that goes into them; that the high cost of the material which goes into them has been kept up to its prices largely by the necessities of the railroad combinations protecting themselves against a tidewater line from Pittsburgh to the coast, when we could have had all structural steel and shapes going into ships, where we could have built them, with the exception of a small percentage, with the labor in this country just as cheaply as they could be built on the Clyde. But though I believe that to be absolutely true, I do not believe in striking down at this time without any sufficient hearing a great industry that is for the great advantage of this country.

I proposed an act before this bill came from the House allowing foreign-built ships bona fide owned by American citizens to engage in voyages a part of which was through the Panama Canal. My idea of doing that was to confine the coastwise trade absolutely within the limits which now exist until we could in some sensible way, in some judicious way, get proper changes in our shipping and commerce laws which would enable our people properly to go forward in this great industry. I believe in that provision now, and were this agreement by the conference committee changed very slightly it would meet my views. Simply for the purpose of enabling Senators to consider it, I would suggest that any provision such as that which has been proposed by the conference committee, if amended as follows, would probably meet the views of a majority of the Senators here, as I am informed the way their views now are. If, in line 23, on page 3, of the conference committee bill, you should insert after the word "if" and before the word "registered" the words, "the voyage in which they are engaged is in part through the Panama Canal, provided they are," I think it would precisely meet my view and the view of the Senator from Washington [Mr. JONES], whose amendment was adopted by the Senate. In order that the Senate may understand what result this suggestion would produce, I will read the clause as it would then stand. Beginning on line 22, on page 3, of the conference bill, the language would read, if amended as I propose:

> Foreign-built ships may engage in the coastwise trade if the voyage in which they are engaged is in part through the Panama Canal, provided they are registered pursuant to the provisions of this act within two years from its passage.

In that way, Mr. President, I would provide that until we may have a sensible revision of our shipping laws—and I think they need a sensible revision—the coastwise traffic shall be confined as it is and protected as it is by the provision that foreign-built ships may not engage in it. I would prevent by such a provision as that its extension to the interocean trade, because I do not think that is necessary. In their essence voyages from the Atlantic to the Pacific coast are deep-sea voyages; but, to my mind, to inject into this bill such a provision as is proposed by the conference committee would simply work vast hardship and might destroy the only shipping on which we could depend, and might practically destroy American seamanship. Therefore I am unalterably opposed to the provision as it exists in the bill.

The other provision which I have endeavored to have placed in this bill, Mr. President, and which I think should be in it, is one which would throw such safeguards around the acquisition of foreign shipping in this time of war that we would not be unnecessarily embroiled in the raging world-wide conflict. No one can tell what small match will start a great conflagration. I do not believe that this country will be drawn into this foreign war; God grant that it may not; but I can see elements in this bill which may greatly tend to give some foreign monarch or potentate an excuse for dragging us in and possibly then to plead that he must make peace with others because of the overwhelming forces that may be against him.

Mr. President, before this bill came here from the other House, before I knew what its provisions were or what would be presented to us, I had introduced a bill, entirely of my own motion, to which I would ask the attention of those Senators who may be interested in this subject when we come to consider this matter in a broad fashion, and I do not believe, as it now stands, that we can consider this bill in a broad fashion, so far as our coastwise shipping is concerned. We have no safeguards, in my opinion, provided in this bill against embroiling us with foreign nations which are at war. I would provide in this bill, Mr. President, that no ships should be admitted to American registry unless they were owned by Americans. The case referred to by the Senator from Massachusetts [Mr. WEEKS] this morning shows how easy it would be to get up a great excitement over the seizure and condemnation in a prize court of American ships or ships flying the American flag. I would provide absolutely, as far as I could, that every interest in a ship flying the American flag and purchased during this time of war should be owned by American citizens, and that the ship should be commanded by an American officer.

The provision suggested by me in the bill I drew, which was accepted by the Committee on Interoceanic Canals, has been stricken out in this bill, although accepted in the first place. That would have been a great safeguard and security. There is now no provision in the bill which requires that there shall be more than a very few dollars—and they may be fictitious dollars—invested by Americans in ships flying the American flag. The cost of a charter, the cost of a few shares of stock, if those shares are honestly issued for the directors of the company, a board composed for the purpose of making it nominally an American corporation owning these boats, will be entirely sufficient to protect the ship of any foreign nation at war unless such ship is liable to seizure or condemnation in the prize court. I would, Mr. President, in every way avoid embroiling ourselves in such a way as that.

I can not give my consent to any bill passing this body that does not involve actual American ownership. We can get plenty of ships, I think; we can get them for our citizens; we can buy those ships. The freight in a short time will pay back all the money required to do so in this time of war; but not one ship with fictitious ownership, belonging to foreigners, would I have in this time of war justly condemned in a prize court anywhere. We can not be too careful in providing that with respect to the warring nations of Europe we are absolutely straight and honorable in all our dealings. For myself, I do not believe that loaning the American flag for temporary purposes to owners of ships flying the flags of nations which are engaged in war, as this bill might do, is honest treatment of warring nations. I do not want that done. I want to keep this country out of entangling alliances abroad in this time of almost universal war. The provisions of the bill as I have offered to amend them would, I think, protect this country in all respects; but I am willing now to vote for any bill which, in my judgment, does not tend to drag this country into this world-wide strife. I am willing to do anything to advance the American merchant marine, not, however, at the expense of war or of the dangers of war.

Our position in this world to-day is a grand one. We are friends of all, and hoping to remain so, and while we occupy that position we can be the friends of all humanity; but let us for the sake of paltry dollars, let us for any selfish reason give just cause to the nations of this world to let them embroil us in war, our usefulness as a great popular governed nation of the world, hating war and seeking to avoid it in every way, will be destroyed. For that reason, Mr. President, I sincerely hope that when this bill passes the Senate, and when it finally passes Congress, there will be no element in it which will tend to drag us for paltry dollars into the pending world-wide strife.

I shall certainly vote against any bill or any provision in the bill which does not always keep us as far as we can be kept from any possibility of this world war which is now raging. So far as the present effort is concerned, well-meaning, well-intentioned, intending again to bring the American flag upon every sea of the world, of course, I want to see it successful; but I do not want to see it succeed at the possible expense of American honor or at the possible expense of involving our country in a war.

Mr. CLARK of Wyoming. Mr. President, it would without doubt be much more profitable to leave the discussion of this matter to those who are more familiar with the past history of the legislation and of the actual operation of our shipping laws, but I can not refrain from giving one or two reasons at least why I am unable to support the conference report.

I was not in the beginning so thoroughly impressed as were many other Senators with the idea that there was an emergency which required the immediate enactment of this legislation. At the same time, I was not unwilling that any legislation should be passed designed to meet even an apparent emergency, and therefore I refrained from voting against the bill upon its former consideration by the Senate. I think that the develop-

ments of the last three or four days have shown that the emergency is not nearly so acute as we have been taught to believe. I read that nine great trans-Atlantic steamships cleared from New York on Saturday and a smaller number from Norfolk and from other ports. We are told that the British Government has sent out word that the commercial lanes upon the ocean are open, and from other sources we find that the North Sea travel to the Scandinavian peninsula is open; so that I really have no great fear that the world's commerce will not be carried on notwithstanding the war.

Mr. President, the bill as it comes back from the conference committee is a far different proposition than when it left the Senate; indeed, I have very grave doubt whether, under the rules of this body, the conferees were authorized to bring in the report which we are called upon to approve or disapprove. The bill which was passed by the Senate provided that in order to meet the emergency vessels might be purchased abroad, might be registered in the foreign commerce of the United States, and might be officered by men not citizens of the United States. The bill as it comes from the conference committee provides that, but it also provides that such vessels, having been registered under the navigation laws of the United States for the foreign trade, may also enter into our coastwise commerce.

Mr. President, I think there is no one who has not been filled with sorrow when he contemplates the history of our merchant marine and realizes that although we once carried 80 per cent of our own commerce upon the high seas, American shipping in over-seas commerce has so far dwindled that we now carry barely 8 per cent. Through all these years attempts have been made and various devices have been proposed in the way of legislation to remedy that situation, but the American Congress thus far has not risen to the occasion. We have not given our shipping upon the high seas the same advantages which other nations have given their shipping, and, as a natural consequence, the foreign-owned and foreign-manned ships have taken the commerce of the high seas. But we have during a hundred years built up a splendid coastwise trade—as we heard this morning, a coastwise trade equal in tonnage to more than the entire domestic and foreign commerce of Germany.

This conference report proposes what? It proposes not only to let foreign registered vessels enter our coastwise trade. It not only proposes to give them equal advantages with the American owner, but it proposes to give them a great advantage over the American owner. I can not understand, Mr. President, upon what theory this clause in the conference report was written. For the government of our coastwise trade we have built up a set of laws and regulations in regard to the character of the vessel, in regard to the character of the service, in regard to the treatment which the sailor shall receive, in regard to living conditions, in regard to sanitation, in regard to air space, none of which a foreign vessel will be required to observe under this bill.

Why, Mr. President, I think in our merchant marine we have a greater percentage of native-born Americans than in any other great business in this country; but this bill now throws our merchant marine open to vessels officered and manned by foreigners. An American vessel with a foreign crew and foreign officers can not now enter into our coastwise trade, but under this bill a foreign vessel when admitted to American registry may do so. An American vessel can only operate in our coastwise trade by observing the laws of sanitation and good living which are commensurate with the welfare of American citizens, but a foreign vessel operating in that trade under this bill may throw aside all laws of sanitation, may throw aside all laws of right living, and may enter into this great business and ply between our ports with none of the restrictions which we place upon our own vessels or upon our own owners for the benefit of our own sailors. Why is it that in this bill, which is intended to meet an emergency in connection with the over-seas trade, we seek to break up a system of law that has made our coastwise trade the pride of us all? Why is it that we are to break up a system of laws that has been a hundred years in the making?

Nobody knows better than do the Senators upon the conference committee that if this question were here as a naked proposition, dissociated from the present emergency legislation, it would be argued and discussed for weeks and weeks in order to arrive at a just conclusion; and yet the conference committee brings it here before us in a conference report where we are obliged to reject the whole report without amendment or consent to the wrecking of the coastwise trade. Mr. President, whether or not foreign vessels should enter into the coastwise trade is a question that may well be the subject of debate, but the proposal that the foreign vessel shall come into the coastwise trade at a distinct advantage over the American vessel ought not to be the subject of debate for one moment in any American Congress. I am opposed to that portion at least of the conference report, and shall vote accordingly.

Mr. BORAH. Mr. President, I wish to refer to the amendment which was offered by the Senator from Iowa [Mr. CUMMINS] and afterwards eliminated from the conference report, particularly in view of the able argument just made by the Senator from Delaware [Mr. SAULSBURY] as to the possibility of involving this country in a difficulty with the belligerent powers, although we are dealing exclusively in this particular matter with the coastwise trade.

It is rather an extraordinary situation, Mr. President, that in dealing with our coastwise trade, which is just as much under our jurisdiction and subject to our discretion and control as a railroad, we should be charged with the possibility of disturbing our relations with foreign Governments. We will have to do something very extraordinary in order to give ground for criticism. In my opinion it is not foreign influence so much as local influence which we are likely to offend.

One of the reasons for this amendment was, it is said, that if a majority of the stock of a foreign-built vessel were owned by American citizens the good faith of the transaction could not be impeached, and that should such ships be brought into a prize court our integrity of purpose could not be impugned.

Mr. President, I wish to call attention to the decision of the Supreme Court of the United States in the case of the *Pedro*, in One hundred and seventy-fifth United States, at page 354. Knowing his great ability as a lawyer, I ask particularly the attention of the Senator from Delaware to this decision, because I think it throws some light upon this proposition. This was a case founded upon a state of facts which I can, perhaps, best give to the Senate from the opinion itself:

> In due course, proofs, in preparatorio, which embraced the ship's papers and depositions of her master and first officer, were taken. The master appeared in behalf of the owners and made claim to the vessel, and moved the court for leave to take further proofs, presenting with the motion his test affidavit. In the affidavit it was alleged that, although a majority of the stock of La Compania La Flecha was registered in the names of Spanish subjects and only a minority of the names of British subjects (members of the firm of G. H. Fletcher & Co.), one of the latter had possession of all the certificates of stock, which under the charter of the company established the ownership thereof, whereby he was the "sole beneficial owner of the said steamer *Pedro*." And further that the steamer was transferred from the British to the Spanish registry solely for commercial reasons, "there being discriminations in favor of vessels carrying the Spanish flag in respect of commerce with the colonies of Spain, in consideration of dues paid by such steamers to the Government of Spain," but that it was the intention of the British stockholders to withdraw her from the Spanish registry and from under the Spanish flag, and restore her to the British registry and the flag of Great Britain whenever the trade might be disturbed. It was also alleged that the steamer was insured "against all perils and adventures, including the risks of war, for her full value by underwriters of Lloyds, London, and by insurance companies organized and existing under and pursuant to the laws of Great Britain, and that if the said vessel should be condemned as prize by this court the loss will rest upon and be borne by the said English underwriters."

Here was an English-built ship, the stock still owned exclusively by Englishmen, underwritten by an English company, which, however, had been transferred to a Spanish corporation, the stock of which was still owned by Englishmen, and was sailing under the Spanish flag. Now, let us see what the court says. I am only going to read a very short paragraph, because I have not time to go into a full discussion of the matter.

> It was argued that the *Pedro* was not liable to capture and condemnation because British subjects were the legal owners of some and the equitable owners of the rest of the stock of the La Compania La Flecha and because the vessel was insured against risks of war by British underwriters. But the *Pedro* was owned by a corporation incorporated under the laws of Spain, had a Spanish registry, was sailing under a Spanish flag and a Spanish license, and was officered and manned by Spaniards. Nothing is better settled than that she must under such circumstances be deemed to be a Spanish ship and to be dealt with accordingly.

The court cites in support of its position the case of the *Friendschaft*, in Fourth Wheaton; the *Ariadne*, from Second Wheaton; the *Cheshire*, from Third Wallace; and Hall on International Law, section 169. I have examined these authorities, and they sustain the views expressed by the court. I shall not dwell upon them, however.

Further the court says:

> These stockholders were in no position to deny that when they elected to take the benefit of Spanish navigation laws and the commercial profits to be derived through discriminations thereunder against ships of other nations they also elected to rely on the protection furnished by the Spanish flag. Nor can the alleged intention to restore the *Pedro* to British registry, if war rendered the change desirable, be regarded. That had not been done when the *Pedro* was captured.

Mr. President, here was an instance in which there was manifestly a transfer to meet a situation, and the real ownership of all the stock was in the original owners of the boat. It was underwritten by the Lloyds, of London, but the boat was owned by a Spanish corporation, flying the Spanish flag, and under Spanish registry. The court said: We will not inquire further

than that fact. That settles the controversy so far as this question is concerned. And there it ended.

Mr. SHIVELY. Mr. President——

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from Indiana?

Mr. BORAH. I do.

Mr. SHIVELY. As I understand the case the Senator has been citing and reading from, the court denied the right of the English owners of the stock to raise the question of the good faith of the transaction.

Mr. BORAH. What the court decided was that so long as the ship was under Spanish registry, owned by a Spanish corporation, and flying the Spanish flag it was immaterial who owned the stock. That is what the court decided.

In dealing with our own commerce our transactions can not be material to foreign nations so long as we do not distinctly favor one to the disadvantage of another. So long as we deal by general law and for the purpose of accomplishing general purposes, letting the results reach where they will, to this nation or to that, it can not be said that we are violating in any sense, it seems to me, so far, at least, as it has been pointed out in this debate, any principle or any rule of neutrality. The fact that we are a neutral nation and that we are surrounded by conditions such as confront us because of conditions in Europe does not prevent us from carrying on our commerce and doing business. Whatever is essential to protect our commercial interests and to carry on our business is perfectly proper to be done upon our part, so long as it is not distinctly an act for the benefit of one nation and to the disadvantage of another.

Let me read a short paragraph from the New York Times of August 15, which states this matter, it seems to me, in a concise and conclusive way:

It has been declared by a Federal court that "the neutrality laws are not designed to interfere with commerce, even in contraband of war, but merely to prevent distinctly hostile acts, as against a friendly power, which tend to involve the country in war." Our citizens may freely sell commodities to any or all of the belligerents; they may sell contraband of war, even arms and munitions of war, but contraband, of course, is exported at the buyer's or shipper's risk of seizure. We have a great deal of wheat and other foodstuffs for sale. We are free to sell to England, France, Germany, Russia, or Austria. Our American bankers are also free to negotiate loans for the Governments of the belligerent powers, and our investors are free to subscribe to such a bond issue.

That is another question which is not important now.

Mr. President, this condition of affairs in Europe has also imposed upon us an exigency; and in order to meet that, to find means of transportation, to call to our assistance other ships, to make it easy for foreign ships to assist us in our present situation, we propose to change our laws. They will operate alike as to all powers. They are designed primarily to benefit our commerce, to enable our cotton raisers, our wheat raisers, our manufacturers, and others to reach markets as best they may under the circumstances. What principle of neutrality is violated; what law, possibly, applies to that condition of affairs so long as it is our coastwise business with which we are dealing? True, this morning's paper prints the proposition that it may be considered distasteful or offensive upon the part of England because it might, in her conception, inure to the benefit of Germany, not by reason of the fact that it is a violation of any law of neutrality or any principle of neutrality, but by reason of the fact that the physical conditions are such as may result in advantage to Germany and disadvantage to England. That, however, is no reason why we should not act. We should not hesitate to give our farmers and those who have their cargoes lying upon the docks the means to transport them because, possibly, without any design upon our part, it may work to the advantage of one or the disadvantage of others.

It has been said upon the part of the Senator from Massachusetts [Mr. WEEKS] that there are sufficient ships. I do not know how it is with the part of the country with which he is most familiar. It may be so there; but I do know that there are not sufficient ships upon the Pacific coast to do the business, if responsible men can be relied upon in their solemn statements to their representatives. I have not personal knowledge about the matter, of course; but, as I said the other day, for more than six months, long before this emergency arose or was ever anticipated, I was being appealed to by representatives of business upon the Pacific coast to aid in inviting to our coastwise trade ships that would enable them to transport their cargoes. There could have been no possible reason at that time for misrepresentation; and since this question has arisen, within the last 48 hours, these representations have been repeated to me.

The simple question, then, is in regard to the matter of embroilment with another nation. May we be hindered, stopped, curtailed, circumscribed, and girt in in the discharge of our own domestic duties by reason of the fact that, incidentally, some other nations may be benefited or disadvantaged? I have heard no principle of neutrality announced in this debate, nor have I read of any in any authority upon international law, which would justify such a conclusion.

Mr. JONES. Mr. President, I am not going to discuss the merits of this proposition. I did so the other day, and I know there are Senators who have not discussed it who desire to take some time to do so now, and I do not wish to deprive them of the opportunity to speak. I simply wish to call attention, briefly, to some telegrams I have received.

On behalf of the junior Senator from Michigan [Mr. TOWNSEND], I ask that there may be printed in the RECORD a telegram from William Livingstone, president of the Lake Carriers' Association, protesting against the adoption of this conference report.

The VICE PRESIDENT. In the absence of objection, it is so ordered.

The telegram is as follows:

DETROIT, MICH., *August 14, 1914.*

Hon. CHARLES E. TOWNSEND,
Washington, D. C.:

Our association protests most earnestly against passage of registry bill as reported by conference committee of the Senate and House. To our mind it would be calamity to American shipping interests. Why would it not be much better instead of taking hasty action of this kind, to have joint committee from Senate and House appointed that would be empowered to go into matter thoroughly and investigate all phases; then draw bill?

WILLIAM LIVINGSTONE,
President Lake Carriers' Association.

Mr. JONES. I also present a telegram from Mr. H. F. Alexander, one of our leading shipping men, protesting against the adoption of this conference report. I will say that Mr. Alexander is in favor of the proposition I presented, with reference to the intercoastal trade. I ask that the telegram may go in the RECORD.

The VICE PRESIDENT. Without objection, it will be so ordered.

The telegram is as follows:

TACOMA, WASH., *August 15, 1914.*

Hon. W. L. JONES,
United States Senate, Washington, D. C.:

Opening coastwise trade to foreign vessels will be disastrous to Pacific coast and Alaskan shipping, as first cost of American vessels twice that of foreign, consequently impossible American-built vessels to compete with foreign bottoms. No necessity throwing open coastwise business, as more than sufficient American tonnage now in service or disengaged on this coast.

H. F. ALEXANDER.

Mr. JONES. Then I have telegrams from San Francisco, signed by 15 or more companies and 4 or 5 different individuals, protesting against the adoption of this conference report. I simply ask that the names of the signers of the telegrams may be noted in the RECORD as protesting.

The VICE PRESIDENT. It is so ordered.

The names referred to are as follows:

Pollard Steamship Co., E. J. Dodge Co., J. R. Hanify Co., Freeman Steamship Co., Sudden & Christenson, Swayne & Hoyt, Wilson Bros. & Co., Hart Wood Lumber Co., Aroline Steamship Co., Leelanaw Steamship Co., Olson & Mahony Steamship Co., Charles R. McCormick & Co., Hicks Hauptman Navigation Co., J. E. Davenport, E. K. Wood Lumber Co., Bowes & Andrew, J. O. Davenport, W. G. Tibbitts, Charles H. Higgins; all of San Francisco, Cal.

Mr. JONES. I also have a telegram from San Francisco, signed by seven different companies, which reads as follows:

SAN FRANCISCO, CAL., *August 14, 1914.*

Hon. W. L. JONES,
United States Senate, Washington, D. C.:

We commend your efforts on behalf of the bill affecting American shipping. The amendment as proposed by you perfectly met the necessities of the situation. However, the bill as reported by conferees will, if it becomes a law, be of inestimable value to Pacific coast; and, as owners of vessels engaged exclusively in coastwise trade, we much prefer relief afforded by conferees' measure to no relief, and urge your support of same.

HOBBS-WALL LUMBER CO.
UNION LUMBER CO.
POPE & TALBOT LUMBER CO.
THE CHARLES NELSON CO.
NORTHERN REDWOOD CO.
THE PACIFIC LUMBER CO.
HAMMOND LUMBER CO.

This telegram, as I have just read it, of course will be printed in the RECORD. I have quite a number of other telegrams, one signed by 13 different companies, and others signed by 14 different large companies in San Francisco. I ask that the names simply may be noted with the telegram I have read. This is all the time I shall take.

The VICE PRESIDENT. It is so ordered.

The names referred to are as follows:

S. Shasta Land & Timber Co., Truckee Lumber Co., Weed Lumber Co., Yosemite Lumber Co., Feather River Lumber Co., C. D. Danaher Pine Co., Big Basin Lumber Co., Fresno Flume and Lumber Co., Dorris Box & Lumber Co., Hume-Bennett Lumber Co., West Side Lumber Co., California Door Co., California Sugar & White Pine Co., Pioneer Box Co., Big Basin Lumber Co., M. A. Burns Lumber Co., Fresno Flume & Lumber Co., Shasta Land & Timber Co., California Pine Box & Lumber Co., Hume-Bennett Lumber Co., Selfridge Barrel Manufacturing Co., Wendling Nathan Lumber Co., Williams Brothers Lumber & Door Co., Klamath Manufacturing Co., Weed Lumber Co., Napa Lumber Co., and Saginaw & Manistee Lumber Co., all of San Francisco, Cal.

Mr. PERKINS. Mr. President, in addition to the telegrams sent to the desk by the Senator from Washington [Mr. JONES], I desire to present a number of telegrams received by me, and ask that the first five or six may be read. I will say that these telegrams are from the largest shipowners in California and on the Pacific coast, and speak for themselves.

As I said, I ask that the first five or six telegrams may be read.

The VICE PRESIDENT. The Secretary will read as requested.

The Secretary read as follows:

SAN FRANCISCO, CAL., *August 15, 1914.*

Hon. GEORGE C. PERKINS,
United States Senator, Washington, D. C.:

We the undersigned shipowners of Pacific coast most strenuously protest against the coastwise clause in the shipping bill under consideration to admit foreign ships, American registry. There are millions of dollars invested in American shipping on this coast which, if this bill should become a law, would be depreciated 45 per cent. At present there are 50 coasting steamers tied up in this port alone, account business depression.

Pollard Steamship Co., E. J. Dodge Co., J. R. Hanify Co., Freeman Steamship Co., Sudden & Christenson, Swayne & Hoyt, Wilson Bros & Co., Hart Wood & Lumber Co., Aroline Steamship Co., Leelanaw Steamship Co., Olson & Mahony Steamship Co., Chas. R. McCormick & Co., Hicks Hauptman Navigation Co., J. E. Davenport, E. K. Wood Lumber Co., Bowes & Andrew, J. O. Davenport, W. G. Tibbitts, Chas. H. Higgins.

SAN FRANCISCO, CAL., *August 14, 1914.*

Senator GEORGE C. PERKINS,
Washington, D. C.:

Respectfully request your assistance in defeating bill allowing foreign-built ships into coasting trade. Our largest steel steamer has been laid up almost continuously since last year, and numerous other coasting vessels have been laid up for months. Seems to us very unjust to change Government's policy at this time when business is depressed and no emergency exists. We see no objection admitting steamers into foreign trade, especially under the emergency, but can see no reason for admitting them into coasting trade.

SWAYNE & HOYT.

SAN FRANCISCO, CAL., *August 14, 1914.*

Hon. GEORGE C. PERKINS,
United States Senate, Washington, D. C.:

The legislation as proposed is unnecessary, also detrimental and destructive to our present coastwise merchant marine. Before enactment of legislation permitting foreign vessels to engage in the coastwise trade we earnestly request that you will obtain for us a hearing before the committee having this matter in hand. Representatives of all interests affected are prepared to come to Washington to appear before the committee as soon as advised by you they will be given such opportunity.

J. C. FORD,
President Pacific Coast Steamship Co.

NEW YORK, *August 14, 1914.*

Hon. GEORGE C. PERKINS,
United States Senator, Washington, D. C.:

Coastwise tonnage greatly in excess of demand now lying idle on Atlantic coast and Great Lakes. No emergency demand exists in domestic shipping. Admission of foreign vessels to this trade wholly unwarranted by conditions. Trust you will use your best endeavors to have this provision of pending bill eliminated. If any change to be made, would suggest hearing before action is taken.

AMERICAN TRANSPORTATION CO.,
JAMES W. ELWELL & CO., *Managers.*

NEWPORT NEWS, VA., *August 15, 1914.*

Senator GEORGE C. PERKINS,
Washington, D. C.:

Many thousands of people on the Virginia peninsula will be rendered practically homeless by the passage of the amendment admitting foreign-built ships to our coastwise trade. Eighteen millions of dollars invested in the shipbuilding industry here, besides property now worth perhaps twice that sum and dependent for value upon that industry, will be wiped out of existence. I most respectfully but urgently protest against the passage of the amendment which will accomplish this result.

B. B. SEMMES, *Mayor.*

Mr. PERKINS. I ask that the remaining telegrams may be printed in the RECORD.

The VICE PRESIDENT. It is so ordered.

The telegrams are as follows:

OAKLAND, CAL., *August 15, 1914.*

Senator GEORGE C. PERKINS,
United States Senate, Washington, D. C.:

We take the liberty of requesting your support against the admittance of foreign vessels to the coastwise trade. We can count from our works alone 30 American vessels that are laid up looking for business, most of them since last year. While we admit that an emergency has arisen in the foreign trade, we see no justice in bringing vessels into our already depressed coast trade.

UNITED ENGINEERING WORKS.

SAN FRANCISCO, CAL., *August 14, 1914.*

Hon. GEORGE C. PERKINS,
United States Senate, Washington, D. C.:

Foreign vessels are not needed on this coast, as many American vessels are laid up on account of lack of business. This company alone has five out of commission. Hope you can prevent the grave injustice to American coastwise shipping that would result from the admission to the coastwise trade of the more cheaply built and manned foreign vessels.

GEO. H. HIGBEE.

SAN FRANCISCO, CAL., *August 14, 1914.*

Senator GEORGE C. PERKINS,
Washington, D. C.:

Many American vessels have been laid up on this coast for some time on account of lack of business, and there is surely no need of increasing this condition by admission of foreign vessels. Same would be a grave injustice to American coastwise shipping interests.

THE SAN FRANCISCO & PORTLAND STEAMSHIP CO.

SAN FRANCISCO, CAL., *August 15, 1914.*

Hon. GEORGE C. PERKINS,
Washington, D. C.:

We heartily favor passage of emergency shipping bill now pending in Senate, as we believe it will afford great and needed relief to producers and shippers on Pacific coast. Lumber, canned and dried fruits, and fish, and all other products of this coast are unable to get cargo space under present conditions. Would have preferred bill giving permission for foreign vessels placed under American register to engage in intercoastal trade only, but interests of whole coast are greater than those of individual shipowners operating locally coastwise.

South Shasta Land & Timber Co., Truckee Lumber Co., Weed Lumber Co., Yosemite Lumber Co., Feather River Lumber Co., C. D. Danaher Pine Co., Big Basin Lumber Co., Fresno Flume & Lumber Co., Dorris Box & Lumber Co., Hume Bennett Lumber Co., West Side Lumber Co., California Door Co., California Sugar & White Pine Co.

SAN FRANCISCO, CAL., *August 15, 1914.*

Hon. GEORGE C. PERKINS,
Washington, D. C.:

We believe that the emergency shipping bill as reported by the conferees will be a great and needed relief to the producers and shippers of the Pacific coast, and especially to lumber manufacturers, most of whom are unable to get any cargo space for intercoastal shipment under existing shipping facilities, and while we are largely interested in steamers engaged exclusively in coastwise trade, and therefore would have preferred the Jones amendment, nevertheless we feel that the advantages of the bill to the whole community far outweigh any minor individual hardship that might result from its enactment and earnestly urge you to assist in the passage of the bill. We are owners of about 40 steamships in coastwise trade.

Caspar Lumber Co., Dolbeer & Carson, W. A. Hammond Co., Albion Lumber Co., Metropolitan Redwood Lumber Co., Pacific Transportation Co., Pacific Lumber Co., A. F. Easterbrook Co., Bayside Lumber Co., Holmes Eureka Lumber Co., Redwood Steamship Co., Chas. Nelson Co., Northern Redwood Co., Sunset Lumber Co., Consolidated Lumber Co., Homestead Lumber Co., Lucerne Lumber Co., Suisun Lumber Co., San Jose Lumber Co., San Francisco Lumber Co., Aurora Shipping Co., Pacific Shipping Co., Borealis Shipping Co., Ampeope Shipping Co., Union Lumber Co., The Mendocino Lumber Co., Glen Blair Redwood Co., Vance Redwood Lumber Co., Hammond Lumber Co., McKay & Co., Fred Linderman Steamship Co., Beadle Steamship Co., A. W. Beadle Co.

SAN FRANCISCO, CAL., *August 16, 1914.*

Hon. GEORGE C. PERKINS,
Senate Chamber, Washington, D. C.:

We strongly urge passage of emergency shipping bill now pending in Senate. Believe it will give necessary relief to producers and shippers on this coast. Lumber, canned and dried fruits, fish, and all other products here are unable to ship under present conditions. All industries depending on water transportation prostrated and commerce stagnant in all lines. We preferred bill giving permission for foreign vessels placed under American register to engage in intercoastal trade only, but interests of whole coast greater than those of individual shipowners or shipbuilders. Now is the time to quickly acquire a merchant marine without waiting many years to build it. Our whole coast urges prompt and decisive action. We also strongly protest passage of Clayton bill 15657, exempting labor organizations from Sherman Act and providing for trial by jury in contempt cases, and are against all legislation pointing to radical regulations relating to business, which we believe will be bad for both employer and employees.

BIG BASIN LUMBER CO.

SAN FRANCISCO, CAL., *August 16, 1914.*

Hon. GEORGE C. PERKINS,
Senate Chamber, Washington, D. C.:

We strongly urge passage of emergency shipping bill now pending in Senate. Believe it will give necessary relief to producers and shippers on this coast. Lumber, canned and dried fruits, fish, and all other products here are unable to ship under present conditions. All industries depending on water transportation prostrated and commerce stagnant in all lines. Our preference was for bill giving permission for foreign vessels placed under American register to engage in intercoastal trade only, but interests of whole coast greater than those of individual shipowners or shipbuilders. Now is the time to quickly acquire a merchant marine without waiting many years to build it. Our whole coast urges prompt and decisive action. We also strongly protest against passage of Clayton bill 15657, exempting labor organizations from Sherman Act and providing for trial by jury in contempt cases,

and are against all legislation pointing to radical regulations relating to business, which we believe will be bad for both employer and employee.

SHASTA LAND & TIMBER CO.

SAN FRANCISCO, CAL., *August 16, 1914.*

Hon. GEORGE C. PERKINS,
Senate Chamber, Washington, D. C.:

We urge passage of emergency shipping bill now pending in Senate. Believe it will give necessary relief to producers and shippers on this coast. Lumber, canned and dried fruits, and fish, with all other products here, are unable to ship under present conditions. All industries depending on water transportation prostrated and commerce stagnant in all lines. Our preference was for bill giving permission for foreign vessels placed under American register to engage in intercoastal trade only, but interests of whole coast greater than those of individual shipowners or shipbuilders Now is the time to quickly acquire a merchant marine without waiting many years to build it. Our whole coast urges prompt and decisive action. We also strongly protest against passage of Clayton bill 15657, exempting labor organizations from Sherman Act and providing for trial by jury in contempt cases, and are against all legislation pointing to radical regulations relating to business, which we believe will be bad for both employer and employee.

M. A. BURNS LUMBER CO.

SAN FRANCISCO, CAL., *August 16, 1914.*

Hon. GEORGE C. PERKINS,
Senate Chamber, Washington, D. C.:

We urge passage of emergency shipping bill now pending in Senate. Believe it will give necessary relief to producers and shippers on this coast. Lumber, canned and dried fruits, and fish, with all other products here, are unable to ship under present conditions. All industries depending on water transportation prostrated and commerce stagnant in all lines. Our preference was for bill giving permission for foreign vessels placed under American register to engage in intercoastal trade only, but interests of whole coast greater than those of individual shipowners or shipbuilders Now is the time to quickly acquire a merchant marine without waiting many years to build it. Our whole coast urges prompt and decisive action. We also strongly protest against passage of Clayton bill 15657, exempting labor organizations from Sherman Act and providing for trial by jury in contempt cases, and are against all legislation pointing to radical regulations relating to business, which we believe will be bad for both employer and employee.

SAGINAW & MANISTEE LUMBER CO.

SAN FRANCISCO, CAL., *August 16, 1914.*

Hon. GEORGE C. PERKINS,
Senate Chamber, Washington, D. C.:

We urge passage of emergency shipping bill now pending in Senate. Believe it will give necessary relief to producers and shippers on this coast. Lumber, canned and dried fruits, fish, and all other products here are unable to ship under present conditions. All industries depending on water transportation prostrated and commerce stagnant in all lines. Our preference was for bill giving permission for foreign vessels placed under American registry to engage in intercoastal trade only, but interests of whole coast greater than those of individual shipowners or shipbuilders. Now is the time to quickly acquire a merchant marine without waiting many years to build it. Our whole coast urges prompt and decisive action. We also strongly protest passage of Clayton bill, 15657, exempting labor organizations from Sherman Act and providing for trial by jury in contempt cases, and are against all legislation pointing to radical regulations relating to business, which we believe will be bad for both employer and employee.

FRESNO FLUME & LUMBER. CO.

SAN FRANCISCO, CAL., *August 16, 1914.*

Hon. GEORGE C. PERKINS,
Senate Chamber, Washington, D. C.:

We urge passage of emergency shipping bill now pending in Senate. Believe it will give necessary and needed relief to producers and shippers on this coast. Lumber, canned and dried fruits, and fish, with all other products here are unable to ship under present conditions. All industries depending on water transportation prostrated and commerce stagnant in all lines. Our preference was for bill giving permission for foreign vessels placed under American registry to engage in intercoastal trade only, but interests of whole coast greater than those of individual shipowners or shipbuilders. Now is the time to quickly acquire a merchant marine without waiting many years to build it. Our whole coast urges prompt and decisive action. We also strongly protest against passage of Clayton bill, 15657, exempting labor organizations from Sherman Act and providing trial by jury in contempt cases, and are against all legislation pointing to radical regulation relating to business, which we believe will be bad for both employer and employee.

PIONEER BOX CO.

SAN FRANCISCO, CAL., *August 16, 1914.*

Hon. GEORGE C. PERKINS,
Senate Chamber, Washington, D. C.:

We heartily indorse emergency shipping bill now pending in Senate. Believe it will give needed relief to producers and shippers here. Lumber, canned and dried fruits, fish, and all other products of this coast are not able to ship under present conditions. All industries prostrated and commerce stagnant in all lines. Our preference was for bill giving permission for foreign vessels placed under American registry to engage in intercoastal trade only, but interests of whole coast more important than those of individual shipowners or shipbuilders operating in a local way or otherwise. Now is the time to get a merchant marine without waiting many years to build it. Our whole coast in favor of prompt and decisive action. We also strongly protest against passage of Clayton bill, 15657, exempting labor organizations from the Sherman Act and providing for trial by jury for contempt, and legislation looking toward radical regulation relating to business. This is bad for both employer and employee.

CALIFORNIA PINE BOX & LUMBER CO.

SAN FRANCISCO, CAL., *August 16, 1914.*

Hon. GEORGE C. PERKINS,
Senate Chamber, Washington, D. C.:

We strongly urge your support of the emergency shipping bill now pending in the Senate, as we believe it will give the producers and shippers of this coast necessary relief under present conditions. All industries depending on water transportation are prostrated and commerce is stagnant in all lines. Now is the time to quickly acquire a merchant marine without waiting for 50 years to build it. We also protest passage of Clayton bill exempting labor organizations from Sherman Act and providing for jury trials in contempt cases, and are against all legislation looking toward radical regulations relating to business, which we believe will be bad for employer and employee.

SELFRIDGE BARREL MFG. CO.

SAN FRANCISCO, CAL., *August 16, 1914.*

Hon. GEORGE C. PERKINS,
Senate Chamber, Washington, D. C.:

We thoroughly indorse passage of emergency shipping bill now pending in Senate, as we believe it will grant the necessary relief to producers and shipper on this coast. Lumber, canned and dried fruits, and all other products of this coast unable to get cargo space under present conditions; all industries depending on transportation prostrated and our commerce becoming stagnant in all lines. Interests of whole coast greater than those of individual shipowners or shipbuilders, locally and otherwise. Now is the time to quickly acquire a merchant marine without waiting 50 years to build. Our people urge you to prompt and decisive action. We also protest against passage of Clayton bill, H. R. 15657, exempting labor organizations from Sherman Act, and against any legislation looking toward radical regulations relating to business.

WENDLING NATHAN LBR. CO.

SAN FRANCISCO, CAL., *August 16, 1914.*

Hon. GEORGE C. PERKINS,
Senate Chamber, Washington, D. C.:

We strongly urge passage of emergency shipping bill now pending in Senate; believe it will give necessary relief to producers and shippers on this coast. Lumber, canned and dried fruits, and fish, with all other products here, are unable to ship under present conditions. All industries depending on water transportation prostrated and commerce stagnant in all lines. We preferred bill giving permission for foreign vessels placed under American register to engage in intercoastal trade only; but interests of whole coast greater than those of individual shipowners or shipbuilders. Now is the time to quickly acquire a merchant marine without waiting many years to build it. Our whole coast urges prompt and decisive action. We also strongly protest passage of Clayton bill, H. R. 15657, exempting labor organization from Sherman Act and providing for trial by jury in contempt cases, and are against all legislation pointing to radical regulations relating to business, which we believe will be bad for both employer and employee.

KLAMATH MANUFACTURING CO.

SAN FRANCISCO, CAL., *August 16, 1914.*

Hon. GEORGE C. PERKINS,
Senate Chamber, Washington, D. C.:

We urge passage of emergency shipping bill now pending in Senate; believe it will give necessary relief to producers and shippers on this coast. Lumber, canned and dried fruits, fish, and all other products here are unable to ship under present conditions. All industries depending upon water transportation prostrated and commerce stagnant in all lines. Our preference was for bill giving permission for foreign vessels placed under American register to engage in intercoastal trade only; but interests of whole coast greater than those of individual shipowners or shipbuilders. Now is the time to quickly acquire a merchant marine without waiting many years to build it. Our whole coast urges prompt and decisive action. We also strongly protest against passage of Clayton bill, H. R. 15657, exempting labor organizations from Sherman Act and providing for trial by jury in contempt cases, and are against all legislation pointing to radical regulations relating to business, which we believe will be bad for both employer and employee.

HUMB BENNETT LBR. CO.

SAN FRANCISCO, CAL., *August 16, 1914.*

Hon. GEORGE C. PERKINS,
Senate Chamber, Washington, D. C.:

We heartily indorse emergency shipping bill now pending in Senate. Believe it will give needed relief to producers and shippers here. Lumber, canned and dried fruits, and all products of this coast are not able to ship under present conditions. All industries prostrated and commerce stagnant in all lines. Our preference was for bill giving permission for foreign vessels placed under American register to engage in intercoastal trade only, but interest of whole coast more important than those of individual shipowners or shipbuilders operating in a local way or otherwise. Now is time to get a merchant marine without waiting many years to build it. Our whole coast in favor of prompt and decisive action. We also strongly protest against passage of Clayton bill, H. R. 15657, exempting labor organizations from Sherman Act and providing for trial by jury for contempt, and legislation looking toward radical regulations relating to business. This is bad for both employer and employee.

WEED LUMBER CO.

SAN FRANCISCO, CAL., *August 16, 1914.*

Hon. GEORGE C. PERKINS,
Senate Chamber, Washington, D. C.:

We thoroughly indorse passage of emergency shipping bill now pending in Senate as we believe it will grant the necessary relief to producers and shippers on this coast unable to get cargo space under present conditions. All industries depending on transportation prostrated and our commerce becoming stagnant in all lines. Interests of whole coast greater than those of individual shipowners or shipbuilders, locally and otherwise. Now is the time to quickly acquire a merchant marine without waiting 50 years to build. All our people urge you to prompt and decisive action. We also protest against passage of Clayton bill, H. R. 15657, exempting labor organizations from Sherman Act and against any legislatiou looking toward radical regulations relating to business.

NAPA LUMBER CO.

SAN FRANCISCO, CAL., *August 16, 1914.*

Hon. GEORGE C. PERKINS,
Senate Chamber, Washington, D. C.:

We heartily indorse emergency shipping bill now pending in Senate. Believe it will give needed relief to producers and shippers here. Lum-

ber, canned and dried fruits, and all products of this coast are not able to ship under present conditions. All industries prostrated and commerce stagnant in all lines. Our preference was for bill giving permission for foreign vessels placed under American register to engage in intercoastal trade only, but interests of whole coast are more important than those of individual shipowners or shipbuilders operating in a local way or otherwise. Now is the time to get a merchant marine without waiting many years to build. Our whole coast in favor prompt and decisive action. We also strongly protest against passage of Clayton bill, H. R. 15657, exempting labor organizations from Sherman Act and providing for trial by jury for contempts and legislation looking toward radical regulations relating to business. This is bad for both employer and employee.

WILLIAMS BROS. DOOR & LUMBER CO.

Mr. LIPPITT obtained the floor.

Mr. GALLINGER. Will the Senator from Rhode Island permit me just one moment to have a telegram read from Oakland, Cal., in connection with the other telegrams?

Mr. LIPPITT. Certainly.

The Secretary read as follows:

OAKLAND, CAL., *August 15, 1914.*

Senator J. H. GALLINGER,
United States Senate, Washington, D. C.:

We can count from our works about 30 American vessels that are laid up looking for business, most of them since last year, and we see no justice in bringing foreign vessels into our already depressed coast trade.

UNITED ENGINEERING WORKS.

Mr. LIPPITT. Mr. President, so far as the legislation which is proposed by this bill refers to the emergency that has been brought about by the war now going on in Europe, I am inclined to favor it. That legislation in effect provides that ships wherever built, whether in the United States or elsewhere, shall be allowed to enter into our foreign trade, and that they may do so regardless of the ownership; except that in case they are not owned by citizens of the United States, they must be owned by a corporation, the only limitation in regard to such corporation being that the president and the managing directors shall be American citizens. With this latter provision I was not in sympathy. Nevertheless, if the conference report had confined itself to that particular legislation, I think I should certainly have voted for it at the time it was presented. I am not so sure that I would vote for it to-day. The longer I think about it the less inclined I am to see the necessity or the wisdom of even that much of legislation in this direction just yet.

The relations of nations at a time like this are matters of great delicacy. We have seen within two days an application made in this country for a loan from France, and it is being discouraged by the President of the United States on the ground that it might affect the sentiment in regard to us entertained in other countries, although similar loans were made to Japan during her war with Russia. In this bill it is provided that foreign ships can fly the American flag, with all that that means, by the simple device of having a few American directors and an American president.

I am reliably told that the owners of the Hamburg-American steamships that are now in this country would, a few days ago, have been very glad to entertain a reasonable offer for their purchase. Under the provisions of this bill they would not have to go so far as to lose their actual ownership. What they could do would be to form an American corporation officered as the bill prescribes, and then these German-owned vessels would be able to carry on their traffic across the ocean as freely as if they were bona fide American. It seems to me that if it was a sentimental consideration which would prevent us from loaning money to France, there is here also a very strong sentimental relationship that should make us hesitate before we put the protection of our flag over a fleet of this kind.

But, Mr. President, whatever I might have felt in regard to that portion of the bill dealing with our foreign shipping, the addition to it which was made in conference, by which foreign-built vessels may engage in the coastwise trade if registered pursuant to the provisions of the act within two years from its passage, is one that I could not vote for under any circumstances. I do not propose at this time to present in detail the reasons for that position because the whole subject has been so thoroughly gone into this morning by the Senators who have heretofore spoken. I merely want to say that to my mind the haste with which this subject has been interjected into this bill, although it bears no relation at all to the emergency which makes the rest of the legislation in the bill perhaps desirable, is of itself a strong objection to such legislation being adopted.

The shipbuilding industry which would be seriously attacked by that provision is one of long standing in this country. The policy in regard to it has been uniform for nearly a hundred years. Under that policy it has grown to an industry employing some 50,000 men, with $125,000,000 capital, with an output of nearly $100,000,000 annually, paying in wages some $40,000,000, and purchasing some $35,000,000 worth of American products in addition. An industry of that importance and built up on a uniform policy of so long duration is entitled to have its situation carefully considered and thoroughly discussed before such a radical attack as this is made upon it.

I do not think it is necessary to settle to-day the question of whether or not there is at the present moment a sufficient supply of ships for the lumber trade of the north Pacific coast. That seems to have been the particular complaint that originated this provision. The people engaged in lumbering in that part of the country feared that when the Panama Canal opened and they were then in a position to ship their merchandise to the Atlantic coast through the canal they would not have sufficient shipping to meet their needs. There have been ample figures presented here this morning to indicate that they are mistaken in that, but whether they are mistaken or not in the actual conditions that might prevail when the canal is first opened, it would in all probability be nothing but a temporary difficulty, for the entire history of the coastwise shipping of this country for years back has been that there have been ample facilities for taking care of whatever was presented.

I know that has been the case on the north Atlantic coast, because I have had repeated and long experience in it. There has scarcely been a month in the last 25 years when, except so far as the trade might have been interrupted by extraordinary weather conditions, there has not been a reasonable amount of shipping to take care of such trade as was offered.

There is, however, one consequence of destroying our shipbuilding industry that has not been referred to, and I think the passage of this provision would mean the destruction to a very large extent of that industry. It can not be presumed that if in the next two years the people wishing to obtain new ships are going to pass by our native shipyards and go abroad to acquire them, that at the end of that period we should then have these shipyards in condition to go on and meet the demand that might exist? Such a provision lasting for that length of time would almost inevitably mean that the very conditions we have produced would necessitate the continuance of it.

What I particularly had in my mind with reference to that is the importance of a country being self-sustaining in its industries so far as possible. That necessity has been one of the arguments by which the protectionists of this country have justified that doctrine. It has not, however, been one that has ordinarily appealed very strongly to the popular feeling on this subject; it is more the argument of the scholar and the economist; but we at the present moment are receiving some very practical illustrations of the soundness of that doctrine.

In the cotton-manufacturing industry at this moment, to which the circumstances of the present war ought to bring perhaps a very extraordinary demand for their products, that industry is held up by the fact that the dyestuffs which they use are almost entirely of German manufacture. The whole value of those dyestuffs as compared with the product of cotton manufacturing is very small; it probably does not exceed in any case 5 per cent of the value of the cloth, and in many cases it does not exceed 1 per cent. Nevertheless, the mere absence in this country of that small detail at the present moment looks as though it might make it impossible for this country to meet the demands that will be created for that product.

In the same way the steel industry is very largely dependent upon ferromanganese. That is largely imported. The war has interrupted the shipping of that very essential article in the manufacture of steel with the result that whereas the ordinary price of ferromanganese is only somewhere from $30 to $40 a ton, last week it was selling at $125 a ton, and sufficient quantities were almost impossible to obtain even at that price, a condition, I understand, that causes much anxiety in the trade.

Even in the much debated industry of sugar raising we are seeing one of the disadvantages of not producing that article for ourselves. A few days ago the price of sugar was 2¾ cents a pound. I am talking of raw sugar. August 14 it sold for 6½ cents a pound so that the people of this country are paying at this moment more than double for sugar simply because we are not producing enough for our own people.

Within the year in consequence of the legislation which has taken place in regard to sugar I am told that there has been a reduction of 133,000 tons in the amount of sugar beets planted, and that this year the crop of cane sugar in Louisiana will likely fall off 92,000 tons.

These instances illustrate results that sometimes happen of depending upon foreign supplies. In the coastwise trade to-day

we are not dependent upon foreign sources for our shipping and never have been. As a result of our self-reliance, the war has brought us no crisis in that direction. If a policy for our coastwise shipping such as this bill contemplates had been in force in the past and our source of shipping supply was from foreign countries instead of our own, might we not have been at this very moment bitterly regretting our lack of foresight.

Mr. President, there is one further reason which I want to suggest in opposition to the passage of this act or of any act which allows foreign-built and foreign-owned steamships to enter into our shipping trade. Perhaps some people will say it is a sentimental reason, but I am not ashamed of being influenced by some sentiments. Many times, sailing the waters of my native State and meeting a stately vessel plowing her way to her destination with the American flag trailing over her taffrail or flying in the breeze at her main peak, I have thrilled at the sight. I have been proud not merely of the noble picture such a sight presents, but because the structure over which those colors flew was an American product from keel to truck, because every timber and plank was from an American forest and hewed into shape by American shipwrights; every beam and plate was rolled from American iron in an American mill, and molded into an American design, perhaps from the board of a Herreshoff, a Hollingsworth, or a Cramp. But what American will be proud of a merchant marine whose only American connection will be a dummy president and a dozen dummy directors, sitting for an hour once a quarter in a single room of a New Jersey corporation skyscraper to give a perfunctory approval to the resolutions prepared for them by an English or German advisory committee of the real owners and forwarded from Liverpool or Hamburg? What American heart will thrill at the sight of the American colors on a vessel not one of whose timbers or planks or beams or plates or rivets ever knew the hand of an American shipwright or obeyed the orders of American owners.

If we have indeed become so weak and decadent that we can no longer provide even the ships for our domestic trade and must pass it over to the shipyard and capitalist of Europe, at least let us do it openly. Let us have no pretense or subterfuge about it. If we have to admit those ships, let them come as they ought to come—flying their English or German or Norwegian flag or whatever it may be. But let us keep the Stars and Stripes honest and unstained.

Americans will never be satisfied that the flag of Perry and Farragut, of Santiago and Manila Bay, shall be used as a shameful sham.

What hallucination perverts our reason that we allow the impatient greed of western lumber kings to seize the occasion of a Nation's need to reverse the policy of a hundred years, to shut the gates of our Atlantic shipyards, and compel our shipwrights to leave their useless and empty dinner pails on the kitchen shelves while they tramp the streets in a hopeless search for work? Let this bill go back to the conference committee, and eliminate from it what is not germane to the existing emergency. Take out of it the unnecessary thing that will surely bring idleness to our shipyards and dishonor to our flag, and bring it back as it ought to be, solely designed to meet the real emergency this war has created, and I doubt if a single Republican voice or a single Republican vote will be heard against it. In its present form it is un-American and unjust.

Mr. McCUMBER. Mr. President, this bill as it was introduced and as it came from the House was to meet an emergency. It has lost all semblance of its original character in the amendments that have been added to it. There has been no emergency in the coastwise trade. There was no necessity for an amendment at this time of our coastwise laws. The American people have been buying coastwise vessels for a good many years in anticipation of the opening of the Panama Canal. My own conviction is that we have all the vessels that we now need to meet the demands of shipment from coast to coast.

We compelled these American purchasers to have their ships erected in American shipyards, to give employment to higher priced American labor, and to pay from 30 to 50 per cent more for their ships than they would have paid had they purchased them from foreign shipbuilders; and now, after more than 100 years of encouragement to the American coastwise trade vessels, and without any indication in any way, shape, or manner that we were inclined to make a change in our coastwise laws, without any indication that we were to turn that trade over to vessels built in foreign countries, we now say to those Americans who have put their money into those vessels that as soon as the Panama Canal is open, for which the very vessels were constructed, we will immediately force you into competition with a class of vessels costing nearly 50 per cent less than those which were purchased by them and for that particular trade.

In other words, we say to the American who has paid $300,000 for a ship built in an American shipyard, "We will put you in competition with a ship that can be purchased in a foreign shipyard for $200,000." Such a competition, Mr. President, is so unjust and the change of our coastwise laws at this time is so unfair to the average American, so unfair to those who have invested in American ships, that I can not understand how anyone who has a just regard for what will constitute fair justice to our own people could now vote to force them in competition with foreign-built ships in this particular trade.

For that reason, Mr. President, I can not vote for the conference report, and I can not believe that there was any occasion whatever for making any change in the original House bill.

Mr. MARTINE of New Jersey. Mr. President, I have no desire to express myself at any length at this particular time on this subject. I have before spoken upon the matter, and I feel that the Senate as well as the country know very well my views.

I am utterly and positively opposed to the conference report. I feel that it is utterly and absolutely un-American. I feel that it is prejudicial and detrimental to the interests of my fellow citizens of the State of New Jersey and the country at large. Even from another point, which I do not press particularly, I can not see how under heaven the Democratic portion of the conference committee ever agreed to this so-called conference report.

Some mention was made by the Senator from Massachusetts [Mr. WEEKS] regarding the New York World, where the World said there are some shipbuilding interests here interested in this bill. I ask why in the name of heaven should they not be interested. I have seen men running around here with badges on their left side as long as your arm for a week. I asked them what they were here representing, and they told me they were representing the cotton interests of the South. Why in the name of heaven should not representatives of the shipbuilding interests or the farm interests or any other interest come here and in a legitimate and proper way press their side of the claim? But in this case, in pressing their side of the claim, I claim that they are pressing the American side, and that they are advancing the general well-being of our country.

I have in my hand the New York American of Saturday last. It says in large type—

This un-American merchant marine bill must be made American.

It goes on and speaks of several features of it. It says:

This bill as it stands should be promptly and vigorously defeated in the Senate and made sufficiently American in its provisions before it is accepted.

And if the haste and unintelligent zeal of its advocates should prevail in this emergency to enact it into law, then from the very beginning of its legal life it should be followed and amended and reshaped until it becomes tolerable as an American measure for American ships.

I will not burden the Senate by reading it all; and I respectfully ask that the editorial may be printed in the RECORD at the close of these remarks.

I have in my hand numerous telegrams from gentlemen whom I know, who ask consideration in this matter. I have one here from New York. My colleague [Mr. HUGHES] a day or two ago seemed to scowl at the thought that I was pressing some New York claim. New York is the Empire State of our Union, and New York City is the greatest metropolitan city and the greatest commercial city of the world; it is really the center of the world in commercial supremacy.

I have here telegrams from gentlemen I know—the Babcock-Wilcox Co.—protesting against this law. They say that it can work only detriment to the American people. They say:

We heartily favor the passage of the act so far as it applies to foreign carrying trade, but we utterly protest against the passage of this act as affecting the coastwise and merchant marine.

I have here a score of telegrams—from A. H. Bull & Co. and a number of other companies that have protested. I have one here from Newport News. I certainly think they are entitled to consideration, and they shall have my support and my help in every legitimate proposition that they may press.

But I have a letter here, written crudely, that I will read:

CAMDEN, N. J.

Senator MARTINE: You have grasped the hand of most of us—

And that is pretty nearly true. For 40 years of my life I have been campaigning, and I have wandered through the shipyards and the workshops grasping the hands of those toilers until often my own hand was as black as their shoes—

You have grasped the hand of most of us. We have listened to your speeches. We have believed in you. We believe in you now. Now

we ask that you will help us and save our shipping laws from destruction.

GUY SEEL,
A Camden Worker.

AUGUST 10, 1914.

That reflects the sentiment of something like 25,000 men engaged in four or five shipyards of this country, the Cramps, the New York Shipbuilding Co., and others. I will say that 90 per cent of those men are heads of families. Multiply the number by five, and you can see that there are over 100,000 people—men, women, and children—depending upon the success or the failure of our shipbuilding plants; and I plead with all the earnestness and zeal of my nature let not this blot be passed upon our legislation by a Democratic Senate in this crisis.

I want no particular special privilege; but here is a system that for 100 years has been invoked until we have grown beyond parallel, until our coastwise shipping is the admiration of the world. The foreign vessel owners have for years been endeavoring to break in on it in order that they might have the profits.

I will stand with my fellows to do all I can to advance foreign shipping. I want, as you know, a system of shipping owned by the people of the United States to transport our cargoes and our passengers to our ports; but our coastwise shipping to-day exists, and with one fell swoop you would wipe it off the statutes and leave us in the hands of those who for years have conspired against us.

I have here a protest presented by my fellow citizens in Camden and in Gloucester City, N. J., signed by over 2,400 names written by brawny hands, and there is the smell of the oil of the workshop upon it. These are genuine American citizens, interested in the welfare and in the well-being of our country. It is true they work for the New York Shipbuilding Co., but they bring their plant on the banks of the Delaware over at Camden and Gloucester. They fill the coffers and the purses of our workingmen and fill the banks and the treasury not only of Camden and Gloucester, N. J., but of Philadelphia, across in Pennsylvania. These 2,400 names plead for justice, plead for fairness, plead with the American system, of which they have been a part for years and years until we are the glory and admiration of the world. They plead that we stay the hand that would desolate and destroy our merchant marine.

I urge with all the zest and earnestness of my nature, Mr. President, let not the Senate record itself in favor of destruction.

I ask that these telegrams and this editorial and all these names of stalwart men be printed into the RECORD.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

NEW YORK, *August 14, 1914.*

Senator JAMES E. MARTINE,
United States Senate, Washington, D. C.:

The A. H. Bull Steamship Co., 90 per cent of whose stock is owned by residents of New Jersey, own eight American steamers, six of which were built in American yards the last four years. The proposed bill to admit foreign steamers to the coastwise trade would depreciate their property at least 40 per cent. Our company has had confidence that some means would be found to extend the American flag to the foreign trade, and were preparing to take advantage of the Alexander bill as passed by the House, but this threatened attack on our coastwise business will make it very difficult for us to secure funds for further expansion, and every American shipowner is in like position. Are those who, against difficulties, have stuck to the American flag now to be penalized for doing so? Is the coastwise trade to be handed over to any alien who will form a dummy company? We hope you will use every effort to have this unjust provision admitting foreign-built vessels to the coastwise trade taken from the bill.

A. H. BULL & CO.

PHILADELPHIA, PA., *August 15, 1914.*

Hon. JAMES E. MARTINE,
United States Senate, Washington, D. C.:

Members of American Society of Marine Draftsmen protest against passage of legislation admitting foreign-built vessels to coastwise trade.

H. C. TOWLE,
President Delaware River Branch.

MORRIS HEIGHTS, N. Y., *August 15, 1914.*

Hon. JAMES E. MARTINE,
United States Senate, Washington, D. C.:

We believe admitting foreign-built ships to American registry spells death of shipbuilding in this country. As marine engineers, we ask your influence for our industry, which would avoid foreign inroads into this line and result in American merchant marine built by American workmen now idle.

GRISCOM-RUSSELL CO.,
C. A. GRISCOM, *President.*

NEWPORT NEWS, VA., *August 15, 1914.*

Senator JAMES E. MARTINE,
Washington, D. C.:

Many thousands of people on the Virginia Peninsula will be rendered practically homeless by the passage of the amendment admitting foreign-built ships to our coastwise trade. Eighteen millions of dollars invested in the shipbuilding industry here, besides property now worth perhaps twice that sum and dependent for value upon that industry, will be wiped out of existence. I most respectfully, but urgently, protest against the passage of the amendment which will accomplish this result.

B. B. SEMMES, *Mayor.*

SUMMIT, N. J., *August 15, 1914.*

Hon. JAMES E. MARTINE,
United States Senate, Washington, D. C.:

Utterly impossible permanently enlist private capital, either here or abroad, in foreign ships under American flag in foreign trade, unless American standards of operating cost be reduced to equal those of foreign competitors. American standards of safety, seaworthiness, sanitation, number of officers, crew, and wages add probably 25 to 30 per cent to operating cost over English, German or Norwegian standards this crew. The only certain way to increase American merchant marine in foreign trade is to have American Government either grant subsidy or add discriminating duty equal to difference in operating cost or purchase auxiliary navy, the vessels of which in time of peace can be used commercially, or amend present navigating laws so as to reduce initial and operating cost and permit foreigners who will accept lesser wages to officer and man ships. By opening coastwise trade to foreign ships the present American shipyards will probably become bankrupt first, and our present magnificent coastwise fleet will soon follow, and we shall then have neither a foreign nor domestic merchant marine on which our Navy can rely in time of war. It will probably do no great harm for Congress to admit foreign ships to American registry for foreign trade, as at present intended, but it will do little good. To open the coastwise trade, which nearly always has had large surplus tonnage, to foreigners and foreign ships will not only fail to increase our foreign trade, but will discriminate against American vested rights and American labor. Within a few weeks, without additional legislation, sufficient foreign and coastwise tonnage should be available for immediate needs. Would therefore respectfully suggest that very deliberate consideration be given to this most important subject before any new laws be enacted. There must be positive assurance that conditions under which ships can be built and operated profitably will be permanent before any intelligant American will invest in shipping.

A. R. NICOL.

[Editorial from the New York American, Saturday, August 15, 1914.]

THIS UN-AMERICAN MERCHANT-MARINE BILL MUST BE MADE AMERICAN.

This country, with all of its vociferous commercial necessities, demands a merchant marine.

The conditions in South American trade and with the temporarily paralyzed trade of Germany cry aloud for ships to meet our unparalleled present opportunities.

But this country demands an American merchant marine. It wishes not merely the American flag on the seas, but American ships on the seas. It wishes the American flag not to protect foreign shipping, but to develop American shipping.

The two Houses of Congress, under the frantic haste of this emergency and evidently without sound consideration, have passed an emergency bill which will create what is beyond all doubt the most absolutely un-American merchant marine that could have been conceived. If England and Germany could have fathered and fostered the bill, it could not have been more foreign or less American.

And the conferees of House and Senate who have it in hand have reported an agreement which actually leaves the un-American feature and leaves the bill an American travesty in shipping policy.

This bill, if agreed to, permits—

(1) The registration as American of any foreign-built hulk regardless of age.

(2) It allows aliens to man and officer this ship.

(3) And it permits this whole brood of foreign ships flying the American flag to do what they have longed to do for years—enter into and take possession of the domestic and coastwise trade.

And the conferees have cut out the only American provision, urged by Senator CUMMINS, which provided that a majority of the owners of these foreign ships should be Americans.

The bill as it stands is a blow to American shipyards and to American shipping.

It is a menace to the peace of nations in the danger of evoking armed protest or capture from German and Austrian and other warships because of its patent evasion of international laws.

When the war is over it opens the way and invites the action of these foreign ships to reenter the foreign service because it is more economical and more desirable to operate under foreign labor and under foreign laws.

It is not necessary, because it is entirely possible to get enough ships for our commercial emergency by public and private purchase under American majority ownership.

It is especially unnecessary and cruel to American domestic shipping in the fact that there is no crisis and no emergency in domestic commerce which justifies this sudden and damaging invasion, destructive to American shipyards and American shipping.

This bill as it stands should be promptly and vigorously defeated in the Senate and made sufficiently American in its provisions before it is accepted.

And if the haste and unintelligent zeal of its advocates should prevail in this emergency to enact it into law, then from the very beginning of its legal life it should be followed and amended and reshaped until it becomes tolerable as an American measure for American ships.

The New York American, which has fought for a genuine American merchant marine longer and harder and more consistently than any other American newspaper has fought for it, pledges its active and unceasing cooperation with every American Senator and every American Congressman who will fight to make this an American measure.

CAMDEN, N. J.

To the honorable Senate and Houses of Representatives:

We, the undersigned employees of New York Shipbuilding Co., earnestly protest against the admission of foreign-built vessels to the coastwise trade of the United States.

We believe the admission of such vessels, built by cheap foreign labor, will ruin the shipyards of this country and deprive us of our means of livelihood.

* * * * * * * *

(Signed by over 2,400 names.)

Mr. CHAMBERLAIN. Mr. President, I understand that the Senator from Washington [Mr. JONES] noted the receipt of a good many telegrams he received from the West urging the western delegation to do what they might be able to do to assist in procuring the passage of this bill and the adoption of the conference report. I am not going to read them. I received practically the same telegrams that the Senator from Washington received, and I merely call attention to them.

Mr. President, I hope the conference report may be adopted. I think possibly if a vote had been had last week there would not have been very much question about the adoption of the report, but some of our friends who oppose the conference report have gotten extremely busy since that time, and I am not so sure now that my hopes will be realized in reference to it.

I merely want to call attention to the inconsistency of the position of some of my friends on this side of the Chamber to the difference between the position which is assumed by them now and the position which was assumed by them at the time the bill was passed repealing the exemption clause of the Panama Canal act.

My friend, the distinguished Senator from Missouri [Mr. STONE], says that he doubts the propriety at this time of undertaking to revise the general coastwise navigation laws in a bill which has for its object the relief of a situation which was created by an emergency. Mr. President, I insist that the enactment of this legislation would not constitute a general revision of the coastwise navigation laws; but referring particularly to the argument which my friend the Senator from Missouri has just made, I want to call attention to what the Senator said in his address when the bill was up to repeal the exemption clause of the Panama Canal act, and what he said at that time was in line with the position which was generally taken by those on this side of the Chamber when that exemption clause repeal proposition was up for consideration. On the 5th of May last, in advocating the repeal of the exemption clause, the Senator from Missouri said:

> On the merits of the pending question I can find no satisfactory reason why the American people should grant a subsidy of millions to this special interest, the coastwise merchant fleet, which now enjoys under our laws an absolute monopoly of the enormous traffic carried on along the coasts of all the seas bordering this continent. None but American vessels can enter into this coastwise business; it is a monopoly enjoyed by the American ships engaging in it.

That was the opinion of the Senator at that time, and, possibly, it is his view at this time.

Mr. STONE. It undoubtedly is.

Mr. CHAMBERLAIN. That was the view held by many.

Now, Mr. President, when the first proposition is offered to relieve the situation which was complained of by my friends at that time they oppose it; in other words, if foreign registered ships might be admitted to American registry and permitted to engage in the coastwise traffic, there is no shadow of a doubt that the immediate effect would be, if it is going to be as disastrous as they claim, to dissolve the monopoly which exists and which was admitted by all of us at that time to exist on both sides of the continent. The Senator says that it his opinion now, as it was his opinion then. I am sure that if foreign-built vessels could be admitted to the coastwise trade it would at least dissolve the monopoly against which all of us have from time to time complained.

One of the distinguished Senators has said to-day that our merchant marine and the coastwise business has been a magnificent training school for young men who want to follow the sea. Mr. President, I do not know whence that idea comes. We may have a few training schools, but if we refer to the testimony that was taken before the Committee on Interoceanic Canals, and which was reported to the Senate, we find from the testimony of Mr. Chamberlain, of the Bureau of Navigation, that there were engaged at that time in our over-seas traffic 6 vessels of the American Line, 1 of the Great Northern Line, crossing the Pacific, 3 of the Oceanic—the Spreckels line—crossing the Pacific to Australia, and 5 Pacific Mail ships, crossing the Pacific to Asia and the Philippines. In other words, we have the magnificent fleet of 15 vessels engaged in the over-seas trade, which were and are to be used as training schools for the sailors of this country, for the young men who want to follow the sea. At the same time we had the magnificent fleet of 15 vessels, we find that Great Britain had engaged in the over-seas business something like 4,100 steam vessels. If we could secure a part of them for our over-seas traffic—as I have said before, and I repeat, I do not believe this bill will result in bringing any of them here—but if we can succeed in bringing some of them here and adding them to our fleet as training schools, if for nothing else, we should have done a great good to our country.

On the other hand, speaking of the number of ships that were engaged in the coastwise traffic, I call attention again to the testimony of Mr. Chamberlain when he was before the Interoceanic Canals Committee. The coastwise vessels have been referred to in the discussion here as a magnificent fleet carrying on our American commerce, and we had, according to the testimony of Mr. Chamberlain, at that time about 24,765 vessels engaged in the coastwise traffic. Of the 24,765, only 363 steam vessels were suitable for passing through the Panama Canal, and these were still further reduced by the Panama Canal act of 1912 to about 37, because owned by railroad companies and other combinations. Mr. President, those 37 vessels are the fleet that will be compelled to conduct the coastwise trade, or the intercoastal traffic, if I may so speak of it, and yet some of my friends here have insisted that there are coastwise vessels tied up in all the ports that are unable to find anything to do. I repeat, there are but 37 vessels altogether which are engaged in this business that can pass through the Panama Canal.

If the transoceanic business should prove to be as great as it is hoped that it will be, if it is going to be the profitable business which it is prophesied it will be, then some of these 37 vessels which it is now claimed are in port and unable to find business at all will, in the very nature of things, be invited to engage in the transoceanic commerce and do some of the business that is now being done by the magnificent fleet of 15 vessels which at present are carrying on the transoceanic business. So if there are taken from the few vessels that can now pass through the Panama Canal at least half of them, we will have absolutely no adequate number of vessels with which to carry on our coastwise commerce, and the complaint is general, from my section of the country at least, that there are not vessels to carry the lumber and the fruit and the other products in the Northwest to any market at all.

We are here insisting, Mr. President, that this is not a revision of the navigation laws of this country; that while we are doing something in an emergency to provide for transporting the commerce of this country on this side of the continent to foreign ports, we ought to be willing at least to do something for the western side of the continent that will enable them to get their products to the foreign market; and if not there, at least to our own market on the Atlantic side. We therefore hope that the conference report will be adopted, because we feel it will measurably, at least, assist in relieving a situation which is pressing and which constitutes just as great an emergency on the west coast as exists anywhere on the Atlantic side.

Mr. O'GORMAN obtained the floor.

Mr. THORNTON. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Fall	O'Gorman	Sterling
Borah	Gallinger	Penrose	Stone
Bristow	Gronna	Perkins	Swanson
Burleigh	James	Pomerene	Thomas
Burton	Jones	Ransdell	Thompson
Camden	Kern	Reed	Thornton
Chamberlain	Lane	Saulsbury	Tillman
Chilton	Lea, Tenn.	Shafroth	Vardaman
Clapp	Lee, Md.	Sheppard	West
Clark, Wyo.	Lewis	Shively	White
Colt	Martin, Va.	Simmons	Williams
Culberson	Martine, N. J.	Smith, Ga.	
Cummins	Nelson	Smith, Md.	
Dillingham	Norris	Smoot	

The VICE PRESIDENT. Fifty-three Senators have answered to the roll call. There is a quorum present.

Mr. O'GORMAN. Mr. President——

Mr. GALLINGER. Mr. President, I will ask the Senator from New York if he could give me three minutes before he proceeds?

Mr. O'GORMAN. I yield for three minutes to the Senator from New Hampshire.

Mr. GALLINGER. Mr. President, I had intended to speak on this question, but as I had once spoken, I was glad to give way to others. I now desire to ask unanimous consent to print in the RECORD an editorial from the Washington Post of this morning.

The VICE PRESIDENT. Without objection, permission is granted.

The editorial referred to is as follows:

[From the Washington Post, August 17, 1914.]

MISUSE OF THE FLAG.

Under the guise of an emergency measure, called for by war conditions in Europe, the bill providing for the transfer of foreign shipping to the American flag has been enlarged so as to permit the entry of

foreign shipping into the American coastwise trade, even if such shipping is owned entirely by foreigners.

The war in Europe has not created any emergency which requires Americans to share their coastwise trade with foreigners or to run the risk of being driven out of their own ports by cheap foreign ships.

The bill as it stands is a snare. It is a provocation of war. It paves the way for all sorts of trouble between the United States and its friends, Great Britain, France, Germany, Austria, Italy, Russia, and Japan.

Under this bill the foreign owners of a vessel that would be subject to capture at sea under its own flag could place it under the American flag and send it to sea with a cargo of conditional contraband. They would be entitled to claim the protection of the United States, although they might really be engaged in furnishing supplies to a belligerent. The United States would be forced to abandon protection of its own shipping or quarrel with the belligerent which captured the vessel. It would become a cat's-paw for foreign shipowners.

The vessels of the Hamburg-American Line now lying idle at New York, for example, could run up the American flag and go to sea with German officers and crews, ostensibly engaged in neutral commerce. Does anyone suppose that Great Britain would not seize such vessels? Under the law of nations they are presumptively under the American flag by fraud and may be seized as prizes.

Does the United States wish to have its flag used for any such purpose? Does it wish to see vessels flying the American flag seized and condemned as lawful prizes? What becomes of the neutrality of the United States in such a case?

The pending bill would permit foreign shipowners to use the American flag to suit their own purposes during the war, and then, at the close of the war, to take their vessels and place the foreign flag over them.

The bill is, in effect, an attempt to evade the international law regarding the bona fide transfer of ships to a neutral flag. It is an effort to evade the duties of neutrality. It lends the American flag to purposes of fraud.

Congress should not pass any law which degrades the American flag. Every ship flying that flag should be an American ship, owned mostly or wholly by Americans, and engaged strictly in neutral commerce. There is no exigency which requires Congress to admit foreign vessels into the coastwise trade. Those granted American register for the foreign trade should be required to give assurance that they will become bona fide American ships and engage solely in neutral commerce. The best method of accomplishing this is to require that the vessels shall be owned by American citizens.

Mr. GALLINGER. Mr. President, I also desire to insert a portion of a letter from the New York State Nautical School.

The VICE PRESIDENT. In the absence of objection, permission is granted.

The matter referred to is as follows:

NEW YORK STATE NAUTICAL SCHOOL,
17 State Street, New York, August 15, 1914.

Hon. JACOB H. GALLINGER,
Senate Chamber, Washington, D. C.

DEAR SIR:

* * * * * * *

It is a well-known fact that the powerful foreign shipping interests that now all but monopolize our foreign carrying will never be satisfied until they acquire possession of our coastwise carrying as well. These interests are rich, powerful, determined, influential, and united, and they are arrayed against American maritime interests that are comparatively poor, weak, unassertive, vacillating, uninfluential, and divided. It is a foregone conclusion that, in such a contest so unevenly matched, the result will be disastrous to American maritime interests. * * *

What is desired is legislation of some permanent value which will encourage the building of American ships, and a change in our navigation laws. At the present time a youth can not get out his license for third mate of ocean steamers until he has reached the age of 21 years. The age limit should be reduced to 19 years, the same as prescribed by nearly all other countries for this grade of license.

Very respectfully,

WILLIAM BAGLEY, *Secretary-Treasurer.*

Mr. GALLINGER. Mr. President, I wish to read one paragraph from a letter received on yesterday from a man who might well be called the leader of the Democratic Party in Massachusetts. He says:

The dismissal of another 1,000 men by the Fore River Shipbuilding Corporation to-day, making 3,000 men in all suspended from employment by reason of the ill-advised and ill-timed amendments to the pending measure, results in an irreparable loss, and I am hoping that we may yet prevail in the Senate on Monday next.

A hope, Mr. President, which I am very glad to say is going to be gratified.

I also ask consent to put into the RECORD a brief article from the Boston News Bureau, of August 15, 1914, on this subject.

The VICE PRESIDENT. In the absence of objection, permission is granted.

The article referred to is as follows:

ATLANTIC, GULF & WEST INDIES—THE HARDSHIP WHICH UNDERWOOD LAW WOULD INFLICT ILLUSTRATED BY TAKING A MALLORY LINE BOAT.

The shipping bill will work a peculiar hardship to American coastwise trade, according to the viewpoint of steamship authorities like the Atlantic, Gulf & West Indies Co.

The hardship largely lies in the fact that foreign-built ships cost 33 per cent to 40 per cent less to construct than do American ships, such as those which exclusively make up the fleet of the Atlantic-Gulf subsidiaries.

A few figures will bring this point out clearly. Next week the Mallory line will put into commission two splendid new steamers which have cost $1,240,000. The company could have built these same identical boats in England for not over $900,000. In other words, it could have saved $340,000 if it had given the contract to English builders. But our laws at the time forbade the entrance into coastwise trade of any but American-built boats.

An equivalent English, Norwegian, German, or other foreign-built ship therefore enters into American coastwise trade with a capitalization of $340,000 less than the Mallory boat. On this $340,000 excess capitalization the Mallory Line must stand a 6 per cent interest charge on the capital employed, an allowance for 4 per cent annual depreciation, and 3 per cent for marine insurance. Here is a total of 13 per cent interest, or $44,000 per year, which must be taken care of in the operating expenses of this single steamer before the Mallory Line can begin to operate on conditions of even rivalry with a foreign-built steamer of equal capacity and accommodations.

And this $44,000 handicap applies to only two steamers.

Mr. GALLINGER. Mr. President, I have a most interesting letter from Mr. H. H. Raymond, vice president and general manager of the Clyde and Mallory Steamship Cos. I will only read five lines of the letter, as follows:

The value of the steamship property engaged in our coastwise trade all over the United States aggregates several hundred millions of dollars, and it is only equitable to the owners of this property, built in American shipyards by fiat of American law, that it should not be precipitately menaced on ex parte evidence without being accorded the opportunity of a hearing. They surely are entitled to this consideration.

I ask unanimous consent that the entire letter may be printed in the RECORD.

The VICE PRESIDENT. In the absence of objection, it will be so ordered.

The letter referred to is as follows:

MALLORY STEAMSHIP CO.,
PIER 36, NORTH RIVER, NEW YORK,
At Washington, D. C., August 17, 1914.

Hon. J. H. GALLINGER,
United States Senate, Washington, D. C.

DEAR SIR: I have just read the report in the CONGRESSIONAL RECORD of the debate in the Senate on Friday, August 11, 1914, on the conference report on the emergency shipping bill. Many contradictory statements appear therein, particularly in relation to that part of the conferees' report permitting foreign-built ships admitted to American registry to participate in the coastwise trade. So apparent is the bewildering confusion of statements on this phase of the report it is self-evident that Congress is not yet in possession of facts sufficient to justify emergency legislation thereon.

As we view this matter, the emergency legislation now being formulated by the Congress is the result of the object lesson vividly presented to this country arising from the outbreak of hostilities between the leading maritime nations of the world, in that we suddenly find ourselves deprived of sufficient shipping to carry our produce to overseas markets, and the admission of foreign-built ships to American registry, it is felt, will enable us to overcome this. Just what connection this has with our domestic shipping, which is not affected by the European crisis, we are at a loss to understand.

The report of the conferees now under discussion in Congress involves two propositions bearing no relation to each other, each of which should be considered separately on its merits. Certainly it can not be contended that there is any such crisis in the coastwise shipping as would justify emergency legislation for it alone.

The existing policy of the United States, enacted in 1817, excluding foreign-built ships from our coastwise trade, has developed a shipping built in the United States and flying the American flag trading on our Atlantic and Pacific coasts, in the Gulf of Mexico, and on the Great Lakes, which a British bluebook, issued recently, characterizes as surpassing in tonnage the combined coastwise fleets of the leading maritime nations of the world, and significantly adds that it is chiefly due to this enormous volume of domestic tonnage that the United States ranks to-day as the second largest maritime nation in the world. It would seem, therefore, that our historic policy in regard to the development of our coastwise shipping has, to say the least, not been such as to warrant a resort to emergency legislation, and that before any attempt it made to reverse a policy which has been productive of such results full and thorough investigation should be undertaken and due consideration given to all the factors involved.

I may add that I have been connected with the American coastwise shipping for 30 years, and the companies with which I am connected operate a fleet of 35 steamers, aggregating more than 80,000 gross tons, and are at present taking over a new ship, to be followed in about three weeks hence by a sister ship, the largest cargo carriers in the Atlantic and Gulf coastwise trade, each of which will cost approximately $675,000, and these ships will depreciate from 33 to 40 per cent in value immediately after the passage of this bill. Not one dollar of the stock of our companies is owned or controlled by any railroad interest.

The value of the steamship property engaged in our coastwise trade all over the United States aggregates several hundred millions of dollars, and it is only equitable to the owners of this property, built in American shipyards by fiat of American law, that it should not be precipitately menaced on ex parte evidence without being accorded the opportunity of a hearing. They surely are entitled to this consideration.

Respectfully,

H. H. RAYMOND,
Vice President and General Manager
Clyde and Mallory Steamship Cos.

Mr. GALLINGER. Mr. President, I had intended in this closing hour of debate to invite attention to the fact that all the New York newspapers on yesterday in large headlines informed the country that the Hamburg-American Line had some ships that they were going to sell to the Government. I was going to discuss at considerable length the Hamburg-American Line, but will now only say that when we were in the stress of a war with Spain the Hamburg-American Line sold two of its best ships to the Spanish Government, and they were used against our country in that contest. I do not think that we owe the Hamburg-American Line any favors, and I trust that in any negotiation for ships for the foreign trade which may be made no particular favors will be granted to that corporation.

That corporation is the expectant beneficiary of this legislation. What has the Hamburg-American Line ever done to merit such distinguished consideration at the hands of the United States? I recall, as do some of the other older Members of this body, that this country of ours was placed in a very critical position by the lack of large merchant steamships as transports, auxiliary cruisers, and supply ships in the War with Spain in 1898. So greatly were our War and Navy Departments handicapped that if the full truth at that time had been known it would have appalled the American people. Some of us remember the motley crowd of transports hurriedly assembled to carry the United States soldiers from our southern ports to Santiago, Cuba, a fleet only the safe arrival of which—so said Admiral Dewey and the General Board of the Navy in a report to the merchant-marine commission a few years ago—could ever have justified its starting.

So that Senators may understand the character of this huge foreign corporation, in whose interest primarily we are asked to-day to tear up the historic navigation policy of the United States, I will briefly state some facts. The Hamburg-American management in the summer of 1898 signalized its friendship to the American people, whose patronage had made it prosperous, by taking two of its fastest and largest steamships out of its New York service—ships built for and sustained by the money of American travelers—and deliberately and knowingly sold those ships to the Spanish Government to be armed as Spanish cruisers and to be commissioned to "burn, sink, and destroy" the ships and the commerce of the United States.

One of these steamships thus transferred to the service of our enemies was the *Normannia;* the other was the *Columbia.* They were renamed the *Rapido* and the *Patriota,* under the Spanish naval flag. One of them made a part of the Spanish fleet which was hastily sent by the Spanish admiralty out through the Mediterranean via the Suez Canal to strike Admiral Dewey after his memorable victory in Manila Bay, which fleet was ordered back to Spain from Suez at the news of the second American victory and the complete destruction of Cervera's fleet in the great sea fight off Santiago.

One of these Hamburg liners was taken back by her thrifty owners from the Spanish Government after the war was ended and there was no more use for her against the American flag. For all I know, this ship may be one of the Hamburg liners now waiting in an American port for the passage of this bill, to be let loose with her German officers and crew in the coast trade of the United States.

Let me make one further observation about this proposed beneficiary of the legislation provided for in the report of the conference committee. Soon after the Spanish War some of the Senators of the United States, impressed with the need of a real American merchant marine, formed a committee for a frank and earnest study of the question. The leader in this movement was the late Senator William P. Frye, of Maine, one of the best and noblest men who ever sat in this Chamber. Senator Frye, with his unflagging industry and devoted patriotism, framed a bill which he believed would help the situation. Hardly had he introduced it before the then and present head of the Hamburg-American Company, Herr Ballin, of Hamburg, came flying over the Atlantic, and in a long and heated statement given out to the newspapers in New York attacked Senator Frye and his proposition, and, indeed, assailed any and every effort, either by subsidy, by preferential duty, or any other expedient, to build up American shipping in the over-seas trade, a monopoly of over 90 per cent of which was and is securely held by Herr Ballin and other foreigners. That extraordinary alien interference with the lawmaking powers of the United States—interference by the head of the very steamship company which had affronted and angered the American people by the thrifty sale of fast steamships to our enemy in our war with Spain—was not then misunderstood and is not now forgotten. It is the belief of many of us that one powerful factor in the several defeats of American shipping legislation in this country has been the wide influence exercised against the American flag on the ocean by the wealthy and formidable European steamship companies, of which the Hamburg-American is perhaps the chief. It was disclosed during an inquiry a few years ago by a committee of the other House of Congress that the two great German steamship companies had their regular representatives, unknown to the management, in the office of the Associated Press at Washington.

Mr. President, I thank the Senator from New York [Mr. O'GORMAN], who is to close the debate, for giving me a few minutes of his time, and will content myself by expressing gratification over the fact that this conference report, which ought never to have been brought into this body, is going to be rejected.

Mr. O'GORMAN. Mr. President, the character of the discussion in the Senate to-day might very well suggest the inquiry as to whether the Congress of the United States is not devoting all of its energies to the protection of special interests rather than to the promotion of the general welfare. That question must suggest itself to every citizen in the country who takes note of what we are doing.

In years gone by repeated efforts have been made to reform the navigation laws of the United States, but powerful private interests have overcome every patriotic effort made in the Congress to that end, and those powerful interests have apparently lost none of their influence in this day.

But a few months ago Senators on both sides of this Chamber declaimed against the coastwise shipping trade in this country as an offensive and oppressive monopoly and as a special interest favored by Government protection. Senators who then were eloquent in denouncing this monopoly find no difficulty to-day in standing in the Senate and by one argument or another urging a vote which will foster and perpetuate this monopoly that has fastened itself upon the American people. Why, Mr. President, I could scarcely believe my ears and my eyes to-day on hearing Senators professing allegiance to the Democratic creed paraphrasing every stock argument that has been made by Republicans for 20 years back in support of the protective tariff. It is not an inspiring sight to see Democrats employ the arguments which have been used during all these years by Republicans in support of the repudiated, discredited, and un-American system of protection.

What will be gained by the defeat of the report of the conferees? This monopoly will continue to monopolize the enormous internal trade of the United States without competition. Every four years for a long period we Democrats have promised legislation that would improve our merchant marine; but we have always coupled with our declarations the statement that the building of a merchant marine must not be by a subsidy. Now, in this emergency, which is recognized by everyone, we seek to enlarge our merchant marine by going into the markets of the world and buying ships as we buy other commodities and bring them here to fly the American flag. In this connection let me call your attention at this time to a statement made by President Wilson in accepting the nomination of the Democratic Party two years ago:

> The very fact that we have at last taken the Panama Canal seriously in hand and are vigorously pushing it toward completion is eloquent of our reawakened interest in international trade. We are not building the canal and pouring out million upon million of money upon its construction merely to establish a water connection between the two coasts of the continent, important, and desirable as that may be, particularly from the point of view of naval defense. It is meant to be a great international highway. It would be a little ridiculous if we should build it and then have no ships to send through it.

Some reference was made a few moments ago by the Senator from Oregon [Mr. CHAMBERLAIN] to the number of available ships in the coastwise trade. He correctly stated that on the evidence of Mr. Chamberlain, our Commissioner of Navigation, of the 26,000 craft in our coastwise trade there were about 370 fit for service through the Panama Canal; but it should be remembered that by the Panama Canal act of two years ago the Congress, dealing then with this monopoly, excluded from the use of the canal the ships owned by railroads and purchased by them for the purpose of destroying water competition, and also excluded ships owned or controlled by shipping combinations operated in defiance of the Sherman antitrust law; and it is estimated that because of those exclusions only 8 per cent of the vessels engaged in the coastwise trade of the United States to-day will be permitted to pass through the Panama Canal. On that basis the Commissioner of Navigation estimated that the total number of vessels in the American coastwise trade available for use in the Panama Canal will not exceed 33.

Now, Senators, do you meet the hopes and expectations of the American Nation when, after spending nearly a half billion dollars of their money on the canal and after it is open, as it was opened yesterday, there are but 33 vessels flying the American flag that can operate through it? Do you recognize how potential the defeat of the conference report will be in furthering the aims of that monopoly? If only 33 vessels can enjoy the advantage of that great trade, what tribute can they not levy upon the producer, upon the shipper, and ultimately upon the consumer of the country. Do you propose to inflict this burden upon the people?

We had hoped by this measure to bring a large number of foreign-built ships, owned by American citizens and American corporations under the American flag and operated under Amer-

ican law. In addition to other advantages, the owners of these vessels would contribute under the income tax of this country a part of their earnings for the national welfare.

Mr. President, let me continue with one or two more lines from the address of President Wilson:

> There have been years when not a single ton of freight passed through the great Suez Canal in an American bottom, so empty are the seas of our ships and seamen. We must mean to put an end to that kind of thing or we would not be cutting a new canal at our very doors merely for the use of our men-of-war. We must build—

Senators, note the words of your President—

> We must build and buy ships in competition with the world. We can do it if we will but give ourselves leave.

Now, Democratic Senators, are you prepared to repudiate the solemn declaration of your President? Are you prepared to repudiate the declarations of your party in the past, or are you to give another exemplification of what some believe to be a truth once uttered by Gen. Hancock when he was a candidate against Gen. Garfield in 1880, when he declared that, after all, the tariff is a local issue? Because you have shipping interests in your State, do you think you are relieved of your solemn duty under the Constitution to advance the public welfare? Must your personal local interests in your State be forever paramount against the rights of the American Nation? This day you may take your choice and accept either standard. You may say, as has been said by one or more Senators, "Pass this law, and you destroy a $10,000,000 enterprise in my State." Another Senator says, "Pass this law, and you destroy a $15,000,000 enterprise in my State." But I beg to remind the Senators that when they were really orthodox in their Democracy a year ago in passing the tariff law they found no hesitation in putting sugar on the free list, even though it inflicted a loss upon the industries of the State of Louisiana of $40,000,000. It all depends upon whose ox is gored. Sometimes principle is thrown to the winds and men abandon high purpose and find refuge in expediency. Certain Senators have declared on the floor to-day that they believe that it would be a wise and wholesome policy to allow any American citizen to go abroad and buy a ship and bring it in and fly the American flag, and yet Senators making that declaration at the same time say, in substance, "This is not the time that I want my views to prevail. I do not want that policy inaugurated just yet."

Mr. President, my time is about concluding. I do not desire to occupy the attention of the Senate further; but I want to repeat what I said in the beginning—that every time an effort has been made to reform our antiquated navigation laws a powerful private interest has been able to compass the defeat of such legislation. The day must come when the people will be heard and their interests be respected.

The VICE PRESIDENT. The question is, Shall the conference report be adopted?

Mr. O'GORMAN. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. BURLEIGH (when his name was called). I transfer my pair with the junior Senator from New Hampshire [Mr. HOLLIS] to the junior Senator from California [Mr. WORKS] and will vote. I vote "nay."

Mr. CHAMBERLAIN (when his name was called). I have a general pair with the junior Senator from Pennsylvania [Mr. OLIVER]. In his absence I am compelled to withhold my vote. If at liberty to vote, I would vote "yea."

Mr. STERLING (when Mr. CRAWFORD's name was called). My colleague [Mr. CRAWFORD] is unavoidably absent. He is paired with the senior Senator from Tennessee [Mr. LEA]. If my colleague were present and at liberty to vote, he would vote "nay."

Mr. CULBERSON (when his name was called). I have a general pair with the senior Senator from Delaware [Mr. DU PONT]. In his absence I withhold by vote, but if I were at liberty to vote, I would vote "yea."

Mr. BRYAN (when Mr. FLETCHER's name was called). My colleague [Mr. FLETCHER] is unavoidably absent. He is paired with the junior Senator from Wyoming [Mr. WARREN].

Mr. GORE (when his name was called). I have a pair with the junior Senator from Wisconsin [Mr. STEPHENSON], and therefore withhold my vote.

Mr. LEA of Tennessee (when his name was called). I have a general pair with the senior Senator from South Dakota [Mr. CRAWFORD]; but it has been announced that if he were here he would vote "nay," and as I am going to vote "nay," I feel at liberty to vote. I vote "nay."

Mr. WEEKS (when Mr. LODGE's name was called). My colleague [Mr. LODGE] is unavoidably absent from the Senate. He has a general pair with the senior Senator from Georgia [Mr. SMITH]. If my colleague were present, he would vote "nay."

Mr. MYERS (when his name was called). I have a pair with the junior Senator from Connecticut [Mr. MCLEAN]. In his absence I withhold my vote.

Mr. PENROSE (when Mr. OLIVER's name was called). My colleague [Mr. OLIVER] is absent, and is paired with the senior Senator from Oregon [Mr. CHAMBERLAIN]. If my colleague were present, he would vote "nay."

Mr. REED (when his name was called). I have a pair with the senior Senator from Michigan [Mr. SMITH]. I have been unable to secure a transfer. If I were at liberty to vote, I would vote "yea." Under the circumstances I am compelled to withhold my vote.

Mr. SMOOT (when Mr. SUTHERLAND's name was called). My colleague [Mr. SUTHERLAND] is unavoidably detained from the Senate. He has a general pair with the senior Senator from Arkansas [Mr. CLARKE]. Were my colleague present, he would vote "nay."

Mr. THOMAS (when his name was called). I have a general pair with the senior Senator from New York [Mr. ROOT]. In his absence I withhold my vote. If I were at liberty to vote, I would vote "yea."

Mr. TILLMAN (when his name was called). I have a general pair with the junior Senator from West Virginia [Mr. GOFF]. In his absence I withhold my vote.

Mr. CLARK of Wyoming (when Mr. WARREN's name was called). My colleague [Mr. WARREN] is unavoidably detained from the Senate. He is paired with the senior Senator from Florida [Mr. FLETCHER]. If my colleague were present, he would vote "nay."

The roll call was concluded.

Mr. SMITH of Georgia. I have a general pair with the senior Senator from Massachusetts [Mr. LODGE], and therefore withhold my vote. If I were at liberty to vote, I would vote "yea."

Mr. TILLMAN. I transfer my pair with the junior Senator from West Virginia [Mr. GOFF] to the senior Senator from Nevada [Mr. NEWLANDS] and will vote. I vote "yea."

Mr. GALLINGER. I have been requested to announce the following pairs:

The junior Senator from New Mexico [Mr. CATRON] with the senior Senator from Oklahoma [Mr. OWEN].

The senior Senator from Connecticut [Mr. BRANDEGEE] with the junior Senator from Tennessee [Mr. SHIELDS].

The junior Senator from Vermont [Mr. PAGE] with the junior Senator from Arizona [Mr. SMITH].

The senior Senator from Illinois [Mr. SHERMAN] with the junior Senator from South Carolina [Mr. SMITH].

The junior Senator from Michigan [Mr. TOWNSEND] with the junior Senator from Arkansas [Mr. ROBINSON].

The result was announced—yeas 20, nays 40, as follows:

YEAS—20.

Ashurst	Kern	Shafroth	Thornton
Borah	Lane	Sheppard	Tillman
Bryan	O'Gorman	Shively	Vardaman
Hughes	Poindexter	Simmons	Walsh
Jones	Ransdell	Thompson	Williams

NAYS—40.

Bankhead	Dillingham	Lippitt	Pomerene
Bristow	Fall	McCumber	Saulsbury
Burleigh	Gallinger	Martin, Va.	Smith, Md.
Burton	Gronna	Martine, N. J.	Smoot
Camden	Hitchcock	Nelson	Sterling
Chilton	James	Norris	Stone
Clapp	Johnson	Overman	Swanson
Clark, Wyo.	Lea, Tenn.	Penrose	Weeks
Colt	Lee, Md.	Perkins	West
Cummins	Lewis	Pittman	White

NOT VOTING—36.

Brady	Goff	Oliver	Smith, Ga.
Brandegee	Gore	Owen	Smith, Mich.
Catron	Hollis	Page	Smith, S. C.
Chamberlain	Kenyon	Reed	Stephenson
Clarke, Ark.	La Follette	Robinson	Sutherland
Crawford	Lodge	Root	Thomas
Culberson	McLean	Sherman	Townsend
du Pont	Myers	Shields	Warren
Fletcher	Newlands	Smith, Ariz.	Works

So the conference report was rejected.

Mr. O'GORMAN. Mr. President, in view of the action just taken by the Senate, I move that the Senate recede from its amendments to the House bill and adopt the House bill.

Mr. BORAH. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CHAMBERLAIN (when his name was called). I have a pair with the junior Senator from Pennsylvania [Mr. OLIVER]. In his absence I withhold my vote. If at liberty to vote, I would vote "nay."

Mr. CULBERSON (when his name was called). In view of my general pair with the senior Senator from Delaware [Mr. DU PONT], I withhold my vote.

Mr. STERLING (when Mr. CRAWFORD'S name was called). I wish to announce the unavoidable absence of my colleague [Mr. CRAWFORD]. He is paired with the senior Senator from Tennessee [Mr. LEA]. If my colleague were present, he would vote "yea."

Mr. LEA of Tennessee (when his name was called). On the announcement of the junior Senator from South Dakota [Mr. STERLING] I understand that if the senior Senator from South Dakota [Mr. CRAWFORD] were present he would vote "yea." Therefore I am at liberty to vote, and I vote "yea."

Mr. PENROSE (when Mr. OLIVER'S name was called). My colleague [Mr. OLIVER] is absent, and is paired with the senior Senator from Oregon [Mr. CHAMBERLAIN]. If my colleague were present, he would vote "yea."

Mr. REED (when his name was called). I again announce my pair with the senior Senator from Michigan [Mr. SMITH] and my inability to secure a transfer. If at liberty to vote, I would vote "yea."

Mr. THOMAS (when his name was called). I have a pair with the senior Senator from New York [Mr. ROOT], and in his absence I withhold my vote. If I were at liberty to vote, I would vote "nay."

Mr. TILLMAN (when his name was called). I transfer my pair with the junior Senator from West Virginia [Mr. GOFF] to the senior Senator from Nevada [Mr. NEWLANDS] and will vote. I vote "yea."

Mr. CLARK of Wyoming (when Mr. WARREN'S name was called). I desire to repeat the announcement of the unavoidable absence of my colleague [Mr. WARREN].

The roll call was concluded.

Mr. BURLEIGH. I make the same announcement as before, and vote "yea."

Mr. GORE. I have a pair with the junior Senator from Wisconsin [Mr. STEPHENSON], and therefore withhold my vote.

The result was announced—yeas 41, nays 19, as follows:

YEAS—41.

Ashurst	Hughes	Overman	Swanson
Bryan	James	Penrose	Thompson
Burleigh	Johnson	Perkins	Thornton
Burton	Kern	Ransdell	Tillman
Camden	Lea, Tenn.	Shafroth	Vardaman
Chilton	Lewis	Sheppard	Weeks
Colt	McCumber	Shively	West
Dillingham	Martin, Va.	Simmons	Williams
Fall	Martine, N. J.	Smith, Md.	
Gallinger	Nelson	Sterling	
Hitchcock	O'Gorman	Stone	

NAYS—19.

Bankhead	Cummins	Lippitt	Saulsbury
Borah	Gronna	Norris	Smoot
Bristow	Jones	Pittman	Walsh
Clapp	Lane	Poindexter	White
Clark, Wyo.	Lee, Md.	Pomerene	

NOT VOTING—36.

Brady	Goff	Oliver	Smith, Ga.
Brandegee	Gore	Owen	Smith, Mich.
Catron	Hollis	Page	Smith, S. C.
Chamberlain	Kenyon	Reed	Stephenson
Clarke, Ark.	La Follette	Robinson	Sutherland
Crawford	Lodge	Root	Thomas
Culberson	McLean	Sherman	Townsend
du Pont	Myers	Shields	Warren
Fleicher	Newlands	Smith, Ariz.	Works

The VICE PRESIDENT. The Senate recedes from its amendment, and the House bill stands passed.

PETITIONS AND MEMORIALS.

Mr. BURLEIGH presented a petition of the Cigar Makers' Local Union No. 179, of Bangor, Me., praying for the passage of the so-called Clayton antitrust bill, which was ordered to lie on the table.

He also presented a petition of Local Branch No. 209, of the National Association of Civil Service Employees, of Augusta, Me., praying for the enactment of legislation to provide pensions for civil-service employees, which was referred to the Committee on Civil Service and Retrenchment.

Mr. GALLINGER presented a memorial of Concord Lodge, No. 537, Brotherhood of Railroad Trainmen, of New Hampshire, remonstrating against the enactment of legislation authorizing the inspection of safety appliances by boiler inspectors, etc., which was referred to the Committee on Interstate Commerce.

Mr. NORRIS presented petitions of sundry citizens of the State of Nebraska, praying for the enactment of legislation for the recognition of Dr. Cook in his polar efforts, which were referred to the Committee on the Library.

Mr. WEEKS presented petitions of sundry citizens of Fitchburg, Osterville, Marstons Mills, Clinton, and of the congregation of the First Swedish Baptist Church, of Boston, all in the State of Massachusetts, praying for national prohibition, which were referred to the Committee on the Judiciary.

He also presented a petition of the Board of Trade of Pittsfield, Mass., praying for the postponement of further consideration of the pending trust bills until the next session of Congress, which was ordered to lie on the table.

Mr. BRISTOW presented petitions of sundry citizens of Mankato, Luray, and Coffeyville, all in the State of Kansas, praying for national prohibition, which were referred to the Committee on the Judiciary.

He also presented a petition of sundry citizens of Topeka, Kans., praying for the enactment of legislation to provide pensions for civil-service employees, which was referred to the Committee on Civil Service and Retrenchment.

Mr. NELSON presented petitions of Rev. W. A. Parkinson, of Barnum, and of Eidsvold Lodge, No. 23, and Hugnad Lodge, No. 39, International Order of Good Templars, of St. Paul, all in the State of Minnesota, praying for national prohibition, which were referred to the Committee on the Judiciary.

He also presented memorials of sundry citizens of Minneapolis, Minn., remonstrating against national prohibition, which were referred to the Committee on the Judiciary.

Mr. MARTINE of New Jersey presented petitions of sundry citizens of Passaic, N. J., praying that strict neutrality be observed toward the European belligerents, which were referred to the Committee on Foreign Relations.

Mr. POINDEXTER presented petitions of sundry citizens of the State of Washington, praying for national prohibition, which were referred to the Committee on the Judiciary.

He also presented memorials of sundry citizens of the State of Washington, remonstrating against national prohibition, which were referred to the Committee on the Judiciary.

He also presented resolutions adopted by the Chamber of Commerce of Seattle, Wash., favoring the revision of the navigation laws, which were referred to the Committee on Commerce.

REPORTS OF COMMITTEES.

Mr. CLAPP, from the Committee on Indian Affairs, to which was referred the bill (S. 4150) for the relief of Eva M. Bowman, asked to be discharged from its further consideration, and that the bill, together with the accompanying papers, be referred to the Committee on Claims, which was agreed to.

He also, from the same committee, to which was referred the bill (S. 3941) for the relief of Omer D. Lewis, asked to be discharged from its further consideration, and that the bill, with the accompanying papers, be referred to the Committee on Claims; which was agreed to.

Mr. SMITH of Georgia, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 6266) to authorize the Secretary of Agriculture to license cotton warehouses, and for other purposes, reported it without amendment.

Mr. CHAMBERLAIN, from the Committee on Public Lands, to which was referred the bill (H. R. 12919) to amend an act entitled "An act to provide for an enlarged homestead," reported it with amendments and submitted a report (No. 747) thereon.

BILLS AND JOINT RESOLUTIONS INTRODUCED.

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. GALLINGER:

A bill (S. 6272) granting a pension to Charles W. Coolidge, jr. (with accompanying papers); to the Committee on Pensions.

By Mr. BURLEIGH:

A bill (S. 6273) granting an increase of pension to Rufus N. Brown; and

A bill (S. 6274) granting an increase of pension to Esli A. Bowen; to the Committee on Pensions.

By Mr. WEEKS:

A bill (S. 6275) granting a pension to Christiana H. Nicholls; to the Committee on Pensions.

By Mr. MARTINE of New Jersey:

A bill (S. 6276) granting an increase of pension to Sara J. Titsworth (with accompanying papers); to the Committee on Pensions.

By Mr. BRISTOW:

A bill (S. 6277) granting a pension to Rhoda C. Freeman;

A bill (S. 6278) granting a pension to Mary Jane Thomas (with accompanying papers); and

A bill (S. 6279) granting an increase of pension to William C. Campbell (with accompanying papers); to the Committee on Pensions.

By Mr. PENROSE:

A bill (S. 6281) for the relief of Artemus W. Pentz; to the Committee on Claims.

A bill (S. 6282) to correct the military record of A. G. Vincent;

A bill (S. 6283) to correct the military record of William R. Potter;

A bill (S. 6284) authorizing the appointment of Maj. John S. Bishop, United States Army, retired, on the retired list of the Army with the rank of brigadier general; and

A bill (S. 6285) granting an honorable discharge to Curtis V. Milliman (with accompanying papers); to the Committee on Military Affairs.

A bill (S. 6286) granting a pension to H. M. Hoy;

A bill (S. 6287) granting a pension to Eliza Boyd;

A bill (S. 6288) granting a pension to John McManus;

A bill (S. 6289) granting an increase of pension to Carrier Thompson;

A bill (S. 6290) granting an increase of pension to John McGuire;

A bill (S. 6291) granting an increase of pension to William A. McDermitt;

A bill (S. 6292) granting a pension to Wilhelmina Brotzman;

A bill (S. 6293) granting an increase of pension to W. F. Critchfield;

A bill (S. 6294) granting an increase of pension to Jeremiah H. Rauch;

A bill (S. 6295) granting a pension to Ella Afflerbach;

A bill (S. 6296) granting a pension to Michael P. Foley;

A bill (S. 6297) granting a pension to Anna E. Farnsworth;

A bill (S. 6298) granting a pension to John A. Stahlnecker;

A bill (S. 6299) granting an increase of pension to William H. Stitt;

A bill (S. 6300) granting a pension to Ed Sweeney;

A bill (S. 6301) granting a pension to William Force;

A bill (S. 6302) granting an increase of pension to Thomas Taylor;

A bill (S. 6303) granting a pension to John Carey;

A bill (S. 6304) granting a pension to Emma J. Huff;

A bill (S. 6305) granting a pension to Adda Leslie (with accompanying papers);

A bill (S. 6306) granting an increase of pension to William L. Henry (with accompanying papers);

A bill (S. 6307) granting an increase of pension to George W. Boals (with accompanying papers); and

A bill (S. 6308) granting a pension to Mary A. McGready (with accompanying papers); to the Committee on Pensions.

By Mr. THOMAS:

A bill (S. 6309) to establish the Rocky Mountain National Park in the State of Colorado, and for other purposes; to the Committee on Public Lands.

By Mr. GRONNA:

A bill (S. 6310) granting an increase of pension to May C. Moore (with accompanying papers); to the Committee on Pensions.

By Mr. BORAH:

A bill (S. 6311) granting an increase of pension to John E. Clark (with accompanying papers); to the Committee on Pensions.

By Mr. LEA of Tennessee:

A bill (S. 6312) granting an increase of pension to Horace L. Farmer (with accompanying papers); to the Committee on Pensions.

By Mr. POINDEXTER:

A bill (S. 6313) for the relief of C. P. Zent; to the Committee on Claims.

By Mr. LEA of Tennessee:

A joint resolution (S. J. Res. 179) to reinstate Joseph M. Hayse as a cadet at the United States Military Academy; to the Committee on Military Affairs.

By Mr. NORRIS:

A joint resolution (S. J. Res. 180) to determine the rights of the State of Nebraska and its citizens to the beneficial use of waters stored in the North Platte River by the Pathfinder Dam; to the Committee on Public Lands.

SALARIES OF RURAL LETTER CARRIERS.

Mr. PENROSE. I introduce a bill and ask that it be referred to the Committee on Post Offices and Post Roads. I call the special attention of the committee to the bill.

The bill (S. 6280) providing for the salaries of rural letter carriers was read twice by its title and referred to the Committee on Post Offices and Post Roads.

BLACK WARRIOR RIVER LOCKS.

Mr. BANKHEAD. I send to the desk a joint resolution. It is very short, and I ask that it lie on the table and be printed in the RECORD.

The joint resolution (S. J. Res. 181) authorizing the Secretary of War to permit the contractor for building locks on Black Warrior River to proceed with the work without interruption to completion was read twice by its title, ordered to lie on the table and to be printed in the RECORD, as follows:

Resolved, etc., That the Secretary of War may, in his discretion, on the recommendation of the Chief of Engineers, permit the contractor for building locks and Dam No. 17, on Black Warrior River, to proceed with the work specified in the contract made in pursuance of the act of Congress approved August 22, 1911, and to carry the said work to completion without interruption on account of the exhaustion of available funds, it being understood that the contractor is to rely upon future appropriations for payment and that no payment for said work will be made until funds shall have been provided and made available therefor by Congress.

THE RED CROSS.

Mr. BURTON. I ask unanimous consent for the present consideration of a joint resolution which I send to the desk. It pertains to the Red Cross and is made necessary by the omission of an amendment to the shipping bill which was added by the Senate. I trust there will be no objection to the joint resolution.

The joint resolution (S. J. Res. 178) granting authority to the American Red Cross to charter a ship or ships of foreign register for the transportation of nurses and supplies and for all uses in connection with the work of that society was read the first time by its title.

The VICE PRESIDENT. The joint resolution will be read.

The joint resolution was read the second time at length, as follows:

Resolved, etc., That authority be granted to the American Red Cross during the continuance of the present war to charter a ship or ships of foreign register, to carry the American flag, for the transportation of nurses and supplies and for all uses in connection with the work of said society.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution.

The joint resolution was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

NAVAL CLAIMS.

Mr. GALLINGER submitted an amendment intended to be proposed by him to the bill (S. 6120) for the allowance of certain claims reported by the Court of Claims, which was ordered to lie on the table and to be printed.

MESSENGER TO SENATOR GORE.

Mr. OVERMAN submitted the following resolution (S. Res. 441), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That Senator THOMAS P. GORE be, and he is hereby, authorized to employ a messenger at a salary of $1,200 per annum, to be paid from the contingent fund of the Senate.

THE OIL INDUSTRY.

Mr. CHILTON submitted the following resolution (S. Res. 442), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Whereas the production of crude oil has during the past 30 years come to be one of the great industries of Pennsylvania, West Virginia, Ohio, and other States, and hundreds of millions of dollars of capital is invested in the oil business in these States, rendering the business health of vast sections dependent upon this industry; and

Whereas it is alleged that through the ownership and control of a system of pipe lines through the oil fields, furnishing the only practical means of transportation, the Standard Oil Co., with its various subsidiaries and branches, has for years fixed the price of crude oil at its pleasure, and has thereby made the oil market; and

Whereas it is claimed that the Standard Oil Co. and the owners thereof have built up this condition until it has become substantially the only purchaser of crude oil in the States named, through the South Penn Oil Co., the Joseph Seep Purchasing Agency, and others, in fact, representing said Standard Oil Co., and that as such sole transporters and purchasers it has always solicited the business and production of independent oil operators and has purchased all the oil produced by them at a market price so fixed by itself; and

Whereas said course so pursued by said Standard Oil Co. is alleged to have created the conditions which have prevailed in the oil fields, including a market for all said product, thereby inducing thousands of citizens to invest their money in the oil-producing business, relying upon a continuation of the conditions so created by said company; and

Whereas it now appears that said Standard Oil Co., through the various pipe lines and purchasing agents it is alleged to control, has recently revolutionized the conditions of the oil business in the States named above not only as to price, but by refusing to run more than 25 per cent, or thereabouts, of the oil produced, and refusing to buy the product of the wells, thereby reversing the policy always heretofore followed, bringing chaos and ruin in the said oil fields and threatening the destruction of hundreds of millions of property, and the loss of the many millions of dollars of capital it so induced citizens to invest in the oil business in said States; and

Whereas it is alleged that said action on the part of said Standard Oil Co. and its subsidiaries, controlled companies, and purchasing agencies is monopolistic and in restraint and destruction of trade between the several States, and is therefore unlawful, and that such action is arbitrary and fraudulent; and

Whereas said conditions of the oil industry vitally affect the happiness and prosperity of thousands of our people, and if resulting from the causes alleged, such injustice is remediable by Congress under the interstate-commerce clause of the Constitution: Therefore be it

Resolved, That a committee of five Members of the Senate is hereby created, its members to be appointed by the President of the Senate, for the purpose and with direction to make thorough investigation of the conditions prevailing and that have prevailed in the States of New York, Pennsylvania, West Virginia, and Ohio, or elsewhere, affecting the production, transportation, and marketing of crude petroleum, with especial reference to the manner in which the market for same has been created, maintained, and controlled, and by whom, and the effect of such market and the maintenance and control thereof upon the inducement of capital to seek investment in the oil business, and especially in the development of new fields.

Said committee shall also ascertain what connection or relation of any kind has existed or now exists between or among any two or more of the pipe-line companies which have been or are now transporting crude oil within said fields, together with what, if any, common ownership, interest, or control has at any time existed or now exists between such pipe lines or any of them, and the various agencies that have purchased crude oil in said States since 1890, and what disposition such agencies have made of the crude oil so purchased, and to whom it has been turned over for refining and manufacture, and under what conditions, with the object of ascertaining for the information of the Senate whether the charge is true that substantially the same interests have operated the pipe lines, made the market, bought the crude oil, refined it, and fixed the price of the refined products, and whether in such respect the laws of the United States have been violated.

Said committee shall also inquire into, and ascertain if it is true that said pipe-line companies or any of them have recently stopped taking all or any part of the crude oil produced by independent producers into tanks to which such pipe-line companies have connected their pipe lines, and whether it is true that said purchasing agencies or any of them have recently stopped purchasing all or any part of the crude oil so produced by independent producers in said States, together with any information such committee may be able to obtain as to the reasons for such refusal to run and purchase oil, and what effect the same is having upon the oil industry, and especially properties already developed in the States named.

Said committee is authorized to sit in the recess of the Senate, and at any point in the United States, to employ such counsel, clerks, and stenographers as it may find necessary, to summon and swear witnesses, send for persons and papers and to do any other things necessary to the success of the investigation committed to it. Said committee shall report to the Senate its findings, together with the evidence taken, when its work hereunder is completed, and shall make reports from time to time as required by the Senate.

All expenses incurred by said committee hereunder shall be paid out of the contingent fund of the Senate.

OIL AND GAS LANDS.

Mr. PITTMAN submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 5673) entitled "An act to amend an act entitled 'An act to protect the locators in good faith of oil and gas lands who shall have effected an actual discovery of oil or gas on the public lands of the United States or their successors in interest,' approved March 2, 1911," having met, after full and free conference have agreed to recommend, and do recommend, to their respective Houses as follows:

That the Senate recede from its disagreement to the amendments of the House and agree to the same.

KEY PITTMAN,
WILLIAM HUGHES,
Managers on the part of the Senate.

SCOTT FERRIS,
EDWARD T. TAYLOR,
BURTON L. FRENCH,
Managers on the part of the House.

Mr. SMOOT. Mr. President, I will ask the Senator to explain the amendment. From the conference report I can not judge what it proposes.

Mr. PITTMAN. There is but one amendment, and that is the amendment of the House providing that any proceeds derived from any oil within a naval reserve shall be put in a naval fund, subject to the appropriation of Congress thereafter.

Mr. SMOOT. This is only the temporary bill?

Mr. PITTMAN. This is only the temporary bill.

The VICE PRESIDENT. The question is on agreeing to the conference report.

The conference report was agreed to.

PAY OF RURAL LETTER CARRIERS.

Mr. OWEN. I present a letter from the Postmaster General, which I ask may be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

POST OFFICE DEPARTMENT,
OFFICE OF THE POSTMASTER GENERAL,
Washington, D. C., August 7, 1914.

Hon. ROBERT L. OWEN,
United States Senate.

MY DEAR SENATOR OWEN: The unit of compensation for duty performed by letter carriers in the Rural Delivery Service of the Post Office Department has finally reached a point, through the action of the Congress in prescribing a maximum salary of $1,200 per annum, where the entire subject of adequate remuneration for service rendered in rural delivery and the return received therefrom is vital to the welfare of the country and the proper and efficient administration of the Postal Service.

This administration is committed to the fundamental principle that economy shall prevail in the public service, and that any expenditure of the money of the people shall bear some fixed relation to the returns received from such expenditure. Now, therefore, when $53,000,000 of the people's money is expended annually for the maintenance and extension of postal facilities to patrons anywhere, and the returns therefrom, as ascertained after careful investigation, do not exceed $10,000,000 (in 1912 the actual returns were $7,570,000), it is time that those charged with the responsibility of administering the distribution of such a huge sum at such a tremendous loss should earnestly endeavor, in a spirit of justice and equity, to provide a means whereby the maximum income from the expenditure might be secured.

This discrepancy and the discrimination that prevailed in the compensation of the employees in the Rural Service were so self-evident and so startling as to command immediate attention, and prior to the enactment of the legislation hereinbefore mentioned the department had carefully investigated ways and means that would reduce the annual loss of more than $40,000,000 that now appears in the operation of this service, and which is rapidly rendering prohibitive the cost of further extension thereof for the benefit of the people, and had arrived at the conclusion that the compensation of the employees engaged therein was entirely adequate for the work performed, subject to a radical revision of the unfair and unequal basis upon which such compensation was fixed. The attitude of the department was materially influenced by the enormous number of applications presented to the Civil Service Commission for employment at the prevailing rate of pay.

A careful survey of the details involved in the rural mail delivery developed these unusual conditions, in that the personnel engaged in such delivery, which was inaugurated in the year 1896, then received a uniform compensation of $300 per annum.

In 1898 this was increased to $400 per annum.
In 1900 this was increased to $500 per annum.
In 1902 this was increased to $600 per annum.
In 1904 this was increased to $720 per annum.
In 1907 this was increased to $900 per annum.
In 1911 this was increased to $1,000 per annum.
In 1912 this was increased to $1,100 per annum.

In each and every instance where increased compensation was authorized certain good reason therefor was apparent to the Congress, yet the mileage factor, which constituted the sole basis of compensation, was never changed by the department.

During this session of Congress a pernicious lobby, encouraged by the circulation of a sheet known as the "R. F. D. News," and labeled "The official organ of the National Rural Letter Carriers' Association," advocated the increase of the maximum salary of rural letter carriers to the extent of $100 additional per annum, ostensibly on account of the increase in the amount of mail matter carried, due to the establishment of the parcel-post feature of postal activity. This proposition to increase the annual cost of operation of the rural delivery mail service to the extent of $4,500,000 was further promoted by the periodical visits of certain officers of the National Rural Letter Carriers' Association, an organization presumably formed within the carrier body to cooperate with the department in the advancement of the Postal Service, but which in reality has degenerated to a point where, in the opinion of the department, it exercises a baneful influence over the service and incites the carrier body to political reprisal upon the Representatives of the people in Congress who may have the courage to deny its demands or defy its vengeance. Largely through the influence and activities of "the official organ" certain carriers submitted grossly exaggerated, misleading, and untrue statements to Members of Congress relative to the cost of maintaining service on their several routes. A circular, issued from the same source, dated July 29, 1914, boasts of the success of the methods pursued and tells of plans for further legislation, and mentions an allowance for equipment, etc., as the next avenue of approach.

Now, the annual maximum compensation of the rural carriers was fixed at $1,200, effective July 1, 1914, and the department, while not consulted as to the necessity for the increase in compensation, has earnestly endeavored to adjust the salaries of the employees in an equitable manner on the basis of additional service rendered.

Our further survey disclosed that on a very large number of daily routes more than 20,000 pieces and more than 2,500 pounds of mail are handled each month, whereas on other daily routes of equal length less than 3,000 pieces and less than 500 pounds are handled monthly. The following tables illustrate the woeful lack of attention which has heretofore been given to this most important factor involved in the equitable and definite relationship that should prevail between the amount of work performed and the amount of money paid therefor:

Statement showing weights and number of pieces of mail carried on certain rural routes, together with the old and new rates of pay.

No. of route.	Office.	State.	Length, miles.	Pieces.	Pounds.	Old pay.	New pay.	Increase.
1	Birmingham	Alabama	24	28,102	2,395	$1,100	$1,200	$100
1	Phoenix	Arizona	22	11,555	1,446	1,056	1,200	144
2	Tempe	do	22	10,497	1,512	1,056	1,200	144
1	Yuma	do	22	14,138	2,129	1,056	1,200	144
1	Auburn	California	21	9,346	2,271	990	1,200	210
5	Bakersfield	do	21	16,954	2,727	990	1,200	210
1	Carpinteria	do	21	12,593	2,655	990	1,200	210
2	Chico	do	23	12,449	1,611	1,056	1,200	144
3	do	do	18	15,205	1,886	880	1,152	272
1	Concord	do	20	12,095	1,987	990	1,200	210
1	Gridley	do	20	13,288	2,470	990	1,200	210
1	Boulder	Colorado	23	12,027	1,748	1,056	1,200	144
1	Canon City	do	18	20,928	3,086	880	1,200	320
2	do	do	21	13,678	1,841	990	1,200	210
2	Littleton	do	20	11,142	2,242	990	1,200	210
1	Eagleville	Connecticut	22	27,467	5,378	1,056	1,200	144
2	do	do	6	12,862	3,009	484	936	452
1	Branford	do	20	15,510	2,703	990	1,200	210
1	Milford	do	23	27,517	3,415	1,056	1,200	144
3	do	do	23	14,521	2,176	1,056	1,200	144
5	New Haven	do	23	12,938	1,541	1,056	1,200	144
2	Wallingford	do	23	10,271	1,629	1,056	1,200	144
1	Hood River	Oregon	26	39,529	7,502	1,100	1,200	100
2	do	do	24	36,199	7,143	1,100	1,200	100
2	do	do	24	38,182	7,071	1,100	1,200	100
2	Salem	do	23	20,320	3,125	1,056	1,200	144
1	Boonton	New Jersey	23	16,142	2,624	1,056	1,200	144
2	Chatham	do	22	8,145	1,339	1,056	1,164	108
3	Vineland	do	22	21,014	4,397	1,056	1,200	144
1	Whippany	do	22	8,533	1,483	1,056	1,176	120
3	Delavan	Wisconsin	22	16,611	2,901	1,056	1,200	144
1	Janesville	do	24	25,038	2,065	1,100	1,200	100
9	do	do	22	12,457	1,895	1,056	1,200	144
2	Milwaukee	do	23	11,676	1,614	1,056	1,200	144
30	Oconomowoc	do	22	12,444	2,193	1,056	1,200	144
29	Plymouth	do	23	13,924	2,247	1,056	1,200	144

Statement showing small amount of mail handled per month on certain other rural routes.

Route No.	Office.	State.	Length, miles.	Pieces.	Pounds.
1	Courtland	Alabama	21	1,171	173
1	Wheeler	do	19	1,437	176
32	Griffin	Indiana	24	2,677	327
1	Huron	do	23	2,887	395
4	Jasper	do	27	2,936	365
2	Shoals	do	24	2,713	345
1	Harper	Iowa	24	3,200	667
1	Boxville	Kentucky	24	3,130	398
3	Hardinsburg	do	20	1,752	241
1	Rock Haven	do	24	2,577	461
4	Anamoose	North Dakota	29	2,986	674
2	Emerado	do	30	3,709	578
4	Albany	Ohio	24	3,291	460
2	Coolville	do	24	2,904	386
2	Amarita	Oklahoma	27	3,045	420
2	Butler	do	30	2,562	316
1	Cooley	do	27	1,854	278
1	Boston	South Carolina	28	1,908	222
1	Clemson College	do	26	1,736	151
1	Frogmore	do	24	2,302	255
1	Mountain Rest	do	24	2,507	268
3	East Berlin	Pennsylvania	24	3,134	404
1	Klingerstown	do	24	2,593	445
4	Edison	Tennessee	25	1,148	126
2	Oneida	do	25	2,397	279
1	Martin Mills	do	24	1,677	256
5	Sneedville	do	26	2,036	304
2	Bellas	Texas	25	2,778	447
2	Chriesman	do	28	2,607	365
2	Bloomington	Wisconsin	24	2,631	337

A most cursory examination or comparison of these two tables shows conclusively that some readjustment of compensation for rural carriers was an imperative necessity. This the department has done, as it set forth in the inclosed order dated July 14, 1914.

To secure the increase of $100 in pay, as authorized by the Congress, a carrier shall transport each month 10,000 pieces of mail, which has been ascertained as the average carried in the past over a standard route, and not less than 1,300 pounds of mailable matter. You will note that this requires the carriage of one parcel of the maximum weight established by the regulation (50 pounds), or its equivalent in weight of mail matter of other classes, and is apparently in strict compliance with the intent of the Congress to provide for a higher compensation for the greater service rendered, due to the extra duty involved in handling the parcel post.

A return to the former mileage basis, as is suggested in certain bills introduced, would be inequitable and unjust to certain carriers whose compensation has now been very materially increased beyond that which has been paid them heretofore, and will include, in addition to those entered upon the tables above mentioned showing increases over $100 each, many thousands of other employees not so included, since it has been impossible as yet to complete the comparative tabulation of the entire service.

Your attention is also invited to the fact that under the new system certain pecuniary recognition is given to the carriage of closed pouches of mail to post offices located on rural routes, and to those carriers who serve routes in excess of 25 miles in length. The employees themselves have been insistent that both these factors should be considered in any revision of their salary schedule. Neither has heretofore been recognized by the Congress nor by the department. Thus the weight and number of pieces as an additional factor again illustrate their usefulness as a matter of equity and justice.

Finally, not a single employee in the Rural Service suffers any decrease in the compensation heretofore paid, and the only sentiment which is either material or relevant to the equity involved is that which has been created by the unfortunate dissemination of unauthorized information to the effect that all carriers in the Rural Delivery Service would receive an increase of one-eleventh in their annual rate of pay, regardless of the argument used in support of the requests for such increase or the facts that warrant the proper distribution of the increase in proportion to the actual work involved or amount of mail matter transported.

The future advancement and promotion of efficiency in the Rural Mail Service will undoubtedly be influenced by the attitude of the Congress on this subject. Shall these employees receive compensation in proportion to the amount of work performed, and the arduous nature thereof, as is the case in all other lines of employment throughout this country, or shall a special privilege be granted to certain of their number to receive the same remuneration for extremely limited service rendered, and who, for instance, may utilize a motor vehicle on highly improved highways, carrying in some cases only 10 pounds of mail matter in less than three hours daily, and then engage in other lines of competitive activity remunerative to themselves, while their fellow employees not so favored must perform eight hours of service daily on difficult mountain highways, carrying over 300 pounds of mail matter? The department has sincerely endeavored to remedy this gross injustice, and believes that the patrons of the Postal Service will recognize the substantial equity involved in the principle that the salary of an employee should be proportionate to the work performed.

Further, in the interest of thousands of prospective patrons it is the earnest desire of the department to continue the extension, and increase the frequency of the Rural Delivery Service, and plans have already been formulated whereby the delivery zone may be doubled, the accomplishment of which will be sadly handicapped when the available resources for the purpose have been otherwise applied.

Sincerely, yours,

A. S. BURLESON,
Postmaster General.

ORDER NO. 8246.

POST OFFICE DEPARTMENT,
Washington, July 14, 1914.

On and after July 1, 1914, the compensation of rural carriers shall be based upon the length of routes and the number of pieces and the weight of mail carried as shown by the records of the department; and their rates of pay shall be computed on and fixed according to the following schedule:

Schedule.

Length of route.	Salary base.	Pieces of mail per month.	Pounds of mail per month.
4 miles and less than 6 miles	$480	3,000	400
6 miles and less than 8 miles	528	3,700	490
8 miles and less than 10 miles	576	4,400	580
10 miles and less than 12 miles	624	5,100	670
12 miles and less than 14 miles	672	5,800	760
14 miles and less than 16 miles	720	6,500	850
16 miles and less than 18 miles	840	7,200	940
18 miles and less than 20 miles	960	7,900	1,030
20 miles and less than 22 miles	1,080	8,600	1,120
22 miles and less than 24 miles	1,152	9,300	1,210
24 miles and over	1,200	10,000	1,300

An increase or decrease of $12 per annum shall be made for each 1,000 pieces and for each 100 pounds, respectively, greater or less than the schedule; and an allowance of $12 per annum shall be made for each closed pouch or closed sack of mail carried per day, and also for each full mile of route served in excess of 25 miles in length:

Provided, That no carrier shall be reduced in present compensation because of this order, and that $1,200 per annum shall be the maximum salary.

A carrier serving one triweekly route shall be paid on the basis and subject to the above conditions for a route one-half the length of the route served by him, and a carrier serving two triweekly routes shall be paid on the basis and subject to the above conditions for a route one-half the combined length of the two routes.

The compensation of carriers on newly established routes shall be at the rates in effect June 30, 1914.

A. S. BURLESON,
Postmaster General.

POST OFFICE DEPARTMENT,
FOURTH ASSISTANT POSTMASTER GENERAL,
Washington, August 13, 1914.

HON. ROBERT L. OWEN,
United States Senate.

MY DEAR SENATOR OWEN: In reply to your recent letter with reference to the readjustment of the pay of rural letter carriers, effective July 1, 1914, I beg to invite your attention to the inclosed copy of the order of the Postmaster General and explanatory statement concerning it. (See Order No. 8246, above.)

You will observe that in order to receive $1,200 per annum on a route 24 or more miles in length, a carrier is expected to deliver and collect a monthly average of 1,300 pounds and 10,000 pieces of mail. This requires the carriage of 50 pounds (equivalent to one parcel of the maximum weight) and 400 pieces of mail a day. On a very large number of daily routes more than 20,000 pieces and more than 2,500 pounds are handled each month, while on many other daily routes less than 4,000 pieces are handled. It is not proposed, however, to reduce any carrier's salary below the schedule in effect June 30, 1914.

The effect of this order will be largely to equalize the salaries of the carriers. It establishes, as is the case in all other lines of employment, an equitable and definite relationship between the amount of work performed and the amount of money paid therefor. Furthermore, on a considerable number of routes less than 24 miles in length, where a large amount of mail is handled, the carriers will receive a materially greater increase than if a mere flat addition of one-eleventh to the salaries of all carriers had been authorized. It seemed essential that the department should recognize the greater duty and responsibility thus involved, as the carriers who perform service under such conditions are un-

doubtedly entitled to remuneration in proportion. A partial list of such cases, taken at random from the files, is inclosed for your information, as is also a similar list showing the amount and weight of mail handled on routes where no increases have been authorized, and where it seems obvious from the amount of work performed that none should be authorized.

I also call your attention to the fact that the order provides some measure of financial return to carriers who serve routes in excess of 25 miles in length and who carry pouches of mail to post offices located on their routes. The employees themselves have been insistent that both of these factors be considered to some extent in fixing their pay, but neither has heretofore ever been recognized by Congress or by the department.

With reference to the complaint of the rural carriers at Reed, Okla., transmitted with your communication referred to above, I beg to state that the amount of mail handled by these carriers, as shown by reports recently submitted by the postmaster, is not such as to entitle them to additional compensation.

Sincerely, yours,

JAMES I. BLAKSLEE,
Fourth Assistant Postmaster General.

JULY 31, 1914.

The Postmaster General issued an order to-day promulgating the schedule of salaries to be paid carriers in the rural delivery service from July 1, 1914, in accordance with the recent act of Congress providing $1,200 per annum as the maximum pay of these employees.

Heretofore the unit of compensation upon which the salaries of carriers has been based included only the number of miles traversed, without any consideration of the time required to travel such mileage or the amount of work performed by the carrier during such travel.

The Postmaster General concluded that the time had arrived when certain recognition should be given to some additional features involved in the collection and delivery of the mail on rural routes, and that the most important item for particular attention was the improvement in the efficiency of the rural mail delivery, in order that the patrons of the service should receive the maximum return for the enormous expenditure involved, and that the remuneration of the employees engaged therein should bear some fixed relation to the amount of service rendered. To this end it was equally essential that the new features thus introduced should not interfere with or reduce the basis of compensation which heretofore prevailed and which was regarded as adequate, but should also establish equity, in so far as possible, in the compensation paid to the employees who now perform, and who have in the past performed, particularly arduous and difficult duty.

The establishment of the parcel post has been utilized as an argument for the necessity for increased compensation to postal employees. During the period that has elapsed since the inauguration of this very meritorious addition to postal activity the department has carefully ascertained the actual results produced on each rural route and every consideration has been given to the information thus secured in this order of the Postmaster General, now in effect. The basis of computation for maximum compensation requires the transportation of one parcel-post package per day of the maximum weight now established by the postal regulations, or the equivalent thereof in any mailable matter, and the handling of an average of 400 pieces of mail daily.

The order further provides that on routes less than the standard length (24 miles), where carriers have been receiving less than the former maximum pay of $1,100 a year, an increase or decrease of $12 per annum greater or less than the schedule pay shall be made to or from the prescribed salary for such route for each 1,000 pieces, and for each 100 pounds of mail handled monthly, up to the maximum of $1,200 per annum. It also stipulates that an allowance of $12 per year shall be made for each closed pouch or sack of mail transported by carriers to post offices located on rural routes.

The Postmaster General believes that the new order will encourage the carriers to use all legitimate means to increase the business on their routes and that it will be a further incentive to the patrons to utilize the rural service in the transportation of articles by parcel post, in that the increase in the weight or number of pieces thus transported will indirectly have an immediate effect upon the remuneration of the carrier.

It is self-evident that the promulgation of this order is one of the first steps toward the improvement in the efficiency of the rural delivery mail service and the elimination to a large extent of the tremendous disparity that exists between the revenues and the expenditure in this particular branch of the service.

AUGUST 6, 1914.

Hon. A. S. BURLESON,
The Postmaster General, City.

DEAR SIR: Please advise me upon what basis the compensation of rural carriers was fixed prior to June 30, 1914, and the present basis of such compensation; and if a change has been made, I should be glad to know what the reasons were which actuated the department in making the change.

Please advise me whether the Post Office Department is now self-supporting, and especially whether the parcel post is self-supporting.

Yours, very truly,

_____ _____.

OFFICE OF THE POSTMASTER GENERAL,
Washington, D. C., August 14, 1914.

Hon. R. L. OWEN,
United States Senate.

MY DEAR SENATOR OWEN: In further reply to your communication of August 6, I beg leave to state that should the plans of the department prevail whereby economy in the operation of the Postal Service may be established, there is no doubt whatever that the Postal Service in general will show that it is self-supporting and that the returns from the parcel post will be most gratifying in particular.

Sincerely, yours,

A. S. BURLESON,
Postmaster General.

PRESIDENTIAL APPROVALS.

A message from the President of the United States, by Mr. Latta, executive clerk, announced that the President had, on August 15, 1914, approved and signed the following acts:

S. 4966. An act proposing an amendment to section 19 of the Federal reserve act relating to reserves, and for other purposes;

S. 5313. An act to regulate the taking or catching of sponges in the waters of the Gulf of Mexico and the Straits of Florida outside of State jurisdiction; the landing, delivering, curing, selling, or possession of the same; providing means of enforcement of the same; and for other purposes; and

S. 6031. An act authorizing the Board of Trade of Texarkana, Ark.-Tex., to construct a bridge across Sulphur River at or near Pace's ferry, between the counties of Bowie and Cass, in the State of Texas.

PROPOSED ANTITRUST LEGISLATION.

Mr. CULBERSON. I ask that the unfinished business be laid before the Senate.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes.

Mr. THOMPSON. Mr. President, one of the most important features of the pending bill, commonly known as the Clayton bill or antitrust bill—H. R. 15657—is the exemption of labor and farmers' organizations from the operation of the antitrust laws. It was never intended that these organizations should be included within the terms of the Sherman Antitrust Act, and it was a source of great surprise to the country when some of the courts took a different view. The law was originally designed to cover industrial combinations, as is clearly demonstrated by a review of the various speeches made in 1890, at the time of the passage of the act.

The senior Senator from Arizona [Mr. ASHURST] a few days ago, in a very able and convincing argument on this subject, read into the RECORD the expressions of the author of the law, Senator Hoar, and also remarks from Senator Teller, which I again call attention to.

I desire to have these inserted as part of my remarks. They have already been read, and I will not again read the arguments used at that time.

The PRESIDING OFFICER (Mr. WALSH in the chair). Is there any objection? The Chair hears none, and it is so ordered.

The matter referred to is as follows:

[Senate, page 2729, March 27, 1890. Mr. Hoar.]

When you are speaking of providing to regulate the transactions of men who are making corners in wheat, or in iron, or in woolen or in cotton goods, speculating in them or lawfully dealing in them without speculation, you are aiming at a mere commercial transaction, the beginning and end of which is the making of money for the parties, and nothing else. That is the only relation that transaction has to the State. It is the creation or diffusion or change of ownership of the wealth of the community. But when a laborer is trying to raise his wages or is endeavoring to shorten the hours of his labor, he is dealing with something that touches closely, more closely than anything else, the Government and the character of the State itself.

The maintenance of a certain standard of profit in dealing in large transactions in wheat or cotton or wool is a question whether a particular merchant or a particular class of merchants shall make money or not; but the question whether the standard of the laborer's wages shall be maintained or advanced, or whether the leisure for instruction, for improvement shall be shortened or lengthened is a question which touches the very existence and character of government of the State itself. The laborer who is engaged lawfully and usefully and accomplishing his purpose in whole or in part in endeavoring to raise the standard of wages is engaged in an occupation the success of which makes republican government itself possible, and without which the Republic can not, in substance, however it may nominally do in form, continue to exist.

I hold, therefore, that as legislators we may constitutionally, properly, and wisely allow laborers to make associations, combinations, contracts, agreements for the sake of maintaining and advancing their wages, in regard to which, as a rule, their contracts are to be made with large corporations, who are themselves but an association or combination or aggregation of capital on the other side. When we are permitting and even encouraging that, we are permitting and encouraging what is not only lawful, wise, and profitable, but absolutely essential to the existence of the Commonwealth itself.

When, on the other hand, we are dealing with one of the other classes, the combinations aimed at chiefly by this bill, we are dealing with a transaction the only purpose of which is to extort from the community, monopolize, segregate, and apply to individual use, for the purposes of individual greed, wealth which ought properly and lawfully and for the public interest to be generally diffused over the whole community.

[Senate, page 2562, March 24, 1890. Mr. Teller.]

I know that nobody here proposes to interfere with the class of men I have mentioned. Nobody here intends that by any of these provisions, either in the original bill or in any amendment, and I have only called attention to it to see if the efforts of those who have undertaken to manage this subject can not in some way confine the bill to dealing with trusts, which we all admit are offensive to good morals.

* * * * * * *

I want to repeat that I am exceedingly anxious myself to join in anything that shall break up and destroy these unholy combinations, but I want to be careful that in doing that we do not do more damage than we do good. I know how these great trusts, these great corporations, these large moneyed institutions can escape the provisions of a penal statute, and I know how much more likely they are to escape than the men who have less influence and less money. Therefore I suggest that the Senators who have this subject in charge give it special attention, and by a little modification it may be possible to relieve the bill of any doubt on that point.

Mr. THOMPSON. The Court of Appeals of the District of Columbia in the initial decision on this question in the case of American Federation of Labor *v.* Buck's Stove & Range Co. (33 App. Cases D. C., 83), recognizes the absolute right of labor

to organize, to conduct peaceable strikes, and to resort to all lawful means to accomplish any lawful purpose, as shown in the opinion on pages 114 and 115:

The right of laboring men to organize into unions and the right of these unions to conduct peaceable strikes is justified because of their inability to compete single-handed in contests with their employers. In this competition any peaceable and lawful means may be resorted to, and it is only when the means employed becomes unlawful that the courts will interfere. The law recognizes the right of both labor and capital to organize. The contest between employer and employee is one which courts of equity should recognize as entitled to be fought out upon the basis of equality; and the rule applied by the courts to the strike is based, I think, upon that principle. The fundamental principle underlying this contest is that the employer who employs 1,000 workmen is in possession of the same competitive power to force those workmen to his terms as the 1,000 men, by the most powerful lawful organization, have to force him into a compliance with their terms. The contest, therefore, opens with the one on one side and a thousand on the other upon a substantial basis of equality. The employer has a property right in his business which he asks the courts to protect, and which is entitled to protection. It consists, among other things, in his right to employ whom he pleases. He may use in his business such types of machinery and appliances as he may think adapted to carry on his work most successfully, so long as they are reasonably safe and sanitary. The law protects him in these rights, and the courts will require others to respect them. On the other hand, the thousand employees have a property right in their labor, which is equally sacred with that of the employer. They have a right to engage their services wherever and to whomsoever they can secure the largest rewards and the fairest treatment. They have a right to cease working for their employer, with due regard for their contractual relations, when, in their judgment, they can better their condition by so doing. They have a right to organize for this purpose, and they have a right to advise others to join their organization, and the law will protect them in the exercise of these rights equally with the rights of the employer. The refusal of the employees to work for the employer may result in his financial ruin, but the loss will be no greater than the damage his refusal to employ the 1,000 laborers may work in the aggregate upon them and those dependent upon their labor. In this contest between employer and employed, it should be remembered that the one who most strictly recognizes and observes the legal and equitable rights of the other enters the struggle with tremendous odds in his favor.

It was also the doctrine of the common law that a thing which is lawful when done by one person does not become unlawful when done by two or more persons in combination, provided no unlawful means is agreed upon or used.

The courts have held, and I refer now to this same labor decision which was against labor at that time:

Employees have a perfect legal right to fix a price upon their labor and to refuse to work unless that price is obtained. They have that right both as individuals and in combinations. They may organize to improve their condition and to secure better wages. They may even use persuasion to have others join their organization. They have an unquestionable right to present their cause to the public in newspapers or circulars in a peaceable way, but with no attempt at coercion. If ruin to the employer results from their peaceable assertion of these rights, it is a damage without remedy. But the law does not permit either employer or employee to use force, violence, threats of force, or threats of violence, intimidation, or coercion. (My Maryland Lodge, No. 186, of Machinists, *v.* Adt (1905), 100 Md., 238, 249; 68 L. R. A., 752. See also National Protective Asso. *v.* Cumming, 170 N. Y., 315, 321; 58 L. R. A., 135.)

The opposition claim that the exemption of labor and farmer organizations would be unconstitutional by reason of discriminating between classes of citizens, and therefore denying the equal protection of the laws guaranteed by the Constitution of the United States, and that such legislation is new and unheard of in the operation of general laws.

In answer to this argument I call attention to the exemption provision of the section imposing a tax on corporations under the tariff law of 1909, approved and signed by President Taft, as follows:

Provided, however, That nothing in this section contained shall apply to labor, agricultural, or horticultural organizations, or to fraternal beneficiary societies—

And so forth. I also refer to a decision of the Supreme Court of the United States in the case of Flint *v.* Stone, Tracy & Co. (220 U. S., 107) on the validity of this provision, wherein the court held:

As to the objection that certain organizations, labor, agricultural and horticultural, fraternal and benevolent societies, loan and building associations, and those for religious, charitable, or educational purposes, are excepted from the operation of the law, we find nothing in them to invalidate the tax. As we have had frequent occasions to say, the decisions of this court from an early date to the present time have emphasized the right of Congress to select the objects of excise taxation, and within this power to tax some and leave others untaxed, must be included the right to make exemptions such as are found in this act.

That there is nothing uncommon or pernicious in provisions of this kind is further shown by a similar provision in the Simmons-Underwood tariff law recently enacted by Congress. In the section dealing with the income tax is found the following provision:

Provided, however, That nothing in this section shall apply to labor, agricultural, or horticultural organizations, or to mutual savings banks not having a capital stock represented by shares, or to fraternal beneficiary societies—

And so forth. Farmers are specifically exempted from the benefits of the Federal bankruptcy law. If it was legal to single out and deprive farmers as a class of the benefits given others under the bankruptcy law, it should also be legal to give them whatever advantage they may derive of exemption from the antitrust laws.

It will also be remembered that all annual incomes under $3,000 are exempt under the income-tax law, and that the compensation of all officials and employees of a State, or any political subdivision thereof, is exempt except when paid by the United States Government. The question is not whether a distinction is actually made, but whether such distinction is just and equitable and whether the results in making the distinction promote the welfare of the greatest number of the people and thereby contribute to the general good of the Government.

In the construction of a State statute involving almost the identical language in question, in the case of State *v.* Coyle, criminal court of appeals of Oklahoma (130 Pacific Reporter, 316), where the contention was made that this exemption of labor combinations is unconstitutional as discriminatory between classes of citizens and not affording the equal protection of the laws which the Constitution of the United States guarantees, Judge Furman in his opinion answered the question in the following forceful manner:

I desire, without reading, to have it incorporated as a part of my remarks.

The PRESIDING OFFICER. It will be so ordered.

The matter referred to is as follows:

A careful consideration of this matter will show that the contention of counsel for appellees is not tenable. It must be conceded that the legislature has the right and power to make reasonable classifications with reference to any proper subject of legislation. The assumption of counsel for appellees is that the rights of capital are equal to the rights of labor. Good morals do not sustain this assumption. While labor and capital are both entitled to the protection of the law, it is not true that the abstract rights of capital are equal to those of labor, and that they both stand on an equal footing before the law. Labor is natural; capital is artificial. Labor was made by God; capital is made by man. Labor is not only blood and bone, but it also has a mind and a soul, and is animated by sympathy, hope, and love; capital is inanimate, soulless matter. Labor is the creator; capital is the creature. But if we concede that the assumption of counsel for appellees is well founded and if we arbitrarily and in disregard of good morals place capital and labor upon an absolute equality before the law, another difficulty confronts them. Capital organizes to accomplish its purposes. Then, according to their own logic, it would be a denial of equal rights to labor to deny to it the right to organize and act without a breach of the peace to meet the aggressions of capital.

We therefore hold, from either view, that the provisions of the statute constitute a reasonable classification, such as the legislature had the right to make, and that the antitrust law does not, on this account, violate the clause of the Constitution of the United States which guarantees equal protection to all of the citizens of the United States. We deny that trusts and monopolies are entitled to protection as citizens of the United States.

Mr. THOMPSON. Whether the original decision against labor in the Buck's Stove case was correct or not, it is perfectly clear that we have a legal right to exempt labor from the operation of this law. That it is desirable to do so, few will deny. Labor is not property any more than the air we breathe. That it is necessary to organize to preserve the rights of labor can not be successfully denied. Without organization labor would be completely crushed by capital.

Mr. Gompers, president of the American Federation of Labor, when before the House committee, summed up his argument most convincingly in the following language:

Our existence is justified not only by our history, but our existence is legally the best concept of what constitutes law. It is an outrage—it is an outrage of not only the conscience, it is not only an outrage upon justice, it is an outrage upon our language to attempt to place in the same category a combination of men engaged in the speculation and the control of the products of labor and the products of the soil, on the one hand, and the associations of men and women who own nothing but themselves and undertake to control nothing but themselves and their power to work.

In another address to Congress on this same subject Mr. Gompers said:

That which we seek is not class legislation. It is a common custom in speaking to couple together the words "labor" and "capital" as though they stood for things of similar natures. Capital stands for material, tangible things, things separate and distinct from personality; labor is a human attribute indissolubly bound up with the human body. It is that by which man expresses the thought, the purpose, the self that is his own individuality; if he is a free man, he has the right to control this means of self-expression. This he values above all, for if he lose this right to decide the granting or withholding of his own labor, then freedom ceases and slavery begins. * * * Labor power is not a product; it is human ability to produce. Because of its very nature it can not be regarded as a trust or a corporation formed in restraint of trade. Any legislation or court construction dealing with the subject of organizations, corporations, or trusts which curtail or corner the products of labor can have no true application to the association of free men in the disposition or withholding of their labor power.

If it was a surprise when labor organizations were included in the terms of the antitrust law by the courts, it was certainly a greater astonishment when farmer organizations were also included. There seems, however, to have been but one prosecution of organizations of this kind that ever reached the higher courts, and it seems also to have been one of the very

few proceedings directly under the criminal section of the Sherman Act in any case. It is certainly a little strange that with all of the every-day violations of the antitrust laws by trust magnates in every section of the country that the poor farmers and laborers should have been selected as the only men to make an example of in cases of this character by criminal prosecution. I have always believed that if the men who sat at their desks in their offices in Wall Street in 1899 and deliberately planned and formed the Standard Oil Co., with its $100,000,000 capital stock, taking over and practically wiping out of existence 400 independent oil companies throughout the United States, giving themselves the practical control of 90 per cent of the domestic and export trade in oil, and who also at the same time planned and formed the Amalgamated Copper Co., with its $175,000,000 capital stock, for the purpose of purchasing and operating all of the copper-producing properties of the country without engaging in the mining business at all, neither owning nor operating a single mine, but acting simply as a security holding corporation, with its assets consisting only of stocks of other operating corporations, and the officers and directors associated with them in the formation of these companies had all been proceeded against criminally, convicted, and sentenced to the penitentiary, it would have done more toward putting a stop to monopolistic organizations than all of the laws we could pass in 100 years. It would have simply "nipped in the bud" all the unlawful high-finance schemes invented by the financial pirates of this country which have caused so much trouble to the business world in the last few years.

During the first 17 years of operation of the Sherman antitrust law the only persons convicted and sentenced under the criminal section of that act were eight farmers of Grant County, Ky. Twelve prominent farmers of that county were charged with the crime of conspiracy in restraint of interstate trade and commerce, the action was dismissed against 1 and acquittal was had in 3 cases and the remaining 8 were convicted and severally sentenced to pay heavy fines. The case is entitled Steers against United States, and is reported in One hundred and ninety-second Federal Reporter, at page 1. A fair statement of the case is given by the defendant, J. G. Steers himself, as follows:

The facts in brief are these: In the fall of 1907 Mr. W. T. Osborn was solicited to pool his tobacco. He refused kindly but positively. Then he proposed and promised to R. L. Conrad and several others of our good men that he would hold his tobacco until the 1907 pool was sold. We believed him sincere and trusted him to hold his tobacco.

Some time in November, 1907, he prized the tobacco, and in the week of the 29th of November, 1907, he hauled it to the Dry Ridge depot and received a bill of lading for shipment to Cincinnati.

This tobacco was in depot several days, and on Thanksgiving Day, November 28, 1907, a meeting of our local was called; a general rumor seemed to be going the rounds that something might happen to this tobacco that night. I and many others made talks urging peace, law, and order, and some one suggested that a committee be sent to see Mr. Osborn, to see if he would yet hold his tobacco. Then his best friends were looked for, and J. S. Carter, a brother-in-law of Osborn, and A. C. Webb, a lifelong neighbor and friend, were made a committee to go at once and see what he would do.

A young man, Hugh Lee Conrad, furnished a rig and drove it, so the three—Conrad, Webb, and Carter—drove out to see him, and the rest of us waited at the lodge for their return. They reported a very pleasant, social meeting with Mr. Osborn; they told him what the general rumor was and he said, "He was already uneasy about it and thought he had made a mistake." He was asked to take it back home, but would not do it. Then they proposed he let them put it in some place and hold it here; to this he said, "No; I won't do that; but if you will haul it back to my barns I will let it lay there until you say for me to sell it." To this the committee agreed, and all separated as the best of friends. Osborn followed them to the road and thanked them and invited all back to see him.

The local received the news with rejoicing and all going home feeling very kindly toward Mr. Osborn. On the next morning 200 or 300 men, some on foot, some on horseback, and some in buggies, and four wagons met at the depot, loaded the four hogsheads of tobacco on four wagons and had a little parade and marched two by two toward Mr. Osborn's. The tobacco was delivered in good shape and a general good feeling, love feast, engaged in by all present. If there was a threat made by anyone I never heard it nor heard of it. We were unable to even locate the rumor. I called on the local to know if there was a man in the house who knew of anyone who would likely do violence or make any threats against Mr. Osborn or his tobacco, and I failed to find any, only several seemed to have heard the rumor, but could not tell where or from whom.

(Signed) J. G. STEERS.

This statement does not differ substantially from the statement of the case in the opinion of the court, except on the question of the threats against Osborn who had arranged to ship his tobacco, and defendants all claimed that there were no threats of any character made, and no force, coercion, or other unlawful means used or attempted by those who finally persuaded Osborn to hold on to his tobacco for a higher price. How these facts or circumstances could possibly amount to a violation of section 2 of the Sherman Antitrust Act is difficult to understand. In any event the conviction obtained under the facts in the case appealed so strongly to President Taft that he gave a full pardon to each of the defendants.

The Farmers' Union News of April 27, 1910, had this to say concerning the Kentucky convictions. I will ask leave to have it inserted as a part of my remarks without reading.

Mr. SHAFROTH. I wish the Senator would read that extract. It is very interesting and I should like to hear it read.

Mr. THOMPSON. I will be glad to read it.

THE KENTUCKY CONVICTIONS.

Eight of the eleven Kentuckians recently indicted by a United States grand jury have just been convicted in the United States district court and sentenced to pay fines ranging from $100 to $1,000. These eight were convicted under what is called the penal section of the Sherman Antitrust Act of 1890. They were convicted of "restraining interstate commerce." That is the heinous offense. The facts are simply these: Two or three years ago these men, who are excellent citizens of Grant County, Ky., and who stand high in the good opinions of their neighbors, persuaded one of their neighbors to haul his white-leaf tobacco back from the railroad station where he had taken it and had consigned it to a commission broker in Cincinnati, Ohio, just across the State line. For merely persuading a fellow friend and neighbor into withdrawing his products from the railroad's custody, which the shipper, the neighbor, had a perfect legal right to do, and where he had taken it and consigned it to a point in another State under the mistaken notion that the planters were no longer holding their tobacco, these eight men have been indicted and convicted of a crime. If the tobacco had been consigned to any town or city in Kentucky, the indictment and convictions could not have been, under the Sherman Act, which deals only with interstate and foreign commerce. What do you think of that? Much has been said on the Fourth of July and other patriotic occasions about this being a free country and about the inalienable rights of freedom of speech and the precious liberties we all enjoy in free America. But, Mr. Farmer, although the big trusts and monopolies have been allowed to run at large plotting, planning, and skinning you, both coming and going, the minute you get together or even talk of getting together in order to have some say about what you will take for your products or tell some friend he ought to hold his farm products, if they happen to have been consigned to a railroad company for shipment out of the State, you can be indicted and convicted of a crime under the Sherman Antitrust Act, which everybody knows was never intended to be used against anything or anyone except the big, thieving, robbing, oppressive monopolies and trusts. What is the matter with having Congress repeal that atrocious act, so ineffective against the trusts, and so outrageously unjust, and to our mind such an infringement of our liberties, both constitutionally and unconstitutionally?

Although the antitrust act was passed for the purpose of destroying trusts and the punishment of their promoters and others engaged in monopoly, it being clearly understood by the Members of Congress at the time of the passage of the act that it was not meant to apply and could not possibly be construed by anyone as applying to organizations of farmers or laboring men, yet farmers' societies and members of labor unions were the only persons indicted and convicted, all the big trust magnates being permitted to go their way and not a single one indicted until 1912 when the Cash Register people were convicted and sentenced. The conviction of the eight Kentucky farmers, the leading citizens of their community, is an illustration of the way the administration of the laws through the courts is sometimes used in a manner not anticipated, where the laws are turned against the supposed beneficiaries by those at whom the legislation was originally aimed.

Mr. SHAFROTH. I understood the Senator to say—and I have listened to his address—that up to this time the first convictions or the only convictions had under the Sherman antitrust law were against combinations of either laborers or farmers?

Mr. THOMPSON. That is my understanding.

Mr. SHAFROTH. To what time?

Mr. THOMPSON. Up to 1907.

Mr. SHAFROTH. Thank you.

Mr. THOMAS. The Senator from Kansas is making a most interesting and learned discussion on a very important feature of the pending measure. I want to call attention to the fact that, with the single exception of the Senator from Washington [Mr. JONES], sitting on this side of the Chamber, every seat upon the other side is vacant, and that three Senators upon the other side are engaged in a very earnest social or business discussion in one of the corners of the room.

Mr. THOMPSON. I hope it is not my speech that caused them to leave the Chamber. I notice it is a common practice indulged in by the other side whenever any Democrat speaks. So I do not feel at all slighted.

Mr. President, with the organization of the Consolidated Tobacco Co., in 1901, with its capital stock of over $500,000,000, acquiring or wiping out of existence about 150 concerns, the price of the finished manufactured product sold by the trust went soaring upward, and the price of the new unmanufactured tobacco raised and sold by the farmers to the trust went rapidly downward. The raw product of the farmers continued to go down to such a low point that there was not a decent living in its production for the Kentucky and other southern tobacco growers who, through dire necessity, were compelled to get together in a lawful organization to protect themselves against the unlawful acts of the Tobacco Trust. The trust had to have this white burley tobacco to use in the manufacture of

certain proprietary brands. The white burley leaf was grown only in limited area in central Kentucky. The trust was obliged to send its officials to bargain with a committee representing practically all of the tobacco growers instead of sending its agents to the individual growers, as it had theretofore done, to beat down the price by making all kinds of misrepresentations to compel the growers to accept whatever the trust offered. Consequently the price of raw tobacco gradually went up.

The tobacco growers became contented and prosperous. They thought the problem had been solved and that they were getting their just share for the product of their own toil. In the meantime the managers of the Tobacco Trust were watching for an opportunity to prosecute the growers under the Sherman Antitrust Act. This chance finally came when a single grower, Mr. W. T. Osborn, and his two tenants, of Grant County, Ky., although not members of the farmers' organization known as the Society of Equity, or the Burley Society, which had pooled and was holding at its warehouse all the tobacco of its members until they could get a higher price, thinking the growers were selling, took their tobacco to the railroad station at Dry Ridge and consigned it to a commission firm just across the river in Ohio But upon being told by several members of the farmers' society that they were not selling yet finally joined them by canceling the sale and hauling the tobacco back home. These eight men, who resorted simply to the right of "free speech," were indicted and convicted of the crime of conspiring to restrain interstate trade and commerce. At the same time the big trusts, such as the Standard Oil, Tobacco Trust, and other trusts, which were being proceeded against in the courts, and although found guilty were merely called into court and told to dissolve, and no attempt whatever was made under section 6 of the act to forfeit their property engaged in interstate commerce. No wonder President Taft pardoned all of the farmers convicted in the prosecution against them.

They had simply peaceably agreed to hold their crop until they could get a higher price—a price sufficient to reasonably compensate them for their labor. There could certainly be nothing wrong in this, any more than if we Senators were all wheat growers and would agree among ourselves to hold our crop until we could get $1 per bushel. I formerly knew an old successful farmer who always held his crops, and encouraged his neighbors to do likewise, until he received at least 30 cents per bushel for his corn and at least 50 cents per bushel for his wheat. He figured that he had to receive this price in order to get back the cost of growing, with a fair profit for his time and labor. This farmer lived to be nearly a hundred years old, and was worth a round $100,000 when he died, showing an average of $1,000 savings for every year of his life. This was only common-sense business prudence, and no one ever imagined that he was in any way violating the antitrust law.

Farming in this country is one of the most honorable and useful occupations in which our citizens can engage. Daniel Webster said concerning farmers:

> The farmers are the founders of human civilization. Not only that, they are the lasting foundation. Let us never forget that the cultivation of the earth is the most important labor of man. Unstable is the future of a country which has lost its taste for agriculture. If there is one lesson of history that is unmistakable, it is that national strength lies very near the soil.

Although farmers are perhaps imposed upon more than any other class of citizens, they are the most law-abiding and patriotic people of the country. They perform the most important duties required for the highest type of citizenship. We could go longer without the followers of any other occupation much easier than without the farmer Farmers are the real producers of the country, and without them the entire populace would eventually starve. They receive less for the value of their toil than any other laborers. They pay more taxes in proportion to the benefits received than any other citizen. They are therefore entitled to the highest protection of the law and of every reasonable favor in exemption that can legally and properly be extended to them in legislation or otherwise. This exemption from prosecution for associating together to protect themselves in order to secure just compensation for their products is certainly right and clearly legal for the reasons already stated. Organized labor and the farmer are seeking only legislative relief that they may not be prohibited from doing the things "not in themselves unlawful." That there is demand for this legislation is clearly shown by the action of the national meeting of the Farmers' Educational and Cooperative Union, which was held in my State at Salina last September, and adopted the following resolution.

I ask that the resolution be made a part of my remarks without reading.

Mr. SHAFROTH. I hope the Senator will read it. I am very much interested in his address, and I would like to hear the resolution read.

Mr. THOMPSON. Very well. I will gladly read it.

> Whereas according to the debates and statements made by Senators and Congressmen in charge of the bill on the floor of Congress in 1888 to 1890 it was never intended that the Sherman Antitrust Act should apply to aggregations of individuals, but only to aggregations of capital engineered by a few big speculators seeking unreasonable prices and profits; and
>
> Whereas during the first 17 years of the act the only convictions under the criminal section were farmers, promptly pardoned as a plain miscarriage of justice, the courts misinterpreting and misconstruing the act even to the extent of judicially legislating the word "unreasonable" into the law, wrongfully holding that trade meant traders, and that any interference with trade when done by farmers or by any persons, except, apparently, the big trust magnates, was criminal restraint of trade: Therefore be it
>
> *Resolved*, That the Farmers' Educational and Cooperative Union of America commend the action of Congress in limiting the $300,000 appropriation to the aggressive enforcement of the act and the real objects of the legislation, namely, the big trusts, and urge the importance of legislation that will correct the judicial legislation of the courts which have wrongfully decided that it means things Congress never intended and the people never expected and the construction placed upon the said law by the former and present President of the United States.

This farmers' organization is composed of over 3,000,000 farmers, completely organized in 21 States of the Union and with auxilliary local organizations in 11 other States.

The Democratic platform in 1908, repeated in 1912, on this important question, declared as follows:

> The expanding organization of industry makes it essential that there should be no abridgment of the right of wage earners and producers to organize for the protection of wages and the improvement of labor conditions to the end that such labor organizations and their members should not be regarded as illegal combinations in restraint of trade.

President Wilson in his speech of acceptance of the presidential nomination spoke concerning working men as follows:

> The working people of America—if they must be distinguished from the minority that constitutes the rest of it—are, of course, the backbone of the Nation No law that safeguards their life, that improves the physical and moral conditions under which they live, that makes their (the working people of America) hours of labor rational and tolerable, that gives them freedom to act in their own interests, and that protects them where they can not protect themselves can properly be regarded as class legislation or as anything but a measure taken in the interest of the whole people, whose partnership in right action we are trying to establish and make real and practical. It is in this spirit that we shall act if we are genuine spokesmen of the whole country.

Therefore, the exemption of the farmer and labor organizations as contemplated in this act, being right, legal, and clearly in accordance with the Democratic policy on this subject, I hope that the proposed legislation will be enacted.

Mr. SHAFROTH. I should like to ask the Senator whether he has examined into the statistics as to the number of antitrust indictments that have been made against labor organizations and farmers' organizations, and also whether he has examined as to how many indictments have been found among the large business people against those who combined for interference with interstate commerce?

Mr. ASHURST. Will the Senator permit me?

Mr. THOMPSON. Certainly.

Mr. ASHURST. If the Senator will permit me I will state that upon an examination recently made by myself I find that the Sherman antitrust law has been brought into requisition in 101 cases against farmers' and labor organizations.

Mr. SHAFROTH. How many against the big trusts?

Mr. ASHURST. I am sure that the same zeal that was used against the farmers' and laborers' organizations has never been exercised and used against the trusts.

Mr. THOMPSON. I will say for the information of the Senator from Colorado that I think there is a list published and it is furnished by the document room. My attention was called to it. I did not take the pains to count them to ascertain just how many; but I did look through it hurriedly to find that the first criminal prosecution of any sort was against farmers under the criminal section of the statute.

Mr. JONES. I should like to ask the Senator a question.

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Washington?

Mr. THOMPSON. I will gladly yield.

Mr. JONES. I desire to get the views of the Senator from Kansas as to how far he thinks this provision of the proposed law goes. Does it go any further than recognizing the legality of these organizations as organizations, or does it permit these organizations, after they are organized, to then go on and do things in restraint of trade and exempt them from prosecution for such acts?

Mr. THOMPSON. I think it exempts them simply as lawful organizations; but, of course, if they do anything unlawful or use any unlawful means, they are subject to prosecution under the antitrust law and under the general laws on the subject without regard to the antitrust law.

Mr. JONES. That is what I wanted to get at; that is about my idea with reference to how far this provision goes.

Mr. THOMPSON. The provision only protects such organizations in the performance of lawful acts, as I understand.

Mr. JONES. It prevents the court from holding as a conspiracy in violation of the Sherman law simply because of their organization?

Mr. THOMPSON. That is the intention, as I understand.

Mr. JONES. As I understand, that is the Senator's idea as to the extent to which this provision goes?

Mr. THOMPSON. Yes, sir.

Mr. JONES. I saw a statement purporting to come from the President that this provision, in effect, simply recognizes as lawful what many of the courts already hold is legal, and does not go any further; and, as I understand, the chairman of the Judiciary Committee of the other House gave out a statement to the press in which he held the same view; in other words, as the Senator understands, this provision does not really exempt any of these organizations from prosecution for the commission of acts which would, in fact, be in restraint of trade, and therefore prohibited by the Sherman antitrust law, but it does recognize their right to exist as organizations; the mere fact that they are organizations does not warrant any prosecution against them?

Mr. THOMPSON. No; nor for performing lawful acts in connection with the purposes of the organization.

Mr. JONES. Of course, they could not be prosecuted for performing lawful acts.

Mr. THOMPSON. Withholding crops for higher prices, refusing to work for certain wages, and acts of that character would not be unlawful; nor could you prosecute them for the mere fact that they are organized to protect themselves any more than you could prosecute the Masons or Odd Fellows or any other secret society by reason of their organization for the common good of all their members.

Mr. JONES. I merely wanted to get the Senator's idea. That was and is my idea as to what this section means.

Mr. CULBERSON. Mr. President, out of consideration for the Senate, as well as for myself, it is not my purpose to deliver any extended remarks on this measure; but I desire to invite the attention of the Senate briefly to the general outlines of the bill.

As is well known to the Senate, four general legislative purposes are sought to be accomplished by the bill under consideration:

First. It is proposed, without amending the Sherman Antitrust Act, approved July 2, 1890, to supplement that act by denouncing and making unlawful certain trade practices which, while not covered by that act because not amounting to restraint of commerce or monopoly in themselves, yet constitute elements tending ultimately to violations of that act. The trade practices made illegal by the bill are discrimination in prices for the purpose of unlawfully injuring or destroying the business of competitors, exclusive and tying contracts, holding companies, and interlocking directorates.

Second. It is proposed by the bill to further supplement existing antitrust acts by a provision that whenever a corporation shall violate the antitrust laws such violation shall be deemed as that also of the individual directors and officers who shall have authorized or participated in the acts constituting such violation, thereby establishing the personal guilt of the officials of the corporation who are really responsible for its illegal conduct.

Third. Following the original purpose of the framers of the Sherman antitrust law, the bill proposes expressly to exempt labor, agricultural, horticultural, and other organizations from the operation of the antitrust laws.

Fourth. The bill seeks to regulate the issuance of temporary restraining orders and injunctions generally by the courts of the United States, and particularly in labor controversies, and to make provision for the trial by jury in contempts which are committed beyond the presence of the court.

Many amendments to the bill are proposed by the committee, but the general scope of the bill is not altered by these amendments. While the amendments do not propose to depart from the general object of the bill, yet in some instances the form of the substantive law, as well as the remedies provided for its enforcement, are proposed to be changed. In sections 2 and 4, which deal with price discriminations and exclusive and tying contracts, respectively, instead of providing that the acts named shall constitute offenses punishable by fine and imprisonment, as in the House bill, the proposed amendments declare the acts unlawful and provide for the general enforcement of the sections through the agency of the Federal trade commission, the creation of which is provided for in a bill which recently passed the Senate and is now in conference. In sections 8 and 9, which deal with holding companies and interlocking directorates, respectively, some changes have been made in the provisions of positive law, and the general enforcement of the sections has been confided by the amendments to the Interstate Commerce Commission in the case of common carriers and to the Federal trade commission in the case of individuals, partnerships, and industrial corporations.

The pertinency and effect of the other amendments proposed by the committee will appear as we proceed with their consideration. I now ask unanimous consent that the bill may be read for the consideration of the committee amendments.

Mr. GALLINGER. Does the Senator ask that the formal reading of the bill be dispensed with?

Mr. CULBERSON. The formal reading has been had. The bill has been read at length.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none. The Secretary will state the first amendment reported by the committee.

Mr. GALLINGER. Mr. President, before the reading of the bill is commenced I wish to say that I have no knowledge whatever as to how many Senators on this side of the Chamber desire to debate the bill. I think it likely, however, that many of them are not aware of the fact that the bill is now being taken up for amendment. Therefore, I make the point of no quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

Mr. CULBERSON. The bill has been read in full, on the insistence, in part, of the Senator from New Hampshire himself.

Mr. GALLINGER. I so understand; but my remark was that I apprehended that Senators did not know that the bill was being taken up for the consideration of amendments, and I think more of them ought to be in the Chamber. So I ask for a roll call.

The PRESIDING OFFICER. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Gronna	Overman	Smoot
Bryan	James	Owen	Stone
Burton	Jones	Poindexter	Thomas
Chamberlain	Kern	Pomerene	Thompson
Chilton	Lane	Ransdell	Thornton
Clapp	Lea, Tenn.	Saulsbury	Vardaman
Culberson	McCumber	Shafroth	Walsh
Cummins	Martine, N. J.	Sheppard	White
Gallinger	Nelson	Shively	Williams
Gore	O'Gorman	Smith, Md.	

The PRESIDING OFFICER (Mr. WHITE in the chair). Thirty-nine Senators have answered to their names. There not being a quorum present, the Secretary will call the names of the absent Senators.

The Secretary called the names of absent Senators, and Mr. BRISTOW and Mr. SWANSON answered to their names when called.

Mr. MARTIN of Virginia, Mr. HITCHCOCK, and Mr. CAMDEN entered the Chamber and answered to their names.

The PRESIDING OFFICER. Forty-four Senators have answered to their names. There is not a quorum present.

Mr. OVERMAN. I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The PRESIDING OFFICER. The Chair will state to the Senator from North Carolina that there is a standing order to that effect.

Mr. BANKHEAD, Mr. TILLMAN, Mr. LEE of Maryland, Mr. SIMMONS, and Mr. LEWIS entered the Chamber and answered to their names.

The PRESIDING OFFICER. Forty-nine Senators have answered to their names. A quorum of the Senate is present.

Mr. GALLINGER. Mr. President, I will ask the Senator from Texas if he will permit me to make a brief statement?

Mr. CULBERSON. With reference to this bill?

Mr. GALLINGER. Just a word—more particularly with reference to my having called for a quorum.

Mr. CULBERSON. Certainly; I yield to the Senator.

Mr. GALLINGER. Mr. President, when the Senator from Texas was proceeding to ask that the bill should be read for amendment, and that the amendments of the committee should be first considered, there were only a few Senators in the Chamber, and I thought it but fair that Senators should have an opportunity to be present. I want the Senator to know that I did not call for a quorum for the purpose of delay at all. I do not expect to say a word on this bill, and I hope it will be speedily considered; and it is likely I shall not again call for a quorum; but I thought that the Senators perhaps were not aware of the fact that the bill was being considered, and as 60 Senators had answered to their names a little while ago, I thought we would secure a quorum speedily, and that the call would not create much delay.

The PRESIDING OFFICER. The Secretary will state the first amendment reported by the committee.

The first amendment of the Committee on the Judiciary was, in section 1, page 2, line 17, after the name "United States," to insert, "*Provided*, That nothing in this act contained shall apply to the Philippine Islands," so as to make the clause read:

"Commerce," as used herein, means trade or commerce among the several States and with foreign nations, or between the District of Columbia or any Territory of the United States and any State, Territory, or foreign nation, or between any insular possessions or other places under the jurisdiction of the United States, or between any such possession or place and any State or Territory of the United States or the District of Columbia or any foreign nation, or within the District of Columbia or any Territory or any insular possession or other place under the jurisdiction of the United States: *Provided*, That nothing in this act contained shall apply to the Philippine Islands.

The amendment was agreed to.

Mr. CULBERSON. Mr. President, when the Committee on the Judiciary made their report on this bill, they proposed a number of amendments to section 2. Since then the Federal trade commission bill has passed the Senate and is now in conference. Under that bill all questions affecting unfair competition are to be submitted to that tribunal. I am now authorized by the committee to abandon the amendments to section 2, and to move in lieu thereof that the entire section 2 be stricken out, for the reason that the general subject embraced in that section can be dealt with by the Federal trade commission, as provided for in the trade commission bill.

The PRESIDING OFFICER. The question is on the motion of the Senator from Texas to strike out section 2.

The motion was agreed to.

The next amendment of the Committee on the Judiciary was, on page 3, after line 24, to strike out section 3, as follows:

SEC. 3. That it shall be unlawful for the owner, operator, or transporter of the product or products of any mine, oil or gas well, reduction works, refinery, or hydroelectric plant producing coal, oil, gas, or hydroelectric energy, or for any person controlling the products thereof, engaged in selling such product in commerce to refuse arbitrarily to sell such product to a responsible person, firm, or corporation who applies to purchase such product for use, consumption, or resale within the United States or any Territory thereof or the District of Columbia or any insular possession or other place under the jurisdiction of the United States, and any person violating this section shall be deemed guilty of a misdemeanor and shall be punished as provided in the preceding section.

Mr. JONES. Mr. President, I should like to know why that section is proposed to be stricken out. It is a provision of the House bill and affects certain enumerated products. I should like to know whether there is any special reason why those products should not be brought under the terms of this bill.

If we strike out that section, it would seem to permit a dealer in the products enumerated to refuse arbitrarily to sell to anyone.

Mr. CULBERSON. If we strike out the section, the question is left open like all other sales questions are left open for the parties. I will read the reasons given in the committee report recommending that section 3 be stricken out. They are as follows:

The proposed Senate amendment is to strike out this section altogether, because, in the opinion of the committee, it would be unwise to enact such legislation as is contained in it. It would, primarily, deny freedom of contract to one of the parties, and consequently would be of doubtful constitutional validity. Passing from this consideration, the committee believe that such an enactment, which would practically compel owners of the products named to sell to anyone or else decline to do so at the peril of incurring heavy penalties, would project us into a field of legislation at once untried, complicated, and dangerous.

Those are the reasons which impelled the committee to recommend that section 3 be stricken out.

Mr. JONES. Was the committee unanimous in that conclusion?

Mr. OVERMAN. Yes.

Mr. CULBERSON. I think so.

The PRESIDING OFFICER. The question is on the amendment reported by the committee to strike out section 3.

The amendment was agreed to.

Mr. CULBERSON. What I said a moment ago, Mr. President, with reference to section 2, applies with equal force to section 4. That is one of the matters pertaining to unfair competition, and as that general subject has been treated in the bill which has passed the Senate and is now in conference, the committee, instead of recommending the amendments to the section, withdraw those proposed amendments and suggest that the entire section 4 be stricken out.

The PRESIDING OFFICER. The question is on the motion of the Senator from Texas to strike out section 4.

The motion was agreed to.

Mr. JONES. Mr. President, before we proceed to the next committee amendment I should like to ask the chairman of the committee if it is his judgment that section 5 would apply to violations of the trade commission bill when it shall become a law?

Mr. CULBERSON. I do not think it will.

Mr. JONES. The Senator does not think that that act will constitute one of the antitrust laws within the meaning of section 5?

Mr. CUMMINS. Mr. President, that would depend entirely on whether the definition of the antitrust laws remains as it is in the trade commission bill. If that definition is broadened so as to include the trade commission bill as one of the antitust laws, then this section would cover any violation of that law.

Mr. CULBERSON. This bill itself does not provide that the trade commission bill, when it finally becomes a law, shall be included within the antitrust laws as named in this bill, nor does the Federal trade commission bill so provide, as I remember.

The next amendment was, on page 5, line 12, after the words "Sec. 6," to strike out:

That whenever in any suit or proceeding in equity hereafter brought by or on behalf of the United States under any of the antitrust laws there shall have been rendered a final judgment or decree to the effect that a defendant has entered into a contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce, or has monopolized, or attempted to monopolize or combined with any person or persons to monopolize, any part of commerce, in violation of any of the antitrust laws, said judgment or decree shall, to the full extent to which such judgment or decree would constitute in any other proceeding an estoppel as between the United States and such defendant, constitute against such defendant conclusive evidence of the same facts, and be conclusive as to the same questions of law in favor of any other party in any action or proceeding brought under or involving the provisions of any of the antitrust laws.

Whenever any suit or proceeding in equity is hereafter brought by or on behalf of the United States, under any of the antitrust laws, the statute of limitations in respect of each and every private right of action arising under such antitrust laws and based, in whole or in part, on any matter complained of in said suit or proceeding in equity shall be suspended during the pendency of such suit or proceeding in equity.

And to insert:

That a final judgment or decree rendered in any suit or proceeding in equity brought by or on behalf of the United States under the antitrust laws to the effect that a defendant has violated said laws shall be prima facie evidence against such defendant in any suit or proceeding brought by any other party against such defendant under said laws as to all matters respecting which said judgment or decree would be an estoppel as between the parties thereto.

Any person may be prosecuted, tried, or punished for any offense under the antitrust laws, and any suit arising under those laws may be maintained if the indictment is found or the suit is brought within six years next after the occurrence of the act or cause of action complained of, any statute of limitation or other provision of law heretofore enacted to the contrary notwithstanding. Whenever any suit or proceeding in equity is instituted by the United States to prevent or restrain violations of any of the antitrust laws the running of the statute of limitations in respect of each and every private right of action arising under said laws and based in whole or in part on any matter complained of in said suit or proceeding shall be suspended during the pendency thereof: *Provided*, That this shall not be held to extend the statute of limitations in the case of offenses heretofore committed.

Mr. THOMAS. Mr. President, I suggest that, after the word "equity," on line 13, page 6, there should be inserted the words "now pending or hereafter," so that it would read:

That a final judgment or decree rendered in any suit or proceeding in equity now pending or hereafter brought by or on behalf of the United States—

And so forth.

It seems to me the public should have the benefit of the provisions of the proposed amendment both as to suits that are now pending, and which have not proceeded as far as judgment or decree, and as to those which may be brought after the bill becomes a law.

Mr. CUMMINS. Mr. President, I have not considered the constitutional phase of the matter very carefully, but as I look at it the amendment proposed by the Senator from Colorado would be a limitation upon the amendment rather than an enlargement of it. As I understand this section, it applies to all decrees heretofore rendered as well as to decrees hereafter rendered, and makes those decrees prima facie evidence in suits brought by individuals for the recovery of damages.

Mr. THOMAS. If the Senator is correct, then, of course, my amendment would be a limitation, but I do not so understand the phraseology of the amendment. Generally speaking, I think it may be said that the presumption is against the retroactive character of legislation. There must be something in express terms to make it retroactive.

Mr. CUMMINS. May I suggest——

Mr. THOMAS. I would suggest, if the Senator will pardon me, that perhaps in the amendment, instead of using the words "now pending or hereafter," we might use the words "heretofore or hereafter," so that it would read:

That a final judgment or decree rendered in any suit or proceeding in equity heretofore or hereafter brought—

And so forth.

Mr. CUMMINS. As I understand, this section is prospective so far as it relates to suits brought by individuals; that is, suits that may be hereafter brought. That would be, I think, the construction given by the courts.

Mr. THOMAS. Yes; it is for the benefit of individual litigants hereafter.

Mr. CUMMINS. But when the suit is brought, then the judgment or decree of the court in the suit that has been brought by the Government would be prima facie evidence of violation of the antitrust law, no matter whether that decree is rendered hereafter or whether it has already been rendered; and I see no constitutional objection to making it so. In other words, it is simply a rule of evidence.

Mr. THOMAS. There might be, Mr. President, constitutional objection to making a judgment prima facie evidence in some suit thereafter brought when the judgment was rendered prior to the enactment of the law. There could be none with reference to pending cases in which judgment would be subsequently rendered. Of course, I do not mean to say that there is a constitutional objection in either case, but I think there is an ambiguity here——

Mr. NELSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from Minnesota?

Mr. THOMAS. Just one moment. I think there is an ambiguity here to which the principle that legislation will not be presumed to be retroactive would apply if we do not make it clear.

I now yield to the Senator from Minnesota.

Mr. NELSON. I desire to say to the Senator that I think he is decidedly right. The general rule of construction about statutes of this kind is that unless it expressly otherwise appears from the phraseology of the statute it has no retroactive effect; it applies only to future cases. I do not think this provision in lines 12, 13, 14, and so on, applies to anything except future cases as the language stands now.

Mr. THOMAS. Inasmuch as there is room for difference of opinion, which is quite evident, I think it should be amended so that it will read:

That a final judgment or decree rendered in any suit or proceeding in equity heretofore or hereafter brought.

So that there could be no question about it.

Mr. CUMMINS. "Heretofore brought or now pending or hereafter brought."

Mr. THOMAS. My first amendment was "now pending or hereafter brought," and the Senator objected to that.

Mr. CUMMINS. Unless there is a constitutional objection I should be very sorry to see it limited to decrees or judgments rendered in cases pending or hereafter brought.

Mr. THOMAS. Then the word "heretofore" would answer the purpose the Senator has in mind.

Mr. CUMMINS. For instance, take the decree in the American Tobacco case or the Standard Oil case. Suppose a person injured by either of those companies should bring suit to recover damages. I see no reason why the decree already rendered against those companies should not be made prima facie evidence in favor of the individual who brings the suit for damages.

Mr. THOMAS. I have no objection to that, Mr. President, but I think the amendment is necessary in order that the purpose which the Senator has in mind may be certainly and effectively carried out.

Mr. CUMMINS. I am rather inclined to agree with that.

Mr. CULBERSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from Texas?

Mr. THOMAS. I yield the floor.

Mr. CULBERSON. I will read from the syllabus in the case of Union Pacific Railroad Co. versus Laramie Stockyards Co., in Two hundred and thirty-first United States:

The first rule of construction of statutes is that legislation is addressed to the future and not to the past. This rule is one of obvious justice.

So I suggest that if we amend this language in any respect we ought to insert the word "hereafter" instead of the word "heretofore," because the rule of the Supreme Court of the United States is, as suggested by the syllabus I have just read, that it is a rule of obvious justice that statutes shall only act prospectively and not retroactively.

Mr. CUMMINS. Mr. President, I do not agree that it is universal law that there can be no retroactive effect of a statute without coming into collision with the Constitution. A great many of our statutes are retroactive; but it would not be a retroactive statute in this case to make a judgment heretofore rendered, assuming that we have the right to deal with it in that manner, prima facie evidence in a suit hereafter brought. It is prospective in regard to the suits in which the judgment shall be evidence, and is not retroactive in the sense of the suggestion made by the Supreme Court in the case just cited. There is no difference in principle between making a judgment already rendered between third parties prima facie evidence in another suit and doing the same thing as to judgments hereafter rendered. The person who is to be affected can not be admitted as a party in any suit hereafter brought nor to any decree hereafter rendered, so that the principle of the rule is just the same in either case.

Mr. THOMAS. Mr. President, the rule as announced by the Supreme Court in the case cited by the Senator from Texas is the universal rule, and it is, as there stated, an obviously just one, but it does not apply to statutes which in terms take effect prior to the time of their enactment. There are many State constitutions which forbid retroactive legislation of any sort. The Federal Constitution forbids Congress from enacting any ex post facto law, which, of course, has a technical meaning, and is applied to criminal statutes.

I quite agree with the Senator from Iowa that a decision favorable to the Government, rendered in a case brought by the United States against violators of the antitrust acts, should be prima facie evidence in actions brought by individuals against the same concern to recover damages which they have suffered from that violation or any other of similar character; but there are a great many cases pending in which, if this obvious construction be given to the statute as the amendment is phrased as reported here to the Senate, the litigants interested would be excluded from the prima facie effect which this statute gives to judgments rendered in cases brought after the bill shall become law.

Personally, I see no room for distinction, in justice and fairness, between the application of this principle in the Tobacco case or the Standard Oil case or any other case which has heretofore gone to judgment, as regards litigants bringing suit under this bill after its enactment, and its application to judgments rendered under suits brought by the Government after its enactment. The decision to which the Senator has referred makes the amendment which I suggest absolutely necessary, unless the Senate intends that it shall be only prospective in its operation.

Mr. CHILTON. Mr. President, I should like to ask the Senator whether the application of the decision read by the Senator from Texas does not depend upon the meaning of the word "rendered"?

Mr. THOMAS. No; I think not.

Mr. CHILTON. The provision reads:

That a final judgment or decree rendered in any suit or proceeding.

Mr. THOMAS. No; I think the word "brought" controls.

Mr. CHILTON. Does not that mean a decree or judgment hereafter rendered?

Mr. THOMAS. No; I think the word "brought" in this sentence, when the principle of the decision in Two hundred and thirty-first United States is applied to the amendment, would have that effect and would have reference to suits brought by the Government subsequently to the enactment of the law.

Mr. CHILTON. Mr. President, I can hardly agree with the Senator. This language refers to judgments or decrees rendered in any suit. Under the well-settled principle read by the Senator from Texas, of course, the word "rendered" there would be construed prospectively—that is, it would be held to apply to decrees hereafter rendered. I understand that is the meaning of the decision read by the Senator from Texas, and I take it that if we want it to mean something else it will have to be amended.

Mr. CULBERSON. I notice that on page 5, in the provision which we strike out and propose to amend in this respect, the House uses the word "hereafter" before the word "brought"; and I think it means the same as the Senate amendment in that respect.

Mr. CHILTON. I think, though, our attention should be centered upon when the decree was rendered. When the suit was brought makes no difference. The fact that the suit was brought 10 years ago, and has not yet reached judgment or decree, would make no difference. This is purely a matter of evidence.

Mr. CULBERSON. If the suit should be brought hereafter, the judgment could not be rendered prior to that, of course.

Mr. CHILTON. Certainly not; and that only emphasizes what I am saying. We are legislating as to certain decrees rendered. Now, under the law that means decrees hereafter rendered, and it makes no difference when the suit is brought. It is purely making it a matter of evidence, which is within our power, and I take it that under this language it means decrees hereafter rendered. I should think there would be no doubt about that.

Mr. POMERENE. Mr. President, I am disposed to agree with the construction which the Senator from West Virginia places upon that language, but would it not avoid all uncertainty to insert the word "hereafter"?

Mr. CHILTON. It depends upon what is the judgment of the Senate. As the language is now, it is perfectly clear that it has a prospective meaning, and it refers to judgments and decrees hereafter rendered. It depends upon what is the judgment of the Senate finally as to what it wants. I am speaking of the language used.

Mr. WALSH. Mr. President, referring to the remark made by the chairman of the committee [Mr. CULBERSON], I call the attention of the Senate to the fact that the word "hereafter" is quite appropriate in the House provision, which proceeds upon an entirely different basis. The House provision makes the judgment rendered conclusive of the facts and the law therein determined. Of course you could not make a judgment rendered in the past conclusive when it was not at the time it was rendered; and therefore, to give any force or effect at all to the House provision, you must have the word "hereafter" there. Indeed if the word "hereafter" were not in the House provision, the courts would so construe it anyway. It is, however, entirely unnecessary in order to give validity to the provision made by the Senate committee, because the Senate committee's amendment makes the judgment simply prima facie evidence; and the principle is thoroughly well established that you can declare a judgment rendered in the past to be prima facie evidence in the future, but you can not, as a matter of course, make it conclusive.

Mr. President, now that this matter has been precipitated, I desire to say that when this Senate amendment shall have been perfected it is my purpose to ask the Senate to reject the amendment and to stand upon the House provision; and if the Senate will bear with me a little while I desire to speak about that matter now.

The essential difference between the House provision and the Senate amendment is that under the House provision all judgments rendered in antitrust cases are made conclusive, both as to the facts and as to the law, in any action thereafter brought by a private individual against the corporation adjudged to have offended against the antitrust law, while the Senate provision makes the judgment simply prima facie evidence of the facts therein determined.

The operation of the thing is this: If the United States shall proceed against any organization said to be a combination in violation of the Sherman Act, and eventually, after a judicial proceeding going through all the courts, it shall be determined and decided that the organization is a combination in violation of the Sherman Act, that judgment stands and can be availed of by anybody who claims to have been damaged by reason of the existence of the combination. The party seeking to take advantage of it will not be obliged to travel again, step by step, over the entire field which the Government has been obliged to traverse in order to reach the judgment at which it arrived; but he will start in where the Government left off, the judgment being conclusive, establishing the facts and the law so far as it goes, and allowing him simply to establish and putting upon him the burden of establishing the actual damages which he has suffered. In other words, we give to the private individual the benefit which accrues by reason of the long litigation pursued by the Government in endeavoring to secure the judgment.

The amendment proposed by the Senate committee, however, simply makes that judgment prima facie evidence, so that when the individual citizen, claiming to be damnified by reason of the organization thus adjudged to be in violation of law brings his action to recover damages, he may submit in evidence the judgment and then prove his damages; but, although that will make a case for him, the organization still has a right to submit other evidence, to have a further trial upon the matter, and eventually to get a judgment overturning, if it can, the judgment that was rendered in the action brought by the United States Government.

What does that mean? That means that every private individual seeking to recover damages must go into court recognizing that he will be obliged to meet any additional evidence that the outlawed corporation may be able to command in order to arrive at a different result in the proceedings, and, as a matter of course, he must make his own provision in order to meet that testimony. We all know that the private individual is always at a disadvantage. He is never armed with the means at his command to cope with these great organizations; and that was the very reason why this act was passed—in order that the Government, with its great powers, might meet on something like equal terms the great aggregations of capital against which the statute was leveled.

I may say here—and I think I violate no confidence in saying it—that the force of these suggestions appealed powerfully to every member of the Judiciary Committee; and I believe that were it not for the fact that most of those members believed that the House provision violated constitutional principles the amendment suggested never would have been proposed at all.

Mr. CULBERSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Texas?

Mr. WALSH. I do.

Mr. CULBERSON. On the point to which the Senator has just alluded, if he will permit me, I will read him a sentence or two from the report of the committee:

> The material difference between the House provision and the Senate amendment is, of course, whether the decree in favor of the Government shall be prima facie evidence against the same defendant in a subsequent suit by another party or be conclusive against such defendant. The committee think there are considerations of public policy which favor the House provision of conclusiveness; but in the state of the decisions of the Supreme Court of the United States in kindred cases they believe the law should go no further than to make the decree prima facie evidence.

Mr. WALSH. I am very glad the Senator has called the attention of the Senate to the report of the committee confirmatory of the suggestions I have been making, and I believe the wisdom of the policy of the House provision will address itself, upon the very slightest consideration, to every Member of this body. So it becomes simply a question whether we may, consistently with the provisions of the Constitution, make a judgment rendered in an action brought by the Government of the United States conclusive in subsequent proceedings brought by a private individual to recover damages sustained by him in consequence of the conduct of the defendant in the Government's suit. With all deference to the opinions of my colleagues upon the Judiciary Committee—and I speak with entire respect—I say that I am unable to understand the argument which would condemn an act of that character as in violation of the Constitution.

Why, Mr. President, the defendant, the violating corporation, has had its day in court. It has had an opportunity to try out before a court, with all the forms of the law, every question involved in the lawsuit. It has tried them, and all of the issues have been determined against it. I ask, Mr. President, upon what principles of constitutional law can it rely for justification of a second trial of these very same issues?

Mr. THOMAS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Colorado?

Mr. WALSH. I do.

Mr. THOMAS. Suppose the Senator from Montana were a defendant in a suit brought by the Senator from Nebraska, who prevailed in the action, obtaining a judgment against the Senator from Montana. Subsequently I bring an action growing out of the same transaction. Does the Senator believe that a statute making the judgment of the Senator from Nebraska against the Senator from Montana conclusive in the action which I brought would be constitutional?

Mr. WALSH. I should say not.

Mr. THOMAS. I do not myself perceive any distinction between the case supposed and that of a suit brought by the Government against an offending corporation.

Mr. WALSH. I think I can demonstrate it very readily. I was going to try to do so.

Mr. THOMAS. I shall be very glad to have the Senator do so.

Mr. WALSH. The Senator has asked me whether a judgment taken by him against the Senator from Nebraska could be made conclusive in a subsequent action which he brought against me involving exactly the same facts.

Mr. THOMAS. Oh, no; the Senator is slightly in error in his statement. I supposed a case brought by the Senator from Nebraska against the Senator from Montana resulting in final judgment. I then supposed a case brought by myself against the Senator from Montana growing out of the same transaction, and asked whether a statute making the former judgment conclusive against the Senator from Montana in the case brought by me would be constitutional. I understood the Senator to say "No." My further query was as to the difference between the case supposed and one brought by the Government against an offending corporation under the antitrust act.

Mr. WALSH. I am unable to perceive any difference between the condition of facts now stated by the Senator from Colorado and the condition of facts that I have stated. I will say that, depending upon the relations that subsist between the Senator from Nebraska and myself, a judgment against him might be very easily made conclusive against me.

In fact, Mr. President, there are many relations in life and in business under which a judgment taken against one man is made conclusive against another man, to which I desire to advert. A judgment taken against an agent is under many circumstances made conclusive against the principal. A judgment taken against one individual of a class is very often made

conclusive against everyone belonging to the same class. A judgment taken against a city in a suit brought by a single taxpayer or a citizen of the city is often made conclusive in any proceeding subsequently brought by another citizen. Oftentimes an action is brought, for instance, by a citizen, a taxpayer, against the city and against parties said to be in collusion with the officers of the city in the transaction of certain business.

The judgment goes against that party adjudging that the proceeding was under the law and was warranted. That judgment becomes conclusive against any other citizen of the city desiring to prosecute the same character of action.

So, Mr. President, in all these antitrust prosecutions the Government of the United States prosecutes the action for the benefit of every one of its citizens. Otherwise there is no justification for the law at all. The Government of the United States sues in the action as parens patriæ, the father of all its children, and for their benefit. That is the relation which exists between the United States suing under one of these antitrust acts and all others of its citizens, and there is no reason at all why the judgment, so far as it goes, should not be made conclusive against a corporation when it is sued for damages to it resulting from the very acts complained of.

Mr. President, this is what might result under the existing state of the law or under the amendment proposed by the Senate committee. A judgment will have gone against the corporation adjudging it to be in existence in violation of the Sherman Antitrust Act. That lawsuit will have been fought out bitterly, desperately, through a long series of years at an enormous expense to both the litigants thereto, the contest being upon both the facts and the law, and judgment finally goes against the corporation. Then, Mr. President, you not only open up the matter and allow the corporation to put in additional evidence as against a private individual suing to recover his damages on account of the unlawful corporation, but legal principles are again opened up for determination, and in the action brought by the private individual, after harrying him clear through the courts to the court of last resort, you may find different legal principles even announced and principles that would have defeated the action in the first instance. In other words, unless you make this complete, it practically amounts to no assistance whatever to the man who desires to recover damages by reason of the combination adjudged to be unlawful.

Mr. President, in view of the relationship which exists between the Government upon the one hand and its citizens upon the other, I entertain no doubt whatever that when the law and the facts are tried out in the action brought by the Government on behalf of every one of its citizens, any one of them is entitled to have the benefit of that judgment, and to say these matters are all foreclosed and determined, and to insist that the only question which remains for consideration is the damages suffered by it.

Accordingly, I believe, Mr. President, that the House provision ought to remain in the bill, but, of course, if it does, you must leave the word "hereafter" there, because obviously the conclusive effect can not be given to judgments heretofore rendered.

Mr. HUGHES. Let me ask the Senator a question. I have heard only the latter part of the Senator's argument. It seemed to me that the provision of the Senate committee is quite an original departure from the House bill, and I wondered what the effect would be of striking out the word "hereafter." It seems to me that it would give a retroactive effect to past judgments and decrees.

Mr. WALSH. I stated to the Senate, in opening, that to my mind when the judgment is made only prima facie evidence that character can be given not only to judgments rendered in the future, but it may be equally attributed to judgments rendered in the past; but if you seek to give a conclusive character to it, it can of course only apply to judgments in the future.

Mr. CUMMINS. I desire to ask the Senator from Montana a question. He has raised a very interesting inquiry. I turn it around a little and put it in this way: Suppose the State of Montana were to institute a criminal proceeding against one of its citizens for larceny and a conviction followed, could the State make that conclusive evidence in a suit brought by the owner of the property against the defendant for recovery?

Mr. WALSH. I should say unhesitatingly that it could, and I was referring to a lot of those things by way of illustration.

Mr. CUMMINS. I am not asserting now any opinion of my own about it, but I see that that might be a parallel instance. The Senator from Montana says that the judgment or conviction of the defendant could be made conclusive evidence against the defendant in a suit brought by the owner of the property for the recovery of its value.

Mr. WALSH. I do not see why it could not. Let me go on. Here is a man charged with the larceny of my horse. In order to establish the action it is necessary to prove that it was my horse and that the defendant took it and converted it to his own use. I make the complaint against him. I charge that it was my horse and that he feloniously took it and converted it to his own use. We go on and try that matter, and the jury is charged that they shall acquit him unless they believe that he wrongfully took my horse and converted it to his own use. I should like to understand upon what constitutional ground it can be said that when I go into a civil action to recover damages for the taking of that horse the defendant is entitled to have another jury trial of that issue.

Mr. THOMAS. Mr. President, right there I should like to ask this question. Suppose that the act of larceny consisted of the felonious taking of a horse belonging to the Senator and another horse belonging to me, all in the same transaction. The Government proceeds by indictment against the defendant, including the horse of the Senator from Montana with my property in the indictment. Subsequently I bring suit for the recovery of the value of the horse taken from me. Could the conviction resulting from the indictment for the larceny of the horse of the Senator from Montana be made conclusive in the suit which I have instituted?

Mr. WALSH. Certainly not. The question of the taking of the horse of the Senator from Colorado was not in issue at all.

Mr. THOMAS. Is it not the fact that a great many, if not all, the suits brought for damages would be analogous to that situation, involving the precise, substantial property in the first suit?

Mr. WALSH. The judgment in the antitrust case would be determinative of merely the issues raised in that case. They would be conclusive just so far as they were issues of law and issues of fact in that case and no further.

Mr. THOMAS. I wish to say that I am in hearty sympathy with the argument of the Senator from Montana, because I can perceive very easily—all of us can—the consequences of making this judgment prima facie instead of conclusive. The result would be precisely as the Senator has predicted. I am unable as yet to bring my mind in harmony with the Senator from Montana on the constitutional question.

Mr. WALSH. Let me go a little further, Mr. President, and offer some further illustrations. A man is charged with the malicious destruction of personal property belonging to A. A makes complaint and the man is proceeded against criminally. He is tried and is found guilty upon evidence convincing a jury beyond a reasonable doubt that he maliciously destroyed the property of A. Then A begins action to recover damages against him. What constitutional right of his is transgressed by a statute which would make the judgment in that criminal proceeding conclusive in the action brought to recover the damages?

Mr. CUMMINS. I ask the Senator from Montana whether he knows of such legislation in the various States? It is a new subject with me.

Mr. WALSH. I will state that I searched very diligently and was unable to find any adjudication whatever upon the legal proposition which is here at issue between the House provision and the Senate committee amendment.

Mr. CUMMINS. One more question. If the House provision limited its operation to suits in equity brought by the Government, does the Senator know why it was not extended to criminal prosecutions as well?

Mr. WALSH. No; I do not. I was going to instance the case of a criminal libel. A newspaper publisher is indicted, charged with having published a criminal libel against A. A makes complaint and has him prosecuted criminally for publishing that libel. The question is whether he did publish it and whether it is libelous. He is adjudged to be guilty and is punished accordingly. Then A sues to recover damages by reason of the publication of that libel. Why in that civil action should he be called upon to do anything more than prove the actual damages, and upon what principle, under what provision of the Constitution can a man have a second trial of the very issues that were tried in the criminal case?

Instances of this kind might be multiplied. I must confess, Mr. President, that I am myself unable to find any satisfactory answer to them.

Mr. OVERMAN. I will ask the Senator whether the State could make a tax deed conclusive evidence as to the title of land?

Mr. WALSH. Many States have statutes making the deed conclusive evidence of every question, not going to the groundwork of the tax; that is to say, to the assessment and levy of the tax. It is held, I believe, that the tax deed can not be made conclusive evidence upon those questions.

Mr. CHILTON. Mr. President, as the Senator from Montana has very properly said, there was no division in the Committee on the Judiciary upon the desirability of making these judgments and decrees obtained by the Government against trusts conclusive. So far as it was expressed there, everyone would like to have it so that these judgments and decrees should be available by anyone who might be injured by reason of the machinery and the machinations of the trusts, so that the burden of a new trial would not be put upon private individuals.

But, Mr. President, in our zeal to do something for the people and to get legislation which has "teeth in it" we must remember that every person under the Constitution of the United States has rights. One of the fundamental rights of every person and every corporation in the United States is that he must have a day in court, and he must have his day in court on his case and on his facts. For instance, if we would make a judgment conclusive as against a defendant it shocks any man's sense of justice and right to fail to make it conclusive as against a plaintiff. Certainly no Senator can stand here and argue the proposition that if A and B would have a lawsuit he would make the facts found and the judgment rendered conclusive as against B and not make it conclusive as against A. I do not care what might be the necessity nor what might be the condition; I do not care what might be the evil and what might be suggested to me as a remedy, I am unwilling to stand upon this floor and vote for something that means that a law is applicable to one party in a litigation and not applicable to another.

If we can make a decree conclusive as to those not parties, and would make this a just law, we should make it so that this decree shall be conclusive for all purposes as against the plaintiff and as against the defendant. If made conclusive, we should make it conclusive for all purposes and for both sides. If we want to enact just legislation, legislation that shows to the country that we are trying to be fair and right about this thing and not trying to yield to prejudice, we would enact that kind of legislation. If we would do otherwise, then we would be in an indefensible position. Here the great Beef Trust has recently been prosecuted. A verdict of acquittal was rendered for them. Shall we stand here and give life to a system of laws that would make that Beef Trust forever innocent under the laws of the United States? Certainly not. And yet we will enact just such a one-sided law unless we adopt the Senate amendment.

Mr. President, this is not a new question in the courts. It has been settled by the authorities, and the fundamental principle is that if you make anything evidence in a case, anything that has been properly adjudicated, you must preserve one principle, and that is a man must have his day in court, to submit to the court in his case any evidence that bears upon a matter that is essential to the judgment or decree which may be rendered. For instance, take the case supposed by the Senator from Montana. Here is a suit brought by A against B. It is concerning the same transaction as to which C has a suit against B. But, Mr. President, A and B may enter a collusive judgment, which should not bind C. The judgment against B may have been brought about by testimony that is conceded at the time of the trial between A and B to have been perjured, to have been false, and when C and B try their suit everybody in the courthouse, the judge and the jury and both parties to the litigation, might be willing to concede that every witness who testified against B testified falsely, and yet the House bill provides that C can not show it in his case. It is for that reason that the courts have said that they will never allow anything to be made conclusive in a suit between parties if it goes to the extent of precluding either of the parties from showing any facts that bear upon the issue.

On that proposition I want to read to the Senate some of the authorities. One of them is in Two hundred and nineteenth United States, the case of the Mobile Railroad against Turnipseed. I do not want to read all of it. I read from page 43, Two hundred and nineteenth United States:

> If a legislative provision not unreasonable in itself prescribing a rule of evidence, in either criminal or civil cases, does not shut out from the party affected a reasonable opportunity to submit to the jury in his defense all of the facts bearing upon the issue, there is no ground for holding that due process of law has been denied him.

The court goes further and discusses that proposition. I do not want to read all of the decision, but I shall insert so much of it as may bear upon this matter. I merely wished to read that to make plain that one fundamental principle that runs through all of the decisions. It is that you can make a judgment or decree prima facie evidence, you can make it anything you want, provided you do not shut out the party who is interested in the litigation and who will be affected by it from his right to show any evidence that he may want to show and from introducing any fact that bears upon the issue, and that there is preserved to the litigant the right to have the court or jury pass upon that evidence and give due consideration to those facts.

Mr. CLAPP. Mr. President——

The PRESIDING OFFICER. Does the Senator from West Virginia yield to the Senator from Minnesota?

Mr. CHILTON. I yield to the Senator from Minnesota.

Mr. CLAPP. As I read the amendment proposed by the Senate committee, it is subject to the criticism to which the Senator has referred, that a judgment or decree is only made prima facie evidence against the defendant. If the criticism is a good one as applied to the House provision, it seems to me it is equally good as to the amendment reported by the committee.

Mr. CHILTON. Not at all, Mr. President, and for this reason: What we are trying to do is to frame legislation under which, whenever the Government institutes a prosecution against trusts, where it is necessary to employ detectives and lawyers and investigators, costing thousands and thousands of dollars, any citizen might have the benefit of the results obtained by the Government in any suit which he might bring. We were not worrying about the cost to the trusts, which can get lawyers and investigators and experts whenever they want them; that part of it did not bother me any. I would not mind making it prima facie as to both parties. I think that it is probably right and that we should do so; but where you make it conclusive you have a different proposition; there you end the suit; you prevent anybody afterwards from putting in evidence what everybody might agree to be the exact facts. You are bound by the decree, and it can be used as an estoppel in favor of some one else who was not a party to the litigation.

Mr. CLAPP. Mr. President, will the Senator from West Virginia pardon an interruption?

The PRESIDING OFFICER. Does the Senator from West Virginia yield to the Senator from Minnesota?

Mr. CHILTON. Certainly.

Mr. CLAPP. I think it should be made conclusive; and I think it should be made conclusive only against the defendant for the identical reason which the Senator from West Virginia is giving why it should be made prima facie only against the defendant. I am not solicitous for the trusts; but if it is a just criticism that being final it should be final as to both, I insist that the same criticism would make it prima facie as to both.

Mr. CHILTON. Mr. President, the Senator says he is in favor of making it conclusive, and I know that he believes we have the constitutional right to do so; I take it that the Senator would not want to put on the statute books a law which would be inoperative and which the courts would be compelled to hold unconstitutional. It was to that point I was alluding. I am as much in favor as is the Senator of making it conclusive as to both parties, if we could do so. It is a peculiar kind of litigation that in its very nature ought to be made conclusive, if possible. It affects the public, and every decree should, if possible, settle the facts found for everybody. Business does not thrive upon litigation or uncertainty.

Mr. WALSH. Mr. President——

The PRESIDING OFFICER. Does the Senator from West Virginia yield to the Senator from Montana?

Mr. CHILTON. I yield to the Senator.

Mr. WALSH. I want to inquire of the Senator from West Virginia if the trusts should escape and be acquitted in one action brought by the Government of the United States, whether he thinks they would be in very much peril from an action brought by a private individual on the same ground?

Mr. CHILTON. No; I do not; and I am no more worried about their peril than is the Senator from Montana. The Senator need not question me about that, because during a long service on the committee with him I think he has found that I have not been shuddering about the peril of the trusts and the dangers to which they may be subjected. I have, however, in good faith been trying to report to the Senate a proposed statute that I could maintain as a Senator here and retain my own self-respect, and could truthfully say to the Senate that I thought it conformed to the Constitution of the United States; and I would not agree to report any other kind of measure. It is because of my fears of the constitutionality of the House bill that I took the position which I did, and favored the Senate amendment.

Mr. WALSH. Mr. President, I want to bear testimony to the unfailing diligence of the Senator from West Virginia in the effort to frame legislation appropriate to the case and to my belief in his entire good faith in the position he has taken in the matter. I asked the question simply to indicate as force-

fully as I could that the peril he sees in not making the estoppel reciprocal is one that is very vague and dim.

Mr. CHILTON. So far as the offending trust is concerned and so far as the question of injuring the trust is concerned I do not care to press the point, but so far as it may affect the courts and their reason for holding this legislation valid or invalid, my reason is not dim. I take it that we do not want to put upon the statute books one-sided legislation. We want to put on the statute books something that in our conscience we believe is right and fair. So far as I am concerned, if we are to enact a statute on this subject I want it to treat both sides alike, both the prosecutors, the Government, and the defendant. I do not assume that everyone who will be prosecuted under these laws will be guilty. It is entirely possible that some innocent people will be prosecuted under them, and if they are innocent I want them to have the benefit which every other citizen has under the law; and I am not afraid to say so in the Senate of the United States nor in any other place; and I have been just as zealous in putting teeth into the antitrust laws as any other member of the Judiciary Committee.

The next citation which I want to call to the attention of the Senate is the case of Chicago Railway Co. v. Minnesota (134 U. S., p. 456). In that case the Supreme Court of Minnesota had put a construction upon a statute of the State, and the Supreme Court of the United States in determining the validity of that statute, construed the statute as had the supreme court of the State, and, so construing it, held it to be invalid. This is what the court says about it:

> The supreme court (of that State) authoritatively declares that it is the expressed intention of the Legislature of Minnesota, by the statute, that the rates recommended and published by the commission, if it proceeds in the manner pointed out by the act, are not simply advisory, nor merely prima facie equal and reasonable, but final and conclusive as to what are equal and reasonable charges; that the law neither contemplates nor allows any issue to be made or inquiry to be had as to their equality or reasonableness in fact; that under the statute the rates published by the commission are the only ones that are lawful, and, therefore, in contemplation of law, the only ones that are equal and reasonable; and that, in a proceeding for mandamus under the statute, there is no fact to traverse except the violation of law in not complying with the recommendations of the commission. In other words, although the railroad company is forbidden to establish rates that are not equal and reasonable, there is no power in the courts to stay the hands of the commission if it chooses to establish rates that are unequal and unreasonable.

For that reason the court decides the law to be unconstitutional and invalid.

The next authority I want to call to the attention of the Senate is Cooley's Constitutional Limitations, seventh edition, page 526. Speaking of matters made evidence by statute it is said:

> But there are fixed bounds to the power of the legislature over this subject which can not be exceeded. As to what shall be evidence and which party shall assume the burden of proof in civil cases its authority is practically unrestricted so long as its regulations are impartial and uniform, but it has no power to establish rules which, under pretense of regulating the presentation of evidence, goes so far as altogether to preclude a party from exhibiting his rights. Except in those cases which fall within the familiar doctrine of estoppel at the common law, or other cases resting upon the like reasons, it would not, we apprehend, be in the power of the legislature to declare that a particular item of evidence should preclude a party from establishing his rights in opposition to it.

If the courts go to that extent as to a matter of evidence as between the same parties, what shall we say of the effort here to make a record in a suit between A and B binding in favor of the whole world besides, who have had no opportunity to participate in that trial and probably did not know at the time that their rights would ever be involved in the same set of circumstances or in the same class of litigation?

Proceeding, the same authority says:

> In judicial investigation the law of the land requires an opportunity for a trial—

That means an opportunity for a trial to each litigant as to every matter which has not been adjudicated as between him and the party with whom he may be litigating at the time.

Reading further:

> And there can be no trial if only one party is suffered to produce his proofs. The most formal conveyance may be a fraud or a forgery; public officers may connive with rogues to rob the citizen of his property; witnesses may testify or officers certify falsely, and records may be collusively manufactured for dishonest purposes; and that legislation which would preclude the fraud or wrong being shown, and deprive the party wronged of all remedy, has no justification in the principles of natural justice or of constitutional law.

And the authorities cited amply support that doctrine.

Mr. President, let me further illustrate: A brings a suit against a trust. Certain evidence is brought out. It may be in the power of one of the parties to that litigation afterwards to show that every witness who testified was mistaken; that the witnesses either perjured themselves or were mistaken as to the facts. It may be that the court and the jury and the public would be in such a state of mind as to want to render a different verdict. It is abhorrent to my mind that a statute can be constitutional which will put me in such a position that I who have not been a party to a litigation at all may be bound by a judgment rendered between other parties, although I have had no notice of the litigation, no opportunity to be heard, and may be in such a position that I can show the very contrary to be the fact.

I need not reiterate that the Committee on the Judiciary, without a single exception, was desirous of enacting a statute with teeth in it, as the expression is commonly used, one that would accomplish some good and would not merely play with this great subject; but when we came to investigate the question of the extent to which we could go a majority of that committee reached the conclusion that we could not go further than to make judgments or decrees rendered in a prior suit between other parties prima facie evidence. What does prima facie evidence mean? It means evidence sufficient to make out a case and to entitle one to recover unless overcome by proof. In other words, if A recovers judgment against B, then, in a suit brought by C against B, the former judgment that B has violated the law will entitle C to recover until and unless B shall overcome the prima facie case by competent evidence; and even then C is not precluded from introducing other evidence to support the prima facie case. It is an immense advantage for one to begin a lawsuit with sufficient evidence to entitle him to win; and that far we can go in safety.

Mr. CUMMINS. Mr. President, I should like to interrupt the Senator at that point, if he will permit me.

The PRESIDING OFFICER. Does the Senator from West Virginia yield to the Senator from Iowa?

Mr. CHILTON. With pleasure.

Mr. CUMMINS. A judgment when it is introduced in evidence in any suit operates by way of estoppel, and ordinarily an estoppel must be mutual in order to be operative. But, apart from that, the antitrust law gives to anyone who is injured the right to recover treble damages for the injury and attorneys' fees. The person injured is not compelled to wait for the action of the Government either in the way of bringing a criminal proceeding or a suit in equity. Now, suppose that we were to attempt to say that in a suit in equity or in a criminal proceeding brought by the Government to enforce the law a judgment in favor of the defendant or defendants should be conclusive evidence against the right of an individual to recover the damages which he had suffered by reason of the violation of the law or by reason of a wrongful act in restraining trade. That would involve the same principle of law precisely, would it not?

Mr. CHILTON. And would be abhorrent to a sense of justice.

Mr. CUMMINS. It would involve the same principle of law?

Mr. CHILTON. Exactly the same.

Mr. CUMMINS. That is to say, if there is such a privity between the United States as a governmental organization and its citizens as to enable us to make a judgment in favor of the Government binding upon all its citizens, we could in the same way make a judgment against the Government representing all its citizens conclusive against the right of any one of them to recover against the offender.

Mr. CHILTON. Does not the Senator think that if we make it conclusive against one we ought to make it conclusive against the other, in view of these authorities?

Mr. CUMMINS. I am not so sure about that, because there are reasons which might be sufficient to remove this from the ordinary rule.

Mr. CHILTON. Yes; there might, but they do not occur to me now.

Mr. CUMMINS. The strength of the one and the weakness of the other; but I think it shows beyond any question that we can not make it conclusive in favor of one or of the other. We can not make it conclusive against a person who is injured by such a wrongful act, nor can we make the judgment conclusive in favor of the person who has suffered from such wrongful act. In either case the person must be left, under the Constitution, to pursue his remedy, which is to recover these damages. I have always thought the utmost we could do would be to give the former legal proceedings prima facie effect in any suit brought by the individual.

Mr. CLAPP. Mr. President, if the Senator will pardon me——

Mr. CHILTON. Yes; I yield to the Senator from Minnesota.

Mr. CLAPP. It does seem to me that the distinction there is too plain to admit of very much discussion. A suit is brought against a trust by the United States Government. That trust has its day in court. It is there with its lawyers and its witnesses. There is a vast difference between that trust, after having its day in court, being bound by that judgment, and a

man who has been injured by the trust and who has not had his day in court, who has had no opportunity to present his case, being bound by the verdict against the Government.

Mr. CHILTON. If the Senator will let me answer him, let us suppose that we have a case against a labor organization, which both the Senator and I believe should not be prosecuted merely as such under the statute. No doubt the Senator will vote with me upon that clause. Suppose it should be convicted. Must it remain forever under the ban of that decision, no matter what the fact may be?

The Senator is proceeding upon the idea that nobody will be prosecuted here but guilty people. Is it possible that you want one judgment rendered against a labor organization, if it should be rendered, to stand forever to bind it in other cases?

Take this case: A decree has been rendered in West Virginia holding a labor organization to be a criminal and violating the laws of the State. That judgment was rendered in the courts of West Virginia. Now, suppose other suits were brought against it and it could come in and show that the witnesses in the first case were mistaken, or swore falsely. Does the Senator want it to rest forever under that ban?

Mr. CLAPP. Mr. President, I will answer the Senator's question.

Mr. CHILTON. All right.

Mr. CLAPP. There is no way on earth, in human affairs, of avoiding, sometimes, perhaps, a wrong; but when a judgment is rendered against me upon false testimony I have a time under the law in which I may present proof of the falsity of the testimony; and if the time goes by in which the court can interpose and grant a new trial, wrong and unjust as it is, it is one of the infirmities attendant upon human administration of affairs, and I have no escape from it.

Carrying out the same analogy of the ultimate finality of judicial proceedings, when a combination, a trust, or a company or an individual has had its day in court at the complaint of the public, and the time has expired within which, under the rules of law and equity, it may ask for a new trial upon the ground of newly discovered evidence, that witnesses have been bribed, or any other occasion for which courts may relieve it from the judgment, there is no reason to my mind why the person who has suffered at the hands of the alleged wrongdoer should not have, equally with all the public, the benefit of that verdict and that trial, and not be compelled to travel the same weary, dreary course that the Government traveled in getting its verdict.

There is that difference between making the judgment prima facie evidence or conclusive evidence—for in this respect there can be no difference of opinion—as against the man or the combination that has had his or its day in court and making it conclusive or prima facie evidence against the man who has not been in court at all.

Mr. CUMMINS. Mr. President, may I trespass upon the time of the Senator from West Virginia?

Mr. CHILTON. With pleasure. The Senator and I are in entire agreement.

Mr. CUMMINS. We are now looking at the question from the legal standpoint alone, not from the sympathetic point of view nor from what might be called the standpoint of public policy. We have a Constitution; this is a country of law, and it is idle for us to enact a statute which will be stricken down by the courts.

I put to the Senator from West Virginia a case, and the Senator from Minnesota answered it by asserting a difference between the case I put and the case involved in the provision of the House bill. Let us see.

The Senator from Minnesota begins his argument by saying that in the case provided for in the House bill the corporation defendant has had its day in court. That statement assumes the whole controversy. The constitutional question is whether, under such circumstances, the defendant has had his day, or its day, in court. The argument of the Senator from Montana, which is persuasive, although, to my mind, not convincing, is that inasmuch as the Government of the United States represents all of the people of the United States, and all the people of the United States are privy with the Government in any suit that it brings and carries forward, therefore a judgment rendered in any such suit, if it be in favor of the Government, is a judgment rendered in favor of every citizen of that Government against the particular defendant who was being prosecuted. Upon that theory the well-known principle of the law, without any legislation whatever, would make the decree or judgment rendered in the suit conclusive as between all the citizens of the Republic; and it is only that reason that can bring the proposal within the scope of the Constitution.

Mr. WALSH. Mr. President——

Mr. CUMMINS. Will the Senator pardon me just one moment?

The PRESIDING OFFICER. Does the Senator from West Virginia yield to the Senator from Montana?

Mr. CHILTON. I will yield with pleasure a little later.

Mr. CUMMINS. I want to show that the Senator from Minnesota assumed the real question in controversy when he made his first statement.

When the Government brings its suit and recovers, it is upon that theory adjudged, as between all the people and against the person or corporation against whom the recovery goes, that the facts are so-and-so and the law is so-and-so, just as I think it follows, if that reasoning be good, that if the judgment goes against the Government the person who asserts damages has had his day in court in the same way. He has had it through his own Government, which has prosecuted his case for him but has failed; and he therefore has had the same opportunities through his agent that many of these privies have had in the adjudicated cases with regard to a judgment covering a collection of persons. It seems to me pretty clear that if we can make the judgment conclusive in favor of the person who has been injured we can also make an adverse judgment conclusive against the citizen who asserts that he has been injured. I believe no one would contend that constitutionally we can do the latter.

I now yield to the Senator from Montana, although I yield at the courtesy of the Senator from West Virginia.

Mr. CHILTON. That is all right. I yield.

Mr. WALSH. I will say to the Senator from Iowa that I so contend, and I think I shall be able to demonstrate that there is not any question about it.

Mr. CUMMINS. That it could be made conclusive against the person?

Mr. WALSH. Against the citizen, of course.

Mr. CUMMINS. The Senator from Montana is sometimes startling, but he is always logical. I simply wanted to have the proposal so clear that we could see it from every point of view.

Mr. CHILTON. I will say to the Senator that I do not want to occupy the floor for more than a few minutes, but I will yield to the Senator, if he would rather have me, at this point.

Mr. WALSH. No; I prefer to have the Senator conclude, first.

Mr. CHILTON. I want to read just one other authority.

In the Encyclopedia of Evidence, volume 3, page 292, the principle is stated in this way:

> But a law which would cut off the right of a party to offer evidence bearing on the question to be determined, by providing that certain matters or facts shall be conclusive evidence of the truth of the charge, or of that which is to be proved, would be unconstitutional and void, and could not therefore be upheld as a valid act of legislation. Hence a legislature can not lawfully declare what specific facts shall constitute conclusive proof of any matter sought to be judicially determined and established.

That statement is supported by a long line of authorities from practically all the States of the Union. There are very few of them that have not decided this to be the law.

Mr. President, after all, in my judgment, the worst enemy of reform in these matters, no matter how good his intentions may be, is the legislator who would take any chance as to the legislation which we may adopt being constitutional. We have a broad enough field within the Constitution. We are not restricted in a great many lines. There is just a little narrow line that we have struck here where there is at least great doubt as to this legislation. So far as I am concerned, I would prefer to take the open track, where we know we are right, and where we will not subject the citizen and the Government to long litigation and possibly, very probably, have some legislation we enact here declared unconstitutional and thereby make a gap in our legislation, or make it one sided, when there is no good reason for it. There is no good reason from the standpoint of policy, there is no good reason in the situation which confronts us, to suggest the taking of a desperate chance.

When you come to consider the difference between the making of a judgment conclusive and its being prima facie evidence, the advantage of the one over the other is not sufficient to warrant us in taking the chance. Why does anyone want to make a judgment against anybody, whether it be a trust or a citizen, a corporation or an individual, conclusive, and preclude him forever from showing the fact, if the fact be against the decree or judgment?

We are here to uphold justice between parties. We are not here to persecute anyone. There is no need of it. There is plenty of public sentiment against a trust which violates any of

these statutes or the Sherman antitrust law to convict it if there be a proper case. In the one we say they shall not defend; in the other we say that there shall be a prima facie case against them.

Take all of these statutes in the States where they are enforcing prohibition laws, laws against the carrying of pistols, and so on. They never go beyond making a fact prima facie evidence. For instance, the carrying of liquor about your person, or being seen with liquor, is only prima facie evidence. They only make having the Government stamp or the payment of the Government tax prima facie evidence. We have a number of statutes of that kind in the various States; and this is the first attempt I have ever seen made anywhere to make a judgment between A and B conclusive evidence as between A and C or as between B and C. We are discussing something that never will be really material. Any citizen can have all the advantage from a prima facie case that he could have from a conclusive case.

Are we not now going beyond the real condition, the real trouble, that we started in to remedy? What we tried to do was to have some way by which the citizen could have the advantage of the evidence collected and produced by the Government. That is all that has been asked by the people. That is all that has been asked by those who have found difficulty in prosecuting these trust cases.

The Government goes out, under its great advantages and with its powers and its great resources, and makes a case against one of these trusts. Now, the citizen does not ask us to go into the field of conjecture and get him into trouble. He has not asked us to do that. He has not asked us to pass a doubtful statute which may get him into further difficulty and subject him to heavy costs. The citizen has simply asked us to give to him the benefit of the Government's case and make it prima facie evidence; to let him have that evidence certified in the other case against the trust concerning the same transaction or the same wrong. Therefore we are really, in my judgment, about to do as needless as a vain thing. What the people have asked for is the practical thing. It is a real reform. It will do some good. Why should we take chances?

So far as I am concerned, I have not much doubt that the courts will declare the House bill unconstitutional the first time it is put to the test. Believing that, I have voted for the amendment of the committee to make the judgment or decree prima facie evidence. In doing so I feel that we are giving the citizen and the country every advantage which justice demands. Until the authorities which I have cited shall be overthrown, or some one points out a precedent that justifies it, I can not vote for a law that makes a decree binding in favor of one not a party to the litigation in which it was rendered. Because of the large interest of the public in controlling these trusts, I will go to the limit of our power, and I believe that the Senate bill marks that limit.

Mr. WALSH. The Senator from Iowa [Mr. CUMMINS] stepped out, but I hope he may come in. The Senator from Iowa seems to labor under the impression that it is a sufficient answer to the contention made by me in this connection to say that it is beyond the power of Congress to make the judgment conclusive against the citizen as well as in his favor, and therefore it follows that the judgment can not be made conclusive in his favor.

Mr. President, I am not at all ready to accept the idea of the Senator from Iowa that it is beyond the power of Congress to make the judgment in an antitrust case conclusive against the citizen. In fact, I entertain no doubt whatever about the power of Congress to do that much. About that I believe there can be no two opinions upon serious reflection, because the citizen has a right of action at all merely because the statute gives it to him. If there were no statute, he would have no right of action.

It is true, Mr. President, that it is not necessary to convey the right of action in express terms, but as was declared here upon the floor a few days ago the bare fact that the law denounces these acts as unlawful gives a right of action to anyone who may be damaged by the acts thus put under the ban of the law. But the law simply carries by implication the right of action to the man who has been injured. In other words, his right of action rests upon the law; it has its origin in the statute. Congress gives to him the right of action, and when Congress gives to him the right of action Congress may attach to it any conditions it may see fit.

Mr. CUMMINS. Mr. President——

Mr. WALSH. I will yield in just a moment. It may develop that although the acts denounced in the statute are unlawful, no citizen shall have right of action by reason of any damages sustained in consequence thereof until after judgment shall have been rendered in an action brought by the Government. I yield to the Senator from Iowa.

Mr. CUMMINS. I have no doubt whatever about the last statement of the Senator from Montana. We have just such a provision as he has mentioned in the interstate-commerce law. A shipper who claims to have been overcharged can not bring a suit in the Federal courts until the rate has been found to be unreasonably high by the Interstate Commerce Commission. That is a condition precedent to the institution of a suit of that character. We could do so here. We could say that no suit shall be tried under the laws of the United States until a proceeding had terminated favorable to the United States in a suit brought for that purpose. That was not my proposition. We have given this cause of action. Those who suffer have the cause of action; and we are preparing a rule of evidence here. It was my proposition that, leaving the cause of action as it is, we could not say that the citizen could not prosecute that cause of action if a judgment against the Government had been rendered in a suit brought for the enforcement of the law.

Mr. WALSH. The Senator is talking about a cause of action which has already accrued.

Mr. CUMMINS. I am talking about leaving the statute as it is, with the cause of action in the hands of the citizen who is injured. We can, of course, destroy that cause of action entirely. We can repeal the provision of the antitrust law—there is no doubt of that—so that neither the Government nor citizen shall have any cause of action; but so long as we leave the cause of action I do not believe we can say that a judgment rendered between different parties shall be conclusive as between the injured citizen and the offending corporation.

Mr. WALSH. The Senator did not let me quite finish the line of the argument. However, he agrees with me now that we could amend the Sherman Antitrust Act so that it should provide that in the future no citizen shall be entitled to prosecute an action for damages resulting from the violation of the law until after a suit shall have been prosecuted by the United States and a judgment rendered in the action in favor of the Government. Therefore, if a suit was brought by the Government of the United States and failed, but a judgment were rendered against the Government, then the effect of a statute making that judgment conclusive against the citizen in an action brought by him would have exactly the same effect as a statute such as I first indicated, which denied to anyone the right to recover in an action unless first a judgment were rendered by the Government of the United States. In other words, a statute providing that no one could recover in an action of that character until after a judgment had been rendered in favor of the United States would be exactly the same as if it said that a judgment rendered in favor of the corporation shall be conclusive evidence against anyone prosecuting a private action for damages resulting from the unlawful combination. The two statutes would have exactly the same force and effect, and if you admit the power of Congress to pass the one you must admit the power of Congress to pass the other. So to my mind there is not any question about the right of Congress to make the judgment in the action prosecuted by the Government of the United States conclusive evidence against a citizen who prosecutes a private action for damages resulting from the act.

Mr. President, if we can pass that kind of a statute, why can we not pass the reciprocal of it; in other words, a statute providing that it shall be conclusive evidence when the judgment goes in favor of the judgment of the United States.

Now, just one other thought. The Senator recognizes the principle of the binding force of judgments by representation, a judgment in favor of a single individual binding upon all the members of the class which he represents, and he indicates that there is a close analogy, as undoubtedly there is, between a judgment of that character and a judgment in a suit brought by the Government of the United States, which represents all the citizens of the United States. I do not think that the principle of representation has ever been extended so far as to embrace all the citizens of a State in an action brought by the State; but why should it not? Is it not a perfectly arbitrary rule that excludes it? Where are you going to draw the line? Does not the Government of the United States in these prosecutions truly and rightly and justly represent its citizens in the prosecution of the action? It would be only a very little extension of the principle to include judgments brought in actions prosecuted by the Government or by the State.

I want to say just a word with reference to the authorities to which the attention of the Senate has been invited by the learned Senator from West Virginia [Mr. CHILTON]. Nobody questions them. They all lay down the rule that in an action

brought against an individual who has never theretofore had his day in court you can not make a certificate or a recital or an order of an administrative board or anything of that kind conclusive evidence against him. You may make it prima facie evidence. A tax deed is made prima facie evidence of the truth of all its recitals. The notice of a mining claim filed in the office of the county recorder is prima facie evidence of all the facts recited in it and required to be recited in it by the statute; indeed the principle is general that whenever the law requires a certain document to be filed containing certain recitals that document becomes prima facie evidence of the truth of the recitals therein, and you can not make it conclusive. That is quite a different thing. Here the party has had his day in court. He has tried every issue, and it is simply a question, now that he has had it tried, whether he may insist upon a second trial.

Let me say, Mr. President, that we are proceeding against organizations denounced as unlawful by this law as guilty of crime, as a peril to the State, as a menace to ordinary business transactions, as fraught with danger to the public. That is the kind of an organization we are dealing with, and there is a judgment rendered by the court to the effect that it is so guilty.

Mr. President, I submit that that is a different kind of a judgment from one which would ordinarily be rendered in an ordinary private controversy between two citizens, and I submit that you violate no principle of justice by making that judgment conclusive against the party who thus is adjudged to be a violator of the law and leave it still subject to prosecution by a private party. They can not be put upon the same ground. They stand upon an entirely different footing.

I assert, sir, that there is no element of injustice in the policy expressed by the House bill that these judgments are to be conclusive against the corporation, leaving the private citizen, if he desires to take upon himself the burden of a subsequent prosecution at his own expense, the right to do so.

When a trust or a combination of any kind has been prosecuted by the great Government of the United States, and has been victorious in that fight, coming out of it with a judgment of acquittal, I wonder how many there are of us who are fearful that some private individual will thereafter harass and annoy the corporation by the institution and prosecution of another suit at his own expense? There is no need for a provision of that character; and, Mr. President, the law is not open to the charge of injustice when it does not give the right to the corporation or the combination, whatever it may be, to assert the conclusive character of the judgment which was rendered in its favor when it is brought again to the bar by a private individual.

So, Mr. President, it occurs to me that there is no constitutional objection to the House provision, and that it embodies a wise policy the argument upon all sides admits.

Mr. President, I desire to submit in connection with my remarks a brief portion of a late editorial in Harper's Weekly upon this subject, which I ask may be read from the desk.

The VICE PRESIDENT. Is there objection? The Chair hears none. The Secretary will read.

The Secretary read as follows from Harper's Weekly for August 15, 1914:

> The Clayton bill, as it passed the House, carried out the President's suggestion effectively by providing that a judgment for the Government shall be conclusive evidence in damage suits by private individuals. The Judiciary Committee of the Senate, however, has changed the provision so as to keep the word of promise to our ear and break it to our hope. As reported to the Senate, the provision is that the judgment for the Government shall be merely prima facie evidence in private suits. This destroys the expected benefit. In order to overcome the prima facie effect of the Government's judgment, the trusts will only have to introduce some new evidence, and then the whole matter will be open for determination by a jury. No private individual will be able to sue without being ready to prove over again all that the Government proved. This is something that small victims of the trusts can not afford to do. It is essential that the Government's judgment should be conclusive evidence of the violation of the anti-trust law, and the Senate should see that it is made so, as the House did.

Mr. CHILTON. If the writer of that article does not know anything more about this subject than he knows about what prima facie evidence means, we can well submit the question to the Senate without any reference to the knowledge that writer has of the law of the land.

Mr. THOMAS. Mr. President, the Senator from Nebraska has suggested what I think is an improvement upon my proposed amendment. He has suggested that the words "heretofore or hereafter" be inserted after the word "decree," in line 12. I ask leave to change the amendment which I offered, so as to correspond with that suggestion. The clause would then read:

> That a final judgment or decree heretofore or hereafter rendered in any suit or proceeding—

And so forth.

The VICE PRESIDENT. The question is on the amendment of the Senator from Colorado to the amendment.

Mr. CHILTON. I should like to have it reported, Mr. President.

The VICE PRESIDENT. It will be reported.

The SECRETARY. On page 6, line 12, in the proposed committee amendment, after the word "decree" insert the words "heretofore or hereafter," so as to read:

> That a final judgment or decree heretofore or hereafter rendered in any suit or proceeding in equity—

And so forth.

The VICE PRESIDENT. The question is on the amendment of the Senator from Colorado to the amendment of the committee. [Putting the question.] The ayes seem to have it.

Mr. HUGHES. I ask for a division. I am not sure that I understand it, but I was drawing an amendment intended to clear what I considered as an ambiguity in the section. Will not the Senator from Colorado allow his amendment to go over until I have a chance to read it in connection with the amendment I desire to offer?

Mr. THOMAS. I think I can explain it in a moment. The purpose of the amendment is to make the decrees heretofore rendered as well as those hereafter rendered prima facie evidence.

Mr. HUGHES. I will ask the Senator to let it go over until I have had a chance to compare it with an amendment that I intended to offer.

Mr. THOMAS. I have no objection.

The VICE PRESIDENT. Does the Senator from Colorado withdraw his amendment to the amendment?

Mr. THOMAS. No. It goes over without objection, I understand.

Mr. HUGHES. To be pending.

The VICE PRESIDENT. The committee amendment will have to go over, then.

Mr. CULBERSON. I think we can determine this matter without its going over. I suggest to the Senator from New Jersey that the amendment to the amendment is plain enough. The only question is whether the Senate wants to adopt it.

Mr. HUGHES. Then I want to debate it.

Mr. CULBERSON. Very well.

Mr. OVERMAN. Can we not take the vote on the motion of the Senator from Montana [Mr. WALSH] to strike out or disagree, and if the Senate disagrees to the amendment there will be no need of the amendment proposed by the Senator from Colorado?

Mr. CULBERSON. The question is on the adoption of the amendment proposed by the Committee on the Judiciary.

Mr. OVERMAN. If that is adopted, it can be amended subsequently.

The VICE PRESIDENT. The Chair understands the situation exactly. There has been an amendment offered to the committee amendment, and the Chair can not put the question on the amendment of the committee until the amendment to the amendment has been disposed of.

Mr. CHILTON. In other words, the Senate has a right to perfect the amendment before it is voted upon.

Mr. WALSH. Assuming the condition to be as the Chair has indicated, I have not yet offered my amendment. When the committee amendment is perfected, I imagine that the motion will be in order.

Mr. CULBERSON. I understood the proposition of the Senator from Montana to be to retain the House provision instead of the committee amendment. That question ought to be determined upon the proposition as to whether the committee amendment shall prevail.

The VICE PRESIDENT. There is no question about that. The committee amendment before the Senate has been proposed to be amended by the Senator from Colorado. The Chair asked the Senator from Colorado whether he would withdraw his amendment. He said "no."

Mr. OVERMAN. I suggest to the Senator from Colorado to withdraw it. He can offer it in the Senate and we can proceed with this legislation in Committee of the Whole. He can withhold it and let us take the question on agreeing to the amendment of the committee.

Mr. HUGHES. It seems to me that the Senator from Colorado has a right to attempt to perfect the text.

Mr. OVERMAN. He can do that hereafter.

Mr. HUGHES. It seems to me this is the most convenient way to get at it. I will simply state what I have to say on the amendment of the Senator from Colorado and call his attention to what I regard as its vice, as I have already called it to the attention of the various members of the committee. The House provision contains the word "hereafter"; it reads:

That whenever in any suit or proceeding in equity hereafter brought—

And so forth.

Mr. THOMAS. The provision makes it conclusive.

Mr. HUGHES. That a final judgment hereafter rendered shall operate in a certain way. The Senator from Colorado seeks to provide that a final judgment or decree heretofore or hereafter rendered shall operate in a certain way. The difficulty about that is we are opening up a vast field of litigation with reference to transactions that have passed and gone. This may well be productive of more litigation than anybody here dreams of; in fact, I know that it will be.

There is this also to be said, that in a great many of these cases consent decrees were entered by agreement and arrangement between the Government and the parties who were charged with offenses, and it does not seem to me fair that the Government, which induced these men, in order to save it the expense and trouble and time of litigation, to consent to a decree, which the Government might not have been able to obtain by regular procedure, before the case was tried, before a judgment was had, should afterwards, when that decree has been obtained by their consent, change the law and put them in a position which leaves them absolutely no redress or no recourse of any kind.

If Senators would stop for a moment to consider this they would realize that a great many of these consent decrees have been entered, and in every case thousands of individuals may claim that they have been injured and come in under the shelter of a consent decree and proceed against the defendant who consented to it probably because it desired to conduct its business in the way the Government said that it should. Without admitting that it had violated the law, but in order to make its peace and continue along the line mapped out for it by the Government, friendly cooperation existing between the defendant charged with an offense and the Government, the corporation may have given its consent to the entering of a decree, saying, "Very well, we will consent that in the future we shall not be permitted to do this."

This amendment opens that whole subject up to the time of the entering of the decree. I want Senators to understand that before they vote on it. I certainly would not vote for the amendment of the Senator from Colorado. The language of the bill as it came from the House provided explicitly that all the decrees entered hereafter should be of the binding force and effect sought to be given by this proposed statute. My understanding from the talk I have had with the various members of the committee is that it has been their idea and their intention that this proposed act should operate prospectively and not retrospectively.

Mr. THOMAS. Mr. President, there is no question but that the House provision is intended to operate prospectively, the only way it could operate if Congress has power to make such judgments conclusive.

Mr. CHILTON. The Senate amendment, also, is prospective.

Mr. THOMAS. The Senate amendment, however, is one which makes the judgements prima facie evidence. That being so, when the judgment is introduced as being prima facie evidence, it does not preclude the defendant against whom the judgment was rendered from explaining away its force and effect, that constituting the chief defect of the section, as the Senator from Montana [Mr. WALSH] has so well shown.

It is true that there are judgments which have been entered and decrees which have been entered by consent in some of these cases, but there are no cases in which any corporation was a defendant which I can now call to mind in which a consent decree was entered but that such decree would have been entered after final trial, the consent decree being influenced by what the inevitable result of the case would be. The mere fact that it is a consent judgment does not, it seems to me, detract from the privilege, if it be one, which this proposed statute gives of making the decrees prima facie evidence; and I am unable to distinguish between the justice of making a decree rendered upon a suit brought after this bill becomes a law prima facie evidence and making a decree rendered upon similar suits brought before this bill becomes a law prima facie evidence. Hence the amendment which I have suggested, that final judgment heretofore or hereafter rendered shall be prima facie evidence.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Colorado [Mr. THOMAS]. [Putting the question.] The ayes seem to have it.

Mr. HUGHES. I call for a division.

The VICE PRESIDENT. Those in favor of the amendment will rise. Those opposed will rise. The amendment is carried.

Mr. HUGHES. I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CHAMBERLAIN (when his name was called). I announce my pair and withhold my vote.

Mr. CULBERSON (when his name was called). Again announcing my pair with the Senator from Delaware [Mr. DU PONT], I transfer that pair to the Senator from Arizona [Mr. SMITH], and vote "nay."

Mr. THOMAS (when his name was called). In the absence of my pair, I withhold my vote.

The roll call was concluded.

Mr. GALLINGER. I have a general pair with the junior Senator from New York [Mr. O'GORMAN]. I transfer that pair to the Senator from Illinois [Mr. SHERMAN] and vote "nay."

Mr. GRONNA (after having voted in the negative). I inquire whether the senior Senator from Maine [Mr. JOHNSON] has voted?

The VICE PRESIDENT. The Chair is informed that he has not.

Mr. GRONNA. I have a general pair with that Senator, and therefore withdraw my vote.

Mr. LEA of Tennessee. I transfer my pair with the senior Senator from South Dakota [Mr. CRAWFORD] to the Senator from Illinois [Mr. LEWIS] and vote "yea."

Mr. REED. The conditions of my pair are that I may vote in order to make a quorum; and if we are lacking a quorum, and I am advised of that fact, I will vote.

Mr. THOMAS. I transfer my pair with the Senator from New York [Mr. ROOT] to the Senator from South Carolina [Mr. SMITH] and vote "yea."

Mr. SMITH of Georgia (after having voted in the negative). I have a general pair with the senior Senator from Massachusetts [Mr. LODGE], which I transfer to the junior Senator from Georgia [Mr. WEST], and allow my vote to stand.

Mr. STONE. I inquire whether the Senator from Wyoming [Mr. CLARK] has voted?

The VICE PRESIDENT. The Chair is informed that he has not.

Mr. STONE. I have a pair with that Senator, and therefore withhold my vote.

Mr. REED. Under the circumstances I desire to vote. I vote "yea."

Mr. OWEN. If my vote is necessary to make a quorum, I have the right to vote, and I vote "yea."

Mr. JAMES. I transfer the general pair I have with the junior Senator from Massachusetts [Mr. WEEKS] to the senior Senator from Virginia [Mr. MARTIN] and vote "yea."

Mr. GORE. I have a pair with the junior Senator from Wisconsin [Mr. STEPHENSON], and therefore withhold my vote.

Mr. REED. Before the vote is announced I desire to know whether a quorum has voted.

Mr. GORE. I understand that my vote will be necessary to make a quorum. Under such circumstances I have the right to vote, and I vote "yea."

The result was—yeas 23, nays 23, as follows:

YEAS—23.

Ashurst	Jones	Pittman	Thomas
Bristow	Kern	Pomerene	Thompson
Cummins	Lane	Reed	Vardaman
Gore	Len, Tenn.	Shafroth	Walsh
Hitchcock	Lee, Md.	Sheppard	White
James	Owen	Shively	

NAYS—23.

Bankhead	Gallinger	Newlands	Smoot
Bryan	Hughes	Overman	Sterling
Burton	Lippitt	Poindexter	Swanson
Chilton	McCumber	Ransdell	Thornton
Clapp	Martine, N. J.	Simmons	Williams
Culberson	Nelson	Smith, Ga.	

NOT VOTING—50.

Borah	Fall	Norris	Smith, Mich.
Brady	Fletcher	O'Gorman	Smith, S. C.
Brandegee	Goff	Oliver	Stephenson
Burleigh	Gronna	Page	Stone
Camden	Hollis	Penrose	Sutherland
Catron	Johnson	Perkins	Tillman
Chamberlain	Kenyon	Robinson	Townsend
Clark, Wyo.	La Follette	Root	Warren
Clarke, Ark.	Lewis	Saulsbury	Weeks
Colt	Lodge	Sherman	West
Crawford	McLean	Shields	Works
Dillingham	Martin, Va.	Smith, Ariz.	
du Pont	Myers	Smith, Md.	

The VICE PRESIDENT. On the amendment proposed by the Senator from Colorado the yeas are 23, the nays are 23. Senators CHAMBERLAIN, GRONNA, and STONE are present and have announced their pairs. That makes a quorum as the Chair figures it. The Chair votes "yea," and the amendment is adopted.

Mr. CHAMBERLAIN. I desire to say in that connection that I have no understanding with my pair allowing me to vote in order to constitute a quorum, but I have no objection to being counted as present.

EXECUTIVE SESSION.

Mr. KERN. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened.

ENROLLED BILL SIGNED.

The VICE PRESIDENT announced his signature to the enrolled bill (S. 110) to regulate trading in cotton futures, and provide for the standardization of "upland" and "gulf" cottons separately, which had heretofore been signed by the Speaker of the House.

RECESS.

Mr. KERN. I move that the Senate take a recess until to-morrow at 11 o'clock a. m.

The motion was agreed to; and (at 5 o'clock and 40 minutes p. m.) the Senate, Monday, August 17, 1914, took a recess until to-morrow, Tuesday, August 18, 1914, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate August 17 (legislative day of August 11), 1914.

UNITED STATES ATTORNEY.

Earl M. Donaldson, of Bainbridge, Ga., to be United States attorney for the southern district of Georgia, vice Alexander Akerman, resigned.

APPOINTMENTS IN THE ARMY.

INFANTRY ARM.

John W. Hyatt, of Virginia, late second lieutenant, Sixteenth Infantry, to be second lieutenant from August 14, 1914, to fill an existing vacancy.

MEDICAL RESERVE CORPS.

To be first lieutenants with rank from August 15, 1914.

Frank Ernest, of California.
Eveleth Wilson Bridgman, of Maryland.
William Daugherty Petit, of Missouri.
Frank Humbert Hustead, of Pennsylvania.
Francis Eugene Prestley, of Ohio.
Paul Frederic Martin, of Indiana.
John Randolph Hall, of Missouri.
George Matthew Kesl, of Missouri.
Clyde Dale Pence, of Illinois.
William Howard Michael, of Maryland.

PROMOTIONS IN THE NAVY.

The following-named commanders in the Navy to be captains in the Navy from the 1st day of July, 1914:

Ashley H. Robertson,
William M. Crose, and
Samuel S. Robison.

The following-named ensigns in the Navy to be lieutenants (junior grade) in the Navy from the 5th day of June, 1914:

Luther Welsh,
Olaf M. Hustvedt,
Chester S. Roberts,
Harold C. Train,
Frank D. Manock,
Sherman S. Kennedy,
Harold A. Waddington,
Alger H. Dresel,
Clifford E. Van Hook, and
Francis L. Shea.

Asst. Surg. William E. Eaton to be a passed assistant surgeon in the Navy from the 1st day of October, 1913.

Asst. Surg. Harry E. Jenkins to be a passed assistant surgeon in the Navy from the 1st day of October, 1913.

Asst. Surg. Edward E. Woodland to be a passed assistant surgeon in the Navy from the 4th day of May, 1914.

Chalmer H. Weaver, a citizen of Indiana, to be an assistant surgeon in the Medical Reserve Corps of the Navy from the 4th day of August, 1914.

William H. Michael, a citizen of Maryland, to be an assistant surgeon in the Medical Reserve Corps of the Navy from the 8th day of August, 1914.

Pay Inspector Thomas H. Hicks to be a pay director in the Navy from the 19th day of July, 1914.

Passed Asst. Paymaster George R. Crapo to be a paymaster in the Navy from the 16th day of May, 1914.

Gunner James H. Bell to be a chief gunner in the Navy from the 5th day of February, 1914.

POSTMASTERS.

CALIFORNIA.

Manuel J. Andrade to be postmaster at San Leandro, Cal., in place of Charles Q. Rideout. Incumbent's commission expired July 30, 1913.

James F. Saunders to be postmaster at Antioch, Cal., in place of Josiah R. Baker, resigned.

FLORIDA.

Jesse E. Miller to be postmaster at Graceville, Fla., in place of Noah Barefoot, deceased.

ILLINOIS.

Cora L. Tisler to be postmaster at Marseilles, Ill., in place of Terry Simmons. Incumbent's commission expired June 21, 1914.

INDIANA.

George A. Dalton to be postmaster at West Baden, Ind., in place of W. F. Moore, removed.

IOWA.

Maurice Fay to be postmaster at Anamosa, Iowa, in place of J. H. Ramsey. Incumbent's commission expired June 24, 1914.

LOUISIANA.

Laura B. Beaubien to be postmaster at St. Joseph, La., in place of Lena E. Henderson, resigned.

Joseph Muth to be postmaster at Elizabeth, La. Office became presidential July 1, 1914.

MASSACHUSETTS.

E. H. Moore to be postmaster at Holden, Mass. Office became presidential July 1, 1914.

F. J. Sullivan to be postmaster at Monson, Mass., in place of George H. Seymour, resigned.

MICHIGAN.

Charles A. Allen to be postmaster at Royal Oak, Mich., in place of Jacob Erb, resigned.

Fred W. Hild to be postmaster at Baraga, Mich., in place of Frank M. Ennis, resigned.

Robert M. Smith to be postmaster at Kearsarge, Mich., in place of William G. Mehrens, resigned.

MINNESOTA.

Patrick B. Jude to be postmaster at Maple Lake, Minn., in place of C. E. Jude, resigned.

M. H. McDonald to be postmaster at Farmington, Minn., in place of Gerrit F. Akin, resigned.

Knute Nelson to be postmaster at Fertile, Minn., in place of John Albert Gregorson. Incumbent's commission expired June 13, 1914.

MISSOURI.

Frederick Blattner to be postmaster at Wellsville, Mo., in place of Joseph L. Sharp, resigned.

John H. Lyda to be postmaster at Atlanta, Mo., in place of John T. Farmer, resigned.

NEBRASKA.

J. R. McCann to be postmaster at Beatrice, Nebr., in place of Albert H. Hollingworth. Incumbent's commission expired March 5, 1914.

NEW JERSEY.

Arabelle C. Broander to be postmaster at Keansburg, N. J. Office became presidential July 1, 1914.

Carl L. Richter to be postmaster at Fort Lee, N. J., in place of Carl L. Richter. Incumbent's commission expired April 28, 1914.

NEW MEXICO.

E. R. Gesler to be postmaster at Columbus, N. Mex. Office became presidential April 1, 1914.

G. U. McCrary to be postmaster at Artesia, N. Mex., in place of J. Frank Newkirk, removed.

William D. Wasson to be postmaster at Estancia, N. Mex., in place of J. P. Porter, removed.

NEW YORK.

Eugene M. Andrews to be postmaster at Endicott, N. Y., in place of Allen C. Stewart, deceased.

Kent Barney to be postmaster at Milford, N. Y., in place of Charles S. Barney, deceased.

Andrew B. Byrne to be postmaster at Hannibal, N. Y., in place of David Bothwell, deceased.

Margaret D. Cochrane to be postmaster at Bedford, N. Y., in place of Margaret D. Cochrane. Incumbent's commission expired April 19, 1914.

Bernard H. Cullen to be postmaster at Chester, N. Y., in place of George R. Vail. Incumbent's commission expired February 2, 1914.

William H. Davis to be postmaster at Altmar, N. Y. Office became presidential October 1, 1913.

Charles Fitzpatrick to be postmaster at Goshen, N. Y., in place of George L. Jackson. Incumbent's commission expired February 5, 1914.

Charles L. Goodell to be postmaster at Worcester, N. Y., in place of Alvin T. Smith. Incumbent's commission expired May 23, 1914.

Edward A. Gross to be postmaster at New City, N. Y., in place of Edward A. Gross. Incumbent's commission expired June 21, 1914.

Gilbert C. Higgins to be postmaster at Waverly, N. Y., in place of George D. Genung, removed.

Cort Kramer to be postmaster at Holland, N. Y., in place of Horace Selleck. Incumbent's commission expired December 21, 1913.

William McNeal to be postmaster at Montgomery, N. Y., in place of Frank T. Hadaway. Incumbent's commission expired February 21, 1914.

C. E. Miller to be postmaster at Moravia, N. Y., in place of W. J. H. Parker, removed.

Nathan D. Mills to be postmaster at Middletown, N. Y., in place of James F. Moore. Incumbent's commission expired January 20, 1914.

William H. Nearpass to be postmaster at Port Jervis, N. Y., in place of Thomas J. Quick. Incumbent's commission expired February 10, 1914.

Henry F. Pembleton to be postmaster at Central Valley, N. Y., in place of Henry D. Ford, removed.

Joseph T. Reidy to be postmaster at Morrisville, N. Y., in place of John H. Broad. Incumbent's commission expired June 6, 1904.

Alonzo G. Setter to be postmaster at Cattaraugus, N. Y., in place of Charles H. Rich. Incumbent's commission expired June 6, 1914.

Eugene J. Smith to be postmaster at Lyons, N. Y., in place of Edward Sautter. Incumbent's commission expired March 25, 1913.

Florence Williams to be postmaster at Bolivar, N. Y., in place of Bernard S. Dunn. Incumbent's commission expired May 23, 1914.

Henry J. Vollmar to be postmaster at Boonville, N. Y., in place of Fred M. Woolley. Incumbent's commission expired January 25, 1914.

NORTH DAKOTA.

Nellie Darcey to be postmaster at Fessenden, N. Dak., in place of Henry F. Speiser. Incumbent's commission expired May 31, 1914.

M. P. Morris to be postmaster at Jamestown, N. Dak., in place of J. J. Latta. Incumbent's commission expired April 29, 1914.

PENNSYLVANIA.

Josephine R. Callan to be postmaster at Cresson, Pa., in place of John F. Parrish. Incumbent's commission expired June 2, 1914.

George R. Hutchison to be postmaster at Alexandria, Pa. Office became presidential April 1, 1914.

SOUTH DAKOTA.

Martin M. Judge to be postmaster at Webster, S. Dak., in place of Charles W. Siglinger. Incumbent's commission expired June 25, 1914.

E. H. White to be postmaster at Castlewood, S. Dak., in place of William A. Carter, resigned.

TEXAS.

J. N. Worsham to be postmaster at Laredo, Tex., in place of Fred H. Ligarde. Incumbent's commission expired May 4, 1914.

VIRGINIA.

George C. Carter to be postmaster at Leesburg, Va., in place of L. Clark Hoge. Incumbent's commission expired April 20, 1914.

A. B. Dye to be postmaster at Honaker, Va., in place of J. W. Hubbard, resigned.

R. W. Ervin to be postmaster at Dante, Va., in place of Ora R. Evans, resigned.

Asa A. Ferguson to be postmaster at Lebanon, Va., in place of James A. Henritze. Incumbent's commission expired January 24, 1914.

C. P. Greever to be postmaster at Graham, Va., in place of H. C. Galloway. Incumbent's commission expired April 15, 1914.

C. F. Kitts to be postmaster at North Tazewell, Va., in place of Harvey F. Peery. Incumbent's commission expired April 21, 1914.

J. W. H. Lawford to be postmaster at Pocahontas, Va., in place of William L. Mustard, resigned.

WEST VIRGINIA.

W. N. Cole to be postmaster at Williamson, W. Va., in place of N. J. Keakle, removed.

William G. Williamson to be postmaster at Vivian, W. Va., in place of Samuel W. Patterson, resigned.

HOUSE OF REPRESENTATIVES.

MONDAY, *August 17, 1914.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

We come to Thee, O God, our refuge and our strength, knowing full well that each moment is a moment of probation, that each day is a day of judgment, and without Thine aid we shall fail in our duties. Help us therefore to resist evil, to cleave unto that which is good, that we may accomplish Thy commands in the spirit of the Lord Jesus Christ. Amen.

The Journal of the proceedings of Saturday, August 15, 1914, was read and approved.

OFFICE OF INFORMATION, DEPARTMENT OF AGRICULTURE.

Mr. LEVER. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman rise?

Mr. LEVER. Mr. Speaker, I desire to submit a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. LEVER. This is unanimous-consent day; and the rule provides that, after the approval of the Journal, bills on the Unanimous Consent Calendar shall be called. I have a privileged resolution from the Committee on Agriculture. I desire to inquire if it would be in order to call up that resolution at this time?

The SPEAKER. Is the gentleman certain it is privileged?

Mr. LEVER. I am.

The SPEAKER. The Chair thinks it would be in order to call it up.

Mr. LEVER. Mr. Speaker, I call up the following privileged resolution (H. Rept. 1092).

The SPEAKER. The Clerk will report the resolution.

The Clerk read House resolution 573, requesting and directing the Secretary of Agriculture to give to the House full detailed information in regard to certain matters under the administration of the Department of Agriculture, as follows:

Resolved, That the Secretary of Agriculture be, and he hereby is, requested and directed to give to the House full detailed information in regard to the following matter:

First. Is there under the administration of the Department of Agriculture a press agency, or bureau of any kind or character, that is run for the purpose of preparing and giving out information for publication?

Second. Is not this bureau or agency known as the "office of information"? If not, what is the title by which it is known? How many persons are employed in this "office of information"? Give the name of each employee in the "office of information," the salary that he receives, and the roll upon which he is carried.

Third. State whether or not one George W. Whorton is employed in the Department of Agriculture; and if so, what are his duties and what salary does he receive and upon what pay roll is he carried? When did he receive this position, and how? Was he not in charge of this publicity work before he took the civil-service examination?

Fourth. Is one E. B. Mitchell employed in the Department of Agriculture? If so, what are his duties, what salary does he receive, and how did he secure his present position? Was he not appointed to a position and placed upon the pay roll of the department without civil-service examination?

Mr. LEVER. Mr. Speaker, I understand the gentleman from Washington [Mr. HUMPHREY], who is the author of the resolution, desires 10 minutes. I yield to the gentleman 10 minutes.

Mr. HUMPHREY of Washington. Mr. Speaker, I am glad that the committee have reported this resolution favorably. I trust there will be no opposition to its passage. In fact, it would be a public calamity, if not a tragedy, if it should fail to pass, because I understand that a report has already been prepared by Mr. Whorton, one of the gentlemen whose names are mentioned in the resolution. Of course, it will be entirely unprejudiced and complete, no doubt. I understand that in this

report that is to be made the gentleman passes somewhat lightly over the explanation as to how he got into his present position. The civil-service rules are not unduly magnified. He now receives a salary of some $3,000 a year. But, Mr. Speaker, what I particularly desire to call to the attention of the House in regard to the resolution, and why I think it ought to be passed, is what I conceive to be an abuse that has grown up in this department, as well as in others, in regard to publicity. The gentlemen on that side of the aisle are as much interested in this proposition as we are, and perhaps more.

These publicity bureaus are constantly seeking more power and more money, new employment and new places for men, and then bringing outside influence and outside pressure here upon Congress for us to make appropriations in order that the work they suggest may be carried out.

I will mention one or two recent publications furnished by this particular publicity bureau. Recently they published a circular widely over this country of what they called a bird census. Of course they might as well have had a grasshopper census or a fly census or a mosquito census. That field is unlimited. Here is an opportunity to give unnumbered experts a place on the Government pay roll. It is true they claim that most of that information about the bird census was furnished them voluntarily; it certainly is worthless enough to be free. But the work of sending out 50,000 letters per day, distributing these bird-census publicity stories, was paid for by the Government, and the men employed in sending them out were paid by the Government. Then here a short time ago they had another article about the life of a milk bottle. Now, think what great public interest that has. Think of the ignorance that prevails in this country to-day about the life of a milk bottle. There are people to-day in this country that belong to good families, honest and God-fearing, that do not know how long the average milk bottle lives. Think of that. Who for $100,000 per year would be denied this information, vital to the Nation's welfare? Of course the men that buy these bottles and use them do not know, so the salvation rests entirely with the Government expert. The Nation must have information on birds and bottles, even if it does have to employ 20 experts and pay $100,000 annually. This is the character of some of the work that they are doing.

But that is only a minor matter compared to the one concerning which I spoke a moment ago. I want to give you an illustration along that line, of the real reason why I think the House ought to investigate and find out the facts; and I know that my distinguished friend [Mr. LEVER], the chairman of this Committee on Agriculture, is as much interested in this as I am, and more so, because he has to look after those appropriations. I hold in my hand one of their publicity documents that was sent out on July 21 last. It refers to the appointment of Mr. Franklin H. Smith, now statistician in the Forest Product Division in the Department of Agriculture, as commercial agent at $3,000 a year in the Bureau of Foreign and Domestic Commerce, which appointment has been approved by the Secretary of Commerce, Mr. Redfield. It says:

DEPARTMENT OF COMMERCE,
Washington, July 21, 1914.

The appointment of Mr. Franklin H. Smith, now statistician in forest products in the Department of Agriculture, as commercial agent at $3,000 in the Bureau of Foreign and Domestic Commerce has been approved by Secretary of Commerce Redfield. Mr. Smith is recommended by the Forest Service as admirably equipped with knowledge of market conditions and conditions in the lumber industry to make useful investigations for the Department of Commerce. It is proposed to send him to China, Japan, India, Australia, New Zealand, the Pacific Islands, and the East Indies to conduct lumber-market investigations, as it seems that those portions of the world offer the most attractive possible markets for lumber products.

Now, they say this man is a great expert. Who else ever said he was a great expert? He was an agent in the Forestry Service receiving $900 a year. Now he suddenly becomes a great expert and his salary increased. He may be an expert. But suppose he is, why should the Government pay to advertise that fact to the world? We could all get a reputation if the Government would advertise us and permit nothing but what we prepared ourselves to be published about us. That bulletin is followed up by another, dated July 27, in which they set out in detail great necessity for investigation of the various lumber industries of the country. I did not select this one because it happened to be the lumber industry, but because it happened to be the one that came under my hand. It says:

WASHINGTON, *July 27.*

The plans now being perfected for the Forest Service part of the inquiry to be made jointly by the Departments of Commerce and Agriculture into timber and lumber trade conditions in the United States provide for covering entirely new ground.

Lumbermen are now admittedly conducting their operations with a large percentage of waste, said to be largely due to market conditions which make close utilization unprofitable. There is no general agreement as to the actual causes of existing conditions and the responsibility for present undoubted evils. With rapidly diminishing supplies of timber to draw upon, wasteful lumbering has come to be recognized as a matter of serious public concern, and an inquiry to discover the causes and seek for possible remedies is regarded by Forest Service officials as an urgent need. It is believed that the lumber industry itself recognizes the need and will welcome an inquiry conducted along constructive lines.

This publication says that there is great necessity to employ a number of experts to investigate the lumber industry. Publicity, more experts, more money, more publicity, an endless chain that runs always through the Public Treasury. The result of it will be that they will be in here next year asking that Congress appropriate larger sums of money than ever before. The trouble about this publicity proposition is that they only publish one side, the side furnished by these great experts, and then the people believe that the Members of this House are not performing their public duty when they refuse to make appropriations to pay these experts. The experts get publicity only on one side, and that is the favorable side. The Members of this House have publicity, but it comes from both directions. They are both criticized and praised. As a result the impression is gradually gaining ground throughout this country to-day that the ability and the honesty of this country rest in its bureaus, and that whenever we refuse to make appropriations here we are failing in our duty; and, as I said a while ago, that side of the House is more interested in a thorough investigation of these agents at present than are we. This impression in regard to the bureau expert and of Congress is largely brought about by this constant publicity sent out by the departments. It is not fair to the people of the country. Through this advertisement the people have come largely to believe that the bureau chief is always a wise man, a great man, and a patriot, and that the Congressman that refuses to vote for any appropriation he asks is a petty politician.

Mr. MURDOCK. Will the gentleman yield for a minute?

The SPEAKER. Does the gentleman from Washington yield to the gentleman from Kansas [Mr. MURDOCK]?

Mr. HUMPHREY of Washington. If the gentleman will yield me a minute or two more if I need it.

Mr. LEVER. Mr. Speaker, I will say to the gentleman from Washington that this is unanimous-consent day, and I do not want to interfere with it.

Mr. HUMPHREY of Washington. I want only three or four minutes.

Mr. LEVER. I will take care of that.

Mr. MURDOCK. Mr. Speaker, I am confused in regard to this. The gentleman's resolution is an inquiry going to the existence of a publicity bureau in the Agricultural Department?

Mr. HUMPHREY of Washington. Yes.

Mr. MURDOCK. And this man Smith, of whom he speaks, is not in the department? Does the resolution go to the correction of the evil, so far as Smith is concerned, if it is an evil?

Mr. HUMPHREY of Washington. The gentleman is mistaken. He is in the Agricultural Department.

Mr. MURDOCK. I thought he had been transferred to the Department of Commerce.

Mr. HUMPHREY of Washington. Yes, now; but he was appointed from the Department of Agriculture. I am simply calling attention to the fact that they used this publicity department to advertise some man as a great expert, and then they come here, and we pay him an increased salary.

Mr. MURDOCK. Is it not true that if it had not been for this publicity bureau the gentleman would not have known of the instance of Smith?

Mr. HUMPHREY of Washington. That is true; I would not have known of it. But when I looked for Smith's record I find that the only place that he is considered an expert is by the particular people who want an increase in his salary; and that is followed up four or five days later by showing the great necessity for an investigation in other departments, and so they want more experts, and that will take more salary, and they will be here asking Congress to give it to them.

I want to call attention to another phase of this. I hold in my hand an editorial printed in the Washington Times of July 23, a column long, in which these press agents are upheld, intimating that I am lacking in patriotism because I have called for an investigation. Why should not this paper and the gentleman who wrote the editorial make such statements as that? If I am reliably informed one of the men who is connected with this paper, probably the very gentleman who wrote this editorial, in a single year has received over $12,000 for publicity stuff that he has sent out, which was furnished to him by the publicity bureaus of the Government. Why should he not want this to go ahead? He is to be praised that he praises his friend, no man should smite the hand that feeds him. It is

profitable, and the whole thing just makes the circuit I mentioned a while ago. I quote from the editorial:

The department authorities will make no mistake if they go boldly to the defense of their publicity organization and methods. In fact, if they would frankly proclaim that they need more press agents, more money to pay them, the privilege of paying bigger salaries, they would make a fetching case.

* * * * * * *

A high official of that department, not now connected with it, once said that if he had any chance of getting Congress to allow it, he would pay the chief of his publicity service the same salary that the Secretary of Agriculture gets. He would do it, of course, only on condition of getting a man worth that salary; but he said he could find such a man, and that, having found him, he would make the investment return profits manyfold in the usefulness of the department's work.

So that it all leads right in a circuit back to the National Treasury—the creation of public sentiment throughout the country, making the people believe that Congress is not performing its duty when it does not vote unlimited amounts of money to continue these investigations and to pay these so-called experts, that they may furnish profitable publicity stories to their newspaper friends, who will, of course, then defend them in any demands on Congress. It is beautiful and it is profitable and it works.

Mr. MURDOCK. Before the gentleman sits down I would like to ask him a question.

The SPEAKER. The time of the gentleman from Washington has expired.

Mr. MURDOCK. I will ask the gentleman from South Carolina to yield him one minute.

Mr. LEVER. Mr. Speaker, I yield the gentleman one minute more.

Mr. MURDOCK. Mr. Speaker, I think the gentleman is leaving an impression that he did not intend to leave in the latter part of his remarks. He says some writer on the Times has made $12,000 in one year.

Mr. HUMPHREY of Washington. I mean Mr. Judson Welliver.

Mr. MURDOCK. The gentleman does not mean to say that Mr. Judson Welliver or anyone else on the Times has drawn from the Treasury of the United States $12,000 a year?

Mr. HUMPHREY of Washington. No; and I did not say anything of the kind. I said if I was correctly informed, and I believe that I am, Mr. Judson Welliver in a single year received over $12,000 from articles that he furnished to the press, and he received the information from the publicity bureaus of the various departments.

Mr. MURDOCK. If he did any such thing, the gentleman ought to say also that it was a perfectly legitimate earning on the part of Mr. Judson Welliver.

Mr. HUMPHREY of Washington. It is perfectly legitimate earning on his part, perhaps, but here is the result of it coming back, defending these publicity agents and saying that we ought to have more, so that they can furnish more news to newspaper correspondents in order that they may sell it to the press. Mr. Welliver's action in defending his friends is not only legitimate but shows his gratitude.

Mr. MURDOCK. The gentleman does not undertake to say that a newspaper man has not the right to get information from a bureau, put it into readable form, and sell it as syndicate matter?

Mr. HUMPHREY of Washington. No; but I undertake to say that this Government ought not to pay men in the departments to create publicity articles to furnish to newspaper men to sell to the press.

Mr. MURDOCK. That is the gentleman's opinion. The Government is not hurt by more publicity. The gentleman's chief item of complaint this morning was made possible because the Government had a bureau of publicity.

Mr. HUMPHREY of Washington. If the gentleman wants to defend a bird and grasshopper census, he is the proper man to do so. They will probably be making one in his State before long.

Mr. LEVER. Mr. Speaker, the adoption of this resolution has been unanimously recommended by the Committee on Agriculture. The committee does not believe that the Department of Agriculture has any facts which it desires to conceal. I therefore move the adoption of the resolution.

Mr. FOWLER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. FOWLER. Has the time arrived to offer an amendment to the resolution?

The SPEAKER. It has.

Mr. FOWLER. Then I offer the following amendment, which I send to the Clerk's desk.

Mr. MANN. The gentleman can not do it unless the gentleman from South Carolina yields the floor.

Mr. LEVER. I yield to the gentleman.

The Clerk read as follows:

Add at the end of line 8, on page 2, the following:

"Is this press bureau being now used or has it been heretofore used for private interests, either directly or indirectly?"

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question now is on agreeing to the resolution as amended.

The resolution was agreed to.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Carr, one of its clerks, announced that the Senate had passed bills and joint resolutions of the following titles, in which the concurrence of the House of Representatives was requested:

S. 3023. An act relating to the duties of registers of United States land offices and the publication in newspapers of official land office notices;

S. 2334. An act for the relief of S. W. Langhorne and the legal representatives of H. S. Howell;

S. 4891. An act to provide for the purchase and equipment of a mine rescue car, and for other purposes;

S. 587. An act relating to the disposal of coal and mineral deposits in Indian lands;

S. 3002. An act making appropriations for expenses incurred under the treaty of Washington;

S. 4857. An act for the relief of the St. Croix Chippewa Indians of Wisconsin;

S. 5036. An act authorizing the Shoshone Tribe of Indians, residing on the Wind River Reservation in Wyoming, to submit claims to the Court of Claims;

S. 5392. An act to provide for carrying into effect the agreement between the United States and the Muskogee (Creek) Nation of Indians ratified by act of Congress approved March 1, 1901, and supplemental agreement of June 30, 1902, and other laws and treaties with said tribe of Indians;

S. 146. An act for the relief of Aaron Kibler;

S. 5526. An act to amend an act entitled, "An act extending the homestead laws and providing for right of way for railroads in the District of Alaska, and for other purposes;

S. 740. An act to promote and encourage the construction of wagon roads over the public lands of the United States;

S. 4288. An act for the relief of James B. Smock;

S. 3899. An act to provide for the acquiring of additional lands by railroad companies through Indian reservations, Indian lands, and Indian allotments, and for other purposes;

S. 5629. An act for the relief of certain persons who made entry under the provisions of section 6, act of May 29, 1908;

S. 2518. An act granting to the town of Nevadaville, Colo., the right to purchase certain lands for the protection of water supply;

S. J. Res. 92. Joint resolution authorizing the governor of any State to loan to military colleges and schools within his State such tents and camp equipage as have been issued or shall be issued to the State by the United States under the provisions of existing laws;

S. 5525. An act to authorize the President to appoint Maj. William O. Owen, United States Army, retired, a colonel on the active list of the Army;

S. 784. An act to place Lieut. Col. Junius L. Powell on the retired list of the Army with the rank of brigadier general;

S. 1174. An act for the relief of William Walters, alias Joshua Brown;

S. 5684. An act for the relief of Oliver C. Rice;

S. 1231. An act for the relief of Lemuel H. Redd;

S. 5977. An act to authorize Bryan Henry and Albert Henry to construct a bridge across a slough which is a part of the Tennessee River, near Guntersville, Ala.;

S. 4012. An act to increase the limit of cost of the United States public building at Grand Junction, Colo.;

S. J. Res. 136. Joint resolution to authorize the appointment of Charles August Meyer as a cadet at the United States Military Academy;

S. J. Res. 137. Joint resolution to reinstate Clifford Hildebrandt Tate as a cadet at the United States Military Academy;

S. 5990. An act to authorize the sale and issuance of patent for certain land to William G. Kerckhoff;

S. 5630. An act for the erection of a public building at Dallas, Tex.;

S. 2692. An act authorizing the Secretary of the Interior to sell all unsold lots in the town site of Plummer, Kootenai County, Idaho, and for other purposes;

S. 2616. An act to promote the efficiency of the Public Health Service;

S. 2353. An act to authorize the President to appoint Col. James W. Pope, Assistant Quartermaster General, to the grade of brigadier general in the United States Army and place him on the retired list;

S. 6227. An act granting the consent of Congress to the Norfolk-Berkley Bridge Corporation, of Virginia, to construct a bridge across the Eastern Branch of the Elizabeth River in Virginia;

S. 5705. An act authorizing the health officer of the District of Columbia to issue a permit for the removal of the remains of the late Elsie McCauley from Glenwood Cemetery, D. C., to Philadelphia, Pa.;

S. 5028. An act for the relief of Harry T. Herring;

S. 2824. An act to amend an act entitled "An act to provide for the adjudication and payment of claims arising from Indian depredations," approved March 3, 1891;

S. 6162. An act authorizing issuance of patent for certain lands to Thomas L. Griffiths;

S. 2668. An act for the relief of Martha Hazelwood;

S. 5695. An act for the relief of the Southern Transportation Co.;

S. 3107. An act for the relief of John E. Johnson;

S. 5970. An act for the relief of Isaac Bethurum;

S. 4256. An act to provide for the acquisition of a site and the erection of a public building thereon at Tonopah, Nev.;

S. 3561. An act to appoint Frederick H. Lemly a passed assistant paymaster on the active list of the United States Navy;

S. 5113. An act for increase of cost of a site for a post-office building in the city of Rockingham, N. C.; and

S. 3663. An act for the relief of Rezin Hammond.

The message also announced that the Senate had passed without amendment bills and joint resolutions of the following titles:

H. R. 14404. An act for the relief of E. F. Anderson;

H. R. 14405. An act for the relief of C. F. Jackson;

H. J. Res. 295. Joint resolution authorizing the Secretary of War to return to the State of Louisiana the original ordinance of secession adopted by said State;

H. R. 10460. An act for the relief of Mary Cornick;

H. R. 14679. An act for the relief of Clarence L. George;

H. R. 9829. An act authorizing the Secretary of the Interior to sell certain unused remnant lands to the Board of County Commissioners of Caddo County, Okla., for fair-ground and park purposes;

H. R. 13965. An act to refund to the Sparrow Gravely Tobacco Co. the sum of $176.99, the same having been erroneously paid by them to the Government of the United States;

H. R. 16205. An act for the relief of David Smith;

H. R. 10765. An act granting a patent to George M. Van Leuven for the northeast quarter of section 18, township 17 north, range 19 east, Black Hills meridian, South Dakota;

H. R. 1528. An act for the relief of T. A. Roseberry;

H. R. 17045. An act for the relief of William L. Wallis;

H. R. 16431. An act to validate the homestead entry of William H. Miller;

H. R. 12463. An act to authorize the withdrawal of lands on the Quinaielt Reservation, in the State of Washington, for lighthouse purposes;

H. R. 1516. An act for the relief of Thomas F. Howell;

H. R. 16476. An act authorizing the Secretary of the Interior to issue patent to the city of Susanville, in Lassen County, Cal., for certain lands, and for other purposes;

H. J. Res. 249. Joint resolution for the appointment of George Frederick Kunz as a member of the North American Indian Memorial Commission;

H. R. 13717. An act to provide for leave of absence for homestead entrymen in one or two periods;

H. R. 6609. An act for the relief of Arthur E. Rump;

H. R. 11765. An act to perfect the title to land belonging to the M. Forster Real Estate Co., of St. Louis, Mo.;

H. R. 6420. An act for the relief of Ella M. Ewart;

H. R. 3920. An act for the relief of William E. Murray;

H. R. 2728. An act for the relief of George P. Heard;

H. R. 13415. An act to increase the limit of cost of public building at Shelbyville, Tenn.;

H. R. 816. An act for the relief of Abraham Hoover; and

H. R. 12844. An act for the relief of Spencer Roberts, a member of the Metropolitan police force of the District of Columbia.

The message also announced that the Senate had passed with amendments a bill of the following title, in which the concurrence of the House of Representatives was requested:

H. R. 6282. An act to provide for the registration of with collectors of internal revenue and to impose a special tax upon all persons who produce, import, manufacture, compound, deal in, dispense, sell, distribute, or give away opium or coca leaves, their salts, derivatives, or preparations, and for other purposes.

SENATE BILLS REFERRED.

Under clause 2 of Rule XXIV, Senate bills and joint resolutions of the following titles were taken from the Speaker's table and referred to their appropriate committees, as indicated below:

S. 6227. An act granting the consent of Congress to the Norfolk-Berkley Bridge Corporation, of Virginia, to construct a bridge across the Eastern Branch of the Elizabeth River in Virginia; to the Committee on Interstate and Foreign Commerce.

S. 4256. An act to provide for the acquisition of a site and the erection of a public building thereon at Tonopah, Nev.; to the Committee on Public Buildings and Grounds.

S. 2334. An act for the relief of S. W. Langhorne and the legal representatives of H. S. Howell; to the Committee on Claims.

S. 4891. An act to provide for the purchase and equipment of a mine rescue car, and for other purposes; to the Committee on Mines and Mining.

S. 587. An act relating to the disposal of coal and mineral deposits in Indian lands; to the Committee on Indian Affairs.

S. 3002. An act making appropriations for expenses incurred under the treaty of Washington; to the Committee on Foreign Affairs.

S. 4857. An act for the relief of the St. Croix Chippewa Indians of Wisconsin; to the Committee on Indain Affairs.

S. 5036. An act authorizing the Shoshone tribe of Indians residing on the Wind River Reservation in Wyoming to submit claims to the Court of Claims; to the Committee on Indian Affairs.

S. 5392. An act to provide for carrying into effect the agreement between the United States and the Muskogee (Creek) Nation of Indians ratified by act of Congress approved March 1, 1901, and supplemental agreement of June 30, 1902, and other laws and treaties with said tribe of Indians; to the Committee on Indian Affairs.

S. 146. An act for the relief of Aaron Kibler; to the Committee on Military Affairs.

S. 740. An act to promote and encourage the construction of wagon roads over the public lands of the United States; to the Committee on the Public Lands.

S. 5526. An act to amend an act entitled "An act extending the homestead laws and providing for right of way for railroads in the District of Alaska, and for other purposes"; to the Committee on the Public Lands.

S. 3899. An act to provide for the acquiring of additional lands by railroad companies through Indian reservations, Indian lands, and Indian allotments, and for other purposes; to the Committee on Indian Affairs.

S. 2518. An act granting to the town of Nevadaville, Colo., the right to purchase certain lands for the protection of water supply; to the Committee on the Public Lands.

S. J. Res. 92. Joint resolution authorizing the governor of any State to loan to military colleges and schools within his State such tents and camp equipage as have been issued or shall be issued to the State by the United States under the provisions of existing laws; to the Committee on Military Affairs.

S. 5525. An act to authorize the President to appoint Maj. William O. Owen, United States Army retired, a colonel on the active list of the Army; to the Committee on Military Affairs.

S. 2353. An act to authorize the President to appoint Col. James W. Pope, Assistant Quartermaster General, to the grade of brigadier general in the United States Army, and place him on the retired list; to the Committee on Military Affairs.

S. 784. An act to place Lieut. Col. Junius L. Powell on the retired list of the Army with the rank of brigadier general; to the Committee on Military Affairs.

S. 1174. An act for the relief of William Walters, alias Joshua Brown; to the Committee on Military Affairs.

S. 5684. An act for the relief of Oliver C. Rice; to the Committee on Military Affairs.

S. 1231. An act for the relief of Lemuel H. Redd; to the Committee on Military Affairs.

S. J. Res. 136. Joint resolution to authorize the appointment of Charles August Meyer as a cadet at the United States Military Academy; to the Committee on Military Affairs.

S. J. Res. 137. Joint resolution to reinstate Clifford Hildebrandt Tate as a cadet at the United States Military Academy; to the Committee on Military Affairs.

S. 4012. An act to increase the limit of cost of the United States public building at Grand Junction, Colo.; to the Committee on Public Buildings and Grounds.

S. 5990. An act to authorize the sale and issuance of patent for certain land to William G. Kerckhoff; to the Committee on the Public Lands.

S. 5630. An act for the erection of a public building at Dallas, Tex.; to the Committee on Public Buildings and Grounds.

S. 2692. An act authorizing the Secretary of the Interior to sell all unsold lots in the town site of Plummer, Kootenai County, Idaho, and for other purposes; to the Committee on the Public Lands.

S. 5705. An act authorizing the health officer of the District of Columbia to issue a permit for the removal of the remains of the late Elsie McCaulley from Glenwood Cemetery, D. C., to Philadelphia, Pa.; to the Committee on the District of Columbia.

S. 5028. An act for the relief of Harry T. Herring; to the Committee on Military Affairs.

S. 2824. An act to amend an act entitled "An act to provide for the adjudication and payment of claims arising from Indian depredations," approved March 3, 1891; to the Committee on Indian Affairs.

S. 6162. An act authorizing issuance of patent for certain lands to Thomas L. Griffiths; to the Committee on the Public Lands.

S. 2668. An act for the relief of Martha Hazelwood; to the Committee on Indian Affairs.

S. 5695. An act for the relief of the Southern Transportation Co.; to the Committee on Claims.

S. 5113. An act for increase of cost of a site for a post-office building in the city of Rockingham, N. C.; to the Committee on Public Buildings and Grounds.

S. 3663. An act for the relief of Rezin Hammond; to the Committee on Military Affairs.

S. 3107. An act for the relief of John E. Johnson; to the Committee on Military Affairs.

S. 5970. An act for the relief of Isaac Bethurum; to the Committee on Military Affairs.

S. 3023. An act relating to the duties of registers of United States land offices and the publication in newspapers of official land-office notices; to the Committee on the Public Lands.

S. 4288. An act for the relief of James B. Smock; to the Committee on Military Affairs.

S. J. Res. 65. Joint resolution to amend S. J. Res. 34, approved May 12, 1898, entitled "Joint resolution providing for the adjustment of certain claims of the United States against the State of Tennessee and certain claims against the United States;" to the Committee on War Claims.

RIVER AND HARBOR APPROPRIATIONS.

Mr. LIEB. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER. The gentleman from Indiana asks unanimous consent to address the House for 10 minutes. Is there objection?

Mr. LIEB. Mr. Speaker, I may not be able to finish in 10 minutes, and I would like to have permission to extend my remarks.

The SPEAKER. Is there objection?

Mr. WEBB. Mr. Speaker, reserving the right to object, can not the gentleman use only 5 minutes and then extend his remarks?

Mr. LIEB. Oh, I would like to have 10 minutes.

The SPEAKER. Is there objection to the gentleman from Indiana addressing the House for 10 minutes? [After a pause.] The Chair hears none.

Mr. LIEB. Mr. Speaker, for a long and uninterrupted period Congress has been authorizing improvements of rivers and harbors. Some of the projects included in the river and harbor appropriation bill now pending are the result of years and years of discussion, debate, and careful deliberation. These navigation projects are so well known, have been so carefully planned, and the benefits to be eventually derived are so self-evident that no one can deny that the essential provisions of the bill are so important that the very prosperity of a large portion of our country is at stake the minute we hesitate in our program.

And yet hesitation has come. There are many wavering. Opposition has been raised in the Senate after the House, knowing no party lines in the consideration of this legislation, has passed the measure practically without opposition.

I would like to call attention to the fact that the Democratic platform of 1912 came out in unequivocal language in favor of the continuation of the improvement of our waterways. I quote from the platform of the Baltimore convention:

> Water furnishes the cheaper means of transportation, and the National Government, having the control of navigable waters, should improve them to their fullest capacity. We earnestly favor the immediate adoption of a liberal and comprehensive plan for improving every watercourse in the Union which is justified by the needs of commerce.

So there is no Democrat who is within my hearing who can deny that we are pledged to lend our support to the program of river and harbor improvement. While it is true that the Democratic House has passed the appropriation bill, there is danger that the Democratic Senate will allow the legislation to drift on to another session. While the blame is primarily with the opposition party on the other side of the Capitol, yet the responsibility must be assumed from a moral and party standpoint by the Democratic Senators whose party platform points in but one direction, namely, the continuation of a well-defined program for the improvement of waterways. I might also add that the platforms of other political parties came out in strong terms in favor of river and harbor improvement.

I say, it will be a monumental outrage if certain opponents of the bill are allowed to carry out their ambitions of wrecking what to my mind is the most important measure before the present Congress, with the possible exception of one or two other bills which our platform stands for.

EYES OF 15,000,000 ON CONGRESS.

While I speak to you as a member of the Rivers and Harbors Committee, and am ready to defend my attitude on any item of the appropriation bill, I will in the course of my remarks to-day touch more particularly upon the situation in the Ohio Valley, as the people of my district, along with about 15,000,000 other people, are the direct beneficiaries of Ohio River improvement. For the past several months I have made it a part of my business to ascertain the true sentiments of the people of my district with reference to what has been done in Washington by the Democratic administration. I have been struck and impressed by the general commendation of the people of the essential acts of the Sixty-third Congress. The people as a whole seem to be satisfied and as content with conditions as at any time since the masses began to demand economic reform as a result of oppression. In the Middle West we feel business depression or prosperity as quick as in any section of the country, and our status in this respect can nearly always be taken as a barometer of future business aspects over our now prosperous land. With our factories now running full time and with business at a high ebb in general, my people at home now have all eyes turned to Congress on account of the danger of failure of the rivers and harbors appropriation bill.

Business men and the people in general feel that the entire Ohio Valley will feel the injurious effect of suspension of improvement for a 9-foot stage from Pittsburgh to Cairo. What I mean by a suspension can be more vividly expressed by stating that there are 17 locks and dams under course of construction on the Ohio River, a majority of which are not yet half completed. If the pending appropriation bill does not pass this Congress, work on these improvements will be most seriously hampered, and if the suspension is only a few months there is a precedent set which some may take advantage of for future suspension of the plan for the canalization of the entire river. It would be a blotch upon the pages of our transportation history to change our program, not only in regard to the Ohio River but other streams of water which we are proud to call our free highways of commerce.

When we speak of encouraging commerce we should not lose sight of the fact that we have spent millions for the construction of the Panama Canal in order that our commerce and trade channels might be stimulated. When we go without the boundary lines of the States to provide for an outlet to the Pacific Ocean, and then fail to continue our policy of building up our avenues of water commerce within our boundaries, we commit an offense to our industries and business institutions.

OHIO RIVER AS GREAT AN ASSET AS PANAMA CANAL.

Some people might have an idea that a comparison of the Ohio River with the Panama Canal is incongruous. But I want to state that there is practically as much commerce on the Ohio River at the present time as there will be on the Panama Canal when it is in full operation. There were 9,814,123 tons of freight floated on the Ohio River last year, while it is estimated that the Panama Canal will carry from ten to twelve millions annually—American tonnage, coastwise, foreign, all combined. When it comes to comparison with all the navigable rivers appropriated for in the pending rivers and harbors bill, the Panama Canal is insignificant in consideration of the freight tonnage figures. The rivers appropriated for in this bill last year floated 369,000,000 tons. In other words, the rivers for which we wish to provide in this bill carry more than thirty times as much freight as will the Panama Canal. In one year these rivers float more tonnage than the Panama Canal will in the

next 30 years, based on the present estimate of commerce on the canal.

Now, in speaking of the commerce on the Ohio River, I think I can say without contradiction that when the Federal Government has completed its system of canalization so that navigation can be had the year round there will be a marked increase in freight shipments. The Panama Canal itself will be the goal and is the goal for shipping from the Ohio River and Valley. Industry will be greatly stimulated in the Middle West, and already the people are getting ready to reap rich benefits from the use of the canal. The benefits that have come with the completion of each movable dam on the Ohio accrue to every mine and factory in the valley.

INDUSTRIAL GROWTH FOLLOWS RIVER IMPROVEMENT.

I believe that one of the strongest arguments in favor of the early completion of a 9-foot stage of the Ohio River is the immense industrial benefits that will be enjoyed by the great Ohio Valley as a direct result thereof; and, of course, an era of unprecedented commercial prosperity will not only be of a permanent nature, but it will be felt with good effect by the entire country.

For the past several years the section known as the lower Ohio Valley has been enjoying a new era of prosperity, and this can be attributed to nothing else than the expectation of future benefits of the canalization of the river, which will afford a dependable outlet to the Gulf of Mexico and the Pacific Ocean as well, through the Panama Canal.

If anyone thinks I may be misrepresenting the conditions as to the great industrial impetus that has taken hold of the Ohio Valley since the people began to believe that the Federal Government was in earnest in the plan to afford a 9-foot stage from Pittsburgh to Cairo I will show that person some interesting figures regarding the three largest cities on the Ohio River below Pittsburgh. These cities—Cincinnati, Louisville, and Evansville—have grown faster in the last 5 years than they did in the whole preceding 10 years. The best barometer in judging these conditions of growth is by the building operations. Therefore I give the records, which speak for themselves:

Evansville building operations for two 5-year periods, showing gain of 87 per cent.

1904	$402,000
1905	598,000
1906	1,048,000
1907	1,077,000
1908	833,000
Total, 5 years	3,958,000
1909	753,000
1910	1,317,010
1911	2,007,040
1912	1,530,872
1913	1,786,216
Total, 5 years	7,394,138

Gain, 1909 to 1913, inclusive, over 1904 to 1908, inclusive, 87 per cent.

Cincinnati building operations for two five-year periods, showing gain of 29 per cent.

1904	$6,335,280
1905	9,709,300
1906	6,097,676
1907	7,695,200
1908	6,420,373
Total, five years	36,257,829
1909	7,941,159
1910	8,053,010
1911	13,481,320
1912	8,986,315
1913	8,338,327
Total, five years	46,800,130

Gain, 1909 to 1913, inclusive, over 1904 to 1908, inclusive, 29 per cent.

Louisville building operations for two five-year periods, showing gain of 47 per cent.

1904	$2,335,980
1905	4,506,390
1906	5,105,881
1907	3,032,574
1908	2,914,141
Total, five years	17,894,976
1909	3,172,311
1910	3,780,002
1911	6,207,972
1912	6,556,004
1913	6,610,670
Total, five years	26,326,959

Gain, 1909 to 1913, inclusive, over 1904 to 1908, inclusive, 47 per cent.

Building operations at Cincinnati, Louisville, and Evansville, collectively.

Three cities, 1909 to 1913, inclusive	$80,521,227
Three cities, 1904 to 1908, inclusive	58,110,805
Gain in last 5-year period	22,410,422

Or 38.5 per cent.

The growth of these cities is but a criterion of how the entire Ohio Valley is awakened to the possibilities of a 9-foot stage. Everywhere are signs of unprecedented activity.

COMMISSION WOULD SIDETRACK PENDING WORK.

An amusing aspect of the efforts of the opposition to sidetrack the rivers and harbors bill is the amendment introduced which would provide for the appointment of a commission to be known as the river regulation commission, with the alleged object of investigating questions relating to the development, improvement, regulation, and control of navigation. Gentlemen, we do not wish to surrender the rights of our Constitution or to delay legislation by the creation of a commission as a cowardly subterfuge to evade responsibility. The people selected this Congress to legislate, not to procrastinate. This amendment providing for a river regulation commission should be renamed a bill to allow Congress to abrogate its constitutional functions. Members of Congress are elected to represent their particular districts. They keep in touch with the conditions at home. So it is that every Representative and Senator is given the privilege—and the privilege is usually asserted—to state the needs of the respective localities to the committee which has the particular business at hand. In this way the committee is enabled to separate the good from the bad.

Now, the bill which was reported out to the House by the Committee on Rivers and Harbors, was as fair as could be demanded. Absolutely no partiality was shown. Each item was thoroughly considered, after receiving exhaustive reports from the Board of Engineers of the War Department, and there is no item that is indefensible. There is not a man on the committee who is not willing to cooperate in this statement. I do not speak without personal knowledge of conditions when I say the deliberations or findings of the committee have never been interspersed with political influence nor could they be regarded in the light of a so-called "pork barrel." The procedure has been simple and open and above board. The Army engineers who reported on each item are as competent, or more competent, than any similar set of men that could be mustered together. No matter what project they reported on after making exhaustive surveys and investigations that project would not receive the O. K. of the committee without first being recommended by the engineers. Does anyone question the competence of the engineers? Does anyone question the integrity or knowledge of conditions as to river improvements of any member of the committee?

RIVER-REGULATION COMMISSION A PORK BARREL.

Now, speaking of "pork barrel" and economy, what is the proposed amendment for the creation of a river-regulation commission but a "pork barrel"? It proposes to take a cold half million dollars out of the United States Treasury in order to give the commission several years in which to study the question. In the meantime a lot of the contractors on the thirty-odd locks and dams on the Ohio River, and the scores of contractors on other rivers and harbors, would be financially ruined, the people along the rivers would become disheartened, industries would be idle, and millions of people would suffer, either directly or indirectly, while the commission was endeavoring to study a new question to most of them, which is an old question to Congress.

No Member can dodge this issue of a commission. It is an old war cry of a certain political party.

It is to the interest of everyone to know that the Federal Government has in the last 45 years spent over $7,000,000 of the people's money in unjust taxation on commissions.

I herewith submit the cost of the various commissions:

From 1870 to 1875, inclusive	$715,375
From 1876 to 1881	812,231
From 1882 to 1887	1,240,150
From 1888 to 1898	1,203,156
From 1899 to 1910	2,770,390

In order to give you a fair idea of the great waste of money on commissions appointed by authorization of Congress, I herewith give a statement of disbursements on account of the various commissions of the Government from 1899 to 1910:

Industrial Commission (tariff and trusts)	$323,233
Postal Service Commission	22,000
Canadian Commission	49,000
International Prison Commission	23,439
Bering Sea Commission	700
Commission on Grants of Land in New Mexico	9,994
California Débris Commission	150,284
Merchant Marine Commission	16,838

Coal Strike Commission	$51,000
Extension of Capitol Commission	12,400
International Commission on Navigation	17,822
Printing Investigation Commission	16,436
National Monetary Commission	145,115
Immigration Commission (partly estimated)	851,175
Second Class Mail Commission	10,534
Commission on Business Methods in Post Office Department	78,206
Bonding Companies Commission	10,000
St. Johns River Commission	5,000
Jamestown Tercentennial Commission	32,766
National Waterways Commission	30,000
International Waterways Commission	73,528
Appropriation for Tariff Board:	
To June 30, 1911	250,000
To June 30, 1912	400,000
Appropriation for Commission on Change of Methods of Transacting Public Business:	
To 1911	100,000
To 1912	100,000
Fine Arts Commission	10,000

MOST COMMISSIONS ARE WORTHLESS.

I say a great majority of these commissions were without pecuniary benefit to the Nation. The reports of a great many of them could have been taken out of some encyclopedia without the useless expense to the taxpayers of the Nation of thousands of dollars for all the actual investigating some of the commissions did. Many of these commissions which finally did report to Congress, after everybody had forgotten that they were in existence, had their recommendations turned down. Out of 28 commissions that have been authorized since 1899, only three or four of the schemes recommended by these commissions have been adopted or enacted into a law.

I think it is time to call a halt in the procedure of appointing commissions for the mere purpose of satisfying the personal whims of a few who see this opportunity to prolong their official lives by becoming members of the river regulation commission. I do not wish to be construed as saying that any particular person has kindled his ambitions for the sake of winding up his official career in a blaze of glory. But if there is any person cherishing such an outcome of the pending appropriation bill, I think it is time for Congress to ponder seriously before changing a definite program in order to encourage a mania for commissions. The mania should be crushed, the sick men thus afflicted should be nursed to a complete recovery, and Congress would begin to get rid of the shackles of the alleged faith-healing commissions.

SOME HAVE HOBBY OF SERVING ON COMMISSIONS.

It has been said that if you desire many things, many things seem but a few, and so we might apply this saying to those who persistently relish the savors of commission membership. I have taken the trouble to make some inquiries on the subject, and I find some interesting facts which appear in the CONGRESSIONAL RECORD. I find that one Member of Congress has already served on at least three commissions. I cite this to you as an example of the extent to which the commission idea can become a fad. The records which I refer to show that this one distinguished gentleman had the distinction of serving on the following commissions:

National Monetary Commission, Inland Waterways Commission, and National Waterways Commission.

Commissions can become so popular in the minds of some that one commission can offer an excuse for the formation of a succeeding commission. Now, following this line of thought, is it beyond the possibility of reason that this proposed river regulation commission would wind up its report with a recommendation that another commission be formed appropriating some more of the Government's millions of currency? As a matter of fact, this very thing was done by the Inland Waterways Commission, one of the commissions above referred to. When the Inland Waterways Commission made its report on May 26, 1908, it recommended the appointment of another commission, which was later authorized in accordance with the recommendation, and was known as the National Waterways Commission. It will be noted upon perusal of the CONGRESSIONAL RECORD that another distinguished Member of Congress, who, by the way, is the author of the amendment recently introduced in the Senate to authorize the river regulation commission, was also a member of the Inland Waterways Commission.

So we can not deny that commission can suggest commission and that mania for creation of commissions can develop into more mania for creation of commissions. Gentlemen, I say if passion drives let reason hold the reins.

I want to read to you an extract from the report of the Inland Waterways Commission:

We recommend a commission to continue the investigation of all questions relating to the development and improvement and utilization of the inland waterways of the country and the conservation of its natural resources related thereto, and to consider and coordinate therewith all matters of irrigation, swamp and overflow land reclamation, clarification and purification of streams, prevention of soil waste, utilization of water power, preservation and extension of forests, regulation and control of flows of floods, transfer facilities and sites and the regulation and control thereof, and the relations between waterways and railways, and that the commission be empowered to frame and recommend plans for developing the waterways and utilizing the waters, and, as authorized by Congress, to carry out the same, through established agencies when such are available, in cooperation with States, municipalities, communities, corporations, and individuals, in such a manner as to secure an equitable distribution of costs and benefits.

Now, this commission was appointed as recommended. They made their report; and I do not dispute the fact that they went into the matter thoroughly.

THE PROPOSED AMENDMENT.

Yet this proposed Senate amendment, devised for the purpose of postponing an appropriation for the rivers and harbors solely, as introduced the other day, contains practically the same wording as the report I have taken from the CONGRESSIONAL RECORD. To show you the marked similarity I will read you the amendment introduced by Senator NEWLANDS:

That a commission, to be known as the river regulation commission, consisting of the Secretary of War, the Secretary of the Interior, the Secretary of Agriculture, the Secretary of Commerce, two Members of the Senate, to be selected by the President of the Senate, and two Members of the House of Representatives, to be selected by the Speaker, is hereby created and authorized to investigate questions relating to the development, improvement, regulation, and control of navigation as part of interstate and foreign commerce, including therein the related questions of irrigation, forestry, fisheries, swamp-land reclamation, clarification of streams, regulation of flow, control of floods, utilization of water power, prevention of soil waste, cooperation of railways and waterways, and promotion of transfer facilities and sites, and to formulate, if practicable, and to report to the Congress, comprehensive plans for the development of the waterways and water resources of the country for every useful purpose through cooperation between the United States and the several States, municipalities, communities, corporations, and individuals within the jurisdiction, powers, and rights of each, respectively, assigning to the United States such portion of such development, promotion, regulation, and control, if any, as can be properly undertaken by the United States by virtue of its power to regulate interstate and foreign commerce by reason of its proprietary interest in the public domain; and to States, municipalities, communities, corporations, and individuals such portion, if any, as properly belongs to their jurisdiction, rights, and interests, with a view to properly apportioning costs and benefits, and with a view to so uniting the plans and works of the United States within its jurisdiction, and of the States and municipalities, respectively, within their jurisdictions, and of corporations, communities, and individuals within their respective powers and rights, as to secure the highest development and utilization of the waterways and water resources of the United States. Such river regulation commission is authorized, for the purpose of said investigation and report, to bring into coordination and cooperation with the Corps of Engineers of the Army, as a board or boards, the other scientific or constructive services of the United States that relate to the study, development, and control of waterways and water resources and subjects related thereto, and to the development and regulation of interstate and foreign commerce, and to consider as a part of its study of a comprehensive plan the continuance of such a board or of such boards, with a view to keeping such services in coordination and cooperation; and such river regulation commission is authorized to appoint as members of such board or boards such engineers, transportation experts, experts in water development, constructors, and other employees as it may deem advisable to appoint and employ in connection with the investigation and the formation of plans herein authorized, and to lease offices. And for the expenses of such investigation, organization, and formulation of plans the sum of $500,000 is hereby appropriated.

Is it economy to suggest the expenditure of more than half a million dollars for this commission, when the provisions are the same in many identical respects as those by which a former commission was guided? Is this commission business going on forever? If we should be so weak as to authorize such a commission, does anyone think that the commission would be able to complete its work with an appropriation of $500,000?

WOULD THROW $500,000 TO THE WINDS.

There is another phase of this question of economy I would like to mention. Suppose, for instance, that I owned a big string of factories for which I was building large additions. Suppose I was cramped for space and general facilities, and my business was suffering every day because of a lack of operating space. Suppose in the midst of my building operations, with the work about half completed, I would suddenly call a halt to building construction, and, to the amazement of my engineers and advisers, say to a half dozen men picked at random, "Here, go and spend $500,000; do what you please with the money, and then bring back a report in writing of what you find out." In the meantime I would be realizing nothing on the investment I had already made on building construction; I would be unable to fill orders for want of facilities to meet the demand of increased business. How long would I last in the business world through such a folly? Is the great work of river and harbor improvement a plaything or a business? Do we want to do in Congress what we would not do if it were our own private business, instead of being the public's business?

Now, the provisions of this amendment for the formation of a commission call for the employment of all kinds of experts. I say most emphatically that the Government has had all the

experts that were necessary to carry on river and harbor improvement. Our Corps of Engineers in the War Department are fully equipped, and all men of very extensive talents. You might search the whole world and not do any better.

PARTICIPATION OF COMPETENT CORPS OF ENGINEERS.

The part taken by the engineers of the Army should be too well known to render the enumeration of same necessary; but for the benefit of those who persist in alluding to the appropriation bill as a "pork barrel," when they seemingly do not appreciate that everything is now done absolutely open and aboveboard, I quote you the act of June 13, 1902:

That there shall be organized in the office of the Chief of Engineers of the United States Army, by detail from time to time, from the Corps of Engineers, a board of five engineer officers, whose duties shall be fixed by the Chief of Engineers, and to whom shall be referred for consideration and recommendation, in addition to any other duties assigned, so far as in the opinion of the Chief of Engineers may be necessary, all reports upon examinations and surveys provided for by Congress, and all projects or changes in projects for works of river and harbor improvement heretofore or hereafter provided for; and the board shall submit to the Chief of Engineers as to the desirability of commencing or continuing any and all improvements upon which reports are required. And in the consideration of such works and projects the board shall have in view the amount and character of commerce existing or reasonably prospective which will be benefited by the improvement, and the relation of the ultimate cost of such work, both as to the cost of construction and maintenance, to the public commercial interests involved, and the public necessity for work and propriety of its construction, continuance, or maintenance at the expense of the United States; and such consideration shall be given as time permits to such works as have heretofore been provided for by Congress, the same as in the case of new works proposed. The board shall, when it considers the same necessary and with the sanction and under orders from the Chief of Engineers, make, as a board or through its members, personal examinations of localities; and all facts, information, and arguments which are presented to the board for its consideration in connection with any matter referred to it by the Chief of Engineers shall be reduced to and submitted in writing and made a part of the records of the office of the Chief of Engineers. It shall further be the duty of said board, upon a request transmitted to the Chief of Engineers by the Committee on Rivers and Harbors of the House of Representatives or the committee on Commerce of the Senate, in the same manner to examine and report, through the Chief of Engineers, upon any projects heretofore adopted by the Government or upon which appropriations have been made, and report upon the desirability of continuing the same, or upon any modifications thereof which may be deemed desirable.

The engineers are really the fountainhead of the entire system of river and harbor improvements, and the provisions of the above act which I have just referred to make them so. Furthermore, these engineers are not appointed through political influence. They are the honor men of West Point. In other words, the very cream of the Army Academy graduates make up the corps which have so much to do with the system.

Mr. SPARKMAN, chairman of the Rivers and Harbors Committee, is authority for the statement that three-fourths of the proposed improvements of navigable streams have been completed. Since we have gone so far, it should be our pride and ambition to complete the other fourth as rapidly as possible.

OHIO RIVER RIVER OF ALL RIVERS.

The Ohio River improvements are slightly less than half completed, and this stream should be given especial attention in view of its great importance. While on this subject I wish to quote to you portions of a report made by the Board of Engineers for Rivers and Harbors, which emphasizes the importance of the Ohio. After referring to the recommendations for the improvement of the Ohio River by locks and movable dams so as to secure a depth of 9 feet as a project worthy of being undertaken by the United States, the engineers say:

In making this recommendation the board realizes that it is suggesting a plan for river improvement on a scale not hitherto attempted in this country, but it believes that there will probably be in the near future a popular demand for the improvement of several streams on such a scale. On account of the large commercial development of its shores and its connection with the lower Mississippi, now maintained in a navigable condition, the Ohio River is, in the opinion of the board, the one river of all others most likely to justify such work. Furthermore, it should be noted that by authorizing the construction for 9-foot navigation of 14 locks at various parts of the river Congress has already practically entered upon such a system of improvement.

This report was made October 18, 1907. Since that time 17 olcks and dams on the river have been started, and if no hindrance is placed in the passage of the appropriation bills every lock and dam needed to assure a navigable stage on the river the year round, from Pittsburgh to the mouth, will have been started by the year 1920.

LETTERS FROM EVANSVILLE BUSINESS FIRMS.

I wish to read three letters to the River and Harbor Committee received from representative business firms of Evansville, the second city in population in Indiana, and the fourth along the Ohio River:

[Letter of the Southern Stove Works, of Evansville, Ind.]

We are large shippers by water from Evansville, and it is a serious question with us very frequently to use that highway, because in low stage of water we are unable to ship goods by river, lose business thereby, as we are obliged to ship them all by rail at an increased freight rate, and our business has been seriously injured by the fact that during so many months of the year we are unable to avail ourselves of river shipments by reason of the low stage of water, and we earnestly beg you to do all you can to increase that stage of water by action of Congress.

[Letter of the Standard Brick Manufacturing Co., of Evansville, Ind.]

We are very glad to see that prospects are becoming brighter for an improved river, and that we may be hopeful that the day is not far distant when the Government will recognize its importance to this district and will come to our rescue.

As to significance of this proposition as it relates to our industry, permit us to call your attention to the fact that the high freight rates on the railroads limit our selling territory to less than 100 miles, and wherever a point can be reached by river we can get a much lower transportation charge by water. Now, it so happens that always when the building season is at its highest point the water in the river is at the lowest, and, in fact, during the summer months, the time when we have to depend upon placing our output, the river has been so low that it was unsafe to start off a barge load of brick, and no boatman could be induced to undertake it.

Until such time as that a 9-foot stage is given us we will be deprived of a lot of business, and many people in the surrounding territory who have no railroad connections will be seriously handicapped in building operations during the best time of the year, or if they succeed in getting their material over the railroad are obliged to pay much higher transportation charges.

[Letter of the I. Gans Co., wholesale dry goods, of Evansville, Ind.]

We write this letter to emphasize the great needs for navigable stage of the Ohio River, such as the Ohio Valley Improvement Association is laboring so incessantly to accomplish. We, of course, write from our standpoint here in Evansville

Every year navigation closes for several months, and many towns far away from railroads that run out of Evansville turn their trade away to other cities; in many instances some of our customers order by rail, the nearest station to them, but in every instance we have to divide the cost of freight; thus, it is expensive to us, yet we are forced to do so to hold the trade.

Two years ago we made a shipment amounting to over $100; goods were put off at a certain landing, but on account of the low water the boat was naturally irregular in reaching said landing. In consequence, our customer was not at the landing when boat reached there; however, the goods were put off at our risk and were stolen.

If we had a good stage, boats could run regularly and there would be no risks to assume, because parties could be on hand at such landings to take charge of goods. We also find that our trade order all their goods by river, even where railroads touch those places, on account of the cheaper rates.

When the river gets real low, permitting only small craft like gasoline boats to navigate, we frequently haul goods to the wharf, but have to haul it back again, as the small boats can only carry so much. This improvement of our river does not mean a benefit to Evansville only, but the whole country is interested. Shipments from northern cities for points on Green River come to Evansville, but are delayed until sufficient water will permit larger boats to carry goods.

Locks and dams on Green River make that stream navigable at all times, yet two years ago we could not even ship to points on Green River owing to the extreme low stage in front of Evansville. We consider that the improvement of our rivers is as important as the Panama Canal.

DEVELOPMENT OF WATERWAYS AND NAVIGATION.

A better idea of the importance of the Ohio River is gained from the following extract from the report of the examination of the Ohio R'ver, as made by the Board of Engineers of the War Department:

The waterways connecting the Great Lakes have enormously developed in the past 10 years, but the railways have reaped the benefits. Neither the Canadian canals down the St. Lawrence River nor the Erie Canal across New York State have responded to the growth of the Lake commerce. The success of the Great Lakes as a means of transportation has not resulted from competition between the great systems of transportation and outside parties, but from the utilization of the waterway by the railroads themselves, which have expended millions of dollars to improve their terminal facilities and have established the large fleets which navigate the Lakes.

But the great cause of the failure of waterways as a means of transportation in the United States is that they heretofore have not generally followed a commercial route, but have led from nowhere to no place. The river systems of the country flow generally in a southerly direction, while the trend of commerce has been east and west. Until within the last 10 years a railroad running north and south was generally a financial failure. River systems have followed the same laws; their commerce has been confined to the products on their immediate banks, and that of not sufficient amount to justify their permanent improvement.

The board is of the opinion that conditions are exceptionally favorable for the future development of commerce on the Ohio River. The river now maintains a traffic of over 9,000,000 tons in competition with railways. This commerce appears to be slowly increasing, and its growth appears principally in other products than coal.

Pittsburgh is the center of vast manufacturing industries, and is rapidly developing. Within the Pittsburgh district are located 324 factories having water communication either by the Allegheny, Monongahela, or Ohio Rivers, and which can as readily ship by water as by rail. The freight entering and departing from this district by river and rail in 1896 was estimated at 60,000,000 tons, and in 1906 at from 115,000,000 to 122,000,000 tons. At Pittsburgh, among the principal manufactured articles are iron and steel ingots, billets, blooms, boilers, structural steel and iron, steel rails, and other material which at other localities become the raw material of their factories. Such items require cheap transportation, and will seek a water route if assured of certainty of delivery. Large manufacturing centers also exist at Wheeling, Ironton, and other points on the river. Cincinnati, Louisville, and Evansville are business centers of great activity, and a rapid commercial growth is occurring at St. Louis, Memphis, New Orleans, and other localities on the Mississippi River. The distances between these localities are sufficiently great to justify a transfer in transit even at considerable expense.

The board believes that a large commerce is reasonably prospective if these commercial centers are connected by a waterway which will permit the certainty of transportation which is found on existing railroads and that this certainty will be attained by the works proposed in the report.

The General Government has expended large sums in improving the various tributaries of the Ohio. The utility of these improvements is dependent on the navigability of the main stream. The proposed improvement of the Ohio River will create a vast system of water communication penetrating one of the most populous and prosperous sections of the United States. Even in its unimproved condition the river has a marked effect on rail freight rates, the cheap rates quoted in the report as prevailing between New Orleans and Louisville, Cincinnati, and Pittsburgh being directly traceable to its influence. Its effect on rail freight rates will be greatly increased if the proposed improvements are carried out.

For these reasons the board is of the opinion that the improvement of the Ohio River by locks and movable dams so as to secure a depth of 9 feet, as recommended in the report of the special board, is worthy of being undertaken by the United States.

In making this recommendation the board realises that it is suggesting a plan for river improvement on a scale not hitherto attempted in this country, but it believes that there will probably be in the near future a popular demand for the improvement of several streams on such a scale. On account of the large commercial development of its connection with the lower Mississippi now maintained in a navigable condition the Ohio River is, in the opinion of the board, the one river of all others most likely to justify such work. Furthermore, it should be noted that by authorizing the construction for 9-foot navigation of 14 locks at various parts of the river Congress has already practically entered upon such a system of improvement.

ADVANTAGE OF WATER OVER RAIL TRANSPORTATION.

One important difference between transportation by rail and by water lies in the control of the highway. The railroad itself is an essential part of the outfit of the railroad company. Conditions peculiar to river traffic seem to make it necessary for the same authority which directs the movement of trains to control the roadway. Often one railroad company uses a part of the tracks of another, but such use is regularly the result of mutual agreement. Waterways, on the other hand, are maintained and controlled by an authority entirely distinct from that which directs the movement of the boats. The Federal Government has control of the navigable waters of the United States and prescribes regulations for their use. A navigable water is a public thoroughfare—as free to all persons as is a country road or a city street—and subject only to the regulations prescribed by the National Government.

With these natural resources we should never show the least disposition to discourage improvements that will benefit commerce. The Department of Agriculture is authority for the statement that one of the greatest hindrances to the growth of river traffic in the Mississippi Valley has been and is low water. I quote from the Agricultural Yearbook:

The low-water seasons do not come at regular intervals and are not uniform in length. The uncertainty of river service has been one of the influences diverting to railroads all but a very small fraction of the carrying trade of the valley.

Some of the rivers of this region are more favored than others in regard to navigable water, but even the Mississippi itself sometimes fails to give free passage to traffic. One barge fleet in the grain service about 1900 or 1901 is said to have consumed nearly two months in making the round trip between St. Louis and New Orleans. The regular time was about one week. Regularity of navigation on the Mississippi and its large tributaries for towboats and barges such as were used a few years ago between St. Louis and New Orleans would add greatly to the transportation facilities of the Central States. Even a larger load could be carried on a tow on these streams than is now carried by one of the largest freight steamers on the Great Lakes. Many smaller streams of the valley could be made highways for the regular movement of farm produce and other freight if the channels were kept navigable throughout most of the year. The interruption in winter on account of ice, occurring each year at about the same season, would not be a serious drawback. Irregularity of seasons of navigation is and has been one of the most serious obstacles to water transportation on these rivers.

Where navigation is regular, as on the Great Lakes and a number of tidal waterways along the seacoasts of the United States, boat traffic has continued to grow in spite of increased railroad facilities. But on our greatest river system, with its thousands of miles of steamboat routes, conditions are in striking contrast with the marvelous development in other phases of commercial life.

It is to be understood that in some instances improvements of river channels are costly, and some work is done only to be destroyed by the next flood. This is not true of all such work by any means. The great amount of service already rendered to freight traffic on inland waterways by wise improvements has much of promise for the future.

A SECTION RICH IN MANUFACTURING, MINING, AND FARMING.

I hardly think there is a congressional district in the United States with a city of 100,000 population within its borders that is richer in manufacturing, mining, and farming than the district I have the honor to represent, considering the three important items as a whole.

In manufacturing Indiana is excelled by but few States, and the city of Evansville is second in industrial importance in the State, ranking next to Indianapolis.

In agriculture our district abounds and it is my purpose to point out to you just why we take great pride in our importance in that respect.

In mining we occupy a position as the hub of a section of the United States, which, including 24 counties within a radius of 100 miles of Evansville produce the enormous amount of almost 25,000,000 tons of coal per annum.

So, with these three important essentials of production; with 15 railroads and traction lines traversing every section of our district and plying in every direction of the compass, and with the mighty Ohio River to carry the products of the manufacturing establishment and the farm; and last but not least, situated as we are within a few miles of the center of population of the United States, I defy any person to dispute that our future can be painted with a rosy tint.

One could hardly be too emphatic in setting out the agricultural importance of the first district of Indiana. Corn is grown on nine-tenths of the farms; winter wheat is raised on about half the farms, and the city of Evansville is known as the greatest winter-wheat market in the United States. Fruit growing finds a most important place. Ninety per cent of our farms report domestic animals. Eighty-nine per cent have dairy cows. Meat production goes hand in hand with the corn production. A large share of our corn crop is marketed through cattle and hogs.

There are no cheap lands. Markets, transportation, population, and prices for farm products have placed a high price on every acre.

GIBSON COUNTY.

Gibson County is one of the leading agricultural counties of the State. Fruit is grown on a large scale, and I am told there is no county in Indiana which produces more apples. It has extensive coal beds with three veins of good coal. Oil and gas have been found in paying quantities.

POSEY COUNTY.

Posey County has no superior in the production of melons, and hundreds upon hundreds of carloads of these are shipped out every summer; it annually produces the largest yield of wheat of any county in Indiana, is fourth in the State in the production of berries, and the State statistician gives us figures which show that this county leads the State in having the largest number of mules on hand.

PIKE COUNTY.

Pike County is rich in bituminous ore deposits, most of the land being underlaid with fine workable veins of from 4 to 9 feet in thickness, producing almost one-third of all the coal mined in the first district. It is rich in fertile lands and one of the most important counties of southwestern Indiana.

SPENCER COUNTY.

Spencer County takes a front rank in the raising of wheat and corn. Tobacco is grown in great abundance. Coal is also mined in this county, and it has the combined essentials of production to make it rank as one of the very highest counties in Indiana in a varied way.

WARRICK COUNTY.

Warrick County ranks as the second county in the State in the production of tobacco, and with Spencer County the first district has two counties producing more tobacco annually than any other congressional district in Indiana. Warrick has four railroad lines bisecting it. The farmers are rich and prosperous. There are only four counties in Indiana which produce more coal than Warrick County.

VANDERBURG COUNTY.

While Vanderburg County has a city of 100,000 population within its boundaries it does not take an insignificant rank in respect to its agricultural products. It produces a large amount of wheat and corn, ranks tenth in Indiana in the production of berries, and fourth in the State in yield of apples.

HUB OF MOST PRODUCTIVE COAL SECTION IN WORLD.

Taking Evansville as the pivotal point, because it is the largest city in the first district and occupies a splendid location on the Ohio River along with other excellent transportation facilities, I herewith present a table computed from figures furnished by the United States Geological Survey, showing the amount of coal produced annually within a radius of 100 miles of Evansville:

	Tons.
South of Evansville, 11 counties	7,160,541
East of Evansville, 4 counties	1,563,192
North of Evansville, 5 counties	8,796,890
West of Evansville, 4 counties	4,598,951
Total, 24 counties	22,119,574

I want to say in further emphasis, and to indicate conclusively that our importance as a coal center is not in the least exaggerated, that in that comparatively small stretch of land above referred to—approximately 200 miles square—is mined

as much coal annually as in any State of the Union barring only the output of three States. Judging this coal section, with Evansville as the undisputed center, by the number of square miles, we are not surpassed by any other section of the country.

THE CITY OF EVANSVILLE.

Evansville is the leading city of our district, is the second city in Indiana in population, and is the fourth largest city on the Ohio River, ranking next in importance to Pittsburgh, Cincinnati, and Louisville. There is no other city on the river that is even one-fourth as large as Evansville. This city has often been referred to as the "second Pittsburgh," and some are inclined to believe that the time is not far away when Evansville will equal Pittsburgh in manufacturing importance. No city of its size, or larger, in the United States has a better natural location. It is on the most direct line from the North to the South; is the natural gateway to the South; the greatest volume of traffic, both freight and passenger, from the Lakes to the Gulf and the southeastern coast and in the reverse direction passes through its portals.

RIVER LINES.

Evansville's location on the Ohio River has been the principal medium by which it has attained prominence as one of the best manufacturing cities in the Central West. Six steamboat lines make Evansville their home port, and by these lines all the towns and cities located on the Ohio, Green, Cumberland, and Tennessee Rivers and the greater part of the Mississippi River can be reached. It is the consensus of opinion of rivermen that, with the general improvement of the Ohio River to the 9-foot stage, already begun, and the completion of the Panama Canal, river traffic, which has deteriorated in the last 15 or 20 years because of the inroads of railway lines, will be revivified and the activity that characterized the Ohio River in former years will return. As a distributing point, because of our excellent transportation facilities by rail and water, Evansville is unexcelled.

EVANSVILLE CHEAP SOFT-COAL MARKET.

That Evansville is one of the cheapest soft-coal markets on earth is undeniable. Within the corporate limits of the city alone there are 5 mines and within a radius of 54 miles there are approximately 60 mines. The freight rate from the most distant mine to Evansville is but 50 cents per ton for delivery at industries located on railroad tracks. This condition makes it possible for manufacturers to obtain steam coal at as low a cost as at any other city on earth.

BANKING FACILITIES.

Evansville has 13 banks and trust companies, with total resources of approximately $27,000,000, so ably managed that there has never been a failure. At the close of 1913 Evansville ranked sixty-second among 134 of the largest cities of the country in bank clearings, and in population it was eightieth, in accordance with the United States census of 1910, which was 69,647. Based on the city directory for 1913, the population is 89,105.

The bank clearings of 1913, as compared with those of 1903, showed a gain of 122 per cent.

The clearings for 1913 were $129,075,478.

The clearings for 1903 were $57,091,041.

The following comparative statement of the bank clearings of cities of about the same rank as Evansville clearly attests the claim that this city, in proportion to population, is among the best commercial and manufacturing centers in the United States.

City.	Population, United States, census 1910.	Clearings, 1913.	Rank.	
			Population.	Clearings.
Akron, Ohio	69,067	$96,120,000	81	75
Canton, Ohio	50,217	77,722,808	109	89
Dayton, Ohio	116,577	122,982,479	65	65
Erie, Pa	66,526	55,564,121	86	99
Fort Wayne, Ind	63,933	65,002,707	89	91
South Bend, Ind	53,684	27,388,009	100	116
Terre Haute, Ind	58,157	50,000,000	93	103
Youngstown, Ohio	79,066	82,978,542	67	84
Oklahoma City, Okla	64,205	91,900,000	87	77
Evansville, Ind	69,647	129,075,478	80	62

EVANSVILLE AS A MANUFACTURING CITY.

As a manufacturing city Evansville holds high rank, especially in the Central West. The 400 factories manufacture greatly diversified products, and in some of them Evansville is in the front rank, notably in the production of furniture, flour, stoves, plows, brooms, lumber, buggies, beer, steam shovels, pottery, and locomotive headlights.

The average number of wage earners employed in the factories of Evansville is 12,000; the average value of products is $27,000,000 annually; the amount of capital invested is $24,500,000.

An inexhaustible supply of coal, practical freedom from industrial strife, and an excellent supply of labor, together with reasonable freight rates and splendid transportation facilities by rail and river, make Evansville an unsurpassed location for manufactories of all kinds.

So it is that with bright prospects in the lower Ohio Valley, with a river which is a greater asset than the Panama Canal, with our natural advantages second to none in the entire world, with producing powers unsurpassed, the people of our district and adjoining districts are entitled to the benefits of every dollar that the Government can appropriate to make the Ohio River a perpetual avenue of navigation.

In closing I want to state that Congress will never regret its support of the just measure which is now pending. Nor can any kind of criticism detract from the merits of the program for river and harbor improvement. We have gone three-fourths of the way, the experimental stage has been passed, and it is not for us to falter or turn back when the great goal is so near after a century of propagation. [Applause.]

APPENDIX A.

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington, July 29, 1914.

Hon. CHARLES LIEB,
United States House of Representatives.

SIR: The list of locks and dams in the Ohio River improvement which you left at this office has been checked as requested. It will be noted that under a slight modification of the project Dam No. 42 has been eliminated, and it is possible that Dam No. 40 will also be eliminated some time in the future. The information available in this office is not sufficient to check the name of the town or place near which each dam is to be located. Corrections to the list are indicated by pencil notes, green ink notations, and pasted slip.

Very respectfully,

DAN C. KINGMAN,
Chief of Engineers, United States Army.

(One inclosure.)

Memorandum in re Ohio River locks and dams.

1. Statement of funds on hand June 30, 1914.	Balance unexpended.	Outstanding liabilities	Uncompleted contracts	Balance available.
Lock and Dam No. 7	$109,192	$3,208	$39,476	$66,508
Lock and Dam No. 9	87,981	2,598	36,813	48,570
Lock and Dam No. 10	67,727	60,341	223,038	(1)
Lock and Dam No. 11	44,178			44,178
Lock and Dam No. 12	101,516	598	94,500	95,807
Lock and Dam No. 14	284,836	1,174	242,686	40,976
Lock and Dam No. 15	153,729	2,490	100,619	70,418
Lock and Dam No. 16	270,415	1,207	257,795	11,412
Lock and Dam No. 17	250,955	459	238,252	11,744
Lock and Dam No. 19	194,460	1,077	113,218	80,165
Lock and Dam No. 20	294,726	861	225,469	68,395
Lock and Dam No. 24	221,113	1,282	214,977	4,853
Lock and Dam No. 26[2]	40,083	11,208	13,692	15,182
Lock and Dam No. 28[2]	130,339	40,860	85,888	3,591
Lock and Dam No. 29	212,445	962	215,970	(1)
Lock and Dam No. 31	226,367	293	226,975	(1)
Lock and Dam No. 35	208,828	611	[1]1,078,855	(1)
Lock and Dam No. 39[2]	18,347	42,709	37,044	11,594
Lock and Dam No. 41	721,255	15,829	[1]1,138,067	(1)
Lock and Dam No. 43[2]	263,058	24,102	87,349	251,607
Lock and Dam No. 48	121,461	33,838	[1]1,418,171	(1)

[1] Locks and Dams Nos. 10, 29, 31, 35, 41, and 48 have contracts covered by authorizations already made and the funds will be provided by future sundry civil acts as needed.

[2] Dams being built by hired labor, all others under contract.

2. What will be done with funds carried by sundry civil bill?

The sundry civil act carries $4,176,000. No allotment of these funds has been made as yet, so it is not possible to tell just how long they would enable the work to go on. All payments under existing contract obligations will have to be arranged for first, then the balance will be distributed among the dams being built by hired labor, so as to keep them going as long as practicable.

3. What work will be suspended if river and harbor bill fails to pass, and when?

Pittsburgh district.—No work affected by river and harbor bill.

Wheeling district.—All work on Dams Nos. 12, 14, 19, and 20 can continue if sundry civil act passes soon, but second contracts for movable parts, gates, etc., will be deferred. Dam No. 15 will be suspended in incomplete state January 1, 1915. Dam No. 28, hired-labor work will be suspended August 1, 1914, and Dam No. 26, September 1, 1914. Dams Nos. 21 and 22 can not be started as proposed. Dams Nos. 16, 17, and 24, work will not be interfered with.

Cincinnati district.—Dam No. 39 hired-labor work must suspend July 31, 1914; hired dredges on open-river work will have to be released September 1; contracts on Locks and Dams Nos. 29, 31, and 35 can continue if sundry civil act provides cash to cover contract authorizations.

Louisville district.—All continuing contract work provided for in sundry civil act; Dam No. 43, hired-labor work will suspend September 30, 1914.

OHIO RIVER—LOCKS AND DAMS.

Suspension of work by hired labor on this project will be necessary at an early day, as well as postponement of beginning construction of additional locks and dams, unless further appropriations are made available for the prosecution of this project, which is to be completed within a period of 12 years

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From memorandum showing present status of certain river and harbor works and condition at other localities in the event of the failure of the pending river and harbor bill.

* * * * * * *

OHIO RIVER—LOCKS AND DAMS.

Dams Nos. 12, 14, 19, and 20: Contracts for movable parts must be deferred.
Dam No. 15: Work suspended in incomplete state January 1.
Dam No. 26: Work suspended September 1.
Dam No. 28: Work suspended August 1.
Dams Nos. 21 and 22: Work can not be started.
Dam No. 43: Work will be suspended September 30.

APPENDIX B.

Ohio River tonnage—Calendar year 1913.
(Through lock and open river.)

	Tonnage.	Valuation.	Passengers.
Lock No. 1	1,982,257.5	$3,720,794.36	86,518
Lock No. 8	224,080.5	1,095,666.92	5,005
Lock No. 18	374,945	2,836,645.31	9,421
Lock No. 26	796,629	2,926,918.65	17,266
Lock No. 37	1,988,434	9,953,466.24	104,078
Lock No. 41	1,537,146.5	6,318,567.53	11,767
Open river	1,509,111.5	14,088,452.70	1,086,897
Ferries	1,401,519.5	36,086,390.07	2,949,834
Total	9,814,123.5	77,026,901.78	4,270,786

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington, July 28, 1914.

Hon. CHARLES LIEB,
United States House of Representatives.

SIR: 1. Referring to your recent inquiry in regard to commercial statistics of the Ohio River, I have the honor to inclose herewith a tabular statement of the commerce of the river for the calendar year 1913.

2. With reference to the method employed in the collection of commercial statistics of the Ohio River, the district officer at Cincinnati in a recent report stated as follows:

"Prior to 1912 the commercial statistics of the Ohio River were collected at the close of each calendar year from all boats plying on the Ohio River.

"In March, 1912, the Ohio River board took up the matter of collecting these statistics and decided that they should be collected at Dams Nos. 1, 8, 18, 26, 37, and 41. The reports are secured by the various lockmasters and sent to this office each month, where they are tabulated. In addition to these, an effort is made to secure reports from boats operating in pools between movable dams and not passing a lock and dam.

"Pursuant to this action of the Ohio River Board, authority was obtained for the printing of the form (E. D., 79009/45), a copy of which is inclosed herewith, and instructions issued for the collection of the statistics (copy herewith). The necessary stationery, supplies, etc., were furnished the different lockmasters in March, 1912, and the collection of the statistics was not commenced until April, 1912, it not being practicable to collect them for the months of January, February, and March, 1912.

"The aggregate tonnage of 8,618,369, short tons may possibly contain a duplication, but this is considered to be offset by the amount of freight not reported by a number of boats not reporting which do not pass a lock. It may be possible that there may be some duplication in the case of packet boats which are required to report at each lock, but as their traffic is local and they are constantly taking on and putting off freight, it is considered proper to give each lock credit for freight on board when passing through.

"It will be noted, however, that boats with through tows are required to report only at the first lock through which they pass. In some instances, however, this is not done until the next lock is passed, but, so far as known, there is no duplication in this respect.

"The tonnage reported as passing a given lock and dam includes that both through the lock and the navigable pass.

"In general it may be stated that the statistics collected of Ohio River traffic have been so unsatisfactory in the past that the Ohio River Board considered it advisable to take up the matter, and the above-described method is the result of their study. The statistics are tabulated and reported only by this office instead of by the various offices in charge of Ohio River works, as heretofore done. An exception is the case of Dam No. 41, Louisville, Ky., where statistics for fiscal year are collected. It was considered that it would be asking too much to require boats to report at each lock, and those selected are aimed to secure the traffic on the river, and particularly that coming from the various navigable tributaries."

3. There is also inclosed herewith a statement showing the status of the slack-water improvement of the Ohio River, April, 1914.

Very respectfully,

DAN C. KINGMAN,
Chief of Engineers, United States Army.

Mr. GOULDEN. Mr. Speaker, before my friend from Indiana takes his seat I desire to ask him a question.

Mr. LIEB. Certainly.

Mr. GOULDEN. As a member of the Committee on Rivers and Harbors of the House, can the gentleman give the House any information as to what progress the river and harbor bill is making at the other end of the Capitol?

Mr. LIEB. The bill is over there, and it seems like it is asleep. There is an amendment pending trying to put it to sleep, which proposes to create a commission to do away with the great work that is going on in various rivers and harbors, and should the amendment be passed in that shape many contractors who now have projects in course of construction throughout the country will be financially ruined.

Mr. GOULDEN. I thank the gentleman, and feel that it is a very serious matter. I think the bill ought to pass, and I trust the Senate will speedily pass it. Some of the unfounded charges occasionally heard as to this bill being a pork-barrel measure should not influence anyone. It is a just and honest bill, and I appreciate the efforts of the gentleman from Indiana [Mr. LIEB] in calling attention to this important matter.

Mr. HUMPHREY of Washington. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the question on which I was speaking a moment ago.

The SPEAKER. The gentleman from Washington asks unanimous consent to extend his remarks on the resolution passed a while ago. Is there objection? [After a pause.] The Chair hears none.

INCREASE IN PRICE OF ARTICLES OF FOOD, ETC.

Mr. DONOHOE. Mr. Speaker, I ask unanimous consent for the immediate consideration of a resolution relating to alleged boosting of prices of foodstuffs.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

Resolved, That the Secretary of Commerce be, and he is hereby, requested to furnish to the House of Representatives information as to whether the prices of articles of food necessary to the health and well-being of the American people have been arbitrarily advanced in the home markets on the pretext that the high prices of such articles are the result of the European war.

Second. Whether the manipulation of values by speculators is resulting in unjust and unwarranted advances in the prices of foodstuffs in the United States.

The SPEAKER. Is there objection to the present consideration of the resolution?

Mr. MANN. Mr. Speaker, reserving the right to object, I did not hear the first part of the resolution. Does it provide for an investigation by the Department of Agriculture?

Mr. DONOHOE. That would be satisfactory to me, but it would not be to the other gentlemen who present the resolution.

Mr. MANN. Mr. Speaker, I object.

Mr. DONOHOE. Will the gentleman withhold his objection for a moment?

Mr. MANN. No; I will not.

UNANIMOUS-CONSENT CALENDAR.

Mr. TAYLOR of Colorado. Mr. Speaker, regular order.

The SPEAKER. The regular order is demanded and the Clerk will report the first bill on the Unanimous Consent Calendar.

EXCHANGE OF CERTAIN LANDS IN THE STATE OF OREGON.

The first business on the Calendar for Unanimous Consent was the bill (S. 49) to provide for the exchange with the State of Oregon of certain school lands and indemnity rights within the national forests of that State for an equal area of national forest land.

The Clerk read the title of the bill.

Mr. SINNOTT. Mr. Speaker, I ask unanimous consent that this bill may be passed by without prejudice.

The SPEAKER. The gentleman asks unanimous consent to pass the bill by without prejudice. Is there objection? [After a pause.] The Chair hears none.

KLAMATH INDIAN RESERVATION.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 10848) to amend an act entitled "An act to provide for the disposition and sale of lands known as the Klamath Indian Reservation," approved June 17, 1892.

The Clerk read the title of the bill.

Mr. BURKE of South Dakota. Mr. Speaker, the chairman of the Committee on Indian Affairs is not present and I do not see anybody from that committee, so therefore I ask unanimous consent that this bill be passed without prejudice.

Mr. RAKER. Before doing that, the gentleman has not any objection to the bill, has he?

Mr. BURKE of South Dakota. Not at all, but the Committee on Indian Affairs, or the chairman, was to report a substitute bill, and there has been no action by the committee, and therefore I ask unanimous consent that it may go over.

The SPEAKER. The gentleman from South Dakota asks unanimous consent that this bill be passed without prejudice. Is there objection? [After a pause.] The Chair hears none.

BRIDGE ACROSS MISSISSIPPI RIVER AT NEW ORLEANS, LA.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 16172) to give the consent of the Congress for the construction of a bridge across the Mississippi River at or near New Orleans, La.

The title of the bill was read.

The committee amendments were read.

The SPEAKER. Is there objection?

Mr. MANN. Mr. Speaker, I object.

The SPEAKER. The bill will be stricken from the calendar.

RESTORATION OF HOMESTEAD RIGHTS IN CERTAIN CASES.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 15983) to restore homestead rights in certain cases.

The bill was read.

The SPEAKER. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object——

Mr. FERRIS. Mr. Speaker, does the gentleman from Illinois have an amendment he would suggest which would be satisfactory to him? I had intended to consult with the gentleman for a week or two in reference to this matter.

Mr. MANN. I have not an amendment.

Mr. FERRIS. Will the gentleman have any objection to letting it be passed over?

Mr. MANN. I have no objection.

Mr. FERRIS. Mr. Speaker, I ask unanimous consent that this bill retain its place on the calendar and be passed without prejudice.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

NINTH INTERNATIONAL CONGRESS OF THE WORLD'S PURITY FEDERATION.

The next business on the Calendar for Unanimous Consent was the joint resolution (H. J. Res. 271) authorizing the President to appoint delegates to attend the Ninth International Congress of the World's Purity Federation, to be held in the city of San Francisco, State of California, July 18 to 24, 1915.

The Clerk read as follows:

Resolved, etc., That the President of the United States be, and he is hereby, authorized and respectfully requested to appoint delegates to attend and represent the United States at the Ninth International Congress of the World's Purity Federation, to be held in the city of San Francisco, State of California, July 18 to 24, 1915.

The committee amendment was read, as follows:

After the word "fifteen," at the end of line 8, add the following:

"*Provided*, That no appropriation shall be granted at any time for expenses of delegates or for other expenses incurred in connection with said congress."

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

The committee amendment was agreed to.

The joint resolution as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. HARRISON, a motion to reconsider the vote by which the joint resolution was passed was laid on the table.

The SPEAKER. The Chair requests Members who have already made up their minds to object to any one of these bills to object when the title is read. In that way business will be expedited very much.

FEDERAL BUILDING SITE, OLD TOWN, ME.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 4651) to authorize the Secretary of the Treasury to sell certain land to the trustees of the charity fund of Star in the East Lodge, of Old Town, Me.

The bill was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to grant, relinquish, and convey, by quitclaim deed, for and in consideration of $300 cash, to the trustees of the charity fund of Star in the East Lodge, a corporation duly existing under the laws of the State of Maine and having its principal place of business in Old Town, Penobscot County, Me., a certain portion of a lot of land situated in Old Town, county of Penobscot, State of Maine, acquired from Nellie E. St. Lawrence under decree of condemnation given by the circuit court of the United States for the first circuit, begun and held at Portland, within and for the district of Maine, on the third Thursday of September, to wit, the 21st day of September, 1909, as recorded in Penobscot registry of deeds, volume 819, page 196, described and bounded as follows: Begin at a bolt marking the northeast corner of the said Nellie E. St. Lawrence lot, thence along the west line of the Bangor & Aroostook Railroad location 82.89 feet to a bolt; thence in a westerly direction 30 feet to a bolt; thence in a southerly direction 10 feet to a bolt; thence in a westerly direction 7.09 feet to a bolt; thence in a northerly direction in a line which shall be a continuation of the east line of the lot of land also acquired from Fred E. Allen and Thomas Murphy by the said decree of condemnation first referred to, to the north line of the said Nellie E. St. Lawrence lot; thence along the said north line to the point of beginning, meaning to convey all of that portion of the Nellie E. St. Lawrence lot as lies east of a line drawn in continuation of the east line of the Fred E. Allen and Thomas Murphy lot from a bolt marking the northeast corner of the said Fred E. Allen and Thomas Murphy lot to the north line of the said Nellie E. St. Lawrence lot, and to deposit the proceeds of such sale in the Treasury as a miscellaneous receipt.

The following committee amendments were read:

Page 1, line 5, strike out the figures "$300" and insert in lieu thereof the words "46 cents per square foot."

Page 2, line 9, strike out all after the word "bolt," down to and including line 25, and insert in lieu thereof the words, "in the west line of the Bangor & Aroostook Railroad location, which bolt is located 61.39 feet from the bolt marking the northeast corner of the said Nellie E. St. Lawrence lot, thence along the said west line of the said Bangor & Aroostook Railroad location in a southerly direction about 21½ feet to a bolt marking the northeast corner of a lot of land owned by the trustees of the charity fund of Star in the East Lodge, Old Town, Me.; thence in a westerly direction, along the north line of said lot owned by the charity fund of Star in the East Lodge, 30 feet to a bolt; thence in a southerly direction 10 feet to a bolt; thence in a westerly direction 7.09 feet to a bolt; thence in a northerly direction in a line which shall be a continuation of the east line of the lot of land also acquired from Fred E. Allen and Thomas Murphy by the said decree of condemnation first referred to, about 30 feet to a bolt; thence in an easterly direction in a line parallel to the north line of the lot owned by the trustees of the charity fund of Star in the East Lodge, Old Town, to the point of beginning, containing 720.9 square feet, approximately, and to deposit the proceeds of such sale in the Treasury as a miscellaneous receipt."

The SPEAKER. Is there objection to the consideration of the bill? [After a pause.] The Chair hears none. This bill is on the Union Calendar.

Mr. BURNETT. Mr. Speaker, I ask unanimous consent that the bill be considered in the House as in the Committee of the Whole.

The SPEAKER. The gentleman from Alabama [Mr. BURNETT] asks unanimous consent that the bill be considered in the House as in the Committee of the Whole. Is there objection?

There was no objection.

The SPEAKER. The question is on agreeing to the committee amendments.

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. GUERNSEY, a motion to reconsider the vote by which the bill was passed was laid on the table.

INCORPORATION OF LANDS IN PIKE NATIONAL FOREST.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 15534) to reserve certain lands and to incorporate the same and make them a part of the Pike National Forest.

The Clerk proceeded with the reading of the bill.

During the reading,

Mr. TAYLOR of Colorado. Mr. Speaker, the Senate passed a duplicate of this bill, and it is on the calendar as No. 269. It is identical with this bill, and I would like to ask permission to have the Senate bill considered in place of the House bill. The House Committee on the Public Lands has reported the Senate bill to the House, and I have put it on the Unanimous Consent Calendar. It is identical with this bill, and incorporates some land and puts it into the Pike National Forest.

The SPEAKER. Which calendar number is it?

Mr. MANN. It is Union Calendar, No. 286.

The SPEAKER. The gentleman from Colorado [Mr. TAYLOR] asks unanimous consent to consider the bill S. 5198 in lieu of the bill which the Clerk was reading, being of similar tenor. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, what is intended to be accomplished by this bill? As I recollect, my friend from Colorado [Mr. TAYLOR] has frequently entertained the House with very severe observations on the subject of the great amount of territory in Colorado which was embraced in forest reservations.

Mr. TAYLOR of Colorado. The gentleman is quite correct.

Mr. MANN. And he denounced the Government, and especially the eastern portion of the country, for having had this done. Now, the gentleman turns up with two bills to increase the national forests. Now, tell us why.

Mr. TAYLOR of Colorado. Well, I am frank to say that I very much disapprove of adding to forest reservations on general principles. Colorado is one of the six States in which no reserve can be added to without an act of Congress. About two years ago I had a bill to create for Denver a park embracing about 17,000 acres of Government land out in the foothills, 10 or 25 miles west of the city. The land is utterly worthless. It has some little scrub piñon and cedar trees on it, and is cut up with canyons mostly. It has laid there unoccupied for 50 years, with nobody desiring to take any of it, and they probably never will. But the city desired to build some automobile roads out through that territory and beautify and spend some money upon it, and I introduced a bill to grant this land to the city. I met with opposition in the House. Some Members thought it was too large, and then the city came and

asked the Forest Service if it would not approve of putting about half of this land into the forest reserve, and the Forest Service people are willing to take it. They say it will not add any more cost to the Government to supervise it. And so the city asked Senator THOMAS, of Colorado, and me to introduce these bills, putting a portion of this land into the Pike National Forest and selling the rest of it to the city. This bill puts about 7,000 acres of that land into the forest reserve. It is vacant land, and has no possibility of coal or oil or anything else on it.

I introduced this bill at the request of the city of Denver, waiving any natural sentiment I have in opposition to the general principle of withdrawing and hermetically sealing up from entry the public domain. But this land is so worthless that if the city will spend some money on it and utilize it, I am anxious to assist it in doing so. I am asking for this legislation to help make more attractive our beautiful capital city. That is my answer to the gentleman from Illinois.

Mr. MANN. Mr. Speaker, this is a peculiar situation. For a number of years the gentlemen from Colorado, and other gentlemen in States similarly situated, have denounced in unmeasured language and in every form of the use of the English language they could conceive of, the establishment of these national forests, and have frequently called to the attention of Congress the fact that most of the land incorporated in the national forests would not grow trees. Frequently I have heard my distinguished friend from Colorado say that they covered desert territory in the forest land; that they can not grow a tree there. Yet, as time goes on even our friends from Colorado become converted to the idea of increasing the national forests by adding land to a national forest where the gentleman says a tree will not grow.

Mr. TAYLOR of Colorado. I did not say a tree would not grow on it. I said there was no timber or at least no appreciable amount of merchantable timber on it. That is what I meant. There are a few trees on some of it.

Mr. MANN. That is what the gentleman said.

Mr. TAYLOR of Colorado. The land can not be reforested, but it does have some trees on it.

Mr. MANN. So far as I am concerned, I have no objection to the General Government spending a little money to aid the city of Denver in making a beautiful piece of scenery.

Mr. TAYLOR of Colorado. The Government will not have to spend any money.

Mr. MANN. The Government will not have to spend any money, but of course it will.

Mr. TAYLOR of Colorado. The city will have to spend the money.

Mr. MANN. We have heard that before. We know the cities do not spend money in national forests to any extent. I am willing to have the Treasury help build an automobile road there in the hope that some of our friends now in Europe, who wish they had stayed in America, will in the future, when they want to make a trip, go out to Colorado and see beautiful scenery there——

Mr. TAYLOR of Colorado. I hope they will come.

Mr. MANN (continuing). Rather than go to the other side and see less beautiful scenery.

Mr. TAYLOR of Colorado. I will say this to the gentleman from Illinois, that my objection has always been to putting into the forest reserves lands that are agricultural or grazing lands and that would make homes for people. This is not that character of land.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

Mr. STAFFORD. What is the request, Mr. Speaker? Simply to have the Senate bill read instead of the House bill?

Mr. TAYLOR of Colorado. To have the Senate bill considered in place of my House bill, H. R. 15534, which is a duplicate of it and they are both on this calendar.

Mr. STAFFORD. I will reserve the right to object to the passage of the Senate bill, but I do not object to its consideration.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The SPEAKER. The Clerk will report the Senate bill.

The Clerk read as follows:

Be it enacted, etc., That all lands in the State of Colorado, hereinafter described, to wit:

In township 5 south, range 71 west, sixth principal meridian: West half of southwest quarter, section 20; southeast quarter of northeast quarter, east half of southeast quarter, northwest quarter of southwest quarter, section 28; east half of southeast quarter, southwest quarter of southeast quarter, section 29; west half of northeast quarter, southeast quarter, south half of southwest quarter, section 31; northeast quarter, west half of southeast quarter, southeast quarter of southeast quarter, south half of northwest quarter, northeast quarter of northwest quarter, southwest quarter, section 32.

In township 6 south, range 71 west, sixth principal meridian: North half of northwest quarter, section 5; west half of northeast quarter, west half of southeast quarter, east half of northwest quarter, northwest quarter of northwest quarter, east half of southwest quarter, section 6; northwest quarter of northeast quarter, northeast quarter of northwest quarter, section 7.

In township 4 south, range 72 west, sixth principal meridian: Southeast quarter of northeast quarter, southeast quarter, south half of lots 2 and 3, southwest quarter, including lots 4, 5, and 6, section 19; south half of southwest quarter, section 20; west half of southwest quarter, section 29; south half of southeast quarter, north half of lot 1, all of lots 2, 3, and 4, north half of lot 5, south half of lot 6, section 30; south half of lot 2, all of lot 3, section 31.

In township 5 south, range 72 west, sixth principal meridian: Northeast quarter of northeast quarter, south half of northeast quarter, southeast quarter, southeast quarter of northwest quarter, east half of southwest quarter, section 21; south half of northeast quarter, south half of northwest quarter, west half of southwest quarter, northeast quarter of southwest quarter, section 22; west half of southeast quarter, east half of southwest quarter, northwest quarter of southwest quarter, section 28; south half of northeast quarter, northwest quarter of northeast quarter, southeast quarter, east half of northwest quarter, southwest quarter of northwest quarter, southwest quarter, section 26; southeast quarter of northeast quarter, southeast quarter of southeast quarter, northwest quarter of northwest quarter, northeast quarter of southwest quarter, section 27; south half of northeast quarter, northwest quarter of northeast quarter, northwest quarter, section 28; northeast quarter, section 29; north half of northeast quarter, section 34; west half of northwest quarter, north half of southwest quarter, section 35.

In township 6 south, range 72 west, sixth principal meridian: Lot 1, lot 2, lot 6, northeast quarter of southeast quarter, southwest quarter of southeast quarter, lot 3, lot 4, lot 5, lot 8, west half of southwest quarter, southeast quarter of southwest quarter, section 1; east half of lot 6, all of lot 7, lot 8, southwest quarter, section 2; lot 10, southeast quarter, east half of lot 9, southwest quarter, section 3; northeast quarter, southeast quarter, northwest quarter, north half of southwest quarter, southeast quarter of southwest quarter, section 10; all of section 11; west half of northeast quarter, southeast quarter, northwest quarter, southwest quarter, section 12; north half of northeast quarter, southwest quarter of northeast quarter, northwest quarter, southwest quarter, section 13; southeast quarter, northwest quarter, northwest quarter of southwest quarter, section 14; north half of northeast quarter, northeast quarter of northwest quarter, section 15.

In township 4 south, range 73 west, sixth principal meridian: South half of northeast quarter, northeast quarter of northeast quarter, southeast quarter, east half of northwest quarter, east half of southwest quarter, section 24; total, 9,680 acres, more or less; be, and the same are hereby, reserved subject to all prior valid rights and made a part of any included in the Pike National Forest.

The SPEAKER. Is there objection to the present consideration of the Senate bill?

Mr. STAFFORD. Reserving the right to object, Mr. Speaker, I notice that as the bill was originally introduced, these lands were to be withdrawn from entry, but the committee struck out that provision and placed them in the same category as other lands in the forest reserves which are subject to entry. As I understand, any person can enter upon the land in forest reserves, so far as mining rights are concerned?

Mr. TAYLOR of Colorado. Yes.

Mr. STAFFORD. And under certain restrictions, so far as homestead entries are concerned?

Mr. TAYLOR of Colorado. Yes. I will say to the gentleman that it was the opinion of the committee that this land in the forest reserves would be no more sacred than any other forest-reserve land, and it should exclude any possibility of mineral entry or application for homestead right if anybody ever wanted to take a homestead on it.

Mr. STAFFORD. Is it not the intention to have this land virtually a part of the park system of Denver?

Mr. TAYLOR of Colorado. Yes.

Mr. STAFFORD. And do you wish it to be subject to entry when it has become a part of the park system of Denver?

Mr. TAYLOR of Colorado. The committee did not think it would be a good precedent for us to make to place 7,000 acres of land in a forest reserve so that that should be more sacred or give additional rights that other forest reserves did not have. So far as the committee was concerned, we thought the city of Denver would be willing to accept that condition as prescribed in the bill.

Mr. STAFFORD. It is still subject to filing under the mining laws and as homesteads if there are any agricultural lands there?

Mr. TAYLOR of Colorado. Yes, sir. The city is willing to take its chances, and they have already expended several thousand dollars in building automobile roads up to this ground.

Mr. BRYAN. Mr. Speaker, will the gentleman yield?

The SPEAKER. Does the gentleman from Colorado yield to the gentleman from Washington?

Mr. TAYLOR of Colorado. Certainly.

Mr. BRYAN. Is all of this land the property of the United States Government? Are there any private lands included in this?

Mr. TAYLOR of Colorado. No private lands are included in this bill.

Mr. BRYAN. On line 16 of page 4 the property is put into the forest reserve, subject to all prior valid rights?

Mr. TAYLOR of Colorado. Yes.

Mr. BRYAN. The gentleman knows that some of the most glaring frauds that have been perpetrated with reference to the forest reserves and to private lands have been by incorporating private lands into forest reserves and then through lieu-land certificates private owners have been enabled to go on other Government land and get good land for their worthless land which was out in forest reserves. Now, I am a little bit suspicious, until I hear from the gentleman from Colorado on the subject, of putting this land into a forest reserve, subject to all prior valid rights, unless I can be assured that it is Government land.

Mr. TAYLOR of Colorado. This is a project that the city of Denver has had in mind for several years. The Interior Department and the Department of Agriculture have sent experts out there and mapped every quarter section of this land. They have gone over the ground exhaustively. It has been reported upon time and time again. And this bill is approved by the department. It is something that meets the approval of both the Department of Agriculture and the Department of the Interior, and is in the interest of building up the park system of the city of Denver. I may say that we have adopted all the amendments that they have suggested by the departments. We have complied with their requests in every particular.

Mr. BRYAN. I call the gentleman's attention to the second paragraph of the department's letter, in which it is stated—

> The land proposed to be reserved is shown by such records to be public, with the exception of the southeast quarter northeast quarter and east half southeast quarter section 28, township 5 south, range 71 west, which is embraced in an unperfected homestead entry.

Now, under the construction of the present law, does not the owner of this homestead entry have the right to ask for a lieu certificate? Is not that law still operative?

Mr. TAYLOR of Colorado. No; I will tell the gentleman about that. We have no right to legislate away from anybody any legal rights that they have, and the Secretary of the Interior has insisted that in these private bills private rights must be preserved. I have passed a number of them. I have heretofore passed bills granting parks for about 20 cities and towns in Colorado, and in all of them the department has insisted that if there are any vested legal rights we must exclude them from the bill and preserve them, and I have always gladly done so. This does not give them any additional rights. They have to go ahead, and if they have any rights they must show them and perfect their titles under the existing law; but they can not get any lieu land.

Mr. BRYAN. Would the gentleman object to an amendment to line 3 of page 1 of the bill, so as to make it read "That all lands of the United States in the State of Colorado hereafter described"? Just reserve all lands belonging to the United States Government, but not any lands that do not belong to Uncle Sam.

Mr. TAYLOR of Colorado. I have no particular objection to that.

Mr. MONDELL. Mr. Speaker, will the gentleman yield for a suggestion?

Mr. TAYLOR of Colorado. Yes.

Mr. MONDELL. If it is wise to put this land in the forest reserve—and I assume it is—all of the land in this compact area should be within the forest reserve, including any tract which may be temporarily claimed. The language of the bill, I will suggest to the gentleman from Washington [Mr. BRYAN] will not affect the right of the homestead claimant one way or the other, but will affect his land in this way, that if he should not perfect his right, when his right lapses then the tract covered by his right becomes a part of the forest reserve. No one else can secure any right.

Now, if it is proper to have the land within the forest reserve, including the land that this location is on, it all ought to be included in the reserve, reserving, of course, to the homestead settler whatever rights he has.

Mr. BRYAN. If the settler goes on it and perfects his homestead, and there may be other tracts besides that——

Mr. MONDELL. There are no others——

Mr. BRYAN. He gets title to the land inside the forest reserve. Then come negotiations to get him out of the forest reserve.

Mr. MONDELL. Oh, the gentleman knows that we are putting settlers in the forest reserves—scores of them.

Mr. BRYAN. But we are not giving them title to the land.

Mr. MONDELL. Of course we are giving them title to the land, under the homestead law, every day in the year.

Mr. BRYAN. The gentleman is mistaken. We are eliminating agricultural land and letting it be homesteaded, but——

Mr. MONDELL. If this did not contain some agricultural land the fellow would not take out an entry.

Mr. DONOVAN. Mr. Speaker, I call for the regular order.

The SPEAKER. Is there objection?

Mr. STAFFORD. In that connection, Mr. Speaker, if the gentleman from Colorado will yield, I notice that as the bill was originally introduced the phraseology was "all lands belonging to the United States of America," and the committee struck that out and substituted "all lands in the State of Colorado." There must be some reason for taking that action, and the gentleman's amendment is reintroducing the phraseology of the original bill. I think there must be some reason, based upon the hypothesis of the gentleman from Wyoming [Mr. MONDELL], that there may be instances of entries here which may lapse.

Mr. TAYLOR of Colorado. If the gentleman will notice this, he will notice that in the way the Senate bill is drawn the bill includes and embraces the amendment suggested by the House committee.

Mr. STAFFORD. The gentleman did not catch the drift of my suggestion. As the bill was originally drafted it was along the line suggested by the gentleman from Washington [Mr. BRYAN], whereas the committee struck that out and substituted "all lands in the State of Colorado." There must have been some reason for it, and I suppose it was the reason advanced by the gentleman from Wyoming, and I suppose it is a good reason.

Mr. TAYLOR of Colorado. Has the gentleman the bills?

Mr. STAFFORD. Yes; I have them both.

Mr. TAYLOR of Colorado. The gentleman will see that the language of the Senate bill is the language that the House committee suggests by way of amendment. That was done, as I understand, at the suggestion of the Interior Department, and we just made an amendment to it. I do not care anything about it.

Mr. STAFFORD. I think there must have been some reason for it. The gentleman still does not grasp my meaning. The gentleman's committee struck out the words "now belonging to the United States of America" and substituted the words "the State of Colorado."

Mr. TAYLOR of Colorado. I think the land ought to be in the forest reserves, and the bill gives a specific description of the land and then designates it as part of the reserve.

I think it ought to remain the way it is; but, then, I have no special objection. I think the gentleman ought to withdraw his objection.

Mr. BRYAN. I will say to the gentleman that I am not going to object to the consideration of the bill.

Mr. TAYLOR of Colorado. I thank the gentleman. It will save having to go back to be concurred in by the Senate. I demand the regular order, Mr. Speaker.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. This bill is on the Union Calendar.

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent that the bill may be considered in the House as in Committee of the Whole House on the state of the Union.

The SPEAKER. The gentleman from Colorado asks unanimous consent that the bill be considered in the House as in Committee of the Whole House on the state of the Union. Is there objection?

There was no objection.

The SPEAKER. Now, does the gentleman from Washington want to offer his amendment?

Mr. BRYAN. I move to amend by inserting, after the word "lands," in line 3, page 1, the words "belonging to the United States Government." I understand that language was in the bill and was stricken out in the Senate.

Mr. TAYLOR of Colorado. It was stricken out by both committees.

Mr. MONDELL. Both committees struck it out.

Mr. TAYLOR of Colorado. I do not think it is very important, but both committees thought it was not appropriate, and I ask that the amendment be not agreed to.

I had all of this land together with the land included in my companion bill to this withdrawn from all forms of entry for the purpose of protecting this territory for the city of Denver until this legislation could be enacted. My report upon this bill

gives a description of the object and purpose of this measure more in detail, and is in part as follows:

DEPARTMENT OF THE INTERIOR,
Washington, May 14, 1914.

Hon. EDWARD T. TAYLOR,
House of Representatives.

MY DEAR MR. TAYLOR: In response to your letter of April 13, 1914, I have this day transmitted to the President two forms of Executive orders for issuance, one reserving, in aid of House bill 15533, the land therein described and proposed to be granted to the city and county of Denver, Colo., for a public park, and the other reserving, in aid of House bill 15534, the land therein described and proposed to be incorporated into the Pike National Forest.

Cordially, yours,

FRANKLIN K. LANE.

The amendments recommended by the committee are in accordance with the suggestions offered by the Secretary of the Interior. It will appear from the report of the Interior Department that these lands are in a high and rough country; that they contain no merchantable timber and have no value for agriculture or any other purpose that would make them likely to be entered under any of the public-land laws. Being from 8 to 24 miles from the city of Denver, it is self-evident that if these lands had any appreciable value they would have been entered by some one years ago.

The city has already spent a large amount of money in building good automobile roads up to and through these lands, and it is the intention of the city authorities to place improvements upon the lands for the purpose of protecting the scenery and making them a kind of summer outing place for the people of the city and surrounding country, as well as a part of the general park system and drives of the city.

The city has by its charter and by-laws of the State the authority to purchase these lands and to spend large amounts of money toward making them attractive and preserving their scenic beauty from being destroyed. Practically all of the officials and public-spirited citizens of the State generally—and more especially of the city of Denver—are desirous that the city should own these lands, so they may control them and be justified in spending the public money in improving them.

The President has withdrawn from all forms of entry these lands, in aid of this legislation, as well as the land that is included in the accompanying bill (H. R. 15534), placing certain lands in the adjacent Pike National Forest, both of which bills have the hearty approval of the Interior Department and Agricultural Department and the President of the United States.

It is believed by the committee that no higher or better use could possibly be made of these lands than by allowing the city of Denver to take them at a nominal figure and use them for the health and pleasure of the citizens of that city and the public generally who may visit the city.

By chapter 115 of the laws of 1913 the State of Colorado authorized the city and county of Denver to acquire land outside of the limits of said city and county for parks and roads either by purchase or the exercise of the right of eminent domain.

By amendment to the city charter, known as the "mountain parks amendment," the voters of the city and county of Denver, by an overwhelming majority, provided for the accomplishment of the purpose by authorizing a levy of one-half mill per dollar each year for five years on the assessed valuation.

Under the supervision of the commissioner of property and the park commission, eminent landscape architects were employed to work out plans and report same. Their plans and reports were made and adopted.

Several thousand acres of land have been purchased by the city from private individuals and private corporations, and many thousands of dollars have been spent and are now being spent for the improvement of old roads and building new roads connecting the city and its chain of mountain parks. And many more thousand acres are to be acquired from private owners and from the State of Colorado, all to be used for public park purposes. About 200 miles of roads, old and new, are included in the project.

The city of Denver is building shelter houses, interior park roads, and improving natural springs in the areas heretofore acquired, and contemplates further work of like nature as rapidly as possible. The scenic attractions of the region are many and varied. The preservation of the natural scenery and making it easy to reach are commendable. The benefits to health and otherwise to people who may enjoy the scenery and excellent summer climate are inestimable.

The commercial value of the land is slight either for agriculture, mining, grazing, or timber. The fact that it is so near a large city and has never been appropriated for entry under the land laws is strong evidence of this fact. The President has withdrawn the land from entry in aid of this legislation.

It is believed by the committee that no higher or better use of these lands could possibly be made than by allowing the city of Denver to take them at a nominal figure and use them for the health and pleasure of the citizens of that city and the public generally who may visit the city.

Mr. MONDELL. Mr. Speaker, I think if the gentleman from Washington [Mr. BRYAN] will stop to consider a moment he will not want to urge his amendment. This is the only effect it will have: If this homesteader perfects his entry, then the status of the tract is in nowise affected by this amendment. He will have a tract of land within a forest reserve. If, however, he does not perfect his entry and the amendment offered by the gentleman from Washington is adopted, then this tract of land will still be public land within the limits of a forest reserve, and anyone can go upon it and enter it at any time. If it is wise to reserve the lands, they ought all to be reserved, unless this particular settler may want this particular tract. If he does, he gets it in any event, and under the same conditions with or without the amendment. If he sees fit to abandon his right, then if the bill is not amended the land automatically becomes a part of the forest reserve.

Mr. Speaker, just one thing more. There was some discussion here as to the effect of the language in the bill on all of these lands. The gentleman from Wisconsin [Mr. STAFFORD] asked some questions about an amendment which, as the gentleman from Colorado [Mr. TAYLOR] suggested, put these lands on the same basis and footing as all forest-reserve lands. I think that is not entirely true. I think the word "reserved," at the end of line 15, put these lands in a different category from other forest-reserve lands. Had that word been left out and the word "and," on the next line, left out, so that it read—

And the same are hereby made a part of the Platte National Forest—

Then these lands would have been in the same condition, legally, as other forest-reserve lands; but the use of the word "reserved," in my opinion, will prevent any of them being entered under any law, and, as a matter of fact, I presume that that is a more satisfactory situation from everybody's standpoint, although I think it was not intended by the gentleman from Colorado. But I do think that is what the effect would be. They are not only made a part of the forest reserve; they are also reserved. I think that would prevent their being entered under any law.

Mr. STAFFORD. If the gentleman will yield, I wish to say that the Secretary of the Interior, Mr. Lane, takes a different view in his recommendation, as found in his letter which is a part of this report.

Mr. MONDELL. I do not think the Secretary does take a different view. I think the Secretary, in taking his view, did not go far enough and did not consider the effect of this particular word.

Mr. STAFFORD. The Secretary merely recommended the striking out of the words "and withdrawn from entry," and did not suggest the striking out of the word "reserved," and stated that that would place the lands in the same category as the lands in the forest reserves generally.

Mr. MONDELL. The gentleman knows that I would not want to put my judgment against that of the Secretary of the Interior on land matters, but the gentleman knows that the Secretary of the Interior does not write all the letters that are signed by him.

Mr. STAFFORD. I would certainly want to put the judgment of the gentleman from Wyoming against that of the subordinate who may have written this letter.

Mr. MONDELL. Knowing that the Secretary did not write the letter but that somebody else did, I feel that I am not criticizing the Secretary. I have no disposition to do so; but I think whoever wrote the letter did not take into consideration the fact that the word "reserved" might be held to have the very effect that the other language proposed to be stricken out has.

Mr. STAFFORD. I appreciate the significance of the gentleman's criticism.

Mr. MONDELL. And I see no objection to it. As long as the gentleman from Colorado [Mr. TAYLOR] does not object, no one else will. I shall offer no amendment.

Mr. TAYLOR of Colorado. Regular order, Mr. Speaker.

The SPEAKER. The Clerk will report the amendment of the gentleman from Washington.

The Clerk read as follows:

Amendment by Mr. Bryan:
Page 1, line 3, after the word "lands," insert the words "of the United States Government."

The amendment was rejected.

The bill was ordered to a third reading, and was accordingly read the third time and passed.

Mr. MANN. I suggest to the gentleman that he ask that the similar House bill, H. R. 15543, be laid on the table.

Mr. TAYLOR of Colorado. I ask that the similar House bill, H. R. 15543, be laid on the table.

The SPEAKER. If there be no objection, the House bill of similar tenor will be laid on the table.

There was no objection.

On motion of Mr. TAYLOR of Colorado, a motion to reconsider the vote by which the bill passed was laid on the table.

PUBLIC BUILDING SITE, VINELAND, N. J.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 16642) authorizing the Secretary of the Treasury to disregard section 33 of the public buildings act of March 4, 1913, as to site at Vineland, N. J.

The bill was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized, in his discretion, to disregard that portion of section 33 of the public buildings act, approved March 4, 1913, which requires that the Federal building site selected at Vineland, N. J., shall be bounded on at least two sides by streets.

The SPEAKER. Is there objection?

Mr. MANN. Reserving the right to object, I should like to ask the gentleman from New Jersey [Mr. BAKER] who intro-

duced the bill, a question in reference to this Vineland Federal building site.

Mr. PARK. Mr. Speaker, during the temporary absence of the gentleman from New Jersey [Mr. BAKER], I have been requested to look after this bill.

Mr. MANN. All right.

The SPEAKER. Does the gentleman from Illinois want to ask any questions.

Mr. MANN. I should like to know why the gentleman proposes to have us disregard a section of the statute?

Mr. PARK. That provides for a street on each side of the building. This is to disregard that and to select a lot in a block with the building facing one street. The choice of the citizens almost unanimously—the patrons of the office—is for this particular lot. The Secretary of the Treasury has suggested that the provision be waived.

Mr. MANN. I see; but here we have a law which I do not think there is very much sense in, providing for 40-feet space on each side of a public building when it is erected. And now, when some gentleman wants to disregard that, I think he ought to give some very good reason for it, although I would prefer to repeal the law.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

Mr. PARK. Yes.

Mr. STAFFORD. I suppose the gentleman is acquainted with the locality which this bill affects?

Mr. PARK. No; I have only the statement of the gentleman who is interested in it.

Mr. STAFFORD. It is a very small community, with but one main thoroughfare running through it. It has a very limited extent. When I read the report it struck me as being rather unusual that they could not find some lot in a little Jersey sand-lot community like that that did not have two sides to it. I thought at first it might be that the adjoining properties on either side of the selected site were to profit by the air space. I suppose everybody who has ever gone to Atlantic City knows where Vineland is. It is just across the meadows from Atlantic City. I suppose the population is not more than two or three thousand. It is just one of those little villages in the grape-juice district. The population may have increased rapidly since grape juice has become popular.

Mr. BURNETT. Mr. Speaker, I would like to state to the gentleman that the report of the agent of the Treasury Department who went and looked at the lot is that this is much the most available lot. It is a lot desired by the people, and the agent himself says that it is best, an inside lot. I have never been there and have never seen the place, that I know of. I never have been to Atlantic City.

Mr. STAFFORD. What! The gentleman has never been to Atlantic City?

Mr. BURNETT. No.

Mr. STAFFORD. The gentleman's education has been seriously neglected.

Mr. BURNETT. There is no doubt of that, but I have had other fish to fry and could not waste time in visiting Atlantic City, or any other summer resorts. My understanding is that Vineland is a small town, and the agent of the Government recommends this as the most available and best lot, and the Treasury Department thinks that this requisition ought to be waived, a requisition which requires that there should be two sides of the building on streets. I did not report this bill, and hence I have not kept it in my mind as well as I would if I had reported it, but my recollection is that the statement of the gentleman from New Jersey [Mr. BAKER] was that it was a small town; that this is right in the business part of the town; that it would, perhaps, be inconvenient to the business section of the town to secure a lot as available or as good as this, with two sides exposed to the street.

Mr. STAFFORD. The present law requiring an air space of 40 feet on either side of the proposed building would still be in effect?

Mr. BURNETT. It is only that part of the law which requires that it will be at least on two streets.

Mr. STAFFORD. But we have another law that requires that there shall not be any building within 40 feet of either of the building lines of the public building. That law would still be in effect. This bill will require a much larger lot, if not on the corner, so far as the street frontage is concerned, than it would for a corner lot.

Mr. BURNETT. That might be true.

Mr. STAFFORD. Here are 80 feet. That must be very valuable property right there in this city or village or community where they have merely one business street, the length of one ordinary city block, where the public building is recommended to be located.

Mr. BURNETT. Those were the reasons, as I remember, that were presented to the committee and that controlled the department in recommending this to be done.

Mr. STAFFORD. The gentleman is acquainted with similar communities where, naturally, the business people would like to have the post office located on the business thoroughfare; but if we are going to pursue that policy we should repeal the law in connection with these cases requiring that there should be 40 feet of air space on either side. Otherwise you are giving to the adjoining property owners a great advantage in air or light space.

Mr. BURNETT. I think the Government could not take the land adjoining for this space without paying for it.

Mr. STAFFORD. It gives them a benefit for which they pay nothing.

Mr. MANN. Oh, they do not pay for it.

Mr. STAFFORD. No; the Government is giving to these owners 40 feet of air and light space.

Mr. BURNETT. Oh, no; the Government is taking that for its own building.

Mr. STAFFORD. But if it were on the corner it would not need 40 feet on either side.

Mr. BURNETT. That is true; and that is the reason the law was passed, no doubt. I should not be in favor of repealing the law, and yet exceptions ought to be made.

Mr. STAFFORD. I regret very much that the gentleman from New Jersey [Mr. BAKER] is not here so that he can give us the real reason; because, as I know Vineland, it is a small community, and there should be some good reason advanced why an exception should be made in this case.

Mr. MANN. Mr. Speaker, will the gentleman yield?

Mr. BURNETT. Yes.

Mr. MANN. As I understand the purpose of requiring the site to be located with streets on two sides of it, is in order to give added fire protection?

Mr. BURNETT. Yes.

Mr. MANN. As well as light and air?

Mr. BURNETT. No doubt.

Mr. MANN. What sort of fire protection do they have in Vineland?

Mr. BURNETT. I do not know. If the gentleman is making serious objection to it, I will ask that it be passed over without prejudice, because I did not report the bill, and therefore have not kept in mind the conditions as I would have done if I had reported it. I can not give any personal information about it.

Mr. MANN. I think I shall not object myself to the bill, but the question which naturally arises is whether the special agent of the department has been influenced by political considerations in urging that we waive the natural and ordinary requirements.

Mr. BURNETT. Well, of course I know nothing about that.

Mr. MANN. Of course the gentleman would not know about that.

Mr. BURNETT. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. The gentleman from Alabama asks unanimous consent to pass the bill over without prejudice. Is there objection? [After a pause.] The Chair hears none.

BRIDGE ACROSS A SLOUGH, GUNTERSVILLE, ALA.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 16679) to authorize Bryan and Albert Henry to construct a bridge across a slough, which is a part of the Tennessee River, near Guntersville, Ala.

The Clerk read as follows:

Be it enacted, etc., That Bryan and Albert Henry, of Guntersville, Ala., and their assigns be, and are hereby, authorized to construct, maintain, and operate a bridge and approaches thereto across a slough, which is a part of the Tennessee River, at a point suitable to the interests of navigation at or near Guntersville, Ala., said bridge to connect the mainland with Henry Island, in said Tennessee River, in the county of Marshall, in the State of Alabama, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The committee amendment was read, as follows:

Page 1, line 4, after the word "assigns," insert "when authorized by the State of Alabama."

Mr. ADAMSON. Mr. Speaker, I understand there is a Senate bill of similar import which has just come over. If so, I would like to ask unanimous consent to consider the Senate bill in lieu of this one.

The SPEAKER. Does the gentleman know anything about the number of it?

Mr. BURNETT. No; I do not. I did not know until a minute ago, when I was informed by the gentleman from Georgia.

The SPEAKER. The gentleman from Georgia asks unanimous consent that Senate bill 5977 be considered in lieu of the one just read. Is there objection?

Mr. ADAMSON. I will be glad to have the bill read so we can see it is identical with the House bill.

The SPEAKER. The Clerk will report the Senate bill.

The Clerk read as follows:

Be it enacted, etc., That Bryan and Albert Henry, of Guntersville, Ala., and their assigns, when authorized by the State of Alabama, be, and are hereby, authorized to construct, maintain, and operate a bridge and approaches thereto across a slough, which is a part of the Tennessee River, at a point suitable to the interests of navigation, at or near Guntersville, Ala., said bridge to connect the mainland with Henry Island, in said Tennessee River, in the county of Marshall, in the State of Alabama, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The SPEAKER. Is there objection to considering the Senate bill just read in lieu of the House bill read a few moments ago on the same subject——

Mr. MANN. Mr. Speaker, reserving the right to object, I see the Senate bill carries the language to which the committee had offered an amendment to the House bill.

Mr. ADAMSON. I will move to amend by eliminating those words.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. ADAMSON. Mr. Speaker, we intended if the House bill was considered to ask that the Senate amendment be disagreed to, and in conformity with that idea I move to strike out——

The SPEAKER. We have not reached that point yet. The question is, Is there objection to the present consideration of a Senate bill just read? [After a pause.] The Chair hears none.

Mr. ADAMSON. Mr. Chairman, I move to amend by eliminating the words "when authorized by the State of Alabama."

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Amend the Senate bill, page 1, line 4, by striking out the words "when authorized by the State of Alabama."

The question was taken, and the amendment was agreed to.

Mr. BURNETT. Mr. Speaker, I ask unanimous consent to insert after the word "Bryan," line 3, page 1, the word "Henry." It authorizes "Bryan and Albert Henry" and there is some question whether that might mean Bryan Henry and Albert Henry, although I think there is no question how the courts would construe it.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Page 1, line 3, after the word "Bryan," insert the word "Henry."

The question was taken, and the amendment was agreed to.

The Senate bill as amended was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to conform to the text.

On motion of Mr. ADAMSON, a motion to reconsider the vote by which the bill was passed was laid on the table.

Mr. ADAMSON. Mr. Speaker, I move to lay the House bill of similar title on the table.

The motion was agreed to.

REVOCABLE LICENSE FOR USE OF LANDS NEAR NASHVILLE, TENN.

The next business on the Calendar for Unanimous Consent was H. J. Res. 246, to authorize the Secretary of War to grant a revocable license for the use of lands adjoining a national cemetery near Nashville, Tenn., for public-road purposes.

The Clerk read as follows:

Resolved, etc., That the Secretary of War be, and he is hereby, authorized to permit all or any part of the land belonging to the United States and lying outside of and adjoining the north and west walls inclosing the national cemetery near Nashville, Tenn., to be used for a public road: *Provided*, That such license or permit shall be issued at the discretion of the Secretary of War and upon such terms and conditions as he may prescribe, and may be revoked at any time, with or without cause.

The SPEAKER. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, in the first place this bill was never referred to the Secretary of War for a report in reference to the park officials. Does the gentleman know whether that was done or not?

Mr. BYRNS of Tennessee. I think the bill was referred to the Secretary of War.

Mr. MANN. Well, does not my friend from Tennessee think that the House ought to be in possession of the facts that a bill of this character has been referred to the officials in charge of the park to know what they have to say about it?

Mr. HOWARD. Mr. Speaker, in answer to the gentleman, I happened to report this bill. The report from the War Department was a very short report. The Secretary of War reported adversely to this particular grant of this land, or the use of it. As this bill carried with it no positive right or any positive instructions to the Secretary of War, but after all leaving it entirely within his discretion, in view of the nature of the resolution the Committee on Military Affairs thought that it could possibly do no harm to report and pass it, and let the Secretary of War then finally ascertain what the situation is at Nashville, Tenn., as to this strip of land and the effect of this grant upon the National Cemetery.

Mr. MANN. Well, it may not be so easy for the Secretary of War to fail to yield to pressure upon him as it is for Members of Congress. It seems to me that a bill of this sort, while we are not bound at all by the opinion of the local authorities or the War Department, the bill ought to be referred to them, and we ought to have a statement from them before the House passes it.

Mr. HOWARD. It was referred, and the statement is available.

Mr. MANN. I have not seen it.

Mr. HOWARD. The statement is not a vehement declaration against the passsage of this resolution, I will state to the gentleman; but here is the situation, and I can explain it to the gentleman in a minute: When the wall was originally built around this cemetery, it left a space of about 50 feet lying outside of the wall which has not been used.

Since that time all of this property around the cemetery has been cut up and magnificent residences will soon be in the course of construction.

Mr. MANN. What does the gentleman mean by magnificent residences?

Mr. HOWARD. Fine residences. That is to say, the very best residential section of the city has been going out that way, so I have been informed, and they are building fine houses, costing from $8,000 to $15,000 each. They have gotten up to this cemetery part of the subdivision. The committee thought this: That rather than to have the garages, the barns, and outbuildings incident to residences back up on the cemetery, it would be much more advantageous not only to the looks but to the property to have these residences fronting this 50-foot road, which is absolutely of no value to the Government. People do not use it; they do not care for it as they should; the strip itself is practically an eyesore, because the attention of the Government is given to the inside of the wall, to the graves of the veterans who are buried there. The committee thought, and I most heartily concur in their conclusion, that it would be much better for the cemetery proper—that is, for its future surroundings—to have these buildings fronting upon it than backing upon it.

Now, one or the other is going to happen. Inasmuch as the gentleman from Tennessee [Mr. BYRNS] knows more about it——

Mr. BYRNS of Tennessee. In addition to what the gentleman from Georgia has said, I wish to say to the gentleman from Illinois and to the House that this cemetery is located about 6 miles from the central part of the city of Nashville. As the gentleman from Georgia has stated, the town is growing in that direction; that is, the eastern portion of it. These lots adjoining the cemetery have been cut up into lots of an acre, and possibly larger, dimensions. Those who own lots which adjoin the cemetery desire to build their homes fronting the cemetery, for obvious reasons, and will do so if they are permitted to use this unused portion of the Government lands for road purposes, but if they are not permitted to use these unused portions of land for road purposes they will front their lots in the other direction and build their roads in conjunction with those who own the lots in the rear. The gentleman can see it would be much cheaper for them to do so, but they would much prefer to go to the additional expense of constructing the entire road and maintaining it in order to get the view they will get if they can front upon the cemetery.

Now, in addition to that, as the gentleman from Georgia [Mr. HOWARD] has stated, for some reason when the stone wall was placed around the cemetery the Government authorities left on the west side, I think, 25.5 feet of land on the outside of the wall and on the north side 50 feet of land. That portion of land outside of the wall is not kept in as good condition as the cemetery itself. The gentleman can readily appreciate the fact that from time to time brush is thrown over the wall, weeds grow up on it, and so forth. In other words, it is not a part of the cemetery proper.

Mr. STAFFORD. Can the gentleman explain the reason why that land was reserved and the wall was not extended out to the extreme boundaries of the Government property?

Mr. BYRNS of Tennessee. I can not. I have asked the question, and no one seems to know. If these houses front in the

other direction, as the gentleman from Georgia says, it will mean that stables or barns will be built there adjoining the Government property, and those who have automobiles will put their garages there and their outhouses there, because the gentleman will understand that this is outside of the corporate limits of the city of Nashville, and I do not know whether they will have water facilities there for a while or not. And I can see how it would be very objectionable to the cemetery and those who visit the cemetery to have fronting up on the north and west side of this cemetery a lot of stables, barns, garages, and other outhouses incident to a house or suburban home outside of the corporate limits of the city of Nashville.

Mr. MANN. How many houses have been already constructed there?

Mr. BYRNS of Tennessee. Unless some house has been constructed within the last month or six weeks, I do not think any has been constructed, because these gentlemen have been waiting to see what would be done.

Mr. MANN. My friend from Georgia [Mr. HOWARD] said they were building magnificent houses.

Mr. HOWARD. I said up to the cemetery property. I said that in the development of this suburban property up to the cemetery they had built splendid residences.

Mr. BYRNS of Tennessee. Unless some have been built in the last six weeks, they have not constructed any on the west side. I understand that on the north side of the cemetery houses are going up, but they are fronting in the opposite direction, with the rear next to the cemetery. But I am told that the gentlemen on the west side, who own this land and who desire to front on the cemetery, are delaying the construction of their buildings until they see what is to be done.

Mr. MANN. If this bill should not pass and this property should not be built into a public road, where would the houses front?

Mr. BYRNS of Tennessee. I am told by Mr. Sanford Duncan, of Nashville, that he intends to front his house to the lots in the rear.

Mr. MANN. What does he front on? That is what I want to know.

Mr. BYRNS of Tennessee. He, in conjunction with those who own the lots in the rear, will build a road between those lots.

Mr. MANN. The property is not subdivided?

Mr. BYRNS of Tennessee. The property has been subdivided, but there are no roads.

Mr. MANN. If it was subdivided, was it laid out without any streets at all?

Mr. BYRNS of Tennessee. The gentlemen will understand that these are lots of 3 or 4 acres, with no roads or anything of the sort, and the people who own the lots will get together and construct a proper road. It is not laid out as town lots.

Mr. STAFFORD. Though the width of the proposed dedicated tract is given, it is not stated how long the proposed tract is, so that we can get an idea of the amount of land that is really going to be dedicated.

Mr. BYRNS of Tennessee. Well, it would be a mere guess upon my part. It is the entire length of the cemetery.

Mr. MANN. How high is this cemetery wall?

Mr. BYRNS of Tennessee. It is probably waist high.

Mr. MANN. You say that on the north side there is about 50 feet on the outside?

Mr. BYRNS of Tennessee. Yes; but I understand that that will not be asked for, because the buildings are going up.

Mr. MANN. How long is that west side, where it is 26½ feet wide?

Mr. BYRNS of Tennessee. I should imagine it was two to four hundred yards; but that is a mere guess on my part.

Mr. MANN. Does my friend from Tennessee really think that anybody will front a house upon a cemetery with a road between him and the cemetery only 26 feet wide, including the sidewalk, I suppose?

Mr. BYRNS of Tennessee. Oh, I take it that those gentlemen, if they need more road, will provide for it out of their lands.

Mr. MANN. It is only a pretty good alley, not a road.

Mr. BYRNS of Tennessee. The gentleman will understand that there will be only one sidewalk, and that is in front of the lots.

Mr. MANN. I said "sidewalk," not "sidewalks." Is the gentleman going to insert in here, after the word "hereby," the words "in his discretion"?

Mr. BYRNS of Tennessee. I am perfectly willing to accept that amendment. This is only to give the authority; to grant it, if the Secretary of War thinks it wise to do so.

Mr. STAFFORD. Mr. Speaker, there is only one other question that I wanted to ask. I assume that this road will be maintained by the local authorities?

Mr. BYRNS of Tennessee. Undoubtedly.

Mr. STAFFORD. Would the gentleman have any objection, then, to inserting, after the word "road," the language "and maintained by the local authorities"?

Mr. BYRNS of Tennessee. None whatever.

Mr. STAFFORD. You know in many instances they have come to Congress, when we have dedicated a road, and asked us to maintain it. This being for the direct benefit of the property owners, they certainly should pay for the continued improvement of it.

Mr. BYRNS of Tennessee. The owners of the property do not desire to put the Government to any expense whatever.

Mr. DONOVAN. Mr. Speaker, I call for the regular order.

The SPEAKER. The regular order is, Is there objection to the present consideration of this bill?

There was no objection.

Mr. BYRNS of Tennessee. Mr. Speaker, I ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. The gentleman from Tennessee [Mr. BYRNS] asks unanimous consent that the bill be considered in the House as in Committee of the Whole. Is there objection?

There was no objection.

Mr. BYRNS of Tennessee. Mr. Speaker, I move that line 8 be amended by adding, after the word "hereby," the words "in his discretion."

The SPEAKER pro tempore (Mr. WINGO). The Clerk will report the amendment.

The Clerk read as follows:

Amend, page 1, line 8, by adding, after the word "hereby," the words "in his discretion."

The SPEAKER pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. BYRNS of Tennessee. Now, Mr. Speaker, I move that after the word "road," on line 7, there be inserted the following: "and to be maintained by the local authorities."

The SPEAKER pro tempore. The Clerk will report the amendment offered by the gentleman from Tennessee.

The Clerk read as follows:

Page 1, line 7, after the word "road," insert the words "and to be maintained by the local authorities."

The SPEAKER pro tempore. The question is on agreeing to the amendment offered by the gentleman from Tennessee.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the House joint resolution.

The House joint resolution as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. BYRNS of Tennessee, a motion to reconsider the vote whereby the bill was passed was laid on the table.

The SPEAKER pro tempore. The Clerk will report the next bill.

PRESERVATION OF MINERAL SPRINGS IN NEW MEXICO.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 12050) reserving from entry, location, or sale lots 1 and 2, in section 33, township 13 south, range 4 west, New Mexico prime meridian, in Sierra County, N. Mex., and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the consideration of the bill?

Mr. MANN. Reserving the right to object, Mr. Speaker, it has not been read yet.

Mr. STAFFORD. Let the bill be reported, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the bill.

The Clerk read the bill, as follows:

Be it enacted, etc., That lots 1 and 2, in section 33, township 13 south, range 4 west, New Mexico prime meridian, situated in the county of Sierra, State of New Mexico, be hereby set apart from the public domain and reserved from entry, location, or sale for the purpose of preserving for the use of the public the valuable mineral springs located upon said lots.

SEC. 2. That the Secretary of the Interior be, and he is hereby, authorized to control the use of said lots and the waters thereon, and to make regulations for the government of the reservation, and to make such contracts, agreements, and leases as will best preserve them for the use of the public; and all moneys received from such contracts, agreements, and leases by way of remuneration, or from any other source in connection with this reservation, shall be covered into the Treasury of the United States as a special fund to be disbursed by the Secretary of the Interior for the protection, maintenance, and improvement of said reservation.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. MONDELL. Mr. Speaker, reserving the right to object, I want to ask the gentleman from New Mexico [Mr. FERGUS-

son] if he does not think it would be a good thing to give to the people of the State of New Mexico the right to preserve these springs for the benefit of the public, rather than to unload them on the Federal Government?

Mr. FERGUSSON. This land belongs to the Government of the United States.

Mr. MONDELL. I understand. This is the beginning; this is the nose of the camel poked into the tent for a national park. Hot springs are thick out in that western country. If we were to reserve all the hot springs there are we would have a great many more reservations than we have now. If those hot springs are valuable the State of New Mexico ought to take care of them for the benefit of the people. I think the Federal Government ought to grant them to the State of New Mexico if the State of New Mexico wants them. Would the gentleman agree to an amendment, if it were satisfactory all around, to grant this land to the State of New Mexico for the purpose of preserving these springs for the use of the public?

Mr. FERGUSSON. I prefer not to do that.

Mr. MONDELL. Oh, I realize that the gentleman would prefer to have the Federal Government build up an elaborate resort there.

Mr. FERGUSSON. But the gentleman will observe from the terms of the bill that this is to cost the Government actually nothing.

Mr. MONDELL. Now, nothing; next year something, and the year after more, and thereafter very much. [Laughter.]

Mr. FERGUSSON. Will the gentleman allow me to state what I want to state?

Mr. MONDELL. Certainly.

Mr. FERGUSSON. This belongs to the Government. It is now, like other valuable hot springs, reserved from entry of any kind by the public—by the people.

It has been so reserved for many years. Heretofore, until within the last year or two, it has been practically inaccessible. These springs are on the west bank of the Rio Grande, a few miles below the Elephant Butte Dam, which is being constructed at a very large expense by the Government, involving the improvement of the road to the nearest railway station, about 16 miles away, on the Atchison, Topeka & Santa Fe Railroad, and also involving the building of a splendid bridge. Since the springs have become thus accessible the absolutely insufficient accommodations there can not begin to serve the suffering people who come and want to avail themselves of the springs, for the reason that the shacks, tents, and improvements there now are put on by squatters at their own expense. There is no adequate hotel, and there are no adequate accommodations for people who are seeking these springs. The proposition is that the springs are to be cared for and leased under the auspices of the Secretary of the Interior. That is, there are to be leases of certain sites for the building of certain hotels, involving the right to distribute the water through the hotels so that the public can use them. It had better be done by the Government as all such springs are controlled and regulated by the Government. There will be no expense to the Government, as the bill simply provides that whatever surplus comes from the leases shall be turned back by the Secretary of the Interior for further improvements.

Mr. MONDELL. The gentleman from New Mexico says this should be "as all other springs are."

Mr. FERGUSSON. Perhaps I should have said "as many are."

Mr. MONDELL. The Government does not control any hot springs anywhere, so far as I know, except the Hot Springs of Arkansas, and some people think we should not control them. Down in Oklahoma we have also what is known as the Platte National Park where there are some hot springs, which we have been trying to get rid of for years. The gentleman said this would not cost anything.

Mr. FERGUSSON. It will not cost the Government anything.

Mr. MONDELL. But the gentleman proceeds to outline a very elaborate scheme of expenditure. In other words, what the gentleman wants us finally do is to establish down there at these particular hot springs a national park, and have the Government spend a great deal of money there. I will say to my friend from New Mexico that I have had some experience in this matter of hot springs. In the State of Wyoming we have what I understand is about the largest single hot spring in the United States, if not in the world. I think it has been estimated that every man, woman, and child under the American flag could be furnished with a gallon of water per day from the flow of that single spring, which is about 8 feet across and flows up with great force. Years ago I endeavored to have the Federal Government take over that spring and reserve it. Of course the argument was similar to the argument which the gentleman makes, that the reservation of the spring would not cost anything, but we expected the Federal Government to spend money for improving it. A bill passed the House providing for the reservation of the spring and its improvement. The bill failed in the Senate, but I substituted for it a bill under which the United States granted to the State of Wyoming the land on which the spring is located, and the State took over the spring and erected bathhouses and provided for the use of the spring by the people. The State assumed the responsibility and expense, and now we are glad of it. We did not want to do it at the time, but now we are very glad we did, and I am sure the people of New Mexico ultimately would be very much better pleased to own these springs themselves and utilize them for the benefit of the people, than to have the Federal Government take them over and have the people of the country spend their money for the upbuilding, protection, care, and improvement of these local springs in New Mexico, which are probably very excellent springs, but possibly no better than many others scattered over the western country.

I regret to object to a bill of this sort, and yet I feel that it is my duty to object to it, because I do not think we ought to load this expense on the Federal Government or take these springs out of the control of the people. The Secretary of the Interior has exercised the power, under laws now upon the statute books, to reserve the springs. He can do that. The gentleman says that he is doing it, but this official reservation is intended as the beginning of a national park. I should be very glad indeed to join the gentleman in an amendment which would turn these springs over to the good State of New Mexico, in order that that Commonwealth may preserve and improve these springs for the benefit of its people.

Mr. FERGUSSON. Will the gentleman allow me to explain a little further? I am satisfied he will not defeat this bill if he will listen to my explanation. This is absolutely needed. Sierra County is a little mining county and also a large cattle county. The miners and cowboys and inhabitants around that country can not go far away for their health.

Mr. MONDELL. Will the gentleman yield to me? I think I know the situation there just as well as though I had a picture of it. I know the kind of country it is. We had exactly the same situation in Wyoming.

Mr. FERGUSSON. The gentleman evidently does not know, because I see from what he says he does not know. I think I have the right to ask the courtesy of the gentleman to be allowed to explain.

Mr. MONDELL. Certainly; I have no objection to that.

Mr. FERGUSSON. These springs have been a blessing to the neighboring sufferers who could get to them. Because of their inaccessibility heretofore more has not been said about them. As I was explaining a moment ago, they are on the west side of the river. The Atchison, Topeka & Santa Fe Railroad runs through that country on the east side of the river, and 16 miles from the railroad the Government has lately built a splendid road to the Elephant Butte Dam and a fine bridge across the river. Five or six miles down the river these springs are located. In consequence of that bridge and the Federal road the springs are now more accessible, and they can not begin to supply the demand for accommodations. They are an absolute blessing to people who are afflicted with certain diseases, and they are also fine for people afflicted with rheumatism, to which the men who work in the damp mines are subject. The springs have great local celebrity. They are absolutely reserved from any use, reserved by the Government because they are mineral springs, and nobody but squatters can locate there, and the accommodations which they have put up are very small and wholly inadequate.

The acreage is only between 75 and 80, as I am told, and the object of this bill is not to get any money out of the Government. The celebrity of these springs, their absolute necessity in that country, make this bill necessary. The ordinary people are crowding in there and this makes it certain that the Secretary of the Interior will be able to make leases that will bring a revenue, which will enable him more and more to improve these springs and make them useful to the whole world. The gentleman is right in saying that there are many fine springs in the Rocky Mountain region, in New Mexico. There is no doubt about that, but they are inaccessible. There are springs that have hot and cold water, there are springs of white sulphur, red sulphur, five or six different minerals that have great celebrity, but they are many miles from any roads. Now, these springs are becoming accessible, so that men will be able to build hotels and distribute these waters and make them useful, and the Government will get sufficient revenue to make it cost the Government nothing. This bill entails no expense, but gives to the Secretary of the Treasury authority to make leases that

will tend to make useful the water. The State is a new State. It is heavily laden with expenses, and to turn this over to the State is wholly inadequate at the present time. Later, if it should be found that they are a useless expense to the Government, that will be time enough to insist on turning them over to the State.

Mr. MONDELL. Mr. Speaker, the gentleman is not entirely logical. He says that this is not going to cost the Government anything, but he does not want the State of New Mexico to take them over because the State is not able to pay the cost of their control and improvement.

Mr. FERGUSSON. I did not say that.

Mr. MONDELL. I so understood the gentleman. The State of New Mexico, he said, was a new State, and it was poor, and it was unable to bear any burdens, and now he says that there are no burdens.

Mr. FERGUSSON. We have not the machinery in the State government which will be necessary to take over and supervise these springs.

Mr. MONDELL. Mr. Speaker, we had that sort of experience in Wyoming, I will say to the gentleman. We thought we wanted a national park established at our famous Hot Springs. Congress in its wisdom saw fit not to do it. It gave us the land, and our State has proceeded to take care of those springs for the benefit of the people of the State. These springs will be utilized to a very great extent, I hope, and we all hope, and ought to be, and they ought to be cared for, and they ought to be under the jurisdiction of the people of the Commonwealth. I am proposing to object to the bill on behalf of the rights and interests of the people of New Mexico. If the gentleman will give me an opportunity, I will offer an amendment—that is, if he will agree to accept it—under which these lands shall be ceded to the people of New Mexico, with a pledge that they will care for them in the interest of the people. That is the best thing that could be done with them. They entail some expenditure, whether the State has them or the Federal Government. There is no use attempting to disguise that fact. In the long run the people of New Mexico will be very much happier if they control these springs than they will if the Federal Government controls them, and the Public Treasury will be much relieved.

Of course, there will be a few less Federal jobs down in New Mexico, but I believe in State rights, in local control, and I am surprised at a gentleman on the other side getting up here and advocating this kind of federalism. He wants to take these lands in the sovereign State of New Mexico and have them perpetually controlled by the bureaucratic agents of the Federal Government. He wants to take from the people of the sovereign State of New Mexico all of their sovereign right and jurisdiction over these glorious hot springs that are bubbling up in healing purity under the brilliant sunshine of that beautiful country. I am amazed. Let me make this further suggestion to the gentleman, that, as a matter of fact, his reservation by the United States would not have any effect on the use of the waters of the springs. I could go down there to-morrow after this reservation was made and under the laws of his State I could secure control of such waters of those springs as are not now being used. I would have to secure it for a beneficial purpose. I would have to put it to a beneficial use. I would not be able to reserve it from use, but could control its use. The ownership of the land by the Federal Government would not of itself give the Federal Government control over any of these waters. Of course, the Secretary of the Interior after such a bill passed could apply to appropriate those waters, just as anyone else, and he could secure the same rights that others could secure; but the passage of this bill would not of itself reserve those springs to the Federal Government at all.

Mr. FERGUSSON. Mr. Speaker, will the gentleman yield?

Mr. MONDELL. Yes.

Mr. FERGUSSON. Will the gentleman be satisfied to offer his amendment after it is taken up for consideration, and let it be voted on? If the gentleman's reasons appeal to the House, I shall bow to it.

Mr. MONDELL. Oh, the gentleman knows that that is not a fair proposition.

Mr. FERGUSSON. I hope the gentleman will not by the power of one vote defeat this bill that is of such urgent necessity to the suffering people of my State.

Mr. MONDELL. Mr. Speaker, answering that suggestion I want to say to the gentleman that he knows just as well as I do that the passage of this bill will not necessarily relieve anybody. The Secretary of the Interior already has those lands under reservation.

Mr. FERGUSSON. But the Secretary is not authorized. I have it from his own lips that this authorization is necessary for him to make leases, to empower men, and give them time enough to justify them in improving the surroundings, to facilitate the use of the water so that they will be of a benefit to the people. He requires the additional authority. It is true that hot springs and mineral springs that are on public lands are reserved, but it takes additional legislation to enable proper contracts for improving them.

Mr. MONDELL. Mr. Speaker, the Secretary of the Interior has not a dollar that I know of with which he could send anybody down there to make these contracts unless we appropriate for it, and the Secretary now has the land reserved, and he can regulate the use of it. There is not anyone going to be denied the use of the waters because we do not legislate. They are being utilized now, and the Secretary of the Interior, no doubt, is in control. The only difference that there would be is that under this legislation the Secretary might make some contracts, wise or unwise, relative to the use of these waters for all time, or for such time as he saw fit. Even if the Secretary were to be authorized to do that, we ought to have some general regulations under which he is to do it. Under the bill he might lease it all to one man or to several men for a long time or in perpetuity.

Here are springs necessary to the happiness and comfort of the people down there. The gentleman would give the Secretary of the Interior the right to lease all of them in perpetuity to some one man. That is what the bill does. I want to give the springs into the keeping of the people of New Mexico.

Mr. FERGUSSON. The gentleman can help us perfect the bill as far as that is concerned, and if the gentleman will let the bill come up he can offer any amendment he pleases.

Mr. MONDELL. I will not object if the gentleman will agree to an amendment whereby these lands are to be obtained by the people of the State of New Mexico. I am a friend of the good people of the State of New Mexico, and I want to see them control these health-giving waters——

Mr. FERGUSSON. Plainly such a bill can not pass and become a law. The whole endeavor of this project is to help those people.

The SPEAKER pro tempore. Is there objection?

Mr. MONDELL. I object.

Mr. FERGUSSON. Will the gentleman, before he objects, suggest what language he wants to put in, so that I may have a chance to see it?

Mr. MONDELL. Oh, yes; I would strike out all after the word "hereby"—

Mr. FERGUSSON. Not desiring to delay the consideration of other bills on the Calendar for Unanimous Consent which Members are anxious to have come up for consideration, I would ask that this bill be passed without prejudice until I can confer with the gentleman.

Mr. MONDELL. I have no objection.

Mr. FERGUSSON. So that I can consider what amendment the gentleman desires.

The SPEAKER pro tempore. Is there objection to passing the bill over without prejudice? [After a pause.] The Chair hears none, and it is so ordered.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. BARTHOLDT, indefinitely, on account of a death in his family.

To Mr. KIRKPATRICK, for one week, on account of medical treatment.

To Mr. RUBEY, for two weeks, on account of death of his father.

To Mr. DICKINSON, for two weeks, on account of illness.

CONTRACTS UNDER RECLAMATION ACTS.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 124) authorizing and directing the Secretary of the Interior to investigate and settle certain accounts under the reclamation acts, and for other purposes.

The Clerk read as follows:

Be it enacted, etc., That hereafter whenever a contract made under the reclamation act of June 17, 1902, or acts amendatory thereof or supplementary thereto shall be suspended on account of default of the contractor and the work is taken over by the Government for completion, either by Government forces or by contract, the Reclamation Service is hereby authorized to pay from the reclamation fund, on account of the contractor and the sureties, for labor actually performed on the work and for all or any part of the materials, plant, and supplies ordered by the contractor delivered at the work and needed therefor, upon satisfactory evidence that the same has not been paid for by or on account of the contractor. Any payment so made by the Reclamation Service shall be charged against the contractor and the sureties, who shall be liable therefor. All claims under this act must be filed with the Reclamation Service within 90 days after the suspension of such contract. All contracts for construction or repair of a public

work under the reclamation act or acts amendatory thereof or supplementary thereto shall provide that all books and papers of the contractor regarding the hire and payment of labor and the ordering, purchase, and payment for materials, plant, and supplies shall become available in settlement of claims thereunder. Any claimant who under oath knowingly makes a false claim or a false statement in regard thereto, under the terms of this act, shall be deemed guilty of perjury and subject to the punishment provided therefor by law. A decision of the Secretary of the Interior against any claimant under this act shall not preclude such claimant from proceeding in accordance with the provisions of the act of February 24, 1905, or acts amendatory thereof or supplementary thereto, in order to recover from the contractor or the sureties any amounts claimed to be due him in connection with such contract. The Secretary of the Interior is hereby authorized to make necessary rules and regulations for the filing of sworn statements of claims and other procedure for determining the amounts due under the terms of this act.

The committee amendment was read, as follows:

Page 1, lines 3 and 4, strike out the following words: "That hereafter, whenever a contract made under the reclamation act of June 17, 1902," and insert in lieu thereof the following words: "That whenever a contract for the construction or repair of public works hereafter made under the reclamation act of June 17, 1902."

The SPEAKER pro tempore. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, I would like to ask the gentleman a question or two, or some one in charge of the bill. What is meant, in the first place, by a contract being suspended?

Mr. RAKER. On account of the confusion, I did not hear the gentleman.

Mr. MANN. This bill covers what is ordinarily called a mechanics' lien—claims in certain places under the Reclamation Service—and only takes effect whenever the contract shall have been suspended on account of the fault of the contractor, and so forth?

Mr. RAKER. Yes.

Mr. MANN. What is meant by the term "contract be suspended"?

Mr. RAKER. Under the law as it now exists and as the projects are being developed, where a contract is entered into between the Reclamation Service and the third party to do the work, if he fails to do the work up to the standard, or if he neglects it on account of lack of funds and quits, why, then the Secretary of the Interior suspends the contract and takes over the work and proceeds with it.

Mr. MANN. Does the law say that the contract shall be suspended?

Mr. RAKER. Yes.

Mr. MANN. Is that in the law?

Mr. RAKER. That is in the contract entered into. In other words, if a man has a contract for digging——

Mr. MANN. I know what the facts are.

Mr. RAKER. When he fails to do the work which is provided in the contract, and when he does not proceed under the rules and regulations, the Government takes over the work and completes it itself and charges up to the contractor the amount of money expended.

Mr. MANN. That is provided in the contract?

Mr. RAKER. Yes, sir.

Mr. MANN. That is part of the contract that we had.

Mr. RAKER. Yes.

Mr. MANN. Then plainly the contract is not suspended; it is in operation.

Mr. RAKER. I mean so far as the work between the Government and the man who obtained the contract is concerned.

Mr. MANN. I do not find any such language here. This says when the contract shall be suspended. I do not think the contract is suspended until the work is completed.

Mr. RAKER. It is suspended as to that one feature.

Mr. MANN. That is not what this bill says.

Mr. RAKER. Well, what suggestion has the gentleman to make in reference to it?

Mr. MANN. My suggestion is that this language in here does not carry it out or mean anything.

Mr. RAKER. Well, the Secretary of Agriculture and the Attorney General believe it does.

Mr. MANN. I do not find any evidence of that.

Mr. RAKER. Well, they did not pick out any particular words, but the three departments——

Mr. MANN. Unfortunately that is very often the case, and I will say to the gentleman I am very heartily in favor of some good mechanic lien law that gives any man who furnishes supplies or labor a lien for the amount that is due him. I do not think this does that yet. Now, this statement, "Any payment so made by the Reclamation Service shall be charged against the contractor and securities, who shall be liable therefor." That is, you may after you require the Government to pay the bill.

Mr. RAKER. Yes.

Mr. MANN. Suppose there is not that much due to the contractor, or suppose the sureties do not give a bond to that amount. How are you going to make them liable?

Mr. RAKER. Well, I will answer by saying that that would be an unfortunate condition.

Mr. MANN. It would be, but that is what we are dealing with, an unfortunate condition.

Mr. RAKER. I want to say that the Government should not be so negligent, in taking a bond in preparing these contracts, that the laborers or material men who furnish these things for these works should be deprived of their money or their labor, or that which is due them for supplies which they have furnished.

Mr. MANN. That has not anything to do with the principle. How can you make the sureties liable for a greater amount than their bond?

Mr. RAKER. You can not. There is no question about it.

Mr. MANN. This says that you do.

Mr. RAKER. No. You provide in your bond—suppose it is $100,000 and there is a deficiency of $50,000——

Mr. MANN. That is easy; but supposing the bond is $50,000 and the deficiency is $100,000?

Mr. RAKER. They will only pay then 50 cents on the dollar.

Mr. MANN. This says the surety shall be liable for the amount that is paid, and directs that the full amount be paid.

Mr. RAKER. Surely they will have to be liable for the amount to be paid. But if the sum is only $100,000 and the amount is $150,000, they would only be responsible for $100,000.

Mr. MANN. But this says they are liable for the full amount.

Mr. RAKER. But if the penalty is only $50,000 and they have expended $60,000, they will only recover $50,000 under the bond.

Mr. MANN. I do not know how it will be with the bonds hereafter. If the law provides that the bondsmen shall be liable, I do not know. They did not know when they entered into the bond——

Mr. RAKER. This would apply to contracts hereafter entered into. That is a provision of the bill.

Mr. MANN. Then it might make bondsmen liable.

Mr. RAKER. That is the provision of the bill, and it is so arranged for that purpose. They could not interfere with contracts already entered into.

Mr. MANN. It makes the bondsmen liable for the full amount regardless of the amount of their bond. At least, it purports to do so.

Mr. RAKER. The gentleman will recognize this fact, that in all statutory provisions you must provide that the bondsmen will be responsible for all the damage occasioned. Now, that must be read in connection with the further statute, which provides the penal sum of the bond; and no difference what the damage or loss might be, you never can go over the penal sum of the bond. There is no question about it.

Mr. MANN. What do you put it in the law for?

Mr. RAKER. So as to leave no doubt that he is liable.

Mr. MANN. Now, let me ask another question. Suppose the Government makes a contract and the contractor goes ahead with the work and draws down the money from the Government under his contract, but does not pay his bills? The Government has no notice of that fact. Under the terms of this bill, when he gets the work nearly done, having not paid his bills for either labor or supplies, he defaults; then you provide that the Government, having no notice, shall pay all of those bills?

Mr. SELDOMRIDGE. Will the gentleman yield?

Mr. RAKER. In response to that, there is something in the neighborhood of 25 per cent always retained on each payment, so it leaves a fairly good sum to pay up such matters.

Mr. MANN. That would depend. Twenty-five per cent is not very much of a sum.

Mr. RAKER. That is the same condition under all contracts.

Mr. MANN. I beg the gentleman's pardon.

Mr. RAKER. Practically all building contracts. It varies in amount.

Mr. MANN. I do not think there is a mechanic's lien law where the man is not required to give notice, if he wants his rights preserved.

Mr. RAKER. If this was a mechanic's lien law, we would agree upon it. There is no such a thing——

Mr. MANN. I think there ought to be a mechanic's lien law against the Government.

Mr. RAKER. Well, until we can get the people to pass such a law, ought we not to give some protection to the poor fellow who works?

Mr. MANN. We ought to give him protection, and at the same time give the Government protection, and there is no

reason why a man who furnishes supplies to a doubtful contractor should not give a notice to the General Government at the same time, so that neither the Government nor he can be defrauded by the contractor who wants to defraud both. There is no such provision in here.

Mr. RAKER. Let me call the gentleman's attention to the fact that it is all up to the judgment of the Secretary of the Interior. The entire membership of this House has said so many times that they are satisfied with his judgment. Now, when he takes the bond he can fix the bond at the full amount of the contract price, or even double it, if he wants to, so as to leave an impossibility of a deficit on any kind of material, and the laborers will not lose, or the Government will not lose, if the Secretary of the Interior will fix the bond high enough. That is all there is to it.

Mr. MANN. But the Secretary of the Interior will not and ought not to require a larger bond than he thinks is necessary, because you know when you require an exorbitant bond it means that much more expense charged to the Government. Now, we are dealing with an exceptional case, where the contractor for some reason fails, possibly because the cost of the construction is more than he anticipated or more than the Government anticipated. I am perfectly willing to protect the man who furnishes the labor or supplies, but I do not see any reason why we should not at the same time protect the Government.

Mr. RAKER. How could the gentleman suggest we could protect the Government any more than we have here?

Mr. MANN. I think those people ought to give notice to the Government.

Mr. RAKER. I would see no objection to it. I think it would be a good thing. There is no objection to it.

Mr. SELDOMRIDGE. Mr. Speaker, will the gentleman yield?

Mr. RAKER. Yes; I yield.

Mr. SELDOMRIDGE. In the State of Wyoming there is an excellent mechanic's lien law, that applies to all corporations and ditch-construction companies and railroad companies——

Mr. RAKER. They have that in every State to-day——

Mr. SELDOMRIDGE. Under which persons furnishing supplies are required to give notice to the parties letting the contract of their indebtedness, and it seems to me there ought to be in this bill a provision such as the gentleman from Illinois [Mr. MANN] suggests, that would require dealers furnishing supplies to the contractors to notify the Government of the amount of supplies furnished, and the contractor should also be required to furnish to the Government a receipt from merchants and laborers to the effect that he has satisfied their claims before the Government makes the required payments to him.

Mr. RAKER. The bill provides for that.

Mr. MANN. I want to compliment the gentleman from California [Mr. RAKER] on introducing the bill and getting it reported. It is a step forward. I am in favor of a mechanic's lien on all contracts that the Government enters into. Of course I know that the War Department, in engineering and river and harbor construction, is opposed to it. There was formerly a law on that subject, and it was repealed. I believe there should be a law on the statute books whereby the man who furnishes labor and supplies to the contractor will be protected absolutely if he wishes to be.

Mr. RAKER. That is such a serious question that it might complicate the whole thing. But from observation it does seem to me that we make too many mistakes in taking little insignificant bonds, with bogus bondsmen on those bonds, to do the work. That is one great failing in these contract matters, and the same way with the Government. Some slick, oily chap comes up and presents Brown and Jones and submits what they have, and they take them.

Mr. MANN. Yet under the gentleman's bill one of these slick gentlemen gets a Government contract and can go ahead and buy supplies and hire labor until he gets the contract almost finished and draws his money from the Government. Then the Government, having paid him, will have to turn around and pay to people who supplied labor and supplies the entire amount in addition.

Mr. RAKER. I think the statute already provides that they must pay within certain limits under the contract. They must pay every week or perhaps every two weeks. But even in a week you can practically ruin the laboring man.

Mr. MANN. We have had the Corbett Tunnel statute, and there has been no statute on the subject enacted since then.

Mr. RAKER. I say, in entering the contract——

Mr. MANN. I say they were not paid in that case.

Mr. RAKER. What amendment would the gentleman suggest as to notice there?

Mr. MANN. I really do not know enough about this form of legislation to suggest the proper amendment, but I hope the gentleman will try to prepare the proper language.

Mr. TAYLOR of Colorado. If the gentleman will permit——

Mr. RAKER. Certainly.

Mr. TAYLOR of Colorado. I may say that in the Committee on the Irrigation of Arid Lands, of which the gentleman from California [Mr. RAKER] is not a member——

Mr. MANN. If I were on the gentleman's committee, I would ask that a bill of that sort go to the Committee on the Judiciary.

Mr. MONDELL. Will the gentleman from California yield to me for a question?

Mr. RAKER. Yes.

Mr. MONDELL. What would occur under this bill in this condition of affairs: A contractor fails; the Government takes over the work and proceeds to the completion of the contract; the cost to the Government for the completion of the contract over the contract price more than exceeds the bond which would be given under this bill; the lien of the Government or the lien of the laborers and those who furnished supplies——

Mr. RAKER. There is no lien here.

Mr. MONDELL. Well, no; you do not call it a lien.

Mr. RAKER. You can not call it a lien.

Mr. MONDELL. Then I will change my question.

Mr. RAKER. Let the gentleman put his question.

Mr. MONDELL. Who would be paid first—the Government or the laborer?

Mr. RAKER. Under this bill?

Mr. MONDELL. Yes.

Mr. RAKER. The laborer.

Mr. MONDELL. I doubt it.

Mr. RAKER. Sure.

Mr. MONDELL. I do not see where the gentleman can read anything of that kind into the bill as it should be.

Mr. RAKER. It is clearly provided in the bill that when the contractor fails to pay, or any other failure occurs, and the work is taken over by the Reclamation Service, or the Government, properly speaking, then the laborers or claimants present their claims to the Secretary of the Interior, and he verifies the claims and pays them out of the reclamation fund.

Mr. MONDELL. Yes; out of the reclamation fund, within the liability of the contractor. But the liability of the contractor must necessarily be considered after the cost to the Government, and there is nothing in the gentleman's bill that prefers the labor or prefers the person who furnishes material and supplies over the Government.

Let me remind my friend from California that in the Corbett Tunnel case, which has become rather notorious here, where there was a failing of the contractor, the difficulty was that when the Government came to take over the work and complete it the contractors owed the Government several thousand dollars, $25,000 or $30,000, without taking into consideration the labor or the material; and the result was that there were no funds from which the Government could pay the labor or the material. The Government would have paid the labor——

Mr. RAKER. There is no question but that the Government took out $200,000 or more from the reclamation fund and paid for that work itself. But it left the laborers unprovided for. It left the material men unprovided for. This provision of this bill says that when this condition happens what shall be done? It provides that the Reclamation Service is authorized to pay from the reclamation fund, on account of the contractor and the sureties, for labor and material furnished and ordered by the contractor.

Mr. DONOVAN. Mr. Speaker, the regular order.

The SPEAKER. The gentleman from Connecticut demands the regular order. The regular order is, Is there objection to the consideration of this bill?

Mr. STAFFORD. I object, Mr. Speaker.

The SPEAKER. The gentleman from Wisconsin [Mr. STAFFORD] objects.

Mr. MANN. I hope this bill can be passed over.

Mr. RAKER. Mr. Speaker, under the peculiar conditions I ask that the bill be passed over without prejudice.

The SPEAKER. The gentleman from California [Mr. RAKER] asks unanimous consent that this bill be passed over without prejudice. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the next bill.

STANDARD BOX FOR APPLES.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 11178) to establish a standard box for apples, and for other purposes.

The bill was read, as follows:

Be it enacted, etc., That the standard box for apples shall be of the following dimensions when measured without distention of its parts:

Depth of end, 10½ inches; width of end, 11½ inches; length of box, 18 inches; all inside measurements, and representing, as nearly as possible, 2,173½ cubic inches.

SEC. 2. That any box in which apples shall be packed and offered for sale which does contain less than the required number of cubical inches, as prescribed in section 1 of this act, shall be plainly marked on one side and one end with the words "Short box," or with words or figures showing the fractional relation which the actual capacity of the box bears to the capacity of the box prescribed in section 1 of this act. The marking required by this paragraph shall be in block letters of the size not less than 72-point block Gothic.

SEC. 3. That standard boxes when packed, shipped, or delivered for shipment in interstate or foreign commerce, or which shall be sold or offered for sale within the District of Columbia or the Territories of the United States of America, shall bear upon one or both ends in plain figures the number of apples contained in the box; also in plain letters the style of pack used, the name of the person, firm, company, or organization which first packed or caused the same to be packed; the name of the locality where said apples were grown; and the name of the variety of the apples contained in the box unless the variety is not known to the packer, in which event the box shall be marked "Unknown." A variation of three apples from the number designated as being in the box shall be allowed.

SEC. 4. That the apples contained within the said standard box when so packed and offered for sale, shipment, or delivery in interstate or foreign commerce shall be well-grown specimens, of one variety, reasonably uniform in size, properly matured, practically free from dirt, insect pests, diseases, bruises, and other defects, except such as are necessarily caused in the operation of packing.

SEC. 5. That standard boxes packed in accordance with the provisions of this act may be marked "Standard."

SEC. 6. That boxes containing apples marked "Standard" shall be deemed to be misbranded within the meaning of this act—

When the size of the box does not conform to the requirements of section 1 of this act, and when the markings on the box and the contents thereof do not conform to the requirements of sections 3 and 4 of this act.

SEC. 7. That any person, firm, company, or organization who shall mark or cause to be marked boxes packed with apples to sell, or offer for sale, shipment, or delivery, in interstate or foreign commerce, apples in boxes contrary to the provisions of this act or in violation hereof, or shall sell or offer for sale or delivery in interstate or foreign commerce in a standard box apples other than those originally packed therein without first completely obliterating the original markings and labels on such box and mark the box to conform to the provisions of this act shall be liable to a penalty of $1 for each box so marked, sold, or offered for sale or delivery, and costs, to be recovered at the suit of the United States in any court having jurisdiction: *Provided*, That the penalty to be recovered on any one shipment shall not exceed the sum of $100, exclusive of costs.

SEC. 8. That this act shall be in force and effect from and after the 1st day of July, 1914.

With the following committee amendments:

Page 2, line 11, after the word "boxes," insert "marked 'Standard,' as hereinafter provided."

Page 3, after line 17, insert: "*Provided, however*, That all shipments in boxes to foreign countries in which a standard box may have been established may be marked 'For export, quality of contents equal to American standard.'"

The SPEAKER. Is there objection?

Mr. DILLON. Mr. Speaker, in view of the minority report on this bill, I shall object to its consideration.

Mr. FALCONER. Will the gentleman withhold that for a moment?

Mr. RAKER. Will the gentleman withhold his objection just a moment?

Mr. DILLON. I will say to the gentlemen that in view of the number of members on the committee who oppose this bill I shall have to object.

Mr. RAKER. Will the gentleman withhold it just a moment? There is a minority report of only two members of the committee.

Mr. DILLON. That is true, but there are other members on the committee who are opposed to this bill.

Mr. RAKER. No; those who were not present filed with the committee their telegrams from their homes in favor of this bill with the two amendments.

Mr. DILLON. I want to say to the gentleman that this bill ought to be fairly considered by the committee. At the time it came up and was considered by the committee there were not a majority of the members present.

Mr. RAKER. Yes.

Mr. MANN. Will the gentleman permit a suggestion? The Senate on Saturday passed a bill, S. 4517, on this subject, with quite a number of amendments.

Mr. WEBB. Making it apply to Colorado alone, did they not?

Mr. MANN. No; except as to one thing.

Mr. RAKER. Colorado just asked to be exempted, that is all.

Mr. MANN. No; the gentleman is not correct about that. There is one provision that applies to Colorado only. The gentleman can not expect to call up the Senate bill, which has never yet been printed with the Senate amendments.

Mr. RAKER. It has been printed.

Mr. MANN. It has not been printed with the Senate amendments. It only came over a few moments ago.

Mr. RAKER. It is printed with the Senate amendments, and is now lying on the Speaker's table, because I saw it there.

Mr. MANN. I know the Senate amendments are printed in the usual way in which they come over from the Senate.

Mr. RAKER. No; the bill with the Senate amendments has been printed.

Mr. MANN. What the gentleman saw was the engrossed copy; but the bill is not printed, as we say, for the information of the House. The gentleman may have seen the engrossed copy of the bill, but it has not been printed for the use of the House yet. I am in favor of the bill, but what is the use of trying to consider it under the circumstances.

Mr. FALCONER. I think the fruit-growing States are greatly in favor of the bill, and I would ask the gentleman from South Dakota why he is opposed to it.

Mr. DILLON. I will say to the gentleman that this committee have taken some testimony on the bill. When it came up for final action a majority of the members were not present. Now, prior to that time the committee reported out a bill known as the Tuttle bill. That made an apple barrel mandatory.

Mr. FALCONER. To the exclusion of the box?

Mr. DILLON. It said nothing at all about the apple box. Now, that bill is upon the calendar. The same committee, counting those who were in favor of the bill but were not present, reported this bill out in optional form. If the apple barrel is mandatory, there is no reason why the apple box should not be mandatory

Mr. RAKER. Will the gentleman yield right there?

Mr. DILLON. Yes.

Mr. RAKER. The same committee, the same individuals on the committee, and the same absentees concurred in their report on the Tuttle bill as in their report on the Raker bill. The two were heard the same day, and the two reports were written out at the same time, and the same number of men were present in the committee when they reported out the Raker bill, and there were a majority of the members of the committee present, but two of them voted against the bill. Nevertheless, a majority being present, it was voted to report out the bill, and those who were absent sent their telegrams in favor of this bill—H. R. 11178—with the two amendments which were adopted.

Mr. DILLON. Let me say to the gentleman that he is not a member of that committee, and I do not think he knows as much about it as I do. The Tuttle bill has my approval. It was first reported out in optional form, and the growers over the country made complaint, and we gave them a rehearing in the matter, and then we changed our views and reported out the bill in mandatory form, and I joined in that report.

Mr. RAKER. Will the gentleman yield right there?

Mr. DILLON. Yes.

Mr. RAKER. The gentleman and I are in accord except on one little matter; that is, whether it shall be mandatory or optional.

Mr. DILLON. But when the gentleman says the two bills were reported out at the same time, he is laboring under a misapprehension.

Mr. RAKER. That was my recollection.

Mr. DILLON. The gentleman is entirely mistaken.

Mr. RAKER. I may have been mistaken as to the dates.

Mr. DILLON. You are mistaken in reference to that matter.

Mr. RAKER. The gentleman being present ought to know about that matter.

Mr. DILLON. I attend all the meetings of committees of which I am a member when I am in the city.

Mr. RAKER. The gentleman and I will not differ on this matter except as to the mandatory or discretionary part. I just want to call the attention of the gentleman to the fact that 95 per cent of the people interested in the apple-box shipments on the Pacific coast, in the intermountain States, and in the East and down in the South, the apple growers are urging this bill, and the only reason why the committee agreed upon the discretionary feature was that we did not want to compel the small raiser, who only ships a few boxes, to come in unless he wanted to. We said to him practically, "Take your dry goods box, or whatever you have in which you can ship your apples. We do not want to compel you to use a uniform box," but we wanted to establish a standard box. If it is used in interstate shipment, if it is used by the general apple grower, the large producer or shipper, he may have his name on the box, and brand it as to the number of apples, the kind of apples, the place where they were raised, that they are free from worms,

free from insects, so that the public may know what they are getting, so that the consumer will not be deceived. The idea was that the little fellow who raised a few boxes of apples need not come under the provisions of the law unless he wanted to. He could get a dry goods box and fill it with apples and sell them if he wanted to.

Mr. DILLON. Will the gentleman yield for a question?

Mr. RAKER. Yes.

Mr. DILLON. Do you favor uniformity in matters of coinage, weights, and measures?

Mr. RAKER. Uniformity is always a fine thing; yes.

Mr. DILLON. Then why do you want a mandatory apple barrel in the East and an optional apple box in the West?

Mr. RAKER. There is a difference between a barrel and a box.

Mr. DILLON. How are you going to get uniformity in this way?

Mr. WEBB. Mr. Speaker, I demand the regular order.

The SPEAKER. The regular order is, Is there objection?

Mr. DILLON. Mr. Speaker, I object.

Mr. RAKER. Mr. Speaker, may I have unanimous consent that the bill remain on the calendar as it is?

Mr. DILLON. Mr. Speaker, I think it should be carefully considered by the committee. We have the Senate bill on the calendar, and this bill ought to be given careful consideration, because the question of uniformity is an important one. I therefore object.

The SPEAKER. The gentleman from California asks unanimous consent to pass the bill over without prejudice. Is there objection?

Mr. DILLON. I object.

Mr. FOWLER. Mr. Speaker, on the 5th day of August, 1914, I introduced a resolution to exempt farmers' mutual insurance companies of all kinds from the payment of the penalty provided for in the income provisions of the Underwood tariff bill. In that bill there is a provision requiring all corporations to make a report of their incomes on or before the 1st day of March, 1914. It further provides that a penalty, not to exceed $10,000, shall be imposed in all cases where such report is not made in accordance with the law. Mr. Speaker, it was not the intention of Congress to tax corporations not engaged in business for profit, neither was it our intention to require them to pay a penalty. This question was freely discussed in the lobbies, and no one ever dreamed of such a thing. The real object of this provision was to reach corporations engaged in business for profit. No corporation without an income is subject to an income tax under this law, and it would be manifestly unjust to require such corporations to pay a penalty for a failure to report what? Nothing; for such corporations have no income to report.

All over the country farmers' mutual fire insurance companies have been organized, not for profit but for protection. All the money they handle comes in by way of assessment in the nature of a tax for the purpose of paying losses sustained by members of such companies. They have no business in the sense of actual business. Theirs is all on paper, mostly in the way of a tax to pay real losses by accident, such as by fire or lightning, and it would be very unjust to make these innocent companies pay a fine for failing to make a report as required by law. I understand that no blank reports were sent to them and no request was made upon them for a report.

Mr. Speaker, I took this question up with the Secretary of the Treasury several days ago, and at first he was inclined to the opinion that the law compelled him to assess a penalty. As a lawyer I have some misgivings as to the power to collect the penalty, because the law partakes of the nature of an ex post facto law, yet I am delighted to know that it is not the intention of the Government to exact it. The Secretary of the Treasury generously and graciously decided—and I think justly so—that for this year no penalty would be exacted from corporations not organized for profit. Mr. Speaker, I received a letter from him a few days ago which I ask to be read for the information of the House, and which I will incorporate in the RECORD by permission of the House. The Secretary has kindly given permission to use it as I deem proper.

Mr. Speaker, the following is a copy of my resolution, after which will follow a copy of the Secretary's letter:

Joint resolution (H. J. Res. 317) to remit certain penalties against certain insurance companies for a failure to make returns on incomes on or before March 1, 1914, as provided by an act entitled "An act to reduce tariff duties and to provide revenue for the Government, and for other purposes," approved October 3, 1913.

Whereas through misrepresentation and misunderstanding of the income-tax law farmers' mutual insurance companies have failed to make the proper return prior to March 1, 1914: Therefore be it

Resolved, etc., That the penalty provided for an act entitled "An act to reduce tariff duties and to provide revenue for the Government, and for other purposes," approved October 3, 1913, for a failure to make the proper return on incomes provided for in said act, be, and the same is hereby, remitted in so far as it affects farmers' mutual insurance companies of every kind and character for the present year, where said returns are completed June 1, 1914, and where the failure to make said returns was not due to a willful intent to violate the provisions of said act.

TREASURY DEPARTMENT,
OFFICE OF COMMISSIONER OF INTERNAL REVENUE,
Washington, August 13, 1914.

TO COLLECTORS OF INTERNAL REVENUE:

The fact has been developed that a great number of individuals and corporations failed to make returns of annual net income for the income tax, either through ignorance of the requirements of the law or through a misunderstanding of its requirements, and it has been determined by the Treasury Department to accept offers in compromise of the specific penalty for failure to file returns within the period prescribed by law in a minimum sum as follows:

Five dollars from individuals; $10 from corporations which are organized for profit.

In the cases of all corporations not organized for profit the specific penalty will not be asserted this year, provided the required return has been or shall be filed before December 31, 1914. The United States district attorney should be requested not to institute proceedings in such cases.

The foregoing applies only to those cases where there was no intent to evade the law or escape taxation.

In all cases, however, wherein a return is not made until the liability to make a return is discovered by investigation of collectors of internal revenue or revenue agents, the above schedule will not necessarily apply, but each individual case will be decided upon its own merits and the amount of the offer in compromise which may be favorably considered will be determined accordingly.

Respectfully,

ROBT. WILLIAMS, Jr.,
Acting Commissioner.

Approved:

W. G. MCADOO,
Secretary.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Platt, one of its clerks, announced that the Senate had receded from its amendment to the bill (H. R. 18202) to provide for the admission of foreign-built ships to American registry for the foreign trade, and for other purposes.

OIL OR GAS LANDS.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 15661) authorizing the Secretary of the Interior to lease to the occupants thereof certain unpatented lands on which oil or gas has been discovered.

The Clerk read the bill.

The SPEAKER. Is there objection?

Mr. MANN. Mr. Speaker, I object.

The SPEAKER. The gentleman from Illinois objects, and the bill is stricken from the calendar.

Mr. RAKER. Mr. Speaker, I will state to the gentleman from Illinois that the gentleman in charge of this bill, Mr. CHURCH, is not well to-day, and I therefore ask unanimous consent that it retain its place upon the calendar.

Mr. MANN. Under the circumstances I shall not object.

The SPEAKER. The gentleman from California asks unanimous consent to pass the bill over without prejudice. Is there objection?

There was no objection, and it was so ordered.

ALCATRAZ ISLAND.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 9017) transferring the control and jurisdiction of Alcatraz Island and its buildings thereon from the Department of War to the Department of Labor.

The Clerk read the bill.

The SPEAKER. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I would like to inquire whether there is any other instance in the Immigration Service where the immigration station is located on an island or otherwhere than on the mainland, except at Ellis Island, N. Y.?

Mr. RAKER. There is the one at Ellis Island, N. Y., the most noted one, and, I suppose, the greatest one in the world.

Mr. STAFFORD. I notice in reading the report that the Commissioner of Immigration, Mr. Caminetti, who certainly is acquainted with conditions in San Francisco, stated that he would much prefer to have the station located on the mainland. I assume that there are economic and administrative reasons which prompted him to make that suggestion.

Mr. RAKER. Oh, no. I have talked with him many times. He appeared before the committee at the time the bill was acted upon, and his statements are that economically the matter would be better handled on this island. To obtain a site on the mainland would cost, possibly, $500,000.

Mr. STAFFORD. What other site?

Mr. RAKER. A site on the mainland.

Mr. STAFFORD. I said a moment ago that it was Mr. Caminetti. I assumed that the Secretary of Labor, Mr. Wilson, when he wrote this letter to the chairman of the Committee on Military Affairs of the House, was expressing the views of Mr. Caminetti. In that letter he says:

I desire to say, however, that I would have preferred to have seen the new immigration station for the port of San Francisco located upon the mainland, provided that a convenient site was available.

There is available land there. The Government has two large military stations.

Mr. RAKER. It would be an impossibility to get any of the military territory.

Mr. STAFFORD. Oh, an impossibility. The Department of War, now recognizing that, after spending $500,000 in erecting a prison on Alcatraz Island, it is no longer suitable for that purpose, wishes now to throw the load of it upon the Immigration Service.

Mr. RAKER. Evidently, my friend does not quite understand the situation.

Mr. STAFFORD. I may not quite understand it, but I have some understanding of it.

Mr. RAKER. This is at the entrance of the Golden Gate. It is about a mile and a half from the mainland and a mile and a half from the exposition grounds. It is one of the beauty spots of the bay. The buildings on this island are a beauty spot from any point of view. No one would every know there was a prison there. These buildings are the best constructed of any buildings that have been constructed by this Government. Every room is separate, with a separate toilet, with separate water, with air circulation to it by a force plant.

Mr. BARTON. Mr. Speaker, I demand the regular order.

The SPEAKER. The regular order is demanded. Is there objection?

Mr. STAFFORD. If the gentleman demands the regular order, I object.

The SPEAKER. The gentleman from Wisconsin objects, and the bill is stricken from the calendar.

Mr. RAKER. Mr. Speaker, as this is the Unanimous Consent Calendar, I ask unanimous consent that my friend from Wisconsin withdraw his objection. We would like to have this plant put into operation.

Mr. STAFFORD. I was proceeding in a regular way in good faith and the gentleman from Nebraska demanded the regular order. If I can not get the information that I desire, I am going to object. I have no objection to the matter going over without prejudice.

Mr. RAKER. No; I will not ask for that.

The SPEAKER. Does the gentleman ask to pass it over without prejudice.

Mr. RAKER. No.

The SPEAKER. Objection has been made.

Mr. RAKER. That is very true, but I ask unanimous consent that I may proceed for two minutes.

The SPEAKER. The gentleman from California asks unanimous consent to proceed for two minutes. Is there objection?

Mr. BARTON. Mr. Speaker, I object.

GLACIER NATIONAL PARK, MONT.

The next business on the Calendar for Unanimous Consent was the bill (S. 654) to accept the cession by the State of Montana of exclusive jurisdiction over the lands embraced within the Glacier National Park, and for other purposes.

The Clerk read as follows:

Be it enacted, etc., That the provisions of the act of the Legislature of the State of Montana, approved February 17, 1911, ceding to the United States exclusive jurisdiction over the territory embraced within the Glacier National Park are hereby accepted, and sole and exclusive jurisdiction is hereby assumed by the United States over such territory, saving, however, to the said State the right to serve civil or criminal process within the limits of the aforesaid park in suits or prosecution for or on account of rights acquired, obligations incurred, or crimes committed in said State, but outside of said park, and saving further to the said State the right to tax persons and corporations, their franchises and property, on the lands included in said park. All the laws applicable to places under the sole and exclusive jurisdiction of the United States shall have force and effect in said park. All fugitives from justice taking refuge in said park shall be subject to the same laws as refugees from justice found in the State of Montana.

SEC. 2. That said park shall constitute a part of the United States judicial district of Montana, and the district court of the United States in and for said district shall have jurisdiction of all offenses committed within said boundaries.

SEC. 3. That if any offense shall be committed in the Glacier National Park, which offense is not prohibited or the punishment is not specifically provided for by any law of the United States, the offender shall be subject to the same punishment as the laws of the State of Montana in force at the time of the commission of the offense may provide for a like offense in said State; and no subsequent repeal of any such law of the State of Montana shall affect any prosecution for said offense committed within said park.

SEC. 4. That all hunting or the killing, wounding, or capturing at any time of any bird or wild animal, except dangerous animals when it is necessary to prevent them from destroying human lives or inflicting personal injury, is prohibited within the limits of said park; nor shall any fish be taken out of the waters of the park in any other way than by hook and line, and then only at such seasons and in such times and manner as may be directed by the Secretary of the Interior. That the Secretary of the Interior shall make and publish such rules and regulations as he may deem necessary and proper for the management and care of the park and for the protection of the property therein, especially for the preservation from injury or spoliation of all timber, mineral deposits other than those legally located prior to the passage of the act of May 11, 1910 (36 Stat., p. 354), natural curiosities, or wonderful objects within said park, and for the protection of the animals and birds in the park from capture or destruction, and to prevent their being frightened or driven from the park; and he shall make rules and regulations governing the taking of fish from the streams or lakes in the park. Possession within said park of the dead bodies, or any part thereof, of any wild bird or animal shall be prima facie evidence that the person or persons having the same are guilty of violating this act. Any person or persons, or stage or express company, or railway company, who knows or has reason to believe that they were taken or killed contrary to the provisions of this act and who receives for transportation any of said animals, birds, or fish so killed, caught, or taken, or who shall violate any of the other provisions of this act or any rule or regulation that may be promulgated by the Secretary of the Interior with reference to the management and care of the park or for the protection of the property therein, for the preservation from injury or spoliation of timber, mineral deposits, other than those legally located prior to the passage of the act of May 11, 1910 (36 Stat., p. 354), natural curiosities, or wonderful objects within said park, or for the protection of the animals, birds, or fish in the park, or who shall within said park commit any damage, injury, or spoliation to or upon any building, fence, hedge, gate, guidepost, tree, wood, underwood, timber, garden, crops, vegetables, plants, land, springs, mineral deposits other than those legally located prior to the passage of the act of May 11, 1910 (36 Stat., p. 354), natural curiosities, or other matter or thing growing or being thereon, or situated therein, shall be deemed guilty of a misdemeanor and shall be subject to a fine of not more than $500, or imprisonment not exceeding six months, or both, and be adjudged to pay all costs of the proceedings.

SEC. 5. That all guns, traps, teams, horses, or means of transportation of every nature or description used by any person or persons within said park limits when engaged in killing, trapping, ensnaring, or capturing such wild beasts, birds, or wild animals shall be forfeited to the United States and may be seized by the officers in said park and held pending the prosecution of any person or persons arrested under charge of violating the provisions of this act, and upon conviction under this act of such person or persons using said guns, traps, teams, horses, or other means of transportation, such forfeiture shall be adjudicated as a penalty in addition to the other punishment provided in this act. Such forfeited property shall be disposed of and accounted for by and under the authority of the Secretary of the Interior.

SEC. 6. That the United States district court for the district of Montana shall appoint a commissioner, who shall reside in the park, and who shall have jurisdiction to hear and act upon all complaints made of any violations of law or of the rules and regulations made by the Secretary of the Interior for the government of the park and for the protection of the animals, birds, and fish, and objects of interest therein, and for other purposes authorized by this act.

Such commissioner shall have power, upon sworn information, to issue process in the name of the United States for the arrest of any person charged with the commission of any misdemeanor, or charged with a violation of the rules and regulations, or with a violation of any of the provisions of this act prescribed for the government of said park and for the protection of the animals, birds, and fish in said park, and to try the person so charged, and, if found guilty, to impose punishment and to adjudge the forfeiture prescribed.

In all cases of conviction an appeal shall lie from the judgment of said commissioner to the United States district court for the district of Montana, and the United States district court in said district shall prescribe the rules of procedure and practice for said commissioner in the trial of cases and for appeal to said United States district court.

SEC. 7. That any such commissioner shall also have power to issue process as hereinbefore provided for the arrest of any person charged with the commission, within said boundaries, of any criminal offense not covered by the provisions of section 4 of this act, to hear the evidence introduced, and if he is of opinion that probable cause is shown for holding the person so charged for trial, shall cause such person to be safely conveyed to a secure place of confinement within the jurisdiction of the United States district court for the district of Montana, and certify a transcript of the record of his proceedings and the testimony in the case to said court, which court shall have jurisdiction of the case: *Provided*, That the said commissioner shall grant bail in all cases bailable under the laws of the United States or of said State.

SEC. 8. That all process issued by the commissioner shall be directed to the marshal of the United States for the district of Montana, but nothing herein contained shall be so construed as to prevent the arrest by any officer or employee of the Government, or any person employed by the United States in the policing of said reservation, within said boundaries, without process, of any person taken in the act of violating the law or this act, or the regulations prescribed by said Secretary as aforesaid.

SEC. 9. That the commissioner provided for in this act shall be paid an annual salary of $1,500, payable quarterly: *Provided*, That the said commissioner shall reside within the exterior boundaries of said Glacier National Park, at a place to be designated by the court making such appointment: *And provided further*, That all fees, costs, and expenses collected by the commissioner shall be disposed of as provided in sections 11 and 12 of this act.

SEC. 10. That all fees, costs, and expenses arising in cases under this act and properly chargeable to the United States shall be certified, approved, and paid as are like fees, costs, and expenses in the courts of the United States.

SEC. 11. That all fines and costs imposed and collected shall be deposited by said commissioner of the United States, or the marshal of the United States collecting the same, with the clerk of the United States district court for the district of Montana.

SEC. 12. That the Secretary of the Interior shall notify, in writing, the governor of the State of Montana of the passage and approval of this act.

The SPEAKER. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, does this bill do anything except give to the General Government

exclusive jurisdiction over crimes and misdemeanors in the park, a jurisdiction which is now held by the State of Montana?

Mr. STOUT. That is the substance of it, as far as I know, and I have looked it over very carefully. The bill was drawn by the Department of the Interior——

Mr. MANN. I beg the gentleman's pardon.

Mr. STOUT. I mean it was not drawn by the Department of the Interior, but——

Mr. MANN. The Interior Department drew a bill a few years ago which floated around this Congress for several Congresses, which proposed to give a commissioner control and the right to send a man to the penitentiary for several years, and they always drew it that way. They drew the bill that way this time, but fortunately the gentleman's State has a Senator who knows something about the law, and Senator WALSH redrew the bill in the Senate and cut out many of the unconstitutional and contradictory provisions from the bill which the War Department drew.

Mr. STOUT. I accept the correction of the gentleman.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none. This bill is on the Union Calendar.

Mr. STOUT. Mr. Speaker, I ask unanimous consent that this bill be considered in the House as in Committee of the Whole House on the state of the Union.

The SPEAKER. The gentleman from Montana asks unanimous consent that the bill be considered in the House as in the Committee of the Whole House on the state of the Union. Is there objection? [After a pause.] The Chair hears none.

The bill was ordered to be read a third time, was read the third time, and passed.

On motion of Mr. STOUT, a motion to reconsider the vote by which the bill was passed was laid on the table.

ALCATRAZ ISLAND.

Mr. RAKER. Mr. Speaker, I ask unanimous consent to return to the bill H. R. 9017. I have seen the gentleman who objected before, and he has no objection to returning to it.

The SPEAKER. The gentleman from California asks unanimous consent to return to Calendar No. 230, H. R. 9017. Is there objection? [After a pause.] The Chair hears none. The Clerk will report the title of the bill.

The Clerk read as follows:

A bill (H. R. 9017) transferring the control and jurisdiction of Alcatraz Island and its buildings thereon from the Department of War to the Department of Labor.

Mr. STAFFORD. Mr. Speaker, has consent been given for its consideration?

The SPEAKER. The gentleman asked unanimous consent to return to the bill, and if that does not mean consideration what does it mean?

Mr. STAFFORD. It simply means to take it up again.

The SPEAKER. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I would like to inquire further. When I was interrupted by the demand for the regular order the gentleman was saying that this building was specially suited, or could be adapted, to an immigration station. I desire to ask the gentleman as to whether there is pressing need for this immigration station now at San Francisco?

Mr. RAKER. There is.

Mr. FITZGERALD. How far is Alcatraz from Angel Island, the other station?

Mr. RAKER. It is about 15 miles.

Mr. FITZGERALD. And it is proposed to maintain two stations?

Mr. RAKER. No, sir.

Mr. FITZGERALD. What is the proposition?

Mr. RAKER. The Angel Island station has a lot of wooden buildings, etc., that it is intended to be turned over to the War Department for health purposes, and we will only maintain Alcatraz Island as a station.

Mr. FITZGERALD. And you turn over Angel Island to the War Department?

Mr. RAKER. If the Health Service desires it. The Angel Island building is now being used for an immigration station. It could be used, but Alcatraz can accommodate them all.

Mr. FITZGERALD. What is the estimate as to the cost of fixing up Alcatraz Island?

Mr. RAKER. Practically an infinitesimal amount.

Mr. FITZGERALD. Where is the statement of any person who knows anything about it to that effect?

Mr. RAKER. Well, the report is in here from the Secretary of War and the Department of Labor that it is only a very small amount.

Mr. FITZGERALD. I will ask the gentleman to have it passed over without prejudice. We have an immigration station there, and I do not think we ought to incur an obligation of $50,000 when we are going to use——

Mr. RAKER. We are not asking for $50,000. When Commissioner Caminetti appeared before the committee he said he did not want the money; said he did not need that.

Mr. FITZGERALD. That is what they say when they want legislation, but I know what they say after they get it.

Mr. RAKER. Under the circumstances I ask that the bill be passed without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from California? [After a pause.] The Chair hears none.

PRESENTING THE STEAM LAUNCH "LOUISE" TO THE FRENCH GOVERNMENT.

The next business on the Calendar for Unanimous Consent was the bill (S. 5739) to present the steam launch *Louise*, now employed in the construction of the Panama Canal, to the French Government.

The Clerk read as follows:

Be it enacted, etc., That as a mark of appreciation of the sacrifices and services of the French people in the construction of the Panama Canal, the steam launch *Louise*, built in France in 1885, and employed in the construction of the canal successively by the French Panama Canal Co. and by the United States, be put in good condition and presented to the French Government; and that, in the first formal or ceremonial opening or passage of the canal, the place of honor be accorded to the said steam launch, bearing the flag of the French Republic.

SEC. 2. That the sum of $6,000 is hereby appropriated, out of any money in the Treasury not otherwise appropriated, to pay the expense of executing this act, to be disbursed by the governor of the Canal Zone.

The committee amendments were read, as follows:

Strike out, page 1, lines 9, 10, 11, and 12, the following: " ; and that, in the first formal or ceremonial opening or passage of the canal, the place of honor be accorded to the said steam launch, bearing the flag of the French Republic."

Strike out all of section 2, as follows:

"That the sum of $6,000 is hereby appropriated, out of any money in the Treasury not otherwise appropriated, to pay the expense of executing this act, to be disbursed by the governor of the Canal Zone."

The SPEAKER. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, I see that the Secretary of War says with reference to that part of the bill which reads "be put in good condition":

In this connection permit me to suggest that the bill or joint resolution, in addition to providing for the transfer, should contain an appropriation of a sufficient fund to cover putting the launch in good condition and delivering her to the French Government.

And, under date of April 16 last, he says:

Referring to previous correspondence in reference to presenting the steam launch *Louise* to the French Government, and particularly to my letter to you dated April 7 last, I now beg to advise you that a cablegram, dated April 15, has been received from Col. Goethals, governor of the Panama Canal, indicating that it is estimated $6,000 will cover the cost of putting the launch in good condition and delivering her to the French Government, including all expenses connected with the transfer.

Notwithstanding this, the committee proposes to strike out the $6,000 carried by the bill. How is it possible to put it in good condition without the money? Now, how is the launch to be put in good condition without any money?

Mr. ADAMSON. The gentleman from Illinois will understand that our committee never reports an appropriation if we can avoid it. But inasmuch as at this time all appropriation bills have gone through, I was thinking that the House might vote down that amendment and leave the appropriation in.

Mr. MANN. I am frank to say that I would not consent to the passage of the resolution unless I thought it would carry with it a sufficient appropriation to put the launch in reasonably good condition and pay the expenses of delivering it to the French Government; and we have passed all our general appropriation bills.

Mr. ADAMSON. I think it would be wise for the House to disagree to that amendment of the committee.

Mr. FITZGERALD. Is it the intention to have this launch used for anything? She is 30 years old now.

Mr. ADAMSON. It came over with the acquisition from the French company of the canal. It is a matter of sentiment more than anything else.

Mr. FITZGERALD. The canal authorities have authority under the law to put all these matters in good condition, have they not?

Mr. MANN. I do not think they would have authority to do this.

Mr. FITZGERALD. Why not?

Mr. MANN. Because that is not in connection with the construction, maintenance, or operation of the canal.

Mr. ADAMSON. I suggest, Mr. Speaker, that the House disagree to that amendment striking the appropriation out.

The SPEAKER. Is there objection to the consideration of this bill? [After a pause.] The Chair hears none.

Mr. FITZGERALD. Mr. Speaker, I wish to reserve the right to object. I was trying to listen to the gentleman from Georgia [Mr. ADAMSON] and the Speaker at the same time.

The SPEAKER. The gentleman from New York [Mr. FITZGERALD] reserves the right to object.

Mr. FITZGERALD. I was endeavoring to do so; yes. What I wish to inquire of the gentleman is whether it is the purpose to put this launch into shape to be used? Is it not to be kept more for the historical interest that would be shown in it?

Mr. ADAMSON. I suppose it is the intention to repair it as far as possible in order to put it in presentable shape to be given to the French Government, and not that it is to be used to construct other canals with; but more as a matter of sentiment, as a compliment, to the French people, from whom we acquired it with other property there.

Mr. FITZGERALD. Is the gentleman from Georgia aware of any particular reason why this launch was selected as the peculiar trophy to be presented to France?

Mr. ADAMSON. I think it was selected by the people in charge down there.

Mr. FITZGERALD. No. This originated with the distinguished Senator from my own State.

Mr. ADAMSON. Well, it seems to have received the approval of Col. Goethals.

Mr. FITZGERALD. He was consulted afterwards.

Mr. ADAMSON. All of these things have to have an origin somewhere.

Mr. FITZGERALD. What I desire to know is the peculiar historical significance of the launch *Louise*.

Mr. ADAMSON. The only significance I see about it is that perhaps it is the principal launch the French Government turned over to us that they used during their work on the canal.

Mr. FITZGERALD. The French Government did not turn it over to us at all. It was the property of the old French company. Now, if the gentleman has suggested that the House might disagree to the amendment appropriating the money, I assume if we are going to present this launch to France we ought to put it in decent condition. But how about the other amendment? That is, the gentleman's committee recommends the striking out of the provision that this boat shall be first in the ceremonial opening of the canal.

Mr. ADAMSON. We do not think, even with the high degree of courtesy we feel toward France ourselves, that we should abdicate our right to fix the order of proceeding through the canal.

Mr. FITZGERALD. Will the gentleman insist on the amendment?

Mr. ADAMSON. Yes.

Mr. MANN. Does not our friend from Georgia think that France is having a good deal of trouble just now without giving her this?

Mr. ADAMSON. I was wondering, if the gentleman from Illinois will permit, if we are going to complicate our attitude as to neutrality during the present condition abroad. I do not wish to give offense to any other nation that is in the war with France. I want to disavow any intention of that sort.

Mr. MANN. I was not referring to that. But what on earth will France do with the vessel? If France gave us a vessel of this sort, what would we do with it?

Mr. FITZGERALD. Possibly we would buy a navy yard to put it in.

Mr. ADAMSON. I understand the French Government, as a matter of historical sentiment, expressed not only a willingness to accept it but a desire for it.

Mr. MANN. Oh, no. The French Government was asked whether it would accept a gift of this vessel, and with great politeness which distinguishes that race they said they would be delighted to have the opportunity to accept it. They are a little bit different from us. At the time of the World's Fair at Chicago we had presented to us duplicates of the caravels in which Columbus first discovered America. I do not know just where they are now, but I know that they have been a white elephant on the hands of different societies, municipalities, and so forth, since that time, each one generally trying to unload the preservation and care of these vessels upon some one else. There was a recent controversy about it, but just what became of it I do not know. I do not know what we would do if the French Government gave us a boat that could not be used.

Mr. ADAMSON. We were diplomatic enough to use those vessels in a way so that they did not result in bringing on the Spanish War. I think France could handle it in some way so as not to give offense to us about it.

Mr. WILSON of Florida. Do I understand from the gentleman from Georgia that we are preparing a launch to go through the Panama Canal at the formal opening for a foreign Government, and that the launch is to have the place of honor?

Mr. ADAMSON. If the gentleman so understands, he misunderstands me, Mr. Speaker. We have stricken that provision from the Senate bill. We reserve the right to make our own choice as to the order of procession through that canal.

Mr. WILSON of Florida. Does not the bill state that this ship——

Mr. ADAMSON. If the gentleman will keep it in confidence, I will tell him that some of our own crowd will go through on the first ship. [Laughter.]

Mr. WILSON of Florida. I hope so.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. This bill is on the Union Calendar.

Mr. ADAMSON. Mr. Speaker, I ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. The gentleman from Georgia [Mr. ADAMSON] asks unanimous consent that the bill be considered in the House as in Committee of the Whole. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the first amendment.

The Clerk read as follows:

On page 1, strike out all of section 1 after the word "Government," in line 9, and all of section 2, on page 2.

Mr. MANN. Mr. Speaker, those are two distinct amendments.

The SPEAKER. Which is the first one?

Mr. MANN. It is specific, section by section.

The SPEAKER. The Clerk will report the first amendment.

The Clerk read as follows:

Strike out all of section 1 after the word "Government" in line 9 of page 1.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The Clerk will report the next amendment.

The Clerk read as follows:

Amend, page 2, by striking out section 2.

Mr. ADAMSON. That contains the appropriation.

The SPEAKER. That is the one the gentleman wants beaten?

Mr. ADAMSON. Yes; I want to defeat that if I can.

The SPEAKER. The question is on agreeing to the amendment.

The question was taken, and the amendment was rejected.

The SPEAKER. The question is on the third reading of the Senate bill as amended.

The Senate bill as amended was ordered to be read a third time, was read the third time, and passed.

On motion of Mr. ADAMSON, a motion to reconsider the vote whereby the bill was passed was laid on the table.

The SPEAKER. The Clerk will report the next one.

ENLARGED SITE, PUBLIC BUILDING, PLYMOUTH, MASS.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 16829) to provide for enlarging the site for the United States building at Plymouth, Mass.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to acquire by purchase, condemnation, or otherwise all the land in the old William Brewster plat still owned by private parties and contiguous to the public-building site now owned by the United States at Plymouth, Mass., and that the total cost of such extension and improvement shall not exceed the sum of $12,000: *Provided*, That if the land described shall be obtained for less than the amount authorized, the remainder may be used by the Secretary of the Treasury in grading and otherwise improving the same.

The SPEAKER. Is there objection?

Mr. MANN. Reserving the right to object, Mr. Speaker, what improvement is contemplated on this enlarged site?

Mr. THACHER. I shall be very glad to give information about this matter. This is in the town of Plymouth, Mass. In the original bill, introduced some years ago, the construction of the post office now going up on the corner of Main and Leyden Streets was authorized. At the time the bill was brought in they ought to have taken in a little more land.

Mr. MANN. Very well.

Mr. THACHER. The town of Plymouth contains from 13,000 to 14,000 inhabitants. It is growing very rapidly. Plymouth Rock, where the Pilgrims landed from the *Mayflower* in 1620,

is about a quarter of a mile away from the site of this post office, which is located at the corner of Leyden Street, which runs from the harbor in a westerly direction, and Main Street, which runs north and south. This is the original plat given to Elder Brewster in 1620, and here he taught religious and civic liberty. Here the post-office building is being erected. At this corner there formerly stood a church, and it was expected that the people who owned this church would move the church to the land now proposed to be acquired. After the Government had acquired the property which they now own the church society decided to move the church to another part of the town. One piece of property now owned by the Government contained a dwelling house, and public-spirited citizens of Plymouth joined together and bought the building at their own expense and moved it away in order that it might not be located on the land now desired to be acquired. The land contains about 7,700 feet in area. As the letter from the Treasury Department, which looks with favor on the proposed legislation, states, it has been necessary to encroach upon the 40-foot fire limit, there being but 24 feet between the post-office building and the boundary.

This property has changed hands recently, and it is very possible that there may be some unsuitable building built close to the post office which would greatly increase the fire risk.

The town of Plymouth has spent about $47,000 in widening Main Street and building a causeway over the town brook, which is the southern boundary of the land. The town proposes to spend about $30,000 in widening Main Street north from the post office. Plymouth has been liberal and generous in her expenditures and has shown that she is proud of the building, and I believe is ready to do more. To be perfectly frank, I think the property ought to have been acquired a year or two ago, when the bill was originally brought in.

Mr. MANN. Mr. Speaker, will the gentleman yield for a question?

Mr. THACHER. Certainly.

Mr. MANN. How wide is this strip of land?

Mr. THACHER. I can give you the exact area.

Mr. MANN. The report says the area is 40,000 feet, but that does not mean anything to me.

Mr. THACHER. I beg the gentleman's pardon. It does state in the report that the total area of land acquired and to be acquired will be 40,000 square feet, but that is incorrect. I have the exact figures here. Possibly I am to blame for that incorrectness.

Mr. MANN. Oh, nobody is to blame for errors.

Mr. THACHER. I think I made a mistake last winter. When they asked me, I did not have the figures. I corrected the mistake afterwards. The land proposed to be acquired is 7,700 square feet.

Mr. MANN. How wide is it at this point?

Mr. THACHER. It is 57 feet at this northern line here [indicating].

Mr. MANN. As I understand, the law contemplates 40 feet space for fire protection. The Treasury Department has either violated the law, or else perhaps the law did not apply to this case; but it has encroached upon this fire limit, so that there are now only 24 feet between the building and the outer line——

Mr. THACHER. Yes.

Mr. MANN. Now, you propose to add to that how many feet?

Mr. THACHER. The width of the lot is 57 feet.

Mr. MANN. That would leave a fire space of 81 feet.

Mr. THACHER. I do not think that that is correct.

Mr. MANN. It is if those figures are right.

Mr. THACHER. Fifty-seven is the width of the lot but not the length. Here is about the way it is: As you will see by the map, the Government owns this property in here [indicating], and it is proposed to acquire this property here which runs along Main Street to the town brook. The width of this is 57 feet, and the building comes right close up to this line here.

Mr. MANN. The gentleman will give us all better information if he will throw his map away and describe it to us as it appears to him in his mind's eye. The reason stated in the report is that the acquisition of this land will do away with the probable erection of unsightly buildings in close proximity to the Federal building. Does the gentleman from Massachusetts think we ought to buy all the land around the Federal building for fear somebody will put up an unsightly building?

Mr. THACHER. I will answer that question. It is a little difficult to make the whole thing plain in a few moments. There is a probability that there will be a moving-picture show, or some cheap building, erected there and greatly increase the fire risk. Along here on the opposite side of the town brook there is a moving-picture show going up. The man who has bought the land has threatened to put up something there. Of course you can disregard that, but if there is to be a moving-picture show there in a cheap wooden building you have the risk of fire.

Mr. FITZGERALD. What is the objection to a moving-picture show? Is it not the most highly educational institution there is in the country to-day?

Mr. THACHER. It will not be a fireproof building.

Mr. MANN. That is a matter to be regulated by the city of Plymouth, whether it is to be fireproof or not. Does the gentleman think, because the city of Plymouth will not make proper regulations about the construction of fireproof buildings, we ought to buy all the property there where they could put up buildings which might burn? Of course the gentleman does not think that. I do not seriously ask him that question.

Mr. THACHER. I do not think it is altogether the moving-picture situation, but I would like to make the matter clear.

Mr. DONOVAN. Mr. Speaker, regular order!

The SPEAKER. The gentleman from Connecticut demands the regular order. The regular order is, is there objection?

Mr. MANN. If I can not get the information I want, I object.

The SPEAKER. The gentleman from Illinois objects.

Mr. THACHER. I ask the gentleman if he will not be good enough to allow me time to explain this?

Mr. MANN. I will be glad to give the gentleman plenty of time. He will have to charge it up to the gentleman from Connecticut. He is the one who is interfering with the bill.

Mr. THACHER. I hope the gentleman will withhold that. I ask permission to explain this——

The SPEAKER. But the trouble is, the gentleman from Connecticut seems to stick to his demand.

Mr. THACHER. I ask unanimous consent that the bill be passed without prejudice.

The SPEAKER. The gentleman from Massachusetts asks unanimous consent that his bill be passed without prejudice. Is these objection?

There was no objection.

TERMS OF COURT AT ELKINS AND WILLIAMSON, W. VA.

The next business on the Calendar for Unanimous Consent was the bill (S. 5574) to amend and reenact section 113, of chapter 5, of the Judicial Code of the United States.

The bill was read, as follows:

Be it enacted, etc., That section 113 of chapter 5 of the Judicial Code of the United States be amended and reenacted so that the same shall read as follows:

"SEC. 113. The State of West Virginia is divided into two districts, to be known as the northern and southern districts of West Virginia. The northern district shall include the territory embraced on the 1st day of July, 1910, in the counties of Hancock, Brooke, Ohio, Marshall, Tyler, Pleasants, Wood, Wirt, Ritchie, Doddridge, Wetzel, Monongalia, Marion, Harrison, Lewis, Gilmer, Calhoun, Upshur, Barbour, Taylor, Preston, Tucker, Randolph, Pendleton, Hardy, Grant, Mineral, Hampshire, Morgan, Berkeley, and Jefferson, with the waters thereof. Terms of the district court for the northern district shall be held at Martinsburg on the first Tuesday of April and the third Tuesday of September; at Clarksburg on the second Tuesday of April and the first Tuesday of October; at Wheeling on the first Tuesday of May and the third Tuesday of October; at Philippi on the fourth Tuesday of May and the second Tuesday of November; at Elkins on the first Tuesday in July and the first Tuesday in December; and at Parkersburg on the second Tuesday of January and the second Tuesday of June: *Provided*, That a place for holding court at Philippi shall be furnished free of cost to the United States by Barbour County until other provision is made therefor by law: *And provided further*, That a place for holding court at Elkins shall be furnished free of cost to the United States by Randolph County until other provision is made therefor by law. The southern district shall include the territory embraced on the 1st day of July, 1910, in the counties of Jackson, Roane, Clay, Braxton, Webster, Nicholas, Pocahontas, Greenbrier, Fayette, Boone, Kanawha, Putnam, Mason, Cabell, Wayne, Lincoln, Logan, Mingo, Raleigh, Wyoming, McDowell, Mercer, Summers, and Monroe, with the waters thereof. Terms of the district court for the southern district shall be held at Charleston on the first Tuesday of June and the third Tuesday of November; at Huntington on the first Tuesday of April and the first Tuesday after the third Monday of September; at Bluefield on the first Tuesday of May and the third Tuesday of October; at Williamson on the first Tuesday of October; at Webster Springs on the first Tuesday of September; and at Lewisburg on the second Tuesday of July: *Provided*, That a place for holding court at Webster Springs shall be furnished free of cost to the United States: *And provided further*, That no court shall be held at Williamson until a suitable building for the holding of said court shall have been provided.

With the following committee amendment:

Page 3, line 12, after the word "further," strike out the words "That no court shall be held at Williamson until a suitable building for the holding of said court shall have been provided" and insert in lieu thereof the following: "That a place for holding court at Williamson shall be furnished free of cost to the United States by Mingo County until other provision is made therefor by law."

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The SPEAKER. This bill is on the Union Calendar.

Mr. WEBB. Mr. Speaker, I ask unanimous consent that it be considered in the House as in Committee of the Whole.

The SPEAKER. The gentleman asks unanimous consent that the bill be considered in the House as in Committee of the Whole House on the state of the Union. Is there objection?

There was no objection.

The committee amendment was agreed to.

The bill as amended was ordered to a third reading, and was accordingly read the third time and passed.

On motion of Mr. WEBB, a motion to reconsider the last vote was laid on the table.

PUBLIC LANDS TO DENVER, COLO., FOR PARK PURPOSES.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 15533) granting public lands to the city and county of Denver, in the State of Colorado, for public park purposes.

The Clerk read the title of the bill.

Mr. TALYOR of Colorado. Mr. Speaker, there is a duplicate of this bill, passed by the Senate, which is on this same calendar, Calendar No. 270, S. 5197, with a report, No. 989. I would like to have that considered instead of the House bill. I ask unanimous consent——

The SPEAKER. The gentleman from Colorado [Mr. TAYLOR] asks unanimous consent to consider Senate bill 5197, Calendar No. 270, in lieu of House bill 15533, Calendar No. 235, being identical in text. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the Senate bill.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized to sell and convey to the city and county of Denver, a municipal corporation in the State of Colorado, for public park purposes, and for the use and benefit of said city and county, the following-described land, or so much thereof as said city and county may desire, to wit:

All lands now belonging to the United States of America hereinafter described, to wit:

In township 4 south, range 70 west, sixth principal meridian: South half section 32.

In township 5 south, range 70 west, sixth principal meridian: Northwest quarter of northwest quarter section 4; southwest quarter of northeast quarter, south half of southwest quarter, section 10; west half of northwest quarter, west half of southwest quarter, section 14; east half of northeast quarter, southwest quarter of northeast quarter, northeast quarter of southeast quarter, section 20; northeast quarter of northeast quarter section 28; northeast quarter of southeast quarter section 34.

In township 6 south, range 70 west, sixth principal meridian: West half of southeast quarter, east half of southwest quarter, section 3; northeast quarter of northwest quarter section 7; northwest quarter of southwest quarter section 10; east half of northeast quarter, northeast quarter of northwest quarter, northwest quarter of southwest quarter, section 17.

In township 4 south, range 71 west, sixth principal meridian: Southeast quarter of northwest quarter, southwest quarter, section 2; east half of southeast quarter section 4; south half of northwest quarter, northwest quarter of northwest quarter, west half of southwest quarter, section 30; southwest quarter of northeast quarter, west half of northwest quarter, southeast quarter of northwest quarter, section 31.

In township 5 south, range 71 west, sixth principal meridian: Southeast quarter of southwest quarter section 5; south half of northeast quarter, southeast quarter, north half of southwest quarter, southwest quarter of southwest quarter, section 7; northwest quarter, northeast quarter of southwest quarter, section 8; east half of southwest quarter section 9; northeast quarter of southeast quarter section 12; north half of northeast quarter, southeast quarter of southeast quarter, section 14; northeast quarter, southeast quarter, east half of northwest quarter, southwest quarter of northwest quarter, southwest quarter, section 15; northwest quarter of northeast quarter section 18; west half of northeast quarter section 24; southeast quarter of southeast quarter section 25; northwest quarter of northeast quarter section 26; south half of southeast quarter section 35.

In township 6 south, range 71 west, sixth principal meridian: North half of northeast quarter, north half of northwest quarter, southwest quarter of northwest quarter, south half of southwest quarter, northwest quarter of southwest quarter, section 1; southeast quarter of northeast quarter, east half of southeast quarter, section 2; northwest quarter of northwest quarter, northeast quarter of southwest quarter, section 10; northeast quarter of northeast quarter, south half of northwest quarter, section 11.

In township 4 south, range 72 west, sixth principal meridian: Southeast quarter of southeast quarter, northwest quarter of southeast quarter, section 21; south half of northeast quarter, southeast quarter, south half of northwest quarter, south half of southwest quarter, section 22; southeast quarter, southwest quarter, section 23; southeast quarter of southeast quarter, south half of southwest quarter, northwest quarter of southwest quarter, section 24; east half of northeast quarter, east half of southeast quarter, southwest quarter of southeast quarter, northeast quarter of northwest quarter, southeast quarter of southwest quarter, section 25; northwest quarter of northeast quarter, northwest quarter of northwest quarter, section 26; north half of northeast quarter, southwest quarter of northeast quarter, north half of northwest quarter, southeast quarter of northwest quarter, northeast quarter of southwest quarter, section 27; east half of northwest quarter, south half of southwest quarter, section 28; southwest quarter of southeast quarter, north half of northwest quarter, southeast quarter of northwest quarter, section 33; southwest quarter of southwest quarter section 34.

In township 5 south, range 72 west, sixth principal meridian: South half of northeast quarter, northwest quarter of northeast quarter, north half of southeast quarter, northwest quarter, north half of southwest quarter, section 3; northeast quarter, north half of southeast quarter, southeast quarter of northwest quarter, southeast quarter of southwest quarter, section 4; east half of southeast quarter, section 12. Total, 7,047 acres, more or less.

SEC. 2. That the conveyance shall be made of the said lands to said city and county of Denver by the Secretary of the Interior upon payment by the said city and county for the said land, or such portions thereof as it may select, at the rate of $1.25 per acre, and patent issued to said city and county for the said land selected, to have and to hold for public park purposes, and that there shall be excepted from the grant hereby made any lands which at the date of the approval of this act shall be covered by a valid, existing, bona fide right or claim initiated under the laws of the United States: *Provided*, That this exception shall not continue to apply to any particular tract of land unless the claimant continues to comply with the law under which the claim or right was initiated: *Provided*, That there shall be reserved to the United States all oil, coal, and other mineral deposits that may be found in the land so granted and all necessary use of the land for extracting same: *Provided further*, That said city and county shall not have the right to sell or convey the land herein granted, or any part thereof, or to devote the same to any other purpose than as before described, and that if the said lands shall be used for any purpose other than public park purposes the same, or such parts thereof so used, shall revert to the United States.

The SPEAKER. Is there objection?

Mr. STAFFORD. Reserving the right to object——

Mr. MANN. Reserving the right to object, I should like to ask one question. I see that the House bill was amended by the committee so as to make the city pay the Government price for this land, upon a part of which the Government price is $2.50 an acre. I suppose the same recommendation was made to the Senate committee; but that is not the way the Senate bill is.

Mr. TAYLOR of Colorado. Identically the same recommendation was sent to the Senate committee that was sent to the House committee, but the Senate felt, inasmuch as the land was of no value, or if there was any value it was reserved to the Government, that $1.25 an acre was as much as we have been making any other city pay anywhere for any Government land, so they made it at the flat rate of $1.25 an acre. At that rate it makes the city pay $10,000.

Mr. MANN. I suppose that was the gentleman's own proposition in the committee? The House committee reported the bill in that way.

Mr. TAYLOR of Colorado. Yes; the House committee reported it in that way; that is true.

Mr. MANN. Of course, it is not always possible to tell just what the land is worth. I notice in the report of the Secretary of the Interior upon this bill that he says the purpose of it is largely to protect the timber thereon, and then the committee says that there is no timber on it worth protecting. There is a difference of opinion. I do not know which is correct.

Mr. TAYLOR of Colorado. Mr. Speaker, the Forest Service in the Interior Department sent a man out there who went all over this, a Mr. Marshall. He made an elaborate report upon it, and while there is considerable scrub cedar there, and it does to a certain extent help to beautify the territory, at the same time it is not what you would call merchantable timber at all, and if it was not protected the people would go up there and cut it into firewood or into fence posts, and destroy it.

Mr. MANN. They have not yet.

Mr. TAYLOR of Colorado. No. They have been trying to keep them off there. The gentleman knows that this is all withdrawn from all forms of entry by President Taft.

Mr. MANN. At the gentleman's request?

Mr. TAYLOR of Colorado. Yes. I have been trying to assist the city of Denver in getting these foothills there which you can see from the city of Denver for quite a number of miles off as a city outing place, with drives and parks. I have been assisting them for a number of years in that. The Interior Department and the Forest Service and the public generally have been favorable to the measure. In view of Denver being our capital and a resort place, and in view of the fact that hundreds of thousands of people go there in the course of a year, they would like to have some place to drive up into the mountains, and this is to encourage them in preserving what timber and scenery there are there as a park for the public.

Mr. SELDOMRIDGE. Mr. Speaker, will the gentleman yield to me?

Mr. TAYLOR of Colorado. Yes.

Mr. SELDOMRIDGE. Mr. Speaker, I am familiar with the land in question. It lies to the west of the city of Denver, in the foothills, and the purpose of the park is to provide several miles, some fifty-odd or more, of automobile roads that would carry the spectator in a series of winding ascents gradually up the mountain, in order to afford a magnificent view of the plain. The land is absolutely of no account for cultivation, and I doubt very much if there is any considerable amount of timber upon it, but it will give to the city of Denver a magnificent mountain park and a large and splendid view of all of that region and the country around about.

Mr. TAYLOR of Colorado. I will say that there is no merchantable timber, because this being right there within the city of Denver, and it has been a city for 40 years, if there was merchantable timber up there of any value it would have been cut off long ago. It has been cut off and burned over. I am referring to merchantable timber, of course. There is small timber there.

Mr. MANN. I suppose there is a good deal of white birch growing up there.

Mr. TAYLOR of Colorado. No.

Mr. MANN. Oh, it grows all over that country.

Mr. SELDOMRIDGE. Oh, the gentleman is mistaken.

Mr. TAYLOR of Colorado. We felt that in paying $1.25 an acre for it we would we paying enough, but I said to the House committee that if the House insisted upon our paying $2.50 an acre, of course there is some of it there that we would have to pay that for, but I think the Senate has passed the bill in proper form.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none. This bill is on the Union Calendar.

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent that the bill be considered in the House as in the Committee of the Whole.

The SPEAKER. The gentleman from Colorado asks unanimous consent to consider the bill in the House as in the Committee of the Whole. Is there objection?

There was no objection.

Mr. MANN. Mr. Speaker, I move to amend section 2 of the bill, page 5, line 17, by striking out the words "grants hereby made" and inserting in lieu thereof the words "sales hereby authorized."

Mr. TAYLOR of Colorado. Mr. Speaker, I accept that amendment.

The SPEAKER. The Clerk will report the amendment of the gentleman from Illinois.

The Clerk read as follows:

Page 5, line 17, strike out the word "grant" and insert the word "sale"; and strike out the word "made" and insert the word "authorized."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill was ordered to be read the third time, was read the third time, and passed.

On motion of Mr. TAYLOR of Colorado, a motion to reconsider the vote by which the bill was passed was laid on the table.

The similar House bill, H. R. 15533, was ordered to lie on the table.

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

SILETZ INDIAN RESERVATION.

The next business on the Calendar for Unanimous Consent was the bill H. R. 15803, to amend an act entitled "An act to authorize the sale of certain lands belonging to the Indians on the Siletz Indian Reservation, in the State of Oregon," approved May 13, 1910.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 3 of an act entitled "An act to authorize the sale of certain lands belonging to the Indians of the Siletz Indian Reservation, in the State of Oregon," approved May 13, 1910, be, and the same is hereby, amended by striking out all of said section and inserting in lieu thereof the following:

"SEC. 3. That the proceeds derived from the sale of any lands hereunder, after reimbursing the United States for the expenses incurred in carrying out the provisions of this act, shall be paid, share and share alike, to the enrolled members of the tribe."

The SPEAKER. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, I see that the committee did not agree with the department, and I think we ought at least to have a statement of the situation.

Mr. HAWLEY. Mr. Speaker, when this reservation was opened, the Government reserved five sections of land and certain lands around the present town site from the grant of lands by the Indians to the Government. These were reserved for the benefit of the Indians. The act of 1910, passed later, provided that the lands should be sold and that the money should be used for school purposes. These Indians have their lands in severalty, and they are taxpayers on the rolls of Lincoln County, in which this reservation is located. They aid in the support of the county schools and attend the county schools, and the county officials and the patrons of the schools are anxious for them to do so. There are 14 county schools within the bounds of the reservation. Therefore it is unjust to the Indians, on the one hand, to use this money derived from the sale of five sections for school purposes, when they already contribute a very large amount to the maintenance of the county schools and are acceptable students in the county schools and are taxpayers. Second, there is no necessity for it.

The department in its recommendation desired, as it generally does, to retain the money of the Indians in its own hands, but these Indians have their lands in severalty. I have seen a number of their houses and farms, and they are endeavoring to become useful citizens of the United States and to support and maintain themselves. They are well liked by the people of the county and they take part in the county fair, which is supported in part by the State. And it is the general opinion there that it will be good for the Indians that they no longer be held in tutelage by the Government and their moneys withheld from them, but that their moneys be paid directly to them. The money received from the Government when the reservation was opened was paid over to the Indians. A number of these Indians have used their money upon their lands and in buying stock; some of the older Indians still have part of their shares in money, and there is no reason I nor anyone knowing aything of the facts can see why the Indians should not be given this money and let it be used for their benefit and improvement. They are self-supporting people now.

Mr. STAFFORD. Will the gentleman yield?

Mr. HAWLEY. With pleasure.

Mr. STAFFORD. How many Indians are there?

Mr. HAWLEY. Four hundred and thirty-four in all, as I remember.

Mr. STAFFORD. What is the value of these lands, or the amount likely to accrue from the sales of these lands?

Mr. HAWLEY. I can only estimate it. There are 3,200 acres, and they should be worth, I should think, as timberland, in part at least, probably $150,000.

Mr. STAFFORD. Is it timberland?

Mr. HAWLEY. Yes.

Mr. STAFFORD. Is there any water power?

Mr. HAWLEY. If there is any water power, this does not change the act referred to. Section 2 reserves all water power.

Mr. STAFFORD. This bill proposes, as I understand, to sell all the lands that have not heretofore been sold.

Mr. HAWLEY. The act of May 13, 1910, reserves all water power. This proposes, instead of appropriating the money or using the money to maintain schools, that the Indians be given their own money.

Mr. STAFFORD. In the report of the Secretary there is the statement from the Government superintendent that they are not in a very flourishing condition, and upon that report the Secretary recommends that this fund should not be mandatorily paid to members of the tribe, but be placed in the discretion of the Secretary of the Interior so they may expend it for the benefit of the Indians. It is stated here—and the gentleman is well aware—that they have not very much stock on their property, and that it would be to their interest to have the Government purchase breeding stock and purchase other stock so as to care for and advance the welfare of the Indians.

Mr. BURKE of South Dakota. Will the gentleman yield?

Mr. STAFFORD. I will be glad to do so.

Mr. BURKE of South Dakota. In the opinion of the committee these Indians, as stated by the gentleman from Oregon, are self-supporting, voters and taxpayers in the State of Oregon, and apparently abundantly able to take care of and manage their own affairs; but we believe that it would be much better for them to take the proceeds from the sale of these lands—it is the last matter, I understand, between them and the Government—and get away from the supervision of the Government. Now, the gentleman knows that it is the policy of every bureau of this Government to retain and withhold power and supervision, and especially if there is any money, this superintendent, who the gentleman says has reported against this matter, would deposit this money in banks and pay it out to the Indians, and the Indians would have to come to him, hat in hand, when they wanted anything, and that increases his importance, and so forth, and it seems to me that the action of the committee is thoroughly justified and would be better than to follow the suggestion of the superintendent.

Mr. STAFFORD. To my mind the question is not whether it increases the importance of the superintendent, but what is best for the Indians.

Mr. DONOVAN. Mr. Speaker, regular order.

The SPEAKER. The regular order is, Is there objection?

Mr. STAFFORD. If the gentleman is going to——

The SPEAKER. Is there objection? [After a pause.] The Chair hears none. This bill is on the Union Calendar.

Mr. HAWLEY. Mr. Speaker, I ask unanimous consent that this bill be considered in the House as in the Committee of the Whole House on the state of the Union.

Mr. MANN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill. There is nothing else to do that I know of.

The SPEAKER. But the gentleman from Oregon was up asking unanimous consent to consider the bill in the House as in the Committee of the Whole House on the state of the Union.

Mr. MANN. But there may be debate wanted on the bill. If we are to be shut off from our right to debate, there are other ways in which we can get it. That is all.

The SPEAKER. The gentleman from Oregon arose prior to the gentleman from Illinois and asked unanimous consent to consider this bill in the House as in the Committee of the Whole House on the state of the Union. Is there objection?

Mr. MANN. I object.

The SPEAKER. The gentleman from Illinois objects, and moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 15803.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 15803, with Mr. MOSS of Indiana in the chair.

The CHAIRMAN. The House is in the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 15803, the title of which the Clerk will report.

The Clerk read as follows:

A bill (H. R. 15803) to amend an act entitled "An act to authorize the sale of certain lands belonging to the Indians on the Siletz Indian Reservation, in the State of Oregon," approved May 13, 1910.

Mr. MANN. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with, it having been read in the House.

The CHAIRMAN. The gentleman from Illinois [Mr. MANN] asks unanimous consent that the first reading of the bill be dispensed with. Is there objection?

Mr. DONOVAN. I object.

The CHAIRMAN. The gentleman from Connecticut [Mr. DONOVAN] objects, and the Clerk will read the bill.

The Clerk read as follows:

A bill (H. R. 15803) to amend an act entitled "An act to authorize the sale of certain lands belonging to the Indians on the Siletz Indian Reservation, in the State of Oregon," approved May 13, 1910.

Be it enacted, etc., That section 3 of an act entitled "An act to authorize the sale of certain lands belonging to the Indians of the Siletz Indian Reservation, in the State of Oregon," approved May 13, 1910, be, and the same is hereby, amended by striking out all of said section and inserting in lieu thereof the following:

"SEC. 3. That the proceeds derived from the sale of any lands hereunder, after reimbursing the United States for the expenses incurred in carrying out the provisions of this act, shall be paid, share and share alike, to the enrolled members of the tribe."

Mr. MANN. Mr. Chairman, I ask for recognition. For how long am I recognized?

The CHAIRMAN. The gentleman is recognized for one hour.

Mr. MANN. I shall not take the time, although I could use the hour in discussing the bill, and take a great deal longer in that way for the consideration of the bill than by the reasonable method of reserving the right to object which Members have, and endeavoring to learn in regard to the bill under the reservation. The consideration of these bills by unanimous consent must necessarily be by unanimous consent, and anybody can throw a monkey wrench into the machinery. It does not require intelligence. It does not require discrimination——

Mr. DONOVAN. Mr. Chairman——

Mr. MANN. Considering what I was just saying, I yield to the gentleman from Connecticut.

Mr. DONOVAN. Mr. Chairman, I make the point that there is no quorum present.

Mr. MANN. That satisfies me.

The CHAIRMAN. The gentleman from Connecticut [Mr. DONOVAN] makes the point of no quorum. The Chair will count. [After counting.] Sixty-six gentlemen are present, not a quorum. The Clerk will call the roll.

The roll was called, and the following Members failed to answer to their names:

Aiken	Beall, Tex.	Calder	Crosser
Ainey	Bell, Ga.	Callaway	Dale
Anthony	Borland	Campbell	Danforth
Aswell	Brockson	Cantor	Decker
Austin	Browne, Wis.	Carlin	Dickinson
Baker	Browning	Carr	Dies
Baltz	Bruckner	Casey	Dixon
Barchfeld	Bulkley	Chandler, N. Y.	Dooling
Barkley	Burke, Pa.	Clark, Fla.	Driscoll
Bartholdt	Burnett	Cramton	Dunn
Bartlett	Byrnes, S. C.	Crisp	Eagle
Elder	Hughes, Ga.	Madden	Sabath
Esch	Hughes, W. Va.	Mahan	Saunders
Estopinal	Hullings	Maher	Seldomridge
Fairchild	Igoe	Manahan	Sherley
Faison	Johnson, Ky.	Martin	Sherwood
Farr	Johnson, S. C.	Merritt	Shreve
Fields	Jones	Metz	Sisson
Finley	Kahn	Montague	Slemp
Flood, Va.	Kennedy, Conn.	Moore	Smith, Md.
Fordney	Kennedy, R. I.	Morgan, La.	Smith, N. Y.
Foster	Kent	Morin	Stanley
Francis	Key, Ohio	Mott	Steenerson
Frear	Kiess, Pa.	Murray, Okla.	Stephens, Miss.
Gard	Kindel	Neeley, Kans.	Stephens, Nebr.
Gardner	Kinkead, N. J.	Neely, W. Va.	Stephens, Tex.
George	Kirkpatrick	Nelson	Stout
Gill	Knowland, J. R.	Oglesby	Stringer
Gillett	Konop	O'Hair	Switzer
Gittins	Kreider	O'Leary	Talbott, Md.
Godwin, N. C.	Lafferty	Padgett	Talcott, N. Y.
Goeke	Langham	Palmer	Taylor, Ala.
Goldfogle	Langley	Parker	Townsend
Gorman	Lazaro	Patten, N. Y.	Treadway
Graham, Ill.	Lee, Ga.	Patton, Pa.	Underhill
Graham, Pa.	L'Engle	Payne	Vare
Griest	Lenroot	Peters	Vollmer
Griffin	Lesher	Peterson	Walker
Gudger	Levy	Platt	Wallin
Hamill	Lewis, Pa.	Plumley	Walsh
Hamilton, Mich.	Lieb	Porter	Walters
Hamilton, N. Y.	Lindbergh	Post	Watkins
Hammond	Lindquist	Powers	Weaver
Hardwick	Linthicum	Rainey	Whaley
Harris	Logue	Rauch	Whitacre
Hayes	Lonergan	Reed	Willis
Helvering	McAndrews	Riordan	Winslow
Henry	McClellan	Roberts, Mass.	Woodruff
Hobson	McGillicuddy	Rothermel	Woods
Howard	McGuire, Okla.	Rubey	Young, N. Dak.
Hoxworth	McKenzie	Rupley	

Thereupon the committee rose; and the Speaker having resumed the chair, Mr. MOSS of Indiana, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee having under consideration the bill (H. R. 15803) to amend an act entitled "An act to authorize the sale of certain lands belonging to the Indians on the Siletz Indian Reservation, in the State of Oregon," approved May 13, 1910, and finding itself without a quorum, he had caused the roll to be called, whereupon 227 Members had responded to their names, and he presented therewith a list of absentees for publication in the RECORD and in the Journal.

The SPEAKER. The Chairman of the Committee of the Whole House on the state of the Union reports that that committee, having under consideration House bill 15803, found itself without a quorum, and under the rule he had caused the roll to be called, whereupon 227 Members—a quorum—had responded to their names, and he presents a list of absentees for publication in the RECORD and the Journal. The committee will resume its sitting.

The committee resumed its session.

The CHAIRMAN. The gentleman from Illinois [Mr. MANN] is recognized.

Mr. MANN. Mr. Chairman, how much of my time had I used?

The CHAIRMAN. The gentleman from Illinois used five minutes.

Mr. MANN. Oh, Mr. Chairman, I am sure that I did not use more than a minute. However, I will not quarrel over the odd four minutes. I had not expected to have such a large audience upon this very important bill, relating to the Siletz Indian Reservation, but owing to the enthusiasm and courtesy of my friend from Connecticut [Mr. DONOVAN], he insisted upon the Members coming here to listen. [Laughter.]

I do not intend to consume the time allotted to me, Mr. Chairman, although here is a bill that ought to have consideration, and that was receiving reasonable and proper consideration in the House under the right reserved to object, and before anybody had any opportunity to learn anything about the bill the regular order was demanded. I observed that anyone can throw a monkey wrench into the machinery in regard to unanimous consent, but it does not follow therefore that every monkey ought to throw a wrench. [Laughter.]

Mr. Chairman, I reserve the balance of my time.

Mr. STAFFORD. Mr. Chairman, when I was proceeding in order during the consideration of this bill under the reservation of an objection, the question was asked of a member of the committee as to whether this bill would surrender the water-power privileges on this reservation and cause them to be sold. The gentleman of whom I made the inquiry informed me—and I know he informed me in the best of faith—that that provision was not included in this bill and was provided for in the foregoing provision. On referring to the original act—and I wish to direct his attention to it—I find that provision is made for the reservation of these water powers in the section to be amended. The bill under consideration repeals section 3 of the act that was passed on May 13, 1910, which act per-

mitted the sale of certain lands on the Siletz Indian Reservation. In section 3—and I wish to direct to the especial attention of the gentleman from South Dakota [Mr. BURKE] the phraseology as found in the original act—

That when such lands shall be surveyed and platted they shall be appraised and sold, except such lands as are reserved for water-power sites, as provided in section 2 of this act.

Under the proposed bill we are proposing to repeal that section and substitute new language entirely, without any reservation whatever as to water-power sites; and under my construction—and I believe it is a reasonable construction, and I crave the attention of others members of the Committee on Indian Affairs, and I see before me my friend from Oklahoma [Mr. CARTER] who is always watchful of the interests of the Indians—we will be subjecting these water-power sites to sale.

This is not a little proposition. This is a matter involving hundreds of thousands of dollars. The Secretary of the Interior recommends that this fund be reserved for the benefit of the Indians; but here we have the Indian Committee departing from the recommendation of the Secretary of the Interior and saying that the fund should be turned over absolutely to the Indians. The report, containing the letter of the Secretary of the Interior, shows that these Indians are in rather destitute circumstances.

I do not charge any bad faith to the gentleman from Connecticut [Mr. DONOVAN], who tried to foreclose reasonable consideration of this bill, and I do not say that he wittingly had any disposition to have this bill rushed through the House and thereby jeopardize the interests of the Indians.

Mr. Chairman, when bills are reported here in the House affecting the interests of the Indians it is too frequently the case that their interests are not properly safeguarded. Only three years ago Congress passed the bill which it is proposed to amend, and it was then the deliberate judgment of this House that the funds from certain lands should be reserved for the benefit of the Indians. Here we have the report of the Secretary of the Interior recommending that though these lands be sold the funds be reserved for their benefit. The report says these Indians are in destitute circumstances; that they have only 3 bulls, 138 cows, and a very few chickens and sheep. The Secretary of the Interior recommends that these funds be utilized for the benefit of the Indians themselves. The gentleman from South Dakota [Mr. BURKE] says that it is not advisable to reserve these funds any longer, but that we should go contrary to the judgment of the Secretary of the Interior and parcel out this money piecemeal to the respective Indians.

But there is more than that. These are valuable forest lands, with valuable water powers contained on them. The Indians are entitled to those water powers. That valuable franchise should not be sacrificed by selling them to some private interests. When it is sacrificed and the money deposited in the hands of the Indians, we who have some knowledge of the history of moneys furnished to the Indians know that their money goes rapidly, and the Indians are left a charge upon the people of the community.

Mr. BURKE of South Dakota. Will the gentleman yield?

Mr. STAFFORD. I will gladly yield.

Mr. BURKE of South Dakota. If the gentleman will read the statute on page 367, section 3, I will state to him that it was the intention of the committee to have section 3 read exactly as it reads in the statute down to the word "domain," and then after that comes the language that is in this bill as section 3. I do not know how the mistake occurred, but the report fails to show what the committee intended should be done. It was not intended to leave out the first four lines of section 3 as they appear in the statute.

Mr. STAFFORD. If the gentleman will permit me to ask him a further question: If it is the intention to reserve the water powers on these lands for the benefit of these Indians, why should not the lands themselves be reserved for their benefit? What reason for the haste? What is the need of it? These lands were sold only three years ago, and the Indians received the returns. Why should we proceed now to sell the remaining lands and divide up the money?

Mr. BURKE of South Dakota. The act of 1892 provided for the sale of all of the lands belonging to the Indians except about five sections, which were reserved. The 1910 act authorized the sale of the lands reserved and they might have been already sold. This bill simply provides that the proceeds directed by the 1910 act to be used for educational purposes shall be paid to the Indians. The bill does not change the law a particle in any other particular, and I call the attention of the gentleman to section 2, which is in no way changed, which expressly provides that the water-power sites shall be reserved.

The committee did not intend, and it is not the purpose of this bill, to change the act of May 13, 1910, at all, except to provide that certain moneys received from the sale of the lands shall be paid to the Indians instead of expended for educational purposes, when there are public schools provided by taxation and the Indians are contributing as taxpayers toward the maintenance and support of the schools.

Mr. STAFFORD. But if this bill is passed and these lands are sold, and there are no qualification as to the use of these funds, the Indians will have no other lands remaining except their own allotments that they received under the original law.

Mr. BURKE of South Dakota. They are self-supporting, and they are full citizens of the State of Oregon. They are taxpayers and voters, and it is not the function of the Government to supervise the affairs of its citizens. If the Indians should not use the money properly and should become paupers, it would be up to the State of Oregon to take care of them.

Mr. STAFFORD. In the State of Michigan and other States they have become public charges; but these Indians are still our wards. They still have property.

It is their property which we wish to safeguard, and you are proposing by this bill to go contrary to the recommendation of the Secretary of the Interior, which is to hold the funds for their benefit. You are proposing to have the money parceled out when we know it will not remain very long in their possession. Personally I would much rather follow the recommendation of the Secretary of the Interior and have these proceeds reserved for the benefit of the Indians. What objection can there be? We know they need attention. Why should we throw them upon the mercies of the public when in only a few years they will again become public charges and perhaps paupers?

Mr. MILLER. Mr. Chairman, will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. MILLER. Mr. Chairman, I simply want to ask the gentleman if in his opinion it is not a wiser policy to give the Indian his property just as far as he is able intelligently to handle it rather than to keep it in our possession and dole it out to him bit by bit?

Mr. STAFFORD. When it is shown, as it is shown in this case, that these Indians are not capable of protecting themselves, not able to make their own livelihood, then I say such property as remains in the hands of the Government should be retained and paid out piecemeal for their benefit.

Mr. MILLER. If the gentleman has correctly stated the situation, I am sure that the conclusion he reaches is correct; but I do not think that he will find in the report the premise that these Indians are not capable of taking care of their own property for themselves.

Mr. STAFFORD. I think that is the fair inference from the report of the Assistant Secretary.

Mr. MILLER. The report is rather silent upon that. The gentleman from Oregon [Mr. HAWLEY] had personal information about these Indians, which he communicated to the committee, and that, in addition to other information, convinced us that these Indians were rather advanced, speaking of Indians generally, in their capacity to handle their own affairs, and that it would be extremely unwise to keep such a little bit as this is and not pay it out to them.

Mr. STAFFORD. But this would mean several hundred dollars per Indian.

Mr. MILLER. We thought it would be better to give it to them rather than keep the proceeds, so that they could purchase additional stock.

Mr. STAFFORD. The department wishes to purchase it for them, so that they can not waste these funds.

Mr. HAWLEY. Mr. Chairman, will the gentleman yield?

Mr. STAFFORD. Certainly.

Mr. HAWLEY. If the Indian is not capable of managing his affairs in the purchase of his stock, then if the department should purchase a fine bull or a horse, he would sell it the minute he got it, would he not?

Mr. STAFFORD. Then the whole policy of the Interior Department is at fault. We have been passing any number of bills here granting power to the department to purchase supplies for Indians upon the idea that it will be conserved after it has been transferred to the Indians themselves, but here we have a report which positively states that they have not any great quantity of stock, very little poultry, and it was a reasonable inference, reading that letter of the Assistant Secretary that they are in rather destitute circumstances and need protection.

I reserve the balance of my time.

Mr. HAWLEY. Mr. Chairman, in reference to the matter of the first part of section 3, it was not the intention of anyone to eliminate the first four lines, as given in the Revised Statutes,

and I am going to move, when the bill comes up for consideration under the five-minute rule, that the first four lines of that section be restored, that only the part of the section be changed which pays the money to the Indians directly instead of leaving it in the hands of the department to parcel it out to them as its agent may see fit. The lands of the former Siletz Indian Reservation were bought by the United States from the Indians about 20 years ago, in round numbers, and the lands then reserved from that transfer are the lands now under consideration. I see the act is dated 1892. The money was distributed to the Indians very shortly after the ratification of the treaty, which was within a few years later. The Indians used that money after they received their allotments for the building of barns and houses and fences and the purchase of stock. They have maintained themselves now for nearly 20 years in very comfortable circumstances. I have been on the reservation and have seen some of the houses and the farms. They are learning to farm. They are proud of the fact that they are making their way alongside of the white man, who bought the lands that were sold or disposed of in the reservation.

Mr. CARTER. Mr. Chairman, will the gentleman yield?

Mr. HAWLEY. Yes.

Mr. CARTER. Is it not a fact that these particular Indians are not as a class stock raisers, but are more agriculturists?

Mr. HAWLEY. The gentleman is right about that, and I was coming to that. I do not know at what time of the year the gentleman who made this report to the department made it. They sell at certain periods of the year, when the market is right, the surplus stock on the land. It may have been that that was done immediately before this man made this report. As a usual thing they "run" a few stock, but they are mostly agricultural, as I understand. The lands are very valuable for agricultural purposes, although they do raise some stock, and in contradistinction to what the gentleman from Wisconsin [Mr. STAFFORD] has said, I know that for nearly 20 years these Indians have made a good and sufficient living on the lands allotted to them, and, in fact, many of them have a part of the original amount paid to them by the Government for the land. Now, there is no reason why the money should not be paid to them. It was reserved in the original bill because it was thought it was necessary for school purposes. The Indians are taxpayers and voters. These children attend the public schools, which they help to maintain with their taxes. Everybody is satisfied with the arrangement, and the department itself requests that the money be no longer held for school purposes, but that it shall be devoted to the buying of stock for the Indians. Now, if the department is to hold this money and buy stock for the Indians, it must keep an account with each separate Indian, because each Indian under the original act is entitled to share and share alike.

If he is entitled to $300 or $400 the department must keep an account with each Indian. It must buy for each Indian so much stock, and when it runs up to that amount it must quit. Those who are capable of handling their stock and using it wisely will apply for the money to be used in buying of the stock, and they would use the money themselves if they had it for the buying of stock, and if there is any Indian so careless that he would not apply for the purchase of stock he would not get the money, and if the Government reserves the money for the purchase of stock and then an Indian is entitled to $300 and comes and says that he wants to buy some cows or some sheep or hogs, immediately after the Government has purchased them and put them on the land they belong to him and he can sell them. Why not give the money to them directly and save the expense of the Government in buying, and handling all this money, and save to the Indians the cost which would be taken out by the Government for the administration and handling of this money?

Mr. MILLER. Will the gentleman yield for a question?

Mr. HAWLEY. With pleasure.

Mr. MILLER. Has the gentleman given consideration as to whether or not a large part of this might be used in the expense of administration by the department handling the money in the purchase in the way in which he indicates?

Mr. HAWLEY. Unless the money was appropriated otherwise—and there is no other money appropriated, I think—the expenditures would probably be paid out of this sum and a considerable portion of their fund used for administration. The moneys received formerly by these Indians from the sale of the Siletz Reservation have been as wisely used as any body of men and women would have used them, and the moneys to be received from the sale of these reserved lands likewise will be well used, and better, I think, as the Indians have had more experience. I never heard that the moneys formerly received were taken by white or other adventurers from the Indians at the Siletz Reservation. It is a community of agricultural people. It might have been said that the former moneys should have been left in the hands of the department to be expended by the department for the Indians. But the wiser course was at that time pursued, and in the light of the experience we have had of these Indians there is no reason why that course should at this time be changed. The moneys derived from the sale of these reserved lands should be given to the Indians enrolled as members of the tribe, share and share alike. It was formerly so done, and it proved the best thing that could have been done. I reserve the balance of my time.

Mr. CARTER. Mr. Chairman, I am sorry I was detained by a subcommittee meeting when this bill first came up, and therefore have not heard all of the discussion. I see, however, that my good friend from Wisconsin [Mr. STAFFORD] was on the job, and, as usual, was looking out for the protection of the Indian. In a general way, Mr. Chairman, I want to say in a treatment of the Indian question many of us fall into the error of viewing the Indian as a narrow or distinct type. There are as many different kinds of Indians as there are different kinds of white men. There are stock-raising Indians and nonstock-raising Indians. There are agricultural Indians and nonagricultural Indians. There are smart Indians and dull Indians. There are industrious Indians and lazy Indians. The difficulty with our system is that we have tried to narrow it down to a certain type and bring all Indians within its restricted scope. We are dealing here with a number of Indians who, from representations made before our committee, were shown to be self-supporting, self-sustaining Indians, ready to take upon themselves the full responsibilities of United States citizenship, ready to accept everything that may come to them, ready to merge into a general citizenship and make their own way. There is nothing so calculated to discourage initiative character in a man as too much paternalism. I believe that the noncompetent Indian should be protected, but I believe that a distinction should be made between the incompetent and the competent Indian, and that as soon as an Indian becomes competent, as soon as he reaches the point of intelligence at which he can care for himself, any further attempt to supervise his actions or supply his wants simply stimulates indolence and destroys such initiative character as we have been able to build up.

Mr. COOPER. Will the gentleman yield for an interruption?

Mr. CARTER. I will.

Mr. COOPER. I notice that the First Assistant Secretary of the Interior recommends that these words be inserted:

> In the discretion of the Secretary of the Interior may be paid to or expended for the benefit of the Indians entitled thereto, in such manner and for such purposes as he may prescribe.

Now, he would leave it to the Secretary of the Interior to ascertain whether some of these Indians were competent to take care of the money and expend it discreetly, and he would leave it to the Secretary of the Interior, if they were not so competent, to expend it for them.

Mr. CARTER. Mr. Chairman——

Mr. COOPER. But if you hand it all over to them, they are going to lose it.

Mr. CARTER. I have not any objection, Mr. Chairman, to that language going into this bill if this House thinks it is necessary after what has been said. But I repeat here that we have a class of Indians who, it was represented to our committee by everyone, including the gentleman from Oregon [Mr. HAWLEY], and I think by the department, were competent to accept the responsibilities of citizenship. It may be possible that there one or even a dozen are not competent, but where can you show me a community of white people in this country in which everyone is competent to take care of everything that comes into his hands. I would dislike to have that rule applied to myself at times.

Mr. BURKE of South Dakota. Will the gentleman yield?

Mr. CARTER. Certainly.

Mr. BURKE of South Dakota. The gentleman from Oklahoma may overlook the fact that these lands were authorized to be sold originally in 1892. The money was paid to the Indians—the proceeds received from those sales. The allotments, instead of being allotments as ordinarily, were restricted. They have fee title to their land.

Mr. CARTER. I was going to get to that.

Mr. BURKE of South Dakota. They are citizens in every sense. They are in no way restricted Indians.

Mr. CARTER. They have fee patents now to their lands and titles to those lands, and are paying taxes upon them. If the Indian is competent to take care of his land and make his living upon it, having a full fee title to it, and does not dispose of it, or takes care of the funds for which he might dispose of that land, it occurs to me there is very little in the conten-

tion that he might not be able to take care of the funds that might be handed to him by the Federal Government.

Now, Mr. Chairman, I want to get back to the point I was just discussing, which is this: There is nothing on the face of the earth that will make a man dependent any more than for him to think that away out in the future he may have some money coming to him whenever he may call on the Secretary of the Interior. My notion is that this money should be paid over to these people, because they are competent to handle it, and they should not be expecting that the Federal Government is going to do something for them in the future. If they are citizens, let us make them citizens in fact. Let us make them citizens to all intents and purposes. Let us put all the responsibilities upon them and give them all the privileges.

Mr. MILLER. Will my colleague on the committee yield for a question?

Mr. CARTER. I yield.

Mr. MILLER. Would it be the Secretary of the Interior himself or an agent of the Indian Office somewhere out in Oregon who would determine whether or not to pay the money to the Indians, or whether or not to divide things for them or what should be bought?

Mr. CARTER. It would necessarily be an agent, or more likely a clerk in the agency office. Neither the Secretary, the Indian Commissioner, nor any one in the Indian Office here would be likely to see this Indian. If these Indians are similar to some of the Indians with whom I have come in contact, some of them may have earning capacities of $2,000 or $3,000 per year. Under the proposed suggestion this man would probably have some clerk passing on his competency whose salary does not exceed $1,200 or $1,500 per annum.

Mr. MILLER. May I ask one more question?

Mr. CARTER. I will be glad to yield.

Mr. MILLER. Would it be to the personal interest of the agent or not to retain just as much a supervision and control over these Indians as he could?

Mr. CARTER. The gentleman from Minnesota and myself have had some experience along that line, and we know that just as you solve an Indian problem, just as you place an Indian on his responsibilities and remove departmental supervision from him, just that fast you cut off somebody's salary; just that moment must the pay roll be cut down, because there are less men to be supervised, and I want to say frankly and candidly that I have not always seen any very urgent tendency on the part of the employees of any bureau to cut down pay rolls and abolish jobs. [Applause.]

Mr. VOLSTEAD. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Minnesota asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That section 3 of an act entitled "An act to authorize the sale of certain lands belonging to the Indians of the Siletz Indian Reservation, in the State of Oregon," approved May 13, 1910, be, and the same is hereby, amended by striking out all of said section and inserting in lieu thereof the following:

"SEC. 3. That the proceeds derived from the sale of any lands hereunder, after reimbursing the United States for the expenses incurred in carrying out the provisions of this act, shall be paid, share and share alike, to the enrolled members of the tribe."

Mr. HAWLEY. Mr. Chairman, I move to amend, in line 9, by inserting after the words "SEC. 3" the following.

The CHAIRMAN. The gentleman offers an amendment, which the Clerk will report.

Mr. HAWLEY. The language offered to be inserted is the language of the original act.

The Clerk read as follows:

Page 1, line 9, after the words "SEC. 3," insert the following: "That when such lands are surveyed and platted they shall be appraised and sold, except lands reserved for water-power sites, as provided in section 2 of this act, under the provisions of the Revised Statutes covering the sale of the town sites located on the public domain."

Mr. HAWLEY. Mr. Chairman, I ask for a vote.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Oregon [Mr. HAWLEY].

The amendment was agreed to.

Mr. HAWLEY. Mr. Chairman, I move that the committee do now rise.

Mr. STAFFORD. Mr. Chairman, pending that, I offer the following amendment.

The CHAIRMAN. The gentleman from Wisconsin offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 2, line 2, after the word "act," strike out the remainder of the paragraph and insert the following: "in the discretion of the Secretary of the Interior, may be paid to or expended for the benefit of the Indians entitled thereto in such manner and for such purposes as he may prescribe."

Mr. STAFFORD. Mr. Chairman, just a word. This amendment is the recommendation of the Secretary of the Interior, that these funds shall be placed in his hands and parceled out to the Indians as he may deem best for their welfare. I have already spoken in favor of the amendment in general debate, and I do not propose to consume the time of the committee longer.

Mr. BURKE of South Dakota. Mr. Chairman, I hope the amendment will not prevail. The department simply suggests that some of the funds might be very profitably utilized for industrial purposes, and therefore proposes that the bill be amended.

Now, there is no case, I may say, where the Indians are not restricted, where the Government attempts to withhold and supervise the payments of money due them.

Mr. FITZGERALD. How many of these Indians are there?

Mr. BURKE of South Dakota. About 400.

Mr. FITZGERALD. How much money is involved?

Mr. BURKE of South Dakota. It will not exceed $150,000.

Mr. HAWLEY. It may not run that much. That is an outside figure.

Mr. FITZGERALD. How much would that be apiece?

Mr. STAFFORD. About $400.

Mr. FITZGERALD. These Indians have about 116 or 120 head of cattle, all told—those 400 Indians?

Mr. BURKE of South Dakota. They have more than that.

Mr. FITZGERALD. The Secretary of the Interior states the number.

Mr. MANN. They have 3 bulls and 138 cows and heifers.

Mr. FITZGERALD. That is near enough. I said 120. They may have 150.

Mr. BURKE of South Dakota. I will say to the gentleman that these are not restricted Indians.

Mr. FITZGERALD. I do not care anything about that. We are responsible, and everybody knows that if we give this money to the Indians the white sharps out there will have it inside of six months.

Mr. BURKE of South Dakota. That was not the way with the money that was paid to these Indians 20 years ago under the act of 1892.

Mr. FITZGERALD. They have not very much to show for it.

Mr. CARTER. Let me suggest to the gentleman from New York that these Indians are competent Indians. If he will give them this $400 apiece he may not have to complain of their having so little stock in the future.

Mr. FITZGERALD. How much do we appropriate for the support of the Siletz Indians?

Mr. CARTER. Nothing at all.

Mr. FITZGERALD. I mean these Indians affected by this bill.

Mr. CARTER. Those are the Siletz Indians.

Mr. FITZGERALD. Do we not provide schools for them?

Mr. CARTER. No, sir. The intention was that these funds should be used for schools, but the Indians have advanced to such an extent that their children are all now in the public schools. They are taxpayers. They own their titles in fee to their land and they have not sold of it, which is a pretty good guaranty of their business qualifications.

Mr. FITZGERALD. This money is only the proceeds of the sale of the lands that were reserved for the purpose of establishing day schools, is it not?

Mr. CARTER. No, sir.

Mr. HAWLEY. The lands were not reserved for that purpose.

Mr. CARTER. The lands were sold, but the proceeds were to be reserved.

Mr. FITZGERALD. For the establishment of schools?

Mr. HAWLEY. Not originally.

Mr. FITZGERALD. And the department states that there are public schools in which these Indians are and can be educated. Now, what other moneys are derived from the sale of these lands besides this sum? Provision is made for the sale of the land and the proceeds are to be reserved for education, proceeds to which they are entitled and which they will receive.

Mr. HAWLEY. I think they are entitled to all of it.

Mr. FITZGERALD. No. One hundred and fifty thousand dollars is the amount of the proceeds from the sale of the land,

which money was utilized for school purposes. How much other money are they to get from the sale of these lands?

Mr. HAWLEY. When the reservation was first opened the Government paid them share and share alike, as provided in this bill.

Mr. FITZGERALD. How much did it amount to?

Mr. HAWLEY. I do not have the figures in mind. I think it ran from $150,000 to $200,000.

Mr. FITZGERALD. Are they an agricultural people?

Mr. HAWLEY. They are an agricultural people. They have their lands in fee simple. They live on their lands. They have farms, houses, and barns, and they have improved their lands. They get most of their living from the land.

Mr. FITZGERALD. Did they get that money in 1892?

Mr. HAWLEY. I think the transfer was made about 1894 or 1895.

Mr. FITZGERALD. An agricultural people having $150,000 or $200,000 distributed among them 22 years ago now have to show for it 150 head of cattle of all kinds, a decided illustration of their ability to care for themselves.

Mr. HAWLEY. I can show you farms in Oregon that are worth $100,000 on which there is not a head of stock.

Mr. CARTER. These Indians used most of their money in improving their farms, and I understand their farms are in a very good, improved state, when you consider that they are Indian farmers.

Mr. FITZGERALD. The gentleman from Oklahoma, the gentleman from Oregon, and the gentleman from South Dakota represent districts in which there are Indians——

Mr. CARTER. And therefore we ought not to be believed on any Indian question.

Mr. FITZGERALD. They represent, not the Indians, but the white men who have been despoiling them for years, and these gentlemen are always in favor of turning the money over to the Indians without any control or reservation.

Mr. CARTER. Mr. Chairman, the gentleman has not any warrant on earth for making any such statement as that.

Mr. FITZGERALD. Oh, yes, I have. I have served in this House some time.

Mr. CARTER. Yes; the gentleman has served in this House, but he can not point to anything which warrants such a statement as that. The trouble with the gentleman from New York is that his knowledge and experience with Indians is confined to one tribe, and that is the tribe of Tammany.

Mr. FITZGERALD. Mr. Chairman, for the benefit of the gentleman from Oklahoma I will say that I served six years on the Indian Committee, and I have visited Indian reservations in the gentleman's own State. I asked where I could find Indians in the most primitive condition, the most backward, the most unprogressive, and I was sent into the gentleman's State. I have seen how the Indians there were treated by the rapacious white men who have been robbing them every time and ever since they have had the opportunity. The Osage Indians at that time owed $400,000 to the thieving traders. The gentleman knows that.

Mr. CARTER. I do not know what the gentleman is talking about.

Mr. FITZGERALD. I know it. There were 1,800 Indians owing between $400,000 and $500,000 to traders.

The CHAIRMAN. The gentleman from Oregon [Mr. HAWLEY] has the floor.

Mr. FITZGERALD. I was asking him a question.

Mr. HAWLEY. I want to say only a word in answer to what has been said. The Indians received this money, that received from the sale of the general reservation, share and share alike, in what they call the great distribution. They were allotted their lands in fee simple. They used the money to build houses, other buildings, and fences on their lands, and those improvements went immediately on the tax roll of the county. For a period of years they have been supporting themselves. They have raised stock and sold it. They have raised crops and sold them. They are not on the pay roll of the Government. The reserved lands now to be sold were lands reserved for certain purposes, not originally for school purposes, and were reserved in the original act ratifying the treaty. The moneys derived from their sale were set aside for school purposes in the act passed about four years ago, but there is no reason why it should be set aside for school purposes, because the Indians are taxpayers and voters, citizens of Lincoln County, and have paid their proportion of taxes, and more than their proportion in some instances, because they have more money than the whites who have just recently settled on the outside lands, and who have no money with which to begin to make their improvements, and whose entries are not yet perfected and so are not taxable. Their children are going to the public schools. Now, they need this money to add to their buildings, or for fencing, or other improvements, or for stock, and for other purposes, and the money belongs absolutely to them. They have demonstrated their capacity to care for themselves. I ask for a vote, and I hope the amendment of the gentleman from Wisconsin will be voted down.

Mr. NORTON. Mr. Chairman, will the gentleman yield?

Mr. HAWLEY. Certainly.

Mr. NORTON. How many Indians are there?

Mr. HAWLEY. Four hundred and thirty-four.

Mr. NORTON. Does that include the children?

Mr. HAWLEY. Of these, 67 are children of school age.

Mr. NORTON. The report or letter of the First Assistant Secretary speaks of the superintendent in charge. Is there a Government superintendent in charge?

Mr. HAWLEY. He is in charge of certain intestate estates over there, if I remember correctly, and some business connected with minors, but not in charge of the Indians.

Mr. NORTON. He is not in charge of the schools there?

Mr. HAWLEY. There are no Government schools there. These Indians go to the public schools of Lincoln County. There are 14 of these public schools in the reservation.

Mr. NORTON. Supported by the county?

Mr. HAWLEY. Yes.

Mr. NORTON. And the superintendent has no charge over the Indians?

Mr. HAWLEY. Excepting the minor matters that I have mentioned. And I wish to emphasize the fact that I never heard that adventurers of any kind obtained the moneys, or any part of them, that were distributed in the original distribution of moneys received from the sale of the reservation to the Government. If there had been flagrant actions of that sort, I am sure I would have heard of them.

Mr. DONOVAN. Mr. Chairman, I heard my name mentioned a few moments ago by the gentleman from Wisconsin [Mr. STAFFORD] and again by the gentleman from Illinois [Mr. MANN]. It is immaterial to me what the gentleman from Illinois may have stated, but I understood the gentleman from Wisconsin to state that I had tried to defeat or interfere with the passage of this bill. Of course that statement is not true, Mr. Chairman, in any sense.

Mr. STAFFORD. Oh, far from stating anything of that kind——

Mr. DONOVAN. I understood the gentleman to say that.

Mr. STAFFORD. Oh, no. If the gentleman will permit, I will disabuse his mind entirely of any idea that I made any such charge. What I did say was that the gentleman by reason of his obstructionist tactics was seeking to prevent the information being disclosed that would safeguard the Indians.

Mr. DONOVAN. Obstructionist tactics? I wish to deny that as well. Mr. Chairman, this afternoon and last Friday afternoon there seems to have been a concerted action to talk against time. A simple bill comes up, and the Speaker asks if there is objection to its consideration. They take up half an hour, and at the end of that time, as a rule, object, after hearing themselves talk for half an hour. This bill was a simple thing, and after they had talked for about 15 minutes I rose and addressed the Chair and called for the regular order. That is not obstruction. It calls for business, and business only, and now the gentleman says that that is obstruction. With his intelligence, and the number of years that he has been here, it does him harm. He understands the meaning of the word "obstruction." Calling for the regular order calls for action, instead of delay and filibustering. Last Friday two or three over there on the Republican side were filibustering all of the time for the purpose of defeating bills that were not in sight nor up for action.

As to the animus and the objectionable part of it, as it appears in the mind of the gentleman from Illinois [Mr. MANN], I have nothing whatever to say. He drivels and he loves to wallow in that kind of drivel. He loves to wallow, and his tongue is only at home when he is abusing somebody. They have all had a taste of it, and most of them run to cover after the style of a Shanghai rooster in the barnyard. But I welcome any of his attacks. I welcome any of his abuse at any time or under any circumstances. I can stand the drivel at all times, Mr. Chairman, but I have never taken any part in any legislative proceedings here except for the purpose of expediting business, or for the purpose of fair play, or for the purpose of honest performance of duty.

Mr. FITZGERALD. Mr. Speaker, I hope the amendment of the gentleman from Wisconsin [Mr. STAFFORD] will be agreed to.

This bill was referred to the Department of the Interior, which made a report upon it. In the report attention is called to the fact that the superintendent in charge among these Indians has heretofore suggested to the Indian Office the advisability of

purchasing breeding stock and material for improvement and advancement of the fruit industry. He states that it is very probable that some of the funds in question might be very profitably utilized for industrial improvements. Therefore the department suggested the amendment offered by the gentleman from Wisconsin [Mr. STAFFORD], to insert a provision that in the discretion of the Secretary of the Interior the money may be paid to the Indians entitled thereto or expended for their benefit in such manner and for such purposes as the Secretary of the Interior may prescribe. This money comes from the sale of lands, the proceeds of which were reserved for the purchase of sites for schools and the erection of the necessary school buildings thereon.

At present it appears there are ample public schools in which these Indians are being educated, so that it is not necessary to reserve the proceeds of these lands for the purchase of school sites and the erection of school buildings. The department suggests, however, that hereafter a situation may arise where that may be necessary. From this report it appears evident that the superintendent among the Indians has heretofore suggested to the department, in effect, that an appeal be made to Congress for a gratuity appropriation in order to provide the necessary stock, implements, and improvements necessary to make the Indians self-sustaining and prosperous. Attention is called to the fact that there is a considerable amount of grazing land in the hills which belongs to them. Comment is made upon the fact that the amount of cattle is comparatively small for 300 Indians. The bill as reported provides for the payment of this $150,000 outright to these Indians, share and share alike. The amendment of the gentleman from Wisconsin proposes that this money shall either be paid to the Indians or be expended for their benefit, in the discretion of the department. Under the bill as now before the House, it makes no difference whether the Indians be incompetent or worthless or even not industrious, they will get their pro rata of payment and some of them will squander it.

If the amendment proposed by the gentleman from Wisconsin be adopted, the industrious, competent, capable Indain undoubtedly, as the practice of the department has been under such legislation, will have paid to him the money to be utilized in the manner best for himself or for his own interests, while the shares of the incompetent or thriftless, instead of being turned over to them to be squandered, will be expended by the department for their benefit and in their interest. What excuse can there be to turn this $150,000 over to these Indians indiscriminately, regardless of their capacity? Why not do what the department suggests, put it in the discretion of the department? It has the information which we have not, to determine whether to expend the money or to pay it out as the case of each individual Indian may demand. Why turn it over to be squandered by the thriftless and to be utilized by the industrious? Why not see that the entire amount is expended in a manner that will best advance and promote their interests? We maintain the great Department of the Interior, with a great Indian Office, for the purpose of protecting the Indians, keeping them from becoming a charge upon the taxpayers of the United States, conserving their property, and looking after the proper expenditure of their funds. Why not abolish the office and turn all of the enormous sum now in the Treasury over to them, regardless of their capacity? That is what is proposed in this case. The administration suggests that the money be placed under the care and scrutiny of the administration officials, so that the obligation of the Government as a trustee and a guardian of the Indians may properly be performed and the money expended for their benefit. I hope the amendment of the gentleman from Wisconsin will be adopted.

MESSAGE FROM THE SENATE.

The committee informally rose; and the Speaker having resumed the chair, a message from the Senate, by Mr. Carr, one of its clerks, announced that the Senate had passed with amendment bills of the following titles, in which the concurrence of the House of Representatives was requested:

H. R. 1608. An act to amend an act entitled "An act to provide for an enlarged homestead and acts amendatory thereof and supplemental thereto"; and

H. R. 11745. An act to provide for the certificate of title to homestead entry by a female American citizen who has intermarried with an alien.

The message also announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 5673) to amend an act entitled "An act to protect the locators in good faith of oil and gas lands who shall have effected an actual discovery of oil or gas on the public lands of the United States, or their successors in interest," approved March 2, 1911.

The message also announced that the Senate had passed joint resolution of the following title, in which the concurrence of the House of Representatives was requested:

S. J. Res. 65. Joint resolution to amend S. J. Res. 34, approved May 12, 1898, entitled "Joint resolution providing for the adjustment of certain claims of the United States against the State of Tennessee and certain claims against the United States."

SILETZ INDIAN RESERVATION.

The committee resumed its session.

Mr. CARTER. Mr. Chairman, I move to strike out the last word of the amendment.

The CHAIRMAN. The Chair will call the attention of the committee to the fact that all debate is exhausted on this amendment. The question is on the amendment——

Mr. CARTER. Mr. Chairman, I ask unanimous consent to proceed for five minutes.

The CHAIRMAN. The gentleman from Oklahoma asks unanimous consent to proceed for five minutes.

Mr. CARTER. Mr. Chairman, I withdraw the request.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin.

The question was taken; and the Chairman announced the noes seemed to have it.

Upon a division (demanded by Mr. STAFFORD), there were—ayes 21, noes 27.

So the amendment was rejected.

Mr. HAWLEY. Mr. Chairman, I move that the committee do now rise and report the bill as amended to the House, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. Moss of Indiana, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 15803, and had directed him to report the same back with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

Mr. HAWLEY. Mr. Speaker, I move the previous question on the bill and amendment to final passage.

The SPEAKER. The gentleman from Oregon moves the previous question and amendment to final passage.

The question was taken, and the Speaker announced the ayes seemed to have it.

Mr. FITZGERALD. Mr. Speaker, I demand a division.

The House divided; and there were—ayes 40, noes 7.

Mr. FITZGERALD. Mr. Speaker, I make the point of order there is no quorum present.

The SPEAKER. The gentleman from New York makes the point of order there is no quorum present.

Mr. MANN. Mr. Speaker, I move that the House do now adjourn.

The SPEAKER. The gentleman from Illinois moves that the House do now adjourn.

The question was taken, and the Speaker announced that the noes seemed to have it.

On a division (demanded by Mr. FITZGERALD) there were—ayes 25, noes 27.

Mr. FITZGERALD. Mr. Speaker, I ask for tellers.

The SPEAKER. The gentleman from New York [Mr. FITZGERALD] demands tellers.

The question was taken, and tellers were refused.

The SPEAKER. The vote is—ayes 25, noes 27; and the House declines to adjourn.

Mr. FITZGERALD. Mr. Speaker, were there not enough Members to order tellers?

Mr. MANN. It takes one-fifth of a quorum to order tellers.

The SPEAKER. It takes one-fifth of a quorum.

Mr. MANN. And here we are because of the brilliant leadership on your side of the House.

Mr. DONOHOE. Mr. Speaker——

Mr. MANN. I make the point of order that the gentleman from Pennsylvania can not be recognized.

The SPEAKER. The Chair was just going to tell him that.

Mr. UNDERWOOD. Mr. Speaker, I think it is apparent that we can not get a quorum here to-night. I renew the motion that the House do now adjourn.

Mr. MANN. Mr. Speaker, I make the point of order the motion is not in order.

The SPEAKER. Why not?

Mr. MANN. The House has just voted down a motion to adjourn.

The SPEAKER. That is true; but there is only one of two things to do.

Mr. MANN. There has been no business transacted since.

The SPEAKER. We can not transact business without a quorum, and there are only two motions that can be entertained. One is a motion to adjourn and one is for a call of the House. The Chair recognizes the gentleman from Alabama to make a motion to adjourn.

Mr. MANN. I make the point of order, Mr. Chairman, that the motion to adjourn, just having been voted down, can not be renewed at once without something else having transpired.

Mr. UNDERWOOD. Mr. Speaker, I do not know of any ruling that does not authorize a motion to adjourn to be made immediately after the defeat of another one, except on a proposition as to whether the motion is dilatory. If the gentleman wants to make that point of order, it is for the Speaker to determine whether my motion is dilatory or not.

Mr. MANN. Mr. Speaker, I will withdraw the point of order, in view of the great leadership shown on that side of the House before the gentleman from Alabama [Mr. UNDERWOOD] came in. They do not know whether they are in or not; they do not know whether or not they are in the city.

ADJOURNMENT.

The SPEAKER. The question is on the motion to adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 41 minutes p. m.) the House adjourned until Tuesday, August 18, 1914, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of Yalobusha River, Miss., up to Grenada (H. Doc. No. 1145); to the Committee on Rivers and Harbors and ordered to be printed.

2. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of Grand River, Mich. (H. Doc. No. 1146); to the Committee on Rivers and Harbors and ordered to be printed.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. GRIEST: A bill (H. R. 18397) to provide for the erection of a public building at Columbia, Pa.; to the Committee on Public Buildings and Grounds.

By Mr. WEBB: A bill (H. R. 18398) for the purchase of a site and the erection of a public building at Morganton, N. C.; to the Committee on Public Buildings and Grounds.

By Mr. FALCONER: A bill (H. R. 18399) providing for relief of settlers on unsurveyed railroad lands; to the Committee on the Public Lands.

By Mr. DEITRICK: A bill (H. R. 18400) prohibiting the acceptance of any unreasonable prices for any goods, wares, merchandise, or products of the soil or mines; to the Committee on the Judiciary.

Also, a bill (H. R. 18401) regulating the exportation of goods, wares, merchandise, or products of the soil or mines; to the Committee on the Judiciary.

By Mr. BELL of California: A bill (H. R. 18402) to provide for the erection of a public building at Long Beach, Cal.; to the Committee on Public Buildings and Grounds.

By Mr. BRITTEN: Resolution (H. Res. 595) authorizing the Secretary of State to communicate with the Japanese Government that the United States views with concern the issuance of its ultimatum to Germany; to the Committee on Foreign Affairs.

By Mr. McKELLAR: Joint resolution (H. J. Res. 322) to amend Senate joint resolution 34, approved May 12, 1898, entitled "Joint resolution providing for the adjustment of certain claims of the United States against the State of Tennessee and certain claims against the United States"; to the Committee on Claims.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADAIR: A bill (H. R. 18403) granting a pension to Charles E. Faux; to the Committee on Pensions.

By Mr. BAILEY: A bill (H. R. 18404) granting a pension to Sara Gates; to the Committee on Pensions.

By Mr. BRUMBAUGH: A bill (H. R. 18405) to correct the military record of Thomas J. Corriell; to the Committee on Military Affairs.

By Mr. GUDGER: A bill (H. R. 18406) granting a pension to Annie Fredericka Pope Bowles; to the Committee on Pensions.

By Mr. HOBSON: A bill (H. R. 18407) granting an increase of pension to James Wiginton; to the Committee on Invalid Pensions.

By Mr. LEE of Pennsylvania: A bill (H. R. 18408) granting an increase of pension to George Ulmer; to the Committee on Invalid Pensions.

By Mr. McANDREWS: A bill (H. R. 18409) granting a pension to Ella E. Swift; to the Committee on Invalid Pensions.

By Mr. THOMAS: A bill (H. R. 18410) granting a pension to Ellen T. Harris; to the Committee on Pensions.

Also, a bill (H. R. 18411) granting an increase of pension to Frank R. Porter; to the Committee on Pensions.

Also, a bill (H. R. 18412) granting an increase of pension to James Blackburn; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18413) granting an increase of pension to James H. McPherson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18414) granting an increase of pension to Robert Farmer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18415) granting an increase of pension to Isaac Bell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18416) granting an increase of pension to William Forgy; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. ALLEN: Memorial of the Chamber of Commerce, Cincinnati, Ohio, approving amendment to the law limiting liability of vessels; to the Committee on the Merchant Marine and Fisheries.

By Mr. HAMILTON of New York: Petition of sundry citizens of Tunesassa, N. Y., favoring national prohibition; to the Committee on Rules.

By Mr. HINDS: Petitions of sundry citizens and church organizations of the State of Maine, favoring national prohibition; to the Committee on Rules.

By Mr. LONERGAN: Petition of the executive committee of the Chamber of Commerce of Washington, D. C., protesting against the passage of Senate bill 1624, regulating the construction of buildings along alleyways in the District of Columbia; to the Committee on the District of Columbia.

By Mr. MAGUIRE of Nebraska: Petition of various business men of Murray, Nebr., favoring the passage of House bill 5308, relative to taxing mail-order houses; to the Committee on Ways and Means.

By Mr. O'LEARY: Petitions of sundry citizens of Queens County, N. Y., protesting against national prohibition; to the Committee on Rules.

By Mr. TREADWAY: Memorial of the Pittsfield (Mass.) Board of Trade, opposing legislation affecting American business; to the Committee on the Judiciary.

SENATE.

TUESDAY, *August 18, 1914.*

(Legislative day of Tuesday, August 11, 1914.)

The Senate reassembled at 11 o'clock a. m. on the expiration of the recess.

Mr. REED. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Gronna	Norris	Smith, Ga.
Borah	Hitchcock	O'Gorman	Smoot
Brady	James	Overman	Sterling
Bryan	Johnson	Penrose	Stone
Burton	Jones	Perkins	Thomas
Camden	Kenyon	Pittman	Thornton
Chamberlain	Kern	Poindexter	West
Clark, Wyo.	Lane	Pomerene	White
Culberson	Lea, Tenn.	Reed	Williams
Cummins	McCumber	Shafroth	
Dillingham	Martine, N. J.	Sheppard	
Gallinger	Myers	Simmons	

Mr. BRYAN. My colleague [Mr. FLETCHER] is necessarily absent. He is paired with the Senator from Wyoming [Mr. WARREN]. I will let this announcement stand for the day.

Mr. MARTINE of New Jersey. I beg to state that the junior Senator from Mississippi [Mr. VARDAMAN] is detained from the Senate on official business.

Mr. GALLINGER. I was requested to announce a pair between the junior Senator from West Virginia [Mr. GOFF] and the senior Senator from South Carolina [Mr. TILLMAN].

Mr. SHEPPARD. I desire to announce the unavoidable absence of the Senator from Tennessee [Mr. SHIELDS] and his pair with the Senator from Connecticut [Mr. BRANDEGEE]. This announcement will stand for the day.

Mr. DILLINGHAM. I desire to announce the absence of my colleague [Mr. PAGE] on account of illness in his family.

Mr. JONES. I wish to announce that the junior Senator from Michigan [Mr. TOWNSEND] is necessarily absent and that he is paired with the junior Senator from Arkansas [Mr. ROBINSON]. I will let this announcement stand for the day.

I will also state that the senior Senator from Wisconsin [Mr. LA FOLLETTE] is absent on account of illness. I will let this announcement stand for the day.

The VICE PRESIDENT. Forty-five Senators have answered to the roll call. There is not a quorum present. The Secretary will call the roll of absentees.

The Secretary called the names of the absent Senators, and Mr. SWANSON and Mr. TILLMAN answered to their names when called.

Mr. RANSDELL, Mr. BANKHEAD, and Mr. COLT entered the Chamber and answered to their names.

The VICE PRESIDENT. Fifty Senators have answered to the roll call. There is a quorum present.

RIVER AND HARBOR APPROPRIATIONS.

Mr. PENROSE. Mr. President, I desire briefly to address an inquiry to the Senator from Indiana [Mr. KERN] or to the acting chairman of the Committee on Commerce, the Senator from North Carolina [Mr. SIMMONS].

I suppose nearly every Senator in this body, regardless of party, is besieged by visitors and in receipt of a large number of telegrams and communications regarding the river and harbor bill. It is a measure of overwhelming importance to nearly every State in the Union. The failure to pass the bill would cause great distress and great actual loss in the delay in pending improvements.

If I may be permitted, I should like to ask the Senator from Indiana whether it is the purpose of the majority in this Chamber to bring up the river and harbor bill before we adjourn this session and have it considered and endeavor to pass it.

Mr. KERN. Mr. President, in answer to the Senator from Pennsylvania I will say that it was announced some time ago authoritatively and correctly that the majority had determined that the river and harbor bill should be disposed of before the adjournment of the present session. There has been no change in that determination.

Mr. PENROSE. Mr. President, in that purpose the majority will have at least my cooperation, and I have no doubt that of a large part of my colleagues in the minority, to pass the bill at the earliest possible date.

Mr. KERN. There was no agreement that the bill should be passed, but that it should be disposed of.

Mr. BORAH. The bill will not likely pass hurriedly. It is a very important bill and should be discussed thoroughly.

Mr. PENROSE. I can not hear the Senator from Idaho.

Mr. BORAH. I say the river and harbor bill will not pass hurriedly through the Senate. There are some of us over here who are quite in favor of a river and harbor bill, but some of these projects will have to be eliminated before the bill gets through with any degree of haste.

Mr. PENROSE. I take it for granted that in bringing up the bill no Senator is pledged to any details. I hope, however, the Senator from Idaho does not contemplate any murderous assault on the Delaware River or the head of the Ohio.

Mr. KERN. Mr. President, in order that there may be no misapprehension from the remark I made, I will state that it was not determined by the majority that any particular river and harbor bill should be passed, but that the river and harbor bill in some form should be disposed of before the adjournment of the session.

Of course, it is understood by many of those who took part in that arrangement that there might be amendments; that there might be eliminations, but the bill in some form will be disposed of.

Mr. BORAH. I have no objection to the program. "Some form" is a very emphatic portion of the program, however.

Mr. PENROSE. I take it the Senator from Idaho is heartily in favor of all irrigation projects.

Mr. BORAH. Yes; and if the Senator from Pennsylvania would put into the river and harbor bill a provision that the money appropriated should be paid back this bill would be killed in very short order by the votes of the men who are now supporting it.

Mr. PENROSE. I know that repayments are always unpopular.

Mr. CUMMINS. Mr. President, I feel constrained to call for the regular order.

PROPOSED ANTITRUST LEGISLATION.

The VICE PRESIDENT. The regular order being called for, the Senate resumes the consideration of House bill 15657.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes.

The VICE PRESIDENT. The pending question is on the amendment of the committee, on page 6, line 12, as amended.

Mr. POMERENE. Mr. President, with the permission of the Senate, I desire to address myself this morning to the so-called labor provisions of the bill.

Mr. CULBERSON. I suggest to the Senator from Ohio that we have not yet reached the labor provisions of the bill, and if it would suit him just as well I would be glad if he would postpone his remarks until we reach that section. We are on section 6.

Mr. POMERENE. If that is the desire of the chairman, I will defer my remarks until later.

Mr. CULBERSON. I would be glad if that would be done.

Mr. POMERENE. I should like during the day to speak upon that matter as soon as the section is reached.

Mr. CULBERSON. The Senator certainly will have an opportunity to do so.

Mr. POMERENE. Under those circumstances I will yield the floor.

The VICE PRESIDENT. The question is on the amendment reported by the committee, on page 6, line 12, as amended.

Mr. BRYAN. Mr. President, on page 6, I move to strike out the words "in equity," in line 13, so that a final judgment or decree may be used as evidence regardless of whether or not the suit was in equity. I see no reason why a distinction should be made between a common-law suit, a criminal prosecution, and a suit in equity in the use of the record.

The VICE PRESIDENT. The question is on the amendment to the amendment proposed by the Senator from Florida.

Mr. CULBERSON. Mr. President, I suggest to the Senator from Florida that it would be better, and make it clearer, if, after the language in line 12, instead of striking out the words "in equity" there were inserted the words "in any criminal prosecution or."

Mr. BRYAN. That is perfectly satisfactory, Mr. President; it accomplishes the same purpose, I think. If my amendment to the amendment should prevail, it would read:

That a final judgment or decree heretofore or hereafter rendered in any suit or proceeding.

Certainly a criminal prosecution is a suit; and the language then would cover all classes of suits, whether they be criminal prosecutions or common-law suits or suits in equity, by simply striking out the words "in equity." I have no objection, however, if the Senator prefers his amendment.

Mr. CULBERSON. We do not ordinarily refer to a criminal prosecution as a suit, I think.

Mr. BORAH. We would not refer to a criminal prosecution as a suit.

Mr. BRYAN. I have always heard it so referred to. I never heard it questioned that it was a suit.

Mr. BORAH. Oh, well, it is not a suit in the sense in which we use that term in referring to a suit in equity.

Mr. BRYAN. However, I am not particular about the phraseology. I think it ought to be so that a record in a criminal suit or prosecution could be used in a subsequent proceeding with the same force and effect as if it had been a suit in equity.

Mr. REED. Mr. President, it occurs to me that the matter suggested by the Senator from Florida—though I am not sure that I am in accord with him—would be covered by inserting, in line 13, between the words "in" and "equity," the words "law or," so that it would read "proceeding in law or equity," and after the word "equity" by inserting "or in any prosecution."

Mr. BRYAN. Mr. President, that is practically the same language as suggested by the chairman of the committee. I understand his suggestion is, in line 12, after the word "rendered," to insert "in any criminal prosecution or," so that it would read:

That a final judgment or decree heretofore or hereafter rendered in any criminal prosecution or in any suit or proceeding in equity.

I am not at all particular about the phraseology.

Mr. REED. Leave out the words "in equity," and let it read "any suit or proceeding." That would cover any kind of proceeding.

Mr. BRYAN. That was my motion.

Mr. CULBERSON. There is no suit authorized by any of these statutes by the United States except a criminal prosecution or a suit in equity. The United States does not bring a suit at law for damages.

Mr. BRYAN. It occurs to me, Mr. President, that if the words "in equity" were stricken out, so that it would read "rendered in any suit or proceeding brought by or on behalf of the United States under the antitrust laws," it would be as broad as the antitrust law itself; but I am not interested in the phraseology. So I accept the suggestion of the Senator from Texas, and adopt his language, and offer it, withdrawing my first amendment.

The VICE PRESIDENT. The Secretary will state the amendment to the amendment.

The SECRETARY. On page 6, in the committee amendment, in line 12, after the word "rendered," it is proposed to insert the words "in any criminal prosecution or," so that, if amended as proposed, it will read:

That a final judgment or decree heretofore or hereafter rendered in any criminal prosecution or in any suit or proceeding in equity brought by or on behalf of the United States.

The VICE PRESIDENT. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The VICE PRESIDENT. The question recurs on the amendment as amended.

Mr. WALSH. Mr. President, that now brings up the question of whether we shall adhere to the House provision or adopt the provision recommended by the Senate committee; in other words, whether we shall make the judgment in the proceedings in which it is decreed that the defendant is a trust in violation of the statute conclusive, or whether it shall be held as prima facie evidence of the facts. I feel like taking the time of the Senate for just a few moments more this morning upon that question.

It will be borne in mind, first, that if you make it prima facie evidence only you leave entirely open every question of law that was litigated and determined in the original proceeding; you leave the question of fact open as well. You simply throw the burden of proof upon the defendant, when otherwise it would be upon the plaintiff. That is the whole force and effect of the statute that you are proposing to pass—simply to transfer the burden of proof.

As was well said in the editorial read from the desk yesterday, the whole purpose of the proposed statute is emasculated; its whole effect is destroyed. You are really giving nothing, for all practical purposes, by the provision here inserted.

I indicated yesterday that, in my judgment, in the prosecution of one of these cases the United States prosecutes as the representative of all of its citizens, and that there is no violation at all of legal principles when any one of its citizens subsequently takes advantage of the adjudication that is made in the primary suit.

Mr. WHITE. Mr. President——

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from Alabama?

Mr. WALSH. Certainly.

Mr. WHITE. There is just one question right at that point which I should like to ask the Senator, and that is where that would leave an alien who might become interested, the same as a citizen?

Mr. WALSH. Perhaps the word "citizen" is not technically correct. The United States brings the action in behalf of anybody who might be interested, which would include everybody who may claim the protection of this Government.

Mr. WHITE. The Senator gave more significance to the word "citizen" than he really intended.

Mr. WALSH. I did not use it in any technical sense.

I was going to say that this principle has received so broad an application that it has even been held when a judgment is taken against a town that judgment may be enforced by satisfaction out of the private property of the citizen of the town by virtue of a statute so providing. Indeed, Mr. President, that is the ordinary way of satisfying a judgment taken against the town in most of the New England States. It is a practice that prevails in Massachusetts and in the State of Maine. When a suit is instituted against a town every taxpayer of the town is so far included in the proceedings that execution may issue in the action, and his property may be levied upon. Not only that, Mr. President, we are not seeking to make a judgment operative against a citizen, but it is simply an estoppel against the defendant who has had his trial, who has had his day in court.

I want to add, Mr. President, that, in my estimation, constitutional rights are rights that are simply of substance; they do not include mere procedure or forms of law. Those may be changed at the will of the legislative body so long as the substance of the right is not destroyed.

Now, what is the constitutional provision which it is said is transgressed by legislation of this character? It is no other than the rule that no man shall be deprived of his property without due process of law. What is due process of law? Webster defines it as that law which hears before it condemns. In these cases the party has been heard; he has had every opportunity to defend against the claim, and the bill simply provides that when he has had that opportunity and the judgment has gone against him it shall be available not only to the United States, who is a party to the proceedings, but to any citizen of the United States or denizen of the country who desires to take advantage of it. I do not conceive, Mr. President, that this can be of the substance of the right at all. I ask for the yeas and nays on the amendment.

Mr. CULBERSON. Mr. President, I do not propose to argue this question, but I wish to suggest that the statement of the rule of prima facie evidence announced by the Senator from Montana is not so strong as that which the law books lay down. In other words, as I understand, the Senator says that the effect of the committee amendment will only be to shift the burden of proof, whereas the rule as announced by the Supreme Court of the United States is to the general effect that prima facie evidence is such evidence as will support a judgment at law, either criminal or civil, against those whom the rule of prima facie evidence is sought to be invoked, unless rebutted by contrary evidence.

I call attention to an opinion of the Supreme Court of the United States on that question, reported in the Two hundred and nineteenth United States, in the case of Bailey against the State of Alabama, page 234, and I will read the paragraph to which I refer:

Prima facie evidence is sufficient evidence to outweigh the presumption of innocence, and if not met by opposing evidence to support a verdict of guilty. "It is such as in judgment of law is sufficient to establish the fact, and if not rebutted remains sufficient for the purpose." Kelly v. Jackson (6 Pet., 632).

Mr. President, in view of that rule announced by the Supreme Court of the United States, and in view of the trend of the decisions of that court to the effect that we can not make a judgment conclusive in which the party claiming it was not a party to the original judgment, I suggest that it is at least dangerous to insert such a doctrine in important legislation of this kind.

Mr. BORAH. Mr. President, I should like to have this section read just as the Senator from Montana desires it to read, and I have a very high regard for his judgment of the law. I must say, however, that I am unable to bring myself to the conclusion that we are not treading upon dangerous ground. I do not say that it might not be possible to sustain that position, but we must find, it seems to me, or ought to find, some distinct precedent for it before we insert it in this bill. There are a number of precedents, although not clearly upon the matter as it is here presented, of course, which would lead us to the conclusion that it would not be constitutional, and I am rather inclined to share the view of the Senator from Texas that for that reason we ought not to tread upon that dangerous ground. I think it is safer to proceed upon the other theory.

The VICE PRESIDENT. The Senator from Montana requests the yeas and nays on the committee amendment.

Mr. REED. Mr. President, I should like to ask the Senator from Montana his construction of this section. The section reads as now amended:

That a final judgment or decree heretofore or hereafter rendered in any criminal prosecution or in any suit or proceeding in equity brought by or on behalf of the United States under the antitrust laws to the effect that a defendant has violated said laws shall be prima facie evidence against such defendant in any suit or proceeding brought by any other party against such defendant under said laws as to all matters respecting which said judgment or decree would be an estoppel as between the parties thereto.

Does the Senator from Montana believe that under that language as it now stands the judgment of the court as to the law involved would be binding as prima facie evidence in the same way that a judgment as to the facts would be binding?

Mr. WALSH. Why, Mr. President, of course the language says that it shall be prima facie as to all of the matters determined, but the term "prima facie" is not properly applied at all as to the legal principles.

Mr. REED. Does the Senator desire to have the judgment made conclusive both as to the law and the facts?

Mr. WALSH. I do, of course.

Mr. REED. Now, let me put this question to the Senator——

Mr. WALSH. I criticize this provision because you give no effect whatever to the principles of law that have been settled in the primary suit. Every proposition of law is open on the second action.

Mr. REED. Then, Mr. President, the position of the Senator from Montana is that a judgment having been once rendered between the Government and any defendant should thereafter be conclusive in any other suit brought by any other party both as to every question of law and every question of fact involved in the original suit; that is what he desires to accomplish.

What I am saying is not by way of controversy, but to try to clear up this matter. Let me suppose this kind of a case: Let us suppose that an action is brought in a United States circuit court against an individual or corporation for violating the antitrust act; that in that action the court declares the law to be a certain way; that the case is decided against the defendant, and that, thereupon, an appeal is taken to the Supreme Court of the United States, and the Supreme Court of the United States affirms the decree, so that it is a final judgment between the parties. Thereafter an individual brings a suit against the same defendant; but in the meantime the Supreme Court of the United States in another case has absolutely reversed its position upon the law and has held the law as it declared it to be in the case just cited in my illustration to be bad law.

Now, under those circumstances would the Senator say that for all time the bad law declared in that case should be forever enforced against that defendant?

Mr. WALSH. I will answer the Senator by saying that that is just exactly what would happen. Notwithstanding the Supreme Court might subsequently reverse its decision, that bad law would at all times be enforced against the original defendant, and he would be enjoined by the final decree in that action from doing the very things which subsequently the Supreme Court in another case would allow the defendant in that case to continue to do.

Mr. REED. No, Mr. President; the Senator, I think, is inaccurate. It is true that if I have a suit with A, and he defeats me, and final judgment is rendered, the fact that that final judgment is an erroneous and bad judgment and that the law is afterwards otherwise declared does not relieve me of the hardship of bowing to and conforming to that decision. That rule exists, because it is said in the law that there must be an end to litigation. That binds me in that one case; but the fact that I must suffer the hardship of obeying a judgment which is founded upon erroneous considerations in the case I have with A is no reason why, when the law is correctly declared, B, C, D, and E should be enabled to bottom their cases upon a principle which the courts have afterwards declared is a wrong principle. You are extending it. Now, if you make the judgment prima facie, then, of course, as to questions of law, if there is afterwards a reversal of the point—not of the case, but of the law declared in the case—the remedy is there.

The Senator understands perfectly my feeling. I want to make this law as strong as he wants to make it, and he wants to make it as strong as I do. If, however, we were to put into this law a provision making the judgment absolutely conclusive, and if a case such as I have used in my illustration were brought before a court, would not a court be very likely to say: "You are deprived of your day in court; you are deprived of due process of law, because in litigation which did not exist at all at the time the first action was decided you are compelled to submit to a rule of law which is no longer the law of this land"? Indeed, Mr. President, are we not in danger, even if the decision were based upon a statute, and the statute were afterwards repealed, of seeking to bind a defendant conclusively and for all time by a decision bottomed upon such a statute?

Mr. WALSH. If the Senator from Missouri will permit me, I desire to say that you can not possibly minimize the wrong and the hardship that is suffered as the result of a final decision of a court against a man in a case in which the court eventually reaches the conclusion that it was wrong. The man against whom the judgment goes has no redress. He may lose his entire estate, and the law affords no remedy whatever to him. You can not urge that this provision is not sound by supposing a case in which an additional hardship will be wrought where the court originally decides erroneously.

That is all I care to say about the matter; but while I am on my feet I should like to say to the Senator from Idaho——

Mr. WEST. Mr. President——

Mr. WALSH. If the Senator will pardon me——

Mr. WEST. Before the Senator passes from that subject, I should like to ask him a question.

Mr. WALSH. I shall be glad to recur to it, if the Senator will pardon me.

I should like to say to the Senator from Idaho and the Senator from Texas that they need give themselves no deep concern about the possibility of our being wrong about this matter. I was interrogated the other day by the Senator from North Carolina as to whether it was within the power of the legislature to make a tax deed conclusive evidence. I indicated my view about the matter, that it is within the power of the legislature to make the tax deed conclusive of every fact, except such facts as go to the groundwork of the tax; but statutes have been passed which have undertaken thus to make the tax deed conclusive as to every fact recited in the deed; and what has been the holding? It has been that it will not be conclusive evidence, but it will be merely prima facie evidence of the existence of those facts. So, Mr. President, if we should adopt the House provision, declaring that the judgment shall be conclusive, and there are constitutional objections to that, the court will give all the force it can to the statute; namely, it will make it just exactly as the Senators want it—prima facie evidence.

Mr. BORAH. Mr. President, that would be clearly imposing upon the court the duty of legislating—something for which the courts are being very much criticized these days, although often without justification. The Legislature here has up the question whether it shall make a judgment or decree of this kind prima facie or conclusive evidence. We reject the proposition of making it prima facie, and we say that it shall be conclusive. Shall the court have the right to assume that if we could not make it conclusive we would have made it prima facie? In any event I feel that it is our duty to exercise our judgment and not shift responsibility.

Mr. WALSH. Why, Mr. President, it is perfectly obvious that we are trying to make it as valuable as evidence as we can, and the court does not legislate at all. It says that we went further than we had any right to go, but it will give it effect so far as constitutional principles will permit.

Mr. BORAH. May I ask the Senator another question?—because I am going to support the Senator if I become convinced of the legal proposition, and the Senator has great capacity to convince people. Has the Senator any authority or decision, other than those he has cited, with reference to making a judgment against a town conclusive against a citizen of the town? I can see a relationship existing between the citizen and the town which does not exist here. Has the Senator any authority, or has there been any decision, sustaining the proposition, except in the cases where there is a relationship between the citizen and the town, or where there is a distinct rule which applies with reference to tax deeds?

We all know that the courts have said that with reference to tax deeds a rule will be applied which does not apply elsewhere, because of the absolute necessity of the Government having a hasty method of collecting its taxes, and to protect those who take the chance of buying tax deeds; but unless there is some other authority than those I should still feel the matter to be in doubt.

Mr. SHAFROTH. Mr. President——

Mr. WALSH. I said on yesterday to the Senator that a very diligent search had failed to reveal any decision which seemed to me bore directly upon the proposition, either one way or the other.

Mr. BORAH. The difficulty of the situation here, it seems to me, is that there is no privity between these parties as there is between the town and its citizen. He is represented in a certain sense there. He is a member of a municipal corporation, a legal entity. He helps to elect the officers. They represent him. He helps to elect the city attorney. He represents him; and there is a certain privity which the courts have found sufficient to sustain that kind of a judgment.

Mr. WALSH. We are supposed to elect a President of the United States, and thereby the Attorney General as well. Can the Senator see any distinction in principle?

Mr. BORAH. I see quite a distinction between electing a President of the United States and having him appoint an Attorney General, and myself as a citizen, where I am a taxpayer, electing the members of an organization of which I am a member. In one instance I am a member of the body politic; in the other I am a member of a legally constituted municipal corporation.

Mr. WALSH. The Senator contributes to the support of the General Government just the same as he does to the support of the local government.

Mr. BORAH. Yes; but the law contemplates that when residing in a city I am a member of a legal entity, a member of a corporation, and that the legal entity represents me the same way as it does the stockholders in other instances; and that is a reason, in my judgment, why the law has thus gone to such an extent in those instances. I confess that I am arguing this matter, however, without having made any examination of the authorities, and simply upon original principles.

Mr. WALSH. I shall be glad now to answer the question of the Senator from Georgia.

Mr. WEST. Mr. President, injected here it would hardly be pertinent to the subject which was discussed, so I shall not propound the question now.

Mr. WHITE. Mr. President, in many instances I think the provisions of the House bill contended for by the Senator from Montana [Mr. WALSH] would be useful; but there may be circumstances where it would work great hardship and it may be true—and I am afraid it is true—that it would be unconstitutional. I am afraid we are undertaking to exercise judicial power. When we say that certain facts or certain conclusions are binding on those who are not parties to the litigation, it occurs to me that we are exercising judicial power or invading the domain of the judiciary. If we can do that, can we not deny persons their right to be heard their day in court, as it is termed? And if we do that of course we invade the judicial province.

If we adopt the provisions of the House bill contended for by the Senator from Montana, we are putting ourselves in conflict with a long and well-established principle, a principle that was founded in the common law, namely, that judgments and decrees should bind only parties and privies. Evidently that is founded upon reason; and while we may not have had transmitted to us the reasons on which the principle is grounded we have had the principle itself handed down. It is a principle, as I have said, that had its foundation in the common law, and has existed up to this time. Now, we are changing that. We are declaring by this bill that these judgments and decrees shall be binding upon persons who are not parties or privies to the litigation.

There are good reasons why persons not parties or privies to the action should not be bound. There may be cases where the consequences are insignificant as between the immediate parties involved; for that reason little attention may be given them. It may not be of such vital importance as it afterwards becomes in a controversy between others not then parties to the suit. New burdens may be thrust upon the losing party to the litigation not contemplated or the consequences of which could not have been foreseen at the first trial. I think we ought to be careful and considerate before taking this step.

Again, Mr. President, the fact that we can find no precedent for this legislation either in England or in this country, either by Congress or by the legislatures of the several States, is to me a strong argument why the provisions of the House should not be adopted. If this kind of legislation is beneficial, if it is proper, if it is constitutional, why is it that this legislative weapon has never before been used? I think its disuse through the ages is a strong argument against its use to-day. It is a new field upon which we are entering, a field upon which I hesitate to enter.

Mr. President, another thing: I do not know just what courts have held. If, as the Senator contends, in case the conclusive effect intended can not be given to the act it will be given prima facie effect, I would think better of it. Of course, if I was convinced that the Supreme Court of the United States had or would so decide, that would remove the fear I have on this subject, and that fear is this, that the act will be declared unconstitutional and litigants will lose, because we can not make it conclusive, the prima facie effect of these judgments and decrees which they will have if the committee amendment is adopted. To make the decrees or the judgments of the court prima facie evidence is of vast importance to the litigants of the country. After long years of experience in active practice, I believe, Mr. President, that as many cases are lost or won upon the question as to who shall carry the burden of proof as are lost or won upon a consideration of all the evidence in the case.

Then, Mr. President, as has been said, it is burdensome enough to require parties to the litigation themselves to be bound by the findings of a court or jury in a particular case. So many things that we can not at the time possibly foresee influence such decisions. The way in which the evidence is produced may have its effect upon a jury or a court.

The manner in which the case is handled by the lawyers employed may determine in the mind of a jury or a court what the verdict or the judgment shall be, and yet, Mr. President, those things should probably not have been controlling influences in the conclusions reached. It is hard enough, sir, to make them binding forever upon the parties and the privies to the suit. It is possible that because of the inability of one of the parties to obtain evidence the verdict or judgment was rendered in the way it was, and that it would not have been rendered in that way if the missing evidence had been obtained. One of the parties may have been required to submit his case to a jury upon a showing, as we lawyers term it, which produced the proper effect upon the mind of the judge, but which was not worth the paper upon which it was written when it came to producing an impression upon the mind of a jury.

All these things, I say, argue strongly against making these judgments and decrees binding upon anyone except the parties to the suit. It would not be made binding upon them for a moment if it were not for a public necessity. Courts would not hesitate, they never would have hesitated, to have relieved against wrong and injustice but for the fact that in doing it they would have wronged society by removing from the judgments and decrees the stability that they must have in the interest of society.

Mr. President, in my own State—and I use this as an illustration—our supreme court properly held that when it had once decided a case, ever afterwards, when that case was being considered by the court on a subsequent appeal, the decision first rendered in the case was the law of that case, even though the decision was overruled in some other case; thus the court found itself in the position of having to say that that case which had been overruled was binding in the one case when not binding in any other case. To avoid the hardships imposed by this situation, our legislature enacted a law declaring that the supreme court should no longer adhere to any such rule as that, and that in the future consideration of that case it should be treated as any other case here.

Mr. President, it is with regret that I can not go with the Senator from Montana in supporting the provisions of the House bill. I see in some instances that great good might result from such a course; but I fear that greater harm may come. I fear, too, that it may be unconstitutional, and I fear that we may lose that which we will get by adopting the committee amendment—that is, the prima facie effect of these judgments and decrees. I will therefore vote for the committee amendment.

Mr. WEST. Before the Senator from Alabama takes his seat, I should like to ask him a question. As prima facie evidence, would decrees or judgments rendered change the burden of proof in a subsequent case? I notice the Senator alluded to it a few moments ago in his remarks.

Mr. WHITE. Of course, the judgment and decree rendered in a case would be prima facie evidence under the committee amendment in the cases mentioned in the amendment.

Mr. WEST. But would it shift the burden of proof in any subsequent case?

Mr. WHITE. It would shift the burden of proof in all cases covered by the amendment.

Mr. CUMMINS. Mr. President, I shall vote to sustain the amendment proposed by the committee, although I have grave doubt with respect to its efficiency in accomplishing any great, or even material, good. It would be impossible for me to vote for the proposal in the House bill, first, because I doubt very much its constitutionality, and, second, because I have never been able to understand one feature of the House provision. It is this, that on a decree in any suit in equity brought under the antitrust laws in which a final judgment has been rendered and in which it has been found "that a contract, combination in the form of trust or otherwise, or conspiracy in restraint of trade or commerce, or has monopolized or attempted to monopolize or combined with any person or persons to monopolize any part of commerce, in violation of any of the antitrust laws, said judgment or decree shall, to the full extent to which such judgment or decree would constitute in any other proceeding an estoppel as between the United States and such defendant, constitute against such defendant conclusive evidence of the same facts."

I have racked my mind in vain to imagine any other proceeding that could be brought by the United States in which the former judgment would operate as an estoppel, and I have been unable to conceive how, therefore, the House provision would make the former judgment or decree evidence of anything, inasmuch as I can not imagine how it could be evidence either for or against the United States in any subsequent proceeding. I know no other proceeding which the United States could institute against that defendant upon that cause of action or any other like it.

But there is another objection to it, and the objection I now state is in a measure an objection against the committee amendment. Whenever we pass this provision we will have effectually put an end to all consent decrees. More than one-half, I fancy, of all the decrees which have been entered adjudging that a defendant or defendants have been guilty of a violation of the antitrust laws—I mean those suits against commercial and industrial organizations—have been entered by consent. The defendant or defendants have been willing to cease to do the thing which they were charged with doing and they agreed to a decree, they submitted to the general policy enforced by the Department of Justice, and they are enjoined against a continuation of these practices.

Mr. WHITE. Mr. President——

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Alabama?

Mr. CUMMINS. I yield to the Senator.

Mr. WHITE. Does not the Senator suppose that they gave consent to these decrees because they knew that the same end would be reached in a trial?

Mr. CUMMINS. Not always. I think in many cases they have been willing to abandon the courses or practices which they have pursued in order to avoid litigation and because the profit in so doing was not sufficient to warrant the trial. But if that consent decree is to be made conclusive evidence in favor of any plaintiff that might thereafter sue the defendant for damages, it goes without saying that the defendant in the Government suit would insist upon a complete trial and a vindication if possible.

I think that a code of business morals has grown up partially through these consent decrees, and that it would be very unfortunate from a high standpoint of public policy to say that these decrees should be conclusive evidence against the defendant of all the things that were charged in the bill of complaint and which may have been covered by the decree. I think it would be far better to make the judgment or decree prima facie evidence. I am a little at sea with regard to just what that means. All these great combinations which have been adjudged guilty of violations of the antitrust law have been guilty of a series of acts, thousands of acts, which joined together constitute a restraint of trade. Very few, I think, have been adjudged guilty of a violation of the law because of any single act.

When a decree is rendered, therefore, holding that there has been a combination in restraint of trade, of what particular act does that decree become either conclusive or prima facie evidence? Take the Standard Oil Co., for instance. It is a prolific illustration. One of the things that it did was to reduce prices in a given locality in order to eliminate a competitor who may have arisen in that locality. That was one thing that this great corporation did and did repeatedly, and it is one of the things, taken with a hundred others, for which it was condemned in the decree of the court. Now, let me turn to the antitrust law. I should like to know precisely what the application of this provision would be. Section 7 declares:

> That any person who shall be injured in his business or property by any other person or corporation, by reason of anything forbidden or declared to be unlawful by this act, may sue therefor in any circuit court of the United States and recover threefold damages.

Suppose that this competitor who had been driven out of business on account of a reduction in price in a particular locality were to sue the Standard Oil Co. to recover damages, of what would the decree that was rendered in the suit against the Standard Oil Co. be—conclusive evidence or prima facie evidence? It would be prima facie evidence, we may assume, of the fact or the compound of law and fact that the Standard Oil Co. had throughout the United States and in all its practices been guilty of a violation of the antitrust law. But in order to recover the person injured must show that he was injured by reason of something forbidden or declared unlawful by the act.

Now, if the thing was a single transaction, if it was a single act, there would be no difficulty about it; but when the thing forbidden, or the thing of which the Standard Oil Co. was found guilty, is a long series of acts and combinations and incorporations, it is my opinion that what we propose to do now, whether we make it prima facie evidence or whether we make it conclusive evidence, will be of little avail to the person who sues to recover. I think he will still have to show that the thing by which he was hurt was a violation of the antitrust law, and in nine cases out of ten the decree does not adjudge that that particular thing was a violation of the antitrust law. I should like in some way, although I do not know how we could do it, to make it much clearer than it is.

Mr. WALSH. Mr. President——

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Montana?

Mr. CUMMINS. I yield.

Mr. WALSH. I was going to suggest to the Senator from Iowa that I assume that in all of these cases findings of fact are made.

Mr. CUMMINS. Oh, no.

Mr. WALSH. It may be charged, for instance, that local price cutting was practiced with intent to drive Jones or Smith or some one else out of business, and——

Mr. CUMMINS. I think there are very few cases in which there are findings of fact of the sort the Senator from Montana has in mind.

Mr. WALSH. If that is the case, the rule of implied findings would apply.

Mr. CUMMINS. The court reviews the evidence generally, the history of the defendant corporation, and says that all its history shows a violation of the antitrust law or a restraint of trade or an attempt to monopolize. I have never been able to see just how that opinion or that finding or that decree in the case in which the whole field was surveyed could be made available to a particular person who may have been injured by a particular act, which act, taken in connection with all the other acts, constitutes a restraint of trade, but which, taken alone, may not so constitute a restraint of trade.

However, I am expressing that view simply because I did not want it hereafter to be said that I, at least, thought that this section either as passed by the other House or as reported by the Senate committee would solve the problem or would render to the persons who have been injured by specific acts of an offending corporation the relief to which they are entitled, if we could conceive any way to award it to them.

In concluding, Mr. President, I will say that I think it is much better to go slowly with the movement, at any rate, and not to tempt total failure by making a judgment conclusive evidence in the face of the doubt that so many lawyers feel with respect to our power in that respect.

Mr. REED. Mr. President, I think this is a question presenting many grave difficulties, and that it is one that we ought to approach in as calm and judicial a spirit as possible. There can be no difference of opinion among the friends of this bill as to the object which we desire to attain, but in seeking to attain that object it is entirely possible we may defeat our purposes by endeavoring to do something which we are without power to do; or, again, we may defeat our object in its spirit by doing something which is ill-advised.

I grant that in the ordinary case a judgment, having been rendered, might well be made conclusive if we do not run counter to the principle that we are denying the individual his day in court. I do not think that question is without its doubts.

What is meant by your day in court? I think that when a court comes to consider the question of whether a litigant has had his day in court the court is likely to take the position that that expression has a pretty well defined meaning in the law, and that it means in the case where the judgment is about to be rendered that the litigant must be entitled to his full right to put in his evidence and take the judgment of a court or jury upon the facts thus presented in that particular case.

When you simply provide by law that a certain condition of facts shall constitute a prima facie case you do not violate the rule, because the individual still has his right to overcome that evidence, to fight that question out, and to take the judgment of a court or jury upon the whole case. When you make it conclusive a different question is presented.

I am not going to arrogate to myself such wisdom as to say that if you do make it conclusive you are necessarily impinging upon the constitutional right of a citizen, but it occurs to me that it is an exceedingly dangerous thing to do, and that we may by attempting to do too much succeed in doing nothing. When, however, on the other hand, we use the term "prima facie" I think we use a term that is too weak.

When we come to the definitions of "prima facie" we find they vary. I can illustrate that. In "Words and Phrases" I find this definition:

> A prima facie case is that state of facts which entitles the party to have the case go to the jury.

If that were the universal rule, I think I could be content with this language as it now is in the bill. Again it is said:

> Making it a prima facie case does not necessarily or usually change the burden of proof. A prima facie case is that amount of evidence which would be sufficient to counterbalance the general presumption of innocence, and warrant a conviction if not then encountered and controlled by evidence tending to contradict it and render it improbable, or to prove other facts inconsistent with it.

There we come to a very dangerous doctrine. If a prima facie case is made by laying down the decree in a trust suit, and it is

sufficient to enable the party who has produced that decree to go to the court or jury, no matter what other evidence is produced, and to have that evidence considered by the jury and to have it regarded by the court as sufficient to sustain the verdict of the jury or the judgment of the court, well and good; but if the court takes the view suggested in the latter definition which I have read, that prima facie is only sufficient to throw the burden upon the other man and to require him to produce evidence, and that when he has produced that evidence the force and effect of the prima facie case is overthrown, you have a doctrine which, if it were held with reference to the legislation we are about to enact, would result in emasculating it. So I have great sympathy for the desire—indeed, I am in perfect accord with the desire—of the Senator from Montana to make these judgments really effective.

How slight a thing a prima facie case may be is well illustrated in a case which I find on momentary examination from my own State—the case of Gilbert against The Missouri, Kansas & Texas Railway, reported in One hundred and ninety-seventh Missouri. The syllabus of that case reads in part:

> Under the statute giving to the owner damages for stock which go onto a railroad not "inclosed by a good fence" and are injured no liability attaches to the railroad company for failure to put a cattle guard at the place where the stock enters if to do so would endanger the lives or limbs of the company's employees. No such express exception is written in the statute, but to construe it otherwise would make its meaning unnatural.

The third syllabus is the following:

> The owner of a horse which went onto a railroad track and was killed makes out a prima facie case of negligence on the part of the railroad by showing that there was no cattle guard at the crossing where the horse entered upon the track, and because of that fact the horse got on the track and was killed. And if his evidence stops there, he has made out a prima facie case, which casts the burden on the railroad company to show that a cattle guard could not have been maintained there without imperiling the lives of railroad employees whose business required them to walk over it. But if, in order to show the condition of the crossing at the particular place, it becomes necessary for plaintiff to show the whole condition, and in doing so he shows a condition which speaks for itself and suggests the question of whether or not a cattle guard could be maintained at the place without endangering the lives of the company's employees whose business in operating trains compelled them to pass over it, the burden was not cast upon defendant; but plaintiff, under such circumstances, is not entitled to ask the jury for a verdict until he has shown by some explanatory evidence that a cattle guard could have been maintained there without imperiling the lives and limbs of the railroad employees.

It will be observed by the few Senators who are giving this bill consideration that in that case the statute which declared that a certain showing was prima facie was reduced so that it simply made the shadow of a showing, which could be blown aside by very slight evidence to the contrary.

I think it would be very wise if we passed by this section this morning, and let us see if we can not determine on some language which will strengthen it in this regard. I am afraid to vote for the amendment offered by the Senator from Montana, because I fear it might destroy the whole law. I am afraid to vote for it for another reason.

Mr. POMERENE. Mr. President——

Mr. REED. If the Senator will pardon me a moment, I should like to state that reason. It is that I can see cases where it might do a great injustice. As I observed a little while ago, this judgment would be conclusive, both as to law and as to fact; and it might be that after a judgment was rendered and the law declared in a certain manner, the highest authority in the country might declare that law to be bad law; and yet, for all time that judgment would stand, and any person could invoke it and it would be conclusive upon the party against whom it was rendered, although the Supreme Court of the United States might have otherwise declared the law.

FORT HAYS MILITARY RESERVATION, KANS.

During the delivery of Mr. REED's speech,

Mr. THOMPSON. Mr. President——

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from Kansas?

Mr. REED. I do.

Mr. THOMPSON. Out of order, from the Committee on Public Lands, I report back favorably with an amendment House bill 14155, and I submit a report (No. 748) thereon. As this is entirely a local matter, I ask unanimous consent for the immediate consideration of the bill.

The VICE PRESIDENT. Is there objection?

Mr. JONES. What is the bill referred to, Mr. President?

The VICE PRESIDENT. The Senator from Kansas reports from the Committee on Public Lands a bill and asks for its immediate consideration. The title of the bill will be stated.

The SECRETARY. A bill (H. R. 14155) to amend an act of Congress approved March 28, 1900 (Stat. L., p. 52), entitled "An act granting to the State of Kansas the abandoned Fort Hays Military Reservation, in said State, for the purpose of establishing an experiment station of the Kansas State Agricultural College and a western branch of the State Normal School thereon, and for a public park."

Mr. JONES. I have no objection to the consideration of the bill, but I wish to suggest the rule of the Senate does not permit a Senator who has the floor to yield for the presentation of morning business.

The VICE PRESIDENT. There is not any doubt about that.

Mr. THOMPSON. I did not understand the remark of the Senator from Washington.

The VICE PRESIDENT. The Chair has stated there is no doubt about its being the rule of the Senate that no Senator shall interrupt another Senator who is on the floor for the purpose of introducing a bill or making a report.

Mr. THOMPSON. I understood the Senator from Missouri yielded for the purpose.

The VICE PRESIDENT. But, under the rules of the Senate, the Senator had no right to yield under such circumstances.

Mr. REED. I will yield the floor and take my chances of getting it again in order to let the Senator from Kansas secure consideration of his bill.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill which had been reported from the Committee on Public Lands, with an amendment, on page 1, line 4, before the word "Statutes," to insert "volume 31," so as to read:

> That an act of Congress approved March 28, 1900 (vol. 31, Stat. L., p. 52)—

And so forth.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "A bill to amend an act of Congress approved March 28, 1900 (vol. 31, Stat. L., p. 52), entitled 'An act granting to the State of Kansas the abandoned Fort Hays Military Reservation, in said State, for the purpose of establishing an experiment station of the Kansas State Agricultural College and a western branch of the State Normal School thereon, and for a public park.'"

After the conclusion of Mr. REED's speech,

COTTON WAREHOUSES.

Mr. SMITH of Georgia. Mr. President, during the period of my presence in the Senate I have not at any time heretofore asked the consideration by the Senate of any subject except that which was immediately before the Senate. To-day the importance of the question, growing as it does out of the European wars, justifies my action. I call your attention to an emergency bill which, later on, I shall ask unanimous consent to take up, and I trust you will pass without a dissenting vote.

The bill to which I refer is Senate bill 6266, reported favorably on yesterday from the Committee on Agriculture and Forestry. It is a bill that authorizes the Secretary of Agriculture to issue licenses to such cotton warehouses as may apply to him for license, the business of which involves interstate and foreign commerce. The licensed warehouses will then become subject to regulations to be passed by the Secretary of Agriculture. They must submit to classification by him. They must submit to inspection by him. The effect of this supervision will be that warehouse receipts issued for cotton stored in these warehouses will have a recognized standing when offered for sale or when tendered as security for advances of money or when used in payment of obligations.

This is practically the extent to which the bill goes. It does not force any warehouse to submit to the supervision of the Secretary of Agriculture or to take out a license. It permits the warehouse to obtain the benefit of the additional standing for its warehouse receipts for cotton which they will derive through inspection and regulation by the Secretary of Agriculture.

Mr. President, I believe the cotton situation to-day in the South is not simply a local problem; it is one of national importance and should be of national interest. In 1800 we exported from the United States only 36,000 bales of cotton; since that time lint cotton, sold abroad, has returned to the United States approximately $20,000,000,000 of gold. Last year lint cotton exported brought back to the United States $610,000,000. It saved our international balance. It furnished the $610,000,000 from foreign countries to give life and strength to our entire commerce.

So enormous an exportation necessarily has a great influence, not simply upon the local business of the section producing the cotton but upon the entire country. A large part of the things required to produce cotton are bought outside of the South. Much of the foodstuffs consumed is bought from the Middle West. The manufactured products used upon the farm are bought from the East. The commerce of the whole country is largely affected by the $1,000,000,000 for which the cotton crop and the cotton seed produced in our Southern States sold last year.

I hold in my hand a statement of the consumption of lint cotton by the mills of foreign countries during 1913, which I desire to place in the RECORD:

	Bales.
Great Britain	3,281,000
Germany	1,256,000
Russia	376,000
France	786,000
Austria	626,000
Italy	537,000
Spain	261,000
Belgium	171,000
Japan	423,000
Switzerland	58,000
Holland	67,000
India	73,000

The present cotton crop is simply a normal crop, about 500,000 bales less than last year's crop. A normal demand for this crop would give it a selling price of about 13 cents a pound; but the foreign war——

Mr. LIPPITT. Mr. President, when the Senator says 13 cents a pound, where does he mean?

Mr. SMITH of Georgia. I should say at the mill here in the United States. It sold last week at 13½ cents in England.

Mr. LIPPITT. I only asked the question, because it makes quite a difference.

Mr. SMITH of Georgia. I think probably 13½ cents at the mill would be a normal price. It would depend somewhat, of course, upon where the mill was. Thirteen cents would be about a normal price at the mills in Georgia, South Carolina, and North Carolina. That would be about midway of the United States.

It is estimated that it cost to produce the crop of the present year between 11 and 11½ cents a pound. Sixty per cent of the demand for the crop at present is suspended.

It is a fair estimate to say that one-half the value of the crop is owed for its production, and this indebtedness reaches not alone to the local bank and the local merchant; it reaches on to the northern wholesale merchant and the northern bank. In addition to the great value to the commerce of the entire country which this crop brings through exportation there is its effect locally upon the business of the entire country.

I desire to call attention to the fact that next year's crop must necessarily be lessened. The same war which interferes with the demand for the raw material cuts off the supply of potash and other ingredients absolutely essential for commercial fertilizers, for they are largely bought from Germany. So that the fertilizer supply for next year must necessarily be substantially reduced. Indeed, many of the mills now are almost unable to produce fertilizer, being unable to obtain their supplies of potash. The fact that a large amount of cotton must necessarily be carried over, and carried over by the farmers themselves, together with the fact that foodstuffs are high, already has turned the farmers in the cotton-growing States into preparation for large quantities of oats, and, in those portions of the section that will raise it, to wheat. It can be confidently asserted that this year's cotton supply and next year's cotton supply will be consumed by the mills of next year and the year following; that the temporary loss in mill consumption by reason of the war will be more than met by the reduced production of cotton next year.

I believe it is also a just conclusion that the three raw materials which compete with cotton will be produced next year in lessened quantity and be more expensive by reason of the war. I refer to wool, flax, and silk. Already in Germany and in Europe the sheep supply is being lessened as a result of the war through consumption for food. While the finer fabrics made from cotton will find a lessened consumption, the coarser fabrics will have an increased consumption, and the coarser fabrics require the largest amount of lint cotton. So I believe it to be a just conclusion that the production of lint cotton this year and next year will be fully demanded by the consumption of the two years that are to come.

Mr. BRANDEGEE. Mr. President——

The VICE PRESIDENT. Does the Senator from Georgia yield to the Senator from Connecticut?

Mr. SMITH of Georgia. Yes.

Mr. BRANDEGEE. I wish to ask the Senator why this Government inspection and this process as to warehouse receipts in cotton, if it is to be adopted, should not be extended to other staple agricultural products?

Mr. SMITH of Georgia. I am not objecting to its extension. I only undertook to present a measure in which the people whom I represent are directly interested. I have already suggested to Senators who are interested on other lines that they consider the question with reference to their peculiar localities.

Mr. BRANDEGEE. Has the Committee on Agriculture and Forestry, from which this bill came, considered the system with relation to other great staple products?

Mr. SMITH of Georgia. No. This bill really is the product of the Agricultural Department, of Congressman LEVER, of South Carolina, and of myself; but we have considered the possibility of such an amendment, and there is no disposition to resist such an amendment.

Mr. BRANDEGEE. I supposed, without being at all familiar with it—I have glanced over the bill hastily since the Senator began to speak—that the idea is to make the warehouse certificate a more reliable instrument, a negotiable instrument, practically, and to inspire confidence in it, owing to the fact that the department has examined the goods that are stored and certifies as to the quantity and quality.

Mr. SMITH of Georgia. I made substantially that statement at the opening of my remarks. What I wish to do at this time is to press the proposition that the cotton now in the South, though half its market is temporarily cut off, within the next two years will be demanded for manufacture, and that it is simply a question of carrying over part of this cotton for 12 months; that the world's demand will press for it within that time; that the supply of its rivals—wool, flax, and silk—will be lessened; that the lessened use of finer fabrics will be made up by increased use of coarser fabrics, and the coarser fabrics made from cotton require more of the raw material, though much less valuable when finally manufactured; and that cotton properly warehoused, properly cared for, absolutely durable, as good when 50 years old as when a month old, furnishes the most perfect basis for warehouse deposit and warehouse certificate; and that at any sum approximately the cost of production, which for the present crop was something over 11 cents a pound, it should give to the investor a handsome profit.

Mr. BRANDEGEE. Mr. President, what I want to find out, being ignorant, as compared with the Senator from Georgia, of the method in which the cotton crop is carried and marketed, is this: Supposing that it is desirable to carry along a large proportion of the cotton crop for a year or two. Why can not that be done now if parties are willing to furnish the capital? What is the difficulty about their sending their own agents or inspectors to examine the cotton and then warehousing it themselves?

Mr. SMITH of Georgia. There is not any difficulty about their doing it, but there is a great additional value which would be given to a uniform system and a uniform classification. The public generally will accept a warehousing system supervised and classified and graded by Government officials as a far better security than when conducted on an individual and unsystematized plan.

Mr. BRANDEGEE. I had supposed that in practical operation a large amount of cotton would require a large amount of capital to carry it; that something in the nature of a syndicate would be formed by bankers or people who have capital to invest; and that they would buy up a large quantity of it under their own inspection and store it themselves. Is it the idea, if this bill should pass, that a warehouse certificate shall be issued against the individual deposit of cotton by planters and that they would themselves find a market in a smaller pro rata way?

Mr. SMITH of Georgia. Undoubtedly.

Mr. BRANDEGEE. Then I get the Senator's idea.

Mr. SMITH of Georgia. A farmer with 25 bales or 50 bales of cotton upon which he perhaps needs to obtain $25 a bale to go through the season, with his certificate of deposit from a warehouse of the character proposed, would have an available security if he desired to sell a part of it. If he desired to sell 5 or 10 bales, a purchaser might well buy on the basis of 11 cents per pound, earn 10 per cent interest, probably 25 per cent interest, on his investment during the next 12 months. We wish to broaden the field for handling the crop, to aid the actual producer, to free him from the necessity to a large extent of selling to the speculator.

Mr. BRANDEGEE. Is it the Senator's idea that these warehouse certificates would be dealt in upon exchanges like the certificates of stock to be bought or sold, or would they simply be deposited as a collateral for loans?

Mr. SMITH of Georgia. They can be dealt in generally. Many people locally would buy them. It would facilitate the utilization of all money that was available, whether in large quantities or in small quantities.

I trust that within a few months the ocean may be open for transportation, and that a large part of our foreign consumption will be resumed, and that the real volume of the crop which must be carried over to a second season will not be more than 25 per cent. But whatever it is, I present the thought that it is not simply a matter of local interest. Of course, it is primarily of local interest; it is of the utmost local importance; but it is also true that a commodity which brought $610,000,000 of gold last year to the United States from its exportation contributes greatly to the entire commerce of our whole country. I am justified in asking the attention of all Senators to this problem as one of national importance.

Mr. LIPPITT. Mr. President——

The VICE PRESIDENT. Does the Senator from Georgia yield to the Senator from Rhode Island?

Mr. SMITH of Georgia. I do.

Mr. LIPPPITT. I just wanted to ask the Senator whether he had an idea that the passage of this act, whatever its ultimate benefits might be, would possibly have any particular effect upon the storage of cotton during the present season?

Mr. SMITH of Georgia. Oh, yes.

Mr. LIPPITT. Are there now in existence in the South a large number of storehouses——

Mr. SMITH of Georgia. Quite a number.

Mr. LIPPITT. If the Senator will permit me to continue, are there now in the South in existence a large number of storehouses which would be available for the storage of cotton under such a provision as this——

Mr. SMITH of Georgia. Yes.

Mr. LIPPITT. Which would not be unless such a provision is enacted? In other words, while the Senator is arguing this matter from the standpoint of the immediate situation, it seems to me the bill would have no effect upon the immediate situation unless as a result of it there was either built in the South a number of buildings for storehouses, or there was in consequence of it devoted to the use of storage a number of buildings that are not now available for that purpose, in addition to what already exist. Of course, to build a cotton storehouse is not a matter of an overnight's operation. It takes some considerable time.

I should like to say to the Senator that I am not in any way antagonistic to anything that will enable the southern people in this situation or in any situation to get a good price for their cotton crop. I sympathize very strongly with them in the situation which they are now facing. It looks as though, among all the agricultural people in the country, their particular product, under these unfortunate circumstances, is one that is apt to suffer the most. I agree with the Senator in his theory that there is no crop in this country that is of so great value to all the people of the country in regard to its foreign relations as the cotton crop. The export of that crop annually brings us very large sums of money. Two-thirds of it is exported, in round numbers, and one-third of it is used at home.

I have always been a great believer in the South getting a good price for its cotton, and I will be very glad to join the Senator in any reasonable provision that will enable the people of the South to get a good price for their cotton. Although I come from a section of the country which purchases cotton, and although I am myself a user of cotton, I have always felt that the benefit to the country of the South getting a high price for its cotton was of much greater importance than any temporary benefit which would come to New England from buying cotton at a low price. The manufacturer must have rich customers to get a good price for his product. The money which the other nations of the world bring to this country for the amount of cotton which is used foreign, if sold to them at a high price in its buying capacity is of the greatest importance, and it really to a user of cotton makes no difference in the long run what price he pays for it. It is only a question of his paying the same price that other people are paying for it.

I merely wish to say that I am not at all antagonistic in any way to any purpose the Senator may have toward getting a higher price for cotton, but it did seem to me that he was arguing this proposition from the standpoint of the immediate emergency. He is more familiar with it than I am, but I really am not able to see at the moment how we can apply it to the immediate emergency at all.

Of course we in New England would gladly welcome—the users of cotton all over the world would gladly welcome—some new method of storing the cotton in the South. As it is now done it is largely left out in the open. You may go through the South in the train and see the cotton by the side of the plantation cabin exposed to weather of all kinds, and being injured in various ways, lying in the mud; and being a very valuable crop, it is an anomalous situation. Some provision ought to be made for the better protection of the cotton. If this would do it in a reasonable way, and do it effectively, and will not be too great a cost to the Government, I should be inclined to help the Senator in getting it, but I should like to have a standard.

I beg the Senator's pardon for speaking so long.

Mr. SMITH of Georgia. I am glad the Senator from Rhode Island interrupted me. His statement with reference to the attitude of the manufacturers of New England is just what I understand it to be. I do not believe there is any desire on the part of the manufacturers in the United States to depress the price of cotton. All they ask is that their competitors do not buy cheaper than they buy. They can not afford to pay one price and have competitors buy at substantially lower prices.

Mr. LIPPITT. I might say in all fairness to the Senator that in trying out that situation the practical effect of it is that they are almost always trying to buy a little lower. If they are assured that everyone else is paying the same price it is a matter of indifference to them.

Mr. SMITH of Georgia. It is uniformity of price that is essential. With reference to how this measure can help us at once, I wish to say to the Senator that it is practicable in a very short time, at a very small expense, to put up a warehouse that is entirely serviceable. Space upon the ground is cheap, and a felt covering is ample at a small expense. I do not think I have the correct name, but it is a felt roofing. The Senator from New York [Mr. O'GORMAN] tells me it is called felt roofing. It is a cheap roofing that is used to cover the warehouse, and at a very little expense quite a large warehouse can be made.

Mr. LIPPITT. Does the Senator contemplate fireproof warehouses or simply buildings for protection from the weather?

Mr. SMITH of Georgia. They are for protection from the weather, and properly guarded they are easily protected from fire. There are a great many buildings which are rapidly being gathered together in localities throughout the South at the present time which are available for cotton warehouse purposes. They are unoccupied, and they are being obtained by local committees and put in shape for cotton storage. While the storehouses will not be, perhaps, ideal, yet warehousing facilities are rapidly being put in shape with a view of caring for a large part of the crop.

The object of inspection and classification by the Secretary of Agriculture is that the certificates may fall under classes that the buyer will comprehend.

Mr. LIPPITT. I do not want to discourage the Senator, but it does not seem to me that the Secretary of Agriculture would be likely to approve or to certify such a storehouse as the Senator described. Of course if he is going to give his approval to a storehouse, it must be a building that is efficient from all the aspects of the case. I do not suppose this bill, which I have just read and which the Senator has given reasons for, means that any flimsy structure or any temporary structure——

Mr. SMITH of Georgia. If so, it would be shown to be that character of structure. The bill provides for different classes of certificates. The warehouse receipt discloses the classification.

Mr. LIPPITT. Why is it not feasible for the respective States in the South to issue their own certificates for this purpose, instead of having the National Government undertake to comply with a purely local need? The State, acting through its legislature, in authorizing such structures, the certificate would be quite as strong.

Mr. SMITH of Georgia. I do not think so.

Mr. LIPPITT. The only purpose, I understand, the Senator has in mind immediately is to enable people to borrow money.

Mr. SMITH of Georgia. Or to sell certificates, to make negotiable paper.

Mr. LIPPITT. Well, to get cash in some form or other for their cotton. I should think on simply the one proposition it would be a cheap way for the respective States, and it would be a quick way, to meet the emergency.

Mr. SMITH of Georgia. We believe it would be vastly better if it were under the Department of Agriculture. The department is prepared to take hold of the subject at once. The department has its Division of Markets in operation, and the Secretary and the director of the division feel competent to handle it and handle it rapidly.

Mr. McCUMBER. Mr. President, why does the Senator include in his bill a provision for wicked national inspection and grading, which has been so heartily condemned on that side and by a few Members on this side, when, as a matter of fact, there is an efficient system of grading in New Orleans, Gal-

veston, Charleston, Boston, and New York? Can not the Senator see that he is destroying those systems of inspection and grading, which have been the result of the legislation of those States for the last 40 years, by a system of national inspection and grading which received such hearty condemnation on the part of the Senate when it was asked in relation to wheat and oats and barley?

Mr. SMITH of Georgia. The Senator's eloquent speeches on the subject of wheat and oats and barley were very persuasive with me. He did not hear any speeches made from my desk criticizing the line of thought that he presented.

Mr. GRONNA. Mr. President——

The VICE PRESIDENT. Does the Senator from Georgia yield to the junior Senator from North Dakota?

Mr. SMITH of Georgia. So the inquiry of the Senator should be addressed to some one else.

Mr. McCUMBER. Let me ask the Senator just one other question.

Mr. SMITH of Georgia. Certainly.

Mr. McCUMBER. I understand the Senator would have no objection whatever if we would amend the bill so as to add another section at the end which would read about as follows:

That all the provisions of this act shall apply, as far as practicable, to warehouses for the inspection of wheat, oats, barley, corn, and rye, and the further sum of $50,000, or so much thereof as may be required, is hereby appropriated to pay salaries and expenses relative to grain warehouses and for the inspection of said grains.

That would cover the matter of grain, in which we are interested the same as cotton.

Mr. SMITH of Georgia. I see no reason to object.

Mr. LIPPITT. I should like to ask the Senator, if I may be allowed, if he would not make a good job of it and add to it "cotton, woolen, and silk goods, or merchandise of any other kind, in similar storehouses"?

Mr. WEST. I would suggest, as a southern product, naval stores.

Mr. McCUMBER. Let me ask the Senator from Rhode Island what difference there is in principle between the warehousing of the cotton which is produced by the farmer and warehousing and the easy selling of grains that are produced by the farmer? The Senator from Rhode Island indicated his most hearty approval of this provision in relation to cotton. Why should it not apply with the same force to the proper and easy handling of grains and the disposition of certificates?

Mr. LIPPITT. I will say to the Senator that I see no reason why it should not apply; but I am not familiar enough with the details of the grain business to answer the question. However, I should like to say, further, that when I was discussing it I had only very hastily read the bill, and I was considering merely the principle of having cotton stored in a Government bonded warehouse and licensed. So far as the National Government entering into the question of the grading of cotton, itself becoming responsible for the grade of cotton on which those certificates might be issued, that is contained in the bill, I think it is an entirely different question from the one which I was talking about with the Senator from Georgia. I think personally it is not a wise provision that the National Government should enter into that field and make itself responsible for that gradation.

Mr. McCUMBER. I am very sorry if I have brought——

Mr. WEST. With the consent of the Senator from Georgia I should like to ask a question.

The VICE PRESIDENT. The Senator from Georgia has the floor.

Mr. McCUMBER. I beg the Chair's pardon. I really thought I had the floor. But I should like to say to the Senator from Rhode Island——

The VICE PRESIDENT. The Senator had the floor with the consent of the Senator from Georgia. Does the Senator from Georgia yield further to the Senator from North Dakota?

Mr. SMITH of Georgia. I yield to the Senator from North Dakota.

Mr. McCUMBER. The Senator from Rhode Island has made a suggestion, and I regret that I called his attention to anything which would make him feel like opposing this bill. But I want to say to the Senator there has already been passed through the Senate a measure providing for the inspection and grading of cotton. It provides that the Secretary of Agriculture may, upon presentation to him of satisfactory proof of competency, issue to any person a license to grade or classify cotton and to certify the grade or class thereof under such rules and regulations as may be made pursuant to the act. So that section opens up the matter clearly of national grading and certifying, and I agree entirely with the Senator from Georgia that that certification by the Government, as a standard to fix values and to give confidence to the purchaser of the certificates, is the very life of this bill and the very best thing there is in it.

Mr. LIPPITT. If I may answer that question——

Mr. JONES. Mr. President——

Mr. LIPPITT. With the permission of the Senator just let me answer the question.

Mr. SMITH of Georgia. I yield first to the Senator from Rhode Island, and then I will yield to the Senator from Washington.

Mr. LIPPITT. I may not be fully informed, but I am in doubt if the Senator from North Dakota is correct when he says the Government has been authorized to classify and inspect cotton in regard to its grading.

Mr. McCUMBER. It passed the Senate.

Mr. LIPPITT. I understand the act passed the Senate to enable the Government to establish standard grades.

Mr. SMITH of Georgia. That was all.

Mr. LIPPITT. But to see whether it shall conform to those grades is quite another question. For the Government to establish the grade to indicate what class of cotton should be called middling, or good middling, and so forth, is quite a different matter from saying that the particular bale of cotton is good middling. I think the Senator will see the distinction there. It is a very strong one.

Mr. JONES. Mr. President, the Senator from Georgia said he would have no objection to the provision suggested by the Senator from North Dakota. I wonder whether he would have any objection to a similar provision in reference to warehouses where apples and salmon and shingles and lumber are stored.

Mr. SMITH of Georgia. I would wish to see the provision before it was agreed to. That, of course, would be utterly impracticable, because they are not staple products.

Mr. JONES. They are staple in our part of the country.

Mr. SMITH of Georgia. They are not staple in the sense that they are permanent in their value. Really cotton occupies a position entirely different from any other agricultural product in this respect. Time does not affect its value. When it is 10 years old it is just as valuable as when it is a month old.

I present the bill. A little later on I shall seek an opportunity to take it up for consideration. I do not ask the Senate to take it up to-day.

Mr. NELSON. Will the Senator yield to me?

I think I see the purpose of the bill. I suppose the purpose of the bill is to provide an opportunity for the cotton raisers of the South to store their cotton and to borrow money on it.

Mr. SMITH of Georgia. That is largely it. It is to facilitate their doing so to meet the great emergency that is upon us.

Mr. NELSON. I would suggest one thing to the Senator in that connection. This is precisely what we are doing with our wheat in the Northwest. It is shipped to the terminal elevators. They issue warehouse receipts specifying the grade and the weight and that it is in store; but under our law we have a provision requiring those terminal warehouses to insure the grain. What I was going to suggest to the Senator in connection with this bill, and I think it would improve it and strengthen it immensely, is to provide that the cotton stored in these bonded warehouses shall be insured for the benefit of the holders of the receipts.

Mr. SMITH of Georgia. There is a provision looking toward insurance.

Mr. NELSON. But it ought to be made compulsory. The wheat receipts from our terminal elevators are considered in the Northwest to be the very best bank paper. Anyone can borrow money on a terminal warehouse receipt from one of the warehouses when he could not borrow on almost any other floating security. I think if your object is to make these warehouse receipts current and to enable your people to borrow money on them, you ought to make them as strong and effective as possible, and you should do that by providing for compulsory insurance.

Mr. SMITH of Georgia. I shall not detain the Senate longer at the present time. I wished to bring this subject to the attention of the Senate that Senators might consider it. At the first convenient opportunity I will seek to bring it before the Senate for action.

Mr. GRONNA. Mr. President——

The PRESIDING OFFICER (Mr. BRYAN in the chair). Does the Senator from Georgia yield to the Senator from North Dakota?

Mr. SMITH of Georgia. I yield the floor entirely.

Mr. GRONNA. I was just going to ask the Senator a question.

Does not the bill really have the effect of bringing the producer and the manufacturer closer together? Could not all the warehouse receipts be bought by the manufacturers, and in that way the middlemen be eliminated?

Mr. SMITH of Georgia. Yes.

Mr. GRONNA. It is true, as the Senator from Minnesota [Mr. NELSON] has stated, that in our part of the country we can use these warehouse receipts and the grain is insured. But that is really a little different proposition. The terminal elevators have the privilege of using the grain if they wish. Under the bill of the Senator from Georgia the cotton could not be used.

My colleague [Mr. MCCUMBER] has really brought out the question I intended to ask the Senator from Georgia. But I should want to amend the bill in a different form from the amendment proposed by my colleague. I ask the Senator from Georgia if there would be objection to an amendment to insert, wherever the word "cotton" is found, the words "and grain," and to make such other amendments as may be necessary in order to make the language complete.

Mr. SMITH of Georgia. I should like to suggest to the Senator from North Dakota that he put his amendment in shape. One reason why I brought up the subject to-day was to bring it to the attention of Senators who were interested, that they might prepare any amendments they wish to prepare before the time when, a day or two later, I shall call up the bill and ask action upon it.

Mr. GRONNA. I think the Senator knows that I am friendly to the legislation?

Mr. SMITH of Georgia. Yes.

Mr. GRONNA. As the Senator knows, I shall not oppose this legislation, but I should like to have it apply to grain. While I do not think the Senator's bill, as proposed to be amended, will do what would be accomplished under the bill that my colleague had before the Senate for many years, it would be good work in the right direction.

Mr. GORE. Mr. President, I should like to say to the Senator from North Dakota [Mr. GRONNA], and also to the Senator from Georgia [Mr. SMITH], that a bill covering this entire subject with reference to grain is now in course of preparation and will be introduced within a day or two; in fact, I had hoped to introduce it yesterday, but the measure is not yet completed.

Mr. GRONNA. I wish to ask the Senator from Oklahoma a question. Is not the bill to which the Senator from Oklahoma has reference a bill for the standardization of grain?

Mr. GORE. Mr. President, the Senator is in error upon that point. The bill to which I refer covers the whole subject reported in the bill introduced by the Senator from Georgia in relation to cotton; it is a companion measure to that, including the warehouse proposition, the issuance of certificates, and so on, and also the question of wheat and other grain. There are, however, a great many details in which the two measures must differ. For that reason there has been some delay in the preparation of the bill in relation to grain. I hope, however, to be able to introduce it, if not to-day, at least within the next two or three days.

Mr. GRONNA. I thank the Senator.

Mr. JONES. Mr. President, I want to say to the Senator from Georgia [Mr. SMITH] that I do not want him to infer from the question I asked that I am opposed to his bill; I am with him on any proposition designed to cover the ground and to help out in the present emergency which will appeal to my judgment and which I think is a proper measure; but it did occur to me that possibly the bill might be made to take care of a similar situation in our State. I know that if I can frame a proposal which will appeal to the Senator he will not object to it. Of course, I recognize that the condition with reference to cotton is very different from the condition with reference to the products I have in mind.

PROPOSED ANTITRUST LEGISLATION.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes.

The PRESIDING OFFICER. The question is on the amendment reported by the committee, as amended.

Mr. WALSH. I ask for the yeas and nays, Mr. President.

The PRESIDING OFFICER. The Senator from Montana asks for the yeas and nays.

Mr. OWEN. Let the amendment be stated before the question is put.

The PRESIDING OFFICER. Is the demand for the yeas and nays seconded?

The yeas and nays were ordered.

The PRESIDING OFFICER. The Secretary will call the roll.

The Secretary proceeded to call the roll, and Mr. ASHURST voted in the negative.

Mr. OWEN. Before the Chair ordered the roll called, I had requested that the amendment might be stated.

The PRESIDING OFFICER. The amendment is to strike out section 6 of the House bill and to insert the provision reported by the Senate committee as amended. The Secretary will call the roll.

Mr. WALSH. Mr. President, if I may be permitted——

Mr. OWEN. I do not know what that amendment is, and I want it stated.

The PRESIDING OFFICER. The Senator is now too late. The yeas and nays have been ordered, and the roll call has been begun.

Mr. OWEN. But the request was made——

The PRESIDING OFFICER. The amendment may be stated by unanimous consent. That is the only way it can be done.

Mr. OWEN. The request was made of the Chair before the roll call was begun.

The PRESIDING OFFICER. If there be no objection, the Secretary will restate the amendment. The Chair hears none.

The SECRETARY. On page 5, line 12, after the words "Sec. 6," it is proposed to strike out:

That whenever in any suit or proceeding in equity hereafter brought by or on behalf of the United States under any of the antitrust laws there shall have been rendered a final judgment or decree to the effect that a defendant has entered into a contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce, or has monopolized or attempted to monopolize or combined with any person or persons to monopolize, any part of commerce, in violation of any of the antitrust laws, said judgment or decree shall, to the full extent to which such judgment or decree would constitute in any other proceeding an estoppel as between the United States and such defendant, constitute against such defendant conclusive evidence of the same facts, and be conclusive as to the same questions of law in favor of any other party in any action or proceeding brought under or involving the provisions of any of the antitrust laws.

Whenever any suit or proceeding in equity is hereafter brought by or on behalf of the United States, under any of the antitrust laws, the statute of limitations in respect of each and every private right of action arising under such antitrust laws and based, in whole or in part, on any matter complained of in said suit or proceeding in equity shall be suspended during the pendency of such suit or proceeding in equity.

And to insert:

That a final judgment or decree heretofore or hereafter rendered in any criminal prosecution or in any suit or proceeding in equity brought by or on behalf of the United States under the antitrust laws to the effect that a defendant has violated said laws shall be prima facie evidence against such defendant in any suit or proceeding brought by any other party against such defendant under said laws as to all matters respecting which said judgment or decree would be an estoppel as between the parties thereto.

Any person may be prosecuted, tried, or punished for any offense under the antitrust laws, and any suit arising under those laws may be maintained if the indictment is found or the suit is brought within six years next after the occurrence of the act or cause of action complained of, any statute of limitation or other provision of law heretofore enacted to the contrary notwithstanding. Whenever any suit or proceeding in equity is instituted by the United States to prevent or restrain violations of any of the antitrust laws the running of the statute of limitations in respect of each and every private right of action arising under said laws and based in whole or in part on any matter complained of in said suit or proceeding shall be suspended during the pendency thereof: *Provided*, That this shall not be held to extend the statute of limitations in the case of offenses heretofore committed.

The Secretary resumed the calling of the roll.

Mr. CHAMBERLAIN (when his name was called). I have a general pair with the junior Senator from Pennsylvania [Mr. OLIVER]. He being absent, I withhold my vote.

Mr. CULBERSON (when his name was called). I transfer my general pair with the Senator from Delaware [Mr. DU PONT] to the Senator from Arizona [Mr. SMITH] and vote "yea."

Mr. GALLINGER (when his name was called). I have a pair with the junior Senator from New York [Mr. O'GORMAN]. He is absent from the Chamber, and I transfer that pair to the Senator from Illinois [Mr. SHERMAN] and vote "yea."

Mr. GORE (when his name was called). I have a pair with the junior Senator from Wisconsin [Mr. STEPHENSON]. I therefore withhold my vote.

Mr. OWEN (when his name was called). I have a pair with the Senator from New Mexico [Mr. CATRON]. If I were at liberty to vote, I should vote "nay."

Mr. REED (when his name was called). I have a general pair with the Senator from Michigan [Mr. SMITH]. In his absence I withhold my vote.

Mr. SMITH of Georgia (when his name was called). I have a general pair with the senior Senator from Massachusetts [Mr. LODGE]. In his absence I withhold my vote.

Mr. STONE (when his name was called). I have a standing pair with the Senator from Wyoming [Mr. CLARK]. In his absence I withhold my vote.

Mr. TILLMAN (when his name was called). I have a pair with the Senator from West Virginia [Mr. GOFF]. In his absence I withhold my vote.

The roll call was concluded.

Mr. THOMAS. I have a general pair with the senior Senator from New York [Mr. ROOT]. In his absence I withhold my vote.

Mr. GRONNA. I wish to inquire if the senior Senator from Maine [Mr. JOHNSON] has voted?

The PRESIDING OFFICER. The Chair is informed that he has not.

Mr. GRONNA. I have a pair with that Senator, but I will transfer that pair to the Senator from California [Mr. WORKS] and vote "nay."

Mr. POINDEXTER. Mr. President, a parliamentary inquiry. I understand that the vote is directly upon the amendment of the committee to section 6 of the bill?

The PRESIDING OFFICER. It is.

Mr. POINDEXTER. I vote "nay."

Mr. WILLIAMS (after having voted in the affirmative). I inquire if the senior Senator from Pennsylvania [Mr. PENROSE] has voted?

The PRESIDING OFFICER. The Chair is informed that he has not.

Mr. WILLIAMS. I was so informed a moment ago; but I thought the Senator was in the Chamber, and I voted. I transfer my pair with him to the junior Senator from South Carolina [Mr. SMITH] and will let my vote stand.

Mr. LEA of Tennessee. I have a general pair with the senior Senator from South Dakota [Mr. CRAWFORD]. In his absence I withhold my vote. If at liberty to vote, I would vote "nay."

Mr. SMOOT. I desire to announce the unavoidable absence of my colleague [Mr. SUTHERLAND], and will let the announcement stand for the day. He has a general pair with the senior Senator from Arkansas [Mr. CLARKE].

Mr. GALLINGER. I am requested to announce the pair of the Senator from Maine [Mr. BURLEIGH] with the Senator from New Hampshire [Mr. HOLLIS]; of the Senator from Rhode Island [Mr. MCLEAN] with the Senator from Montana [Mr. MYERS]; of the Senator from Michigan [Mr. TOWNSEND] with the Senator from Arkansas [Mr. ROBINSON]; and of the Senator from Wyoming [Mr. WARREN] with the Senator from Florida [Mr. FLETCHER].

The result was announced—yeas 35, nays 16, as follows:

YEAS—35.

Bankhead	Gallinger	Nelson	Smoot
Borah	Hitchcock	Newlands	Sterling
Bryan	Hughes	Overman	Swanson
Burton	Kenyon	Perkins	Thornton
Camden	Lane	Pomerene	Weeks
Chilton	Lee, Md.	Ransdell	West
Culberson	Lippitt	Shafroth	White
Cummins	McCumber	Simmons	Williams
Fall	Martin, Va.	Smith, Md.	

NAYS—16.

Ashurst	James	Martine, N. J.	Sheppard
Bristow	Jones	Norris	Shively
Clapp	Kern	Pittman	Thompson
Gronna	Lewis	Poindexter	Walsh

NOT VOTING—45.

Brady	Goff	Page	Stephenson
Brandegee	Gore	Penrose	Stone
Burleigh	Hollis	Reed	Sutherland
Catron	Johnson	Robinson	Thomas
Chamberlain	La Follette	Root	Tillman
Clark, Wyo.	Lea, Tenn.	Saulsbury	Townsend
Clarke, Ark.	Lodge	Sherman	Vardaman
Colt	McLean	Shields	Warren
Crawford	Myers	Smith, Ariz.	Works
Dillingham	O'Gorman	Smith, Ga.	
du Pont	Oliver	Smith, Mich.	
Fletcher	Owen	Smith, S. C.	

So the amendment as amended was agreed to.

Mr. POMERENE. Mr. President, I desire to speak this afternoon on the subject of the labor provisions contained in this bill. Since I have been in the Senate it has been my pleasure to aid in the establishment of a Department of Labor, the establishment of a Children's Bureau, to vote for the eight-hour law in the District of Columbia, to support the workmen's compensation bill, and to support a great may other measures which I conceived would aid in relieving the burdens of labor and redound to the general welfare. There are many provisions in this bill on this subject which have my hearty concurrence. I am unqualifiedly in favor of requiring notice to be given before an injunction or restraining order is issued whenever it is possible to give notice and subserve the ends of justice.

I am heartily in favor of jury trials in cases of indirect contempt. In this country we believe in jury trials. There is very little sentiment opposing jury trials in any issue of fact in a law case or in criminal cases, and if we believe in jury trials where the rights of litigants are at stake, it seems to me that there can be no good reason assigned why we should not have a jury trial in the case of indirect contempt.

When a court issues its order it is, so to speak, the statute in that particular case until it is modified or set aside. If the delinquent is found guilty, he is punishable in the discretion of the court either by fine or by imprisonment or by both. The contempt charged may have been committed miles away from the presence of the court; the court can have no knowledge upon the subject save such as the information contains and such as the testimony produced before it affords; and in these cases we know, as a matter of fact, that often there is the most intense feeling prevailing on both sides of the case, and, I regret to say, that it sometimes extends even to the court whose order it is alleged has been trampled under foot. That being the situation, it seems to me that we are only furthering a general principle which we have recognized time out of mind when we say that in those cases a trial by jury shall be granted to the delinquent.

There are other features, however, in the pending bill which give to me serious trouble. I refer particularly to sections 7 and 18.

I am a friend of the Sherman law. For a long time it was a dead letter upon the statute books; new life has been breathed into it; and I would regret to see any exemption made as to any of its provisions for any class of citizens, high or low, rich or poor. I take this position because I believe, first, that it would be inimical to the public welfare, and, secondly, I think I shall be able to demonstrate before I shall take my seat that it would be hostile to the interests of the laboring classes themselves.

Mr. President, I recognize the fact that the Sherman law has been severely criticized. It has been criticized by all classes, whether they be of the employer class or the employee class, when they come in contact with its provisions. I know that the friends of the pending measure are prone to say that there is no such thing as a trust in labor; that in that respect it is differentiated from capital; and I concede that to be so; but I do not think that an examination of the Sherman law justifies the contention that is made by the friends of the pending bill to the effect that it has ever been claimed that labor is a trust.

The present Sherman law is not in the same form as when it was first introduced in the Senate by Senator Sherman. I want to place emphasis upon that fact.

My very good friend from Arizona [Mr. ASHURST] the other day quoted at length from speeches made on the floor of the Senate by Senator Sherman, Senator Teller, Senator Stewart, and perhaps one or two others, to the effect that it was not intended to cover labor or its derelictions, if any, by the provisions of the bill. There was such a contention as that in the earlier discussion of the bill and before it was finally passed.

The bill was introduced on December 4, 1889. It was referred to the committee, reported to the Senate with amendments, and the discussion, in which it was said that it was not intended to cover labor organizations or their operations, took place before the bill assumed final form. Such was the view expressed on March 24 by Senator Teller, on March 25 by Senator Stewart, and on March 27 by Senator Hoar. On the other hand, Senator Edmunds, on March 27, 1890, as will be seen by referring to the CONGRESSIONAL RECORD of that session, page 2729, spoke in part as follows:

> On the one side you say that it is a crime and on the other side you say it is a valuable and proper undertaking. That will not do, Mr. President. You can not get on in that way. It is impossible to separate them, and the principle of it therefore is that if one side, no matter which it is, is authorized to combine the other side must be authorized to combine or the thing will break and there will be universal bankruptcy. That is what it will come to, and then the laborer, whose interest and welfare we are all so really desirous to promote, will turn around and justly say to the Senate of the United States, "Why did you go to such legislation as that? Why did you attempt to stimulate and almost require us to combine against our employers, and thus break down the whole industry of the country and leave us all beggars? When you allowed us to combine and to regulate our wages why did you not allow the products that our hands produced to be raised in price by an arrangement, so that everybody that bought them might pay the increased price and everybody that was making them all around for whom we were working could live also?" I do not think, as a practical thing, Mr. President, that anybody will thank us for making a distinction of that kind.

If those on one side of a proposition are to be compelled to respond to a criminal statute, it is difficult to conceive why those who are on the other side of that question should not

also be required to respond to its criminal or civil provisions, as the case may be.

I refer to the earlier discussion of the Sherman law for the purpose of calling the attention of the Senate to the fact that the bill which was under consideration at the time these expressions were made by Senators Hoar, Teller, and Stewart was not the bill as it passed the Senate. During the discussion and after the question was raised as to whether or not the provisions of the bill as it was originally introduced or as it was thereafter modified by the committee were broad enough to embrace labor and agricultural organizations, Senator Sherman submitted an amendment in the following words:

Provided, That this act shall not be construed to apply to any arrangements, agreements, or combinations between laborers made with the view of lessening the number of hours of their labor or of increasing their wages, nor to any arrangements, agreements, associations, or combinations among persons engaged in horticulture or agriculture made with a view of enhancing the price of their own agricultural or horticultural products.

The same amendment was later offered by the then Senator from Rhode Island, Mr. Aldrich.

On March 27, 1890, the bill was recommitted to the Judiciary Committee, and on April 2 it was reported out, completely changed in its form and its provisions. The exemption clause which had been engrafted upon it by a committee amendment before its recommittal was entirely eliminated from the bill. After that—and I think I speak advisedly from a considerable examination which I have given the record myself, as well as by valuable assistants in my office—no reference was made to the question of the application or nonapplication of the provisions of the Sherman law to labor or agricultural organizations. So much it seems to me should be said in the interest of the history of that legislation. The fact that such exemptions were placed in the bill and later taken out by the committee, and its action afterwards confirmed by the Senate, clearly indicates an intention on the part of the Congress to make no exemptions.

Now, I desire to call attention particularly to the provisions of the Sherman law as it passed on July 2, 1890. The title of the bill had been changed. The title of the bill as introduced by Senator Sherman was:

A bill to declare unlawful trusts and combinations in restraint of trade and production.

I offer, without reading it, the first section of that bill, and ask that it be incorporated in my remarks.

The PRESIDING OFFICER (Mr. GRONNA in the chair). In the absence of objection, it is so ordered.

The section referred to is as follows:

Be it enacted, etc., That all arrangements, contracts, agreements, trusts, or combinations between persons or corporations made with the intention to prevent full and free competition in the importation, transportation, or sale of articles imported into the United States, or in the production, manufacture, or sale of articles of domestic growth or production, or domestic raw material, that competes with any similar article upon which a duty is levied by the United States, intended for and which shall be transported from one State or Territory to another for sale, and all such arrangements, contracts, agreements, trusts, or combinations between persons or corporations, intended to advance the cost to the consumer of any such articles, are hereby declared to be against public policy, unlawful, and void.

Mr. POMERENE. Mr. President, the title was amended so that it now reads:

An act to protect trade and commerce against unlawful restraints and monopolies.

It is not a law against organizations per se, whether they be of labor, or of capital, or what not. It was recognized in the early history of that law that most of the restraints of trade were occasioned by unlawful combinations of capital and monopolies, but it was also likewise recognized that a restraint of trade was in itself inimical to the public good no matter what its origin. The first section of the law, in part, reads as follows:

Every contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce among the several States, or with foreign nations, is hereby declared to be illegal.

So we see that the ultimate object of this law was not to prevent combinations of any kind, but its primary purpose was to prevent restraints of trade. Conceding for the moment that a restraint of trade ought to be prohibited, it seems to me that it makes but very little difference whether that restraint of trade is made by one class of citizens or by another class. The effect, so far as the public is concerned, is one and the same.

Mr. President, if there ever was any question as to the construction which is to be placed upon this act, it was ended for all time when the Supreme Court, in the Standard Oil Co. case and in the American Tobacco Co. case, said that the words "restraint of trade" meant only an undue restraint of trade. Conceding that to be the proper construction to be placed upon this act, can anyone say for one minute that a combination or organization of laborers for the purpose of obtaining a reasonable wage, or for the purpose of shortening hours, or for the purpose of obtaining reasonably good labor conditions is an undue restraint of trade? The proposition only needs to be stated to fail.

I submit this statement again: If a restraint of trade is a thing that ought to be guarded against by the laws of the United States, it can make no difference, so far as the public welfare is concerned, whether that restraint of trade is due to one class or to another class; the result is the same.

I recognize the fact that there is considerable sentiment in this country among our laboring friends asking for this exemption. I do not believe they would ask it if they understood what the law in fact is.

It is charged that it has been resorted to too frequently; that labor has been made to suffer unduly. The law was passed July 2, 1890, twenty-four years ago. Since that time the Department of Justice has begun 166 cases, and I have on my desk here two letters from the Assistant Attorney General showing that in the 24 years only 13 of these cases have been brought by the department against labor organizations.

Mr. CUMMINS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Iowa?

Mr. POMERENE. I do.

Mr. CUMMINS. I desire to recall to the Senator from Ohio a statement made by him a moment ago concerning which I wish to ask a question and upon which my own mind is not at all clear.

The Senator from Ohio said that it has never been claimed that a labor organization the purpose of which is to secure reasonable wages for its members is a combination in restraint of trade. I should like to know whether the Senator from Ohio attaches any significance to the use of the word "reasonable"? Suppose a combination of workingmen were to come together to secure what some people would call unreasonable wages; would such a combination be in violation of the antitrust law? If so, who is to determine whether the demand of the organization is reasonable or unreasonable?

Mr. POMERENE. Mr. President, I used the word "reasonable" at the time, I think, without attaching any considerable importance to it. My belief is, under the law, that when it comes to contests for an increase of wages, for betterment of hours, for betterment of conditions, so long as it is by peaceful means, this law would not apply, no matter whether the demands are reasonable or not; and I wish in a little while to take up this proposition and discuss it from a legal standpoint. In order that I may do this in the logical order, I desire to call attention to a statement of the law as it is believed to be by the American Federation of Labor.

I read from the report of the Judiciary Committee, on page 10—there is a little more to it in the report of the testimony, but I shall content myself with reading from the report of the Judiciary Committee.

Mr. WEST. Mr. President, before the Senator starts, may I ask whether that is the report of 1890?

Mr. POMERENE. No; it is contained in the report of 1914 submitted on this bill by the chairman of the committee.

Mr. Gompers, in discussing the subject, said:

Gentlemen, under the interpretation placed upon the Sherman antitrust law by the courts, it is within the province and within the power of any administration at any time to begin proceedings to dissolve any organization of labor in the United States and to take charge of and receive whatever funds any worker or organization may have wanted to contribute or felt that it is his duty to contribute to the organization.

Mr. WEBB. Are there any suits pending in the courts now looking to this end, Mr. Gompers?

Mr. GOMPERS. There are no suits now pending, but an organization of workingmen, the window-glass workers, was dissolved by order of the court under the provisions of the Sherman antitrust law, charged with conspiracy as an illegal combination in restraint of trade. And while that organization was dissolved by action of the court, yet it created no furor, for this reason: I have no desire to reflect upon the men who are in charge of that organization as its officers and representatives, but it was, in my judgment, supine cowardice for them not to resist an attempt of the dissolution of their associated effort as a voluntary organization of men to protect the only thing they possessed—the power to labor.

It will be noted that there are not enough of the accompanying facts to advise us as to what the conspiracy was or the nature of it.

Mr. BORAH. Mr. President——

Mr. POMERENE. I will ask the Senator to pardon me until I shall have finished this:

Mr. WEBB. Have you any case where a labor organization has been dissolved simply because they themselves united in asking or fixing a certain wage and went no further in uniting with the manufacturers?

Mr. GOMPERS. I can not tell you, sir, about that. But that is the very essence of the life of the organization. What I want to convey is

this, that there are probably, of these 30,000 or more local associations of workingmen, what we call local unions of workingmen and workingwomen, probably more than two-thirds of whom have agreements with employers. As a matter of fact, I think that every observer and every humanitarian who knows greeted with the greatest satisfaction the creation of the protocol in the sweated industries of New York City and vicinity which abolished sweat shops and long hours of labor, and the burdensome, miserable toil prevailing, and established the combination of employers and of workmen and workwomen by which certain standards are to be enforced, and no employer can become a member of the manufacturers' association in that trade unless he is willing to undersign an agreement by which the conditions prevailing in the protocol will be inaugurated by him. Yet, under the provisions of the Sherman antitrust law, that association of manufacturers has been sued, I think, for something like $250,000, because it is a conspiracy in restraint of trade.

What I mean to say is this: I am perfectly satisfied in my own mind that the Attorney General of this administration, the Attorney General of the United States under the present administration, is not going to dissolve or make any attempt to dissolve the organizations of the working people of this country. I firmly believe that if there should be any of them, any individual or an aggregation of individuals, guilty of any crime, that the present administration would proceed against them just as readily, and perhaps more so, as any other; I am speaking of the procedure against the organizations themselves and the dissolution of them.

But who can tell whether this administration is going to continue very long, or whether the same policy is going to be pursued; that is, the policy of permitting these associations to exist without interference or attempts to isolate them? Who can tell what may come, what may not the future hold in store for us working people who are engaged in an effort for the protection of men and women who toil to make life better worth living? We do not want to exist as a matter of sufferance, subject to the whims or to the chances or to the vindictiveness of any administration or of any administration officer. Our existence is justified not only by our history, but our existence is legally the best concept of what constitutes law. It is an outrage; it is an outrage of not only the conscience, it is an outrage upon justice, it is an outrage upon our language, to attempt to place in the same category a combination of men engaged in the speculation and the control of the products of labor and the products of the soil on the one hand and the associations of men and women who own nothing but themselves and undertake to control nothing but themselves and their power to work.

Mr FLOYD. I want to see if I understand your position. If I understand your position under the existing status of the law as determined by the Federal courts, if the Attorney General should proceed to dissolve any of your labor organizations they could be dissolved. Is that your proposition.

Mr. GOMPERS. Yes, sir.

Mr. FLOYD. And that your existence, therefore, depends upon the sufferance of the administration which happens to be in power for the time being?

Mr. GOMPERS. Yes, sir.

Mr. FLOYD. What you desire is for us to give you a legal status under the law?

Mr. GOMPERS. Yes, sir.

Mr. FLOYD. So you can carry on this cooperative work on behalf of the laborers of the country and of the different organizations without being under the ban of the existing law?

Mr. GOMPERS. Yes, sir.

Mr. President, if that were the law as stated, I would vote for its repeal; but I submit that no respectable court has ever so held. All organizations are legal unless there is something in the law which makes them illegal. Labor organizations have been recognized time out of mind, and I hope they always will be. If I were a laboring man, I would be an organization man; and if I were an employer of labor, I would encourage my men to be organization men, because I believe labor organizations have been an instrumentality of very great good in this country.

I now yield to the Senator from Idaho.

Mr. BORAH. Mr. President, as I understand the case to which Mr. Gompers referred in his testimony there, the Glassworkers' case, in which it is said that the organization was proceeded against under the Sherman law, it was a case arising in the Senator's State. I was going to ask the Senator if it is his purpose to discuss that case, or if he is familiar with the facts?

Mr. POMERENE. I am not familiar with the facts in the case.

Mr. BORAH. I have made some investigation in regard to it, and my investigation leads me to the conclusion—it was a case of a nisi prius court—that it was not a proceeding under the Sherman law at all, but under the common law and the statutes of the State of Ohio.

Mr. POMERENE. I am very much obliged to the Senator for his statement.

Mr. BORAH. I shall not take up the time of the Senator now in discussing it.

Mr. CULBERSON. Mr. President——

The PRESIDING OFFICER (Mr. NORRIS in the chair). Does the Senator from Ohio yield to the Senator from Texas?

Mr. POMERENE. I do.

Mr. CULBERSON. I should like to ask the Senator from Ohio if he has examined the case in West Virginia, the opinion in which was delivered by Judge Dayton a year or two ago, in which it was held under the Sherman law that labor organizations were illegal?

Mr. POMERENE. I have not. But does the Senator say that that was so held without any other accompanying facts?

Mr. CULBERSON. I have sent for the book. I make the general statement that labor organizations were held to be illegal by Judge Dayton.

Mr. POMERENE. If that be true, then——

Mr. HUGHES. Mr. President——

Mr. POMERENE. Pardon me just a minute. If that be true, it has not been recognized as a precedent; and if it be true, the judge made a mistake—just such a mistake as he could make or any other judge that was not well informed as to the law.

Mr. HUGHES and Mr. HOLLIS addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Ohio yield, and if so, to whom?

Mr. POMERENE. I will yield to the Senator from New Jersey, but I——

Mr. HUGHES. I desire to ask the Senator if he is familiar with the various decisions that were handed down in the Danbury Hat case?

Mr. POMERENE. I am.

Mr. HUGHES. The Senator, then, doubtless will remember that in one of the courts—I forget whether it was the Supreme Court or the other court—the opinion held that the Sherman antitrust law acted in the Federal jurisdiction as the common law acted in the various States, and that it was even broader than the common law so far as restraints and monopolies were concerned. If that be so, of course the Senator is familiar with the fact that in the absence of a statute and under the common law of England any three or more men who simultaneously withdraw from an employer's employment are guilty of a conspiracy.

Mr. POMERENE. Oh, Mr. President, I am not going to take time to discuss the common law of England, except to say that the hostile and vicious decisions which are rendered by the English courts—and I speak generally now; there may be exceptions—were under statutes passed by Parliament and not under the common law; and whatever may have been the common law or statute law in England upon that subject, the rule has never obtained in the United States that an organization of laboring men did not have the right to organize and strike for higher wages or for shorter hours or for better conditions.

Mr. HUGHES. Mr. President, I know the Senator does not wish to make a misstatement.

Mr. POMERENE. Certainly not.

Mr. HUGHES. I wish to call his attention to a case which arose in my own State. It was brought home to me with peculiar force by reason of the fact that the craft which was affected was a craft of which my own father was a member. He was at that time an iron molder in the city of Paterson. The strike occurred in a molding shop, and 14 or 15 iron molders simultaneously withdrew from that employment. They were indicted as common-law conspirators and were sent to the penitentiary. The Legislature of the State of New Jersey at its next meeting passed an act which is in substance the act which is before us now, providing that these men could do these very things, and that they would not be conspirators under the common law.

Mr. POMERENE. Mr. President, I think I limited my statement to the general proposition. If there has been a case here and there in which the law has been too severe in its provisions or administration, we can not correct that by this kind of legislation. The matter to which the Senator has referred was a local matter, under a local statute, or under the local common law.

Mr. NELSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Minnesota?

Mr. POMERENE. I yield to the Senator; and after that I feel that I ought to be permitted to go on without interruption.

Mr. NELSON. I dislike to interrupt the Senator; but I simply rose for the purpose of calling his attention to the fact that, under the practice and procedure of the United States Government, we have no common-law offenses.

Mr. POMERENE. Very true.

Mr. NELSON. All criminal offenses against the United States are statutory offenses; and the cases to which the Senator from New Jersey has referred were cases arising under the local law in that State. I may further add that, I think, in most of the States they have few if any common-law offenses; they are nearly all statutory offenses of the State.

Mr. POMERENE. I think the Senator has correctly stated the proposition.

Now, Mr. President, if I may be permitted to proceed with my argument without any further interruption, I shall appreciate it. It is very warm, and I feel that my strength will not permit me to continue for the entire afternoon.

I desire now to call the attention of the Senate to the law as I conceive it to be in the United States; and I wish to read a paragraph from United States v. Cassidy (67 Fed. Rep., 700):

The employees of railway companies have a right to organize for mutual benefit and protection and for the purpose of securing the highest wages and the best conditions they can command. They may appoint officers, who shall advise them as to the course to be taken in their relations with their employer, and they may, if they choose, repose in their officers authority to order them, or any of them, on pain of expulsion from their union, peaceably to leave the employment because the terms thereof are unsatisfactory. But it is unlawful for them to combine and quit work for the purpose of compelling their employer to withdraw from his relations with a third party for the purpose of injuring that third party.

This follows the opinion of Judge Taft in Thomas v. Railway (62 Fed., 817).

Again I wish to call the attention of the Senate to the case of United States v. Workingmen's Amalgamated Council (54 Fed., 994). Paragraph 5 of the syllabus reads:

The fact that a combination of men is in its origin and general purposes innocent and lawful is no ground of defense when the combination is turned to the unlawful purpose of restraining interstate and foreign commerce.

A combination of men to secure or compel the employment of none but union men becomes a combination in restraint of interstate commerce within the meaning of the statute when, in order to gain its ends, it seeks to enforce, and does enforce, by violence and intimidation, a discontinuance of labor in all departments of business, including the transportation of goods from State to State and to and from foreign nations.

This is one of the cases which has been referred to repeatedly before our committees as being in support of the proposition that an organization of this character was per se a violation of the law, but an examination of the opinion delivered by Billings, district judge, shows that there were acts of violence of the rankest kind, and a part of the evidence in the case shows this:

To the representative of a morning paper Assistant State Organizer Porter said the outlook for successful strike was most excellent and promised that every union in the city would stand by the locked-out workmen. He said it was possible a general strike would be ordered and that labor is determined to win this struggle. A union man who was with Mr. Porter is represented to have said that the strike will be made a victory of the laboring classes of the city, and unless the unions are recognized there will be more bloodshed than imagined. Mr. Porter is reported to have added, "We propose to win by peace if we can, but if we are pushed to the wall force will be employed."

In this particular case the entire commerce of the city, interstate in character, had been interfered with.

Mr. President, I have here a large number of authorities, and, without taking the time of the Senate to read them all, I ask permission to incorporate them in my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

Trades-unions are not unlawful combinations so long as they do not resort to acts tending to destroy freedom of action, such as intimidation, threats, or violence. Hence it is not contrary to public policy or illegal for a member of a union to combine with others for the purpose of maintaining wages or limiting the number of apprentices. (Longshore Printing Co. v. Howell, 46 Am. St. Repts., p. 640.)

Trades-unions and labor organizations must depend for their membership upon the free choice of each member and his perfect freedom of action. No resort can be had to violence, threats, intimidation, or other compulsory methods in matters concerning membership, or to enforce the observance of their laws, rules, and regulations.

Strikes among workingmen are not necessarily unlawful, though they may become both illegal and criminal by the means employed to enforce their objects. Employees may lawfully quit their service either singly or in a body, but if unlawful means are used to uphold or maintain a strike, or if the end to be attained is unlawful, then the strike itself is unlawful. (Longshore Printing Co. v. Howell, 46 Am. St. Repts., 640.)

In the above-cited case, Judge Wolverton, at page 646, in discussing the statement "that there is no such thing as a legal or peaceful 'strike,'" cites the following case:

Justice Harlan, in the now celebrated case of Arthur v. Oakes (63 Fed. Rep., 327), says: "We are not prepared, in the absence of evidence to hold, as a matter of law, that a combination among employees having for its object their orderly withdrawal in large number or in a body from the service of their employers, on account simply of a reduction in their wages, is not a 'strike' within the meaning of the word as commonly used. Such a withdrawal, although amounting to a strike, is not, as we have already said, either illegal or criminal."

An employee has an unquestionable right to place a price and impose conditions upon his labor at the outset of his employment, or, unless restrained by contract obligations, upon the continuance of his labor at any time thereafter, and, if the terms and conditions are not complied with by the employer, he has a clear right to engage, or having engaged in the service to cease from work, and what one may do all may lawfully combine to do for the purpose of rendering their action more effective. But this right of combination and to strike or quit the employment must be exercised in a peaceable and lawful manner, without violence or destruction of property or other coercive measures intended to prevent the employer from securing other employees, or otherwise carrying on his business according to his own judgment.

It is the right of labor to organize for lawful purposes, and by organic agreement to subject the individual members to rules, regulations, and conduct prescribed by the majority; and the courts can not enjoin the officers or committees of such an organization from counseling or ordering a strike in the exercise of authority given them by the laws and sanctioned by a majority of its members, nor can such action be made the basis of a charge of malicious conspiracy. (Wabash R. R. Co. v. Hannahan et al., 121 Fed., 563.)

The members of a labor union may, singly or in a body, quit the service of their employer; and for the purpose of strengthening their association they may persuade and induce other workmen to join their union, and as a means to that end refuse to allow their members to work where nonunion labor is employed.

It is not unlawful for members of a labor union to go upon premises, with the owner's permission, for the purpose of enticing or ordering their associates to desist from work thereon unless their conduct is so persistent and annoying to the owner or contractor as to constitute a nuisance. (Gray v. Building Trades Council, 103 Am. St. Rep., 477.)

In the above cited case Judge Brown, at page 485, says:

Labor may organize, as capital does, for its own protection and to further the interests of the laboring class. They may strike and persuade and entice others to join them; but when they resort to unlawful means to cause injury to others with whom they have no relation, contractual or otherwise, the limit permitted by law is passed and they may be restrained.

In National Protective Association v. Cummings (170 N. Y., 321), Chief Justice Parker says:

What one man may do alone he may do in combination with others, provided they have no unlawful object in view. Mere numbers do not ordinarily affect the quality of the act. Workingmen have the right to organize for the purpose of securing higher wages, shorter hours of labor, or improving their relations with their employers. They have the right to strike; that is, to cease working in a body by prearrangement until a grievance is redressed, provided the object is not to gratify malice or inflict injury upon others, but to secure better terms of employment for themselves. A peaceable and orderly strike, not to harm others but to improve their own condition, is not in violation of law.

This principle was laid down by the lower court and affirmed by the Court of Appeals of New York:

Laborers have a right to organize, and they will not be restrained by injunction from leaving the service of their employers, even though their action in so doing involves a breach of contract; but when the union and its officers and members agree together to prevent the employers from hiring other persons, by calling a strike and using force, threats, intimidation, and picketing, they have entered into an unlawful undertaking, which may be enjoined by a court of chancery. (Franklin Union v. The People, 220 Ill., 357.)

In the foregoing case of Franklin Union v. The People (220 Ill., 357), at page 377, Judge Hand says:

It will be readily conceded by all that labor has the right to organize as well as capital, and that the members of Franklin Union, No. 4, had the same legal right to organize said union as the members of the Chicago Typothetae had to form that association, and that the members of Franklin Union, No. 4, had the legal right to quit the employment, either singly or in a body, of the members of said association, with or without cause, if they saw fit, without rendering themselves amenable to the charge of conspiracy, and that the courts would not have been authorized to enjoin them from so doing even though their leaving the employment of the members of the association involved a breach of contract.

(Ohio, 1889) Workmen have the right to organize into unions for the common benefit of their members, for the purpose of advancing their scale, and for mutual charities. (Parker v. Bricklayers' Union, 10 Ohio, Dec. 458.)

Since the act of 1883 (Rev. Sup., p. 774, N. J.), it is not unlawful in this State for the members of an association to combine together for the purpose of securing control of the work connected with their trade, and to endeavor to effect such purpose by peaceable means. (Mayer et al. v. The Journeymen Stonecutters' Association, N. J. Eq., 47, 519.)

1. Under the Declaration of Rights, article 1, guaranteeing to all men the right of acquiring, possessing, and protecting property, laborers can legally combine into a labor union, with limitation on what it can do by the existence of the same right in every other citizen to pursue his calling as he may deem best, and the further limitation, coming from the increased power of organization, that what is lawful for an individual is not necessarily lawful for a combination. (Pickett v. Walsh, 78 N. E. Rep., 753.)

At one time it was held by the courts that combinations of workmen to effect a desired end were illegal and indictable, but the later authorities both English and American, agree that trade-unions, in the ordinary acceptance of that term, are not unlawful combinations so long as they do not resort to acts of violence or endeavor to accomplish some end that is contrary to public policy. It is then not illegal per se for a union to adopt and endeavor to maintain a scale of wages, or to endeavor to limit and regulate the employment of apprentices.

A "strike" among workmen is not per se illegal or criminal, though it may become both by the means employed to enforce its objects. Workmen may quit the services of an employer, either singly or in a body, as they may see fit, and they may not be either enjoined or prosecuted for so doing unless the end to be attained or the means used to attain it be unlawful. (Longshore Printing Co. v. Howell, 26 Oreg. Repts., 527.)

In Lake Erie & Western Railway v. Bailey District Judge Baker, in his opinion at page 495 (Fed. Rep., 61), says:

The court recognizes the right of any man or number of men to quit the service of their employers, and it recognizes the right of men to organize if they deem it expedient to better their condition. It also recognizes the hardships of the life of the average laboring man. Their conditions are often such as to touch the sensibilities of a feeling heart. The court is also aware of the scanty wages which they often receive, and of their long and arduous hours of service, frequently exposed to the rigors of an inclement season. * * * I confess I can not look with any degree of tolerance on the false and dangerous teachings of those who actively, or by their silent acquiescence, are teaching labor organizations to think that because they are organized in associations they have the right to seize property or by intimidation to prevent well-disposed people from laboring. * * * I think that such organizations for lawful purposes are to be commended; but when they combine and confederate for the purpose of seizing other men's property, or when they undertake by force and intimidation to drive other men away from employment, and thus deny them the right of earning a livelihood, they commit a crime. There ought to be blazed on the mind of every man that belongs to a labor organization, as with a hot iron so that he shall know and understand it, that while it is lawful and commendable

to organize for legitimate and peaceful purposes, it is criminal to organize for the invasion of the rights of others to enjoy life, liberty, and prosperity.

Mr. POMERENE. I wish to read a paragraph from the work of Frederick H. Cooke on "Combination, Monopolies, and Labor Unions." In discussing the legality of strikes, at paragraph 53, he says:

As has been seen, there has existed a tendency at least to apply the element of combination as a test of liability for acts of employees. Such tendency has been manifested in the alleged doctrine that a mere combination to obtain an increase of wages is illegal as a criminal conspiracy. The origin of this supposed doctrine appears on a consideration of the social conditions that had prevailed in England for centuries, producing a series of statutes dating as far back as the fourteenth century, operating most oppressively on the laboring classes. But this doctrine never gained foothold in this country, where it has been generally repudiated, and it may be regarded as established here, as a common-law principle, that a combination among wageworkers for the purpose of obtaining an increase of wages as well as for any other lawful purpose is entirely lawful, the only question of legality being as to the means employed. And as a result of recent elaborate investigation it must be considered as settled that the alleged doctrine never existed in England, independently of statute.

Again I desire to read from Judge Anderson in his instructions to the jury in the dynamite cases. He said:

It was not unlawful for the structural ironworkers to organize the union to which they belong. It is not unlawful for the defendants to be members of that or any other labor organization. Men have the right to use their combined power through such organizations to advance their interests in any lawful way; but they have no right to use this power in the violation of the law. Organized labor is not on trial here nor is the right of labor to organize an issue; but members of labor organizations owe the same obedience to the law and are liable to the same punishment for its violation as persons who are not members of such organizations.

(Page 1078 of the hearings before the subcommittees of the Committee on the Judiciary, United States Senate, which had under consideration H. R. 15657, Jan. 6, 1913.)

A very interesting work upon this subject of labor conditions is the late work of Martin on The Modern Law of Labor Unions. Sections 9, 10, 11, 12, 13, and 15 of this work read as follows:

Section 9: The purposes for which combination is permissible—In general.

Broadly speaking, workmen may combine to obtain any legitimate advantage. They may combine for the purpose of raising their intellectual, moral, and social condition, for social enjoyment, to afford members assistance in times of poverty, sickness, and distress; for the advancement and development of the intelligence of the members, and in consequence their skill in their trade or calling; to redress grievances of members; to improve or regulate their relations with their employers; to secure employment for their members; and, according to some decisions, to secure the employment of members in preference to and to the exclusion of other workmen, or to secure control of the work connected with their trade, although, as will be subsequently shown, there is authority which denies the correctness of these last two propositions (pp. 14 and 15).

Citing State *v.* Stockford (77 Conn., 227), Karges Furniture Co. *v.* Amalgamated Woodworkers' Local Union (165 Ind., 421), Com. *v.* Hunt (4 Met. (Mass.), 111, 129), Coeur d'Alene Consol. Min. Co. *v.* Miners' Union (51 Fed., 260), Parker *v.* Bricklayers' Union (10 Ohio Dec., 458), Cigar Makers' Union *v.* Lindner (3 Ohio Dec., 244), Jacobs *v.* Cohen (183 N. Y., 212), Natl. Protective Asso. *v.* Cumming (170 N. Y., 315), Hey *v.* Wilson (232 Ill., 389), Pickett *v.* Walsh (192 Mass., 572), Curran *v.* Galen (152 N. Y., 33), Mills *v.* U. S. Printing Co. (99 N. Y. App. Div., 605).

Section 10: To maintain or advance the rate of wages.

So one of the foremost purposes of organization among workmen is to secure the best wages obtainable, and whatever views may have been formerly entertained on the subject it is no longer open to question that a combination of workmen formed for the purpose of maintaining or advancing the rate of wages is a perfectly legitimate one. They are entitled to the highest wages and the best conditions that they can command. They may fix the price of labor and refuse to work unless it is obtained, and they may have that right both as individuals and in combination. It is of benefit to them and to the public that laborers should unite in common interest and for lawful purposes. They have labor to sell. If they stand together, they are often able, all of them, to command better prices for their labor than when dealing singly with rich employers, because the necessities of the single employee may compel him to accept any terms offered him. It has been well said that if it is lawful for the stockholders and officers of a corporation to associate together for the purpose of reducing the wages of its employees or of devising other means for making their investment profitable, it is equally lawful for organized labor to associate, consult, and confer with a view to maintain or increase wages (pp. 16 and 17).

Citing numerous cases in all States of the Union.

Section 11: To obtain reduction of hours of employment.

So workmen may lawfully combine to obtain a reduction of the hours of employment, for the same reason that authorizes a combination to advance or maintain the rate of wages. A demand that wages should be paid during working hours amounts merely to a demand for a shorter day and the attainment thereof is a legitimate object of a combination (p. 16).

Section 12: To secure careful and competent fellow workmen.

The securing of careful and competent fellow servants in order to diminish the risk incident to employment is a legitimate object of a combination among laboring men. The reason for this is obvious. In the event of injury by the negligence of a fellow servant, except where the rule is changed by statute, the burden would have to be borne by the injured servant without compensation by the master, and with no financial responsibility as a general rule on the part of those causing the injury (p. 16).

Section 13: To accumulate strike fund or fund for unemployed members.

The accumulation of a strike fund for the support of those who feel that the wages offered are below market prices is one of the legitimate objects of a labor organization, as is also the accumulation of a fund for the unemployed members of the association (p. 17).

Citing Thomas *v.* Cincinnati R. Co. (62 Fed., 803); see Hitchman Coal Co. *v.* Mitchell (172 Fed., 963).

Section 15: Limitations on the right of combination.

The limitation on the right of workmen to combine for their own benefit and protection is that in the exercise of this right the property and rights of others must be respected. A labor union being an organization brought about by the exercise on the part of its members of the right of every citizen to pursue his calling as he thinks best is limited in what it can do by the existence of the same right in each and every other citizen to pursue his or their calling as he or they may think best. Workmen who have combined into a union can not have, under the law of equal rights, a liberty of contracting as they please, working when they please, and quitting when they please, which does not belong alike to nonunion men and employers of labor. It was said by an early commentator on the law of trade unions that "every person has a right under the law, as between him and his fellow subject, to full freedom in disposing of his own labor or his own capital according to his own will. It follows that every other person is subject to the correlative duty arising therefrom, and is prohibited from any obstruction to the fullest exercise of this right which can be made compatible with the exercise of similar rights by others." The law sanctions no combinations either of employers or employees which have for their immediate purpose the injury of another or the unjustifiable interference with his rights and privileges. It is the absolute, unqualified right of every employee, as well as of every other person, to go about his business unmolested and unobstructed, and free from intimidation, force, or duress (pp. 18 and 19).

Mr. President, I dare say that there will be few if any authorities found in conflict with the general principles which have been laid down in the opinions which I have cited or in the text writers to which I have referred.

Now, what becomes of the proposition which is made the basis of this legislation that labor has no right to organize, no right to strike for higher wages or shorter hours or better conditions? No authority has been cited, and, I dare say, none can be cited in this country, where the right to organize, to strike, and to do peaceful picketing is denied, unless it be prohibited by some special statute of some State.

It seems to me that it is unfair to the laboring men themselves, it is unfair to the country, it is unfair to Congress, it is unfair to the courts, to say that there is any principle of law recognized in this country which would permit the dissolution of an organization of employees unless they have been guilty of some unlawful acts. I take it that the friends of this bill would not contend for one moment that if an organization had been once properly organized and set out in a criminal course to do criminal acts that the law ought not to intervene even to the extent of using drastic measures, not to say decreeing dissolution.

Mr. President, under the law, as I conceive it, in this country men may strike for better wages, shorter hours, or, in general, for the betterment of their condition, and they may do peaceful picketing. Why, then, should we attempt to change this law, and to change it in the form that it is here in section 7? This section, note, attempts to say "that nothing in the antitrust laws shall be construed to forbid the existence and operation of labor, agricultural, or horticultural organizations, instituted for the purposes of mutual help," and so forth, or to forbid or restrain individual members of such organization from lawfully carrying out the legitimate objects thereof; and then the last paragraph says:

Nor shall such organizations or the members thereof be held or construed to be illegal combinations or conspiracies in restraint of trade under the antitrust laws.

The first part of this section permits their operation without any qualification of any kind. When it comes to the individual members it says, "or to forbid or restrain individual members of such organization from lawfully carrying out the legitimate objects thereof." There is no qualification at all on the operation of the organization. The individual must act lawfully. Applying the usual rules of construction, it follows that the operation of the organization may be either lawful or unlawful, legitimate or illegitimate. Why limit the individual to lawfully carrying out the legitimate objects of the organization and place no limitation on the organization?

Again, what are the legitimate objects? Why not attempt to define them? No one has attempted it. Does the word "legitimate" not cover every attempt that may be made to accomplish their purpose? Does it mean that the commerce of the country may be entirely tied up by the efforts of some men who do not appreciate the obligation of citizenship? Does it mean that it shall be confined to efforts to obtain a reasonable wage or a wage that would be concededly unreasonable under any and all circumstances? Does it mean to apply only to the obtaining of reasonable hours, or does it permit them to demand unreasonably short hours? Does it mean they may strive for

reasonably good conditions, or for conditions which it would be impossible for the average employer to bestow? It seems to me that if this is to become the law there ought to be some attempt to explain what was in the mind of Congress when it attempted to place it upon the statute books. Again, the last paragraph:

Nor shall such organizations or the members thereof be held or construed to be illegal combinations or conspiracies in restraint of trade under the antitrust laws.

Does it mean under no circumstances? Does it mean no matter what their acts are, they shall not be amenable to the law?

Mr. President, most of the laboring men are high-class men, of high purpose and high character. They want their rights and they want to be law-abiding citizens. It is not for that class of men that laws are made. We all recognize the fact that in every avenue of life there are men who will transgress the law and who do transgress the law. I recognize the fact that there are many employers in this country who have ground their labor down, and for them I have no word of sympathy of any kind. On the other hand, we must be entirely fair in this matter and at the same time we have in mind the employers who are unfair we must remember that there are some men who are speaking in the name of labor who likewise are unfair. Laboring men should not be placed at the mercy of the merciless employer. On the other hand, the good employers—and that embraces the greater part of them—ought not to be placed at the mercy of a few labor leaders who do not have a proper appreciation of their duty to the public. There are two sides to this question, as there are to most questions.

Mr. President, I know it is contended that the arm of injunction should never be used in connection with these disturbances. I concede that it has been too frequently used—used when it ought not to have been used—and injunctions granted without notice. Of course, that should be corrected; but, on the other hand, permit me to say that I believe the injunction has often prevented violence which all would regret had it occurred. I recognize the fact that most of the labor leaders of this country abhor violence; that they teach and speak against it; that they give their commands against it. But we all know that it sometimes happens that the wisest and most influential of leaders can not control some of their men. What is to be done under those circumstances?

Mr. President, when there is a labor disturbance generally the first desire is to have some sort of mediation or adjustment. I wish that were always true. The second is, if there is likely to be any disturbance the officers of the peace are called in. If that fails then the practice has been to invoke the equity arm of the court to stay any effort at violence. If that fails, what next? There is only one other recourse, and that is to call in the military where there is such a disturbance as can not be controlled by other means.

Am I wrong when I say that by so much as you cripple the arm of injuction in a proper case, by so much you are increasing the possibility of calling out the military? I hope the day will never come in this country when the military will be called out to stay any labor difficulty of any kind. The public will not tolerate violence. The peace must be preserved. If it can not be done by the police or the courts, the military will be summoned. Ought we not to use the courts where we can, and only resort to the military when all other possible means have failed?

Mr. President, my belief has always been that labor and capital are not to be treated as if in two separate camps. They are partners in a common purpose. They ought to be together. I believe in industrial peace. I do not believe in industrial war, and that is the basic thought in this section in my judgment. Section 7 and section 18 treat this subject as if employer and employee were in two opposing camps. You are never going to get these two elements of our society together by that kind of means. I will do anything in my power to bring them together, either by vote or voice. I will not do anything consciously to get them apart, and if there is a proper disposition exercised by employer and employee there will be less of trouble in this country.

Permit me to call the attention of the Senate to a beautiful picture of the relations which exist between one of the great employers in Ohio and his employees. I read a paragraph from a speech delivered by Col. James Kilbourne, president of the Kilbourne & Jacobs Manufacturing Co., in the city of Columbus, one of the largest employers of labor in central Ohio. Speaking of the hard times during the panic of 1893, 1894, and 1895, he says:

I could relate innumerable instances showing their loyalty—

Referring to his employees—

and devotion to our interests, but one will, I think, suffice, the like of which I have never heard of before or since. Some weeks after the beginning of the great panic of 1893, when trouble and desolation were spreading over the land, there filed into my office at our shops one morning some 15 or 20 men, representing the different shops of our works. They bore serious countenances and a serious manner, and my heart sank within me. One of my most earnest hopes had been that there should never be any trouble between our employees and myself, and I thought, "Here it has come at last."

Finally one of the men arose and said: "Mr. Kilbourne, we have hesitated about coming here; we have thought about it a great deal, and believe we are right, and we hope you will receive the suggestion we have to make in the spirit in which it is offered. We have seen in the daily papers accounts of the failure of this firm and that firm and the other firm, which had existed for many years, and were thought to be strong enough to resist any panic. We know that your warehouses are filling up with goods. We know that, as is the case with other manufacturers, you can not sell the goods you are making to-day and can not get your pay for the goods you have sold. We do not know what your circumstances are, but we fear they may be like those of other men who have failed. Some of us have been here a few years, some of us many years, some of us almost a generation. We have had good pay, we have been able to save up some money, and while the individual savings are not very large, the aggregate is a very considerable sum. We have come to tell you that it is all yours, to do with it what you please, if you need it in the interests of your company."

That is a picture of conditions as they ought to prevail in every factory, and that is a condition which would prevail in many instances if the extremists on both sides of this proposition were more disposed to get together, and I trust that the Congress will help them to get together.

Mr. President, I want to call the attention of the Senate to another peculiar provision of this section 7. For some unaccountable reason it has been sought to place in this section a provision exempting agricultural associations from the provisions of the Sherman law. I should like to know where the sentiment comes from that demands it. We have agricultural organizations galore in my State, doing splendid work. I have not heard from a single one who asked that agricultural organizations should be included in an exemption under this law.

On the contrary, Hon. A. P. Sandles, president of the Agricultural Commission of Ohio, writes me under date of July 10, 1914:

You are right in opposing exemption of farmers from provisions of antitrust laws.

Farmers ask no favors. Justice and equal consideration in governmental affairs is their creed and demand.

During the past week or 10 days the papers of the country have been calling attention to the increasingly high cost of living. Products of all kinds that are offered in the markets are going higher and higher. It has attracted the attention of the President himself. Congressmen have desired it to be investigated. All over the United States social organizations are inquiring into it. Everybody regrets it. We thought we were about to reduce the price of living, and I think, all things considered, we have done so by some of our legislation. And now comes a proposition whereby the Congress is putting itself on record to legitimatize agricultural organizations for the purpose of increasing the cost of living. Consistency ought to be a jewel now as it has been in other days.

One of the peculiar ironies of this section is this: There are consumers' leagues all over the country, and one of their objects is to reduce the cost of living, and they are eliminated from this bill. So if consumers were to get together and combine in interstate matters in an effort to reduce the cost of articles and thereby restrain trade, they would be amenable to the law; but the bill allows the producers of the country to get together for the purpose of increasing the price. It denies to the consumer the right to combine to reduce the cost of living while it gives the producer the right to combine to increase the price of his produce.

Mr. President, the labor and agricultural provisions of this bill received consideration at the hands of Congress during the closing days of the administration of President Taft. He vetoed the sundry civil appropriation bill at the time for two reasons—first, because he doubted its constitutionality, and, secondly, because he doubted the policy of it. I do not care this afternoon to discuss the question of the constitutionality of this provision. I am frank to say that I am disposed to think that Congress in its wisdom might eliminate both classes from the operation of the Sherman law, though I am not certain about it. I address myself only to the question of the policy.

Later on, when this same bill was passed by the present Congress, President Wilson said in signing the bill:

I have signed this bill because I can do so without, in fact, limiting the opportunity or the power of the Department of Justice to prosecute violations of the law by whomsoever committed.

If I could have separated from the rest of the bill the item which authorized the expenditure by the Department of Justice of a special sum of $300,000 for the prosecution of violations of the antitrust law, I would have vetoed that item, because it places upon the expenditure a limitation which is, in my opinion, unjustifiable in character and principle. But I could not separate it. I do not understand that the limitation was intended as either an amendment or an interpretation of the antitrust law, but merely as an expression of the opinion of the Congress—a very emphatic opinion, backed by an overwhelming majority of the House of Representatives and a large majority of the

Senate, but not intended to touch anything but the expenditure of a single small additional fund.

If it was wrong in principle at that time to exempt any element of society from the provisions of the law it seems to me that the same rule should obtain now.

Mr. President, section 18 of this bill is to my mind of somewhat uncertain phraseology. I have been trying to find out what it means. I trust I am guilty of no impropriety when I say that I have had three different opinions from members of the Judiciary Committee: One to the effect that it legalizes the secondary boycott; another to the effect that it does not; and the third to the effect that he did not know. I should like to know whether it does or not. It is pretty difficult to understand the language which is used in the middle of this section:

And no such restraining order or injunction shall prohibit any person or persons whether singly or in concert from terminating any relation of employment or from ceasing to perform any work or labor, or from recommending, advising, or persuading others by peaceful means so to do; or from peacefully persuading any person to work or to abstain from working; or from withholding their patronage from any party to such dispute, or from recommending, advising, or persuading others by peaceful and lawful means so to do.

Does that apply simply to the employer and the employee or does it apply to the use of means in connection with a third party? I do not know. If it is simply a legalizing of the primary boycott it is legal now; if it is an attempt to legalize the secondary boycott I am opposed to it, and I understand that most of the States have legislation upon that subject. I think that in principle it is altogether vicious.

Let me call attention to some of the examples of secondary boycott.

I take a different view of this subject from that of some of my friends. I do not believe that this struggle is going to be fashioned after the manner of war. If there is a difference between the employer and the employee and they can not agree, the employees can strike or there can be a lockout, and all the peaceful means incident to such methods may be employed; but because I, as an employee, have a difference with a company employing me and we can not agree, is that any reason why I should attempt to embroil somebody who may be in California in his relations with my employer? There must be an end somewhere.

Let me suggest, before I go into this matter further, that this bill, if it should be enacted, can have no effect upon intrastate commerce; it only applies to interstate commerce. When we are trying to weigh the merits and the demerits of a bill we ought to give grave consideration to the question as to whether or not the good that is to be accomplished is outweighed by the evil that may be consequent upon such legislation.

If this section means to legalize the secondary boycott, there is no limitation here of any kind; it legalizes all kinds of boycotts. Now, let us see how good a weapon that is. It was employed in the anthracite coal strike, and there is a splendid report on that subject by the commission which was appointed by President Roosevelt, consisting of Brig. Gen. John M. Wilson, Mr. E. W. Parker, Judge George Gray, Mr. Edgar E. Clark, Mr. Thomas H. Watkins, and Bishop John L. Spalding. Under date of March 18, 1903, they submitted their report. I want to read a paragraph from it:

Examples of such "secondary boycotts" are not wanting in the record of the case before the commission. A young schoolmistress, of intelligence, character, and attainments, was so boycotted and her dismissal from employment compelled for no other reason than that a brother, not living in her immediate family, chose to work contrary to the wishes and will of the striking miners. A lad, about 15 years old, employed in a drug store, was discharged, owing to threats made to his employer by a delegation of the strikers, on behalf of their organization, for the reason that his father had chosen to return to work before the strike was ended. In several instances tradesmen were threatened with a boycott—that is, that all connected with the strikers would withhold from them their custom and persuade others to do so—if they continued to furnish the necessaries of life to the families of certain workmen, who had come under the ban of the displeasure of the striking organizations. This was carrying the boycott to an extent which was condemned by Mr. Mitchell, president of the United Mine Workers of America, in his testimony before the commission, and which certainly deserves the reprobation of all thoughtful and law-abiding citizens. Many other instances of boycott are disclosed in the record of this case.

Again, at page 78 of the report, the commission says:

The practices which we are condemning would be outside the pale of civilized war. In civilized warfare, women and children and the defenseless are safe from attack, and a code of honor controls the parties to such warfare which cries out against the boycott we have in view. Cruel and cowardly are terms not too severe by which to characterize it.

If you will turn to the record of the testimony of this case you will find that the words "cruel and cowardly" were the words used by Mr. Mitchell himself; and yet if this section legalizes the secondary boycott, the Congress of the United States is called upon to give an indorsement to conduct of this kind which is cruel and cowardly. The report continues:

The commission is of opinion, however, that there should be a positive utterance on its part relative to discrimination, interference, boycotting, and blacklisting, and this opinion it has put in the form of an award, as follows:

"It is adjudged and awarded: That no person shall be refused employment, or in any way discriminated against, on account of membership or nonmembership in any labor organization; and that there shall be no discrimination against, or interference with, any employee who is not a member of any labor organization by members of such organization."

Mr. President, I want to call to the attention of the Senate the views of some of the labor leaders themselves upon the question of boycott. I have here at my desk the work of Harry W. Laidler on Boycotts and the Labor Struggle. On page 97 the author quotes from the reports of the bureau of statistics and labor of New York State, and I ask to introduce that without reading, because I do not care to take the time to do so.

The PRESIDING OFFICER (Mr. WALSH in the chair). In the absence of objection, permission to do so is granted.

The matter referred to is as follows:

The boycott is not in this country attended with violence, except in the case of foreigners.

Organized labor has attained that period in its development when it can see the necessity of wielding this potent weapon with extreme caution. Time was when the boycott was declared at the slightest provocation. Not so now, for the record proves that the organizations are loath to use it except in a prudent way, and then as a last resort.

The injury to labor of any abuse is thus stated:

It (the boycott) has nearly always proved successful when the parties who applied it represented a public or moral sentiment. If it is allowed to degenerate into a simple fight between competing firms, and if the pretended leaders of the labor movement assume to apply it indiscriminately, foolishly, and maliciously, it will result in complete disaster to the movement itself.

The attitude of labor leaders concerning the boycott's use is thus set forth:

It may be remarked that the more advanced thinkers in the ranks of labor disapprove of the boycott except in extreme cases in which no ordinary remedy is attainable.

Mr. POMERENE. Again, on page 107, the author says:

If wielded thoughtlessly the boycott on the transportation system could undoubtedly play havoc with the business of the country. On the other hand, there is no business in which the abuse in the conduct of this weapon brings a more immediate and pronounced condemnation from the public.

At page 110, the author says, with respect to the convention of the American Federation of Labor held in 1885:

In this convention the unscrupulous use of the boycott by other organizations, presumably the Knights of Labor, was vigorously condemned. These organizations were accused of employing this weapon on "frivolous, trivial, and imaginary grievances" without giving the question the attention and thorough investigation which it required. The convention voted that no boycott be approved by the federation, until it had been carefully considered by the legal committee.

* * * * * * *

In its convention in 1886 the author says:

It advocated only the boycott's careful and energetic use as a last resort.

* * * * * * *

On page 111 the author says:

The federation, in 1898, took a decided stand against the circularizing of its unions with boycott literature without its official indorsement, declaring that "the continuous and overwhelming flood of boycott circulars leads to confusion and ineffectiveness." The same year it took steps toward limiting particularly boycotts of those firms employing union men. The resolution read:

"Whereas the placing of a boycott upon any product the manufacture of which is participated in by two or more crafts may and often does work an injury to union workers: Therefore be it

"*Resolved*, That the American Federation of Labor shall indorse no boycott where the products of several organized unions will be affected thereby until every possible effort has been made to secure a settlement, and all organizations to be affected shall be given a hearing and an opportunity to assist in securing a settlement in which the existing grievance may be settled."

On page 112 the author says:

The boycott committee in 1904 clearly voiced the sentiment of the delegates in its declaration that "if anyone is unjustly placed on the unfair list it tends to injure not only the organization directly in interest, but the entire labor movement."

In 1905 (see Laidler on Boycotts, p. 113) Owen Miller, chairman of the boycott committee of the American Federation of Labor, reported to the convention:

We must recognize the fact that the boycott means war, and to carry on a war successfully we must adopt the tactics that history has shown are most successful in war. The greatest master of war said that war was the trade of a barbarian and the secret of success was to concentrate all forces upon one point of the enemy—the weakest if possible.

In view of these facts the committee recommends that the State federations and central bodies lay aside minor grievances and concentrate their efforts and energies upon the least number of unfair parties or places in their jurisdiction. One would be preferable. If every available means at the command of the State federations and central bodies were concentrated upon one such and kept up until successful, the next on the list would be more easily brought to terms, and within a reasonable time none opposed to fair wages, conditions, or hours, but would be brought to see the error of its ways and submit to the inevitable.

President Gompers, in speaking of the boycott, said (see Laidler on Boycotts, p. 114):

The workers fully realize that the boycott and strike are means to be used to maintain their rights and to promote their welfare when

seriously threatened by hostile, greedy, and unfair employers when no other remedy seems available. With the boycott cleared of wrongful charges and misapprehension and recognized as a lawful right we will find its use diminishing. It will be a power held in reserve and used only when no other remedy is adequate.

We have this anomalous situation: We are asked to legalize an instrument like the secondary boycott, which has been fraught with so much harm not only to the country at large but, according to these authorities and the declaration of the Federation of Labor itself, often to the labor organizations. We are asked to say that there shall be no restraint in the handling of this instrument, save the free will of those who use it.

According to Mr. Gompers:

With the boycott cleared of wrongful charges and misapprehension and recognized as a lawful right, we will find its use diminishing.

In other words, when it is not recognized, when there is no statute regulating it, there will be more perfect peace. "We do not want Government regulation of this instrument, and then we will cease to use it." A defiance of the law by a few—and there are only a few who do it—never breeds respect for any law or any man's rights. By the force of this same logic we should repeal all statutory laws making certain acts penal, because if we did there would be more respect shown for the rights of men.

Mr. President, when we do know that the boycott has been used in such ways as to bring down the condemnation of the labor leaders themselves, such as John Mitchell, it is not quite the right time to come in and legalize that which, in John Mitchell's own words, sometimes, as in the case of the anthracite coal strike in the instances to which I have referred, is "cruel and cowardly."

Mr. President, I fear that in the consideration of this subject we sometimes lose sight of the great third party—the public. I have never heard of a struggle between employer and employee that I did not feel that there were three parties to be considered—the employee, the employer, and the great third party, which embraces both of them, the public.

While we recognize the right to strike—and I would not have it otherwise—it is not always a means of securing what is desired. Workingmen now have a right to strike, but everyone must concede that the fewer times that right is exercised the better. It is of inestimable value, but, paradoxical as it may seem, the less it is used the greater its value.

Let me call the attention of the Senate to some of the statistics upon this subject. I take the following figures from the twenty-first annual report of the Labor Bureau, made in 1906, on the subject of strikes and lockouts, as contained in House Document No. 110:

In the period of 25 years (1881 to 1905) there were in the United States:

Strikes	36,757
Lockouts	1,546
Total disturbances	38,303
Strikes occurred in establishments	181,407
Lockouts occurred in do	18,547
Total	199,954
Total persons involved during said period in strikes	6,728,048
Number of persons locked out	716,231
Total	7,444,279
Total number during said period thrown out of employment:	
By strikes	8,703,824
By lockouts	825,610
Total	9,529,434

Of the 36,757 strikes from 1881 to 1905, there were:

	Per cent.
Ordered by labor organizations	68.99
Begun by employees who were not members of organizations, or who, if members, went on strike without sanction of the organizations	31.01

Of the 181,407 establishments involved in strikes, 90.34 per cent were included in strikes ordered by organizations.

Strikes ordered by labor organizations included 79.69 per cent of all strikers and 77.45 per cent of the total persons thrown out of work in establishments involved in strikes.

Average duration per establishment:

	Days.
Of strikes	25.4
Of lockouts	84.6

Employees won all demands undertaken by strikes in 47.95 per cent of the establishments, succeeded partly in 15.28 per cent of the establishments, failed to win any of their demands in 36.78 per cent.

Lockouts resulted favorable to employers in 57.20 per cent of the establishments, succeeded partly in 10.71 per cent of the establishments, failed in 32.09 per cent.

Strikes ordered by labor organizations were wholly successful in 49.48 per cent of the establishments involved, partly successful in 15.87 per cent, failed in 34.65 per cent.

Strikes not ordered by labor organizations were successful in 33.88 per cent of the establishments involved, partly successful in 9.85 per cent, failed in 56.31 per cent of the establishments.

Eleven thousand eight hundred and fifty-one strikes, or 32.24 per cent of all strikes, were for increase of wages alone; 3,117 strikes, or 40.72 per cent of all strikes, due in whole or in part to demands for increase of wages.

The next most fruitful cause of strikes was disagreement concerning recognition of union and union rules. This cause alone produced 18.84 per cent of all strikes, and both alone and combined with other causes, 23.35 per cent of all strikes.

Objection to reduction of wages alone and combined with other causes produced 11.90 per cent of all strikes.

Demands for reduction of hours alone and combined with other causes produced 9.78 per cent of all strikes.

The most important cause of lockouts was disputes concerning recognition of union and union rules and employers' organization, which cause, alone and combined with various causes, produced nearly one-half of all lockouts and included more than one-half of all establishments involved in lockouts.

Now, Mr. President, let us see how expensive these strikes were. I refer to these matters because I have always felt that if those who are interested on both sides of this problem would in a proper spirit try to get together two-thirds at least of the labor troubles could be avoided and both would profit thereby. Mr. Carroll D. Wright, in an article on arbitration in a book entitled "Labor and Capital," at pages 153 and 154, says:

The record of strikes in the United States for the 20 years ending December 31, 1900, as shown by the United States Department of Labor, would seem to indicate that at times, at least, some drastic measure for the prevention of conflicts might be desirable. This record is that during the period named there were 22,793 strikes, with a wage loss of $257,863,478, a loss through assistance rendered by labor organizations of $16,174,793, and a loss to employers of $122,731,121. The lockouts during the same period numbered 1,005, with a wage loss to employees of $48,819,745, a loss through assistance rendered by labor organizations of $3,451,461, and a loss to employers of $19,927,983. The total losses by strikes and lockouts reached the vast sum of $468,968,581.

Four hundred and sixty-eight million dollars! Is it not worth while to get both employer and employee together rather than to attempt to pass some legislation which treats the subject as if they were warring factions?

Mr. President, I want to call the attention of the Senate to this fact especially: This legislation will not affect those who are engaged purely in manufacturing or mercantile or mining occupations unless the transaction assumes an interstate character. It does affect all those who are engaged in transportation of every character—a matter which is peculiarly a subject for congressional control; a matter to which we ought always to give our most considerate attention. As a matter of fact, the legislation that is here asked is not in the interest of the whole people; it is not in the interest of the laboring classes as a whole; but rather, in view of its interstate character, it should be called legislation in favor of a part of labor as against all labor and as against all the rest of the 100,000,000 inhabitants of the United States.

Let us see how this will operate. A little more than a year ago Congress was called upon suddenly one morning to pass a law providing for mediation of the differences existing between the railways east of Chicago and their employees. We were told that if the bill did not pass within 48 hours all traffic east of Chicago would be tied up. Do we appreciate what that would mean? The bill was passed. The matters were submitted to arbitration. They were settled. A part of the demands of the employees were granted, but not in full. If that award means anything it means that they were reasonable in a part of their demands and they were unreasonable in a part of their demands.

Now, let us suppose that instead of a threatened strike the railways had gotten together and had said, "It is going to be to our interest to combine together and reduce the wages of these employees below a living wage," what would have been the result? The men would have left their employment, and properly so; but the consequence would have been that transportation east of Chicago would have been stopped, and in 10 days centers of population like New York, and Boston, and Philadelphia, and Pittsburgh, and Cleveland would have been starved.

Mr. HUGHES. Mr. President, will the Senator permit an interruption?

Mr. POMERENE. I would prefer not to be interrupted. A little later, after I have finished, I shall be glad to yield, but I prefer not to break the thread of my argument.

Mr. HUGHES. The question I wanted to ask the Senator was right in line with something he has just said.

Mr. POMERENE. Possibly I shall meet it as I go along.

On the other hand, suppose, for the sake of the argument, that the demands of the brotherhoods of railway men had been excessive; that they had asked for something which the trans-

portation lines could not pay; that they had asked for something which in the minds of all reasonable men would have been excessive, and, their demands having been denied, they strike. Traffic would have stopped. Transportation would have stopped. The result on the great centers of population, like New York, and Philadelphia, and Boston, and Pittsburgh, and Cleveland, would have been the same. It is the restraint of trade that we are looking to, and that should be the object of our most respectful attention. What would have been the consequences if they had arbitrarily assumed a stand of this character and their demands had been unreasonable? Who would have suffered in either instance? Would it have been the rich men of New York City or any other of these centers of population? Would it have been the employer class? Yes; but the suffering of the employer would not have been a tithe compared with the suffering of the laboring men in these great cities and of their wives and families, though their relations with their employers might have been most harmonious in character.

Let us take another illustration: Suppose this had been in the dead of winter, and in the anthracite regions of Pennsylvania or the bituminous regions of West Virginia the coal was being taken out. We will assume that the relations between the employers and the miners were most harmonious. They were getting out their coal, ready to ship it to the centers of population to keep the men and the women and the children there from freezing, and the only thing that stood in the way was the lack of means of transportation. The employers in the mining regions, if they could not market their coal, could not pay their men, and the result would be suffering and distress there.

I do not think this situation is likely to arise; but we know we have been on the very brink of such a situation; and only a few days ago one arose with reference to the transportation lines west of Chicago, and we were told that in a short day there was a probability that all the traffic west of Chicago would be tied up if there were not an adjustment. I more than appreciate the splendid efforts of the men on both sides of that controversy to get together and agree to arbitrate and to adjust their differences; but we know, as a matter of experience, that there have been cases in this country which they did not arbitrate. They could not, it seemed. Because of the passion that may have prevailed on both sides, they were not able to arbitrate. Beyond that, let us go a little further. If everyone during a situation such as I have described would keep an even temper, all might go well; but we know that in cases of excitement such as I have referred to there are men who do not control their tempers. They may be sometimes leaders of men on both sides of the proposition, and a little encouragement is given here, a little encouragement there, and the first thing we know the match is applied to the magazine, and there is an explosion that distresses the entire country; and with these strikes there come threats, intimidation, and violence to both person and property.

I am not saying that one side is any more to blame than the other, but I do say that when it comes to a proposition such as this the Government should not tie its hands and prevent itself from making, not an undue use of the power of injunction, but a proper use of the power of injunction. An injunction tends to peace, not to violence. When violence begins the cause is losing ground.

I want to say that while I have the most profound respect for the men who are at the head of the American Federation of Labor and at the heads of the various brotherhoods, we know that sometimes wrongs occur. The best of us may to-day be in a perfectly equable frame of mind, but to-morrow lose our tempers in the intensity of excitement; and we are not always responsible for things which may be done, and if we do control ourselves we are not always able to control those who may be under us.

Let me make a further suggestion in this connection. Let us suppose there should be a strike; that transportation should be tied up; that the courts of equity are not open. We have bound their hands. The public becomes excited. If we were to prohibit the issuance of injunctions what might not happen? If we were to pass a bill which in a proper case would prevent the use of the equity arm, what would our Senators from the South say to the cotton farmer when he could not market his product because transportation was stopped and strikers would not permit the management to resume? What are Senators from the great wheat-growing regions going to say to their constituents when transportation in that region is tied up? What are Senators from the great centers of population going to say if we cripple the hands of the courts so that fuel in the wintertime and food products at all times may not be brought to warm those who are cold and freezing and to feed the hungry?

I recognize the fact that courts have made mistakes, but I want to say at the same time that while some judges have issued wrong decrees they are the exception and not the rule. I am not willing to say, when it comes to a proposition such as this, that the courts are always wrong and that the organizations are always right. I hope there may never be another excuse for applying to a court in any labor struggle of any kind, but I do think a study of poor, weak human nature shows that it is sometimes necessary.

Mr. President, I want to call the attention of the Senate to another very interesting feature of section 18. I read only that part of the section which is pertinent to the point I have in mind:

> That no restraining order or injunction shall be granted by any court of the United States, or a judge or the judges thereof—
>
> In controversies between employers and employees—
>
> unless necessary to prevent irreparable injury to property or to a property right.

You must show that there is an irreparable injury to property or to a property right before an injunction shall be granted. In other words, if the employer's property is threatened with violence, if some one goes down in the midst of the trouble and threatens the business, the property, the machinery, the plant itself, and there is no adequate remedy at law, in order to protect that property and that property right an injunction may be issued; but if the men who are employed there are threatened, if they are to be fired at, you can not protect them by the power of injunction. Under section 18, as it is drawn, we have the anomalous situation that property has become more sacred than life or limb or safety!

Mr. President, I have occupied more of the time of the Senate than I had expected to occupy. I say, as I began, that with most of the provisions of this bill I am in entire accord; but I can not give my consent to the exemption of any organization from the operation of the Sherman law. My belief is, as I have instanced in the case of the transportation companies, that the possibilities of harm to the laboring classes and to all classes of our population by the enactment of those parts of this bill to which I have registered my objections would far outweigh any possible good to the laboring classes.

Mr. HUGHES. Mr. President, will the Senator yield to me now?

Mr. POMERENE. I yield to the Senator.

Mr. HUGHES. I want to get the Senator's idea of the effect of the present law upon these transportation strikes. The Senator described a set of circumstances which existed a few days ago and which threatened to involve all the railroads west of Chicago, I think the Senator said, in a general strike. He followed that up by saying that the natural result of that would be a terrific restraint of trade. Now, if that had happened; if that restraint of trade had occurred; if there had been a combination or agreement or conspiracy—call it what you will—of all the employees of all those railroads west of Chicago, and that had resulted, as it necessarily must have resulted, in an absolute restraint or cessation of trade, does the Senator think those conspirators or those in that combination or agreement would have come within the terms of the Sherman antitrust law?

Mr. POMERENE. On the Senator's statement of facts alone, I do not think so; but there are always, let me say——

Mr. HUGHES. I will ask the Senator——

Mr. POMERENE. Pardon me a moment, please. Let me suggest that it is easy enough to pick out a few innocent facts in these matters, on the one hand——

Mr. HUGHES. I am taking the facts the Senator set out.

Mr. POMERENE. Just a moment. Or, on the other hand, to select out all adverse facts; and when we do that, on either side, we are not presenting the situation properly. We know, however, that when there is a condition such as I have described there are always other circumstances which become involved, which, together with what I have described, would make out a perfect case under the law.

Mr. HUGHES. It seems to me that if anything is plain it must be plain that the simultaneous withdrawal from employment on the part of men who are engaged in carrying goods from State to State must result in a restraint of trade. If the Senator thinks it does not, and says so, why, that is all I have to say. I can not imagine a more complete restraint of trade.

Mr. POMERENE. Not those facts alone, but——

Mr. HUGHES. The Senator said in his speech that it would be a restraint of trade.

Mr. POMERENE. I understand all that. It would be a restraint of trade, but the facts which I have referred to alone, perhaps, in the hurried argument I was making, might not make out a case; but there are often other facts and circumstances accompanying these strikes. For instance, if the railroads

should attempt to move their trains by the employment of other men, and were to be interfered with, then certainly a court would interfere.

Mr. HUGHES. I just want to get at the Senator's view, because it is very important. The Senator, then, thinks that the simultaneous withdrawal of a lot of engineers and firemen which resulted in tying up all the railroads west of Chicago, so that no commerce at all could be moved by rail, would not be a restraint of trade unless it was accompanied by violence?

Mr. POMERENE. It is a restraint of trade. Those facts alone, however, without any other complications, might not be a violation of this law.

Mr. HUGHES. It would be a restraint of trade; would it not?

Mr. POMERENE. Certainly it would; but the restraint of trade——

Mr. HUGHES. The statute is directed against restraints of trade.

Mr. POMERENE. Undue restraints.

Mr. HUGHES. It is directed against restraints of trade. The Senator knows that.

Mr. POMERENE. As construed by the Supreme Court, it is an undue restraint of trade.

Mr. HUGHES. An unreasonable restraint of trade.

Mr. POMERENE. Yes.

Mr. HUGHES. Well, surely, if any restraint of trade would be unreasonable, a restraint of trade would be unreasonable which involved every railroad west of Chicago and cut the country in half, and left one half of it with its goods piling up and the other half of the country starving for them. No court could hold that that was reasonable.

Mr. POMERENE. Under those circumstances, would you cripple the law as it now is?

Mr. HUGHES. Would I cripple it? Would I interfere with the right of those men to withdraw?

Mr. POMERENE. Would you interfere with the enforcement of this law if it could be enforced, or if the circumstances were such as to justify it?

Mr. HUGHES. I would interfere with any law that attempted to prevent any American workingman from quitting his job when he got ready, either singly or in combination with anybody else.

Mr. POMERENE. So would I.

Mr. HUGHES. But the Senator does not say that.

Mr. POMERENE. I do say that, and I say it now.

Mr. HUGHES. The Senator turned to me and challenged my statement, and asked me if I would interfere with the law if it prevented that thing.

Mr. POMERENE. My question was whether you would cripple the law under the circumstances.

Mr. HUGHES. I would cripple the law. What would the Senator do?

Mr. POMERENE. I would protect the public, always.

Mr. HUGHES. Very well. Then the Senator would prevent those men from withdrawing simultaneously from that employment.

Mr. POMERENE. If the facts and complications were such as to justify it, under the law, I certainly would do it.

Mr. HUGHES. That is all I want to know.

Mr. HOLLIS. Mr. President, I desire to place in the RECORD a reference to the opinion by Judge Dayton which was referred to a short time ago by the Senator from Texas [Mr. CULBERSON]. It is in the case of Hitchman Coal & Coke Co. against Mitchell et al., in the United States District Court for the Northern District of West Virginia, decided December 23, 1912, and reported in Two hundred and second Federal Reporter, at page 512. At the conclusion of his opinion Judge Dayton says:

> In Loewe v. Lawlor (208 U. S., 274; 28 Sup. Ct., 301) it was held that the Sherman Antitrust Act "prohibits any combination whatever to secure action which essentially obstructs the free flow of commerce between the States, or restricts, in that regard, the liberty of a trader to engage in business; and this includes restraints of trade aimed at compelling third parties and strangers involuntarily not to engage in the course of interstate trade except on conditions that the combination imposes," and that it "makes no distinction between classes. Organizations of farmers and laborers were not exempted from its operation, notwithstanding the efforts which the records of Congress show were made in that direction," and that "a combination of labor organizations and the members thereof, to compel a manufacturer whose goods are almost entirely sold in other States, to unionize his shops, and on his refusal so to do to boycott his goods and prevent their sale in States other than his own until such time as the resulting damage forces him to comply with their demands," is a "combination in restraint of trade."

That is found in Two hundred and second Federal Reporter, at page 556.

APPEALS IN CUSTOMS CASES.

Mr. OVERMAN. I ask unanimous consent to have a little bill passed which is, I think, an emergency measure. It is recommended by the Judiciary Committee. It grants an appeal in customs cases from the Court of Customs Appeals to the Supreme Court of the United States. The Secretary of the Treasury has not that power. There are great questions now in that court involving treaty questions and constitutional questions, and he is bound by the decision of one court. The bill simply provides that he may make an appeal to the Supreme Court of the United States. I therefore ask unanimous consent for the present consideration of the bill (S. 6116) to amend section 195 of the act entitled "An act to codify, revise, and amend the law relating to the judiciary," approved March 3, 1911.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. JONES. Does not the Senator think that matters of this kind could go over until the morning hour?

Mr. OVERMAN. There is no morning hour. That is the trouble.

Mr. JONES. Why can we not have one?

Mr. OVERMAN. I hope we can soon.

Mr. JONES. Does the Senator think we will have one if different matters are disposed of in this way?

Mr. OVERMAN. I think we will have a morning hour soon; but this is a matter which ought to be attended to at once. I think we will have a morning hour in a few days anyway.

Mr. JONES. That is very encouraging, I am sure. Why is it that we can not have a morning hour almost every day?

Mr. OVERMAN. I think we can have soon. Does the Senator from Washington object to the consideration of the bill?

Mr. JONES. Is it a unanimous report?

Mr. OVERMAN. Yes; three-fourths of the membership of the committee agreed to it; all the members I could see.

Mr. JONES. There was no objection on the part of any member?

Mr. OVERMAN. There was no objection on the part of any member of the committee.

Mr. JONES. I do not think I shall object to the consideration of this bill; but I do not think I shall consent to such matters coming up hereafter in this way, because it seems to me it would be very easy for us to adjourn from day to day. I think we would get along just about as fast as we are doing now, and thus we would be given an opportunity to take up such matters in the morning hour. Our friends do not seem to be crowding the pending measure very rapidly anyway, and I can see no necessity for keeping one day running along for a week or two. However, I am not going to object to this bill.

Mr. OVERMAN. I would not ask for its consideration if it was not a very important matter and one that ought to be passed at once.

Mr. GALLINGER. Mr. President, I wish to emphasize what the Senator from Washington has just said. There is not going to be a very lengthy debate, apparently, on the unfinished business, and it does seem to me that we might well return to the old custom of adjourning and meeting at 11 o'clock. That gives us seven long hours.

Mr. OVERMAN. I think we will come to that pretty soon.

Mr. GALLINGER. I trust so. I wish the Senator would use his persuasive influence with the leader on the other side and let us have an adjournment.

Mr. OVERMAN. I shall be glad to take it up with him.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered as in Committee of the Whole. It proposes to amend section 195 of an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911, so as to read:

> SEC. 195. That the Court of Customs Appeals established by this chapter shall exercise exclusive appellate jurisdiction to review by appeal, as herein provided, final decisions by a board of general appraisers in all cases as to the construction of the law and the facts respecting the classification of merchandise and the rate of duty imposed thereon under such classifications, and the fees and charges connected therewith, and all appealable questions as to the jurisdiction of said board, and all appealable questions as to the laws and regulations governing the collection of the customs revenues; and the judgments and decrees of said Court of Customs Appeals shall be final in all such cases: *Provided, however*, That in any case in which the judgment or decree of the Court of Customs Appeals is made final by the provisions of this title, it shall be competent for the Supreme Court, upon the petition of either party, filed within 60 days next after the issue by the Court of Customs Appeals of its mandate upon decision, in any case in which there is drawn in question the construction of the Constitution of the United States, or any part thereof, or of any treaty made pursuant thereto, or in any other case when the Attorney General of the United States shall, before the decision of the Court of Customs Appeals is rendered, file with the court a certificate to the effect that the case is of such importance as to render expedient its review by the Supreme Court, to require, by certiorari or otherwise, such case to be certified to the Supreme Court for its review and determination, with the same power and authority in the case as if it had been carried by appeal or writ of error to the Supreme Court: *And provided further*, That this act shall not apply to any case involving only the construction of section 1, or any portion thereof, of an act entitled "An act to provide revenue, equalize duties, and encourage the industries of

the United States, and for other purposes," approved August 5, 1909, nor to any case involving the construction of section 2 of an act entitled "An act to promote reciprocal trade relations with the Dominion of Canada, and for other purposes," approved July 26, 1911.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House had passed the following bills:

S. 654. An act to accept the cession by the State of Montana of exclusive jurisdiction over the lands embraced within the Glacier National Park, and for other purposes; and

S. 5198. An act to reserve certain lands and to incorporate the same and make them a part of the Pike National Forest.

The message also announced that the House had passed the bill (S. 5197) granting public lands to the city and county of Denver, in the State of Colorado, for public-park purposes, with amendments, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the bill (S. 5574) to amend and reenact section 113 of chapter 5 of the Judicial Code of the United States, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the bill (S. 5739) to present the steam launch *Louise*, now employed in the construction of the Panama Canal, to the French Government, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the bill (S. 5977) to authorize Bryan Henry and Albert Henry to construct a bridge across a slough, which is a part of the Tennessee River, near Guntersville, Ala., with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bill and joint resolutions, in which it requested the concurrence of the Senate:

H. R. 4651. An act to authorize the Secretary of the Treasury to sell certain land to the trustees of the charity fund of Star in the East Lodge, of Oldtown, Me.;

H. J. Res. 271. Joint resolution authorizing the President to appoint delegates to attend the Ninth International Congress of the World's Purity Federation, to be held in the city of San Francisco, State of California, July 18 to 24, 1915; and

H. J. Res. 246. Joint resolution to authorize the Secretary of War to grant a revocable license for the use of lands adjoining the national cemetery near Nashville, Tenn., for public-road purposes.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED.

The message further announced that the Speaker of the House had signed the following enrolled bills and joint resolutions, and they were thereupon signed by the Vice President:

H. R. 816. An act for the relief of Abraham Hoover;

H. R. 1516. An act for the relief of Thomas F. Howell;

H. R. 1528. An act for the relief of T. A. Roseberry;

H. R. 2728. An act for the relief of George P. Heard;

H. R. 3920. An act for the relief of William E. Murray;

H. R. 6420. An act for the relief of Ella M. Ewart;

H. R. 6609. An act for the relief of Arthur E. Rump;

H. R. 9829. An act authorizing the Secretary of the Interior to sell certain unused remnant lands to the Board of County Commissioners of Caddo County, Okla., for fairground and park purposes;

H. R. 10460. An act for the relief of Mary Cornick;

H. R. 10765. An act granting a patent to George M. Van Leuven for the northeast quarter of section 18, township 17 north, range 19 east, Black Hills meridian, South Dakota;

H. R. 11705. An act to perfect the title to land belonging to the M. Forster Real Estate Co., of St. Louis, Mo.;

H. R. 12463. An act to authorize the withdrawal of lands on the Quinaielt Reservation, in the State of Washington, for lighthouse purposes;

H. R. 12844. An act for the relief of Spencer Roberts, a member of the Metropolitan police force of the District of Columbia;

H. R. 13415. An act to increase the limit of cost of public building at Shelbyville, Tenn.;

H. R. 13717. An act to provide for leave of absence for homestead entrymen in one or two periods;

H. R. 13965. An act to refund to the Sparrow Gravely Tobacco Co. the sum of $176.99, the same having been erroneously paid by them to the Government of the United States;

H. R. 14404. An act for the relief of E. F. Anderson;

H. R. 14405. An act for the relief of C. F. Jackson;

H. R. 14679. An act for the relief of Clarence L. George;

H. R. 14685. An act to satisfy certain claims against the Government arising under the Navy Department;

H. R. 16205. An act for the relief of Davis Smith;

H. R. 16431. An act to validate the homestead entry of William H. Miller;

H. R. 16476. An act authorizing the Secretary of the Interior to issue patent to the city of Susanville, in Lassen County, Cal., for certain lands, and for other purposes;

H. R. 17045. An act for the relief of William L. Wallis;

H. R. 18202. An act to provide for the admission of foreign-built ships to American registry for the foreign trade, and for other purposes;

H. J. Res. 249. Joint resolution for the appointment of George Frederick Kunz as a member of the North American Indian Memorial Commission; and

H. J. Res. 295. Joint resolution authorizing the Secretary of War to return to the State of Louisiana the original ordinance of secession adopted by said State.

COURTS IN WEST VIRGINIA.

Mr. CHILTON. Senate bill 5574 is an act fixing the place of holding courts in West Virginia. It has come from the House with amendments, and I ask unanimous consent that it may be taken up at the present time, in order that the amendments may be concurred in.

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 5574) to amend and reenact section 113 of chapter 5 of the Judicial Code of the United States, which were, on page 2, line 15, after "law," to insert: ": *And provided further*, That a place for holding court at Elkins shall be furnished free of cost to the United States by Randolph County until other provision is made therefor by law," and, on page 3, lines 6 and 7, after "further," to strike out all down to and including line 9 and insert: "That a place for holding court at Williamson shall be furnished free of cost to the United States by Mingo County until other provision is made therefor by law."

Mr. CHILTON. I move that the Senate concur in the House amendments.

The motion was agreed to.

HOUSE BILL AND JOINT RESOLUTIONS REFERRED.

H. R. 4651. An act to authorize the Secretary of the Treasury to sell certain land to the trustees of the charity fund of Star in the East Lodge, of Oldtown, Me., was read twice by its title and referred to the Committee on Public Lands.

H. J. Res. 271. Joint resolution authorizing the President to appoint delegates to attend the Ninth International Congress of the World's Purity Federation, to be held in the city of San Francisco, State of California, July 18 to 24, 1915, was read twice by its title and referred to the Committee on Foreign Relations.

H. J. Res. 246. Joint resolution to authorize the Secretary of War to grant a revocable license for the use of lands adjoining the national cemetery near Nashville, Tenn., for public-road purposes, was read twice by its title and referred to the Committee on Military Affairs.

PROPOSED ANTITRUST LEGISLATION.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes.

The VICE PRESIDENT. The Chair orders inserted in the RECORD a telegram from the Ohio Manufacturers' Association, protesting against the further consideration of this bill.

The matter referred to is as follows:

COLUMBUS, OHIO, *August 18, 1914.*

Hon. THOMAS R. MARSHALL,
President of the Senate, Washington, D. C.:

The Ohio Manufacturers' Association earnestly urges that action upon the pending Clayton bill be postponed until a later session of Congress, and we do this irrespective of the possible merits of the legislation contemplated by the bill. We call your attention to the facts, doubtless well known to you, that the industry and commerce of this country have been called upon within a very brief period to meet many changes in the fundamental laws and conditions governing every phase of our transactions. The currency and tariff in themselves require drastic readjustment, while the trade-commission bill recently enacted will impose upon business new and uncertain conditions difficult to meet at a time like this. To further complicate the situation, we are now faced by a world war involving commercial problems of absolutely unique character. We do not feel that we are unreasonable in beseeching your honorable body to postpone action upon a further measure, more unsettling in character, more threatening in aspect than any which have preceded it. We submit that the passage of this measure at this time would not "relieve business of uncertainty," but would greatly add to the perplexities which now beset business men. If the Clayton bill is a wise and just measure, it will unquestionably be passed by a later Congress and loyally accepted by the business men of the country. Nothing sub-

stantial will be lost by a reasonable delay, through which, in the face of the present crisis, disaster may be avoided. Representing the second largest industry in the State of Ohio, we earnestly beseech your consideration of this appeal.

By order of the executive committee of the Ohio Manufacturers' Association.

Attest:

MALCOLM JENNINGS, *Secretary.*

Mr. BORAH obtained the floor.

Mr. HUGHES. If the Senator from Idaho will allow me, I desire to read a few lines from the syllabus in the case of Loewe *v.* Lawlor (208 U. S., 275). I wish to call the attention of the Senate to it in connection with the argument which was just made by the Senator from Ohio [Mr. POMERENE]. He made the statement during the course of his argument that the courts held that the Sherman antitrust law in its application to interstate transactions of this character was broader than the common law. This is the syllabus, showing that view was fully sustained by the court:

The antitrust act of July 2, 1890, makes no distinction between classes. Organizations of farmers and laborers were not exempted from its operation, notwithstanding the efforts which the records of Congress show were made in that direction.

Mr. BORAH. I understand that section 7 is now before the Senate for consideration.

The VICE PRESIDENT. The Chair so understands.

Mr. CULBERSON. I think the last paragraph of section 6 is now before the Senate.

The VICE PRESIDENT. That was agreed to by a yea-and-nay vote.

Mr. CULBERSON. I am very glad to hear it, but I do not think it was done. It was not even read. The first paragraph of section 6, on page 6, was read and adopted. The second paragraph has not even been read, I understand.

The VICE PRESIDENT. The Secretary says it has been read. It was treated as one amendment, and both paragraphs have been adopted.

Mr. CULBERSON. If the record shows it, all right.

The VICE PRESIDENT. The next amendment of the Committee on the Judiciary will be stated.

The SECRETARY. On page 7, line 12, before the word "labor," strike out the word "fraternal"; after the word "labor," strike out the word "consumers"; in line 13, after the word "organizations," strike out the words "orders, or associations"; in line 16, after the word "organizations," strike out the words "orders, or associations"; in the same line insert the word "lawfully"; and in line 18, after the word "organizations," strike out the words "orders, or associations," so as to make the first paragraph of section 7 read:

That nothing contained in the antitrust laws shall be construed to forbid the existence and operation of labor, agricultural, or horticultural organizations, instituted for the purposes of mutual help, and not having capital stock or conducted for profit, or to forbid or restrain individual members of such organizations from lawfully carrying out the legitimate objects thereof; nor shall such organizations or the members thereof be held or construed to be illegal combinations or conspiracies in restrain of trade under the antitrust laws.

Mr. BORAH. Mr. President, section 7 in its entirety as reported by the committee reads as follows:

SEC. 7. That nothing contained in the antitrust laws shall be construed to forbid the existence and operation of labor, agricultural, or horticultural organizations, instituted for the purposes of mutual help, and not having capital stock or conducted for profit, or to forbid or restrain individual members of such organizations from lawfully carrying out the legitimate objects thereof; nor shall such organizations or the members thereof be held or construed to be illegal combinations or conspiracies in restraint of trade, under the antitrust laws.

Mr. President, it is not only the right but, in my opinion, the duty of labor to organize. I have no doubt that union labor has not only been of great value and benefit to the members of the organizations, but, indirectly, of benefit to those who are not members of the organization. The unionization of labor has assisted in maintaining a higher and better wage, better conditions with reference to the place where the work was to be performed, and has generally improved the conditions of labor, not only, as I said, with reference to those who are immediately members of the organization, but, indirectly, all labor has been benefited thereby.

I do not think that anyone at this time controverts the proposition or would argue against not only the right but the duty of labor to organize, in view of the thorough organization of the business world, with which labor has to deal. The only wonder to me has been that so many remain outside of the unions. Laborers have a right to organize, as I understand it, under the law as it now exists. They have a right to organize for the purpose of protecting their wages and for the purpose of raising their wages. They have the right, either singly or collectively as an organization, to refuse to work and to go upon a strike unless the wage is satisfactory. They may, in my opinion, notwithstanding the Sherman law, combine to raise wages and to strike if those wages are not conceded, and to carry out their strike in all peaceful and lawful ways.

Incidentally to this, of course, is the right to take care of strikers, to furnish funds during a strike, to take care of the families of strikers, and to generally carry on, through any peaceful or lawful methods, the cause of securing better wages and better conditions. They may strike for any reason they see fit to assign or for no reason. They may strike through sympathy, or they may strike because of a substantial and direct injury to themselves.

Mr. President, I read this section 7 as in no wise changing the law as it now exists from what I contemplate and conceive the law to be. I understand, of course, that there are those who believe that without such a provision as this, labor organization per se pursuing their ordinary and legitimate purposes would be in danger. I do not think so. I think they may, in fact, do now all that they may do after this section becomes the law. I know that a different view is entertained not only by members of labor organizations, but by very noted and distinguished lawyers. An article was published in the eastern papers some time ago by a distinguished member of the bar, in which he said:

The mere combination of employees in a given industry in the form of an organization to secure better wages, followed by any overt act, such as the demand for a higher wage or the refusal to work unless the same is conceded, is in restraint of trade and in violation of existing law. * * * The controlling circumstance that the free flow of competition in the trade in human labor has been restrained by this agreement among the workmen not to sell their labor except upon terms agreed upon between them stamps the combination as a conspiracy in restraint of trade.

In my opinion no decision of the courts can be found to sustain that view. On the other hand, speaking with all due respect, I think the authorities lay down the very opposite view.

So far as those who view the law as there expressed by this attorney and by some who are members of labor organizations are concerned, I can see a perfectly good reason for the enactment of this statute. But I was not willing, Mr. President, for this section to be adopted by my vote or with my apparent approval without stating what I conceive to be the law now and what the law will be when this section is adopted. I think no one should be misled and I feel that it is entirely proper to make known what we do not do as well as what we propose to do. The only effect of it, in my judgment, will be to remove the possibility of an attack upon the organization as such, which in my judgment at this time could not be successfully made. In other words, it removes a fear, possibly well grounded, but in my judgment unfounded in the law as it now exists. This section gives these organizations a status and permits them to lawfully carry out their legitimate purposes.

Doubtless the impression prevails among workingmen of this country that, according to the decisions of the court, labor organizations of themselves, organized for the purpose of protecting their wage, when guilty of any overt act in raising the wage are within the prohibition of the Sherman law. If such were the law, no one would want it so; but that such is not the law I entertain no doubt. The only effect of this section, therefore, standing alone and as reported from the committee, is to set at rest the fear that these organizations per se may be attacked and dissolved under the Sherman law.

If I entertained the opinion held by some, I would not only be in favor of this law, for the reasons which I have stated, but I would be in favor of it for the reason that I do not believe there is any desire upon the part of the public nor anything to be gained upon the part of the public in destroying labor organizations in their legitimate function, in performing the purposes for which ordinarily we regard them as organized to perform.

But it is not true, Mr. President, that labor organizations guilty of an overt act in raising their wages or in demanding higher wages are now inhibited by the Sherman law, notwithstanding the view expressed by learned attorneys. I believe that labor has a perfect right under the law now to strike because wages are lower than labor desires wages to be, and demand a higher wage, even if it stops every wheel rolling between the Atlantic and Pacific.

Mr. HUGHES. Mr. President——

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from New Jersey?

Mr. BORAH. Yes.

Mr. HUGHES. The Senator qualifies his statement by interjecting into it the fact that wages must be lower. I should like to know how the Senator looks at the proposition that they would have a right to stop for that reason or for any other reason, or for no reason.

Mr. BORAH. For no reason. There is no law in this country and there never has been any law established by any court that I am familiar with to the effect that a man may not quit his employer's employment for the purpose of securing a better wage, or for any other reason satisfactory to the laborer himself, whether sanitary conditions, the betterment of labor generally, or for no reason assigned whatever. You can not compel a man to work under any system that we have so long as the Constitution of the United States has the salutary provision in it that it has now.

Mr. HUGHES. Does the Senator agree with me that under his conception of what the law is laborers would have a right to simultaneously withdraw from employment in order to coerce another employer who is having difficulty with his employees?

Mr. BORAH. No; I do not go to that extent, unless it is understood that it is voluntary all along the line. If all who quit do so voluntarily, they may do so; but men who have quit can not coerce or interfere with others to make them quit.

Mr. HUGHES. Then the Senator does not think that they can simultaneously withdraw or strike for no reason; that they must have good reason.

Mr. BORAH. No; I do not say that. What I say is that labor organizations may, so far as the relationship between the employer and employee is concerned, cease to work; and if that has the effect of producing nonemployment or cessation of work upon the part of the laborers elsewhere, it is an incident to it; but a labor organization can not demand that some one who is not dissatisfied with the employment at all shall not be permitted to labor.

Mr. HUGHES. But suppose this situation—I merely want to get the Senator's view—suppose there is a strike in a certain industrial establishment and another industrial establishment is furnishing raw material to the first establishment. In the Senator's view would the laborers in the second establishment, which is engaged in furnishing raw material to the industrial establishment having difficulty, be justified in going on a strike?

Mr. BORAH. I have no doubt that if the employees of one industry and the employees of another industry agree to quit both may quit, although one of the industries is not dissatisfied; but if the employees of one industry are satisfied and the others insist and interfere with their going ahead with their employment, then a different question arises.

Mr. HUGHES. There is no question of interference at all.

Mr. BORAH. I misunderstood the Senator. It is the proposition whether or not men have a right to quit work for any reason or for no reason—yes, absolutely.

Mr. HUGHES. I want to ask the Senator's opinion of the situation set out by the Senator from Ohio [Mr. POMERENE]. That Senator says that the present law does not in any way prevent the sudden, simultaneous cessation of employment on the part of labor. The Senator suggested the case of a strike taking place on all railroads west of Chicago. That would undoubtedly greatly inconvenience the people depending upon that line of transportation for goods, and it would amount not only to a restraint of trade to all practical purposes, but to an absolute cessation of trade between certain cities. Does not the Senator think that a situation like that, with the city of Chicago absolutely shut off from San Francisco and New York by the cause of simultaneous withdrawals from employment of the railroads of their men, it would constitute under the law as it stands a restraint of trade and commerce?

Mr. BORAH. No; I do not, if the men who struck or quit work in no wise interfere with the employers in securing other labor or in no wise interfered with the operating of the trains in any other method than through themselves. I entertain no possible doubt that the employees of the railroad, the entire employment may cease to work for the railroad company at any hour they see fit.

We are not talking about instances where they are under contract to work for a certain length of time, but where the contractual relations do not appear they may cease to work for the railroad at any time they see fit. The fact that the cessation of trade occurs is an incident to the superior right of the laborer to quit work.

Mr. HUGHES. Yes; but where is that superior right set out? That is what I would like to ascertain from the Senator.

Mr. BORAH. I will reach that in a few moments, but it is set out in the Constitution of the United States, as will be disclosed by Judge Harlan's opinion.

Mr. HUGHES. Take this case: Suppose they had no organization, but they proceeded to form one, the avowed purpose of the organization being to cause a cessation of commerce between two States over a particular line, that being the only railroad line running between those States—and there are points in the United States to which there are no wagon roads, which are absolutely dependent upon railroad transportation as a means of commerce between the States. Now imagine the case of men combining and agreeing together that they would do certain acts, the necessary result of which would be a cessation of commerce, I can not for the life of me conceive why that would not be a restraint of commerce.

Mr. BORAH. The Senator has raised there a different question entirely. In that case the men come together with the intent to restrain trade, for the purpose of preventing commerce between the States. It is a combination to restrain trade which they or no one else can do or should be permitted to do; but if restraint of trade follows from the mere fact of quitting work it is an injury for which there is no damage, and for which the men quitting work are not liable.

Mr. HUGHES. But the Senator a while ago agreed with me that they would have a right to quit for any reason or for no reason.

Mr. BORAH. Exactly. But you are not presenting the case of quitting work; you are talking about a combination which is made to restrain trade.

Mr. HUGHES. They do not have to set out their reason, and they do not set out their reason; but they are responsible for the reasonable consequences that follow from their acts and it is admitted that the reasonable consequence of this act of theirs in simultaneously withdrawing from the common employment is going to be an absolute cessation of commerce between two points in two different States. For the life of me, as I said a while ago, I can not see why an agreement, a combination, or conspiracy to bring about that result would not be a restraint of commerce under the Sherman antitrust law, which speaks of restraints of trade and agreements and combinations to interfere with and restrain interstate commerce.

Mr. BORAH. Well, Mr. President, as we proceed with the matter I shall be very glad to discuss it further with the Senator. I think I had better take up some of the decisions, perhaps, and get my views more thoroughly before the Senate.

Mr. President, one of the best statements of the law that has ever been made was made by Mr. Justice Harlan in a noted case, with which Senators are all, no doubt, familiar, but it is perhaps worth while to refresh our recollection in regard to it, because, with no exception, it is coming to be the recognized law with reference to this subject in this country, and I think has been pretty generally and clearly approved by the Supreme Court of the United States. It is true that the Sherman antitrust law itself was not the specific subject under investigation or discussion by the court at the time the opinion was rendered, but the opinion was rendered after the Sherman law was passed and relates to the employees of railroad companies, which railroad companies were operating between different States, and were, therefore, engaged in interstate commerce. I quote from the case of Arthur against Oakes in Sixty-third Federal Reporter, page 317, in which Justice Harlan said:

> But the vital question remains whether a court of equity will, under any circumstances, by injunction prevent one individual from quitting the personal service of another? An affirmative answer to this question is not, we think, justified by any authority to which our attention has been called or of which we are aware. It would be an invasion of one's natural liberty to compel him to work for or to remain in the personal service of another. One who is placed under such constraint is in a condition of involuntary servitude, a condition which the supreme law of the land declares shall not exist within the United States or in any place subject to their jurisdiction. Courts of equity have sometimes sought to sustain a contract for services requiring special knowledge or peculiar skill by enjoining acts or conduct that would constitute a breach of such contract. To this class belong the cases of singers, actors, or musicians, who, after agreeing, for a valuable consideration, to give their professional service at a named place and during a specified time for the benefit of certain parties, refuse to meet their engagement and undertake to appear during the same period for the benefit of other parties at another place. (Lumley v. Wagner, 1 De Gex, M. & G., 604, 617; id., 5 De Gex & S. 485, 16 Jur., 871; Montagne v. Flockton, L. R. 16 Eq., 189.) While in such cases the singer, actor, or musician has been enjoined from appearing during the period named at a place and for parties different from those specified in his first engagement, it was never supposed that the court could by injunction compel the affirmative performance of the agreement to sing or to act or to play. In Powell Duffryn Steam-Coal Co. v. Taff Vale Ry. Co. (9 Ch. App., 331, 335) Lord Justice James observed that when what is required is not merely to restrain a party from doing an act of wrong, but to oblige him to do some continuous act involving labor and care, the court has never found its way to do this by injunction. In the same case Lord Justice Mellish stated the principle still more broadly—perhaps too broadly—when he said that a court can only order the doing of something which has to be done once for all, so that the court can see to its being done.
>
> The rule, we think, is without exception that equity will not compel the actual affirmative performance by an employee of merely personal services any more than it will compel an employer to retain in his personal service one who, no matter for what cause, is not acceptable to him for service of that character. The right of an employee engaged to perform personal service to quit that service rests upon the same basis as the right of his employer to discharge him from further personal service. If the quitting in the one case or the discharging in the other is in violation of the contract between the parties, the one injured by the breach has his action for damages; and a court of

equity will not, indirectly or negatively, by means of an injunction restraining the violation of the contract, compel the affirmative performance from day to day or the affirmative acceptance of merely personal services. Relief of that character has always been regarded as impracticable. (Toledo, A. A. & N. M. Ry. Co. *v.* Pennsylvania Co., 54 Fed., 730, 740, Taft, J., and authorities cited; Fry, Spec. Perf., 3d Am. ed., 11, 87–91, and authorities cited.)

It is supposed that these principles are inapplicable or should not be applied in the case of employees of a railroad company, which, under legislative sanction, constructs and maintains a public highway primarily for the convenience of the people and in the regular operation of which the public are vitally interested. Undoubtedly the simultaneous cessation of work by any considerable number of the employees of a railroad corporation without previous notice will have an injurious effect and for a time inconvenience the public. But these evils, great as they are, and although arising in many cases from the inconsiderate conduct of employees and employers, both equally indifferent to the general welfare, are to be met and remedied by legislation restraining alike employees and employers so far as necessary adequately to guard the rights of the public as involved in the existence, maintenance, and safe management of public highways.

In the absence of legislation to the contrary, the right of one in the service of a quasi public corporation to withdraw therefrom at such time as he sees fit, and the right of the managers of such a corporation to discharge an employee from service whenever they see fit, must be deemed so far absolute that no court of equity will compel him, against his will, to remain in such service, or actually to perform the personal acts required in such employments, or compel such managers, against their will, to keep a particular employee in their service. It was competent for the receivers in this case, subject to the approval of the court, to adopt a schedule of wages or salaries, and say to employees, "We will pay according to this schedule, and if you are not willing to accept such wages you will be discharged." It was competent for an employee to say, "I will not remain in your service under that schedule, and if it is to be enforced I will withdraw, leaving you to manage the property as best you may without my assistance." In the one case, the exercise by the receivers of their right to adopt a new schedule of wages could not, at least in the case of a general employement without limit as to time, be made to depend upon considerations of hardship and inconvenience to employees. In the other, the exercise by employees of their right to quit in consequence of a proposed reduction of wages could not be made to depend upon considerations of hardship or inconvenience to those interested in the trust property or to the public. The fact that employees of railroads may quit under circumstances that would show bad faith upon their part, or a reckless disregard of their contract or of the convenience and interests of both employer and the public, does not justify a departure from the general rule that equity will not compel the actual, affirmative performance of merely personal services, or (which is the same thing) require employees, against their will, to remain in the personal service of their employer.

Mr. HUGHES. The Senator, of course, knows as well as I do that that is altogether beside the question we were discussing. I never dreamed that anybody would even make application to a court of equity to compel a man specifically to perform a personal service. One of the first things which I was taught in law school was that a court of equity would not compel partners to remain together and would not compel a man to remain in employment. He might quit the employment, but he was responsible for the necessary consequences that followed from the fact that he violated his contract.

Now, admitting what Justice Harlan says to be the law, as it undoubtedly is, yet the fact remains that when these men did simultaneously cease work in the employment in which they were engaged they were still responsible for the reasonable consequences that flowed from that act.

Mr. BORAH. Oh, no, Mr. President. The court says that they had the constitutional right to quit, the constitutional right to be relieved from the employment for any reason that they might have. It was not alone a question of the power of injunction, but as a fundamental, elemental, constitutional right they might quit and could be neither punished under the common law or held in damages.

Mr. HUGHES. The court, as I understand, intimates that legislation might regulate in some way the rights of those men, so far as the public were concerned. It says so in that opinion, but it does not go any further than to say that the court will not issue an injunction commanding a man to stay in a certain employment.

Mr. BORAH. Does the Senator say the court does not say that?

Mr. HUGHES. The court does not go further than to say that it will not issue an injunction commanding a man to stay in a certain employment and to render a certain service. It will not do that. But the court does not say that in a criminal court or in a court of law, where damages merely were sought, they would be free from responsibility.

Mr. BORAH. Mr. President, I can not conceive of a man recovering damages from another man for doing a thing which the Constitution of the United States guarantees him the right to do. That is what the court says here, that they have under the Constitution the absolute right to quit the employment of an interstate carrier. Now, suppose after quitting it had been the purpose of someone who was injured by their quitting to recover damages. The complete defense would have been their constitutional right to quit work. Or suppose an action had been brought under the Sherman law to dissolve their unions. The complete answer would have been that under the Constitution we had the right to quit, and the fact that it interfered with commerce was subordinate and incident to the absolute and perfect right under the Constitution to cease the employment. They would have said further, in answer to the charge, We have done nothing other than that which is right and legal for us to do under the Constitution. Oh, no; this case is not to be limited to the mere power to issue an injunction to prevent their quitting.

Mr. HUGHES. But the Senator knows that a man has a constitutional right to libel another, that the court will not enjoin him from publishing the libel, and that a jury under the Constitution must pass upon whether or not the libelous matter is true or false; but still he is liable in damages.

Mr. BORAH. Well, does the Senator think that the constitutional provision with reference to the freedom of the press and a man being responsible in damages for what he says is the same proposition as that a man can not be compelled to work in penal servitude?

Mr. HUGHES. I think it is fairly parallel.

Mr. BORAH. I do not think the similarity is great.

Mr. HUGHES. In any event, the position the Senator takes—and I want to agree with him, although in supporting this legislation I can not altogether agree with him, for I believe the legislation is absolutely necessary—the position the Senator takes is that it was never intended by the antitrust legislation to interfere with laboring men at all, so far as their simultaneous cessation of work is concerned.

Mr. BORAH. I have no doubt about that.

Mr. HUGHES. I agree with the Senator that such a conception never was in the mind of the author of the act. The debates clearly show that fact.

Mr. BORAH. I have no doubt the framers of the law never intended that the cessation of work upon the part of labor unions should constitute such a restraint of trade as would render laborers liable under the Sherman law; but there are conditions under which they would be liable under the Sherman law, which we will discuss later. The cessation of work, however, is not one of those conditions.

The judge says further here:

> It was equally their right, without reference to the effect upon the property or upon the operation of the road—

This comes pretty close to the question of damages, as the distinguished Senator will observe—

> It was equally their right, without reference to the effect upon the property or upon the operation of the road, to confer with each other upon the subject of the proposed reduction in wages and to withdraw in a body from the service of the receivers because of the proposed change. Indeed, their right, as a body of employees affected by the proposed reduction of wages, to demand given rates of compensation as a condition of their remaining in the service, was as absolute and perfect as was the right of the receivers, representing the aggregation of persons, creditors, and stockholders interested in the trust property, and the general public, to fix the rates they were willing to pay their respective employees.

There can be no question as to the purport and the far-reaching effect of that statement. They had a perfect and complete right to quit singly or as a body, regardless of the effect upon the public or the injury which it might be to property.

Mr. HUGHES. Of course I maintain that all that decision sets out is that the court would not enjoin them to the contrary.

Mr. BORAH. I understand the Senator's position.

Mr. President, I call attention next to the case of Hopkins *v.* The United States (171 U. S., 593). This was an action under the Sherman antitrust law. The decision, of course, is not dealing with a labor organization or labor union, but it lays down the proposition that the restraint of interstate commerce must not be merely incidental to some other acts which the party has a right to perform, but must be substantial and direct before it comes within the provisions of the Sherman antitrust law, and it cites the particular kind of cases with which we are dealing as an illustration of the view of the courts. The court says:

> It is not difficult to imagine agreements of the character above indicated. For example, cattle, when transported long distances by rail, require rest, food, and water. To give them these accommodations it is necessary to take them from the car and put them in pens or other places for their safe reception. Would an agreement among the landowners along the line not to lease their lands for less than a certain sum be a contract within the statute as being in restraint of interstate trade or commerce? Would it be such a contract even if the lands, or some of them, were necessary for use in furnishing the cattle with suitable accommodations? Would an agreement between the dealers in corn at some station along the line of the road not to sell it below a certain price be covered by the act because the cattle must have corn for food? Or would an agreement among the men not to perform the service of watering the cattle for less than a certain compensation come within the restriction of the statute? Suppose the railroad company which transports the cattle itself furnishes the facilities, and that its charges for transportation are enhanced because of an agreement among the land-

owners along the line not to lease their lands to the company for such purposes for less than a named sum, could it be successfully contended that the agreement of the landowners among themselves would be a violation of the act as being in restraint of interstate trade or commerce? Would an agreement between builders of cattle cars not to build them under a certain price be void because the effect might be to increase the price of transportation of cattle between the States? Would an agreement among dealers in horse blankets not to sell them for less than a certain price be open to the charge of a violation of the act, because horse blankets are necessary to put on horses to be sent long journeys by rail, and by reason of the agreement the expense of sending the horses from one State to another for a market might be thereby enhanced?

Would an agreement among cattle drivers not to drive the cattle after their arrival at the railroad depot at their place of destination to the cattle yards where sold, for less than a minimum sum, come within the statute? Would an agreement among themselves by locomotive engineers, firemen, or trainmen engaged in the service of an interstate railroad not to work for less than a certain named compensation be illegal because the cost of transporting interstate freight would be thereby enhanced? Agreements similar to these might be indefinitely suggested.

In our opinion all these queries should be answered in the negative.

I entertain no doubt, Mr. President, but that the employees, the engineers, the firemen, and the brakemen could all agree to quit work, and to quit work at any time they saw fit, leaving out for the present the discussion of a contractual relation running for a certain time, notwithstanding the fact that it might prevent the operation of the train and thereby actually stop commerce, because it is an incident to their superior right, to their perfect and complete right under the Constitution, to quit work whenever they see fit to do so. The correlative proposition would be that it would be within the power of the courts or in the power of the law to compel these men to remain in the employ of the company until such time as in the judgment of the court it might be deemed wise for them to quit. If they can not quit work, if we have the power to prevent them from ceasing labor because incidentally it stops commerce, the other proposition must be true, that there is some power under the Constitution in the laws and in the courts to compel them to continue in the employment, which would be, in my judgment, absolutely in the teeth of the Constitution of the United States, as cited by Justice Harlan.

An agreement may in a variety of ways affect interstate commerce just as State legislation may, and yet, like it, be entirely valid, because the interference produced by the agreement or by the legislation is not direct.

Mr. HUGHES. Mr. President, I do not like to be constantly interrupting the Senator if it annoys him.

Mr. BORAH. No; not at all.

Mr. HUGHES. I simply wish to call his attention to the fact that the court there is dealing with an agreement which has not been acted upon, an agreement which apparently all hands have agreed to—the railroads and their employees. The court does not go so far as to say that if, in order to get that agreement, these men had committed certain overt acts, such as ceasing at once their employment, it would be as innocent as it is without those overt acts.

Mr. BORAH. Oh, the court is not dealing with any agreement.

Mr. HUGHES. The court cited, as an example of an innocent agreement which would not be violative of the law, an agreement between locomotive firemen or engineers.

Mr. BORAH. The court is using the word "agreement" there as we use it in popular parlance. The effect of the court's decision is simply that they might have an understanding or agreement or coming together, and all quit at once as the result of that agreement.

Mr HUGHES. No; I am addressing myself to the other part of the statement.

Mr. BORAH. The particular part to which I have reference is:

Would an agreement among themselves by locomotive engineers, firemen, or trainmen engaged in the service of an interestate railroad not to work for less than a certain named compensation be illegal?

Mr. HUGHES. That means, "Would a union for that purpose be illegal?" The court says: "No; a union for that purpose would not be illegal;" but the court does not say that a union would be innocent which might have not only that for its purpose but an intention to strike.

Mr. BORAH. I have no doubt of the proposition, which to me is an entirely different proposition, that for a union or a labor organization or laboring men to go out with the intent and for the purpose of stopping an interstate train and preventing anybody from operating such a train, thereby making it their prime object and the purpose for which they are operating and acting, would be within the Sherman law; but that is an entirely different proposition from the one I am arguing, which is that the members of a labor organization have a perfect right to stop work for any reason they want to, although the result of it is to prevent the operation of a train and to stop commerce.

Mr. HUGHES. I can not see how the Senator can reconcile those two statements. That is the way it appears to me. I do not want to be captious, but that is the way I honestly think on the subject.

We will take the case—and it is not a fanciful case, either—of a group of men who are in practically entire control of a certain branch of industry. Take the locomotive engineers: There is not any doubt in my mind that on any great railroad, if the locomotive engineers went on a strike, there would not be a sufficient number of unattached locomotive engineers outside of their organization competent and capable of filling their places, or any respectable percentage of their places; so you can easily assume a case where locomotive engineers, by going on strike, would cause an absolute cessation of commerce. Now, a while ago I asked the Senator whether those men would have a right to strike for a reason satisfactory to themselves or for no reason—for any reason or not reason at all. The Senator agreed with me then, I think.

Mr. BORAH. I agree with you now.

Mr. HUGHES. But if their purpose or reason is to cause that cessation of commerce, as the Senator said a minute ago, as I understood, they would be operating in violation of the law.

Mr. BORAH. I have no doubt at all of the proposition that the organized engineers, although they might be the only engineers who could run the trains properly, could quit work. They could assign a reason or not assign a reason, just as they pleased. If they went a step further, however, and if the road was prepared to operate and they interfered with its operation through the instrumentalities which the road might choose to employ, incompetent engineers or otherwise, they would be within the provisions of the Sherman law. In one instance—to wit, in quitting work—they are exercising a right; in the other instance, where they interfere with others from operating a train, they are not exercising a right, but doing a wrong, and the consequences which flow from doing a thing we have a right to do and the thing we have not a right to do may be physically the same, but the legal liability is different.

Mr. HUGHES. I agree with the Senator absolutely as to that. Of course I think they are within it now.

Mr. BORAH. Mr. President, of course there never has been any decision upon all fours, as we use the term sometimes at the bar, with this proposition, but I do challenge my friends who think that there has been a different rule to cite a single case which has been sustained on appeal and has become the final voice of the court, in which the Federal courts have ever interfered with the right of the members of a labor organization to quit work whether they did it singly or collectively and whether it had the effect of stopping commerce or whether it did not. I do not believe any authority can be cited to the effect that they must continue in the employment, not according to their wishes, but according to the demands or the interests or the welfare of commerce. If any such case should be cited, I would agree perfectly with those who think there is a justification for this statute.

I understand that there are well-grounded fears on the part of honest men in regard to it, and in so far as it accomplishes the things which I believe now to exist, and which ought to be accomplished, I stand with them, and do not oppose the statute for that reason.

But, Mr. President, let me call attention to another case, and that is the case of Adair against United States, in Two hundred and eighth United States, page 178:

Manifestly, any rule prescribed for the conduct of interstate commerce, in order to be within the competency of Congress under its power to regulate commerce among the States, must have some real or substantial relation to or connection with the commerce regulated. But what possible legal or logical connection is there between an employee's membership in a labor organization and the carrying on of interstate commerce? Such relation to a labor organization can not have, in itself and in the eye of the law, any bearing upon the commerce with which the employee is connected by his labor and services. Labor associations, we assume, are organized for the general purpose of improving or bettering the conditions and conserving the interests of its members as wage earners—an object entirely legitimate and to be commended rather than condemned. But surely those associations as labor organizations have nothing to do with interstate commerce as such. One who engages in the service of an interstate carrier will, it must be assumed, faithfully perform his duty, whether he be a member or not a member of a labor organization. His fitness for the position in which he labors and his diligence in the discharge of his duties can not in law or sound reason depend in any degree upon his being or not being a member of a labor organization. It can not be assumed that his fitness is assured, or his diligence increased, by such membership, or that he is less fit or less diligent because of his not being a member of such an organization.

A single paragraph, Mr. President, from the case of Gompers against The Buck's Stove & Range Co., in Two hundred and twenty-first United States, at page 439:

The law, therefore, recognizes the right of workingmen to unite and to invite others to join their ranks, thereby making available the strength, influence, and power that come from such association. By virtue of this right, powerful labor unions have been organized.

The case of National Protective Association against Cumming, in One hundred and seventieth New York, page 321, is a case familiar to us all, and has often been cited. Along with the opinion of Justice Harlan, it states the rights of labor unions as I conceive them to be, and as I believe the authorities will finally permanently and unmistakably establish them in this country:

It is not the duty of one man to work for another unless he has agreed to, and if he has so agreed, but for no fixed period, either may end the contract whenever he chooses. The one may work, or refuse to work, at will, and the other may hire or discharge at will. The terms of employment are subject to mutual agreement, without let or hindrance from anyone. If the terms do not suit, or the employer does not please, the right to quit is absolute, and no one may demand a reason therefor. Whatever one man may do alone he may do in combination with others, provided they have no unlawful object in view. Mere numbers do not ordinarily affect the quality of the act. Workingmen have the right to organize for the purpose of securing higher wages, shorter hours of labor, or improving their relations with their employers. They have the right to strike; that is, to cease working in a body by prearrangement until a grievance is redressed, provided the object is not to gratify malice or inflict injury upon others, but to secure better terms of employment for themselves.

Mr. HUGHES. Mr. President, if the Senator will permit me, he will notice there that the court qualifies their right to strike. That was the point I was trying to make. The court itself there qualifies their right to strike, and insists upon their having a good reason or a reason satisfactory to the court.

Mr. BORAH. Oh, no—

They have the right to strike—that is, to cease working in a body by prearrangement until a grievance is redressed—provided the object is not to gratify malice or inflict injury upon others——

Mr. HUGHES. Yes; but that qualifies it, nevertheless.

Mr. BORAH (reading):

But to secure better terms of employment for themselves.

Mr. HUGHES. You see how narrow that is.

Mr. BORAH. Of course if they are interfering with other people, that is another thing.

Mr. HUGHES. They necessarily interfere. If the Senator has had any experience with injunction cases——

Mr. BORAH. I have had some.

Mr. HUGHES (continuing). He will know that away down at the tail end of an injunction in a labor dispute there is a clause to this effect:

Nor shall these defendants in any other manner interfere with complainant's business.

The terrifying language with reference to coercion, intimidation, threats, battle, murder, and sudden death which is used to excuse the injunction, but which in very many cases is absolutely unjustified, is followed by this simple little clause:

Nor shall these defendants in any other manner interfere with the business of the complainant.

Now, to remain away from his employment in a great many trades is the most effective manner of interfering with his business.

Mr. BORAH. Does the Senator know of any instance in which a court has ever enjoined the members of a labor union from quitting work or from striking for higher wages?

Mr. HUGHES. Yes; I do. I do not remember the titles of the cases, but it seems to me that Judge Dayton——

Mr. BORAH. That case——

Mr. HUGHES. I am speaking now of some of the more remote activities of Judge Dayton, and not of this last case. There are one or two other West Virginia Federal judges who have done things of that kind. I do not say that the Supreme Court or any appellate court has ever upheld them, but back something like 15 or 20 years ago, according to my recollection, it was a common thing for receivers to make application to Federal judges to enjoin men from leaving their employment.

Mr. BORAH. Yes; but they have never done that since Justice Harlan rendered his opinion in the Oakes case. The Dayton case does not go to the extent claimed and has been overruled besides.

Mr. HUGHES. I am quite prepared to believe that to be true.

Mr. BORAH. I have never known of an instance. I have never been able to find it.

Mr. HUGHES. But the injunctions have been issued, and the very thing has been done which the Senator says constitutional rights and human rights forbid being done. That is, the attempt was made to compel men to remain in a certain employment, to give their service, to force them into involuntary servitude, and the writ of injunction was invoked for that purpose; and that was the beginning of the movement against the writ of injunction which has culminated in the proposed legislation which now appears before us.

Mr. WHITE. Mr. President, will the Senator permit me to interrupt him for a moment?

Mr. BORAH. Yes, sir.

Mr. WHITE. My recollection is, though I may be mistaken, that Judge Taft punished an employee of a railroad that was being operated by a receiver because that employee quit work.

Mr. BORAH. If the Senator will investigate, he will find that that is a mistake. Judge Taft was too able a judge to have so held.

Mr. WHITE. That is my recollection.

Mr. BORAH. I think the Senator will find that he is in error as to that proposition. That was attempted to be done in the case of Arthur against Oakes. That was not Judge Taft's opinion; it was the opinion of Judge Woods, if I remember correctly; but, anyhow, it was not Judge Taft. But that was the portion of the injunction order which Justice Harlan struck from the decree. That is the only instance I know of; but you will find that Judge Taft did not lay down that rule.

Mr. STERLING. Mr. President——

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from South Dakota?

Mr. BORAH. Yes.

Mr. STERLING. I think the Senator from Alabama must have the Phelan case in mind.

Mr. WHITE. I think that is the style of the case.

Mr. STERLING. Yes; that is the style of the case or proceeding. The facts were not quite as the Senator supposes. If I remember the case correctly, Phelan was punished for disobeying the decree of the court in inciting others to violence and intimidation.

Mr. WHITE. I am glad to be corrected, but that was my recollection.

Mr. BORAH. Here is the Phelan case, and this is the language of Judge Taft. I cite from Sixty-second Federal Reporter, at page 817:

Now, it may be conceded in the outset that the employees of the receiver had the right to organize into or join a labor union which should take joint action as to their terms of employment. It is of benefit to them and to the public that laborers should unite in their common interest and for lawful purposes. They have labor to sell. If they stand together they are often able, all of them, to command better prices for their labor than when dealing singly with rich employers, because the necessities of the single employee may compel him to accept any terms offered him. The accumulation of a fund for the support of those who feel that the wages offered are below market prices is one of the legitimate objects of such an organization. They have the right to appoint officers who shall advise them as to the course to be taken by them in their relations with their employer. They may unite with other unions. The officers they appoint, or any other person to whom they choose to listen, may advise them as to the proper course to be taken by them in regard to their employment, or, if they choose to repose such authority in anyone, may order them, on pain of expulsion from their union, peaceably to leave the employ of their employer because any of the terms of their employment are unsatisfactory. It follows, therefore (to give an illustration which will be understood), that if Phelan had come to this city when the receiver reduced the wages of his employees by 10 per cent and had urged a peaceable strike, and had succeeded in maintaining one, the loss to the business of the receiver would not be ground for recovering damages, and Phelan would not have been liable for contempt even if the strike much impeded the operation of the road under the order of the court. His action in giving the advice or issuing an order based on unsatisfactory terms of employment would have been entirely lawful. But his coming here and his advice to the Southern Railroad employees, or to the employees of other roads, to quit had nothing to do with their terms of employment. They were not dissatisfied with their service or their pay. Phelan came to Cincinnati to carry out the purpose of a combination of men, and his act in inciting the employees of all Cincinnati roads to quit service was part of that combination. If the combination was unlawful then every act in pursuance of it was unlawful, and his instigation of the strike would be an unlawful wrong done by him to every railway company in the city, for which they can recover damages and for which, so far as his acts affected the Southern Railway, he is in contempt of this court.

Mr. WHITE. The cause was quitting, not inciting other men to quit.

Mr. BORAH. If the Senator will refer to the opinion, he will find what was decided.

Mr. WHITE. I am speaking of the opinion of the court. The court would seem to base it upon that rather than inciting them to quit.

Mr. CUMMINS. It has been some time since I read the opinion, but the case, as I remember it, involved the question of a secondary boycott against the Pullman Palace Car Co. Mr. Phelan was endeavoring to induce some employees of the railroad company to refuse to haul a train that contained a Pullman palace car.

Mr. BORAH. That is correct.

Mr. CUMMINS. It was upon that ground that he was held guilty of a contempt of court. Of course the final outcome as to the railroad would be that if the railroad company insisted on carrying the Pullman car, then the employees of that railroad refused to longer remain in the service, so far as hauling that train was concerned. They did not quit service; they simply refused to assist in moving a train that had a Pullman car in it.

Mr. BORAH. The point was that the men wanted to stay in the service, but they refused to haul a particular car.

Mr. WHITE. They had the lawful right to do that, I understand, and Phelan was punished because he had incited men to do that which they had a lawful right to do.

Mr. BORAH. Phelan did not have a lawful right to do it.

Mr. WHITE. I say he was punished for inciting men to do that which they had a lawful right to do.

Mr. HUGHES. Whether Senators believe it is the law that men have or have not the right to strike for any reason or for no reason, what the Senator from Iowa calls the secondary boycott is not a boycott; it is what the labor men call a sympathetic strike.

Mr. BORAH. I did not understand the Senator from Iowa that way at all.

Mr. HUGHES. It was precisely that.

Mr. BORAH. If a body of workingmen are working, we will say, for the Union Pacific Railroad Co., and another body of workingmen are working for the Northern Pacific Railroad Co., and if the Union Pacific Railroad Co. has trouble with its employees, there is no doubt that if out of mere sympathy the Northern Pacific employees want to quit they have a perfect right to quit. But if the Northern Pacific men are willing to continue and are satisfied with their situation, and the Union Pacific men undertake to menace by threats or violence, or otherwise to interfere with them, a different case is presented.

Mr. HUGHES. Let us leave out all that fustian about threats, intimidation, and violence; no one wants to legalize acts of that kind.

Mr. BORAH. I will try to keep fustian out of my speech.

Mr. HUGHES. I hope we will at least be able to keep it out of our colloquy so that we can get this matter cleared up. I am in sympathy with the Senator, but his position does not seem to me to be entirely clear.

I want to put this case to the Senator: The Pullman Co. has trouble with their men. They go on a strike. The strike is being carried on. There is no suggestion of violence or menace or coercion or anything of that sort so far as the Pullman employees are concerned, but they go to the employees of the railroad company which hauls certain Pullman cars and they pursuade the employees of the railroad company to a certain course of action; and as a result of what they say to them, as a result of the persuasion of the employees of the Pullman Co., the employees of the railroad company say to their employers and threaten them that they will quit, and commerce will be paralyzed unless the company refrains from hauling Pullman cars. Then, if the railroad company continues to haul the Pullman cars and its men quit, that would be a sympathetic strike; but the Senator from Iowa [Mr. CUMMINS] calls it a "secondary boycott." I should like to know whether the Senator from Idaho thinks the employees of that railroad company had a right to do that—to go to these men under those circumstances and induce them to quit unless their employers agreed that they would not haul a Pullman car; and would the latter have the right to quit?

Mr. BORAH. I have no doubt about it. I have no doubt that the one class of laborers or one organization may meet with another organization and discuss with them and say to them, "We do not think it is to the interest of labor that you should continue in their work." I have no doubt in the world that they may do that and they could not be restrained. I do not know of any instances where that kind of persuasion separated entirely from menace or threat or violence has ever been restrained.

Mr. HUGHES. I am not speaking about persuasion. I am speaking of the effect on the railroad employees because the railroad employees go to the president of the railroad and say certain things, which result in a threat on their part to quit, to tie up interstate commerce, although they say, "Our conditions are satisfactory; our wages are satisfactory; we are perfectly satisfied with everything surrounding us, but our brother employees are engaged in a death grapple with the Pullman Co., and you are helping the Pullman Co. to succeed by hauling their cars. If you continue to haul their cars, we will not permit you to haul your trains so far as we can prevent it."

Mr. BORAH. I have no doubt they have a right to do that. I am assuming now that the men who are quitting are doing so purely through sympathy, not by reason of threats or menaces or against their own desires.

Mr. HUGHES. That is what the Senator from Iowa called a secondary boycott.

Mr. CUMMINS. I did call it a secondary boycott. It is in every sense such a boycott, although it may have been also a sympathetic strike.

But the real difficulty in the Phelan case was not that the employees of these railroads asserted the right to strike because they were hauling Pullman cars. They asserted the right to remain in the employ of the railroad company, but declined to handle any train that had in it any Pullman car.

Mr. HUGHES. And if they were compelled to handle them they would quit.

Mr. CUMMINS. I am not asserting any sympathy with or my concurrence in the reasoning in the Phelan case. I may be wrong about some of the facts, because I have not read it for many years, but the strikers were trying to secure redress against the Pullman Palace Car Co., and the railroad companies which were made the victims of the boycott were innocent of any offense against the strikers. It is a little difficult always to draw the line, but what I term a secondary boycott is where strikers attempt to injure an innocent man in order to work out their plan. It is exactly like the ordinary case where wage-workers go to a merchant who is dealing with the employer with whom the strikers have their dispute. They say to him: "If you do not cease to deal or have relations with the unfair employer, then we will cease to deal with you, not only with regard to the goods that may be purchased by you of the unfair employer, but as to all goods in which you deal, without regard to the source from which you get them. I think there is a striking similarity between the case of refusing to haul a train in which there was a car of an offending employer and the case of concerting and combining to withdraw patronage from a merchant who was entirely innocent of the transaction, but who may have some dealings with the unfair employer. That is the reason I call it a secondary boycott. As I remember, it is so termed in one of the opinions that involved the transaction.

Mr. HUGHES. If the Senator from Idaho will permit me further to trespass upon his patience, I want to say that I thoroughly agree with the Senator from Iowa as to what constitutes a sympathetic strike. When you come to legislate against a secondary boycott you must legislate against a sympathetic strike, and that is the reason why I want to clear it up if I can. Men, in my opinion, have a right to strike; they have a right to institute a sympathetic strike; an unreasonable strike; or a strike for any reason or for no reason.

Mr. BORAH. I agree with the Senator that they have the right. I disagree with him in the view of the fact that he seems to think the authority they have——

Mr. HUGHES. The Senator from Iowa seems to think they have not the right.

Mr. CUMMINS. I have no doubt of their right to strike.

Mr. HUGHES. But the Senator referred to a secondary boycott.

Mr. CUMMINS. The Senator will remember I said I did not express any sympathy or concurrence with the reasoning of the opinion.

Mr. HUGHES. I understand that. I am asking the Senator about the law. I am not trying to find out what he thinks the law ought to be.

Mr. CUMMINS. I have no doubt the law is as stated by the Senator from Idaho, that the employees have a right to strike for a good cause, or a bad cause, or for no cause at all. It is a right superior to any inconvenience that it may occasion either the employer or the public. It is a right which I think is inherent in man.

Mr. HUGHES. The Senator, then, thinks that the railroad employees in the Pullman case had a right to refuse to haul the cars if the trains carried Pullman cars.

Mr. CUMMINS. I think the employees of those railroads had a right to strike for any reason, but it does not follow that the acts of Phelan were justifiable under the law.

Mr. STERLING. Mr. President, if the Senator from Idaho will yield to me for just a moment, whether that be the basis of Judge Taft's decision or not, I thought I could not be mistaken in regard to some of the facts in the Phelan case, namely, those relating to violence and intimidation and his activities in inciting men thereto. I have the case before me. The court says:

> We come now to consider the question of fact, whether Phelan in any of his speeches advised intimidation, threats, or violence in carrying out the boycott.

The court calls it a boycott, not a secondary boycott.

Mr. CUMMINS. I remember there was a boycott, and in the very nature of things I thought it was a secondary boycott.

Mr. STERLING (reading):

He is charged with having said, on Thursday night, June 28, at the meeting at West End Turner Hall, that the strike was then declared on; that it was the duty of every A. R. U. man to quit work, to induce and coax other men to go out, and if this was not successful to take a club and knock them out.

And much more to the same effect. If the Senator from Idaho will excuse me a moment further, I will read briefly from the court's opinion, and then Senators may judge upon what ground the court bases the decision made.

But the combination was unlawful without respect to the contract feature. It was a boycott. The employees of the railway companies had no grievance against their employers. Handling and hauling Pullman cars did not render their services any more burdensome. They had no complaints against the use of Pullman cars as cars. They came into no natural relation with Pullman in handling the cars. He paid them no wages. He did not regulate their hours, or in any way determine their services. Simply to injure him in his business, they were incited and encouraged to compel the railway companies to withdraw custom from him by threats of quitting their service, and actually quitting their service. This inflicted an injury on the companies that was very great, and it was unlawful, because it was without lawful excuse. All the employees had the right to quit their employment, but they had no right to combine to quit in order thereby to compel their employer to withdraw from a mutually profitable relation with a third person for the purpose of injuring that third person, when the relation thus sought to be broken had no effect whatever on the character or reward of their service.

Mr. BORAH. Mr. President, coming back to the point from which I was diverted. I was reading from the case of the National Protective Association against Cumming, which opinion was written by Chief Justice Parker:

A peaceable and orderly strike, not to harm others, but to improve their own condition, is not in violation of law.

* * * * * * *

The same rule applies to a body of men who, having organized for purposes deemed beneficial to themselves, refuse to work. Their reasons may seem inadequate to others, but if it seems to be in their interest as members of an organization to refuse longer to work, it is their legal right to stop. The reason may no more be demanded as a right of the organization than of an individual, but if they elect to state the reason their right to stop work is not cut off because the reason seems inadequate or selfish to the employer or to organized society. And if the conduct of the members of an organization is legal in itself, it does not become illegal because the organization directs one of its members to state the reason for its conduct.

The principles quoted above recognize the legal right of members of an organization to strike—that is, to cease working in a body by prearrangement until a grievance is redressed—and they enumerate some things that may be treated as the subject of a grievance, namely, the desire to obtain higher wages, shorter hours of labor, or improved relations with their employers, but this enumeration does not, I take it, purport to cover all the grounds which will lawfully justify members of an organization refusing, in a body and by prearrangement, to work. The enumeration is illustrative rather than comprehensive, for the object of such an organization is to benefit all its members and it is their right to strike, if need be, in order to secure any lawful benefit to the several members of the organization as, for instance, to secure the reemployment of a member they regard as having been improperly discharged, and to secure from an employer of a number of them employment for other members of their organization who may be out of employment, although the effect will be to cause the discharge of other employees who are not members.

And whenever the courts can see that a refusal of members of an organization to work with nonmembers may be in the interest of the several members, it will not assume, in the absence of a finding to the contrary, that the object of such refusal was solely to gratify malice and to inflict injury upon such nonmembers.

I now read a paragraph from the New Jersey Equity Reports, volume 63, page 759. It states the principle in a very clear and concise but comprehensive way:

From an examination of the cases and a very careful consideration of the subject I am unable to discover any right in the courts, as the law now stands, to interfere with this absolute freedom on the part of the employer to employ whom he will, and to cease to employ whom he will; and the corresponding freedom on the part of the workman, for any reason or no reason, to say that he will no longer be employed; and the further right of the workmen, of their own free will, to combine and meet as one party, as a unit, the employer, who, on the other side of the transaction, appears as a unit before them. * * * Union workmen who inform their employer that they will strike if he refuses to discharge all nonunion workmen in his employ are acting within their absolute right, and, in fact, are merely dictating the terms upon which they will be employed.

Now, Mr. President, I might cite many other decisions to the same effect, but these suffice. Whatever divergence may be found, if any, from principles here announced, these cases disclose the unmistakable trend of opinion and the law as it is and as it is to be. These decisions show the true attitude of the courts toward labor. In brief, what do these authorities hold? They hold the right of laborers singly or collectively, for good reason or no reason, to quit work, and that this right is absolute and guaranteed and protected by the Constitution. That the fact that the employees quitting work are in the employ of an interstate carrier and that interstate commerce is thereby interfered with does not change the rule or modify the right. That the fact that interstate commerce must suffer, and the public be inconvenienced, must all yield to the superior and protected right of the laborer to be free to do as he will with his labor. In other words, they clearly recognize the distinction between a commodity and labor. No combination would have a right to combine and to withhold the products of commerce through an intention of enforcing higher prices. It is further clearly held that the reasons for quitting work are reasons to be assigned by labor itself. The reasons may seem to be to the public wholly insufficient, but neither the public nor the courts can judge of the sufficiency of the reasons so long as the laborer in quitting acts upon his own volition, according to his own wishes, and not by reason of menace or fear of violence. It further appears clearly from these authorities that the courts have recognized that the combinations of laboring men to secure wages and refusal to work, though interfering with interstate commerce in a most pronounced way, are not within the provisions of the Sherman antitrust law; that the interference of interstate commerce is incidental, indirect, and subordinate to the positive and constitutional right of the laborer to work or not to work as he chooses. Moreover, it clearly appears from these authorities that the courts have universally commended and encouraged laborers to organize. It seems to me that these cases clearly establish these principles. In other words labor organizations may exist now and may demand higher wages and may refuse to work unless they get the wages, and that by so doing are not subject to the Sherman antitrust law. They may carry out all the legitimate objects of labor unions in a lawful way. If any decisions can be found to the contrary they were most erroneously decided. I have seen no such decisions and none are here presented.

Mr. BRYAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from Florida?

Mr. BORAH. I yield.

Mr. BRYAN. I ask the Senator from Idaho if it would be agreeable to him to continue his remarks to-morrow. If so, I would prefer a request for a meeting to-night, at the suggestion of several Senators. If agreeable to the Senator, I will prefer it now.

Mr. BORAH. Does the Senator desire to move an adjournment?

Mr. BRYAN. I was going to ask unanimous consent to hold a session to-night.

Mr. BORAH. Mr. President, I shall close my remarks in 20 minutes.

Mr. BRYAN. I hope the Senator will understand that I did not mean to take him off the floor or to suggest that he curtail his remarks.

Mr. BORAH. I shall close my remarks in a very few minutes.

Mr. President, I have taken this much time of the Senate apparently without any justification, for I am not going to oppose this section; but I was not willing to support the section with the construction which has been placed upon it by some others who have discussed it, both in this Chamber and elsewhere.

Mr. President, I secured my intimate acquaintance with labor organizations in a manner which was not calculated to unduly prejudice me in their behalf. There were conditions which brought me in touch with labor organizations which I do not propose to discuss here, but which were certainly not calculated to lead me into a fulsome eulogy or bias me unduly in favor of such organizations. But even in these same controversies I learned to sympathize thoroughly with the rights of labor organizations and became thoroughly convinced that it was impossible for labor to deal with the great organized business interests of the world without thorough organizations of their own. My sympathies were thoroughly aroused in favor of a just, proper, and lawfully conducted organization, and I have never changed my view upon that question. I saw very clearly how it was absolutely impossible for laborers to protect their wage, to protect their conditions of employment, and to secure for themselves their fair proportion of the world's pleasures and comforts without thorough organization.

I am in favor of any measure which is deemed essential to protect and shield fully labor unions as such from the condemnation of the Sherman antitrust law or any other law. I do not believe that unions are now condemned by that law or in anywise prohibited. I do not believe that any well-considered decision of the court can be found to that effect. But if there is fear that such decision may be had, or if there is belief that any court has assumed to go thus far and to say that the organization of labor unions is of itself a restraint of trade, then this legislation is justified to that extent and I cordially support it to that extent. The time has long since passed when any right-thinking man would do other than encourage labor unions in all legitimate and lawful acts. They are essential

to enable labor to protect the laborer in his wage and to help the well-being of his family. It seems to me incredible that any court would say such unions were in violation of the antitrust law. It would be a distinct and notorious perversion of the law.

These unions are no more in violation of the law than a corporation or association of business men are in themselves a violation of the law. Whether they come under the condemnation of the law depends not upon the fact as to the union, but entirely upon what as unions they do. They may combine, they may do all those things which look to the betterment and the welfare of the members, they may determine upon a wage, they may demand an increase of wage, and they may quit work singly or collectively in order to enforce their demands. All these and similar acts are not in violation of law and should not be, for they are essentially right and proper. They are within the legitimate scope and design and purpose of labor unions. But, Mr. President, we are asked by some to declare that the labor unions may go further and affirmatively and effectively and with design interfere with or restrain interstate commerce; that while we condemn all other interests and punish if they restrain trade or monopolize interstate commerce, we will except labor unions. This, Mr. President, I can not do. I could not support such a measure as a citizen or a Senator, and if I were a laboring man I am convinced I would not ask it. I do not believe that as a body labor does ask it.

Why did we pass the law of 1890; why do we keep it on the statute books? Because we thought then and think now that to restrain or embarrass interstate commerce wrongs and injures the whole people; that it works evil to the entire body politic. We thought then and we think now that to restrain or monopolize interstate trade would injure labor, and that in the end labor would suffer with all the rest of us. Now, the injury which would flow to the public from stopping commerce would be just the same regardless of who stopped it. If divine interposition through a war of the elements should stop interstate commerce, the great loss to the whole country would be just the same as if it were interfered with by some great monopoly. Labor can not thrive and the laboring man can not find work unless commerce moves, and I have no fear that labor will not see that this is true upon reflection. There are people in this country—and I am one of them—who believe very earnestly in the principle of the Sherman antitrust law. They believe that it is vital to our national welfare. So believing I could not for a moment weaken it and in the end destroy it by relieving a portion of our people from its operation while insisting upon its drastic enforcement as to others. That is not the kind of a government we built.

Neither do I believe the farmers of this country are asking to be relieved from the operation of any law deemed to be of general benefit to the people of the country. It is not like the farmer to ask any such exceptions in his favor. He knows this law of 1890 declared for a great, essential, and indispensable principle of trade and commerce, to wit, the free flow of commerce through the channels of interstate trade. He knows it declared that such commerce should be forever and at all times unembarrassed, unvexed by the restraint of monopoly. He knows there is no rule of more concern to the people as a whole, from a business and economic standpoint, than the rule declared by the statute of 1890, known as the Sherman antitrust law. He knows when our commerce is embarrassed, hindered, or restrained through combinations by reason of unnatural causes or through monopolies, when it is disturbed in any improper and illegal way, industrial stagnation, business distress, lower prices, lower wages, lockouts, and general unrest must inevitably follow.

The farmers, in my judgment, are willing and anxious to abide by this law. They are desirous of seeing it enforced fully and completely. Nothing could serve them more advantageously than the thorough enforcement of this law. What they are asking is that it be enforced alike as to all and that there be no exceptions, either by law or other political favoritism. If there is anyone in the country that is opposed to all forms of monopoly, it is the farmer. If there is anyone in favor of equality before the law, it is the farmer, and he will be the last man, in my judgment, to ask any exception or special privilege.

No, Mr. President; give the agricultural interests equality, an equal chance with other industries, and they will thrive and be content. Give the farmer an equal chance under the tariff laws with the manufacturer. Give him a system of rural credits by which he can utilize his credits and secure his loans for a reasonable rate of interest. Help him to build and construct good roads and be assured he will ask no favor of that kind; he will neither need it nor want it. Do not insult his intelligence or impeach his good citizenship and his patriotism by offering him some little special privilege or favor which will not greatly benefit him if at all and will greatly injure the country. Do not hope to secure his approval by withholding great and essential things which he should have and giving him the unfair and unessential things which he ought not to have and does not want.

Mr. President, I represent in part upon this floor a constituency made up very largely of farmers and laboring men. They constitute not only the great voting strength of the State, but in a large measure its wealth and moral force. We have but few manufacturing establishments and but few of those combinations such as it is said ought to come particularly and alone within the inhibition of this trust law. If a measure were proposed here which would have the effect of relieving the farmer and the laborer wholly from the operation of the Sherman antitrust law and I should vote for the same because they constitute largely my constituency, I would feel myself forever estopped from inveighing against the constitnency of my colleagues engaged, as they are, in a different kind of business. Yes; I would feel myself a shuffling coward and wholly unworthy of my constituency.

If there is anybody in this world that ought to stand firm and unbroken for the enforcement of all laws which restrain trade and foster monopoly, it is the farmer and the laborer. If there is any power which seems to rise above the law and above apparently any ingenuity which the law can invoke to control the price of farm products and to oppress labor, to enforce child employment, and curtail and curb prices, it is these vast monopolies, which the Sherman law is designed to destroy and which it will destroy if we ever find men with courage enough to enforce it. So far as I am concerned, I do not propose at any time to do anything which in my judgment will weaken either legally or morally our capacity to destroy monopolies in this country. We may all have to make some sacrifices, but whatever sacrifices are necessary to be made should be made without hesitation to accomplish this great end. If we begin to tear down the Sherman law in one instance to relieve its operations in certain directions, it will not be long until it will be torn down in another instance and until the principle will be wholly emasculated, the Sherman law finally repealed or made a dead letter, and the great monopolies of this country will reign supreme over the farmer and the laborer, the consumer, and all who are not within the circle of their favors. When we come to the conclusion that monopoly in this country is a good thing, let us repeal the law as a whole and venture, if we dare, upon that era of industrial autocracy. If we do not believe in such an era, let us stand firm and make whatever sacrifices necessary to its absolute destruction.

The VICE PRESIDENT. The question is on the amendment.

Mr. CUMMINS. What is the amendment, Mr. President?

The VICE PRESIDENT. To strike out the word "fraternal" in line 12. The question is on agreeing to the amendment. [Putting the question.] The ayes have it.

Mr. REED. Mr. President, I was trying to get the attention of the Chair; and I suppose the matter is still open to debate, is it not?

The VICE PRESIDENT. Yes; if there is any objection to the word "fraternal" going out.

Mr. REED. If that is the only change proposed, I do not desire to discuss it.

The VICE PRESIDENT. That is the only word proposed to be stricken out. The amendment is agreed to. The next amendment reported by the committee will be stated.

The SECRETARY. In section 7, page 7, line 12, after the word "labor," it is proposed to strike out the word "consumers," so as to read:

SEC. 7. That nothing contained in the antitrust laws shall be construed to forbid the existence and operation of labor, agricultural, or horticultural organizations.

Mr. JONES. Mr. President, I understand the Senator from Florida [Mr. BRYAN] is going to prefer a request, and if that is his intention, I hope he will do so before we proceed with this section.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House had passed the joint resolution (S. J. Res. 178) granting authority to the American Red Cross to charter a ship or ships of foreign register for the transportation of nurses and supplies and for all uses in connection with the work of that society.

The message also announced that the House disagrees to the amendments of the Senate to the bill (H. R. 1657) providing for second homestead and desert-land entries, asks a conference

with the Senate on the disagreeing votes of the two Houses thereon, and had appointed Mr. FERRIS, Mr. TAYLOR of Colorado, and Mr. FRENCH managers at the conference on the part of the House.

The message further announced that the House disagrees to the amendment of the Senate to the bill (H. R. 1698) to amend an act entitled "An act to provide for an enlarged homestead and acts amendatory thereof and supplemental thereto," asks a conference with the Senate on the disagreeing votes of the two Houses thereon, and had appointed Mr. FERRIS, Mr. TAYLOR of Colorado, and Mr. FRENCH managers at the conference on the part of the House.

The message also announced that the House disagrees to the amendments of the Senate to the bill (H. R. 6282) to provide for the registration of, with collectors of internal revenue, and to impose a special tax upon all persons who produce, import, manufacture, compound, deal in, dispense, sell, distribute, or give away opium or coca leaves, their salts, derivatives, or preparations, and for other purposes, asks a conference with the Senate on the disagreeing votes of the two Houses thereon, and had appointed Mr. KITCHIN, Mr. HULL, and Mr. MOORE managers at the conference on the part of the House.

PETITIONS AND MEMORIALS.

Mr. PERKINS presented memorials of sundry citizens of San Francisco, Cal., remonstrating against the passage of the Clayton antitrust bill, which were ordered to lie on the table.

He also presented a petition of the Grace Methodist Episcopal Sunday School, of San Francisco, Cal., praying for the enactment of legislation to provide Federal censorship of motion pictures, which was referred to the Committee on Education and Labor.

He also presented a petition of the Merchants' Exchange of Oakland, Cal., praying for the passage of the river and harbor appropriation bill, which was ordered to lie on the table.

Mr. BURTON presented petitions of sundry citizens of Youngstown, Massillon, and Alliance, all in the State of Ohio, praying for the passage of the so-called Clayton antitrust bill, which were ordered to lie on the table.

He also presented a petition of the Employers' Association of Dayton, Ohio, and a petition of the Business Men's Club of Cincinnati, Ohio, praying for the postponement of all antitrust legislation, which were ordered to lie on the table.

Mr. NELSON presented a memorial of the Allied Printing Trades Council of Duluth, Minn., remonstrating against the Government letting a contract for the printing of corner cards on stamped envelopes, which was referred to the Committee on Post Offices and Post Roads.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LEWIS:

A bill (S. 6314) granting a pension to Edward Louden; to the Committee on Pensions.

By Mr. REED:

A bill (S. 6315) to authorize the Great Western Land Co., of Missouri, to construct a bridge across Black River; to the Committee on Commerce.

By Mr. OWEN:

A bill (S. 6316) granting a pension to Harry Friedman (with accompanying papers); and

A bill (S. 6317) granting a pension to Martin L. Williams; to the Committee on Pensions.

By Mr. SMOOT:

A bill (S. 6318) to amend section 2324 of the Revised Statutes of the United States, relating to mining claims; to the Committee on Mines and Mining.

By Mr. CHILTON:

A bill (S. 6319) for the relief of J. M. Mason (with accompanying papers);

A bill (S. 6320) for the relief of Isabelle Johnson;

A bill (S. 6321) for the relief of Lycurges Campbell;

A bill (S. 6322) for the relief of J. M. Johnson;

A bill (S. 6323) for the relief of the heirs of Joseph Haynes; and

A bill (S. 6324) for the relief of the heirs of Benjamin Grayson; to the Committee on Claims.

A bill (S. 6325) for the relief of Payton J. Boggs; to the Committee on Military Affairs.

A bill (S. 6326) granting a pension to David R. Gardner;

A bill (S. 6327) granting an increase of pension to Andrew J. Jones;

A bill (S. 6328) granting a pension to Edmund P. Matheny;

A bill (S. 6329) granting a pension to Paschal T. Morton;

A bill (S. 6330) granting an increase of pension to Milton Laird;

A bill (S. 6331) granting a pension to William Reedy;

A bill (S. 6332) granting a pension to James S. Holmes;

A bill (S. 6333) granting a pension to Sarah L. Holley;

A bill (S. 6334) granting a pension to Ollie McFee (with accaccompanying papers);

A bill (S. 6335) granting a pension to John F. Grayum (with accompanying papers);

A bill (S. 6336) granting an increase of pension to Joseph L. Hayes (with accompanying papers); and

A bill (S. 6337) granting an increase of pension to Sarah E. Squires; to the Committee on Pensions.

By Mr. COLT:

A bill (S. 6338) granting an increase of pension to Sarah E. Stoddard (with accompanying papers); to the Committee on Pensions.

SECOND HOMESTEAD AND DESERT-LAND ENTRIES.

The VICE PRESIDENT laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 1657) providing for second homestead and desert-land entries and requesting a conference on the disagreeing votes of the two Houses thereon.

Mr. SMOOT. I move that the Senate insist upon its amendments, agree to the conference asked for by the House, the conferees on the part of the Senate to be appointed by the Chair.

The motion was agreed to; and the Vice President appointed Mr. MYERS, Mr. THOMAS, and Mr. SMOOT conferees on the part of the Senate.

ENLARGED HOMESTEAD.

The VICE PRESIDENT laid before the Senate the action of the House of Representatives disagreeing to the amendment of the Senate to the bill (H. R. 1698) to amend an act entitled "An act to provide for an enlarged homestead," and acts amendatory thereof and supplemental thereto, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. PITTMAN. I move that the Senate insist upon its amendments and agree to the conference asked for by the House, the conferees on the part of the Senate to be appointed by the Chair.

The motion was agreed to; and the Vice President appointed Mr. MYERS, Mr. PITTMAN, and Mr. SMOOT conferees on the part of the Senate.

RECESS.

Mr. BRYAN. I ask unanimous consent that the Senate take a recess until 8 o'clock to-night for the purpose of considering Calendar No. 298, being House bill 8846, and, if there be sufficient time following that measure, to consider Order of Business 594, being Senate bill 6120.

Mr. MARTINE of New Jersey. I object.

Mr. BRYAN. Then I move that the Senate take a recess until 8 o'clock to-night.

The VICE PRESIDENT. The question is on the motion of the Senator from Florida. [Putting the question.] The ayes seem to have it.

Mr. KENYON. I ask for the yeas and nays.

Mr. MARTINE of New Jersey. Let us have the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CHILTON (when his name was called). I have a general pair with the Senator from New Mexico [Mr. FALL], who is not present. I understand that, according to the terms of the pair, on this kind of a motion I may vote. I vote "yea."

Mr. CULBERSON (when his name was called). Announcing my pair and its transfer, as I have heretofore done to-day, I vote "yea."

Mr. GALLINGER (when his name was called). I have a pair with the junior Senator from New York [Mr. O'GORMAN] and therefore withhold my vote.

Mr. GORE (when his name was called). I again announce my pair with the junior Senator from Wisconsin [Mr. STEPHENSON] and withhold my vote.

Mr. GRONNA (when his name was called). I have a general pair with the senior Senator from Maine [Mr. JOHNSON] and therefore withhold my vote.

Mr. THORNTON (when Mr. O'GORMAN's name was called). I am requested to announce the necessary absence of the junior Senator from New York [Mr. O'GORMAN].

Mr. SHAFROTH (when the name of Mr. THOMAS was called). I desire to announce the absence of my colleague [Mr. THOMAS] on account of sickness.

The roll call was concluded.

Mr. BRANDEGEE (after having voted in the negative). I am paired with the Senator from Tennessee [Mr. SHIELDS]. I will inquire whether that Senator has voted?

The VICE PRESIDENT. The Chair is informed that he has not.

Mr. BRANDEGEE. I withdraw my vote under those circumstances.

Mr. GORE. I transfer my pair with the junior Senator from Wisconsin [Mr. STEPHENSON] to the junior Senator from Georgia [Mr. WEST] and vote "yea."

Mr. LEA of Tennessee. I transfer my pair with the senior Senator from South Dakota [Mr. CRAWFORD] to the senior Senator from Nevada [Mr. NEWLANDS] and vote "yea."

Mr. PITTMAN. I wish to announce the absence of the junior Senator from Delaware [Mr. SAULSBURY] on account of sickness.

Mr. WILLIAMS. Announcing my pair with the senior Senator from Pennsylvania [Mr. PENROSE], I transfer that pair to the junior Senator from Kansas [Mr. THOMPSON] and vote "yea."

Mr. SMITH of Georgia. I transfer my pair with the senior Senator from Massachusetts [Mr. LODGE] to the senior Senator from Illinois [Mr. LEWIS] and vote "yea."

Mr. MARTINE of New Jersey. I am requested to announce the absence of the Senator from Oregon [Mr. CHAMBERLAIN] on official business, and to state that he is paired with the Senator from Pennsylvania [Mr. OLIVER].

Mr. WILLIAMS (after having voted in the affirmative). A moment ago I transferred my pair to the Senator from Kansas [Mr. THOMPSON]. I understand that since then he has come into the Chamber and voted. I therefore withdraw my previous announcement. I have, however, an agreement whereby I am permitted to vote in case it is necessary to make a quorum, and if it should turn out that there is no quorum I shall ask that my vote stand.

The result was—yeas 36, nays 12, as follows:

YEAS—36.

Bankhead	Hollis	Perkins	Stone
Brady	Hughes	Pittman	Swanson
Bryan	James	Reed	Thompson
Camden	Jones	Shafroth	Thornton
Chilton	Kern	Sheppard	Tillman
Clapp	Lea, Tenn.	Shively	Vardaman
Culberson	Lee, Md.	Simmons	Walsh
Gore	Martin, Va.	Smith, Ga.	White
Hitchcock	Overman	Smoot	Williams

NAYS—12.

Bristow	Cummins	Martine, N. J.	Pomerene
Burleigh	Kenyon	Norris	Sterling
Clark, Wyo.	Lippitt	Poindexter	Weeks

NOT VOTING—48.

Ashurst	Fletcher	Nelson	Shields
Borah	Gallinger	Newlands	Smith, Ariz.
Brandegee	Goff	O'Gorman	Smith, Md.
Burton	Gronna	Oliver	Smith, Mich.
Catron	Johnson	Owen	Smith, S. C.
Chamberlain	La Follette	Page	Stephenson
Clarke, Ark.	Lane	Penrose	Sutherland
Colt	Lewis	Ransdell	Thomas
Crawford	Lodge	Robinson	Townsend
Dillingham	McCumber	Root	Warren
du Pont	McLean	Saulsbury	West
Fall	Myers	Sherman	Works

The VICE PRESIDENT. On the motion to take a recess until 8 o'clock p. m., the yeas are 36, the nays are 12. Senators GALLINGER, GRONNA, and BRANDEGEE being in the Chamber and not voting but constituting a quorum with those who have voted, the Chair declares the Senate in recess until 8 o'clock p. m.

Mr. GALLINGER. Mr. President, for myself I want to dissent from the right of the Chair to count me to make a quorum.

The Senate thereupon (at 5 o'clock and 40 minutes p. m.) took a recess until 8 o'clock p. m.

EVENING SESSION.

The Senate reassembled at 8 o'clock p. m.

Mr. OVERMAN. I ask unanimous consent that the unfinished business, House bill 15657, be temporarily laid aside.

The VICE PRESIDENT. Is there objection? The Chair hears none.

Mr. BRYAN. I ask unanimous consent that the Senate proceed to the consideration of Senate bill 6120.

Mr. SMOOT. Before the Senator from Florida makes that request I think we ought to have a quorum. There are very few Senators here. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Hollis	Perkins	Thompson
Bryan	James	Reed	Vardaman
Camden	Jones	Shafroth	West
Chilton	Kenyon	Sheppard	Williams
Clapp	Lea, Tenn.	Smoot	
Gallinger	Martin, Va.	Stone	
Gore	Overman	Swanson	

Mr. SHAFROTH. I desire to announce the absence of my colleague [Mr. THOMAS] on account of illness.

The VICE PRESIDENT. Twenty-five Senators have answered to the roll call. There is not a quorum present. The Secretary will call the roll of absentees.

The Secretary called the names of the absent Senators, and Mr. THORNTON answered to his name when called.

Mr. THORNTON. I was requested to announce the necessary absence of the junior Senator from New York [Mr. O'GORMAN].

The VICE PRESIDENT. Twenty-six Senators have answered to the roll call. There is not a quorum present.

Mr. BRYAN. I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The VICE PRESIDENT. The Chair has a recollection that there is a standing order directing the Sergeant at Arms to request the attendance of absent Senators, which has been standing for a month and has never been vacated. The Sergeant at Arms will carry out the instruction of the Senate.

Mr. PITTMAN, Mr. BANKHEAD, Mr. LEE of Maryland, and Mr. HUGHES entered the Chamber and answered to their names.

After some delay,

Mr. MARTINE of New Jersey, Mr. FLETCHER, Mr. WHITE, Mr. RANSDELL, Mr. LEWIS, Mr. SMITH of Georgia, Mr. BRADY, Mr. KERN, and Mr. WALSH entered the Chamber and answered to their names.

After a further delay,

Mr. OVERMAN. I move that the Senate adjourn.

The motion was agreed to; and (at 8 o'clock and 45 minutes p. m., Tuesday, August 18, 1914) the Senate adjourned until to-morrow, Wednesday, August 19, 1914, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES.

TUESDAY, *August 18, 1914.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

O Lord our God and our salvation, in whom there is no shadow of turning, make us true to ourselves and unite us as a people in the bonds of patriotism and the principles of religious truth; keep us free from entangling alliances, that we may enjoy the peaceful pursuits of life, that our "virtue may be the courage of faith, our cheerfulness the patience of hope, and our life the example of charity," after the manner of the Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED.

Mr. ASHBROOK, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills and joint resolutions of the following titles, when the Speaker signed the same:

H. R. 13415. An act to increase the limit of cost of public building at Shelbyville, Tenn.;

H. R. 2728. An act for the relief of George P. Heard;

H. R. 6420. An act for the relief of Ella M. Ewart;

H. R. 3920. An act for the relief of William E. Murray;

H. R. 14679. An act for the relief of Clarence L. George;

H. R. 13965. An act to refund to the Sparrow Gravely Tobacco Co. the sum of $176.99, the same having been erroneously paid by them to the Government of the United States;

H. R. 13717. An act to provide for leave of absence for homestead entrymen in one or two periods;

H. R. 12844. An act for the relief of Spencer Roberts, a member of the Metropolitan police force of the District of Columbia;

H. R. 10765. An act granting a patent to George M. Van Leuven for the northeast quarter of section 18, township 17 north, range 19 east, Black Hills meridian, South Dakota;

H. R. 17045. An act for the relief of William L. Wallis;

H. R. 1528. An act for the relief of T. A. Roseberry;

H. R. 1516. An act for the relief of Thomas F. Howell;

H. R. 11765. An act to perfect the title to land belonging to the M. Forster Real Estate Co., of St. Louis, Mo.;

H. R. 816. An act for the relief of Abraham Hoover;

H. R. 6609. An act for the relief of Arthur E. Rump;

H. R. 12463. An act to authorize the withdrawal of lands on the Quinaielt Reservation, in the State of Washington, for lighthouse purposes;

H. R. 16476. An act authorizing the Secretary of the Interior to issue patent to the city of Susanville, in Lassen County, Cal., for certain lands, and for other purposes;

H. R. 14405. An act for the relief of C. F. Jackson;
H. R. 14404. An act for the relief of E. F. Anderson;
H. R. 16205. An act for the relief of Davis Smith;
H. R. 10460. An act for the relief of Mary Cornick;
H. R. 9829. An act authorizing the Secretary of the Interior to sell certain unused remnant lands to the board of county commissioners of Caddo County, Okla., for fairground and park purposes;
H. R. 16431. An act to validate the homestead entry of William H. Miller;
H. R. 18202. An act to provide for the admission of foreign-built ships to American registry for the foreign trade, and for other purposes;
H. J. Res. 249. Joint resolution for the appointment of George Frederick Kunz as a member of the North American Indian Memorial Commission; and
H. J. Res. 295. Joint resolution authorizing the Secretary of War to return to the State of Louisiana the original ordinance of secession adopted by said State.

ENROLLED BILLS PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. ASHBROOK, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States for his approval bills and joint resolutions of the following titles:

H. R. 9829. An act authorizing the Secretary of the Interior to sell certain unused remnant lands to the board of county commissioners of Caddo County, Okla., for fairground and park purposes;
H. R. 11765. An act to perfect the title to land belonging to the M. Forster Real Estate Co., of St. Louis, Mo.;
H. R. 816. An act for the relief of Abraham Hoover;
H. R. 6609. An act for the relief of Arthur E. Rump;
H. R. 12463. An act to authorize the withdrawal of lands on the Quinaielt Reservation, in the State of Washington, for lighthouse purposes;
H. R. 16476. An act authorizing the Secretary of the Interior to issue patent to the city of Susanville, in Lassen County, Cal., for certain lands, and for other purposes;
H. R. 6420. An act for the relief of Ella M. Ewart;
H. R. 13415. An act to increase the limit of cost of public building at Shelbyville, Tenn.;
H. R. 14679. An act for the relief of Clarence L. George;
H. R. 2728. An act for the relief of George P. Heard;
H. R. 14685. An act to satisfy certain claims against the Government arising under the Navy Department;
H. R. 3920. An act for the relief of William E. Murray;
H. R. 13965. An act to refund to the Sparrow Gravely Tobacco Co. the sum of $176.99, the same having been erroneously paid by them to the Government of the United States;
H. R. 13717. An act to provide for leave of absence for homestead entrymen in one or two periods;
H. R. 12844. An act for the relief of Spencer Roberts, a member of the Metropolitan police force of the District of Columbia;
H. R. 10765. An act granting a patent to George M. Van Leuven for the northeast quarter of section 18, township 17 north, range 19 east, Black Hills meridian, South Dakota;
H. R. 1528. An act for the relief of T. A. Roseberry;
H. R. 17045. An act for the relief of William L. Wallis;
H. R. 1516. An act for the relief of Thomas F. Howell;
H. R. 14405. An act for the relief of C. F. Jackson;
H. R. 14404. An act for the relief of E. F. Anderson;
H. R. 16205. An act for the relief of Davis Smith;
H. R. 10460. An act for the relief of Mary Cornick;
H. R. 16431. An act to validate the homestead entry of William H. Miller;
H. R. 18202. An act to provide for the admission of foreign-built ships to American registry for the foreign trade, and for other purposes;
H. J. Res. 249. Joint resolution for the appointment of George Frederick Kunz as a member of the North American Indian Memorial Commission; and
H. J. Res. 295. Joint resolution authorizing the Secretary of War to return to the State of Louisiana the original ordinance of secession adopted by said State.

TAX UPON OPIUM AND ITS DERIVATIVES.

Mr. UNDERWOOD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 6282, with Senate amendments, disagree to the Senate amendments, and ask for a conference. This bill is what is known as one of the opium bills. The House passed the bill and sent it to the Senate about a year ago.

The SPEAKER. The Clerk will report the title.

The Clerk read as follows:

A bill (H. R. 6282) to provide for the registration of, with collectors of internal revenue, and to impose a special tax upon all persons who produce, import, manufacture, compound, deal in, dispense, sell, distribute, or give away opium or coca leaves, their salts, derivatives, or preparations, and for other purposes.

The SPEAKER. The gentleman from Alabama [Mr. UNDERWOOD] asks unanimous consent to take from the Speaker's table the bill just read—H. R. 6282—disagree to the Senate amendments, and ask for a conference. Is there objection?

Mr. COX. Mr. Speaker, reserving the right to object, I have a tremendous amount of protest from the physicians in my district against this bill. They feel that it is going to handicap them by requiring them to keep a record of all opiates of all kinds and classes administered by them to their patients; and, then, another class of them apparently have an idea that they will not be permitted under the terms of this bill to administer opiates, but have got to apply to a specialist for it. If there is any way of taking care of that provision so as to not everlastingly annoy the country physician, I hope the gentleman will look after it in conference.

Mr. UNDERWOOD. I do not expect to be on the conference on the bill myself; I have not time to do it; but I will say to the gentleman from Indiana that there is nothing that I know of in the bill that requires the employment of a specialist. The Senate amended the bill by not requiring the doctors to make a record of the cases.

Mr. COX. Is that what is called the Nelson amendment?

Mr. UNDERWOOD. Yes. That would go to conference. On the other hand, the people who are anxious to suppress the opium traffic are very anxious to have this Senate amendment disagreed to, but it is a question in controversy. My request would only send the bill to conference.

Mr. COX. I am very much in accord with the whole tenor of the bill, and I have argued it out with quite a number of my physicians; but they come back to me with all kinds of statements and stories to the effect that it will practically ruin a country physician, a man who lives out in the country, as an illustration, and say, in addition to that, it will give the pharmacist in the towns and in the cities the right and power to mix up all opiates, and they will afterwards be debarred from all that practice. My only purpose in rising was to say that I hope that when the bill comes out of conference it will be so framed as to literally, if possible, suppress the traffic, but at the same time protect, as far as possible, the country practitioner.

Mr. UNDERWOOD. That issue will go to the conference, and I am not able to give an opinion at this time as to whether the latitude can be given that is warranted in the Senate amendment and at the same time protect the people against the traffic in opium. But that is a matter that the conferees will have to work out.

Mr. ADAIR. Mr. Speaker, will the gentleman yield?

The SPEAKER. Does the gentleman from Alabama yield to the gentleman from Indiana?

Mr. UNDERWOOD. Certainly.

Mr. ADAIR. In this connection, Mr. Speaker, I would like to state that I have received some telegrams from druggists since the Senate amended this bill, very seriously objecting to the Senate amendments. They feel that the bill as amended will not restrict the sale of opium as it was intended to do by permitting physicians to make use of this drug as they will be allowed to do under the provisions of this bill. They feel that the bill as it is now written and amended by the Senate imposes upon them certain requirements, and at the same time gives physicians certain privileges that physicians should not have if the business is to be stopped.

Mr. UNDERWOOD. That is the real point in controversy. There are a number of other amendments to the bill, but that is the most important one. That will go to conference for the conferees to work out under this request of mine.

Mr. ADAIR. But the bill, as I understand it, did provide that physicians and operating surgeons prescribing opium should keep a record showing when it was prescribed and to whom it was prescribed, so that the record would be open to inspection by the inspectors of the Government.

Mr. UNDERWOOD. The original bill did, but I understand the Senate amendment has modified that.

Mr. ADAIR. I think that is what the druggists are objecting to. They say it is modified in such a way that the dope fiend can obtain it through physicians in the future, as they have done in the past.

Mr. UNDERWOOD. That will go to the conferees.

The SPEAKER. Is there objection?

There was no objection; and the Speaker announced as the conferees on the part of the House Mr. KITCHIN, Mr. HULL, and Mr. MOORE.

SILETZ INDIAN RESERVATION.

Mr. HAWLEY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HAWLEY. Yesterday, just before adjournment, the House was considering the bill (H. R. 15803) to amend an act entitled "An act to authorize the sale of certain lands belonging to the Indians on the Siletz Indian Reservation, in the State of Oregon," approved May 13, 1910. The bill had been considered in Committee of the Whole and had been reported favorably from the Committee of the Whole with an amendment. The previous question had been moved on the bill and amendment to final passage, and the vote taken on the previous question, and point of order made that no quorum was present. The RECORD reads as follows:

The question was taken, and the Speaker announced the ayes seemed to have it.

Mr. FITZGERALD. Mr. Speaker, I demand a division.

The House divided; and there were—ayes 40, noes 7.

Mr. FITZGERALD. Mr. Speaker, I make the point of order there is no quorum present.

The parliamentary inquiry is this: Is that bill now the unfinished business for to-day?

The SPEAKER. It would have been if the previous question had been ordered upon it, which was not done.

Mr. FITZGERALD. The gentleman did not finish reading the RECORD. I immediately made the point of order that there was no quorum present.

The SPEAKER. It goes over until two weeks from Monday.

Mr. MANN. The next unanimous-consent day.

The SPEAKER. Yes.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Carr, one of its clerks, announced that the Senate had passed joint resolution of the following title, in which the concurrence of the House of Representatives was requested:

S. J. Res. 178. Joint resolution granting authority to the American Red Cross to charter a ship or ships of foreign register for the transportation of nurses and supplies and for all uses in connection with the work of that society.

SECOND HOMESTEAD AND DESERT-LAND ENTRIES.

Mr. FERRIS. Mr. Speaker, I ask unanimous consent to call up H. R. 1657 from the Speaker's table, and to disagree to the Senate amendments and ask for a conference.

The SPEAKER. The gentleman asks unanimous consent to call up a bill the title of which the Clerk will report.

The Clerk read the title of the bill (H. R. 1657) providing for second homestead and desert-land entries.

The SPEAKER. The gentleman from Oklahoma asks unanimous consent to take this bill from the Speaker's table, disagree to the Senate amendments, and ask for a conference. Is there objection?

There was no objection; and the Speaker announced as conferees on the part of the House Mr. FERRIS, Mr. TAYLOR of Colorado, and Mr. FRENCH.

ENLARGED HOMESTEADS.

Mr. FERRIS. Mr. Speaker, I ask unanimous consent to call up from the Speaker's table H. R. 1698, and to disagree to the Senate amendments, and ask for a conference.

The SPEAKER. The Clerk will report the title of the bill.

The Clerk read the title of the bill (H. R. 1698) to amend an act entitled "An act to provide for enlarged homesteads," and acts amendatory thereof and supplemental thereto.

The SPEAKER. The gentleman from Oklahoma asks unanimous consent to take this bill from the Speaker's table, disagree to the Senate amendments, and ask for a conference. Is there objection?

There was no objection; and the Speaker announced as conferees on the part of the House Mr. FERRIS, Mr. TAYLOR of Colorado, and Mr. FRENCH.

THE WAR IN EUROPE.

Mr. SLAYDEN. Mr. Speaker, I ask unanimous consent to address the House for not exceeding 10 minutes.

The SPEAKER. The gentleman from Texas [Mr. SLAYDEN] asks unanimous consent to address the House for not exceeding 10 minutes. Is there objection?

There was no objection.

Mr. SLAYDEN. Mr. Speaker, a few days ago one of my friends called my attention to an editorial, clipped from a New York paper, which impressed me as containing such pertinent and wise observations that I have determined that it will be useful to print it in the RECORD. I ask the Clerk to read it.

The Clerk read as follows:

A WORLD IN LIQUIDATION.

There should be little need to seek abstruse reasons for the world war, precipitated by the German militarist party with the Emperor at its head. He was probably never more sane in his life. But his over-armed country, like other countries of Europe, but in a more acute degree, was in the position of the great dry goods house which recently failed. Armament expansion could not go on, and it could not stop.

For such a situation the only possible liquidation was war. No one can believe that the initial quarrel, deliberately picked with Servia by Austria, could possibly have occurred without the connivance of the German ruler. If war was unnecessary in this case, what shall be said of four declarations of war in 48 hours, including Belgium, of whose neutrality Germany is a guarantor?

From various parts of the country this newspaper is receiving "prayers for peace." It would be a poor newspaper sheet, indeed, which could not make its own prayer in such an emergency. But the present crisis, dreadful as it is, still represents the only possible cure for a disease which has been affecting the whole world, including ourselves, since the Franco-German War of 1870.

There is just one cure, and if it were possible for some all-powerful autocrat to decree peace at this moment, the uneradicated seeds of mischief would still be there. Another world war would be merely a question of a few months. In no callous or cynical spirit it is said here and now that bleeding is the only cure for a disease which was hurrying the people of the earth into bankruptcy and barbarism.

It is entirely possible that the war may be mercifully short. Whatever the steps taken may be, the banks of Europe, and especially those of Germany, will have suspended payment in a few days. Germany has cut off the Russian supply of grain to her people. She can not depend upon getting supplies of food, with any certainty or regularity, from this country or Argentina, and least of all from Australia. She can not feed her 60,000,000 people, largely industrial, without such assistance. Her one desperate hope is that she may make some such whirlwind 30-day campaign of victory as Frederick the Great made a century and a half ago.

This is her one remote chance, and if she wins, victory may be indistinguishable from defeat, in its effect upon her neighbors and customers.

Mr. SLAYDEN. Mr. Speaker, the opening paragraph of that editorial is my text for the few brief remarks I shall submit. I may say in this connection that it is not my purpose to harshly criticize any one Government or ruler. My criticism is directed at a policy—a policy of crime and disaster, as I view it—common to all of them, and from which, I may say in passing, we are not entirely exempt.

The editor is right. There is no need to seek for abstruse reasons for the almost world-wide war recently begun in Europe, which grew out of a relatively unimportant quarrel between Austria and Servia. The reason is so plainly seen that he who runs may read. It is clearly the result of excessive armament, and it forever disposes of the argument that great preparedness for war is the way to insure peace. The war of all Europe shows that it has precisely the reverse influence, as some of us have contended all along.

The advocates of peace through arbitration have expected and have met the sneer that their work has been in vain. But these scorners overlook the fact that there has been no general agreement to arbitrate international disputes. The plan of reason has had no trial. These advocates of the policy of suspicion, hatred, discord, and blood have never had any sympathy with the effort to substitute reason for force in the adjustment of quarrels between States. It does not suit their purposes.

This opposition has come from people who really seem to believe that the only way to keep the peace is to have the whole world ready to fight, from some who hope to gain promotion, high rank, and fortune through war, and from commercial interests which make great earnings in the traffic in war material. The last is by far the more important and influential class. It controls newspapers and magazines, parliaments, and rulers.

The one plea in justification of a policy which is piling high the burdens of the people has been this now thoroughly discredited and exploded argument that what was paid out for excessive armaments was merely a premium on insurance against war. The world has already paid out so much in these premiums that it is bankrupt, and the war has come after all.

In all its horrible nakedness the argument now stands exposed. Will the people and their representatives ever again be deceived by these bloody fallacies? I hope not, and I am inclined to believe they will not.

In Germany, France, England, and Austria thousands of good men and women have protested and are now protesting against this "greatest crime of the ages," as Gen. Miles has called the war in Europe.

Mr. Speaker, the peace movement has not been in vain. It has made the people think. Millions now see and understand the danger of being overarmed where only thousands saw it before.

A crack-brained boy assassin in Servia killed a man and woman, and straightway kings and emperors seized on the incident as an occasion for redefining territorial boundaries and ordered thousands, it may be hundreds of thousands, of other men to their deaths. Nothing could be less logical or more

cruel. The boy assassin is forgotten. His crime served as a pretext for the ambitious monarchs, and he has gone to oblivion. Meantime Europe is a slaughterhouse and the plains of Belgium are soaked with blood.

Germany, France, England, and Austria, centers of learning, art, and industry, are in a death grapple. Who will gain? Our former President, Mr. Taft, answers that question when he says that "the immense waste of life and treasure in a modern war make the loss to the conqueror only less, if it be less, than the loss of the conquered."

Already we feel the burden of this unparalleled war here in the United States. The South has paid a heavy toll in the reduced price of its greatest staple, cotton. Private property at sea under the flag of an enemy is still captured and appropriated in prize proceedings, which is only another way of saying that piracy survives among the so-called civilized and Christian nations.

The interruption of commerce and suspension of traffic on the high seas means inconvenience and suffering for all the people, whether at war or peace. Quick communication and interwoven interests make it more important now than ever in history that peace shall be preserved if all are not to suffer, innocent and guilty alike, if not in the same degree.

The press reflects the people, and newspapers are saying that if there had been no excessive armaments there would have been no war. The great preparedness compelled it, and, in the language of the editorial which the Clerk read, "for such a situation the only possible liquidation was war."

That, sir, is the lesson of the greatest crime of the ages.

War lords have much to answer for, and I hope full settlement will be exacted, even if it takes thrones and dynasties to pay the bill. Workingmen are more useful to the world than kings, and the wrong men are dying. [Applause.]

PROCEEDINGS OF THE HOUSE.

Mr. DONOVAN. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman rise?

Mr. DONOVAN. I ask unanimous consent to address this House for about 10 minutes.

The SPEAKER. The gentleman from Connecticut asks unanimous consent to address the House for not exceeding 10 minutes. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, will the gentleman state the subject?

SEVERAL MEMBERS. Do not object.

The SPEAKER. Is there objection?

There was no objection.

Mr. DONOVAN. Mr. Speaker, yesterday we had a spectacle here that may do credit to the educated man, the great leader of the minority, rising from his feet and resorting to tactics that he has many times resorted to, claiming that he made a motion for the purpose of debate, and so stating, but when the opportunity came to him, and he got possession of the floor and the subject matter, he was silent and said not a word. Now, the secret of it was this: We were considering under the Unanimous Consent Calendar, and by the Speaker the question was stated, "Is there objection to the present consideration?" Time after time periods of half an hour were used, and sometimes objection, but no consideration except gentlemen listening to themselves. Now, when the matter of the post office at Plymouth, Mass., came up, a simple matter, the report showed that it involved the expenditure of $2,000 more; that was all. Not a member of the committee who reported the bill was present, and the gentleman in whose district the post office was located [Mr. THACHER] went over in the center and addressed himself to the leader of the minority, and that, too, was a spectacle. He was trying to enlighten the gentleman who had reserved the right to object.

The distinguished leader of the minority turned his head to one side, refused to be enlightened, and seemed to be bored by the gentleman's remarks. After that had been going on about 10 minutes I rose from my seat and addressed the Speaker and said, "Mr. Speaker, regular order." Well, the dignified gentleman who represents an Illinois district objected, as he often does, and quietly shifted to the Member from Connecticut the blame for the bill being shunted off the calendar. Well, the unsophisticated Member from Massachusetts swallowed the medicine, so to speak, and came over to me and begged me to withdraw. I had not made any objection. But here is the picture: A few moments afterwards an Indian bill came up, relating, my God, to a class of people who have been slaughtered and ruined always by the people of this country from the beginning to the present day, and this attitude was not neglected yesterday. That bill was introduced by one of his associates on his side of the House. Another simple matter. The question in the bill was, Shall the money from the sale of these lands be distributed pro rata amongst the Indians, or shall it be by the direction of the Secretary of the Interior? Well, the distinguished character reserved the right to object. Did he say anything on the Indian question? I refer everyone to the RECORD. Not a word. After those tactics had been progressing, I think, about 15 minutes I rose from my seat and addressed the Chair, "Mr. Speaker, regular order." Here is where the Ethiopian appeared in the woodpile. It was a gentleman on his own side who was talking; and instead of saying, as he had to the Member from Massachusetts [Mr. THACHER], "On account of the gentleman from Connecticut I will object," he changed his attitude—it was one of his own kind. That is the art of the man, the shrewdness of him; and we are told that shrewdness is a lower order of brain. [Laughter.] What did he do? If there is anything that rankles in the breast of the minority leader it is to put him in a position where his tongue must be stilled to silence, and it had to be stilled to silence in that parliamentary proceeding, but he rose to the occasion. He said: "I move, Mr. Speaker, that we go into the Committee of the Whole House on the state of the Union, where we can get a chance to debate this bill."

Let us see how he debated that Indian bill. The question was whether there should be a division pro rata amongst the Indians or whether it should be under the direction of the Secretary of the Interior. Here is the way our distinguished gentleman debated the bill—intelligent treatment, too, it was; just listen to it.

The subject of his remarks was that it does not do to throw a monkey wrench into the machinery, or whether it was wise for a monkey to do it. [Laughter.] That was the great leader's intelligent discussion of the Indian bill. It was what the gentleman from Minnesota [Mr. STEVENS] would call "chewing the rag." There was not a word said in regard to the Indian bill.

After making that point, and after getting the House into Committee of the Whole House, with a new presiding officer in the chair, he rose in his might and suggested to the Chairman that the first reading of the bill be dispensed with. Now, that was a momentous affair, because the bill was only seven or eight lines in length, and it took about that number of lines for the Chairman to repeat the statement of the gentleman from Illinois and have it acted upon. So that was a great saving of time. Then the point of order was made by myself of no quorum. The quorum came in, and the gentleman felicitated himself on the large number that were present. Then he went back to the monkey-wrench story and dropped into his seat, and that was all of his debate upon the Indian bill.

Now, Mr. Speaker, the point of order was made of no quorum, and Members came in here with an air of saying, "Who is it that made the point of no quorum?" One is somewhat in doubt where Congress meets. Not infrequently men may think that it meets in this Hall; but by the air that some Members put on it seems that they think it ought to meet in the House Office Building. Perhaps it ought to meet across the Atlantic, where some are enjoying themselves and still drawing their salary. Perhaps some may think it ought to meet in the State of Ohio, where the enlightened Member of the House, Dr. FESS, has been instructing his scholars, and where he has spent his time, except when he comes back occasionally to dwell on the ability and honor of Fire Alarm Foraker or else abuse the President of the United States.

Gentlemen, I hold in my pocket here to-day a tabulated statement by a Member of this House showing the attendance of his associates, who are more than half of the time away. What a spectacle it is! Last Friday we had a Private Calendar day, and we practically passed two bills on the Private Calendar on account of the filibuster by the minority leader and two or three of his associates. We passed two private bills. Now, that may have been all right. The filibuster was not for the purpose of defeating those bills, for they did not oppose them, but it was to defeat bills that were not in sight, bills containing the claims of people that had lost their all in the great conflict that raged, a sort of family affair between the North and the South. All they asked was that they be sent to a court for determination. The other side has a great regard for the court, but it filibustered for fear some of these bills would pass for the courts to pass upon, and so order them to adjust the claims. They would not trust them, and the filibuster was indulged in against these poor people for asking for a day in court. They denied these poor people a hearing in the only place in the United States where they could get it. That is the ability and management of the great gentleman from Illinois of public business. Oh, for the shades of Lincoln and Conk-

ling and Blaine! From what a height have their mantles fallen. [Applause.]

SENATE BILL REFERRED.

Under clause 2 of Rule XXIV, Senate bill of the following title was taken from the Speaker's table and referred to its appropriate committee as indicated below:

S. 3561. An act to appoint Frederick H. Lemly a passed assistant paymaster on the active list of the United States Navy; to the Committee on Naval Affairs.

AMERICAN RED CROSS.

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent for the present consideration of Senate joint resolution 178.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

Joint resolution (S. J. Res. 178) granting authority to the American Red Cross to charter a ship or ships of foreign register for the transportation of nurses and supplies and for all uses in connection with the work of that society.

Resolved, etc., That authority be granted to the American Red Cross, during the continuance of the present war, to charter a ship or ships of foreign register, to carry the American flag, for the transportation of nurses and supplies and for all uses in connection with the work of said society.

The SPEAKER. Is there objection to the present consideration of the resolution?

There was no objection.

Mr. MANN. Will the gentleman from Missouri yield me a little time?

Mr. ALEXANDER. Mr. Speaker, I yield to the gentleman from Illinois five minutes.

Mr. MANN. Mr. Speaker, this is a resolution in reference to the Red Cross, which recalls to all of us the present situation in the world. It seems to me that in this country at this time it is extremely important that everyone in official life, as well as those in private life, should resolve firmly that they will not be carried away with any hysterical emotion or by any partisan feeling for or against either side in this conflict abroad. [Applause.]

I believe that this is an opportunity for America which seldom or never has come before to any nation in the world. The great powers abroad are in deadly conflict. I had hoped and believed even after the war commenced that it would not really commence; but it looks now as though there would be a desperate struggle for existence by these nations engaged in war. There will be many times when complications will arise affecting our interests and our policies.

When men are engaged in a life struggle they are not careful or too particular about the interests of outsiders or about observing the ordinary courtesies or amenities laid down in advance for the control of conflicts. When these occasions arise where we are tempted to become partisan for or against, where we are tempted in order to preserve what we may call our honor to engage in the conflict, let us make up our minds now to keep our minds firm in that determination that this country shall not become under any circumstances engaged in the war on either side. [Applause.]

I believe the administration under President Wilson will be cool and calm. The danger will come when some American ship may be seized or some American interest may be affected, when people will become excited. It is the duty of all parties in this House and elsewhere, the duty of all good citizens, to stand behind the administration and make the administration feel that its duty to humanity, to civilization, and to the interests of the United States and her citizens is to keep out of the struggle [applause] and to make use of the opportunity which comes to us for our advance in civilization and power throughout the world. [Applause.]

Mr. ALEXANDER. Mr. Speaker, in harmony with what the gentleman from Illinois [Mr. MANN] has said, I may say that the present situation in Europe appeals to me very keenly. From the 12th of November last until the 20th of January I sat in council daily with the representatives of all of the countries in Europe now engaged in this deadly conflict. We then had under consideration the question of greater safety of life at sea. We met as friends with a common purpose, and at that time I could not discover any of the ill will that so soon would involves Europe in war, and I recall those men, splendid types of their several nations, men of the highest citizenship, distinguished for their great service on behalf of their Governments and for humanity, and I am wondering how this titanic struggle will affect their fortunes, as well as the fortunes of the Governments they served with distinction and honor. I wish to share the sentiment of the gentleman from Illinois that we, as a nation, may not become involved in that struggle otherwise than in a humanitarian way. Let our hearts go out to them in sympathy; let us be helpful to them in every possible way. Let us alleviate the suffering and woe, the distress, and the awful consequences of war. This resolution is an expression of the Red Cross of our country for those people, and this is an effort upon their part, with our help, to equip one or more ships under the American flag to go to the relief of those who will suffer in the war, and I trust the resolution will pass without a dissenting vote. [Applause.]

The SPEAKER. Without objection, the Senate resolution will be considered as read a third time and passed.

There was no objection.

WATER POWER ON THE PUBLIC DOMAIN.

The SPEAKER. Under the rule adopted the other day the House will automatically resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 16673) to provide for the development of water power and the use of public lands in relation thereto, and for other purposes.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 16673, with Mr. FITZGERALD in the chair.

Mr. MONDELL. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amend, page 1, lines 7 and 8, by striking out the words "or those who have declared their intention to become such."

Mr. FERRIS. Mr. Chairman, if the gentleman will yield I will ask how much time he desires?

Mr. MONDELL. Only a minute or two on this particular amendment.

Mr. FERRIS. Mr. Chairman, I ask unanimous consent to close debate on this amendment at the end of five minutes.

The CHAIRMAN. The gentleman from Oklahoma asks unanimous consent to close debate on the pending amendment and all amendments thereto in five minutes. Is there objection?

There was no objection.

Mr. MONDELL. Mr. Chairman, the bill provides that the Secretary of the Interior may grant leases to citizens of the United States or to those who have declared their intention to become such. These leases are, in a way, perpetual, although they may be terminated at the end of 50 years. I think it is a mistake, and I am sure it is a departure from our past policy to grant anything like a long-continued and what may become a permanent interest in the public lands to those who are not citizens of the United States. We do grant those who have applied for citizenship the right to make entries of some classes, but we require that they shall become citizens of the United States before their rights permanently attach. As these rights are for a considerable period of years, and to a certain degree permanent under certain conditions, I do not believe that they ought to be enjoyed by aliens.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Wyoming.

The question was taken, and the amendment was agreed to.

Mr. MONDELL. Mr. Chairman, I offer the following substitute for section 1 which I send to the desk and ask to have read.

The Clerk read as follows:

Strike out section 1 and insert the following:

"That the right of way through the public lands and national forests of the United States is hereby granted to any individual or association or corporation formed for such purpose who shall file with the Secretary of the Interior satisfactory proof of right under the laws of the State or Territory within which the right of way sought is situated, to divert and use the water of said State or Territory from the source and for the purposes proposed, for the purpose of irrigation or any other beneficial use of water, including the development of power, for the construction, maintenance, and use of water conduits, canals, ditches, aqueducts, dams, reservoirs, transmission and telephone lines, houses, buildings, and all appurtenant structures necessary to the appropriation or beneficial use of such water or the products thereof to the extent of the ground occupied thereby and 50 feet on each side of the marginal limits thereof. Also the right to take or remove from such rights of way and lands adjacent thereto material, earth, stone, and timber necessary for the construction and maintenance of such water conduits, canals, ditches, and other structures or works authorized under this act."

Mr. FERRIS. Mr. Chairman, I ask unanimous consent that at the expiration of seven minutes, five of which will be controlled by the gentleman from Wyoming and two by some member of the committee, debate on this amendment and all amendments to the section close.

Mr. MONDELL. Mr. Chairman, I ask the gentleman from Oklahoma to make that 10 minutes. I think I would like to have 7 minutes myself.

Mr. FERRIS. Very well. I ask unanimous consent that all debate on this amendment and all amendments to the section close in 10 minutes, 7 to be controlled by the gentleman from Wyoming and 3 by some member of the committee.

The CHAIRMAN. The gentleman from Oklahoma asks unanimous consent that all debate on the pending amendment and all amendments to the section close in 10 minutes, 7 minutes to be controlled by the gentleman from Wyoming and 3 by the gentleman from Oklahoma or some member of the committee.

Mr. FOWLER. Mr. Chairman, reserving the right to object, I understand that if this consent is given, no debate can be had on any other amendment to the section?

The CHAIRMAN. That will be the effect of it.

Mr. FOWLER. I desire to offer an amendment to the section, and I would like to have 10 or 15 minutes.

Mr. FERRIS. Then, Mr. Chairman, I ask unanimous consent to make it 20 minutes instead of 10.

The CHAIRMAN. What is to be done with the other 10 minutes? The gentleman from Oklahoma asks unanimous consent that all debate on the amendment and all amendments thereto to section 1 close in 20 minutes, 7 minutes to be controlled by the gentleman from Wyoming and 3 by the gentleman from Oklahoma. Is there objection? [After a pause.] The Chair hears none, and it is so ordered. The gentleman from Wyoming is recognized for 7 minutes.

Mr. MONDELL. Mr. Chairman, the bill which we have under consideration makes a very important radical departure from the past policy of the Government in the utilization of the public lands. We have heretofore granted easements over the public lands, terminable, in the case of easements for water-power purposes, at the discretion of the Secretary of the Interior and permanent as to other classes of rights of way for water. The bill under consideration provides for a lease for a term of 50 years, and yet provides an element of perpetuity, partly by reason of the provisions of the bill and partly by reason of the fact that these water powers must be developed under perpetual water rights. I think the new plan is a mistake from every standpoint, and I have offered an amendment, the purpose of which is to provide for the rights of way for all purposes of development connected with the use of water, and I shall follow this with other amendments mostly taken from a bill which I introduced some two years ago, intended to codify all our right-of-way acts for water-development purposes. The adoption of this amendment would in no wise modify any of the provisions of the bill relative to the control of the enterprises which might be established. All possible and all necessary provisions could be made and should be made for public control of these enterprises by the proper sovereignty. But this would make the right secure, and thus in my opinion give the people who are to be served by them the very cheapest possible power, and that is the end aimed at by the legislation. There has been a great deal said here about the combinations of water powers at the present time in the United States, and the statement is made as though it followed that the enactment of this legislation would break up this monopoly in the ownership of power and prevent future concentration or further concentration. As a matter of fact, there is nothing whatever in the legislation that can affect the present concentration of ownership or interlocking interests in water power except to have the effect of more completely centralizing them, because it will leave all present water powers compared with those to be developed in the future in a most advantageous position. Furthermore, under this bill the Secretary of the Interior could grant to one corporation all of the water power, all the lands controlling water power, in all of the United States. Furthermore, there is nothing in the legislation that in its operation would tend to increase the number of units of interest in water-power development.

The logical tendency of the legislation, in my opinion, will be to concentrate water power in a few ownerships rather than to separate it into many ownerships. As a matter of fact, I am not one of those who have been as much disturbed as some have been by the statement or the allegation that the water powers of this country are in comparatively few ownerships. The statements made in some Government publications relative to the matter are, in the first place, considerably exaggerated, and, in the second place, it is not extraordinary that bankers go into the banking business, that shoemakers make shoes, that millers go into the milling business. There are comparatively few great companies in the world making machinery which is utilized for the development of water power, and it is quite natural that those few companies should take some interest in the enterprises undertaken. There are comparatively few men with an intimate knowledge of water-power development and its detail, with the knowledge essential for success. Naturally, they become interested in power enterprises. The people are not so much interested in who runs the water powers as they are in their speedy development and in saving the people's control of these enterprises and of their cheap utilization. The legislation before us, in my opinion, is not of a character to tend to the speedy development and cheap sale of power. Furthermore, I want to emphasize the fact that if there be any great evils in the present condition of water-power ownership, and if great evils would arise from the continuation or extension of that condition of ownership, there is nothing in this legislation to remedy that condition or prevent it in the future. I believe it will tend to intensify the condition complained of.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FERRIS. Mr. Chairman, I could not follow the long amendment offered by the gentleman from Wyoming, and neither could I follow all he said. In any event, Mr. Chairman, to offer a substitute section from another bill to the original bill under consideration would throw the entire bill and purposes of it out of joint and out of order, and I hope no considerable portion of the committee will feel there is any necessity for voting for the amendment. Mr. Chairman, I ask for a vote.

The CHAIRMAN. The question is upon the amendment offered by the gentleman from Wyoming.

The question was taken, and the amendment was rejected.

Mr. FOWLER. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

At the end of section 1, on page 3, add the following proviso:
"*Provided further*, That the Interstate Commerce Commission shall have power to regulate and adjust rates for the use of such hydroelectric power in all cases coming under Federal control."

Mr. FOWLER. Mr. Chairman, I ask unanimous consent to proceed for eight minutes. I may not use that much time.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent to proceed for eight minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. FOWLER. Mr. Chairman, the object of this amendment is to place the regulation and control of hydroelectric power under the control of some specific body which is responsible to the public. The Interstate Commerce Commission is the most desirable for this work, as one of its duties is to supervise and regulate railroad rates. It makes a study of rates and is as well prepared to regulate the rates of business operated by hydroelectric power as it is that of business operated by steam power.

As I view this bill, and also as I viewed the Adamson dam bill, there is a lack of such provision, and I feel, Mr. Chairman, that if we pass this bill in its present form we will feel very keenly in the future the lack of having made a definite provision whereby this power can be regulated and controlled. The length of a lease is not very important if there can be an assurance of the regulation and control of the power which this bill seeks to confer. It has been contended by some that a 50-year lease ought to be given in order to encourage capital. I had felt that a less number of years would be just as great an incentive to the encouragement of capital, for it will be eagerly sought far and near. I am not so particularly interested in the number of years which the lease will run as I am in the certainty of the control of the powers granted in the lease. Mr. Chairman, nowhere in this bill is there a provision giving definite power to anyone to control rates.

In Canada the law limits the length of the lease to 20 years, and, as I recollect, a definite provision is made in the law for the regulation and control of the hydroelectric power and its use to the public. If this can be done, then the rights of the people will always be secure. If it is left uncertain, then the rights of the people will be jeopardized. You can not change the hearts of men by the enactment of law unless that law is strong enough to regulate the hearts of men. The same old heart that was greedy with the power generated by coal and wood will be just as greedy with the power generated by water. The same old heart that is greedy for dollars and cents in the business of to-day will be just as greedy in the business of the future. And it is idle to talk about men being sincere and honest and fair about incomes, because I have never seen a man who ever stopped to think of what the results would be while calculating his income. The first thing he does is to figure in dollars and cents his income. After that he may think about something else.

Why, all over this country to-day we find a spasmodic rush on the part of dealers for the purpose of enhancing their incomes, on a plea that it is necessary as a war measure. It

reminds me of the old story of the Jew pricing his silks to a lady customer at about twice the usual price, and when she complained he explained: "Vell, madam, I vant to tell you that all the silkvorms have died, and silk has gone up." His son was present and heard his father's explanation, and thought it was fine. His father went to dinner and left his boy in charge of the store. Another lady customer came in to buy some tape, and, like his father, he priced it to her at twice the usual retail price. She complained, and he replied: "Vell, madam, I vant to tell you that all the tapevorms have died, and der price has gone up." His explanation had as much reason to it as that now given by the merchants for extortion and open robbery. If prices continue to increase, the public will soon be cut so short in food supplies that all the "tapeworms" will die sure enough.

Now, we will find the same old greedy heart in business operated by hydroelectric power as is manifested in the business now. I imagine I can hear some time in the future, when our posterity is meeting with the same conditions of extortion that we are to-day, the voice of some Member's grandchild, after looking over the CONGRESSIONAL RECORD on the vote on this bill, exclaiming "I wonder what made grandpa vote for that bill." Now, in order to command the respect of our grandchildren, in order to command the respect of posterity, and in order to command the respect of mankind, we ought to regulate this power by definite terms, so that in the future the rights of the people will be safe.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. FOWLER] has expired.

Mr. FOWLER. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. The gentleman has that right.

Mr. FERRIS. Mr. Chairman, I yield to no man, and I think the committee yields to no one, in respect and admiration for the Interstate Commerce Commission; but there is a limit to all human power to work, and the Interstate Commerce Commission has had pressed down upon them now more work than they can do.

Another reason why the gentleman's amendment should not be agreed to, as I think, is that the Secretary of the Interior, as the question now stands, with so much of the land in public ownership and so many Federal questions involved, is, according to every witness that appeared before us, the proper one to carry on this work. We had before us ex-Secretary Fisher, Mr. Pinchot, Secretary Lane, George Otis Smith, and also numerous engineers. The time will, in the future, doubtless come when a Federal water-power commission will be created that will take over all the water-power interests in the War Department, in the Agricultural Department, and in the Interior Department, and will be a great constructive force in this country, as it ought to be. Yet I think there are but few of us now who will agree that we can carry out a program of that sort at this time, and I think there are still fewer of us who will agree that we ought to take away from the organized force in the department their ability and power to deal with this question. The Interstate Commerce Commission is not now organized to handle the development of water power on the public domain.

Again, on page 4 of the bill, in section 3, it specifically reserves to the Federal Government the right at any time to take the regulation away from the Secretary of the Interior and give it to such a body as Congress may decree. Whether it would be in keeping with the amendment of the gentleman from Illinois and be the Interstate Commerce Commission, or whether it would be a Federal water-power commission, I do not know, nor do I know which is best; but in either event all rights are reserved to Congress, and I hope the gentleman's amendment will not be agreed to.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Illinois [Mr. FOWLER].

Mr. JOHNSON of Washington. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. All time has expired. The question is on the amendment offered by the gentleman from Illinois [Mr. FOWLER].

The question was taken, and the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 2. That each lease made in pursuance of this act shall provide for the diligent, orderly, and reasonable development and continuous operation of the water power, subject to market conditions, and may provide that the lessee shall at no time, without the consent of the Secretary of the Interior, contract for the delivery to any one consumer of electrical energy in excess of 50 per cent of the total output.

Mr. MONDELL. Mr. Chairman, I move to strike out the word "reasonable," in line 14, page 3, and insert the word "complete."

The CHAIRMAN. The gentleman from Wyoming [Mr. MONDELL] offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 3, line 14, strike out the word "reasonable" and insert the word "complete."

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. MONDELL. Mr. Chairman, under this bill the Secretary of the Interior is given absolute power and control over these enterprises. A wise Secretary of the Interior would undoubtedly, in deciding between various applicants, other things being equal, favor the applicant who promised the largest development. And, everything being equal, he should, it seems to me, favor the applicant who would agree to the practically complete development of the particular power proposed to be developed. Of course it would be necessary that he should give the individual or corporation proposing the development a reasonable length of time in which to provide for this development. But if we are to give the Secretary authority, unlimited authority, without any particular guide to its exercise, one Secretary might hold to one view of his duties and responsibilities and another Secretary to another.

Under a bill like this I doubt, without radically changing the character of the bill, if it would be possible to lay down a great number of rules to guide the Secretary, but we should at least adopt some, and one proper rule, it seems to me, would be a rule for the complete development within a reasonable time, depending upon the conditions of the market and the enterprise undertaken. The complete development, the complete utilization of a given opportunity, for power development is highly important. Nothing is more wasteful than the limited utilization of large opportunities for power development. I assume in any event that any Secretary would take that fact into consideration; but I think we should provide, as my amendment does, that in any grant which the Secretary makes he shall include, as one of the conditions, that eventually, and subject to the market conditions, there shall not only be a diligent and orderly but a complete development of the power.

Mr. RAKER. Mr. Chairman, the provision of this section provides for diligent work. This is important. It ought to be done. The provision provides for the orderly disposition of the work. It would apply to the dam, and to the survey, and to the engineering, and to the work after it had started in upon their reservoir, their dams, their conduits, and whatever might be necessary to complete the system, as well as the installation of the necessary machinery—a reasonable development.

Now, to say that it must be a complete development at once would be to say something that the gentleman from Wyoming would not want.

Mr. MONDELL. Mr. Chairman, my amendment proposes nothing of the kind, as the gentleman from California will observe.

Mr. RAKER. Sure; I have it right here. I will call the gentleman's attention to it; a complete development at once, before you do any other work. You will notice——

Mr. MONDELL. All this development, this diligent development, this orderly development, is subject to the market conditions. If the gentleman will allow me—I do not want to take his time—all that I propose is that the Secretary, in making these contracts, shall make them with those who will agree to ultimately complete the development of all the available power.

Mr. RAKER. There is not any question as to what this language means; that each lease made in pursuance of this act shall provide for what? The lease shall provide for what? First, a diligent working of it; second, an orderly working of all the various conditions of the plant; and, third, a reasonable development. You do not want a man to say, "I am going to make a complete development at once." It should be a reasonable development, as he moves along from day to day, from week to week, from month to month, with a plant costing $10,000,000 or maybe $50,000,000. You should require that he must reasonably continue to invest his money and build his dam and his reservoirs and his ditches; and it must not only be reasonable, but it must be a continuous operation of the water power. That is all that could be asked under this, all subject to market conditions.

Now, the gentleman would not want to say——

Mr. THOMSON of Illinois. Mr. Chairman, will the gentleman yield to me?

The CHAIRMAN. Does the gentleman from California yield to the gentleman from Illinois?

Mr. RAKER. Yes; I will yield to the gentleman.

Mr. THOMSON of Illinois. Does not the gentleman also feel that when a project presents itself at the time the lease is

entered into, it is impossible for anybody to tell just what may be or may not be a complete development of that project?

Mr. RAKER. I think the gentleman is eminently correct on that, and that was one of the matters considered by the committee—that there must be some judgment; there must be some discretion; there must be something connected with this work, so that a man could be in a position to work out the ultimate complete project as specified and as intended, so long as he reasonably develops that project.

Mr. MONDELL. Mr. Chairman, will the gentleman yield?

Mr. RAKER. I yield for a question.

Mr. MONDELL. The Secretary must exercise some discretion in these cases?

Mr. RAKER. Surely.

Mr. MONDELL. Now, as between an applicant who promises that within a reasonable length of time and subject to market conditions to completely develop the enterprise, and another applicant who simply promises to develop it along, which of those applicants should the Secretary give the preference to?

Mr. RAKER. That would not be enough facts upon which any Secretary or judge could determine.

Mr. MONDELL. Under this language the Secretary can not turn down the man who promises complete development and can turn down the man who gives no assurance in that direction.

Mr. RAKER. I believe it is unfortunate; but it is the consensus of opinion of this House so far that the Secretary should have that discretion. We hope it will work out all right. But any man who would come in and tell the Secretary, "I will complete this immediately," would of necessity be turned down by the Secretary as a fakir.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. JOHNSON of Washington. Mr. Chairman, the gentleman from California [Mr. RAKER] has just remarked that "it seems to be the consensus of the House, so far at least, favors the provisions of this bill," and so forth. I want to remark the peculiarity of that remark in view of the fact that there are not 30 Members on the floor at the present moment, including three or four members of the committee itself, which has 21 members.

Mr. Chairman, with this bill we are running further and further into red tape, and any man who knows the West will understand what that means.

Mr. RAKER. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Washington yield to the gentleman from California?

Mr. JOHNSON of Washington. Yes; I yield.

Mr. RAKER. Is it not a fact that there is less red tape in the provisions of this bill than under the present law to-day respecting that detestable revocable permit that has prevented the development of water power in the last 10 years in the West?

Mr. JOHNSON of Washington. I will reply to the gentleman by saying that, even when this bill is made into law, one will still have to go to the Secretary of Agriculture for certain permissions, and to the Secretary of the Interior, and to the Reclamation Service, and to the Indian Bureau, and so on, for certain permissions on the same project. I had a case in point only yesterday. The valuable low lands between Seattle and Tacoma, both of which cities are on tidewater, is marked by a small stream that flows with so little movement that it moves either way. Sometimes it flows into the harbor in front of Seattle, and sometimes into the harbor in front of Tacoma. In either event it floods the rich surrounding territory at one of its ends or the other. As long ago as the 1st of June, attempts began to secure the right to place a small dam in that stream, so that its waters would always flow one way. The first release had to be obtained from the Reclamation Service in the Interior Department. The next release had to be received from the Geological Survey, in the Department of Agriculture. The survey had to make sure there is no water power in that dead-level stream. Then, the next release required is from the Indian Office, because there is a half section or so in the neighborhood given over to an Indian reservation known as the Muckleshoot Reservation; and after those permissions are received, one must go to the Commissioner of the General Land Office and get his O. K., and then pass the proposition up to the Secretary of the Interior, who will issue a permit for the commissioners of the two counties, who, after many years of loss and delay, have worked out this plan to go ahead with the work.

That work should be completed before the rainy season sets in out there—the 15th of September. The first of these applications was made in June, and they are not ready yet. I went yesterday to these various departments and saw all the clerks who have anything to do with it, and found a great number on their vacation. These papers are piled up. The departments are busy. Each one of these bills makes more work and more congestion. The work overlaps, and the more you take away from the States their rights to control their own domain and their own resources the greater will be the power of the bureaus, the more the congestion, to say nothing of greater delay and still more red tape.

Mr. FERRIS. Mr. Chairman, just a word on the amendment offered by the gentleman from Wyoming [Mr. MONDELL]. The same question came up in the hearings, and I think the hearings dealt with it in an intelligent way. If I may, I will read what was there said. Mr. Pinchot was on the stand, and I may add that while my friend from Wyoming, Mr. MONDELL, has often asserted that he is a good conservationist, we have not always been able to agree with him about it, but I find him in this particular instance going in excess and further than Mr. Pinchot would go. His amendment strikes out the word "reasonable" and compels them to make complete development. The effect of it would be that the Interior Department might require the power company to do an idle and a silly thing, to wit, to create power that could not be used or sold.

Mr. MONDELL. Will the gentleman yield?

Mr. FERRIS. I do.

Mr. MONDELL. I find that a real conservationist like myself frequently would require things that a make-believe conservationist never would think of requiring.

Mr. FERRIS. I thought, perhaps, the gentleman would add that. Now, let me read from the hearing:

Mr. PINCHOT. Then, on the same page, lines 15 and 16, "That each lease made in pursuance of this act shall provide for the reasonable development." I would like to insert there "provide for the prompt, orderly, and reasonable development," in accordance with the outline of policy submitted at the beginning.

Now, we did insert the suggestion made by Mr. Pinchot, and listen to what he says about it:

Enormous holdings of undeveloped water power by the big water-power interests make it very desirable, I think, that prompt development should be insisted on. Then, in the same section, lines 16 and 17, "continuous operation of the water power." That should be made, I think, "subject to market conditions."

And we put that in. He said further:

I do not think it is fair to insist that the companies should continuously operate in case market conditions were unfavorable.

Now, a company might have a water-power plant in Wyoming where they could generate 100,000 horsepower, where there was no market at that time for more than 50,000 horsepower. Surely no one would want them to generate power that could not be sold. That would merely be putting a burden on the consumer. This dead expense would be taken into consideration by the public utility commission that regulated it, if the regulation was in the States. If in the Secretary, he would be compelled to take it into consideration. Surely, few will desire to do any such thing. That would merely be a burden that the Secretary of the Interior would have to take into consideration in the event of regulation by the Secretary of the Interior.

Mr. MONDELL. Does not my friend think that the Secretary of the Interior should have the authority, and that it should be a part of the contract that when there is a market there must be a complete development?

Mr. FERRIS. Precisely, and that is included in the bill, as we think, because the bill provides for the reasonable, orderly, and prompt development according to the market conditions; so that if there be a demand for the power they must not only generate it, but develop it properly, orderly, and in a reasonable way. This is all provided for. That phase of the bill was carefully considered.

Mr. SMITH of Minnesota. In drawing a lease, would you use the word "reasonable" where you wanted to obtain a certain amount of work done?

Mr. FERRIS. The gentleman asks about a specific case. The Secretary of the Interior has unbounded authority to put in the lease any provision that he thinks will more effectively carry out the provisions of this act, and I should not like to render a horseback opinion as to whether a specific word should go in or out; but I have no doubt that the Secretary of the Interior will put in every provision for the public interest that he can put in and at the same time procure development. I am satisfied that is what the gentleman would have him do.

Mr. SMITH of Minnesota. Is it your opinion that the word "reasonable" would go into the lease, and be a part of the language of the lease?

Mr. FERRIS. Not necessarily. This section does not pretend to lay down what the specific provisions of the lease shall be; it merely provides what the law shall be. Then a later section does authorize the Secretary of the Interior to make such a lease as he desires in order to carry out the terms of the lease. It is possible, of course, that he might put it in or put it out.

The question at issue has nothing to do with the formal parts of the lease.

I ask for a vote, Mr. Chairman.

The CHAIRMAN. The question is on the amendment of the gentleman from Wyoming [Mr. MONDELL].

The amendment was rejected.

Mr. MONDELL. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Wyoming offers an amendment, which the Clerk will report.

The Clerk read as follows:

Line 15, page 3, after the word "conditions," strike out the remainder of the section and insert a period.

Mr. STAFFORD. Mr. Chairman, I have a preferential motion, to perfect the section, before the motion of the gentleman from Wyoming [Mr. MONDELL] is voted on.

Mr. MONDELL. This does not strike out the paragraph.

Mr. STAFFORD. But the gentleman's amendment strikes out the portion of the section which I wish to perfect.

The CHAIRMAN. The gentleman from Wisconsin will send his amendment to the desk.

The Clerk read as follows:

Amendment by Mr. STAFFORD:

Page 3, line 16, strike out "may" and insert "shall." In lines 17 and 18, strike out the words "without the consent of the Secretary of the Interior."

Mr. STAFFORD. Mr. Chairman, if there is any merited criticism of this bill, it is that we lodge too much discretion in the Secretary of the Interior, and the amendment I propose seeks to take away discretion which I think could very easily be abused by the Secretary or his subordinates, to the disadvantage of the large number of consumers of hydroelectricity. I can not conceive of a case where we should allow the Secretary to permit a contract to be entered into whereby more than 50 per cent of the hydroelectricity generated might be disposed of to any one consumer.

Mr. THOMSON of Illinois. Will the gentleman yield?

Mr. STAFFORD. I will.

Mr. THOMSON of Illinois. Can not the gentleman conceive of a case where about the only consumer that is available in a community near a water-power site is a town or city? Now, some one takes that water power, finances it and develops it, and they ought to have the right to sell all of its power to that municipality.

Mr. STAFFORD. That objection does not lie to the amendment I offer, for the reason that there is a provision in this bill permitting municipalities to generate their own power; and even in the case the gentleman cites it would be far better not to allow the generated power to be contracted for by the municipality alone, but compel the company to have some reserve surplus power that may be distributed through competition for the benefit of other users.

In section 7 it shows the real effect of the provision, because there authority is given to the Secretary to lengthen the contract beyond the original leasing period of 50 years. You may authorize him to enter into a contract for 100 years, and saddle on the users, or those seeking this power, a condition whereby they will be unable to obtain necessary power. I believe that these private companies should not be permitted to sell all their power to one concern, but by this provision you are vesting in the Secretary of the Interior full authority to contract with one person for all the power generated, on the idea that there is but one who will want to use it, when others may want the power, or later new parties may need it and can not obtain it. That will be a monopoly in the hands of this one person, sanctified by a contract executed by the Secretary of the Interior, and perhaps lengthened beyond the original leasing period of 50 years, and perhaps in perpetuity. It will be saddled on the community and on the users in that neighborhood for long years thereafter without any chance for power from the lessee. Although this merely provides in this section for a lease for 50 years, nevertheless by section 7 you authorize a contract beyond a 50-year period, and wherever such is authorized you are binding all persons, present or in the future, who may need power with this exclusive contract from which they can not gain relief—that is monopoly carried to an extreme degree.

Take the Hydroelectric Co. of Canada. They are not disposing of that great power to any one company. They are seeking new users and new municipalities, and the various localities are getting the benefit of it. But here you would hamstring the localities and new manufacturers who would come into the territory after the power is developed by their not being able to get any power at all. Such a possible condition should not be permitted to arise.

Mr. THOMSON of Illinois. Mr. Chairman, the gentleman from Wisconsin has proposed an amendment to section 2, but has addressed most of his argument to section 7. It seems to me they are separate propositions. I hope the amendment suggested by him to section 2 will not be adopted. Because the section as drawn does not fit some particular case which the gentleman has in mind he thinks the section is not properly drawn. If the amendment which he suggests is adopted, it is very easy to think of a number of cases wherein the object of the bill would not be carried out. It might well be that there would be a water-power site capable of developing, say, 20,000 horsepower, near a city or prosperous town that was anxious to get electricity up to that amount for lighting purposes or street-car purposes or domestic purposes. It might be that the only chance of getting it would be through this water-power site. It might be that under the laws of their State or the provisions of their charter that they would not have the power or right as a municipality to go into the business of developing water power and manufacturing electricity even for their own use. Now, in such an instance as that a city must depend upon some individual or association or corporation to finance and undertake to develop that site and sell the power to the city under proper regulations controlled, possibly, by a commission of the State.

I the amendment of the gentleman from Wisconsin should be adopted, it would mean that this company could not sell more than 50 per cent of the generated power to that municipality. There might not be any other user within such a distance as would make it economical or profitable to transmit the power which the company developed, and that would simply mean that this section would force that company to finance and develop a proposition under a 50 per cent income basis.

Mr. STAFFORD. Will the gentleman yield?

Mr. THOMSON of Illinois. Certainly.

Mr. STAFFORD. Take the supposititious case which the gentleman suggests. If there happened to be manufacturing concerns in that community, there would be no power for them if they wanted it. I am trying to protect the small producer rather than to have a monopoly.

Mr. THOMSON of Illinois. The gentleman proposes to take the case that I suppose, and then he does not take it. My case is where the only customer is the municipality. But take the case which the gentleman suggests, and in addition to the municipality there are other customers. In that case the section as originally drawn fits it exactly, and, in the discretion of the Secretary, there may be a provision that the company shall not be allowed to sell more than 50 per cent to one company or individual. Unless there is that discretionary power vested in the Secretary of the Interior, it is impossible to fit that kind of a proposition to these individual cases—in one instance to one sort of a case and in another instance to another sort of a case. In all those cases where there is only one possible consumer, such as a municipality in a Western State, the amendment proposed by the gentleman would defeat the object of the bill so far as giving the municipality power is concerned. In those cases where there are other consumers, the authority ought to be left in the bill so as to insure the small consumer getting the power.

Mr. STAFFORD. It would not defeat it as far as 50 per cent is concerned, and they would have the other 50 per cent to distribute to other manufacturing concerns in those localities.

Mr. THOMSON of Illinois. Mr. Chairman, the gentleman seems to be utterly unable to consider a supposititious case. In the case that I have indicated the other 50 per cent would have to go to waste, because it would be limited to 50 per cent to one consumer—the only consumer in the field.

In all cases where there are several consumers or applicants for the electricity generated, the Secretary should, and doubtless would, bring into action the authority given him under the wording of this section, as submitted to the House by the committee, to the end that no consumer would be shut out, but that every applicant for electricity would be assured of getting it. This section was drafted by the committee to prevent monopoly, and there can be no doubt that it would have that effect if enacted into law.

Mr. MANN. Mr. Chairman, I never have seen the time when some one could not make a very ingenious argument in favor of monopoly, but I am rather surprised that my friend from Illinois [Mr. THOMSON] should make an argument in favor of monopoly. Of course, there is only one consumer anywhere, if you start in with the theory that you are going to have only one consumer; but there is not a place in the United States anywhere where there is not more than one actual consumer of electric power. The bill provides that no more than 50 per cent of the power created shall be sold to one consumer unless the Secretary of the Interior, as a matter of favoritism, gives that

permission. I do not think the Secretary of the Interior ought to have the right to determine, as a matter of favoritism, that he will let any producing company sell more than 50 per cent of its production to one person.

The only way that you can have competition is by competition, and the only way you can have real control of the price is by some sort of competition. If the producing company sells 50 per cent of its power to one concern, it has competition. If it sells the entire 100 per cent to one concern, nobody will be asking to regulate the rates, no question will be raised about the rates, for the consumer of the power who has the monopoly of the power produced will not ask to have any regulation of the rates. They have agreed upon that, and the provision in the bill giving the Secretary of the Interior the power to regulate the charges absolutely falls, so far as any effect is concerned, when you let the producer sell all of the power to one consumer. It is nonsense to say that you will not have more than one consumer. The purpose of creating this power is to furnish it to consumers in the neighborhood. My friend and colleague, whom I greatly respect, suggests a supposititious case, where there is a municipal corporation that wants to buy all of the power. That is just it. We do not want it so fixed that even a municipal corporation can buy all of the power and charge what it pleases. The power ought to be created principally for the benefit of real consumers, people who are engaged in manufacturing as well as other businesses.

Mr. THOMSON of Illinois. Mr. Chairman, will the gentleman yield?

Mr. MANN. Yes.

Mr. THOMSON of Illinois. There are other provisions in the bill, are there not, that would regulate the charges that a municipality would make, and would insure their reasonableness?

Mr. MANN. There are not, and there can not be.

Mr. RAKER. Mr. Chairman, will the gentleman yield?

Mr. MANN. Certainly.

Mr. RAKER. Is it the gentleman's view of the bill that if the Secretary of the Interior grants a right of way over a public land his fixing of conditions in the lease would override the State law where the public utilities commission fixes the price at which they must sell their output to the consumer?

Mr. MANN. I think it would, and the bill says so as it stands. I am not going to enter into a constitutional argument during the remainder of my five minutes on the question of whether when we grant a power on an Indian reservation, where our only right is the right over the reservation, and the line is extended across a straight line, under the terms of this bill we regulate the charges and cut out the State or whether the State regulates the charges. I hope that will be corrected in the bill before it passes, but it is in the bill now.

Mr. RAKER. Take the case I suggested. It is all within one State. The Secretary of the Interior gives a lease for certain lands. He fixes certain conditions. Unquestionably under this bill the State utilities commission would fix the charge that this corporation or individual will furnish its power to the consumer for, would it not?

Mr. MANN. Yes; but if there is only one consumer nobody will ask to have the charge fixed. That is the point I am making. If a producing company sells all of its power to one consumer, that is a matter of contract between the producing company and the consumer, and nobody calls it to the attention of the Interior Department. Nobody is interested in it, and the Interior Department, like other departments, seldom acts upon these matters until its attention has been called to them by other parties who are interested.

Mr. RAKER. That is true.

Mr. MANN. But if you have competition, then there are other people interested, and that is the reason, I think, there ought to be enforced competition. Therefore I favor the amendment. I do not believe this House ought to create a monopoly, as this would do.

Mr. FERRIS. Mr. Chairman, I do not think the question of monopoly plays such a rampant part as has been indicated here, and I personally do not think any part of the gentleman's amendment ought to be adopted. I think it ought not to be adopted for the good, sufficient, and sane reason offered by my colleague on the committee, the gentleman from Illinois [Mr. THOMSON]. Undoubtedly the Secretary ought to have the authority to keep the power company from selling all of the power to one concern, to the detriment of others, but at the same time the Secretary of the Interior ought to have the power to permit the power company to sell 55 per cent or 60 per cent or a hundred per cent to a concern, if there were no other demand for the power and the public interests required it. Suppose that in a given community 100,000 horsepower were generated at a given dam. Suppose a city or a municipality was the main market for that power, and that it would require 60 per cent of that power to light the city. Suppose 30 per cent only were required for carrying on irrigation and the necessities of the local community. Does anyone really think in all such cases Congress should be troubled with special bills. Such cases are entirely probable, such cases will surely arise, and the first thing they will be compelled to do is to run to Congress and secure legislation that ought to be included here.

Suppose the city needed, as I said, 55 per cent of the power generated at a given dam. Suppose there was no market at all for the rest of it. Congress would be confronted with a special bill authorizing the Secretary of the Interior to sell to that city, or rather, authorizing the power company to sell to that city 55 per cent of the power, while the rest is going to waste. I think if we want to add anything that would really affect monopoly you might incorporate in section 2 that the Secretary shall do so only when the public interest would be subserved thereby. I find that some such suggestion was made in the hearings by Mr. Pinchot, although he thought that 50 per cent was a good one. On page 140 of the hearings, if you have them before you, you will find the following:

Mr. PINCHOT. I have no definite suggestion to make, but I think it ought to be considered, because they are frequently in a position to discriminate between consumers, and often do, especially between large and small consumers—and often with good reason; sometimes, also, without good reason—and it might be practicable to make that clause read, "regulation and control of service and charges for service to consumers without unfair discrimination."

Now, there would be a reason for the incorporation of such an amendment as that, and that would undoubtedly take care of any suggestion, even the one the gentleman from Illinois [Mr. MANN] makes, and to put the Secretary in a position where he could not permit the power company to sell 51 or 55 per cent would be an unworkable proposition and would bring in a lot of special bills, and it would be a just criticism against the workability of the bill and really would not accomplish anything good for anybody.

Mr. MILLER. Will the gentleman yield for a question?

Mr. FERRIS. If the gentleman will permit me to read further from the hearings:

The CHAIRMAN. There is a little attempt to do that in line 20, you will observe, Mr. Pinchot, in the preceding section 2, inasmuch as we did limit it to not more than 50 per cent of the total output.

Mr. THOMSON. Will not the whole situation be comprehended in the wording, "regulation and control of service"?

Mr. PINCHOT. Yes; I think so. I merely wanted to bring the thought up. I am not clear that it ought to go in.

Mr. JOHNSON of Washington. Will the gentleman yield?

Mr. FERRIS. I do.

Mr. JOHNSON of Washington. Do I understand that is by Mr. Pinchot?

Mr. FERRIS. It is.

Mr. JOHNSON of Washington. Is it Mr. Pinchot of Pennsylvania, or Long Island, N. Y., or Washington?

Mr. FERRIS. I think the gentleman perhaps knows better where Mr. Pinchot lives than I do.

Mr. JOHNSON of Washington. I simply want to say if he conserves electric energy as well as he conserved the forest reserves of the State of Washington, he will put us all in bondage for a thousand years without a wheel turning.

Mr. FERRIS. I know my good friend from Washington does not agree with the policy of Mr. Pinchot relative to the Forestry Service. This is not a question as to whether the Forestry Service should be maintained and kept going as Mr. Pinchot wants it to be, neither is it a question of destroying the forest reserves, as the gentleman wants to; but, on the contrary, it is a question of trying to develop the water power in the West. Let me say to the gentleman from Washington, so far as I am concerned, any odium that comes on Mr. Pinchot at his hands, or to any other man of any party who has given such careful, painstaking thought to this question, shall not deter me from carefully gathering information from him where it is helpful. Mr. Pinchot has given patriotic attention to this question. His views are generally pretty well received in this House.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FERRIS. Mr. Chairman, I ask unanimous consent to proceed for a minute in order to answer a question by the gentleman from Minnesota.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma? [After a pause.] The Chair hears none.

Mr. MILLER. As I understand, from provisions of the bill elsewhere than in this first paragraph, the Secretary of the Interior is to be clothed with power to make rules and regulations incident to the lease, sale, and so forth, of the power generated by these projects?

Mr. FERRIS. That is true; but he is given that power in the first section.

Mr. MILLER. If that be true, what additional power does he receive from the last part here, where it says he "may" do so and so?

Mr. FERRIS. I assume they are working under rules and regulations. I do not believe that is vital, but I will say that the irrigation people out in the West and one of the Senators from the West thought there ought to be a positive limitation against the selling of all of the power produced to one concern, and that was incorporated in the bill at their suggestion. If you force the Secretary to do an arbitrary, harsh thing, and if, as a matter of fact, the irrigationists needed 35 per cent of the power or the city or municipality needs 55 or 65 per cent, it would bring back on us a lot of special bills that this House is overridden with now. We of the committee thought we ought to make it emphatic that the Secretary should have a little discretion whether he should or should not allow the 50 per cent, or rather more than 50 per cent, to be sold to one concern. It is impossible to escape giving the administrative authority some discretion, some laxity; otherwise we have a bill that looks good, but is ponderous and not workable. We want the rights of the public carefully preserved, but we want a razor that will shave also.

The CHAIRMAN. The time of the gentleman has again expired. The question is on the amendment offered by the gentleman from Wisconsin.

The question was taken; and the Chairman announced the ayes seems to have it.

Upon a division (demanded by Mr. FERRIS) there were—ayes 17, noes 12.

So the amendment was agreed to.

Mr. MONDELL. Mr. Chairman, my amendment proposes to strike out all of section 2, after the word "conditions," in line 16, and I am quite sure that the gentleman on the other side not approving the amendment that has just been adopted will vote to strike out that part of the section. This discretion attempted to be lodged with the Secretary of the Interior would very likely be abused. What is there sacred about the division in half? If the company should not be allowed to sell over 50 per cent to one consumer, why should it be allowed to sell either 40 per cent or 35 per cent or 49 per cent or 47½ per cent to any one consumer? The fact is that under the laws of a number of States there are preferences in the matter of water diversion, and the highest preference is for the use of water for domestic and municipal purposes or for the development of power to be used for domestic and municipal purposes, and if a water right were granted purely for domestic or municipal purposes or for the development of power to be used by municipalities, the Secretary of the Interior clearly could not be given the right to say that the power should not be used for that purpose.

But if some one should desire to build a great plant in the mountains, far from any other present demand for water power, for the purpose of extracting nitrogen from the atmosphere, they could not do so under this provision unless they could get the Secretary of the Interior to let them use their own water power for the purposes for which they developed it.

Out yonder in the West we have a great deal of phosphate rock, and we hope to have water-power development for the purpose of manufacturing this rock for use as fertilizer. If the company or individual developing it could not use all of its water power for that purpose, they probably would never undertake the enterprise.

But the most objectionable part of this whole matter is that it proposes and lays down a rule of law under which it would preclude a public-service commission from compelling the sale of power to a number of users. You fix the sacred amount of 50 per cent and you have given the Secretary of the Interior authority beyond that amount, and by so doing you have fixed the right in the power company without regard to any powers of public-utility commissions. You give the corporation the right to sell at least 50 per cent to one consumer without regard to other demands in the community. One great objection to it is that we have not the power to do it. The other is that we ought not to do it if we had the power. These matters are entirely under the control of public-service commissions. They have the right not only to fix the rate but to make rules with regard to the utilization of the current, and yet we propose first to say that the commission shall have no authority up to 50 per cent, and beyond that the authority shall rest with the Secretary of the Interior down here, and the State public-utility commission shall have nothing to say about it.

The CHAIRMAN. The time of the gentleman from Wyoming [Mr. MONDELL] has expired.

Mr. THOMSON of Illinois. Mr. Chairman, I know, at least so far as I am concerned, that the gentleman was incorrect in his first supposition, namely, that having voted against the amendment offered by the gentleman from Wisconsin [Mr. STAFFORD] we were now all prepared—those of us who opposed that amendment—to support his amendment. I believe the proposition involved in the amendment offered by the gentleman from Wisconsin was not a good thing. I believe that that which is involved in the amendment offered by the gentleman from Wyoming [Mr. MONDELL] is worse, for if that amendment were to prevail it would then certainly mean that a concern could develop a water-power site and sell all of its power to one consumer or not as it chose—as far as this bill is concerned at least—unless there might be some rule or regulation of a State commission, or something of that kind, that could reach the case. That might be true in some States and might not be true in other States. I believe there should be some proposition in this bill along the lines of this section. If it must be a mandatory one, such as provided by the amendment offered by the gentleman from Wisconsin, I would rather have it than to have nothing in there at all. It seems to me it would have been much better to have permitted the Secretary of the Interior to regulate this proposition as the facts of each case might demand. It seems to me there is too much fear being expressed here about lodging too much power in the hands of the Secretary of the Interior. Right along that line I would like to call the attention of the committee to some testimony that was given before our Committee on Public Lands, and to a remark made by Mr. Pinchot.

Mr. JOHNSON of Washington. Will the gentleman yield for a question?

Mr. THOMSON of Illinois. Yes.

Mr. JOHNSON of Washington. Is this Mr. Pinchot, of Pennsylvania, New York, or where?

Mr. THOMSON of Illinois. I decline to yield further. The gentleman knows very well to whom I am referring.

Mr. MURDOCK. Of the United States of America.

Mr. JOHNSON of Washington. Of the United States of America? I did not hear distinctly. Is it Amos or Gifford?

Mr. BRYAN. You will meet him over in the Senate after March 4.

The CHAIRMAN (Mr. HAY). The gentleman from Illinois declines to yield further.

Mr. JOHNSON of Washington. Mr. Chairman, I desire to make the point of order that there is no quorum present.

The CHAIRMAN. The gentleman from Washington makes the point of order that there is no quorum present. The Chair will count. [After counting.] Sixty-nine gentlemen are present, not a quorum, and the Clerk will call the roll.

The roll was called, and the following Members failed to answer to their names:

Aiken	Dixon	Howard	Metz
Ainey	Dooling	Hoxworth	Montague
Anthony	Driscoll	Hughes, Ga.	Moon
Aswell	Dunn	Hughes, W. Va.	Moore
Austin	Eagle	Hulings	Morgan, La.
Baker	Edwards	Igoe	Morin
Baltz	Elder	Johnson, S. C.	Mott
Barchfeld	Esch	Jones	Murray, Okla.
Bartholdt	Estopinal	Kahn	Neeley, Kans.
Bartlett	Fairchild	Keister	Neely, W. Va.
Beall, Tex.	Faison	Kennedy, R. I.	Nelson
Bell, Ga.	Fields	Kent	Oglesby
Borland	Finley	Key, Ohio	O'Leary
Broussard	Flood, Va.	Kinkead, N. J.	O'Shaunessy
Browne, Wis.	Fordney	Kirkpatrick	Padgett
Browning	Foster	Knowland, J. R.	Palmer
Brumbaugh	Francis	Konop	Parker
Bulkley	Frear	Kreider	Patton, Pa.
Burke, Pa.	Gard	Lafferty	Payne
Butler	Gardner	Langham	Peters
Byrnes, S. C.	George	Langley	Peterson
Callaway	Gerry	Lazaro	Phelan
Campbell	Gill	Lee, Ga.	Platt
Cantor	Gillett	L'Engle	Plumley
Carlin	Gittins	Lenroot	Porter
Carr	Glass	Lesher	Post
Casey	Godwin, N. C.	Levy	Powers
Chandler, N. Y.	Goeke	Lewis, Pa.	Ragsdale
Church	Goldfogle	Lindbergh	Rainey
Clark, Fla.	Graham, Ill.	Lindquist	Reilly, Conn.
Collier	Graham, Pa.	Linthicum	Riordan
Connolly, Iowa	Griest	McAndrews	Roberts, Mass.
Conry	Griffin	McClellan	Rothermel
Covington	Guernsey	McGillicuddy	Rubey
Cramton	Hamill	McGuire, Okla.	Rupley
Crisp	Hamilton, Mich.	McKenzie	Sabath
Crosser	Hamilton, N. Y.	Madden	Saunders
Dale	Hardwick	Mahan	Sherley
Danforth	Harris	Maher	Sherwood
Decker	Hayes	Manahan	Shreve
Dickinson	Henry	Martin	Sinnott
Dies	Hobson	Merritt	Slemp

Small	Stephens, Tex.	Vollmer	Whaley
Smith, Md.	Stringer	Walker	Whitacre
Smith, Saml. W.	Switzer	Wallin	White
Smith, N. Y.	Talbott, Md.	Walsh	Willis
Steenerson	Townsend	Walters	Winslow
Stephens, Miss.	Treadway	Watkins	Woodruff
Stephens, Nebr.	Underhill	Weaver	

Thereupon the committee rose; and the Speaker having resumed the chair, Mr. HAY, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee having had under consideration the bill (H. R. 16673) to provide for the development of water power and the use of public lands in relation thereto, and for other purposes, and finding itself without a quorum, he had caused the roll to be called, whereupon 236 Members answered to their names, and he presented a list of absentees for printing in the RECORD and Journal.

The SPEAKER. A quorum is present. The committee will resume its sitting.

The committee resumed its session.

The CHAIRMAN. The gentleman from Illinois [Mr. THOMSON] is recognized.

Mr. THOMSON of Illinois. Mr. Chairman, when my friend from Washington [Mr. JOHNSON] made the point of no quorum I was about to quote a remark made by Mr. Pinchot in the hearings on this bill had before the Committee on the Public Lands. I presume my friend from Washington felt that the views of Mr. Pinchot on a subject of this kind were of such importance that they should be heard not only by him and others in the House at that time but also by as many as could be brought into the House by a roll call, and therefore he raised the point of no quorum.

Mr. Chairman, the remark that I wished to quote referred to the question of giving power to an executive officer. A great deal has been said in the debate back and forth upon the amendments to this bill to the effect that we are giving the Secretary of the Interior too much power. On that question Mr. Pinchot says:

> You can never give an executive officer authority to do good work without giving him at the same time enough power to do bad work.

If the authority that we propose to give to an executive official is going to put enough power in his hands to make it possible to do bad work, I think that fact in and of itself is no argument that we should not give him that authority where it is essential that he should have it if he is going to be put in a position where he can do good work; and I think, with reference to the subject matter of section 2, to which the pending amendment relates, that it is essential to give the authority which that section purported to give the Secretary of the Interior in its original form.

Now, the amendment pending, offered by the gentleman from Wyoming [Mr. MONDELL], would strike out of section 2 everything after the word "conditions," in line 16, page 3; and, if you do that, it simply means that, so far as Federal regulation is concerned, a company that develops a water-power site and sells power will have the right and authority to sell all of the power which it generates to one consumer, and it should not have the opportunity of doing anything of that sort, except in proper cases, where it will result in no harm to any other consumer or applicant for the electricity.

There may be instances where it would be perfectly proper for the company to sell all the power which it generates to one consumer. There may also be instances where the lessee should have no such right, in spite of what my colleague from Illinois [Mr. MANN] says. And, by the way, I am sorry that my colleague stated that I was speaking for monopoly. I was not, and I am sure that he does not believe that I was. I think what he meant to say was that the language I was contending for in section 2, and which I have alleged would operate against monopoly, would, in his judgment, have the opposite effect and operate for monopoly. It is simply a difference in the views we entertain as to the effect of the language. My contention is that it would operate against monopoly.

The amendment which has been adopted, and which was offered by the gentleman from Wisconsin [Mr. STAFFORD] makes it mandatory that in every lease issued under this bill there shall be a provision inserted to the effect that the lessee shall at no time contract for the delivery to any one consumer of electrical energy in excess of 50 per cent of the total output.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. THOMSON of Illinois. Mr. Chairman, I ask unanimous consent to proceed for three minutes.

The CHAIRMAN. The gentleman from Illinois [Mr. THOMSON] asks unanimous consent to proceed for three minutes. Is there objection?

There was no objection.

Mr. THOMSON of Illinois. Now, that amendment, which was suggested by the gentleman from Wisconsin [Mr. STAFFORD] and which has been adopted, will simply mean this: Where there is a municipality in the vicinity of a water-power site that wants to avail itself of the power, and where there are, let us say, other possible consumers, consisting of different manufacturing concerns, and where the municipality would like to get 75 per cent of the power and could use that much, and where these four manufacturing concerns only wish to apply for 5 per cent each, it would mean that, of the 100 per cent possible in that water-power site, 50 per cent will go to the municipality, because under the bill, as amended by the amendment of the gentleman from Wisconsin, it can get no more, and 5 per cent will go to each of the four manufacturing concerns and the other 30 per cent will go to waste; and if the company develops that power to its capacity, it will simply mean that it will sell only 70 per cent and throw away the other 30 per cent.

Mr. SMITH of Minnesota. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Illinois yield to the gentleman from Minnesota?

Mr. THOMSON of Illinois. Yes.

Mr. SMITH of Minnesota. I notice that in section 2 of the bill the amount of power to be sold to one concern is limited to 50 per cent, to be generated from a single plant?

Mr. THOMSON of Illinois. Yes.

Mr. SMITH of Minnesota. I notice in section 3 that provision is made for the physical combination of different plants.

Mr. THOMSON of Illinois. Yes.

Mr. SMITH of Minnesota. When you combine several plants, how are you to tell whether you sell more than 50 per cent from any particular plant?

Mr. THOMSON of Illinois. You can not; but the provision of the section to which the gentleman calls attention, for the tying in of different plants, is a purely temporary proposition, and is designed to take care of emergencies, where one plant is broken down, either in whole or in part, and where, to serve the people whom it is serving, it must have help from some plant that is near by, and must have facilities for tying in for the time being.

Mr. SMITH of Minnesota. My understanding of the theory of permitting plants to combine is to permit them to render assistance to each other all the time, so that they could take care of different classes of patrons more economically than they could if they were compelled to remain separate.

Mr. THOMSON of Illinois. My understanding of the provisions is not the same as that of the gentleman from Minnesota. I do not believe that is the intention or the effect of the section to which he calls attention. I trust the amendment which has been offered by the gentleman from Wyoming [Mr. MONDELL] will be voted down. If it is not, any lessee, under the bill, will have the right at any time to sell all of its power, or 100 per cent of its lighting facilities to some one consumer, to the exclusion of any other applicant who may wish for power or light, or apply for it, which, I think, ought not to be.

Mr. HUMPHREY of Washington. Mr. Chairman, I move to strike out the last word. I listened with a great deal of pleasure to the quotation made by the gentleman from Illinois [Mr. THOMSON] from Mr. Gifford Pinchot, and the plea he was making that you have to give these gentlemen power to do evil in order to give them power to do good. I was wondering what was the matter with that distinguished gentleman, Mr. Pinchot, when he was at the head of the Forestry Bureau. I find that Mr. Gifford Pinchot was appointed June 21, 1898, Chief of the Bureau of Forestry, Department of the Interior, and from the time that he accepted that position and became the recognized authority upon forestry in this country until the time he went out of power after President Taft was elected the railroads of this country stole over 2,000,000 acres of the public domain; and I challenge any man upon either side of this House to point to a single word or a single sentence that Gifford Pinchot ever uttered in the way of protest against that steal. My distinguished friend from Kansas [Mr. MURDOCK] stood upon the floor of this House a few months ago and denounced that transaction of the Santa Fe Railroad and of the Northern Pacific Railroad as a steal and a public outrage; yet when it all occurred Gifford Pinchot was at the head of the Forest Service. Why did he not protest? When the Santa Fe Railroad exchanged 1,200,000 acres of land in the forest reserves in Arizona, worth by their own estimate from 15 to 25 cents an acre, and received an equal number of acres, some of it the best-timbered land in the United States to-day, worth $200 an acre, where was Gifford the Good? Where was Pinchot, that he did not see these steals and protest against them? They

have attempted to excuse him on the ground that he did not have authority. Did he have too much authority then or not enough?

Mr. THOMSON of Illinois. Not enough.

Mr. HUMPHREY of Washington. Very well. Then they moved him up and gave him more authority, after they transferred that bureau over to the Agricultural Department. They transferred it over to the Agricultural Department in 1905. They increased the power of the distinguished Mr. Pinchot. Then what occurred? Then he no longer kept silent, but actively assisted the railroads to secure the timbered lands of the United States. The Northern Pacific Railroad out in Montana had 240,000 acres of practically worthless land; it was included in a forest reserve, with Mr. Pinchot's help, and with his assistance that worthless land was exchanged for an equal number of acres, some of it the best timbered land yet remaining on the public domain. Some of this land was in my own State. Did he not have power enough then? How much more power do you want to give these bureau chiefs? He did not have power enough to open his mouth and tell the public of these gigantic frauds. Why did he not protest? I am getting a little bit weary of constantly parading this great patriot here before this House as somebody whose advice is to be followed above all others upon any subject under the sun, at least until some friend of his can stand upon the floor of this House and explain his transactions. Nobody denies these steals. Everybody in the United States knows that this was a fraud upon the Government, the worst in our history. Nobody will deny that during the time that Mr. Pinchot was at the head of the Forestry Service more of the forest land was stolen in this country by the railroads than in all the rest of the years in our history combined. Now let some man stand up here and put his finger upon some protest that Gifford Pinchot made against that steal by the railroads. It was his duty to speak. He was in office. He kept silent; and a man who will not speak when it is his duty to speak is just as guilty as if he helped to assist in the transaction. During the time that Mr. Pinchot was connected with the Forest Service, when he was the one man that the public was lead to believe was protecting the forests upon the public domain, the railroads practically stole more than 2,000,000 acres, without one word of protest from Mr. Pinchot, who then, as now, posed as the special, self-appointed guardian of the people. Why did he keep silent? Other officials protested vigorously. Why did he say nothing? Having kept silent then, when an official, why does he have so much to say now, when a private citizen?

Mr. FERRIS. Mr. Chairman, I ask unanimous consent to close debate on this amendment at the expiration of 7 minutes, 5 minutes of which will go to the gentleman from Washington [Mr. BRYAN].

Mr. JOHNSON of Washington. I should like five minutes.

The CHAIRMAN. The pending amendment is to strike out the last word.

Mr. FERRIS. I take it that that is withdrawn, and the real amendment is the amendment of the gentleman from Wyoming [Mr. MONDELL]. On that I ask unanimous consent to close debate in 20 minutes, 5 minutes of which will be controlled by the gentleman from Washington [Mr. BRYAN], 5 minutes by the gentleman from Washington [Mr. JOHNSON]——

Mr. MILLER. Mr. Chairman, I intended to offer the exact amendment that the gentleman from Wyoming [Mr. MONDELL] offered, and upon that I desire to address myself.

Mr. MONDELL. The gentleman need not reserve any time for me. I do not desire any time. [Applause.]

Mr. MILLER. We might as well discuss these things here now.

Mr. FERRIS. How much time does the gentleman require?

Mr. MILLER. I presume I shall need 15 minutes.

Mr. FERRIS. I ask unanimous consent to close debate on this amendment and all amendments in 30 minutes. It has been debated an hour already.

The CHAIRMAN. The gentleman from Oklahoma asks unanimous consent to close debate on the section and all amendments thereto in 30 minutes. Is there objection?

There was no objection.

Mr. BRYAN. Mr. Chairman, nearly an hour ago, when the name of Gifford Pinchot was mentioned, my colleague from Washington, Mr. JOHNSON, gagged, and then he got up and asked a question. He did that twice; then he made the point of no quorum. The name of Mr. Pinchot seemed in some way to gag the gentleman. A few minutes after the roll call my other colleague from Washington, Mr. HUMPHREY, arose and let it be known that the name of Pinchot had gagged him also.

Mr. Pinchot or any other public man in this country who has been associated with the timber and the Forestry Service does not need defense when the gentleman from Washington, Mr. HUMPHREY, is his accuser. The gentleman from Washington, Mr. HUMPHREY, out on the stump in the State of Washington and in this House at every opportunity has defended the Ballinger plan of handling the public domain and has praised Secretary Ballinger at every opportunity. The gentleman has been a Member of this House for 12 years, while all these steals which he talks about were carried on. He ought to be the last man to talk about the particular individual who stopped him and his colleagues, who stopped these timber looters, who were among the very men in the State of Washington who were keeping my colleague here in this House by backing him in political meetings and nominating him in Republican conventions and indorsing him at every opportunity they ever had to indorse him.

Here is what my colleague, Mr. HUMPHREY, in 1910 thought about Mr. Ballinger and his land policy, who, as Secretary of the Interior, found it entirely impossible to put into operation his ideas on these questions because of the storm of public opinion against those ideas and policies:

> I believe in the integrity and the ability and the grim courage of Secretary Richard A. Ballinger. I believe he is right. I believe he is doing his duty. I believe he is fighting the battle of the great West. He is an honor to his State and to his country.

Is it any wonder he does not believe in Gifford Pinchot? Nobody ever accused Mr. Pinchot of believing in Secretary Ballinger. However, Mr. Pinchot has never assailed Mr. Ballinger's integrity, nor do I. It is unfortunate and unjust for anyone to do that. I say that a personal sense of his own dereliction ought to make him the last man to censure the men who stopped those who would loot the public domain. He did not try to stop it. A short time ago, when he was discussing this matter, I interrogated him as to whether he attempted to do anything to interfere with it by introducing any bill, but his voice was then and has been all along as silent as the grave. But now, to-day, "Hark, from the tomb there comes a doleful sound," and we hear him railing and casting out aspersions against the man who interfered with the very things that made the "good old days" of the State of Washington possible. Those things were done and the public domain was looted, as the gentleman knows, through legislative enactment. In pretty nearly every case laws passed through this House, voted for by Members from the State of Washington, sent here by the Republican Party, made possible great thefts that were committed. The gentleman from Washington, Mr. HUMPHREY, has never introduced a bill to stop it.

And so my colleague from the timber district of southwest Washington, Mr. JOHNSON, rises on the floor and his heart aches, simply aches, when he thinks of the great Indian reservation, the Quinaielt, and sees a lot of timber that has not got a Weyerhaeuser fence around it. [Laughter.] When he walks along and in his imagination sees a Weyerhaeuser fence he is happy, but when he comes to the end of the lane and casts his eyes through that splendid virgin timber of the Northwest, the most valuable in this country, held by the Government of the United States, held by the public who live in the State of Washington, then is the time that he sets up a howl, and then is the time he begins to filibuster. When these matters are forced upon his attention you hear him railing and talking of the men who have caused the reservations to be made.

The statement that Mr. Pinchot is responsible for the lieu-land selections by the railroads and the timber barons or the robbing of the public domain are as false as any statement that could possibly emanate from any gentleman on the floor of this House. It is well known that Gifford Pinchot is specially desirous of preserving the public domain, and has been called a dreamer, an eccentric, and all that kind of a thing by his enemies. Everybody knows that he has not participated in the lootings, but that he has been the barrier in the way of these men when they wanted to do the looting.

My colleague knows as well as he knows his name that he is associated politically and in every way with the very men that got that timber. He knows very well that he has never fought them, and he knows that he would not fight them now if there was any chance of their getting any more timber. [Laughter.] It is absurd and ridiculous for him to try to make capital in attacking the man who was the very foundation and source of the influence and legislation that prevented and stopped the lootings that he tries to make capital of.

Now, the gentleman from Washington, Mr. JOHNSON, came down here as editor and manager of the Home Defender, a paper that raises all kinds of war whoops about saving the flag. [Laughter and applause.] He says now he has parted with that paper.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. BRYAN. Mr. Chairman, I should like three or five minutes more.

The CHAIRMAN. The gentleman from Washington asks unanimous consent to proceed for five minutes. Is there objection?

There was no objection.

Mr. BRYAN. Mr. Chairman and gentlemen, I am willing to give way to a crook. I am willing to give way to a man who is wrong, essentially wrong, and does not deny it, does not claim to be anything else, who has no subterfuge. I do not want it understood that I am applying that term to the gentleman from Washington; but I do despise a faker, a make-believe, a sham, and I do apply that to the gentleman from Washington, Mr. HUMPHREY, because his speech here is an absolute fake. Every time the subject comes up these gentlemen come in here, bitter foes of the procedure that is going on. Now, it is very strange to me that men that are known as friends of forestry do not raise any complaint against Mr. Pinchot.

These gentlemen started a legislative program against the Forest Service. The gentleman from Washington, Mr. HUMPHREY, when the Agricultural bill was up, moved to strike out the Chugach National Forest. He had already submitted a resolution for an investigation of the Forest Service, and it had gone to the State of Washington and in certain standpat papers had been widely advertised. They said he had fired "his second gun in his comprehensive attack against the Forest Service." Tremendous advertising was given in all the old Republican Ballinger papers out there. What was the result? When they reached the final vote on his motion for the elimination of this reserve, the one most criticized of all which they planned to get rid of, because it had the most valuable coal within it, he got three votes—one was the gentleman from Pennsylvania, Mr. MOORE, and the other was his colleague, Mr. JOHNSON. Three votes! That was his following, his indorsement. The gentleman from South Carolina [Mr. LEVER] insisted on a division, so as to demonstrate how many there were who would sustain or support him. That was the comprehensive attack; that was the big thing that the papers out there had advertised. He has not made another attempt to get a vote to this day.

Now, I want to call attention of the Members of the House to the fact that the remarks of my colleague will probably be flashed over the wires to the standpat papers in the State of Washington, and it will be said that Mr. HUMPHREY just chastised Mr. Pinchot to a turn on this floor, and very likely attempts will be made to make the impression that it was all done with the approval of the House. But when it comes to votes, they will get no indorsement of their propositions. I am convinced that my suggestion that this is downright faking is true and that the Members of this House believe it. [Laughter and applause.] My colleague, Mr. JOHNSON, came down here obsessed with the idea that the flag was about to be destroyed, or something of that kind.

He founded the Home Defender. He now says that he has given it away, but it is still run by the Home Defender Co., founded by him, and I understand the same agents of the gentleman are involved in the paper now as were when he brought it here originally; and if I am wrong in that I am subject to correction. Here is one of the things published in that paper in April, 1914:

> The fact is that neither I nor my associates believe in labor unions as they are generally conducted. They profit at the expense of the unorganized; they blackmail legislators and create demagogues in and out of office; they help the lazy and inefficient at the expense of the efficient and industrious, etc. But our serious objection is to their lawlessness and their attempt to raise themselves above the law and law-abiding citizens.

My colleague, Mr. HUMPHREY, condemns the Secretary of State for his blundering stupidity, and the inane President, and all that kind of thing; and as he does that, so my colleague, Mr. JOHNSON, condemns the public men. He railed about the Vice President of the United States, he railed about Jane Addams, and he railed about Secretary Bryan, and associated them all together with Bill Haywood, the I. W. W. leader.

What are we to conclude about this? Are you gentlemen going to conclude that the people of the State of Washington are in accord with that kind of ideas and those suggestions? I say they are not. Gifford Pinchot went out there recently, and he was announced to be at the Commercial Club. I was there as one of the members of the audience, and I testify to the Members of this House that the people could not get in to hear him. He had another meeting at another place, and that was crowded; and when MILES POINDEXTER ran for the United States Senate, having fought Mr. Ballinger and his ideas, and having gone to Alaska with Gifford Pinchot and associated with him in the work he was doing, MILES POINDEXTER, although he lived in the wrong part of the State at that time, geographically, nevertheless was elected by a tremendous majority, carrying all of the State except one county, as I remember it.

When Mr. Roosevelt came to ask for a vindication of his policies and ideas he won by 50,000 votes over Mr. Taft and some 20,000 votes over Mr. Wilson. So I say to the Members of this House, you are not to be misled by the fact that two of my colleagues continually hound conservation, and they do it in the meanest way in the world. The worst kind of a lie is half a lie, and when you put a half truth in it you make it a worse kind of a falsehood than it would be if it were all false. Now, then, in their attacks on the forestry conservation they say, "We believe in conservation, we believe in conservation, but we hate the Pinchot brand," and that is where they fake and practice make-believe on the floor of this House. Their attacks are inconsistent and are entirely unworthy of consideration. They do not believe what they say themselves.

Under my leave to print in the RECORD I insert the following, being some more of the article I read from in debate, giving the mission of this Home Defender, founded by my colleague, Mr. JOHNSON, and known by all who know Mr. JOHNSON very well to be the very apple of his eye. He loves the paper and is devoted to its mission:

> However, at the present time we conceive it is not a part of our propaganda to fight labor unions or unionism as such.
>
> Below them, in the lowest or next to the lowest strata of our society, is developing a spirit far more dangerous to our institutions, to our form of government, and to our industries, than the labor unions. We refer to the revolutionary socialists typified in the organization known as the I. W. W. These recruits from below, criminals who think to masquerade as workingmen without employment, and, retaining their vicious tendencies, to find opportunities to exploit them under cover of an organization and to commit crimes en masse; or from above—labor unions—the discontented, and generally worthless, who fall from the ranks.
>
> Between these revolutionary socialists and the general public are the labor unions.
>
> To destroy them would merely bring society face to face with the revolutionary socialists, whose ranks would be immensely swelled by accessions from the disrupted unions.
>
> As the especial mission of the Home Defender is to oppose revolutionary socialism, and as we seek support on that basis, we feel that we should devote our efforts primarily to that end.
>
> We have no objections to others fighting the labor unions from top to bottom and on every proposition—but that is not our job as we see it. No one gives us any support on that ground, and we feel we would be biting off considerably more than we could conveniently masticate if we attempted to buck the labor unions single handed.
>
> The Home Defender Co. has no affiliations or relations with employers or associations of employers which would guarantee us support in such an undertaking. On the contrary, should we attack the labor unions as such we would merely invite much trouble for us personally and be left to foot the bills.
>
> We are none of us men of means and have no factories to be burned or other property to be destroyed; the Home Defender is not a money-making institution, and probably never will be. Therefore, when actuated by patriotism and a desire to do good we give our time freely and make up the deficit from our private funds we feel that we are doing all that could be expected without departing from our path to attack the labor unions.
>
> We have neither the time nor the inclination nor the sinews of war for such a task.
>
> On the other hand, we have no fear of them when they are in the wrong. When they are captured and captained by the revolutionary socialists, when they violate the law, when they commit violence, or when they seek immunity from the laws which apply to other classes, we shall not hesitate to condemn them unsparingly.
>
> Personally, while not denying the right of workingmen to organize any more than employers or professional men, we are in favor of the "open shop," and if we ever acquire proper support we would like to make the Home Defender a great "open-shop" newspaper. Published at the National Capital, it would be very effective.

This article is signed by Mr. JOHNSON'S close personal friend and original associate in this Washington enterprise, Mr. William Wolff Smith, secretary-treasurer of the Home Defender Co.

Under my leave to print I am inserting the following article taken from the Home Defender of April, 1914:

A LOSING FIGHT IN COLORADO—UNITED MINE WORKERS HAVE LOST OUT AND ARE HEADED STRAIGHT FOR THE ROCKS.

That outlaw schooner "United Mine Workers" is tossing about in deep water and headed straight for the rocks, says the Trinidad (Colo.) Chronicle-News. The melancholy days have come for the strikers in Colorado. The prospect of a settlement is more remote than ever. It is the beginning of the end of the battle for recognition.

The coal miners of Colorado have been idle since September 23. The courage of the once boastful leaders is waning. The rank and file of the army of strikers are growing dissatisfied. They are realizing the hopelessness of the struggle. They see no chance for victory. In other words, it is "all off" with the "cause."

The miners of the East are getting tired of supporting the hopeless industrial conflict in district No. 15. They have been taxed and assessed to that point where they feel they can no longer stand it. There is strong talk now of voting against a proposition to "dig up" heavier assessments which are a drain on the purses of the miners in these other fields.

This dissatisfaction and unrest has been growing for some time. The international organization has apparently reached that point where it

can not much longer finance the strike, and the appeals for aid are not meeting with favorable response.

The men on strike are discouraged. They are refusing now to swallow the glowing promises of union leaders who have not made good in their previous predictions. Day by day they see the coal coming out of the mines and know that their places have been taken by men who will work and who are not under the thumb of agitators and would-be leaders. They realize the outlook for success is not promising. A great majority of them would go back to work within 24 hours if they were not afraid of the "black hand" that is held over them. They would sooner be a live striker on $3 a week than lie on a slab in the morgue.

The high officials of the United Mine Workers of America are convinced that the organization has conducted a losing fight in Colorado. They know it, but will not admit it, and are whistling to keep up their courage. Vice President Frank J. Hayes knows it and discreetly keeps away from the strike zone. The men on strike know it. The people who view conditions by and large know it. The only thing left is for the union leaders to howl and scream and vilify and condemn officers of the law, pass resolutions, and send telegrams to Congressmen, and, as Gov. Ammons has said, "lie and misrepresent facts."

Under my leave to print I extend the following articles from the Home Defender of June, 1914:

WILL THE NATIONAL HOUSE OF REPRESENTATIVES YIELD TO ORGANIZED LABOR?—ORGANIZED LABOR'S SCORNFUL DEMANDS ON LEGISLATORS—SEEKS EXCLUSIVE PRIVILEGES AT HANDS OF CONGRESS THAT WOULD LEGALIZE THE "PEACEFUL PICKETING" OF THE COLORADO COAL FIELDS—EVERY MAN'S HOME HIS CASTLE WILL NO LONGER BE TRUE WHEN LABOR UNIONS ARE ABOVE THE LAW—WHAT THE UNIONS SEEK IS CLEARLY SET FORTH IN GOMPERS'S TESTIMONY BEFORE THE HOUSE COMMITTEE ON JUDICIARY—HE SEEKS TO PUT UNORGANIZED LABOR UNDER THE BAN.

Much of the time of every Congress is taken up with bills and discussions on questions relating to labor, and the time of some of the committees is largely occupied in hearing complaints made by organized labor against existing laws, and in listening to their demands that organized labor shall be taken out of the category of those called upon to obey laws as other citizens are called upon to do. At this time there is pending what is called the "omnibus trust bill." It is a bill attempting to treat with every phase of the trust problem. Eight or nine sections are called the labor sections, as they deal with some phase of the labor situation now under the various statutes.

The public generally are especially interested in the several sections intended to limit the power of courts to issue injunctions, but the limitation touches only cases wherein organized labor has an interest, so the limitations may well be said to concern labor only. Injunctive proceedings have been called into activity in labor disputes when some protection was necessary to prevent injury to the property or property rights of the applicant. Property rights include the right to do business freely and without intimidation, and the right of an individual to labor when and where and under such conditions as he might determine.

The pending bill attempts to limit the right of courts to thus come to the relief of those whose property or property rights are endangered except in certain cases. It says that "no restraining order or injunction shall prohibit any person from terminating any relation of employment, or from ceasing to perform any work, or from recommending or persuading others by peaceful means so to do, or from attending at or near a house or place where any person resides or works or happens to be for the purpose of peacefully obtaining or communicating information, or of peacefully persuading any person to work or to quit work, or from ceasing to patronize or to employ any party to such dispute."

Under this vicious section a man's home will no longer be his castle. Before it and around it may gather strikers in any number, under the pretense of seeking information, and the owner or occupant of the house can get no relief, unless he resorts to the shotgun process. Another crowd may gather near his store or other place of business, and advise, urge, and, if needed, threaten those who want to buy or do business; but as long as they do not commit any act of violence they can not be interfered with by the courts. In short, the business man, the employer, the man who wants to work, is denied all relief, but the man who belongs to a labor union can molest, interfere with the rights of everybody else unchecked.

Practically, the bill puts all unorganized labor under the ban. It is not intended to act in the interest of labor as a whole, only such labor as belongs to and is governed by the rules of some union. The Sherman law was aimed at all organizations or combinations acting any way in restraint of trade. It does not single out any branch of business and make it subject to the provisions of the law, but puts all combinations that act in restraint of trade on one common footing. The Clayton bill, now pending, attempts to provide that organized labor may act in restraint of trade to its heart's content and yet be subject to no law.

In the same issue appeared the following:

DEMOCRATS BID FOR LABOR VOTE—AT LAST MOMENT THEY ARRANGE A COMPROMISE WITH GOMPERS AND MORRISON UNDER WHICH THEY HOPE TO HOLD THE VOTE OF ORGANIZED LABOR WITHOUT VOTING AWAY ENOUGH OF THE RIGHTS OF UNORGANIZED LABOR TO LOSE THEM THEIR SEATS—HOW WILL IT WORK?

As this issue of the Home Defender is going to press information comes that the Democrats in the House have agreed with Messrs. Gompers and Morrison on a clause in the antitrust act, which is drawn to give the labor unions exemption from the laws without boldly saying as much. The compromise will suit no one, for if it confers immunity on the labor leaders for dynamiting, insurrection, and anarchy, or the plotting of the same, it will be opposed by every right-minded man; while if it fails to confer such immunity it will mean nothing to the agitators who have sought such exemption. Nothing in the law now prevents such organizations from "carrying out the legitimate objects thereof." What they are after is permission to carry out "illegitimate" objects. However, the compromise is as follows:

"That nothing contained in the antitrust laws shall be construed to forbid the existence and operation of fraternal, labor, consumers', agricultural, or horticultural organizations, orders, or associations, instituted for the purpose of mutual help and not having capital stock or conducted for profit, or to forbid or restrain individual members of such organizations, orders, or associations from carrying out the legitimate objects thereof, and such organizations, orders, or associations, or the members thereof, shall not be construed or held to be illegal combinations in restraint of trade under the antitrust laws."

In further extension of my remarks I insert the headlines which preceded an article in the April issue of the Home Defender, and the gentleman from Washington, Mr. JOHNSON, asserts that these are the people he really founded this paper to get at and to defend the homes of the country from them. Here are the headlines:

I. W. W. raids on churches and anarchistic demonstration in New York originated in the Ferrer School of Anarchy, with the approval of Haywood and Goldman—Revolutionary leaders have seized the opportunity to dramatize discontent with the hope of repeating the Haymarket riots—Mayor Mitchel's passiveness condemned by one of his own men.

Now, I want further to insert a portion of a speech made by my colleague in Congress on April 28, 1913, in which he mentions Vice President Marshall, "Old Hoss" Wayland, Victor Berger, Theodore Roosevelt, Bill Haywood, "the food poisoner" Ettor, and Jane Addams as coworkers, but as, in reality, retarding brotherhood.

I am inserting these articles just to show the membership of this House and the readers of the RECORD that the fact of my colleague gagging when the name of Pinchot is mentioned does not necessarily prove anything.

I hope that the United States will soon return to a tariff wall—a reasonable, rational, expert tariff wall—high enough to guarantee protection, and then I hope that we will reenforce that wall with another protective wall against undesirable immigration.

With the first wall you protect the man who invests his capital, makes the goods, or grows the product, and provides the American standard of living. With the other wall, you protect the man who is on the job—you take care of the foreigners who are here, and you cut down the influx of undesirables from the south of Europe, against whom we have "conserved" all that we used to offer freely to the people from the north of Europe.

Why are we surprised that they begin to hate this country before they can find any reason to love it? Is it any wonder that these serf-born hordes quickly become the dupes and disciples of such vicious agitators as Bill Haywood and his platform of the Industrial Workers of the World—"no concern as to questions of right and wrong; no terms with employers; destruction and bloody revolution"? It will take not only our tariff wall and an immigration wall, but a penitentiary wall to stop this kind of treason.

Why are we surprised? How can we be surprised at the red-flag movement when Vice President Marshall, in an address at New York, undertakes to warn the rich, and only succeeds in striking a note that gives the socialists more sympathy than they have had since their prophet "Old Hoss" Wayland, of the Appeal to Reason, ran afoul of the Mann law and committed suicide, and more good cheer than they ever enjoyed since their disciple, Victor Berger, left Congress and expatriated himself in their eyes by purchasing an upholstered mahogany-finished motor boat.

Roosevelt did not stand at Armageddon. He stood at Chicago and preached near-socialism, almost revolution, contempt for law, and doctrines that lead to destruction.

Haywood waves the red flag at Paterson, N. J., and preaches anarchy and sabotage. Ettor advises the striking waiters to poison the food of the rich. Jane Addams wants pensions for everybody. All are preaching the universal brotherhood of man. All have different motives. In trying to save the country they are doing much to destroy it. They are teaching employees to actually hate those who employ them. They seem to have forgotten that the universal brotherhood must include the 900,000,000 people of China, Japan, and India. In this great progressive wave, will these seething hordes come up to our level or will our 100,000,000 drop to theirs, and when?

My friend, Mr. SISSON, of Mississippi, sees the peril, as his address of this forenoon clearly shows. He speaks his convictions, but I dare, in my weak and humble way, to warn not only the gentleman from Mississippi, but the honorable the Vice President of the United States and the honorable the President of the United States—who by coming on this floor has expressed a desire to take part in this debate—that every time an industry of this country is slaughtered or an American citizen is made to compete with a 9-cent Japanese, that sad day is hastened, for, my friends, the great international brotherhood with its international red flag, with its fatherless and churchless children, with its collectivism and its 57 varieties of impossible dreams, will drag us down ten thousand degrees before it can lift us one tittle. For your attention, I thank you, gentlemen. [Loud applause.]

STATEMENT AMENDED.

Mr. JOHNSON of Washington. Mr. Speaker, I desire to amend the statement of mine in the RECORD of yesterday's proceedings, in the closing of the tariff debate. In the crush attendant on the closing of the tariff debate last night I seem to have permitted a lapsus linguæ, or more strictly speaking a "lapsus pencilibus." I spoke of the noble and generous Jane Addams as desiring pensions for all persons. I meant, instead, to refer to the Member from Pennsylvania [Mr. KELLY], who only yesterday introduced a bill to provide old-age pensions of $10 each for all persons over 65 years.

It was not my desire to criticize either Miss Addams or the gentleman from Pennsylvania [Mr. KELLY], but to show that they, in connection with Vice President MARSHALL; former President Roosevelt; the Industrial Workers of the World leader, Bill Haywood; and the food poisoner, Ettor, are all striving—each with different motives—for the great brotherhood of man, but each one setting back this movement thousands of degrees.

The SPEAKER. Without objection, the correction will be made.

There was no objection.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. JOHNSON of Washington. Mr. Chairman, a few moments ago when the attendance in the Committee of the Whole, which is considering a bill that is most vital in its importance, and concerning which there is much doubt as to what it will produce for the 11 Western States, was under consideration

by paragraphs, the attendance having run down to about 20, I made the point of order of no quorum. As is almost invariably the case when conservationists get together, efforts were made to back up this or that statement by reading from the hearing certain statements of Mr. Gifford Pinchot, whose residence, I believe, is now claimed to be in the State of Pennsylvania. Out West we have had a great deal of hardship and suffering as a result of statements and theories and dream-book observations by Mr. Pinchot. A few days ago reference was made to a conservation congress held in the city of Washington, and as reference was made to that and some quotations from Mr. Pinchot given, I could not help but think that the situation in that conservation congress last winter was the same as in the Halls of Congress here to-day. In that conservation congress, when they were undertaking to pass some water-power resolutions—which, by the way, did not pass—there were present as delegates from the District of Columbia 162 men, from the State of Washington 10 men, from Oregon 8 men, from New Jersey 60 or 70 men, and from New York 120, or something like that. They adopted resolutions telling what future generations shall do with what had been given to our Western States. Almost the same thing is happening here in the discussion of these four so-called conservation bills, for as soon as you get through with this one you will have the ore-leasing bill. I am absolutely astonished and surprised at the attitude of some western Representatives—some of whom were pioneers in those Western States and have helped to build up those States with what was given them in their enabling acts, and under which they urged and invited people to go west and settle with them.

But, Mr. Chairman, since so many are so prone to quote at every opportunity the words of that "great god bud," Gifford Pinchot, I want in opposition to read a few lines from resolutions adopted unanimously by the Third Annual Conference of Western Governors, held in the city of Denver on April 7, 8, 9, 10, and 11 of this year, as follows:

WHAT THE WEST WANTS.

[Resolutions adopted unanimously by the Third Annual Conference of Western Governors held in Denver, Colo., April 7 to 11, 1914.]

We, the members of the western governors' conference, in convention assembled at Denver, Colo., April 7, 8, 9, 10, and 11, 1914, do hereby adopt the following resolutions:

CONSERVATION.

We believe in conservation—in sane conservation. We believe that the All-Wise Creator placed the vast resources of this Nation here for the use and benefit of all the people—generations past, present, and future—and while we believe due consideration and protection should be given to the rights of those who come hereafter, we insist that the people of this day and age should be given every reasonable opportunity to develop our wonderful resources and put them to a beneficial use.

STATE CONTROL.

That it is the duty of each and every State to adopt such laws as will make for true conservation of our resources, prevent monopoly, and render the greatest good to the greatest number; and that as rapidly as the States prepare themselves to carry out such a policy of conservation the Federal Government should withdraw its supervision and turn the work over to the States.

Does anyone contend for a moment that any of these so-called conservation bills contemplate at any time turning any of these resources back to our Western States? And a little farther on these resolutions read:

WATER POWER.

Whereas Congress has declared "the water of all lakes, rivers, and other sources of water supply, upon the public lands and not navigable, shall remain and be held free from the appropriation and use of the public for irrigation, mining, and manufacturing purposes," we insist the Federal Government has no lawful authority to exercise control over the water of a State through ownership of public lands.

We maintain the waters of a State belong to the people of the State, and that the States should be left free to develop water-power possibilities and should receive fully the revenues and other benefits derived from such development.

Mr. Chairman, I have thought that the least that this Congress could do in the interest of 11 great Western States was to pay a little bit of attention to these bills as they are being put through. I have three times made the point of order of no quorum when the attendance had gotten down to a pitiful degree of smallness. I know what will happen when the final vote comes. Members will come in here and vote for one more bill to press more conservation down on the West, and they will not know the details of the bill.

In regard to the remarks of my colleague in his political speech, just made, I have not the time and do not care to take up the time of the House in reply. It is but proper for me to say that I started—and I am very proud of the fact that I did start—a small monthly paper, devoted to attacking the principles of red-flag socialism and to opposition to the dangerous Industrial Workers of the World. So far as I edited that paper, I stand by every word that I put in it. I wish I had had the power, the time, and the means to extend its influence throughout the United States, but I found on coming here to Washington, D. C., that the expenses were such that I could not maintain the paper, and I disposed of it. What has appeared in it since should not be credited to me. What has been read here I did not write and did not say. I thank the committee for its attention.

Mr. BRYAN. Will the gentleman name the date of his disposal of the paper?

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. MILLER. Mr. Chairman, returning now for a moment to the bill and the particular amendment we ought to be considering, you will find that the amendment offered by the gentleman from Wyoming is to strike out of paragraph 2 that part under which the lessee may be prohibited, without the consent of the Secretary of the Interior, from selling to any one consumer more than 50 per cent of the total output of his plant.

A few days ago, when this bill was first up for consideration, I made some observations with respect to the legal aspect of some features of the bill. I stated what I had every reason to believe was the law—at least it was the law when last I took occasion to ascertain the law. The gentleman from Oklahoma [Mr. FERRIS], in charge of the bill, a most delightful and distinguished Member of the House, rose and with a superbly majestic wave of his hand disposed of my proposition and my statement by saying that it was made so much waste paper by a very late decision of the Supreme Court in the Chandler-Dunbar case. Now, Mr. Chairman, it does not matter how gentlemen may quibble, how they may long to effectuate their desires, the fact remains that almost every paragraph of this bill is absolutely in open defiance of the Constitution of the United States. Now, these provisions can be so changed as to make them in harmony with the powers of Congress, but until so changed the bill can never be made effective. This particular part of the paragraph which the amendment offered to strike out is one which proposes that the Secretary of the Interior may say whether or not there shall be sold to A more than 50 per cent of the water power at one place, or to B or to C, and thus in effect disburse it arbitrarily as he sees fit. When did Congress ever have the power to meddle with the interior business exclusively within a State? This is not interstate business, it is not commerce. I consent at once to the proposition that if the Secretary had been clothed with power to exercise certain supervision over electric energy when transported into two or more States, Congress would be within its powers. This, however, covers not only interstate business, but business absolutely and entirely within a State.

Mr. THOMSON of Illinois. Will the gentleman yield?

Mr. MILLER. I can not yield because I have only a few minutes. If I could obtain an extension of time I should be delighted to yield. So after the gentleman had taken his seat the other day I betook myself to the library to find what this new decision was that had made waste paper of the Constitution of the United States; that had made waste paper of all the decisions of our Supreme Court. I have it with me here now. The Chandler-Dunbar case reported in Two hundred and twenty-ninth United States, page 53. Let us see what it decides and what it holds.

Mr. CLINE. Will the gentleman yield?

Mr. MILLER. I would like to yield and, perhaps, can when I make this statement, but not now. Congress decided by the passing of an act to construct some new locks at the Soo. In the act Congress specifically stated that all the water of that river was needed for purposes of navigation. Congress then authorized condemnation proceedings to acquire a strip of land bordering the stream and to acquire certain other properties.

The Chandler-Dunbar Co., under a revocable license previously secured, had constructed and was operating a water-power plant in the stream. This company was a riparian owner, as such claiming that it must be compensated for exclusion from the use of the water power inherent in the falls and rapids of the St. Marys River, whether the flow of the river be larger than the needs of navigation or not. Quoting from the decision:

From the foregoing it will be seen that the controlling questions are, first, whether the Chandler-Dunbar Co. has any private property in the water-power capacity of the rapids and falls of the St. Marys River which has been "taken," and for which compensation must be made under the fifth amendment to the Constitution; and, second, if so, what is the extent of its water power right and how shall the compensation be measured?

* * * * * * *

The technical title to the beds of the navigable rivers of the United States is either in the States in which the rivers are situated or in the owners of the land bordering upon such rivers. Whether in one or the other is a question of local law. (Shively v. Bowlby, 152 U. S., 1, 31; Philadelphia Co. v. Stimson, 223 U. S., 605, 624, 632; Scott v. Lattig, 227 U. S., 229.) Upon the admission of the State of Michigan

into the Union the bed of the St. Marys River passed to the State, and under the law of that State the conveyance of a tract of land upon a navigable river carries the title to the middle thread. (Webber v. The Pope Marquette, etc., 62 Mich., 626; Scranton v. Wheeler, 179 U. S., 141, 163; United States v. Chandler-Dunbar Water Power Co., 209 U. S., 447.)

The technical title of the Chandler-Dunbar Co., therefore, includes the bed of the river opposite its upland on the bank to the middle thread of the stream, being the boundary line at that point between the United States and the Dominion of Canada. Over this bed flows about two-thirds of the volume of water constituting the falls and rapids of the St. Marys River. By reason of that fact and the ownership of the shore the company's claim is that it is the owner of the river and of the inherent power in the falls and rapids, subject only to the public right of navigation. While not denying that this right of navigation is the dominating right, yet the claim is that the United States in the exercise of the power to regulate commerce may not exclude the rights of riparian owners to construct in the river and upon their own submerged lands such appliances as are necessary to control and use the current for commercial purposes, provided only that such structures do not impede or hinder navigation, and that the flow of the stream is not so diminished as to leave less than every possible requirement of navigation, present and future. This claim of a proprietary right in the bed of the river and in the flow of the stream over that bed, to the extent that such flow is in excess of the wants of navigation constitutes the ground upon which the company asserts that a necessary effect of the act of March 3, 1909, and of the judgment of condemnation in the court below, is a taking from it of a property right or interest of great value, for which, under the fifth amendment, compensation must be made.

* * * * * * *

This title of the owner of fast land upon the shore of a navigable river to the bed of the river is at best a qualified one. It is a title which inheres in the ownership of the shore and, unless reserved or excluded by implication, passed with it as a shadow follows a substance, although capable of distinct ownership. It is subordinate to the public right of navigation, and however helpful in protecting the owner against the acts of third parties, is of no avail against the exercise of the great and absolute power of Congress over the improvement of navigable rivers. That power of use and control comes from the power to regulate commerce between the States and with foreign nations. It includes navigation and subjects every navigable river to the control of Congress. All means having some positive relation to the end in view which are not forbidden by some other provision of the Constitution are admissible. If, in the judgment of Congress, the use of the bottom of the river is proper for the purpose of placing therein structures in aid of navigation, it is not thereby taking private property for a public use, for the owner's title was in its very nature subject to that use in the interest of public navigation. If its judgment be that structures placed in the river and upon such submerged land are an obstruction or hindrance to the proper use of the river for purposes of navigation, it may require their removal and forbid the use of the bed of the river by the owner in any way which in its judgment is injurious to the dominant right of navigation. So, also, it may permit the construction and maintenance of tunnels under or bridges over the river and may require the removal of every such structure placed there with or without its license, the element of contract out of the way, which it shall require to be removed or altered as an obstruction to navigation. In Gilman v. Philadelphia (3 Wall., 713, 724) this court said:

"Commerce includes navigation. The power to regulate commerce comprehends the control for that purpose of all the navigable waters of the United States which are accessible from a State other than those in which they lie. For this purpose they are the public property of the Nation and subject to all the requisite legislation by Congress. This necessarily includes the power to keep them open and free from any obstructions to their navigation interposed by the States or otherwise, to remove such obstructions when they exist, and to provide, by such sanctions as they may deem proper, against the occurrance of the evil and for the punishment of offenders. For these purposes Congress possesses all the powers which existed in the States before the adoption of the National Constitution and which have always existed in the Parliament in England."

Note the discussion by the court is solely in reference to navigation. It is stated with great clearness that Congress has complete control over navigable waters—not to regulate private business thereon or connected therewith, but for purposes of navigation, and for those purposes alone. At every step and in every statement the court explicitly restricts Federal regulation to navigation needs. Observe in the quoted decision of Gilman v. Philadelphia (3 Wall., 713) how the court there so clearly restricts Federal power over navigable waters when it says:

The power to regulate commerce comprehends the control for that purpose, and to the extent necessary, of all the navigable waters. * * * For this purpose they are the public property of the Nation and subject to all the requisite legislation.

Could court or law more clearly announce that the control of the Federal Government over navigable waters within a State is strictly limited to purposes of navigation or commerce? If any Member is sufficiently interested, let him turn to the record of the proceedings on that former occasion when this matter was up and he will find this is the exact proposition I laid down as the law. I am indebted to the gentleman for citing this case, which reaffirms the law as I stated it some days ago.

But let me quote some more from this same illuminating decision:

That riparian owners upon public navigable rivers have, in addition to the rights common to the public, certain rights to the use and enjoyment of the stream, which are incident to such ownership of the bank must be conceded. These additional rights are not dependent upon title to the soil over which the river flows, but are incident to ownership upon the bank. Among these rights of use and enjoyment is the right, as against other riparian owners, to have the stream come to them substantially in its natural state, both in quantity and quality. They have also the right of access to deep water, and when not forbidden by public law may construct for this purpose wharves, docks, and piers in the shallow water of the shore. But every such structure in the water of a navigable river is subordinate to the right of navigation and subject to the obligation to suffer the consequences of the improvement of navigation and must be removed if Congress in the assertion of its power over navigation shall determine that their continuance is detrimental to the public interest in the navigation of the river. (Gibson v. United States, 166 U. S., 269; Transportation Co. v. Chicago, 99 U. S., 635.) It is for Congress to decide what is and what is not an obstruction to navigation. (Pennsylvania v. Wheeling Bridge Co., 18 How., 421; Union Bridge Co. v. United States, 204 U. S., 364; Philadelphia Co. v. Stimson, 223 U. S., 605.)

And, again—

Upon what principle can it be said that in requiring the removal of the development works which were in the river upon sufferance Congress has taken private property for public use without compensation? In deciding that a necessity existed for absolute control of the river at the rapids Congress has, of course, excluded until it changes the law every such construction as a hindrance to its plans and purposes for the betterment of navigation. The qualified title to the bed of the river affords no ground for any claim of a right to construct and maintain therein any structure which Congress has by the act of 1909 decided in effect to be an obstruction to navigation and a hindrance to its plans for improvement. That title is absolutely subordinate to the right of navigation and no right of private property would have been invaded if such submerged lands were occupied by structures in aid of navigation or kept free from such obstructions in the interest of navigation. (Scranton v. Wheeler, supra; Hawkins Light House cases, 39 Fed., 83.) We need not consider whether the entire flow of the river is necessary for the purposes of navigation or whether there is a surplus which is to be paid for if the Chandler-Dunbar Co. is to be excluded from the commercial use of that surplus. The answer is found in the fact that Congress has determined that the stream from the upland taken to the international boundary is necessary for the purposes of navigation. That determination operates to exclude from the river forever the structures necessary for the commercial use of the water power. That it does not deprive the Chandler-Dunbar Co. of private property rights follows from the considerations before stated.

It is said that the twelfth section of the act of 1909 authorizes the Secretary of War to lease upon terms agreed upon any excess of water power which results from the conservation of the flow of the river and the works which the Government may construct. This, it is said, is a taking of private property for commercial uses and not for the improvement of navigation. But, aside from the exclusive public purpose declared by the eleventh section of the act, the twelfth section declares that the conservation of the flow of the river is "primarily for the benefit of navigation and incidentally for the purpose of having the water power developed either for the direct use of the United States or by lease * * * through the Secretary of War."

If the primary purpose is legitimate, we can see no sound objection to leasing any excess of power over the needs of the Government. The practice is not unusual in respect to similar public works constructed by State governments. In Kaukauna Co. v. Green Bay, etc., Canal (142 U. S., 254, 273), respecting a Wisconsin act to which this objection was made, the court said:

"But if in the erection of a public dam for a recognized public purpose there is necessarily produced a surplus of water which may properly be used for manufacturing purposes there is no sound reason why the State may not retain to itself the power of controlling or disposing of such water as an incident of its right to make such improvement. Indeed, it might become very necessary to retain the disposition of it in its own hands in order to preserve at all times a sufficient supply for the purposes of navigation. If the riparian owners were allowed to tap the pond at different places and draw off the water for their own use, serious consequences might arise not only in connection with the public demand for the purposes of navigation, but between the riparian owners themselves, as to the proper proportion each was entitled to draw—controversies which could only be avoided by the State reserving to itself the immediate supervision of the entire supply. As there is no need of the surplus running to waste, there was nothing objectionable in permitting the State to let out the use of it to private parties and thus reimburse itself for the expenses of the improvement."

It is at best not clear how the Chandler-Dunbar Co. can be heard to object to the selling of any excess of water power which may result from the construction of such controlling or remedial works as shall be found advisable for the improvement of navigation, inasmuch as it had no property right in the river which has been "taken." It has, therefore, no interest whether the Government permit the excess of power to go to waste or made the means of producing some return upon the great expenditure.

Here you have the whole case. These are the facts. This is the decision so valiantly relied upon by the bold champion of this bill. Surely he had never read this case. He is far too intelligent after reading to make any such claims for it. We must conclude he has been imposed upon by some one whose power to reason suddenly stopped. Not only does the case fail to sustain the gentleman or his bill but actually sustains our criticism of the bill as far as it has any bearing at all. Observe the facts: Congress passes an act that says all the water in the St. Marys River is needed for purposes of navigation; that the private property on and along said stream, including a private water-power plant, shall be condemned; that the surplus water going over a Government dam incidental to the primary effort to erect structures for the improvement of navigation may be turned into electrical energy and sold by the Government. The court holds the power of Congress is supreme over navigable waters for the purposes of navigation; that private persons by acquiring riparian rights can not secure a property interest in a water power as against an act of Congress stating all the water is needed for navigation.

Of course this is the law. Of course, also, this case does not in any way whisper or suggest that Congress has power to override State laws by making rules of its own to regulate private

business within the State, even though that private business is the selling or using of water power developed on land a part of the public domain.

The Chandler-Dunbar case, from the first page to the last, contains not a line or a syllable that bears at all on the power of the Congress to legislate as provided in the bill. Now, if the gentleman will indulge me a little further, may I call the attention to the powers of Congress as decided by the Supreme Court, and which do stand to-day as they stood a few years ago, and which have not been made so much waste paper.

It is, of course, fundamental to state that the powers possessed by Congress are not general, but confined to those enumerated in the Constitution. The powers of the Congress are those surrendered by the States, or rather by the people of the United States. All powers not specifically surrendered are still retained either by the States or by the people of the Union. I challenge any gentleman to point out in the Federal Constitution any authority for Congress to go into the business primarily of controlling water powers operated by private persons or corporations, or controlling public-service corporations whose business is wholly within a State.

A decision of our Supreme Court, directly in point and exceedingly valuable in construing the legal effect of the terms of this bill, is a very recent one, as well as one of the utmost importance. I refer to the case of Kansas against Colorado, reported in Two hundred and sixth United States, page 46.

The State of Colorado, directly and through certain corporations authorized by it, was utilizing the waters of the Arkansas River in the work of reclaiming or irrigating arid lands. This same river flows through the State of Kansas, after leaving Colorado. The State of Kansas brought an action to restrain Colorado and the said corporations from so using the waters of the Arkansas River, because such use prevented the natural and customary flow of the river. The United States intervened, claiming the right to use the waters of that river to irrigate the public domain and Indian reservations. The river was not actually navigable, either in Colorado or Kansas, and no claim was made that the interests of navigation were involved.

So it is seen in that case the State of Colorado for irrigation and reclamation purposes was utilizing a large part of the water of the Arkansas River. The State of Kansas desired that those waters should be transferred on down within its own borders for a similar purpose, and they claimed that Kansas had a right to receive the water with its flow practically unimpeded. They brought an action and asked the Government to restrain Colorado from using the waters of the river.

Mr. CLINE. Will the gentleman just yield for a brief interruption there? I will not be tedious.

Mr. MILLER. I will yield.

Mr. CLINE. But did not the Government in that very case decide that had the Government sought to intervene for the purpose of protecting navigation that then the Government would have had a standing in the court?

Mr. MILLER. Absolutely; and the gentleman gives further testimony as to the law. The court first clearly defines the powers of Congress over the waters of streams within the State, and then holds that the control of such streams is vested in the State, excepting only for navigation purposes. Quoting from the syllabus:

The Government of the United States is one of enumerated powers; that it has no inherent powers of sovereignty; that the enumeration of the powers granted is to be found in the Constitution of the United States, and in that alone; that the manifest purpose of the tenth amendment to the Constitution is to put beyond dispute the proposition that all powers not granted are reserved to the people; and that if in the changes of the years further powers ought to be possessed by Congress they must be obtained by a new grant from the people. While Congress has general legislative jurisdiction over the Territories and may control the flow of waters in their streams, it has no power to control a like flow within the limits of a State except to preserve or improve the navigability of the stream; that the full control over those waters is, subject to the exception named, vested in the State.

And there it shall remain forever.

Mr. FERGUSSON. Will the gentleman yield?

Mr. MILLER. If the gentleman will make his question very short.

Mr. FERGUSSON. I will. Does not the gentleman recognize that this bill deals with Government land situated within the States?

Mr. MILLER. My dear sir, I am pleased the question was asked. I was about to come to it. The fact that the United States Government owns some of the land can not give it a single power not granted by the Constitution. It has no greater power by reason of that ownership than I have or has the gentleman from New Mexico. Congress has only those powers which the States surrendered; it is not possessed of powers except those which were given by the States. Among those we have the power to regulate commerce, and the court has held that that power includes control over navigation. But we can not step beyond that. There is no question of navigation involved in the pending bill. Ninety-nine per cent of these water items are beyond the limits of navigation. There is no question of interstate commerce. It is simply a square industrial enterprise by the United States, and, as was so well stated by the gentleman from Wyoming the other day, this is the greatest usurpation of centralized power ever displayed in the history of our Nation. It surpasses the claims of the most ultra Federalist of ancient days. It is also one of the greatest enterprises of a business nature ever undertaken by a private or by a public corporation. And do not forget, it is being undertaken by the United States Government.

Discussing the power of Congress, the court said:

This amendment, the tenth, which was seemingly adopted with prescience of just such contention as the present, disclosed the widespread fear that the National Government might, under the pressure of a supposed general welfare, attempt to exercise powers which had not been granted. With equal determination the framers intended that no such assumption should ever find justification in the organic act, and that if in the future further powers seemed necessary they should be granted by the people in the manner they had provided for amending that act. It reads: "The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people." The argument of counsel ignores the principal factor in this article, to wit, "the people." Its principal purpose was not the distribution of power between the United States and the States, but a reservation to the people of all powers not granted. The preamble of the Constitution declares who framed it, "we the people of the United States," not the people of one State, but the people of all the States, and Article X reserves to the people of all the States the powers not delegated to the United States. The powers affecting the internal affairs of the States not granted to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, and all powers of a national character which are not delegated to the National Government by the Constitution are reserved to the people of the United States. The people who adopted the Constitution knew that in the nature of things they could not foresee all the questions which might arise in the future, all the circumstances which might call for the exercise of further national powers than those granted to the United States, and after making provision for an amendment to the Constitution by which any needed additional powers would be granted, they reserved to themselves all powers not so delegated.

Discussing the right of the State to control the waters of streams within its borders, the court said:

Although this power of changing the common law rule as to streams within its dominion undoubtedly belongs to each State, yet two limitations must be recognized: First, that in the absence of specific authority from Congress a State can not by its legislation destroy the right of the United States, as the owner of lands bordering on a stream, to the continued flow of its waters; so far at least as may be necessary for the beneficial uses of the Government property; second, that it is limited by the superior power of the General Government to secure the uninterrupted navigability of all navigable streams within the limits of the United States. In other words, the jurisdiction of the General Government over interstate commerce and its natural highways vests in that Government the right to take all needed measures to preserve the navigability of the navigable water courses of the country even against any State action.

It follows from this that if in the present case the National Government was asserting, as against either Kansas or Colorado, that the appropriation for the purposes of irrigation of the waters of the Arkansas was affecting the navigability of the stream, it would become our duty to determine the truth of the charge. But the Government makes no such contention. On the contrary, it distinctly asserts that the Arkansas River is not now and never was practically navigable beyond Fort Gibson, in the Indian Territory, and nowhere claims that any appropriation of the waters by Kansas or Colorado affects its navigability.

It rests its petition of intervention upon its alleged duty of legislating for the reclamation of arid lands; alleges that in or near the Arkansas River, as it runs through Kansas and Colorado, are large tracts of those lands; that the National Government is itself the owner of many thousands of acres; that it has the right to make such legislative provision as in its judgment is needful for the reclamation of all these arid lands and for that purpose to appropriate the accessible waters.

In support of the main proposition it is stated in the brief of its counsel:

That the doctrine of riparian rights is inapplicable to conditions prevailing in the arid region; that such doctrine, if applicable in said region, would prevent the sale, reclamation, and cultivation of the public arid lands and defeat the policy of the Government in respect thereto; that the doctrine which is applicable to conditions in said arid region, and which prevails therein, is that the waters of natural streams may be used to irrigate and cultivate arid lands, whether riparian or nonriparian, and that the priority of appropriation of such waters and the application of the same for beneficial purposes establishes a prior and superior right.

In other words, the determination of the rights of the two States inter esse in regard to the flow of waters in the Arkansas River is subordinate to a superior right on the part of the National Government to control the whole system of the reclamation of arid lands. That involves the question whether the

reclamation of arid lands is one of the powers granted to the General Government. As heretofore stated, the constant declaration of this court from the beginning is that this Government is one of enumerated powers.

Again:

But it is useless to pursue the inquiry further in this direction. It is enough for the purposes of this case that each State has full jurisdiction over the lands within its borders, including the beds of streams and other waters. (Martin *v.* Waddell, 16 Pet., 367; Pollard *v.* Hagan, 3 How., 212; Goodtitle *v.* Kibbe, 9 How., 471; Barney *v.* Keokuk, 94 U. S., 324; St. Louis *v.* Myers, 113 U. S., 566; Packer *v.* Bird, 137 U. S., 61; Hardin *v.* Jordan, 140 U. S., 371; Kaukauna Water Power Co. *v.* Green Bay & Mississippi Canal Co., 142 U. S., 254; Shively *v.* Bowlby, 152 U. S., 1; Water Power Co. *v.* Water Commissioner, 168 U. S., 349; Kean *v.* Calumet Canal Co., 190 U. S., 452.) In Barney *v.* Keokuk, supra, Mr. Justice Bradley said (p. 338):

"And since this court, in the case of The Genesee Chief (12 id., 443), has declared that the Great Lakes and other navigable waters of the country, above as well as below the flow of the tide, are in the strictest sense entitled to the denomination of navigable waters and amenable to the admiralty jurisdiction, there seems to be no sound reasons for adhering to the old rule as to the proprietorship of the beds and shores of such waters. It properly belongs to the States by their inherent sovereignty, and the United States has wisely abstained from extending (if it could extend) its survey and grants beyond the limits of high water."

Congress clearly understood the limitations of its powers when it passed the reclamation act. In that it clearly recognized the paramount right of the State to control by law the waters within its borders. All the rules and laws governing the usage of water for irrigation purposes are State laws. Congress never assumed—because prior to the present hour it had more sense than to do so—never assumed to override the superior right of the State to control its own watercourses. Section 8 of the reclamation act is as follows:

SEC. 8. That nothing in this act shall be construed as affecting or intending to affect or to in any way interfere with the laws of any State or Territory relating to the control, appropriation, use, or distribution of water used in irrigation, or any vested right acquired thereunder; and the Secretary of the Interior, in carrying out the provisions of this act, shall proceed in conformity with such laws, and nothing herein shall in any way affect any right of any State or of the Federal Government or of any landowner, appropriator, or user of water in, to, or from any interstate stream or the waters thereof: *Provided*, That the right to the use of the water acquired under the provisions of this act shall be appurtenant to the land irrigated, and beneficial use shall be the basis, the measure, and the limit of the right.

The power of Congress to legislate respecting interstate commerce has been the subject of numerous decisions. It can be finally stated that the power of Congress does not go beyond, and is strictly confined to, commerce of an interstate nature. A State does not have authority to pass a law that interferes with or puts a burden upon interstate commerce. Such is the holding in the Shreveport case of recent date. Similarly, Congress has no authority to prescribe any rule or procedure respecting commerce unless it has some real or substantial relation to or connection with the commerce regulated.

A recent and a highly instructive decision is that of the Supreme Court in Adair *v.* United States (208 U. S., 161). In this case Congress had made it a crime for a railway official engaged in interstate commerce to discharge an employee because he was a member of a labor union. Adair was convicted in Kentucky and appealed. In the opinion the court said:

Manifestly, any rule prescribed for the conduct of interstate commerce, in order to be within the competency of Congress under its power to regulate commerce among the States, must have some real or substantial relation to or connection with the commerce regulated. But what possible legal or logical connection is there between an employee's membership in a labor organization and the carrying on of interstate commerce? Such relation to a labor organization can not have in itself and in the eye of the law any bearing upon the commerce with which the employee is connected by his labor and services. Labor associations, we assume, are organized for the general purpose of improving or bettering the conditions and conserving the interests of its members as wage earners—an object entirely legitimate and to be commended rather than condemned. But surely those associations as labor organizations have nothing to do with interstate commerce as such. One who engages in the service of an interstate carrier will, it must be assumed, faithfully perform his duty, whether he be a member or not a member of a labor organization. His fitness for the position in which he labors and his diligence in the discharge of his duties can not in law or sound reason depend in any degree upon his being or not being a member of a labor organization. It can not be assumed that his fitness is assured or his diligence increased by such membership, or that he is less fit or less diligent because of his not being a member of such an organization. It is the employee as a man and not as a member of a labor organization who labors in the service of an interstate carrier.

* * * * * * *

Looking alone at the words of the statute for the purpose of ascertaining its scope and effect, and of determining its validity, we hold that there is no such connection between interstate commerce and membership in a labor organization as to authorize Congress to make it a crime against the United States for an agent of an interstate carrier to discharge an employee because of such membership on his part. If such a power exists in Congress, it is difficult to perceive why it might not, by absolute regulation, require interstate carriers, under penalties, to employ in the conduct of its interstate business only members of labor organizations, or only those who are not members of such organizations—a power which could not be recognized as existing under the Constitution of the United States. No such rule of criminal liability as that to which we have referred can be regarded as in any just sense a regulation of interstate commerce. We need scarcely repeat what this court has more than once said—that the power to regulate interstate commerce, great and paramount as that power is, can not be exerted in violation of any fundamental right secured by other provisions of the Constitution.

Having in mind, therefore, these clearly enunciated principles by our Supreme Court, let us apply them to the paragraphs of the bill. Only a brief glance is necessary to disclose clearly how all constitutional limitation has been violated. The bill prescribes rules and regulations to operate in the various States in open conflict with both State rights and State laws. In paragraph 1 the limitation of 50 years would be in open conflict with the laws of such a State as Wisconsin, since the laws of that State say the right to operate the water power is perpetual, subject to the rules and regulations that law prescribes.

The last half of paragraph 2 is ridiculously beyond the power of Congress, and paragraph 3 is the high watermark of impotent aspirations wallowing in the network of State and Federal law.

From a dozen different angles one can view this section and from each see that it is absolutely void of legality. To illustrate, the Secretary of the Interior is given complete control over the service, charges for service, even over the issuance of stocks and bonds, of the lessee when he is doing business in two or more States. One may be doing business in two or three States and yet not be doing an interstate business. Then the Secretary is given marvelous authority to permit or prohibit combination of plants, except in certain cases. The framers of the bill assumed Congress had power to regulate water-power business entirely within a State, just as Congress has power to regulate interstate commerce. They will search through the Constitution in vain to find any authority for the powers here conferred upon the Secretary.

Mr. FERGUSSON. Mr. Chairman——

Mr. MILLER. I do not like to seem discourteous, but I have only a short period of time and I must hurry along.

And it seems to be entirely overlooked that there exist States with sovereign powers. That will be found out sometime. Now, it is an easy matter to change these provisions so as to bring them within the limits of the Constitution. You can do it on the contract basis, but you can not do it in any other way.

Now, referring to the question just asked by the gentleman from New Mexico [Mr. FERGUSSON], if the United States, by its possession of the land, can not do upon it anything it pleases, I will say, of course it can not; it can not do anything upon that piece of land except to sell it or lease it and control interstate commerce respecting it. But this bill has nothing to do with navigation or interstate commerce. If any gentleman will point out to me any place or any part in this bill dealing with navigation or with commerce, then I am prepared to modify my views. Nay, possibly some gentleman will suggest that this very paragraph does that, wherein it says as follows:

SEC. 3. That in case of the development, generation, transmission, and use of power or energy under such a lease in a Territory, or in two or more States, the regulation and control of service and of charges for service to consumers and of the issuance of stock and bonds by the lessee is hereby conferred upon the Secretary of the Interior.

There are some words which possibly might give a suggestion that where power is being transmitted from one State into another, thus becoming interstate commerce, the terms of this paragraph apply. I grant that.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

MESSAGE FROM THE SENATE.

The committee informally rose; and Mr. O'SHAUNESSY having taken the chair as Speaker pro tempore, a message from the Senate, by Mr. Platt, one of its clerks, announced that the Senate had passed with amendment bill of the following title, in which the concurrence of the House of Representatives was requested:

H. R. 14155. An act to amend an act entitled "An act to amend an act of Congress approved March 28, 1900 (Stat. L., p. 52), entitled 'An act granting to the State of Kansas the abandoned Fort Hays Military Reservation, in said State, for the purpose of establishing an experiment station of the Kansas State Agricultural College and a western branch of the State normal school thereon, and for a public park.'"

The message also announced that the Senate had agreed to the amendments of the House of Representatives to the bill (S. 5574) to amend and reenact section 113 of chapter 5 of the Judicial Code of the United States.

The message also announced that the Senate had insisted upon its amendments to the bill (H. R. 1657) providing for second homestead and desert-land entries, disagreed to by the House of Representatives, had agreed to the conference asked by the House on the disagreeing votes of the two Houses

thereon, and had appointed Mr. MYERS, Mr. THOMAS, and Mr. SMOOT as the conferees on the part of the Senate.

The message also announced that the Senate had insisted upon its amendment to the bill (H. R. 1698) to amend an act entitled "An act to provide for an enlarged homestead," and acts amendatory thereof and supplementary thereto, disagreed to by the House of Representatives, had agreed to the conference asked by the House on the disagreeing votes of the two Houses thereon, and had appointed Mr. MYERS, Mr. PITTMAN, and Mr. SMOOT as the conferees on the part of the Senate.

DEVELOPMENT OF WATER POWER.

The committee resumed its session.

Mr. MILLER. How much time did I have, Mr. Chairman?

Mr. FERRIS. Mr. Chairman, I ask unanimous consent that I have two minutes in which to answer for the committee. I was crowded out by a side issue here.

Mr. MILLER. I would really like to have five minutes more if I can have it, Mr. Chairman.

Mr. MONDELL. The gentleman from Minnesota has not taken much time, and this is a very important feature of this discussion.

Mr. FERRIS. Mr. Chairman, I can not consent to open this section again if the committee is not willing to give me two minutes.

The CHAIRMAN. The gentleman from Oklahoma [Mr. FERRIS] asks unanimous consent that he may address the committee on the pending amendment for two minutes.

Mr. MONDELL. Mr. Chairman, reserving the right to object, I shall not object if the gentleman from Oklahoma will allow the gentleman from Minnesota to have some additional time.

Mr. FERRIS. I really hope the gentleman from Minnesota will not ask for another five minutes. The committee has not kept any time to itself.

Mr. STAFFORD. The gentleman is presenting an argument in which we are interested.

Mr. FERRIS. He is presenting an argument that has been presented on every water-power proposition.

Mr. STAFFORD. It was not discussed the other day.

The CHAIRMAN. The question is whether there is objection to the request submitted by the gentleman from Oklahoma [Mr. FERRIS], that he may address the committee for two minutes on the pending amendment.

Mr. MONDELL. Do I understand the gentleman from Minnesota [Mr. MILLER] desires more time?

Mr. MILLER. I do; and I will say to the gentleman from Wyoming that I appreciate the position of the gentleman from Oklahoma, and I would like some more time on the next paragraph. I do not propose to be shut off.

Mr. FERRIS. I have no disposition to shut the gentleman off.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma [Mr. FERRIS], that he may address the committee for two minutes?

There was no objection.

Mr. FERRIS. Mr. Chairman, the substance of the argument of the gentleman from Minnesota is that the Federal Government has not the right to do with its own property whatsoever it will. I assert that both in law, in fact, and in reason the Federal Government has the right to do on its property anywhere in the United States what it desires to do. With that, I shall pass to the amendment of the gentleman from Wyoming [Mr. MONDELL].

The specific amendment which was offered more than an hour ago by the gentleman from Wyoming is on page 3, line 17, to strike out lines 17, 18, 19, and part of 20, which in effect would give the water-power company the right to sell all of the power produced to one concern or to one person or lessee. It is patent that that should not be permitted. The committee thought there ought to be some restraint upon the water-power company in disposing of its product in the public interest.

In other words, the water-power company, if the amendment of the gentleman from Wyoming is adopted, will have the right to sell its entire output, to the exclusion of local irrigation interests and local interests generally, to one concern. We ought not to permit that to be done, and the amendment ought not to be adopted. I can not think the gentleman from Wyoming wants to do that. It is clearly against the interests of his State. The amendment adopted some time ago should not have been adopted, but surely this amendment ought not to be adopted from any standpoint or any reason. The language as reported by the committee put the limitation on the amount of the water power that can be sold to a single person. The amendment of the gentleman takes that limitation off. The Secretary thinks it ought to be in. I think quite all of the authorities that came before the committee thought it ought to be in, and the entire committee thinks it ought to be in. The committee should be slow to accept amendments here that have had no consideration. Some of them may look good on their face, but will work mischief in fact. An amendment that has not been well planned and well thought out, of so sweeping importance as that of the gentleman from Wyoming [Mr. MONDELL], ought not to be agreed to, and I hope the committee will not agree to it.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Wyoming [Mr. MONDELL].

The question was taken, and the amendment was rejected.

Mr. MONDELL. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Wyoming moves to strike out the last word.

Mr. MONDELL. Mr. Chairman——

Mr. FERRIS. Mr. Chairman, the debate is closed on the entire paragraph.

Mr. MONDELL. No; only on the amendment.

Mr. FERRIS. No; on the entire paragraph and amendments thereto. There can not be any debate.

The CHAIRMAN. The Chair is informed that under the agreement all debate upon this paragraph is exhausted.

Mr. MURDOCK. That is right.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 3. That in case of the development, generation, transmission, and use of power or energy under such a lease in a Territory, or in two or more States, the regulation and control of service and of charges for service to consumers and of the issuance of stock and bonds by the lessee is hereby conferred upon the Secretary of the Interior or committed to such body as may be provided by Federal statute: *Provided*, That the physical combination of plants or lines for the generation, distribution, and use of power or energy under this act or under leases given hereunder may be permitted, in the discretion of the Secretary, but combinations, agreements, arrangements, or understandings, express or implied, to limit the output of electrical energy, to restrain trade with foreign nations or between two or more States or within any one State, or to fix, maintain, or increase prices for electrical energy or service are hereby forbidden.

Mr. MONDELL. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The gentleman from Wyoming [Mr. MONDELL] offers an amendment, which the Clerk will report.

Mr. MONDELL. Mr. Chairman, my amendment is in lieu of section 3, down to the first proviso on page 4, line 2.

The Clerk read as follows:

Strike out section 3 down to the word "statute," in line 2 of page 4, and insert the following: "That all leases shall be granted upon the condition and subject to the reservation that at all times during the use and enjoyment thereof, and of the water power appropriated and used in connection therewith, the service and charges therefor, including all electric power generated or used in connection therewith, shall be subject to the regulation and control of the State within which the same is used, and subject to the fixing of the rates and charges for the use thereof and the issuance of securities by such State or under its authority."

Mr. MONDELL. Mr. Chairman, the gentleman from Minnesota [Mr. MILLER] a few moments ago gave us an exceedingly interesting legal discussion of some of the features of this measure. I do not intend to go at length, further than I did in my opening speech, into these legal questions. Since Congress passed a bill which provided in substance that a chickadee bird, sailing through the blue sky, if he happened to pass over a point directly above a State line became interstate commerce, I have concluded that it is hardly worth while to talk about the Constitution of the United States in the discussion of any legislation in this body. [Laughter.] However, I do not think that even the gentlemen who have no regard whatever for the Constitution, who have no tolerance for the kind of Government that our fathers established and which we live under—I think the gentlemen who are perfectly willing to tear down all the pillars of the Constitution ought not to do it when it is clearly patent they can not serve any public good by doing it and will serve monopoly instead.

Now, the provision of the bill which I have proposed to strike out provides that if any part of the power developed is used in more than one State the Secretary of the Interior shall control the entire enterprise. In other words, a great enterprise might be built up and might operate for years in one State completely and satisfactorily under State control, and, having finally run a line to light one lamp across a State line, it would immediately become, like the chickadee bird under the migratory bird act, interstate commerce, subject, as to the whole concern, to regulation by the Secretary of the Interior, taking it absolutely out of the control of the people who use it, the people who are to be served.

There is some question as to the extent of the power of the Federal Government, as to just what the Federal Government may do in prescribing rules and regulations under which its public lands may be used. The gentleman from Minnesota [Mr. MILLER] is certainly right when he contends that the

Federal Government, in providing rules and regulations for the use of its public lands, can not thereby legally assert a power which the Constitution does not give the Federal Government.

Mr. SELDOMRIDGE. Mr. Chairman, will the gentleman yield?

Mr. MONDELL. In other words, there are no implied powers granted to the Federal Government by reason of its ownership of land, and the courts have decided that many times. But the discretion and power of the Federal Government in laying down rules and regulations relative to the use of public lands is, I think, pretty broad.

Mr. THOMSON of Illinois. Mr. Chairman, will the gentleman yield there?

Mr. MONDELL. But those rules, which are the rules laid down by a proprietor, can not be held to enlarge the powers of the Federal Government. I yield to the gentleman from Colorado [Mr. SELDOMRIDGE].

Mr. SELDOMRIDGE. I wanted to ask the gentleman if he believed, in case the Federal Government itself should build a power plant on a public domain, it would not have the right to charge the consumer of that power any price it saw fit independent of any State regulation or control?

Mr. MONDELL. Well, I am not a lawyer——

Mr. SELDOMRIDGE. Neither am I——

Mr. MONDELL. I am inclined to think not, but I do not want to give a curbstone opinion on a proposition of that kind. We are crossing that bridge now.

Mr. SELDOMRIDGE. I understand that that is the contention of the chairman of the committee—that, it being Federal property and being absolutely under the control of the Federal Government, the Government can do with it as it pleases.

Mr. MONDELL. I will say to my friend from Colorado that I still believe in the good old-fashioned doctrine that the people of this country reserved to themselves within the municipalities all the powers that they did not expressly grant to the Federal Government, and you can not find any power anywhere in the Federal Government that is not expressed in the Federal Constitution. I do not think you will find in the Constitution any power, expressed or implied, for the Federal Government to put itself above a State in the manner suggested.

Mr. THOMSON of Illinois. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Wyoming yield to the gentleman from Illinois?

Mr. MONDELL. Yes.

Mr. THOMSON of Illinois. Right on that last remark of the gentleman from Wyoming, although he is not a lawyer, having, however, interpreted part of the Constitution, will he tell us what he thinks of this power:

> The Congress shall have the power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States.

Mr. MONDELL. Certainly. That includes more than public lands, I will say to the gentleman; but Congress has, of course, the right to dispose of public lands.

Mr. THOMSON of Illinois. It does include the public lands?

Mr. MONDELL. It does include the public lands, but it includes more than public lands. No one has denied the right of the Federal Government to dispose of the public lands or to make proper rules and regulations relative to their use and their disposition.

Mr. THOMSON of Illinois. That is what I say.

Mr. MONDELL. But it can not use its ownership and proprietorship of the public lands as an excuse for attempting to exercise sovereignty which it does not possess. That is our contention.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MONDELL. I ask unanimous consent that I may have five minutes more. I really have not got to the discussion of my amendment.

The CHAIRMAN. The gentleman from Wyoming [Mr. MONDELL] asks unanimous consent that his time be extended five minutes. Is there objection?

Mr. FERRIS. Reserving the right to object, I should like to see if we can get the time limited.

Mr. STAFFORD. I hope the gentleman is not going to limit time on the paragraph.

Mr. FERRIS. No; on the amendment. I ask unanimous consent that debate upon the pending amendment and all amendments thereto be closed in 30 minutes.

Mr. MONDELL. On the amendment and the amendments to it?

Mr. FERRIS. Yes; but not on the paragraph. It does not close debate on the paragraph.

The CHAIRMAN. The gentleman from Oklahoma [Mr. FERRIS] asks unanimous consent that debate on the pending amendment and all amendments thereto be closed in 30 minutes. Is there objection?

There was no objection.

The CHAIRMAN. The gentleman from Wyoming [Mr. MONDELL] asks unanimous consent that he may proceed for five minutes. Is there objection?

There was no objection.

The CHAIRMAN. The gentleman from Wyoming is recognized for five minutes.

Mr. MONDELL. Mr. Chairman, I did not intend to go into a constitutional discussion of the matter, but simply made the observations that I did, leading up to my amendment. Now, let us see what the situation is under this bill. So far as the regulation of the rates and charges of an enterprise entirely within one State is concerned, there is nothing in this bill that fixes or attempts to fix the power of the States or attempts to strengthen the power of the States. I take it, it is assumed by those who drew the bill that an enterprise wholly within a State is regulated by the State, but no effort is made to aid the State or strengthen the State in its power of control. Now, when an enterprise distributes electrical energy in two States, it is proposed, contrary to the Constitution and to our form of Government, to give the Secretary of the Interior authority to take over the entire enterprise, no matter how large it may be, and regulate it in every way.

My amendment has two purposes: First, to strengthen the power of the State over these corporations by providing that every lease shall be dependent upon the acceptance of the power of the State to control. Unless you do put some provision of that sort in the bill, if one of these enterprises or the people owning it should refuse to acknowledge the right of the State to control it, there is no way in which the Federal Government can be of any assistance in successfully issuing the power of the State. Now, I suggest to these federalistic gentlemen who want to do unconstitutional things, as they say, in the interest of the people or for the benefit of the people, why not let them surprise themselves by doing a perfectly constitutional thing which will strengthen the power of the people locally over these corporations?

My amendment first puts the people who have the right to control in such a position that if their right to control is denied the lease is canceled. Second, it provides that the control shall be in the State where the plant is located or the current used; in other words, each State would control the part of the enterprise that it had to do with. We simply leave the law and the Constitution just as they are, but we use the fact of the ownership of land by the Federal Government to strengthen the hands of the State in its control. That is the logical way to do this thing. It is infinitely more effective than the provision contained in the bill. It does help each State, and it helps all of the States where an enterprise is in more than one, and it holds over these lessees the danger of cancellation if they do not fully acknowledge the power of the State and its people to control.

Mr. RAKER. What is the object of the gentleman in having Congress pass upon the question of the handling of the appropriation of water and the connection with it?

Mr. MONDELL. There is nothing in my amendment that has anything to do with the appropriation of water, except that it says that all operations under a lease and under the water right shall be subject to the control of the States. They are subject to the control of the States, but proposing to so fix these leases that the power of the Federal Government—not the power that it has no right to exercise, but the power it has the right to exercise—may be used to aid the States in their complete control of the power projects within their borders.

Mr. MILLER. Mr. Chairman, when my time expired I was proceeding to read and discuss a part of section 3. Apparently the gentlemen who prepared the bill had in mind that by that language they were controlling interstate commerce. Let us see what it says:

> A lease in a territory, or in two or more States.

That does not say through two or more States. That does not say through one State into another. That says in two or more States. Now, any of us can see a thousand illustrations, where it would not be interstate commerce at all. The States of Wisconsin and Minnesota lie side by side, separated for quite a distance by the Mississippi and then by the St. Croix Rivers. There are water powers along those streams. We will say here is a power plant being constructed on the St. Croix, on Government land, one plant at one place. It has one line running into Wisconsin, delivering power there. It has another line running into Minnesota, delivering power there.

They are not doing an interstate business. They are doing business in two States. You can not give Congress the power and authority to regulate the proceedings and business of a company that is doing business in two States and not an interstate business by calling it any name you please. I fancy we can imagine cases where a concern might be doing business in three States. I can see one now. Take it up here at Harpers Ferry, where West Virginia, Maryland, and Virginia unite, with magnificent water powers right at the spot. There could be located a plant that would be doing business in three States, but never be doing an interstate business. Why, Mr. Chairman, instead of the proposition I submitted the other day having been made waste paper by the Chandler-Dunbar decision, I submit that every decision of the Supreme Court, and particularly its last expression which I read, makes absolute waste paper of three-fourths of the provisions of this bill.

Referring again to an inquiry oft repeated, Can not the United States do anything it pleases with its own lands? the answer is, Of course it can not. Gentlemen must not confuse ownership with sovereignty. Ownership does not give sovereignty. Ownership does not create sovereignty. If it did, we would all be sovereigns because we own something.

If I own a piece of land in the State of Wisconsin and build on that piece of land a water-power plant, I am subject to the laws of Wisconsin in every respect where those laws operate. Likewise, if the United States Government leases a site to an individual who builds a plant there, the last-named individual is subject to the laws of Wisconsin, and you can not enlarge or restrict the operation of the Wisconsin laws one single bit, no matter how many paragraphs you put into the bill. In my case there was a complete absence of power to override the laws of Wisconsin. Such is the situation as regards the United States. The United States may own the land, but suffers from a complete lack of power to override the laws of Wisconsin.

Again, let me state that the ownership by the United States Government can not and does not create or enlarge the powers that Congress possesses.

Mr. FERRIS. Will the gentleman yield?

Mr. MILLER. Yes.

Mr. FERRIS. I want to ask the gentleman if he is not aware that Congress passed, almost by unanimous vote in both Houses, the Hetch Hetchy bill, which provided for the regulation in the greatest detail of matters purely intrastate, power generated in the State, power used in the State, and, further, if it does not make unnecessary the whole argument that whatever Mr. A, the Government, agrees to with Mr. B, the lessee, and incorporates in the contract, that that is a contract between the lessee and the Federal Government?

Mr. MILLER. The gentleman is suggesting what might have been done by the committee. Of course, you can do it by contract, but you can not do it by rules and regulations.

Mr. FERRIS. The gentleman's question is so completely foreclosed by the fact that all the water power has been developed under regulations that I think no further reply is necessary.

Mr. MILLER. The gentleman states a fact which shows that even yet he does not clearly see the awful holes in his bill. Of course, Congress can require that water power on navigable streams can be developed only by complying with certain of its rules. That is regulating commerce and navigation. Indeed, there are some rules Congress could impose upon water-power development on the public domain, but, indeed, not rules or regulations that interfere with or put a burden upon the powers of the State.

So, Mr. Chairman, I might continue, proceeding from paragraph to paragraph, pointing out the futile features of the bill; but why multiply the illustrations? Let me call attention to section 9, and then I am done. This paragraph recognizes the right of a State to control the service, charges for service, and stock and bond issues. It says, in effect, that these are items within the control of the State, but adds that if the State does not exercise its power, then a person is designated by Congress to exercise it. The section recognizes that the control of these features comes within the powers of a State; how, then, can any person be clothed with the power to exercise these functions except at the hands of the State? If the Federal Government has no power to control, and the State has, then the Federal Government can not possibly confer that power upon anyone.

Before provisions such as these can become operative, the Constitution, under which we live, must be materially changed.

Mr. MURDOCK. Mr. Chairman, I ask unanimous consent to proceed for 10 minutes, and I ask unanimous consent also to extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Kansas has the right to extend his remarks. The gentleman from Kansas asks unanimous consent to proceed for 10 minutes. Is there objection?

There was no objection.

Mr. MURDOCK. Mr. Chairman, a few moments ago, in the discussion of this conservation measure, a spirit of rancor was shown on the part of the two Republican gentlemen from Washington, Mr. HUMPHREY and Mr. JOHNSON, which I do not believe the newer Members of the House understand. Theodore Roosevelt ceased to be President March 4, 1909. For weeks preceding his departure from the White House there was hung up in one of the great committee rooms in this House, in jubilation, a daily bulletin. It first read "Only 30 days more." The next day this was replaced by a bulletin which announced "Only 29 days more." So that bulletin was daily changed until the day Mr. Roosevelt ceased to be President. That was a sincere expression on the part of the men who then controlled the Republican Party in the House. They were glad to chronicle the fact that he was going; glad to know he was gone.

Mr. RAKER. Will the gentleman yield?

Mr. MURDOCK. No; I will not yield now. One of the reasons that they then opposed Mr. Roosevelt—opposed him in the cloakroom, but not outside upon the floor, because they did not dare—was because of his friendship for Gifford Pinchot and the Pinchot policies. The moment Mr. Roosevelt ceased to be President the atmosphere of this House on the Republican side changed. At once there was open antagonism to Pinchot and his policies and an open indorsement and defense of Ballinger and the Ballinger policies, under which an attempt was made to rob the people of the great natural wealth of Alaska. The rancor and bitterness which has been shown in the scandalous and unjustified attacks here upon Gifford Pinchot to-day are the echo of that day. Let me say to you this conservation measure which you have before you now would not be here for consideration if it had not been for the policies of Theodore Roosevelt and Gifford Pinchot, and the defeat of the very men who are so free in their criticisms to-day. However, I did not rise for the purpose of defending those who need no defense. I rose for the purpose of reviewing the legislative history of the present Congress as evidencing the attitude of the three political parties here.

Mr. HUMPHREY of Washington. Will the gentleman yield?

Mr. MURDOCK. I would like to proceed, but I will yield to the gentleman.

Mr. HUMPHREY of Washington. I want to ask the gentleman whether he is going to extend his remarks along the line of what he has just been speaking about.

Mr. MURDOCK. No; I am going to speak on the major transactions of the present Congress.

CAMPAIGN PUBLICITY THAT IS NOT PUBLIC.

At the opening of the present Congress I introduced a resolution for the publication of all statements of campaign contributions, including congressional statements and those of national committees then on file with the Clerk of the House, pointing out that under the law, after the lapse of a certain period, these statements would be destroyed, and emphasizing the necessity of publication of the statements if the spirit of the campaign publicity laws were to be carried out. Consideration of my resolution was denied. The statements have never been published.

Both their totals and the list of the contributors contained in the statements were such that neither the Democratic nor Republican leadership here were inclined to enthuse over my proposal, for the Democratic leadership, after years of violent invective and denunciation of the excessive use of money in campaigns, knew that the Democratic national committee had spent more money than any other committee, nearly twice as much as the Progressive national committee, and $200,000 more than the Republican national committee. And the Republican leadership certainly felt that the sum total of its national committee's expenditures, in contrast with the eight electoral votes garnered by Mr. Taft, was a tragical exposition of campaign mismanagement best to be quickly forgotten. Mr. Wilson received 6,293,454 votes, Mr. Roosevelt 4,119,538, and Mr. Taft 3,464,080.

The total contributions and expenditures by the three national committees in 1912 are nevertheless illuminating. They were:

	Contributions.	Expenditures.
Democratic national committee	$1,159,446.33	$1,134,848.00
Republican national committee	904,827.67	900,363.58
Progressive national committee	676,672.73	665,500.00

Eloquent as the total figures are in a day of almost universal revolt against the "barrel" in politics, the detailed items of the statements, showing the sources of contribution, how much was given to the Democratic campaign by certain financial interests in New York, by J. Rupert, of New York, by Roger Sullivan, of Illinois, and others, would undoubtedly be more so had the Democratic leadership provided for their publication.

The refusal to publish them reflects in a way the attitude of the Democratic leadership against real reform, which is more clearly seen in its early, drastic, and persistent use of the secret caucus, its recourse to cloture, and its persistent refusal to change the rules of the House in the interest of popular government.

THE HALT IN REFORM OF THE RULES.

At the beginning of the present Congress the Progressives raised the standard of open committee meetings and the public conference. The Republican leadership, under this challenge and after its initial secret caucus had transacted its most important business, the empowering of its floor leader to select its representatives on committees, a continuation of the Cannon system, declared for open conferences—with a string to the declaration, which makes the pretense absurd—that the open conference can be thrown into a closed caucus by a majority vote. The Democratic leadership held to the closed caucus, with a modification, a provision which is bait to catch gudgeon, the provision that upon demand of one-fifth of those present a roll call shall be taken, which, if demanded, shall be given to the public. Inasmuch as the men in a Democratic caucus are all of one party, and naturally anxious to save one another from common party embarrassment, roll calls have been few and far between. Even when roll calls do take place they do not appear in the CONGRESSIONAL RECORD or in any publication where they are immediately accessible to the public. That the provision is a pretense is best shown by the fact that at the beginning of this Congress an attempt was made to open up all Democratic caucuses to the public. It was beaten. Under present Democratic leadership, therefore, King Caucus remains. Out of public view, without record of debate and secretly, great measures like the tariff measure and the currency law have been adopted, the representatives of the people bound, often against their better judgment and the interests of their constituents, and public debate and action thereafter in the House itself made pitiably perfunctory. For both the Underwood tariff bill and the Glass currency bill, as they left the House, were virtually word for word the bills passed out to the House by the Democratic caucus.

THE POWER OF THE COMMITTEE PIGEONHOLE.

Not only in its use of the caucus but in the matter of cloture the Democratic leadership, forgetting that one of the great causes for its accession to power was popular revolt against Cannonism, demonstrated how unwilling it is to depart from the old and un-American methods of narrow legislative control. Within the first month of the new Congress a "special rule" saving a great appropriation bill from amendment was adopted. Repeatedly through the life of this Congress the device of "special rules," because of which a nation arose in protest against Republican leadership in the House, has been adopted by the Democratic leadership.

Neither has that leadership suffered in this Congress needed improvement to be made in the general rules of the House. Under the initiative of the insurgents, the Democratic leadership displayed to the country a great anxiety to change the rules so that the House of Representatives should be representative in fact. The powers of the Speaker were diminished by taking away from him the right to name membership on committees. The Unanimous Consent Calendar was created. An improved Calendar Wednesday, which gave ordinary bills on the calendar a chance for consideration against great privileged bills, which were used as buffers and to keep the control of business in a few hands, was established. A right to discharge all committees save one, the Committee on Rules, and thus do away in part with the iniquity of the pigeonhole, was apparently given. To practically all of these changes the Republican leadership then and now is cynically opposed. Calendar Wednesday is in both the old parties here constantly derided as "Holy Wednesday," because it is one day in the week saved to the membership of the House from the dictation of leadership. There were other crying needs for reform in the rules. There ought to be the right for a public roll call in standing committees and in the Committee of the Whole. It is in this committee, in particular, that many important votes take place. There is also a crying necessity for a change in the rules so that Members can discharge committees which have pigeonholed important propositions, for the rule which now provides this is not operative.

The pigeonhole is as potential as it ever was. Moreover, it should be in order for the House to discharge the Committee on Rules. To this great committee go many of the major propositions—propositions for important investigations, requests for consideration of proposed amendments to the Constitution, such as national equal suffrage and prohibition—and there is no way in which the House, under its present rules, can dislodge this Committee on Rules, discharge it from the consideration of a measure and take over the matter itself.

SUPPRESSING THE SUFFRAGE AMENDMENT.

The denial of American womanhood to the right to a part in the conduct of government, one of the Progressive pledges, furnishes a case in point. The record to prevent the advocates of equal suffrage from securing the submission to the people of a suffrage amendment to the Constitution has been one of the most illuminating developments of the whole Congress. For years the advocates of suffrage have sought from the Committee on the Judiciary, in Republican and Democratic Congresses, a favorable report on this amendment. In this Congress they turned for relief to the Committee on Rules, asking the creation of a committee on equal suffrage. The Democratic members of the Committee on Rules defeated the proposition, but thereafter the Judiciary Committee reported out the suffrage amendment, and it was lost in the log jam of the House Calendar. The indefatigable advocates of suffrage thereupon turned to the Committee on Rules again, asking a special rule which would lift the amendment from the calendar and permit the House to consider it. In the meanwhile the Progressive on the committee, Mr. KELLY of Pennsylvania, had succeeded in putting through that committee a resolution providing that all roll calls in committee on the suffrage amendment should be public, and the country was soon to have the opportunity of witnessing the spectacle of four men keeping the Congress from the consideration of a matter which undoubtedly a majority of the Members were anxious to take up, for when the motion was made to report a rule for the consideration of the amendment the vote stood 4 to 4. Four negative Democratic votes killed the proposition, and there is no power in the House by which the opposition can be overcome. There was thereafter an official adjournment of the Committee on Rules to July 1, 1914, to consider again the resolution for a special rule for the suffrage amendment. When that date arrived no meeting was held. It was postponed until August 1, 1914. No meeting was held August 1, 1914, and the people and Congress and the advocates of suffrage still wait the pleasure of the Democrats on the Committee on Rules, and stand defeated in their proposition to let the people decide whether or not they can change their Constitution.

The Democratic leadership is apparently determined to halt in its reform of the rules at the point it was led by the popular revolt against Cannonism by the insurgents. The Republican leadership is continually sighing for the good old days, never failing to complain of the changes that have been made and manifesting clearly the determination to return to the old order of centralized control, if the House should be given to them by the people again. This attitude among Republican leaders is best evidenced by Senator ELIHU ROOT, of New York, who recently, in an address in the Senate, in referring to the Committee on Rules of the House under Speaker Cannon, which committee then was run by three men, said that it—

> Accomplished the nearest approach to responsible parliamentary government which this country has ever seen.

This, in its essence the basis of all belief in the boss system of government, is still the desire and design of Republican leadership.

THE BIPARTISAN MACHINE AND THE LOBBY INVESTIGATION.

The Progressives at the opening of the Congress proposed changes in the rules that would further improve them, and lift the House nearer and nearer a complete realization of its representative functions—a free House of Representatives, open in all its committees, effective, powerful, and truly representative. Their proposals were rejected, a record vote refused, and the demands they made have since been pigeonholed, although on the opening day the chairman of the Committee on Rules, Mr. HENRY of Texas, in debate promised that later changes would be granted.

The use of the pigeonhole, then, is as serviceable to the Democratic leadership as it was to the Republican leadership formerly. In this, as in most vital activities, the leaders of both old parties are in desire, purpose, viewpoint, method, and accomplishment identical. And it is because of this identity between the leadership that most of their battles become sham battles, and there has grown up in the House a bipartisan machine, greatly accentuated by the presence of a third and

independent party in the House, which bipartisan machine on vital occasions can side-step any issue, and which does.

Review, for instance, the investigation of the lobby. President Wilson, during the consideration of the Underwood tariff bill, complained that that legislation was menaced by an "insidious lobby." Shortly thereafter Col. Mulhall, who formerly as the paid representative of the National Association of Manufacturers had drawn, with other agents of that concern, out of the treasury of that association over $100,000 in his political activities, came out in an article charging a former, and Republican, régime in the House with collusion with the agents of this association in preventing progressive legislation, in dictating the appointment of Members on committees, in blacklisting certain Congressmen.

An investigative committee was selected. A majority of its membership was Democratic. But when the report was made, the Democrats and Republicans on the committee signed the same report. That part of the report made no recommendation. There was ample evidence upon which the Democrats might have held their traditional opponents, the Republicans of the old machine in the House, up to public condemnation. But all signed the report. There was one dissenting voice—that of a Progressive, Mr. MACDONALD, of Michigan. He condemned in unmeasured terms the machinations of the lobby and the machine in the House which had acted with it. In the investigation it also developed that Congressman McDermott, a Democrat, of Chicago, had received certain moneys from the treasury of the federated association of dealers in liquors in the District of Columbia during the pendency of legislation in which they were interested. Mr. MACDONALD, supported by the Progressives, offered in the House, when the report was submitted, resolutions providing that the House forthwith proceed to determine whether it should censure the officers of the National Association of Manufacturers, and proceed also to determine whether it should expel Mr. McDermott. An opposing motion to refer the whole matter to the Judiciary Committee was overwhelmingly carried and the matter permanently sidetracked. The Democrats and Republicans almost unanimously supported the motion to refer. The Progressives, believing that if a record vote could be obtained the result would be different, tried in vain to get such record vote. They were not in sufficient numbers to obtain it. The Judiciary Committee finally reported in favor of the censure of Congressman McDermott. In view of the certainty that, if the motion to censure was considered, a motion would be made to expel him, he resigned. Only a minority reported in favor of the censure of the officers of the National Association of Manufacturers, and nothing further has been done in this feature of the case.

SIDETRACKING THE PRESIDENTIAL-PRIMARY BILL.

On many other occasions the Progressives have asked for record votes on vital matters, notably on their attempt to change the rules and on a tariff-commission plan; and in most of the instances neither the Democrats nor Republicans would assist them in obtaining enough to make up the one-fifth which is necessary to have the roll of Members called.

The pigeonhole as a device for effectual opposition to demanded legislation is never overlooked by the Democratic leadership. In his first regular message to Congress President Wilson, responding to the spirit of the times, urged with the greatest emphasis that Congress pass a presidential primary law. There is great opposition to this proposition on both the Democratic and Republican sides. A Progressive, Mr. HINEBAUGH, of Illinois, had already introduced a bill to inaugurate this system. His bill still sleeps in committee. The exhortation of the Executive, voicing a profound popular desire and demand, has been disregarded. If the Democratic leadership ever does decide to report a measure bearing the name of presidential primary it will be mutilated to meet the objections of those in the House who cling to the oldest forms of the doctrine of State rights and will not be the measure the country is demanding at all.

Nor is the presidential primary the only Progressive demand that is sleeping in committee pigeonholes. The Progressives introduced a bill, through Mr. CHANDLER of New York, for an easier method of changing the Constitution, a most comprehensive measure of vital importance. It is untouched. So is the Progressive bill looking to the inauguration of a practical social insurance, by Mr. KELLY of Pennsylvania. So is the farm-credit measure, by Mr. HULINGS, of Pennsylvania. So is the Progressive measure for the creation of a national bureau of employment, the Progressive child-labor bill, the Nolan bill prohibiting the shipment of convict-made goods in interstate traffic, the equal-suffrage amendment, the bill creating a commission to adjust naturalization inequalities, the tariff-commission bill, the Progressive workmen's compensation bill, and others.

PROGRESSIVES FOR EFFECTIVE MEASURES, REGARDLESS OF ORIGIN.

While the majority party has not reported out these Progressive measures for the betterment of social and industrial conditions, the Progressives in Congress have not hesitated to give their hearty support to all meritorious measures whatever their origin, as in the instance of the bill for the Government construction of a railroad in Alaska. They would battle with equal willingness if they had the opportunity for an efficient farm-credit bill, as they battled to make more effective a campaign publicity measure, and as they strove without success to take the entire Postal Service, postmasters included, out of the spoils system, as proposed in an amendment offered by me on August 1 last and overwhelmingly voted down, while at the same time the Democratic leadership was busy taking the assistant postmasters out of civil service, as they had previously kept income-tax collectors, deputy marshals, and deputy revenue collectors out of the merit system. They would battle for an effective bill prohibiting gambling in cotton futures, as they have fought against the proposition of putting off on the cotton growers of the South, under the pretense of prohibiting gambling in cotton futures, a bill which, in fact, legalizes it.

The history of the cotton futures bill in this Congress is typical of the attitude of the two old parties in meeting the demands of the people. When the Underwood tariff bill was in the Senate there was added to it by Senator CLARKE of Arkansas a radical amendment against gambling in cotton futures. When the bill, after conference, reached the House that body receded from the disagreement with the Senate on this Clarke amendment and concurred with an amendment—offered by Mr. UNDERWOOD—which, as was pointed out in debate at the time, would not prohibit gambling in cotton futures, but which would legalize it. The motion in the House to concur with the Senate's proposition with this amendment was adopted by a narrow margin. The next day, as was to be expected, the Senate disagreed to the Underwood amendment, and, without waiting for action on the part of the House, destroyed the Clarke amendment by receding from it. The following day, against protest, the House receded from its own substitute. During these discussions assurance had been given that later in the Congress a separate measure dealing with this evil would be considered. Later a bill, introduced in the Senate and amended in the House, was passed. The bill passed will not suppress gambling. It will legalize it. The Progressives in Congress made every effort in their power to have this legislation effective, not sham. The best-known method of suppressing gambling in cotton is to prohibit the use of the mails in gambling transactions. This method is efficacious; and it was this method the Democratic leadership would not employ.

A CHANCE TO SUPPRESS COTTON GAMBLING AND FAILURE.

Here we have an illuminating set of circumstances typical of the methods of the leadership of the two old political parties. Under the scourge of an acknowledged evil, hurtful morally and injurious economically, the South had cried out for a quarter of a century against the gamblers on the cotton exchanges. The protest was given hope in this plank in the last Democratic platform:

> We believe in encouraging the development of a modern system of agriculture and a systematic effort to improve the conditions of trade in farm products so as to benefit both the consumers and producers. And as an efficient means to this end, we favor the enactment by Congress of legislation that will suppress the pernicious practice of gambling in agricultural products by organized exchanges or others.

Now, the Democratic leadership which had made this pledge to suppress was at last in power. It had the Senate and the House and the Executive. Virtually all the chairmanships of the great committees are held by southern Democrats. There could be no question about control. Palpably something must be done in redemption of that pledge to the cotton growers. But the proposition at once appealed to the Democratic leadership in a new light. This had been an infamous thing before they were in power. But now that they were in power, that they could afford relief, the question was not, How much relief can we bring by stopping this evil? but the question was, How much can we appear to be carrying out the pledges of the platform without stopping the evil? Their motto as public servitors is not "How much?" but "How little?" The pledge was to suppress gambling in cotton futures. The bill passed proposes ostensibly to correct the evil. Admittedly it will do no such thing. And a year hence gambling will be flourishing as before, the cotton growers will be victimized as usual, the Democratic plank will stand unredeemed, and the Democratic leadership will be talking solemnly of the need of amendments.

What is true of their attitude on the evil of cotton gambling is true on other major legislation, notably the currency legislation, a subject I will elaborate upon a little later in my remarks.

THE TARIFF—PROGRESSIVE, DEMOCRATIC, AND REPUBLICAN RECORD.

The first effort of the Democratic leadership after their accession to power was the tariff. The demand for a revision of the Dingley tariff law arose in 1904–5, and in 1908 the Republicans pledged in their national platform a revision. In 1909 the Republican leaders revised the law upward, not downward. A wave of great popular indignation swept the country. The Democrats carried the House of Representatives and at once began a revision of the tariff, one schedule at a time. These bills went to a Republican Senate, were considered there, and were passed on to President Taft, who vetoed them. In 1913 the Democratic leadership, having gained the Senate and the White House, took up as their first performance a revision of the tariff, and, unmindful of the fate of the high-handed Republican leaders who had preceded them, they resorted at once to those methods which were under universal condemnation—secret consideration in committee, caucus cloture, and random, haphazard, guesswork revision in an omnibus bill.

For the Progressives I offered at the first meeting of the Ways and Means Committee a motion that all meetings of that committee should be open. This motion was voted down. The tariff bill was framed by the Democratic members of the committee. It was then taken before the secret Democratic caucus and approved. And as it was approved by the caucus, so it went through the House, virtually without change. No matter how meritorious an amendment was, if the caucus had not indorsed it it was anathema. Let me illustrate: When the income-tax features of the bill were reached the larger incomes were not taxed in just proportion. To effect this I offered the following amendment, which was supported by the Progressives but overwhelmingly defeated by the Democrats and Republicans:

Amend, page 134, line 1, after the figures "$100,000," by striking out the numeral "3" and inserting in lieu thereof the numeral "6."

The purpose was to increase the tax on incomes in excess of $100,000 from 3 per cent to 6 per cent. Undoubtedly a great number of Democrats were for this proposition, for when an amendment levying a tax of 6 per cent on incomes above $500,000 was added in the Senate and came back to the House the Democrats supported it.

THE PROGRESSIVE TEST ON A TARIFF COMMISSION.

The attitude of the Republican leadership during the consideration of the Underwood tariff bill was shown in the perfunctory offer of amendments, many of them carrying the old duties of the Payne law. Coupled with this activity was a criticism by the Republicans of the method by which the Democrats were considering the bill. They had for the moment forgotten that when the Payne bill with its 4,000 items was considered in the House only five amendments were permitted to be offered—on hides, lumber, barley, barley malt, and oil.

When the Underwood tariff bill reached its final stages in the House, after its third reading and before its final passage, the Republican leaders offered a motion to recommit the bill with instructions, the chief feature of which was the creation of a makeshift tariff commission. This had been offered in the Committee of the Whole as an amendment and was held to be out of order. It was certain to be held out of order in the House. The point of order was made in the House against it, it was held out of order, and no record vote was had upon it. I offered immediately to that part of the Republican instructions remaining a substitute, the chief feature of which was the provision for a revision of the tariff on facts adduced by a nonpartisan, scientific tariff commission, one schedule at a time, with a record vote on each schedule. No point of order was made against this Progressive substitute. A standing vote was taken. Speaker CLARK announced that 17 had voted for it. I protested, inasmuch as there were 19 Progressives then in the House. These Progressives were Representatives NOLAN, BELL, and STEPHENS, of California; BRYAN and FALCONER, of Washington; LAFFERTY, of Oregon; LINDBERGH, of Minnesota; WOODRUFF, of Michigan; COPLEY, HINEBAUGH, and THOMSON, of Illinois; KELLY, HULINGS, LEWIS, RUPLEY, TEMPLE, and WALTERS, of Pennsylvania; CHANDLER of New York; and myself. Mr. MACDONALD, of Michigan, had not been seated at that time. The 19 Progressives signed a paper addressed to the Speaker declaring they had voted for the Progressive substitute. Speaker CLARK announced that he had received the paper, explained the difficulty of counting standing votes, and asked unanimous consent to change the 17 to 19. This was accorded. During the contest I attempted to obtain a record vote upon my substitute. A demand of one-fifth of those present is required to obtain a record vote. We were not strong enough numerically to obtain the one-fifth. We could have secured it had we enjoyed the help of the Republican leadership. It was not given. No record vote was secured. That is, the Republican leadership, which has been loud in its protestations of advocacy of a tariff commission, when given the opportunity to vote on the commission proposition did not avail themselves of it. The omnibus Underwood tariff bill was amended 676 times in the Senate. These amendments were, of course, vital. Again, in secret, the Democratic members of the Ways and Means Committee in the House and the Democratic members of the Finance Committee in the Senate met and agreed upon the items in dispute. Then all members of the conference—the Republicans and myself, as a Progressive—were invited in, and in a perfectly perfunctory manner the 676 items in dispute were adjusted in exactly seven minutes. I was a member of the conference and made note of the time.

MAKING A RANDOM TARIFF IN SECRET.

This is the history of the Underwood tariff bill. It began in secret and ended in secret. The bill which was reported out of the Democratic portion of the Ways and Means Committee was the same bill reported out of committee, then out of caucus, and finally passed through the House. It was an omnibus bill. It could not be comprehended by the membership of the House. No single mind in the course of desultory and perfunctory debate can grasp the thousands of items which make up a tariff bill and which affect vitally every line of business in the United States.

The bill developed, however, the attitude of the three parties as to general tariff policies. The Democrats developed an anomalous attitude, based partly on a traditional belief in free trade, in this instance applied ruthlessly to the cereal farmers, a doubting desire for revenue duties, and a more or less anxious concern for protective duties where Democratic sentiment demanded them. The Republicans stood, as before, for a prohibitive protective tariff, defending the high duties of the Payne-Aldrich bill, and giving every evidence that, if restored to power, they would reenact that measure so completely repudiated by the people. The Progressives stood for a revision of the tariff, one schedule at a time, on facts adduced by a nonpartisan scientific tariff commission, with the rates of duty based, not on the prohibitive principle, but on the protective principle, under which conditions of competition between the United States and foreign countries should be equalized, both for the manufacturer and the farmer, with the maintenance of an adequate standard of living for the men and women in the industries affected by these schedules, to the end that the home market might not only be protected, but that industry might be strengthened for its conquest of foreign markets.

The Democratic tariff has done none of the things which it was claimed it would do. The Democratic leadership had claimed for years that the prevailing tariff had nurtured and maintained the great combinations which under a grant of special privilege dominated the business of the Nation and preyed upon the people. The contention was made by that leadership, over a long period of time, in campaign and out of campaign, that if the Democratic leadership were given a chance to revise the tariff, "the mother of trusts," the strangle hold of the great combinations could be broken. The Underwood tariff has been the law of the land for over a year. It has nowhere broken the power of the trusts or disturbed them. It has, on the contrary, by its disturbance of general conditions, inevitable in a random, guesswork revision, menaced the smaller and independent factors in trade to the advantage of the great and predatory combinations.

Similarly the increasing cost of living in America had long been ascribed by the Democrats to their absence from power and their inability to revise the tariff. Given that power, and the tariff revised by the Democratic leadership, and the cost of living was not reduced. It has increased.

And while neither disturbance to the great combinations nor a reduction of the cost of living followed the passage of an omnibus tariff bill, the desirable independent factors in manufacture were hurt, the farmer was injured, and the burden upon the back of labor was heaped higher.

Here then was an achievement which resulted in no good and infinite harm.

OSTENSIBLE ACCOMPLISHMENT VERSUS ACTUAL RESULTS.

But for the moment the Democratic leadership, after the enactment of the Underwood bill, evidenced much and smug satisfaction. It had revised the tariff. This attitude is an indispensable key to a correct understanding of the economic

history of the United States in the last 18 months. There was a popular demand for a revision of the tariff downward. The Republican leadership denied that demand. The Democratic leadership responded to it. And both miserably failed in results, and the Nation is interested alone in results. Under prevailing methods any political party will fail to get satisfactory results. There is only one way to revise the tariff with satisfactory results and with safety and justice to all—that is the Progressive way—the revision of the tariff one schedule at a time upon data adduced by a nonpartisan scientific tariff commission, with the rates based on the protective principle enunciated in the Progressive national platform, which I have previously set forth. The Progressives were after results, beneficial results, to all the people. The Republican leadership, true enough, wanted results—the results of a prohibitive protective tariff to the favored few. The Democratic leadership was not after results—it was set on putting through a program regardless of results. The tariff was to be revised. The Democratic platform had promised it. They revised it. This anxiety to put through a program, regardless of the effects of legislation, has characterized most of their activities on major matters in this Congress. They have been bent on keeping the word of promise to the ear, with no concern whether they broke it to the hope. They are paying the penalty to-day, for their random tariff has not fulfilled the pledge either in curbing the trusts or reducing the cost of living.

THE RETREAT FROM REAL CURRENCY REFORM.

The same impeachment lies against the Democratic leadership in the matter of currency legislation. Before the Republicans went out of power, and after the Democrats had secured the House of Representatives, a commission was appointed to investigate the Money Trust. A majority of this commission were Democrats. After full and complete investigation these Democrats found that a Money Trust existed; that it held its tremendous power over credit in the United States by certain well-defined, pernicious practices in Wall Street. These Democrats made an exhaustive report to Congress and they embodied in their report, specifically and in terms, amendments to the laws designed to break up the Money Trust. But when the new currency bill was in preparation these recommendations were shoved aside. As a framework to the new currency measure, the plan, known as the Aldrich plan, which with its 50-year franchise to a central bank had been generally condemned, was liberally drawn upon.

The bill as reported out of the committee was considered in secret Democratic caucus. It is reported that an effort was made in the caucus to incorporate in the new measure some of the recommendations of the Money Trust commission, including the prohibition of interlocking directorates. These were voted down. When the bill reached the House it was given the same perfunctory consideration which had characterized the tariff bill. For the Progressives I offered the amendments which the Democratic Money Trust commission had recommended. These amendments were voted down by Democrats and Republicans. The Democratic leadership, so far as currency legislation was concerned, was taking a mincing, timid half step when in power, where a year before, out of power, it had pointed the way to complete remedy and had criticized its opponents for not taking the full step. Legislation for farm loans, properly a part of this legislation and urgently demanded everywhere, was barred out. The currency bill, a bank bill which provides for the creation of Government money, redeemable by the Government, issued to the banker at a low per cent, money based on his assets, money to be loaned by him to his customers at any per cent he desires, was passed. Although there was much long and eloquent speech making that one of the purposes of the bill was to reduce the power of New York City over credits, among the men selected as a member of the controlling Reserve Board was a Wall Street banker, Mr. Warburg, popularly reputed to be the author of the old Aldrich plan. As part of the new currency law the old Republican Aldrich-Vreeland emergency currency measure was included. This provided for an emergency currency to an amount not exceeding $500,000,000. This law was bitterly condemned by the Democratic leadership at the time of its passage. Now, it was taken over and the rate of interest to be charged the banker for its use reduced. Recently this part of the new currency law was amended in the House over my protest by removing the limit of $500,000,000 and making the amount that may be issued unlimited. And in one week recently the bankers took out $165,000,000 of this emergency currency, at a cost of 3 per cent to them, when call money in New York was 8 per cent and clearing-house certificates 6 per cent.

The farm credit currency measure still sleeps in committee. The provision in the currency bill that passed which provided for loans by banks on farm lands is a pretense. It does not operate. It will not. The bankers know this. The farmers are discovering it.

When the currency bill was before the House for final passage, Mr. WALTERS, of Pennsylvania, offered for the Progressives an amendment prohibiting interlocking directorates. A record vote was obtained. The proposition received only 101 votes and was lost.

THE FEEBLE DEMOCRATIC ATTEMPT AT ANTITRUST LEGISLATION.

When the trust proposition was brought before the Congress for consideration the Democratic leadership in the House presented three propositions: (1) The creation of a trade commission, (2) regulation of the issue of stocks and bonds of interstate carriers, and (3) amendments to the Sherman antitrust law, seeking to give further definitions to the courts under that act. The trade commission proposed by the Democrats in the House was a purely investigative commission without adequate power. The amendments to the Sherman antitrust law were mostly random, groping provisions which, if they became law, would further confuse and muddle the whole question. It was plain that if the question was to be handled effectively at all, and the country saved from further depredations by the great monopolies, it was necessary that the whole subject be approached with a determination to avoid damaging delay in the courts, and to bring to bear upon the whole question sanely constructive solutions of the problem. The dissolution of the Standard Oil Co. and the Tobacco Trust, which resulted, not in dissolution, but in advantage to those in control of these commercial monsters, challenged every publicist. Plainly, to follow in the direction in which the Democratic leadership led was to travel the old useless circle from the doubting Congress to the hesitant Attorney General, to the delaying courts, and back to Congress again. So I offered for the Progressives a concrete, comprehensive, and constructive plan for the solution of the problem. The plan was embodied in three bills.

These three bills do not confound big business and monopoly. They do not attack the form of monopoly, but they do attack its substance. They recognize that there are monopolies which have grown from natural causes and monopolies that have grown from unnatural and illegal practices. They eliminate both kinds of monopolies. They recognize the beneficence of cooperation, but they differentiate between beneficent cooperation and the deadly forces of monopolistic combination; and they would give honest business full information as to just what it can and what it can not legally and properly do.

The Progressive bills, in a word, provided for a strong administrative trade commission with power to find the facts and to act upon them; with the business of directly determining the existence of monopoly, the basis of that monopoly, and the manner of suppressing that monopoly. The first Progressive antitrust measure created a strong trade commission. The proposed Democratic trade commission was a feeble board with nothing more than investigative powers and dependent upon the virtues of an optional publicity which an existing Bureau of Corporations has invoked for years in vain. The second Progressive bill gives the trade commission power to order an offending corporation to desist from unfair trade practices, which are defined, and, upon the corporation's refusal to do so, provides that the commission may apply to the courts for the enforcement of its orders. The third Progressive antitrust measure provides that whenever a corporation exercises control over a sufficient portion of a given industry or over sufficient factors therein to determine the price policy in that industry the commission may determine that such concern exercises substantially monopolistic power, which power is declared to be contrary to public policy. Having so determined, the commission is then empowered to determine upon what basis this monopolistic power rests—artificial bases or natural bases. Artificial bases are acts of unfair competition, which are defined; natural bases are the control of natural resources, of transportation facilities, of financial resources, of any economic condition inherent in the character of the industry, including patent rights. If the monopoly should rest on artificial bases, the commission is empowered to order the concern to desist from its acts of unfair competition and to call upon the courts to enforce its orders. If the monopoly should rest on natural bases, it is made the duty of the commission to issue an order specifying such changes in the organization, conduct, or management of the monopoly as will promptly terminate the monopoly. If the monopoly resists the order of the commission, then the commission may apply to the courts for the appointment of a supervisor for such concern, with power to carry into effect the commission's orders.

This is, in brief, the Progressive plan. It was simple, direct, and constructive.

THE PROGRESSIVES, THE DEMOCRATS, THE REPUBLICANS, AND THE TRUSTS.

The Democratic proposal, a feeble commission and added definitions to the Sherman antitrust law, left the whole problem to the courts. The proposal was blind, timid, hesitant, halfway.

The Republican leadership offered nothing. It apparently favored further exposition by the courts of the Sherman antitrust law as it stands.

The attitude of the Democratic leadership has been that of the blind leading the blind. The attitude of Republican leadership that of those who had determined to stand pat and stand still. The Progressives pointed a new, straight, direct way to an adequate solution of the problem. When the Democratic proposals were under consideration I offered the Progressive propositions. They were voted down. On the passage of the Democratic trade commission measure I offered the strong Progressive trade commission proposal. It was rejected.

THE TARIFF, THE CURRENCY, AND THE ANTITRUST RECORD.

I have given the legislative history of three major measures in the House.

In the case of the tariff bill the Progressive tariff commission plan offered to the House was not supported by the Republican leadership, which is loud in its advocacy of such a commission.

In the case of the currency bill the strong amendments prepared by the Democrats of the Money Trust Commission were offered in the House by the Progressives and the Democratic leadership rejected them.

In the case of the antitrust bills the strong, clear, comprehensive, constructive measures offered by the Progressives were opposed by the Democratic leadership, which was groping, and the Republican leadership, which was stationary.

THE MISSION OF THE PROGRESSIVE PARTY.

Through all these issues and the contests which have grown out of them the Democratic leadership has been constructive only in so far as it was necessary to consummate a program, to do something and to declare it done. The Republican leadership has carried its party into a negative position, where its chief activity has been largely a lively hope of future party prosperity through the mistakes of the Democratic majority.

The one party has played to retain its party power. The other has played to regain its party power. The Progressives have sought to serve all the people, regardless of party or party power.

Far from exercising mere partisan opposition, the Members of the Progressive Party have introduced in the House the practice of giving whole-hearted support to desirable legislation, no matter what its origin. They supported the Cullop amendment, providing that the President make public all indorsements of applicants for judicial place, a Democratic pledge which Democratic leadership has repudiated. They supported the Alaskan railroad bill. They have fought to make all conservation measures more effective. They have advocated adequate appropriations for the new Children's Bureau, which were being withheld. They opposed with virtually a united front the proposition to surrender to Great Britain our sovereign rights in the Panama Canal. They have at all times exercised the right to vote as they believed they should vote, without trammel of party caucus, without let or hindrance of party prejudice. And they have been first in the initiation of constructive legislation for the advancement of the democracy.

For the Progressive Party has endeavored to have Congress write into concrete terms of law exact justice; to establish direct popular government, so that the people, and the people alone, shall rule; to frame in the open, sanely, understandingly, a tariff which would not only maintain prosperity but pass prosperity around; to institute currency reforms which would destroy the tyranny of the credit monopoly and grant special privilege in money issues to none; to enact antitrust laws that would be at once destructive to dishonest business and a guide and protection to honest industry and commerce. The Progressive Party has offered in fulfillment of its covenant with the people, made in its national platform of 1912, measures for the betterment of industrial and economic conditions, measures to establish social and industrial justice, measures to make representative government more effective and more responsible. It has placed right above wrong, justice above injustice, national need above sectional advantage, the public weal above private profit, and man above mammon. It deserves no less credit because its proposals have been rejected, for, moved by the high ideals and the aspirations which gave it birth, it is marching on, confident that service will triumph over sham, light over darkness, that truth will prevail against technicality, that patriotism will eventually overslaugh partisanship, confident that the people, through a new party, willing to serve and to give to the Government in full measure the devotion which will bring to all men and women complete representation and a square deal, will come at last into their own.

Mr. RAKER. Mr. Chairman, on the amendment offered by the gentleman from Wyoming there is practically one important matter that is involved after the general understanding of what can be done is agreed upon. The gentleman from Wyoming, and, in fact, all so far, concede that the Government can sell or lease its public domain upon conditions the same as a private individual may lease or sell his holdings, under conditions. That being agreed upon—and I understand the gentleman from Wyoming concurs in it—the question then comes whether or not the amendment of the gentleman from Wyoming is wise in a State where the entire plant is located and where the entire output is to be sold.

This bill provides, in section 9, that if there is a public-service commission in that State it fixes the price that the consumer is to pay. It fixes the question of the relation of the issues of bonds and stock; in other words, regulates it as a public utility for the interest of the consumers.

Now, having come to the conclusion or determination that the Government may lease its land to be used in developing a power plant, which plant, perchance, is located in the corner of some one State, it is of necessity, without any extension—or in its ordinary force would be—in two or three or four States. There are many cities located on the border, part of the city in one State and part in another, and some in three States, and others that are very close to the border. The purpose of the bill as reported by the committee is that the Government, having the ownership of the land, and the line going into several States, may regulate the question of the price to the consumers, so that all under that system would be treated alike, notwithstanding they may be but a few miles apart, one in one State and one in another, and that the question of the issuance of the bonds and stock would all be under the control of the one power. Without any national law, the committee believed that the Secretary of the Interior, representing the Government, should stipulate that when you accept this lease you must comply with a condition fixed therein as to supplying power to your consumers in two States if it goes into two States, as well as to the issuance of bonds and stocks, so that, as stated, all would be under that one service, although they may run in two States, and the consumers would be treated alike and receive power at the same price.

Mr. MONDELL. Mr. Chairman, will the gentleman yield?

Mr. RAKER. Yes.

Mr. MONDELL. Does the gentleman contend that a private individual leasing land for power purposes could legally make it a condition of the lease that if the power was delivered in more than one State the public-service commission of the State could not have any control over the enterprise?

Mr. RAKER. No; I do not make any such contention as that.

Mr. MONDELL. That is what the bill does.

Mr. RAKER. No; I do not think so.

Mr. MONDELL. It says the Secretary of the Interior shall control.

Mr. RAKER. I believe, notwithstanding our attempt to legislate here upon a condition fixed in the lease, because of the fact that the Government owns the land, if a man installs a complete plant to furnish electric energy to a city or community, he then comes under the law of the State, if there is one in that State, as to furnishing electric energy for those who receive it.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FERRIS. Mr. Chairman, the gentleman from Wyoming [Mr. MONDELL] offers an amendment to the first part of section 3, which takes away from the Federal Government all of the right it has to control the water powers generated on its own lands. I have carefully copied and read the amendment of the gentleman, and it is carefully worded, being clipped from some other bill he introduced, and surely the House does not want to adopt it or any other amendment like it. I call attention to the fact that five or six of the Western States have no public utility commissions at all. I want to know who in fact would regulate the charges for water powers in those States. There can be but one answer to that, and that is they would escape any regulation at all. Again, it is a matter of the gravest sort—and I do not think any considerable portion of the House would think of doing it—to absolutely cut off

all of the right of the Federal Government to control what goes on on its own property.

Listen to what the gentleman's amendment provides:

That all leases shall be granted upon the condition and subject to the reservation that at all times during the use and enjoyment thereof, and of the water appropriated and used in connection therewith, the service and charges therefor, including all electric power generated or used in connection therewith, shall be subject to the regulation and control of the State within which the same is used and subject to the fixing of the rates and charges for the use thereof and the issue of securities by such State or under its authority.

The moment the transmission line carrying electricity crosses the State line, then if they had a public utility commission the State would lose control; but in those States where they have no public utility commissions, and there are four or five or six of them, I want to know who would control the water-power companies?

Mr. MONDELL. The gentleman understands that under my amendment the State in which the power was used would have complete control.

Mr. FERRIS. In the bill a later section provides that where the power is generated in a State and used in a State, and the State had a public utility commission, the public utility commission governs; but in a State where there is no public utility commission, and doing interstate business, I ask, under the gentleman's amendment, where we would have any regulation at all. There are some people who will even object to allowing the State public utility commission to control, even on strictly intra business, but surely everyone who is friendly to legislation of this sort and who is at all favorable to Federal control of water power would be opposed to the gentleman's amendment.

I ask for a vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wyoming.

The question was taken; and on a division (demanded by Mr. MONDELL) there were—ayes 1, noes 20.

So the amendment was rejected.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word. I do it especially to inquire as to the reason that prompted the committee in permitting the authorization of combination of plants and of these various distributing lines.

Mr. FERRIS. Mr. Chairman, that amendment on its face would to one who had not given it consideration seem subject to criticism; but I can do no better than call the gentleman's attention to the proposition where two or three little power companies with small dam sites are required to make up a complete system of electric lighting in a city. It would certainly be folly and duplication of work and expense, as was shown by the best authorities that appeared before us, including ex-Secretary Fisher and others, to have two or three companies dabbling away at it, just like a duplicate telephone system in a town. The gentleman no doubt has towns in his district where two companies are dabbling at the telephone business, neither of which can give good service, but both of which are trying to give duplicate service. If you go to a telephone and call up somebody, they tell you that it is on the other line. Therefore every business man in the town puts in telephones of the two telephone companies for certain service. So it is necessary in the interest of good administration, as urged by all the authorities who appeared before us, engineers, and so forth, to say that in one case it is necessary, while in the other case it is vicious to have such a combination.

Mr. STAFFORD. I can understand, so far as the illustration in reference to the telephone companies is concerned, as to the need of having but one telephone system in a municipality in reference to a service which they both serve, but under the authorization as here given I can conceive that it might be gravely abused, for here is authorization for a combination, as you may say, or for one gigantic trust to generate electric power. The very purpose we are seeking after is to establish competing generating plants, where there is a public demand, under public supervision and control; and yet here——

The CHAIRMAN. The time of the gentleman has expired.

Mr. STAFFORD. I ask unanimous consent to proceed for five minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin? [After a pause.] The Chair hears none.

Mr. STAFFORD. Under this authority you are giving the Secretary the power of allowing all these plants to be combined into one gigantic water-power trust.

Mr. FERRIS. Will the gentleman yield?

Mr. STAFFORD. While that is hard to conceive, yet I can realize how it may be abused by some Secretary, or through influence and connivance with subordinate officials in control. I yield to the gentleman, but I desire to ask him another question.

Mr. FERRIS. I want to call attention to the last part of the paragraph, which expressly prevents and prohibits combinations when there is anything tending to monopoly or agreement to raise prices and other various things mentioned; in other words, to increase the prices of electric energy.

Mr. STAFFORD. But the gentleman knows that all of these combinations claim that they are not for the purpose of raising prices, and yet we know that the monopoly is for the purpose of getting a large profit and ultimately raising prices. They are claiming, of course, that it does not raise prices. The gentleman anticipated me, because I want to ask him why should we in this bill try to supplement the Sherman antitrust law in the provision which was referred to by the gentleman? What is the need of that qualification? It says that combinations, agreements, arrangements, or understandings, expressed or implied, to limit the output of electrical energy are hereby forbidden. In fact, such practices are forbidden under the Sherman antitrust law. The Supreme Court has construed that law. It is a matter of serious concern whether we should add to or supplement the Sherman antitrust law when there is nothing gained and much confusion may result by inserting it. Does not the gentleman believe that the Sherman antitrust law would apply without that qualifying language?

Mr. FERRIS. Probably, yes; if the gentleman will pardon me, but water power is in its infancy. Twenty-four years ago there was no such thing as water power generating electricity. The first plant was stationed in Colorado in 1890, 24 years ago. I think the gentleman, good lawyer that he is, will always recognize the fact it is better to have the laws all incorporated together, all reading together, and all construed together and standing as a legal entity.

Mr. STAFFORD. The gentleman will realize that the Sherman antitrust law has a well-defined application and a well-defined construction, and though not intended originally to apply to water powers, because not then in existence, they are included in its application and extent. I question very seriously whether we should attempt by special legislation to supersede or supplement the Sherman antitrust law when it is understood that that law fully applies to such a combination.

Mr. BRYAN. Will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. BRYAN. Does not the gentleman believe that if this added clause which he complains about is not included in the proviso the first part of the proviso will probably have the effect of repealing the Sherman antitrust law in so far as water power is concerned?

Mr. STAFFORD. Not at all. The first part of the proviso only applies to the physical combination of plants and of lines; nothing more; and it is in that part of the proviso which forbids combination, monopolies, and unlawful agreements and discrimination that you are applying language that has not been construed by the Supreme Court; you are placing in here a provision that has never been interpreted by the court.

Mr. BRYAN. It seems to me the clause beginning with the word "but" there shuts out what would be an attempt on the part of water-power users to say this act repeals the Sherman antitrust law.

Mr. STAFFORD. The gentleman recognizes the court would construe this as supplementing and virtually superseding the Sherman antitrust law, and that there will be another suspense as to the interpretation to be given to this provision by the courts, and it might be held that the Sherman law had been superseded and not considered as applicable.

Mr. BRYAN. That will not hurt anybody who believes in the enforcement of the law.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. CLINE. I want to ask for a little information, Mr. Chairman.

Mr. STAFFORD. I withdraw the pro forma amendment.

Mr. CLINE. Mr. Chairman, I speak in opposition to the amendment offered by the gentleman from Wisconsin.

Under this provision that prohibits combinations, does this bill, or this particular section of the bill, meet, for instance, this situation: I have in mind a company that generates electricity. That company sells the electricity and has nothing to do with the transmission of it. It sells it to a transmitting company. The transmitting company has nothing whatever to do with the generation of the electricity and nothing to do with the distributing of it, but that company sells to a third company, which is a distributing company. Of course, it is evident, especially where the majority of the directors belong to each indi-

vidual company, and yet each company is organized under the State in which it exists as a separate and distinct corporation, that that must tend to increase the charge which the consumer must pay. Does this particular section meet that condition?

Mr. FERRIS. They can not sell more than 50 per cent of the power to anyone, and there is a section later on that prevents them from selling to anyone else except with the consent of the Secretary of the Interior.

Mr. CLINE. It can not sell to a holding company?

Mr. FERRIS. Not without the consent of the Secretary of the Interior.

Mr. CLINE. I am referring to the section now under consideration. These companies are absolutely distinct organizations, organized in the State in which they are operated, and have no relation whatever to each other in the generation, transmission, or distribution of electricity. My inquiry is whether this section will meet that condition? Neither one of the companies is a holding company for the other two.

Mr. FERRIS. Let me call the attention to section 4, where it says:

That except upon the written consent of the Secretary of the Interior no sale or delivery of power shall be made to a distributing company, except in case of an emergency, and then only for a period not exceeding 30 days, nor shall any lease issued under this act be assignable or transferable without such written consent.

The thought we had in mind was exactly what the gentleman thinks—that they might peddle it around to a distributing company and on to another distributing company, until it would be hard to fix the responsibility and rate of charges. Our thought was that each time when they sought to do it, if they had to come in and get authority, the Secretary could guard the conditions under which the transfer was made and could control the service and rates, and still keep the power well guarded in the interests of the public.

Mr. CLINE. It is not practicable for a generating company to transmit and distribute the electricity.

Mr. FERRIS. I take it the gentleman does not make that as a uniform condition, but in many cases it is true.

Mr. CLINE. If that be true—of course, it is the information of the chairman—I understand that a company generating hydroelectricity could generate it, transmit it, and sell it to the consumer?

Mr. FERRIS. Not necessarily that. We do think it necessary for them to get permission so to do before it is done, so that the Secretary who grants that authority can see to it that all of the interests are guarded.

Mr. CLINE. And if they get that permission, the Secretary of the Interior would sufficiently scrutinize the application so as to prohibit any increase of prices unduly to the consumer?

Mr. FERRIS. The thought of the committee was that he specially should have that responsibility, it being necessary for him to pass upon the advisability of the sale and insert and incorporate in the assignment such conditions and regulations and constraints as would protect the consumers and the public.

Mr. SCOTT. Mr. Chairman, I observe that section 3 confers upon the Secretary of the Interior the power to regulate and control the service, charge for service, and issue of stocks and bonds. I would like to ask the chairman of the committee whether it is his understanding that the language as to regulation and control involves the power to initiate and fix the rates charged consumers?

Mr. FERRIS. Does the gentleman desire an answer at this point?

Mr. SCOTT. Yes.

Mr. FERRIS. Our thought was very clear that the Secretary had the right to fix the rate and would fix the rate at the inception of the contract, which would be incorporated in the lease, and which would enable him to regulate it from time to time as the facts might warrant.

Mr. SCOTT And under this law the lessee would have no power to originate and fix a rate?

Mr. FERRIS. That is very true; and it being a public utility—and I think that theory is pretty generally accepted now—they would be subject to regulation from the start, and at the finish, and at all intervening points.

Mr. SCOTT. I am not speaking of the regulation. I am speaking of the power to fix the rate being vested in the Secretary and being withheld from the lessee.

Mr. FERRIS. Does the gentleman think the power to regulate involves the question of fixing the rate?

Mr. SCOTT. Possibly the right to control might involve the right to fix. Assuming that this law does vest in the Secretary of the Interior the right to initiate and fix the original rate, will the chairman tell me what is meant by this latter clause in the section which prohibits the joint lessees from entering into agreements to fix or to maintain or to raise rates? If they have no power whatever to originate or initiate a rate, what office does this prohibition against this fixing the rate in the latter part of the section serve?

Mr. FERRIS. The gentleman is fully aware that all public utilities, railroads, telephones, and all carriers, have no right to fix rates in toto, but they are all subject to the jurisdiction of the Interstate Commerce Commission. While the Sherman antitrust law and the various amendments that have been added to it were all for the express purpose of keeping down trade agreements that oppress the public.

Mr. SCOTT. I am aware of the contrary proposition that a railroad has the power to fix a rate, the power in the Interstate Commerce Commission being only to regulate the rate so fixed.

Mr. FERRIS. Oh, well, that amounts to the same thing.

Mr. SCOTT. Oh, no.

Mr. FERRIS. If the Interstate Commerce Commission has the power to sweep away at any moment the rate charged, to raise it or lower it or remove it, what difference does it make who puts in the original rate or schedule of the original contract, or what difference is it who says what shall be charged on the first day it starts up? The test is who really has power to regulate it, fix it, and so forth.

Mr. SCOTT. The Interstate Commerce Commission in the case of railroads has no such power as the gentleman suggests. What I am at a loss to know is, Where is the power vested to fix the original rate? Is it in the lessee or in the Secretary?

Mr. FERRIS. Certainly it is not in the lessee, and nobody would want it to be in the lessee. To do that would be to be without regulation at all.

Mr. SCOTT. What possible influence can this latter provision have which prohibits the raising or the fixing or the combining to maintain? Is not that wholly superfluous? When could it be invoked?

Mr. FERRIS. I think not at all.

Mr. SCOTT. When could it be invoked, and under what circumstances?

Mr. FERRIS. Does the gentleman want to place his sanction upon two power companies getting together to restrain trade, or to limit the amount of electrical power generated, or to enter into a gentleman's agreement to oppress the public and raise the price to an unconscionable degree?

Mr. SCOTT. Oh, no.

Mr. FERRIS. And the gentleman would not place a ban upon the proposition to break down such a practice?

Mr. SCOTT. That could not arise unless the power were vested in the lessee.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. SCOTT. Mr. Chairman, I ask unanimous consent to proceed for five minutes.

The CHAIRMAN. The gentleman from Iowa [Mr. SCOTT] asks unanimous consent to proceed for five minutes. Is there objection?

There was no objection.

Mr. RAKER. Mr. Chairman, will the gentleman yield?

Mr. SCOTT. Yes.

Mr. RAKER. Under the statement made by the gentleman from Iowa there would be unquestionably no necessity for the latter provision, because both corporations would be regulated as to the price they would charge to the consumer. But here is only one corporation, or one individual, obtaining this right from the Government. It is true there may be another on the other side that desires to connect, that did not obtain its rights or any part of them from the Government.

Mr. SCOTT. Then it would not fall within this section. This section provides for two companies that receive their leases by reason of the provisions of this law.

Mr. RAKER. It does not mean that.

Mr. SCOTT. It plainly says so. It says, "The physical combination of plants or lines for the generation," and so forth, "under this act." If anyone can tell me or can conceive of a case that could possibly arise that would meet that provision, unless the lessee has the right to fix the rate at some time, I would like him to do it.

Mr. RAKER. Can not the gentleman conceive of a plant that does not obtain its right under the Government? One other plant might obtain its rights from the Government, and the two might combine.

Mr. SCOTT. Not under this section. This section permits the combination of the physical plants which have been constructed under this law, and those only, and therefore it can only apply to those plants.

Mr. RAKER. What is the gentleman's contention?

Mr. SCOTT. My contention is that either one of two propositions is true: Either the power to initiate the rate rests with the lessee or the latter proviso is meaningless.

Mr. RAKER. This refers to only the physical combination.

Mr. SCOTT. No; it refers to the combination to raise and fix rates.

Mr. RAKER. You are speaking of the proviso, the first part?

Mr. SCOTT. And therefore the courts will not adopt an interpretation of the law which renders half of the provisions of the law meaningless unless forced to do so. Therefore it seems to me the courts would interpret "regulation and control" in the same way that they interpret it in the interstate-commerce law, and not so as to give the power to initiate the rate. It is simply a question as to whether this law would confer a greater power in the Government of fixing rates here than the present Interstate Commerce Commission act does upon the commission. Our commission, you know, can not initiate the rate.

Mr. FERRIS. Mr. Chairman, let me interrupt the gentleman. The gentleman is troubled about the proposition. The gentleman knows that in a railroad proposition they fix up the schedule of rates and submit it, and the Interstate Commerce Commission can accept it or reject it. The power is really in the Interstate Commerce Commission and not in the railroads at all.

Mr. SCOTT. No; I do not know anything of the kind. I know the railroads can fix up the tariffs and file them under the law with the Interstate Commerce Commission.

Mr. FERRIS. And the Interstate Commerce Commission can change them.

Mr. SCOTT. Not until they are attacked. They must attack the tariff. They can not initiate the rate.

Mr. FERRIS. Does not the gentleman think that that language, if stripped of all flimsy fancy, means that the party fixes the rate who has the power to raise or lower the rate? To say that the Interstate Commerce Commission comes in and raises or lowers the schedule is, to my mind, nothing more than an application of the fact that the Interstate Commerce Commission can state what the rate shall be. I can not grasp the technical views of the gentleman when he continues to argue who initiates the rate. To me it is a question of who has power to fix it, to change it; in short, to make it what it should be. The Interstate Commerce Commission can sweep them away or change them—lower or raise them.

Mr. SCOTT. There may be nothing in that contention. However, the railroad companies of this country for nearly 25 years thought there was a great deal in it, and they maintained constant litigation and contention over that point for years.

The CHAIRMAN. The time of the gentleman from Iowa [Mr. SCOTT] has expired.

Mr. FERRIS. How much further time is desired on this section?

Mr. MONDELL. I will say to the gentleman that I have two amendments to offer.

Mr. FERRIS. How much time does the gentleman desire? We must get on.

Mr. STAFFORD. I should like five minutes.

Mr. MONDELL. Let me say to the gentleman from Oklahoma that I do not believe it will be possible to arrange for closing the debate on the entire section at this time.

Mr. FERRIS. I think we ought to.

Mr. MONDELL. I have two amendments.

Mr. FERRIS. How much time does the gentleman desire?

Mr. MONDELL. No one knows how much time will be required on these amendments.

Mr. SMITH of Minnesota. I should like 10 minutes on the whole section.

Mr. STAFFORD. I suggest, if the gentleman from Minnesota is going to speak generally on the section, let him speak, and then let the gentleman from Wyoming offer his amendment.

Mr. MONDELL. I shall ask five minutes on each of my amendments.

Mr. FERRIS. I wish the gentleman would let the amendments be read for information, and then let us fix the time. Is the gentleman willing to do that?

Mr. MONDELL. I shall be glad to send up my first amendment.

The CHAIRMAN. The gentleman from Minnesota [Mr. SMITH] has the floor.

Mr. FERRIS. He yields for that purpose.

Mr. SMITH of Minnesota. I yield for that purpose, but not out of my time.

Mr. FERRIS. I ask unanimous consent that the two amendments of the gentleman from Wyoming [Mr. MONDELL] be read for information, so that we may then try to fix a limit of time on the paragraph.

The CHAIRMAN. Does the gentleman from Minnesota yield the floor for that purpose?

Mr. SMITH of Minnesota. I do.

The CHAIRMAN. The gentleman from Oklahoma [Mr. FERRIS] asks that the two amendments to be proposed by the gentleman from Wyoming [Mr. MONDELL] be read for the information of the committee.

Mr. MONDELL. I have only one prepared, Mr. Chairman, which is to strike out, after the word "provided," in lines 2 and 3, on page 4.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

On page 4, after the word "provided," in line 3, strike out the following words: "That the physical combination of plants or lines for the generation, distribution, and use of power or energy under this act or under leases given hereunder may be permitted, in the discretion of the Secretary."

Mr. FERRIS. Is that the only amendment?

The CHAIRMAN. The gentleman from Wyoming stated that he had two amendments.

Mr. MONDELL. I have not the other amendment prepared at this time.

Mr. FERRIS. Is the gentleman willing to close debate on this, and let the other one be offered and voted on?

Mr. MONDELL. If I can have 10 minutes, I am perfectly willing to take the 10 minutes on the two amendments when I offer the other one.

Mr. FERRIS. I ask unanimous consent that at the expiration of 30 minutes debate on this amendment and all amendments to this section be closed.

Mr. STAFFORD. It is very hot and oppressive to-day. We have hardly more than the membership of the gentleman's committee present.

Mr. FERRIS. We do not have to finish to-day. Let us get the debate closed.

Mr. STAFFORD. I hope the gentleman will not press that.

Mr. FERRIS. I ask unanimous consent to close debate on the amendment and all amendments to the section at the end of 30 minutes.

Mr. STAFFORD. I think I shall have to object to that.

Mr. FERRIS. That will carry it only to 10 minutes after 5 o'clock.

The CHAIRMAN. The gentleman from Oklahoma asks unanimous consent to close debate on this amendment and all amendments to the section in 30 minutes. Is there objection?

Mr. STAFFORD. I object.

The CHAIRMAN. The gentleman from Wisconsin objects. The gentleman from Minnesota [Mr. SMITH] has one minute remaining.

Mr. SMITH of Minnesota. Mr. Chairman, I ask unanimous consent that I may proceed for 10 minutes.

Mr. RAKER. What is the amendment to which the gentleman is speaking?

The CHAIRMAN. The gentleman from Minnesota moved to strike out the last word, and he has one minute remaining, and he asks unanimous consent that his time be extended for 10 minutes. Is there objection? [After a pause.] The Chair hears none, and the gentleman from Minnesota is recognized for 11 minutes.

Mr. SMITH of Minnesota. Mr. Chairman, the legal status of this question has been discussed by my colleague from Minnesota [Mr. MILLER] in a way that brought out some important legal questions. I do not believe that there is any doubt in the mind of any member of the committee as to the proposition that the National Government has control of the navigable rivers from the mouth to the source for the purpose of regulating commerce and navigation, and that Congress has an incidental right to provide for the erection of dams and to grant that right to others if it sees fit. If this is a correct statement of the law, then Congress has not the constitutional right to provide by law that the Secretary of the Interior or any other person may dispose of the water powers on the public domain located in any State of this Union.

In all acts authorizing State governments Congress has declared that the rivers therein or waters leading into the same shall be common highways and forever free, as well to the inhabitants of said State as to all other citizens of the United States, without any tax, duty, impost, or toll therefor. Therefore by this reservation Congress reserves to itself the right to make all needful rules and regulations necessary to secure the navigability of the rivers of a State and the waters leading into these rivers and as the incidental right to permit dams to be erected in such rivers. Furthermore, it is contended, and I think rightly, that in granting a permit to erect a dam in a

navigable river Congress has the right to exact certain conditions.

Hence it is quite evident that the Secretary of the Interior, who has the right to make all necessary rules and regulations concerning public land within a State, has no right to interfere with the flow of a navigable river or a stream entering into a navigable river that may pass through the public domain, unless Congress has the power to grant such right, and how can it be claimed that Congress has such power when Congress has expressly declared to the contrary in admitting the State to the Union?

This rule, of course, would not apply where reservoirs are erected upon the public domain or where the public domain has a stream that does not flow into a navigable river; but I take it that there are but few such reservoirs or streams, and the bill under consideration attempts to regulate both navigable rivers and streams entering into the same and reservoirs and purely local streams.

But by a tacit agreement between the Committee on Interstate and Foreign Commerce, that has control of legislation affecting navigable streams, and the Committee on the Public Lands the constitutions of States are to be set aside and a divided control over hydroelectric development is to be established for the sake of harmony among the different departments of our Government, such as the Department of the Interior, the Secretary of War, as well as the Interstate and Foreign Commerce Committee, the Committee on the Public Lands, and the Committee on Rivers and Harbors of the House, all to the detriment of hydroelectric development.

It would seem the part of wisdom to permit the Committee on Interstate and Foreign Commerce to have jurisdiction over the navigable rivers and the waters leading into the same, and that the Secretary of the Interior have jurisdiction over reservoirs and streams wholly within the public domain. Such a division of authority and control would have a logical basis. But the present method of dealing with the subject is illogical, unwise, and detrimental to the very object it seeks to accomplish.

Mr. RAKER. What particular thing in the bill relative to the disposition of the public land does the gentleman believe that Congress has not the power to dispose of?

Mr. SMITH of Minnesota. It is my opinion that the waters in the rivers of a State belong to the State.

Mr. RAKER. This bill rejects all the waters in the State; it does not relate to them.

Mr. SMITH of Minnesota. These waters are all within the confines of the State, even though they are on the public domain, and the only power Congress has to legislate in matters of this kind it derives from its right to exercise jurisdiction over commerce and navigation. It is an incidental right on a navigable stream, and that navigable stream commences at its mouth and ends at it source. In the legislation proposed in the pending bill we are cutting that proposition right in two; we are turning over one half of the power of Congress over navigable rivers to the Interstate Commerce Committee and the Secretary of War and the other half to the Committee on the Public Lands and the Secretary of the Interior.

Mr. RAKER. Does the gentleman take into consideration section 14 of the bill?

Mr. SMITH of Minnesota. Yes; I am taking into consideration this bill and the bill that preceded it. It is practically the same sort of legislation, legislation on the same subject. We are dividing the proposition, making double work and accomplishing but little.

Mr. RAKER. Will the gentleman yield for one more question, and then I will not trouble him again? In that broad statement that Congress has the power in the general dam bill that was passed, known as the Adamson dam bill, over a river commencing at the mouth and running through all the various branches of the stream to the trickling spring in the mountain—if that is a fact, there would be no necessity for further legislation.

Mr. SMITH of Minnesota. Congress's authority over navigable streams is limited to navigation and rights incidental thereto. The other rights and benefits of the stream belong to the State. That is the proposition I lay down.

The bill under consideration provides that the Secretary of the Interior is authorized and empowered to issue leases under such terms, conditions, and general regulations as he may prescribe to construct, maintain, and operate dams, water conduits, reservoirs, power houses, transmission lines, and other works necessary and convenient to the development, generation, transmission, and utilization of hydroelectric power within the boundary of the public domain; and these boundaries contain those headwaters and lands which the Adamson bill of the Interstate Commerce Committee placed under the control of the Secretary of War and the Chief of Engineers. Thus we have a divided control of navigable rivers and their headwaters.

The development of hydroelectric power has been in progress but 24 years. Therefore it is not surprising that we find such great difference of opinion as to what kind of legislation is necessary to develop this natural resource as rapidly as possible and at the same time protect the rights of those who use electric current. However, it should be apparent to anyone who has given the subject serious thought and consideration that the proposition is indivisible, and whatever law is passed for its regulation and control should be a unit.

Section 3 provides that different plants may combine, and in another section of the bill it is provided that the Secretary of the Interior is authorized and empowered to prescribe rates and service where the current enters into interstate commerce. When you give such power to an aggregation of allied hydroelectric-power corporations, such as the General Electric or the Stone & Webster, which may extend their operations over a stretch of adjoining States in a period in which, as stated by the Commissioner of Corporations, such electric group may operate over a contiguous area of 1,000 square miles, no one can effectively dispute their claim that current is interstate and that thereby, under the provisions of this bill, subject only to the regulations of the Secretary of the Interior.

Such a condition would render null and void all attempts of States and municipalities under present laws and charters to regulate such electric utilities. The public-service commissions of the public-land States, which attempt to regulate such utilities, would be put out of commission and their powers bestowed in lump upon the Secretary of the Interior, who, by nature of his location, can know little of local conditions and be in only a slight degree in touch with the great mass of local, State, and municipal consumers. They can not get to him in Washington to attend hearings and make statements of grievances, as now provided for in State and municipal laws and ordinances.

The practical working of this provision will be that in every State or city where there is an efficient local commission which looks after the local public interest and holds the public-service corporations strictly to account, and not to its liking, the corporation that does not like such local regulation under the eyes of the consumer will set up the excuse that its current is interstate, because its plant is combined or coupled up with other plants across the State boundary, as authorized by the combining of the plants.

The result is that instead of the government of the water power and public utilities of a State by a State commission, government by the Secretary of the Interior is substituted.

It has been urged by the authors of the pending bill that if it is enacted into law it will have a tendency to prevent and prohibit combinations and monopolies in the production and sale of electric current. It is quite apparent that it will have a contrary effect, because the hydroelectric trust can conveniently hide behind the inefficient control and regulation of current provided for in this measure.

Mr. FERRIS. Mr. Chairman, how much time does the gentleman from Wyoming desire on his amendment?

Mr. MONDELL. Ten minutes; but I would prefer to have it when we take up the bill the next time.

Mr. FERRIS. I hope the gentleman will consume that time now. Mr. Chairman, I ask unanimous consent that at the expiration of 30 minutes, 10 minutes of which will be consumed by the gentleman from Wyoming [Mr. MONDELL], debate shall close on this section and all amendments thereto. I think we have covered every conceivable phase of it. We reserve only 20 minutes for ourselves, and I understand the gentleman from Wisconsin wants part of that.

Mr. CLINE. Does that mean that we have to stay here for 30 minutes more to-night?

Mr. FERRIS. No.

Mr. STAFFORD. I understand that the chairman will move to rise at the conclusion of the discussion of the gentleman from Wyoming?

Mr. FERRIS. That is correct.

Mr. MONDELL. I do not care to use more than 5 minutes this evening.

Mr. FERRIS. I do not think the gentleman ought to halt the debate.

Mr. FESS. Mr. Chairman, I would like to have 5 minutes.

Mr. STAFFORD. I would suggest that, as the gentleman from Ohio would like to have 5 minutes, at the conclusion of his 5 minutes and of the discussion of the gentleman from Wyoming the chairman move to rise.

Mr. FERRIS. What does the gentleman desire to talk about?

Mr. FESS. I desire to address the committee on this constitutional phase.

Mr. FERRIS. Mr. Chairman, I ask unanimous consent that at the expiration of 35 minutes the debate be closed on this section and all amendments thereto, 5 minutes to be given to the gentleman from Ohio [Mr. FESS], 10 minutes to the gentleman from Wyoming [Mr. MONDELL], and 10 minutes be controlled by the gentleman from Wisconsin [Mr. STAFFORD] and 10 minutes by the committee.

Mr. STAFFORD. And the understanding is that we rise at 5 minutes after 5.

The CHAIRMAN. Unanimous consent is asked to close debate upon the amendment in 35 minutes, 5 minutes of that time to be given to the gentleman from Ohio, 10 minutes to the gentleman from Wisconsin, 10 minutes to the gentleman from Wyoming, and 10 minutes to the committee. Is there objection? [After a pause.] The Chair hears none.

Mr. FESS. Mr. Chairman, the one phase of greatest interest to me in the discussion this afternoon is this constitutional phase of the proposed bill. If this water power is to be developed on streams which are navigable or interstate, or if it is to be used as interstate power, although within a State, there is not any doubt about the constitutionality of it; nobody would question it for a moment, because it would be covered by that clause of the Constitution which gives power to regulate commerce, but I understand that much of this proposed development is to be done in public lands owned by the United States, and probably much of it entirely intrastate. That phase of it becomes of interest to me because the chairman of the committee [Mr. FERRIS] stated awhile ago that the Government could do anything that it wanted to on the public lands. That statement is very far-reaching and, I believe, unwarranted. I have been trying to get from the Constitution as I can see it the authority for the development of water power in streams that are wholly within public lands and not interstate, but intrastate.

Mr. FERRIS. Will the gentleman yield?

Mr. FESS. Yes.

Mr. FERRIS. Water power for hydroelectric energy is 24 years old. The Constitution is considerably older than that.

Mr. FESS. Yes.

Mr. FERRIS. And we are confronted with new conditions.

Mr. FESS. I admit that.

Mr. FERRIS. And the courts have passed upon it and our rights and the question of whether we have the power to develop water power in any way we like on our own lands, and we are consuming time on this for nothing, because that is absolutely settled and can not be denied.

Mr. FESS. I do not believe the chairman of the committee ought to take the position on this kind of a discussion of a constitutional phase that we are consuming time for nothing.

Mr. FERRIS. This question is so well settled and so uniformly understood one can hardly conceive of anybody questioning our right to do on our own lands what we want to do.

Mr. FESS. I know; but such a dogmatic statement as just now made by the chairman is not quite what ought to be made in the consideration of a piece of legislation in this House. The most important question is our right as given us by the Constitution, and every Member has a right to be convinced that what is done has the constitutional sanction of the organic law.

Mr. RAKER. Will the gentleman yield?

Mr. FESS. The gentlemen are going to take all of my time. What does the gentleman wish?

Mr. RAKER. I want to know whether the gentleman has read the right-of-way acts passed by this Congress in relation to public lands and the provision for the rules and regulations to be controlled by the Secretary of the Interior?

Mr. FESS. I have read a good deal of what this Government has done in regard to its authority along the lines of Federal relations. I have been a teacher of constitutional law in a university and am fairly familiar with decisions touching this issue. I am not now seeking to be heard for the sake of consuming time, and I am not speaking in the air. Mr. Chairman, I hold that there is not any constitutional sanction for the position that the Government can do as it pleases in public lands within a State, and I doubt your authority for what you are attempting to do here on a stream that is wholly intrastate. The only authority is that particular clause of the Constitution which gives authority to the Congress to deal with Territories in its disposition of public lands, or in the making of rules and regulations governing Territories. But the question of control in the Constitution as there used by the makers did not refer to such matters as we are here discussing. It had nothing to do with the things we are talking about. There were two kinds of land when the Constitution was made—States and Territories. Thirteen were States, and the balance was the Northwest and Southwest Territories, out of which we have carved nine States, five from the Northwest and four from the Southwest. In order to give control over the organization of those Territories, out of which ultimately were carved nine States, this particular clause was put into the Constitution, and had little, if anything whatever, to do with what you are now discussing. The States existed before the Constitution of 1789; also the Territories were recognized before that date. In order to make it possible for a Territory to become a State the ordinance of 1787, which antedated the adoption of the Constitution, gave a plan by which a Territory could become a State, and this clause to which you are referring has reference to that particular Territory, which is the Northwest and the Southwest. I admit that power to operate in a Territory that is acquired must come from this clause; but I think no one will question that there is no power in the Constitution or in Congress that is not delegated by the people, and if there is any power to do what you propose to do it is to be found in the Constitution, either in express terms or by implication. What is not delegated to Congress is reserved to the States. If the Government admits a Territory over which it has plenary powers to the rights of statehood, then it forfeits its powers over such Territory not reserved. It is a serious question whether the Government owns the waters within the State, although lying wholly or partly within that part known as the public domain. At any rate, the Government's authority can not be construed to interfere with the rights of the State unless specifically designated.

To me it is a question of serious doubt whether the Congress can step over into the State under this particular clause to make the rules governing a Territory which applied to the organization of a Territory looking to its admission as a State—whether under that authority you have a right to step over into the State when the State has ceased to be a Territory and do as you please, as you say, without regard to the rights of the States. I seriously doubt that position. I do not believe it is warranted.

Mr. THOMSON of Illinois. Does the gentleman recall the fact that this clause in the Constitution to which he is referring respects not only the territory but also other property of the United States?

Mr. FESS. Other property of the United States, such as, for example, the District of Columbia, lands for navy yards, docks, arsenals, and so forth.

Mr. THOMSON of Illinois. And such as public lands?

Mr. FESS. There were no public lands outside of the territory of the United States at this time, when the Constitution was adopted.

Mr. FERRIS. Mr. Speaker, I move that the committee do now rise.

The motion was agreed to.

The committee accordingly rose; and the Speaker having resumed the chair, Mr. FITZGERALD, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 16673) to provide for the development of water power and the use of public lands in relation thereto, and for other purposes, and had come to no resolution thereon.

EXTENSION OF REMARKS.

Mr. RAKER. Mr. Speaker, I ask unanimous consent that I may extend my remarks in the RECORD on the shipping bill that passed here a few days since.

The SPEAKER. The gentleman from California [Mr. RAKER] asks unanimous consent to extend his remarks on the shipping bill. Is there objection?

Mr. MONDELL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of the enhanced cost of sugar.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. RAKER]? [After a pause.] The Chair hears none.

The gentleman from Wyoming [Mr. MONDELL] asks unanimous consent to extend his remarks in the RECORD on the subject of the enhanced cost of sugar. Is there objection?

There was no objection.

Mr. SMITH of Minnesota. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of the workingmen's compensation act.

Mr. FITZGERALD. The rule provides for that, Mr. Speaker.

Mr. STAFFORD. This is on another proposition, and foreign to that.

The SPEAKER. The gentleman from Minnesota asks unanimous consent to extend his remarks in the RECORD on the workingmen's compensation bill. Is there objection?

There was no objection.

ADJOURNMENT.

Mr. FERRIS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 7 minutes p. m.) the House adjourned until Wednesday, August 19, 1914, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. JOHNSON of Kentucky, from the Committee on the District of Columbia, to which was referred the bill (H. R. 16759) to require owners and lessees of amusement parks to furnish drinking water to patrons free of cost, etc., reported the same with amendment, accompanied by a report (No. 1093), which said bill and report were referred to the House Calendar.

He also, from the same committee, to which was referred the bill (H. R. 13219) to provide, in the interest of public health, comfort, morals, and safety, for the discontinuance of the use as dwellings of buildings situated in the alleys in the District of Columbia, reported the same with amendment, accompanied by a report (No. 1094), which said bill and report were referred to the House Calendar.

Mr. GOODWIN of Arkansas, from the Committee on Foreign Affairs, to which was referred the joint resolution (H. J. Res. 311) instructing American delegate to the International Institute of Agriculture to present to the permanent committee for action at the general assembly in 1915 certain resolutions, reported the same without amendment, accompanied by a report (No. 1095), which said joint resolution and report were referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, private bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the Committee of the Whole House, as follows:

Mr. HENSLEY, from the Committee on Naval Affairs, to which was referred the bill (H. R. 17895) for the relief of John Henry Gibbons, captain on the retired list of the United States Navy, reported the same without amendment, accompanied by a report (No. 1096), which said bill and report were referred to the Private Calendar.

Mr. WITHERSPOON, from the Committee on Naval Affairs, to which was referred the bill (H. R. 16823) to appoint Frederick H. Lemly a passed assistant paymaster on the active list of the United States Navy, reported the same without amendment, accompanied by a report (No. 1097), which said bill and report were referred to the Private Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. KEATING: A bill (H. R. 18417) for the relief of certain desert-land entrymen; to the Committee on the Public Lands.

By Mr. GREEN of Iowa: A bill (H. R. 18418) to amend section 447 of the postal laws; to the Committee on the Post Office and Post Roads.

By Mr. VARE: A bill (H. R. 18419) directing the Bureau of Corporations of the Department of Commerce to ascertain the value of contracts entered into by citizens of the United States for supplying foodstuffs, etc., and empowering the President to prohibit the exportation of certain supplies; to the Committee on Interstate and Foreign Commerce.

By Mr. DENT: A bill (H. R. 18420) to authorize the President, with the approval of the Federal Reserve Board, to suspend for a period of three months the act of February 8, 1875, levying a tax upon notes used for circulation by any person, firm, association (other than national bank associations), and corporations, State banks or State banking associations, and for other purposes; to the Committee on Banking and Currency.

By Mr. KEATING: Joint resolution (H. J. Res. 323) amending the Constitution of the United States; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN: A bill (H. R. 18421) granting an increase of pension to Mary Press; to the Committee on Invalid Pensions.

By Mr. ANSBERRY: A bill (H. R. 18422) granting a pension to Volney A. Parmer; to the Committee on Pensions.

By Mr. CLARK of Missouri: A bill (H. R. 18423) granting an increase of pension to Benjamin F. Patterson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18424) granting an increase of pension to William Pittman; to the Committee on Invalid Pensions.

By Mr. CULLOP: A bill (H. R. 18425) granting a pension to Roena Cartwright; to the Committee on Invalid Pensions.

By Mr. GUDGER: A bill (H. R. 18426) granting a pension to George W. Davis; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18427) granting a pension to James Turnbill; to the Committee on Invalid Pensions.

By Mr. KENNEDY of Connecticut: A bill (H. R. 18428) granting a pension to Olive N. Hazard; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18429) granting a pension to William J. Knapp; to the Committee on Pensions.

By Mr. LEE of Pennsylvania: A bill (H. R. 18430) granting an increase of pension to John A. Kirkpatrick; to the Committee on Invalid Pensions.

By Mr. LONERGAN: A bill (H. R. 18431) granting an increase of pension to Mary Nelligan; to the Committee on Invalid Pensions.

By Mr. MORRISON: A bill (H. R. 18432) granting an increase of pension to Samuel D. Adams; to the Committee on Invalid Pensions.

By Mr. MURDOCK: A bill (H. R. 18433) granting an increase of pension to Bernard Stiver; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18434) granting an increase of pension to Charles Clayton; to the Committee on Invalid Pensions.

By Mr. STONE: A bill (H. R. 18435) granting an increase of pension to Albert P. Terwilliger; to the Committee on Invalid Pensions.

By Mr. SUTHERLAND: A bill (H. R. 18436) granting a pension to John B. Raines; to the Committee on Pensions.

Also, a bill (H. R. 18437) granting an increase of pension to Levi Morris; to the Committee on Invalid Pensions.

By Mr. TAVENNER: A bill (H. R. 18438) granting a pension to Ellen Fate Tuite; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18439) granting a pension to Charles R. Enkins; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Petition of sundry citizens of Cohoes, N. Y., urging relief from the raising of prices on the necessities of life; to the Committee on Interstate and Foreign Commerce.

By Mr. BRODBECK: Petition of 32 citizens of Pennsylvania, against national prohibition; to the Committee on Rules.

By Mr. COPLEY: Petitions of sundry citizens of the eleventh congressional district of Illinois, concerning House joint resolution 282, which relates to Dr. Cook's polar efforts; to the Committee on Naval Affairs.

By Mr. GOULDEN: Petitions of Gustav Kupse and 50 citizens of New York City, inclosing an editorial of the Morgen Herald of New York on "Absolute neutrality"; to the Committee on Foreign Affairs.

By Mr. J. I. NOLAN: Petition of the New Seattle Chamber of Commerce, relative to a general revision of the United States navigation laws; to the Committee on the Merchant Marine and Fisheries.

By Mr. O'SHAUNESSY: Petition of Mary C. Wheeler, favoring the Senate bill to place replicas of the Houdon statues of Washington in the United States Military Academy at West Point; to the Committee on Naval Affairs.

Also, petition of the McGregor (Tex.) Milling & Grain Co., favoring the passage of the Pomerene bill of lading bill; to the Committee on Interstate and Foreign Commerce.

By Mr. PETERS: Petition of 50 people of Winterport, Me., favoring national prohibition; to the Committee on Rules.

By Mr. SELDOMRIDGE: Petition of sundry citizens of Colorado, against national prohibition; to the Committee on Rules.

By Mr. SUTHERLAND: Papers to accompany a bill granting an increase of pension to Levi Morris; to the Committee on Invalid Pensions.

Also, papers to accompany a bill granting a pension to John B. Raines; to the Committee on Pensions.

By Mr. WILLIAMS: Petitions of sundry citizens of Illinois relative to House joint resolution 282, to investigate claims of Dr. F. A. Cook to be discoverer of the North Pole; to the Committee on Naval Affairs.

Also, petition of officers of Local Union No. 598, United Mine Workers of America, of Lincoln, Ill., favoring clause exempting labor unions, etc., of the Clayton antitrust bill; to the Committee on the Judiciary.

SENATE.

WEDNESDAY, *August 19, 1914.*

Rev. J. L. Kibler, D. D., of the city of Washington, offered the following prayer:

Our heavenly Father, we can not be indifferent to the confusion of the world. While we enjoy the peace and prosperity of our own beloved land we can not but be reminded of the fearful consequences and widespread desolation that must follow the conflict across the seas. We lift our hearts to Thee for those nations involved. We pray especially for those who must bear the brunt of the struggle. Grant a speedy and permanent settlement of their difficulties in the way that Thou shalt choose. Unite the interests of men, and hasten the glad era of peace and sympathy and brotherhood, when men "shall beat their swords into plowshares and their spears into pruning hooks, and nation shall not lift up the sword against nation, neither shall they learn war any more." We plead for this in the name of the Prince of Peace. Amen.

The Secretary proceeded to read the Journal of the proceedings of the legislative day of Tuesday, August 11, 1914, when, on request of Mr. BRANDEGEE and by unanimous consent, the further reading was dispensed with and the Journal was approved.

DEATH OF MRS. WOODROW WILSON.

The VICE PRESIDENT. The Chair has received a card from the President addressed to the Members of the Senate of the United States, which will be read.

The Secretary read as follows:

The President and the members of his family greatly appreciate your gift of flowers and wish to express their sincere gratitude for your sympathy.

RIVER AND HARBOR IMPROVEMENTS (S. DOC. NO. 565).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of War, transmitting, in response to a resolution of the 7th instant, information relative to the aggregate amount of money required for the proper maintenance of existing river and harbor projects for the fiscal year ending June 30, 1915, etc., which, on motion of Mr. BURTON, was ordered to lie on the table and be printed.

TRANSFER OF VESSELS FROM COASTWISE TRADE.

The VICE PRESIDENT laid before the Senate a communication from the Secretary of Commerce, transmitting, in response to a resolution of the 4th instant, a copy of a letter and inclosure from the collector of customs at Philadelphia and of a telegram from the collector of customs at New York, giving further information as to the coastwise vessels available for foreign trade, which, with the accompanying papers, was ordered to lie on the table.

He also laid before the Senate a communication from the Secretary of Commerce, transmitting, in further response to a resolution of the 4th instant, an additional telegram from the collector of customs, San Francisco, Cal., and a copy of an additional letter from the collector of customs, New York City, N. Y., together with an inclosed letter of the A. H. Bull Steamship Co., relative to vessels now in the coastwise trade which the owners would use in over-sea foreign trade in the present emergency, which, with the accompanying papers, was ordered to lie on the table.

GENERAL EDUCATION BOARD AND CARNEGIE FOUNDATION.

The VICE PRESIDENT laid before the Senate a communication from the Postmaster General, stating, in response to a resolution of the 5th instant, that no employees of the Post Office Department are paid salaries in whole or in part out of funds contributed by the General Education Board of the Rockefeller Foundation and the Carnegie Foundation, which was ordered to lie on the table.

He also laid before the Senate a communication from the Secretary of Agriculture, stating, in response to a resolution of the 5th instant, that there are no employees in the Department of Agriculture whose salaries are paid in whole or in part with funds contributed by the Rockefeller Foundation or the Carnegie Foundation, which was ordered to lie on the table.

He also laid before the Senate a communication from the Secretary of Commerce, stating, in response to a resolution of the 5th instant, that no persons in the Department of Commerce are paid in whole or in part with funds contributed by either the General Education Board of the Rockefeller Foundation or the Carnegie Foundation, which was ordered to lie on the table.

He also laid before the Senate a communication from the Secretary of Labor, stating, in response to a resolution of the 5th instant, that the Department of Labor has no relations whatever with the organizations known as the General Education Board of the Rockefeller Foundation and the Carnegie Foundation, and that no persons in that department are paid in whole or in part with funds contributed by either of these foundations, which was ordered to lie on the table.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House had passed the bill (S. 6116) to amend section 195 of the act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED.

The message also announced that the Speaker of the House had signed the following enrolled bills and joint resolution, and they were thereupon signed by the Vice President:

S. 654. An act to accept the cession by the State of Montana of exclusive jurisdiction over the lands embraced within the Glacier National Park, and for other purposes;

S. 5198. An act to reserve certain lands and to incorporate the same and make them a part of the Pike National Forest; and

S. J. Res. 178. Joint resolution granting authority to the American Red Cross to charter a ship or ships of foreign register for the transportation of nurses and supplies and for all uses in connection with the work of that society.

PETITIONS AND MEMORIALS.

The VICE PRESIDENT presented petitions of sundry citizens of South Norwalk, Conn., Washington, D. C., and Ness City, Kans., praying for national prohibition, which were referred to the Committee on the Judiciary.

He also presented petitions of sundry citizens of Keota and Odebolt, in the State of Iowa; of East Liverpool and Attica, in the State of Ohio; and of Oakland, Cal., Francesville, Ind., Alton, Ill., and Gainesville, Mo., praying for the adoption of an amendment to the Constitution to prohibit polygamy, which were referred to the Committee on the Judiciary.

Mr. CLARK of Wyoming presented a petition of sundry citizens of Douglas, Wyo., praying for national prohibition, which was referred to the Committee on the Judiciary.

Mr. CULBERSON. I present a letter in the shape of a petition and ask that it may be read.

There being no objection, the letter was read, as follows:

DALLAS, TEX., *August 15, 1914.*

Hon. CHARLES A. CULBERSON,
Washington, D. C.

DEAR SENATOR: Telegraphic advices announce President Wilson's disapproval of the American bankers' plan to float loans for the benefit of belligerent countries of Europe. That is good, and I hope his views will prevail.

Now, induce him to go a step further and place an embargo on the exportation of foodstuffs. You, of course, are fully apprised of the enormous jump in prices of food commodities since August 1. There have been no excessive exportations since August 1, consequently the supply in the United States must be greater to-day than on August 1, and yet prices are steadily advancing, and in advancing have curtailed consumption, further augmenting the supply.

From my viewpoint this Government owes nothing to the foreign nations, but everything to its own people. If an embargo should be placed upon foodstuffs, necessarily the firms who have gathered in the outputs of the farmers will find themselves confronted with the proposition to either hold it at a loss or sell at a fair profit. That they would unload, it seems a fair assumption, since the rate of interest having also advanced they will find themselves unable to cope with an embargo and the dearer money.

In this connection, if you will pardon the suggestion, while the Reserve Board and the Treasury are making every effort to furnish bankers of the country with money, they should also determine the maximum rate of interest it should be let at. Already the bankers in the large cities have raised the rate from 5 per cent to 7½ and 8 per cent. The bankers of Texas, so far as I understand, are holding to their normal rates. How long, though, they can withstand the position taken by the northern and eastern bankers is to be determined. It would be safe to conjecture, however, that as a mere matter of protection to themselves from overdemands they, too, will have to raise their rates. Whatever the case, the fact remains that it is an injustice to the very class the Government is seeking to aid—the producing class and the commercial interests dependent upon it.

With Government money at 2 per cent, secured with commercial paper at 75 per cent of its par value and reloaned at 6 and 8 per cent, or even better, we have a pyramiding process, and it is wrong.

The inability of the South to export its cotton as under ordinary circumstances will throw perhaps 7,000,000 bales on the country as a surplus, which surplus will unquestionably establish the price and value of the rest, to further depress the value of next year's crop. The South, therefore, will get approximately 50 per cent for its output, or, in other words, will receive a depreciated dollar, and, in addition, unless the exportation of foodstuffs is stopped and high prices are checked, she will pay 25 to 33⅓ per cent more for her provisions and be worsted all along the line, for her dollar under such adjustment will purchase about 35 per cent of commodities as under the conditions prior to the foreign war.

There is absolutely no sound reason why prices of commodities should advance. It is one of those unhappy "psychological" displays of man's greed which needs to be flattened out quickly.

I submit this for whatever consideration you may deem it worth.

Believe me, sir,

Yours, most obediently, JOHN SEVIER ALDEHOFF.

Mr. GRONNA presented petitions of sundry citizens of Hettinger, Rudser, and Napoleon, all in the State of North Dakota, praying for national prohibition, which were referred to the Committee on the Judiciary.

Mr. BRANDEGEE presented petitions of the Foreign Missionary Society, the Woman's Home Missionary Society, and the Methodist Camp Meeting, of Plainville, Conn., and of the Methodist Episcopal Society and of the Baptist Society of Bantam, Conn., praying for national prohibition, which were referred to the Committee on the Judiciary.

Mr. SMOOT. I received this morning from Philadelphia a telegram from the National Association of Retail Druggists in relation to House bill 6282. I ask that it may be read.

There being no objection, the telegram was read and ordered to lie on the table, as follows:

PHILADELPHIA, PA., *August 18, 1914.*

Hon. REED SMOOT,
United States Senate, Washington, D. C.:

The National Association of Retail Druggists, in convention assembled, protests against the enactment into law of House bill 6282 in its present form. We approve your protest against withdrawing the words on page 5, after line 2, by which exemption is granted to physicians, dentists, and veterinarians. We most emphatically declare that in its present form the bill is misleading and will not to any material extent remedy the evils at which it is aimed. We urgently request that the Senate recall the bill and place all distributers of narcotics on an equal basis, and not allow the American people to be humbugged with such a bill as the present is.

THE NATIONAL ASSOCIATION OF RETAIL DRUGGISTS.

Mr. CUMMINS. I present a petition signed by many hundreds of the citizens of my State, praying Congress to give Dr. Frederick A. Cook an opportunity to prove that he discovered the North Pole, and, upon proof of that fact, to extend to him a proper and suitable recognition. I move that the petition be referred to the Committee on the Library.

The motion was agreed to.

Mr. THOMPSON presented petitions of sundry citizens of Everest, Troy, Salina, Norton, Formoso, Osborne, Colby, Wallace, Belleville, Selden, and Mankato, all in the State of Kansas, praying for national prohibition, which were referred to the Committee on the Judiciary.

Mr. HITCHCOCK presented a petition of the Grain Exchange of Omaha, Nebr., praying for the enactment of legislation to admit foreign-built and foreign-manned vessels to American registry, which was ordered to lie on the table.

He also presented a petition of sundry citizens of North Platte, Nebr., praying for the adoption of an amendment to the Constitution to grant the right of suffrage to women, which was ordered to lie on the table.

He also presented a memorial of the Commercial Club of Omaha, Nebr., remonstrating against the passage of the so-called Clayton antitrust bill, which was ordered to lie on the table.

He also presented a petition of Local Union No. 120, International Brotherhood of Bookbinders, of Lincoln, Nebr., and a petition of Local Union No. 57, International Brotherhood of Bookbinders, of Omaha, Nebr., praying for the passage of the so-called Clayton antitrust bill, which were ordered to lie on the table.

Mr. BURLEIGH presented a petition of sundry citizens of Waldo, Me., praying for national prohibition, which was referred to the Committee on the Judiciary.

Mr. PERKINS presented memorials of sundry citizens of San Francisco, Cal., remonstrating against the passage of the Clayton antitrust bill, which were ordered to lie on the table.

He also presented petitions of sundry citizens of Clovis and Mount Hermon, in the State of California, praying for the enactment of legislation to provide Federal censorship of motion pictures, which were referred to the Committee on Education and Labor.

He also presented petitions of the Chamber of Commerce of San Bernardino, Cal., praying that Congress obtain control of the Colorado River to prevent overflow of the Imperial and Yuma Valley lands, which were referred to the Committee on Irrigation and Reclamation of Arid Lands.

Mr. THORNTON presented petitions of sundry citizens of Louisiana, praying for the passage of the river and harbor bill, which were ordered to lie on the table.

Mr. SHIVELY presented petitions of J. N. Johnson, principal of the Columbian School, and D. P. Barngrover, principal of the Meridian School, and of 116 other citizens of Kokomo, Ind., praying for the enactment of legislation looking to the adjustment of the contention for the discovery of the North Pole, which were referred to the Committee on the Library.

He also presented the memorials of August Haller, Henry Grimm, Henry J. Wolf, and 10 other citizens of Evansville, Ind., remonstrating against national prohibition, which were referred to the Committee on the Judiciary.

Mr. WILLIAMS presented a petition of the Chamber of Commerce of Greenville, Miss., praying for the enactment of legislation to provide financial assistance to the cotton growers of the country, which was referred to the Committee on Agriculture and Forestry.

REPORTS OF COMMITTEES.

Mr. BRADY, from the Committee on Public Buildings and Grounds, to which was referred the bill (S. 4920) to increase the cost of construction of Federal building at Pocatello, Idaho, reported it without amendment and submitted a report (No. 754) thereon.

Mr. MYERS, from the Committee on Indian Affairs, to which was recommitted the bill (S. 647) to amend an act entitled "An act for the survey and allotment of lands now embraced within the limits of the Flathead Indian Reservation, in the State of Montana, and the sale and disposal of all surplus lands after allotment," approved April 23, 1904 (33 Stat. L., p. 302), as amended by the act of March 3, 1909 (35 Stat. L., p. 796), reported it with an amendment and submitted a report (No. 750) thereon.

He also, from the Committee on Public Lands, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 6202. An act to repeal an act entitled "An act to amend section 3 of the act of Congress of May 1, 1888, and extend the provisions of section 2301 of the Revised Statutes of the United States to certain lands in the State of Montana embraced within the provisions of said act, and for other purposes" (Rept. No. 753);

H. R. 11840. An act for the relief of R. G. Arrington (Rept. No. 751); and

H. R. 16296. An act to provide for issuing of patents for public lands claimed under the homestead laws by deserted wives (Rept. No. 752).

CATCHING OF WHALES IN ALASKAN WATERS.

Mr. THORNTON. On behalf of the Committee on Fisheries, I ask to have taken from the calendar Order of Business 584, being the bill (S. 5283) to regulate the catching of whales in the waters of the Territory of Alaska, and that the bill be recommitted to the Committee on Fisheries.

The VICE PRESIDENT. Without objection, the bill will be recommitted to the Committee on Fisheries.

FORT BRIDGER MILITARY RESERVATION, WYO.

Mr. CLARK of Wyoming. From the Committee on Public Lands I report back favorably without amendment the bill (H. R. 92) to extend the general land laws to the former Fort Bridger Military Reservation in Wyoming, and I submit a report (No. 755) thereon. It is a very short bill and entirely local in its application, and I ask for its immediate consideration.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered as in Committee of the Whole.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

LAWS OF ALASKA.

Mr. PITTMAN. From the Committee on Territories I report back favorably without amendment the bill (H. R. 11740) to amend an act entitled "An act creating a legislative assembly in the Territory of Alaska and conferring legislative power thereon, and for other purposes," approved August 24, 1912, and I submit a report (No. 749) thereon. I ask unanimous consent for the present consideration of the bill.

Mr. SMOOT. Let the bill be reported.

The Secretary read the bill; and there being no objection, the Senate, as in Committee of the Whole, proceeded to its consideration. It provides that nothing in that act of Congress entitled "An act creating a legislative assembly in the Territory of Alaska and conferring legislative power thereon, and for other purposes," approved August 24, 1912, shall be so construed as to prevent the courts now existing or that may be hereafter created in said Territory from enforcing within their respective jurisdictions all laws passed by the legislature within the power conferred upon it, the same as if such laws were passed by Congress, nor to prevent the legislature passing laws imposing additional duties, not inconsistent with the present duties of their respective offices, upon the governor, marshals, deputy marshals, clerks of the district courts, and United States commissioners acting as justices of the peace, judges of probate courts, recorders, and coroners, and providing the necessary expenses of performing such duties, and in the prosecuting of all crimes denounced by Territorial laws the costs shall be paid the same as is now or may hereafter be provided by act of Congress providing for the prosecution of criminal offenses in said Territory, except that in prosecutions growing out of any revenue law passed by the legislature the costs shall be paid as in civil actions and such prosecutions shall be in the name of the Territory.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

BILLS AND JOINT RESOLUTIONS INTRODUCED.

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. RANSDELL:

A bill (S. 6340) for the relief of James M. Morgan; to the Committee on Claims.

By Mr. LEA of Tennessee:

A bill (S. 6342) to appropriate $10,000 to build a hotel at Shiloh National Military Park, in the State of Tennessee; and

A bill (S. 6343) for the relief of John Patrick; to the Committee on Military Affairs.

A bill (S. 6344) for the relief of George Braden (with accompanying papers); to the Committee on Claims.

A bill (S. 6345) granting an increase of pension to Augustus Joyeux; to the Committee on Pensions.

By Mr. WALSH:

A bill (S. 6346) granting a pension to John W. Stults (with accompanying papers); to the Committee on Pensions.

By Mr. MYERS:

A bill (S. 6347) granting a pension to Edward J. Gainan; to the Committee on Pensions.

By Mr. SHAFROTH:

A bill (S. 6348) for the relief of certain desert-land entrymen; to the Committee on Public Lands.

A bill (S. 6349) to make the Federal reserve notes issued by the United States full legal tender for the payment of all debts, public and private; to the Committee on Banking and Currency.

A bill (S. 6350) granting an increase of pension to Elizabeth Scott; to the Committee on Pensions.

By Mr. STERLING:

A bill (S. 6351) granting an increase of pension to George H. Lewis; to the Committee on Pensions.

By Mr. KENYON:

A bill (S. 6352) granting an increase of pension to James M. Tackett; to the Committee on Pensions.

By Mr. HOLLIS:

A bill (S. 6353) granting an increase of pension to Albert F. Wright (with accompanying papers); to the Committee on Pensions.

By Mr. BURLEIGH:

A bill (S. 6354) granting an increase of pension to Hester Morse;

A bill (S. 6355) granting an increase of pension to Frank S. Milcham; and

A bill (S. 6356) granting an increase of pension to David M. Hilton; to the Committee on Pensions.

By Mr. LIPPITT:

A bill (S. 6358) granting an increase of pension to Mary T. Ryan; to the Committee on Pensions.

By Mr. CHAMBERLAIN:

A joint resolution (S. J. Res. 182) to appropriate $6,000 to defray the expenses of the United States rifle team to the Pan-American shooting tournament at Lima, Peru, December 9 to 24, 1914; to the Committee on Military Affairs.

By Mr. SHEPPARD:

A joint resolution (S. J. Res. 183) for control and distribution of the flood waters of the Rio Grande; to the Committee on Irrigation and Reclamation of Arid Lands.

GRAIN WAREHOUSES.

Mr. GORE. I introduce a bill to authorize the Secretary of Agriculture to license grain warehouses, and for other purposes. I desire to call the attention of Senators from grain-growing and grain-marketing States to this measure, and ask them to take it under consideration at once.

The bill (S. 6339) to authorize the Secretary of Agriculture to license grain warehouses, and for other purposes, was read twice by its title and referred to the Committee on Agriculture and Forestry.

SALE OF EUROPEAN WAR BONDS.

Mr. HITCHCOCK. I desire to introduce a bill concerning the reference of which I am in some doubt. It is a bill to prohibit the sale or offering for sale or the purchase or delivery in the United States of bonds or securities issued by Governments at war and issued since the war began. I think it is important that there should be some legislation on this subject, that the matter should not be left to mere Executive discretion, and that the United States should adopt a definite policy not only in the interest of peace to supply no funds to countries at war while the war is in progress, but also to keep at home the capital which may otherwise be drained to foreign countries during a war. I shall ask that the bill be referred to the Committee on Foreign Relations, as it relates to neutrality.

The bill (S. 6341) to prohibit the sale in the United States of certain bonds issued by foreign Governments engaged in war was read twice by its title and referred to the Committee on Foreign Relations.

BUREAU OF WAR RISK INSURANCE.

Mr. CLARKE of Arkansas. I ask to introduce an emergency bill, for the purpose of having it referred to the Committee on Commerce. I also ask that it may be printed in the RECORD without being read.

The bill (S. 6357) to authorize the establishment of a bureau of war risk insurance in the Treasury Department was read twice by its title and referred to the Committee on Commerce and ordered to be printed in the RECORD, as follows:

A bill (S. 6357) to authorize the establishment of a bureau of war risk insurance in the Treasury Department.

Whereas the foreign commerce of the United States is now greatly impeded and endangered through the absence of adequate facilities for the insurance of American vessels and their cargoes against the risks of war; and

Whereas it is deemed necessary and expedient that the United States shall temporarily provide for the export shipping trade of the United States adequate facilities for the insurance of its commerce against the risks of war: Therefore

Be it enacted, etc., That there is hereby established in the Treasury Department a bureau to be known as the bureau of war risk insurance, the director and employees of which shall be appointed by the Secretary of the Treasury; the salary of the director shall be $6,000 per annum, and the salaries of the other employees shall be fixed by the Secretary of the Treasury, but in no case to exceed $5,000 per annum for any employee: *Provided*, That all employees receiving a salary of $3,000 per annum or less shall be subject to the civil-service laws and regulations thereunder.

SEC. 2. That the said bureau of war risk insurance, subject to the general direction of the Secretary of the Treasury, shall, as soon as practicable, make provisions for the insurance of American vessels, and cargoes shipped or to be shipped therein, against loss or damage by the risks of war, wherever it shall appear to the Secretary that American vessels or shippers in American vessels are unable in any trade to secure adequate war-risk insurance on terms of substantial equality with the vessels or shippers of other countries because of the protection given such vessels or shippers by their respective Governments through war-risk insurance.

SEC. 3. That the bureau of war risk insurance, with the approval of the Secretary of the Treasury, is hereby authorized to adopt and publish a form of war-risk policy, and to fix reasonable rates of premium for the insurance of American vessels and their cargoes against war risks, which rates shall be subject to such change, to each country and for each class, as the Secretary shall find may be required by the circumstances. The proceeds of the aforesaid premiums when received shall be covered into the Treasury of the United States.

SEC. 4. That the bureau of war risk insurance, with the approval of the Secretary of the Treasury, shall have power to make any and all rules and regulations necessary for carrying out the purposes of this act.

SEC. 5. That the Secretary of the Treasury is authorized to establish an advisory board, to consist of three members skilled in the practices of war risk insurance, for the purpose of assisting the bureau of war risk insurance in fixing rates of premium and in adjustment of claims for losses; the compensation of the members of said board to be determined by the Secretary of the Treasury. In the event of disagreement as to the claim for losses, or amount thereof, between the said bureau and the parties to such contract of insurance, an action on the claim may be brought against the United States in the district court of the United States, sitting in admiralty, in the district in which the claimant or his agent may reside.

SEC. 6. That the director of the bureau of war risk insurance, upon the adjustment of any claims for losses in respect of which no action shall have been begun, shall, on approval of the Secretary of the Treasury, promptly pay such claim for losses to the party in interest; and the Secretary of the Treasury is directed to make provision for the speedy adjustment of claims for losses and also for the prompt notification of parties in interest of the decisions of the bureau on their claims.

SEC. 7. That for the purpose of paying losses accruing under the provisions of this act there is hereby appropriated, out of any money

in the Treasury of the United States not otherwise appropriated, the sum of $5,000,000.

SEC. 8. That there is hereby appropriated, for the purpose of defraying the expenses of the establishment and maintenance of the bureau of war risk insurance, out of any money in the Treasury of the United States not otherwise appropriated, the sum of $100,000.

SEC. 9. That the President is authorized to suspend the operation of this act whenever he shall find that the necessity for further war-risk insurance by the Government has ceased to exist.

SEC. 10. That this act shall take effect from and after its passage.

PROPOSED ANTITRUST LEGISLATION.

Mr. KENYON submitted an amendment intended to be proposed by him to the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes, which was ordered to lie on the table and be printed.

SECURITIES OF COMMON CARRIERS.

Mr. WHITE submitted an amendment intended to be proposed by him to the bill (H. R. 16586) to amend section 20 of an act to regulate commerce, to prevent overissues of securities by carriers, and for other purposes, which was ordered to lie on the table and be printed.

BLACK WARRIOR RIVER IMPROVEMENT.

Mr. BANKHEAD. I call up from the table Senate joint resolution 181, authorizing the Secretary of War to permit the contractor for building locks on Black Warrior River to proceed with the work without interruption to completion.

Mr. BURTON. What measure is that?

Mr. SMOOT. I will ask the Senator if it is a joint resolution?

Mr. BANKHEAD. It is.

Mr. SMOOT. Then it will have to go to the committee.

Mr. BANKHEAD. Not necessarily.

Mr. SMOOT. Absolutely. The rule so provides. If it were a Senate resolution, it could be acted upon by unanimous consent, but this is a joint resolution, and it must be referred.

Mr. BANKHEAD. I am asking the Senate to consider the joint resolution and pass it.

Mr. SMOOT. It is just the same as a bill, and all bills must be referred.

The VICE PRESIDENT. If there is objection, the joint resolution will have to go to the committee. It will be referred to the Committee on Commerce.

PRESIDENTIAL APPROVAL.

A message from the President of the United States, by Mr. Latta, executive clerk, announced that the President had, on August 18, 1914, approved and signed the following act:

S. 110. An act to tax the privilege of dealing on exchanges, boards of trade, and similar places in contracts of sale of cotton for future delivery, and for other purposes.

TRAFFIC IN OPIUM.

The VICE PRESIDENT laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 6282) to provide for the registration of, with collectors of internal revenue, and to impose a special tax upon all persons who produce, import, manufacture, compound, deal in, dispense, sell, distribute, or give away opium or coca leaves, their salts, derivatives, or preparations, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. THOMAS. I move that the Senate insist upon its amendments, agree to the conference asked for by the House, the conferees on the part of the Senate to be appointed by the Chair.

The motion was agreed to; and the Vice President appointed Mr. SIMMONS, Mr. WILLIAMS, Mr. THOMAS, Mr. MCCUMBER, and Mr. SMOOT conferees on the part of the Senate.

LANDS IN DENVER, COLO.

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 5197) granting public lands to the city and county of Denver, in the State of Colorado, for public park purposes, which were, on page 5, line 17, to strike out "grant" and insert "sale," and on page 5, line 17, to strike out "made" and insert "authorized."

Mr. THOMAS. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

STEAM LAUNCH "LOUISE."

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 5739) to present the steam launch *Louise*, now employed in the construction of the Panama Canal, to the French Government, which was, on page 1, line 9, after "Government," to strike out all down to and including "Republic," in line 12.

Mr. STONE. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

TENNESSEE RIVER BRIDGE, ALABAMA.

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 5977) to authorize Bryan and Albert Henry to construct a bridge across a slough, which is a part of the Tennessee River, near Guntersville, Ala., which were, on page 1, line 3, after "Bryan," to insert "Henry"; on page 1, line 4, to strike out ", when authorized by the State of Alabama"; and to amend the title so as to read: "An act to authorize Bryan Henry and Albert Henry to construct a bridge across a slough, which is a part of the Tennessee River, near Guntersville, Ala."

Mr. BANKHEAD. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

COTTON WAREHOUSES.

The VICE PRESIDENT. Morning business is closed.

Mr. SMITH of Georgia. Mr. President, I wish to call the attention of the Senate to the bill (S. 6206) to authorize the Secretahy of Agriculture to license cotton warehouses, and for other purposes. It is an emergency measure, and I ask unanimous consent that it may be considered at this time.

Mr. SMOOT. I will ask the Senator from Georgia to let the bill go over for to-day. I have another matter which I want to look into in connection with the bill, and if the Senator will allow the bill to go over I shall be very much obliged to him.

Mr. SMITH of Georgia. Then I will wait until to-morrow, when I shall try to get the bill considered.

Mr. SMOOT. Very well.

PROPOSED ANTITRUST LEGISLATION.

The VICE PRESIDENT. The calendar under Rule VIII is in order.

Mr. CULBERSON. I make the suggestion that the unfinished business be laid before the Senate.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes.

The VICE PRESIDENT. The pending amendment is an amendment of the committee, in section 7, page 7, line 12, to strike out the word "consumers."

Mr. OVERMAN. Mr. President, I voted to strike from the bill section 2 and section 4. Certain Senators were absent from the Senate when the motions were carried eliminating those sections. While I still favor striking those sections from the bill, at their request I make the motion to reconsider the votes by which that was done, and ask that the motion go over until the conclusion of the consideration of the committee amendments, then to be taken up. In order to be within my parliamentary rights I make the motion to-day to reconsider the votes by which those two sections were stricken from the bill.

The VICE PRESIDENT. Does the Senator from North Carolina move to reconsider the vote to which he refers, or does he enter a motion to reconsider?

Mr. OVERMAN. I enter the motion to reconsider.

Mr. REED. To reconsider the vote by which section 2 and section 4 were agreed to?

Mr. OVERMAN. Yes.

Mr. REED. The form which the Senator's motion takes is to enter a motion to reconsider?

Mr. OVERMAN. I enter a motion to reconsider the vote. The understanding is that the motion is not to be taken up at this time, because I wish the Senate to go on with the bill. I repeat, I am still in favor of striking those sections from the bill, but some Senator who voted in favor of striking them out will have to enter the motion to reconsider. I therefore enter the motion to-day, in order that I may not lose my right to do so.

Mr. REED. Very well. I desire to call up the matter to-morrow.

The VICE PRESIDENT. The question is on striking out the word "consumers" in line 12, page 7, section 7, of the bill as reported by the committee. [Putting the question.] The noes seem to have it.

Mr. CULBERSON. I call for a division.

The VICE PRESIDENT. All in favor of striking out the word "consumers" will rise. [A pause.] All those opposed will rise. [A pause.] The amendment is agreed to.

Mr. POINDEXTER. I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. BRANDEGEE (when his name was called). I am paired with the junior Senator from Tennessee [Mr. SHIELDS], and therefore withhold my vote.

Mr. CHAMBERLAIN (when his name was called). I have a general pair with the junior Senator from Pennsylvania [Mr. OLIVER]. In his absence I withhold my vote.

Mr. CULBERSON (when his name was called). I have a general pair with the Senator from Delaware [Mr. DU PONT]. I transfer that general pair to the Senator from Arizona [Mr. SMITH] and vote "yea."

Mr. FLETCHER (when his name was called). I am paired with the Senator from Wyoming [Mr. WARREN], and therefore withhold my vote.

Mr. GALLINGER (when his name was called). I transfer my general pair with the junior Senator from New York [Mr. O'GORMAN] to the Senator from Illinois [Mr. SHERMAN] and vote "nay."

Mr. GORE (when his name was called). I have a pair with the junior Senator from Wisconsin [Mr. STEPHENSON], and therefore withhold my vote.

Mr. GRONNA (when his name was called). I have a general pair with the senior Senator from Maine [Mr. JOHNSON]. Not seeing him in the Chamber, I withhold my vote.

Mr. MYERS (when his name was called). I have a pair with the Senator from Connecticut [Mr. MCLEAN]. In his absence I withhold my vote.

Mr. THORNTON (when Mr. O'GORMAN's name was called). I am requested to announce the necessary absence of the junior Senator from New York [Mr. O'GORMAN]. I ask that this announcement may stand for the day.

Mr. SAULSBURY (when his name was called). I have a general pair with the junior Senator from Rhode Island [Mr. COLT]. In his absence I withhold my vote. If at liberty to vote, I should vote "yea."

Mr. SMITH of Georgia (when his name was called). I have a general pair with the senior Senator from Massachusetts [Mr. LODGE]. If permitted to vote, I should vote "yea." If it should develop that my vote is necessary to make a quorum, I will take the liberty of voting.

Mr. THOMAS (when his name was called). I have a general pair with the senior Senator from New York [Mr. ROOT]. In his absence I withhold my vote.

Mr. TILLMAN (when his name was called). I have a general pair with the Senator from West Virginia [Mr. GOFF]. In his absence I withhold my vote.

Mr. CLARK of Wyoming (when Mr. WARREN's name was called). My colleague [Mr. WARREN] is unavoidably detained from the Chamber. He has a general pair with the senior Senator from Florida [Mr. FLETCHER]. I make this announcement for this legislative day.

Mr. SMOOT (when Mr. SUTHERLAND's name was called). I desire to announce the unavoidable absence of my colleague [Mr. SUTHERLAND]. He has a general pair with the senior Senator from Arkansas [Mr. CLARKE]. I ask that this announcement may stand for the day.

Mr. WILLIAMS (when his name was called). I transfer my general pair with the senior Senator from Pennsylvania [Mr. PENROSE] to the junior Senator from South Carolina [Mr. SMITH] and vote "nay."

The roll call was concluded.

Mr. LEA of Tennessee (after having voted in the affirmative). I neglected to announce my pair when I voted. I transfer my pair with the senior Senator from South Dakota [Mr. CRAWFORD] to the senior Senator from Illinois [Mr. LEWIS], and will let my vote stand.

Mr. SMITH of Georgia. I transfer my pair with the senior Senator from Massachusetts [Mr. LODGE] to the junior Senator from Maryland [Mr. LEE] and vote "yea."

Mr. CHILTON. I desire to inquire whether the Senator from New Mexico [Mr. FALL] has voted?

The VICE PRESIDENT. The Chair is informed he has not.

Mr. CHILTON. I have a pair with that Senator, and in his absence I withhold my vote.

Mr. GRONNA. I desire to inquire if the senior Senator from Maine [Mr. JOHNSON] has voted?

The VICE PRESIDENT. The Chair is informed he has not.

Mr. GRONNA. I transfer my pair with that Senator to the Senator from California [Mr. WORKS] and vote "nay."

Mr. DILLINGHAM (after having voted in the affirmative). I inquire if the senior Senator from Maryland [Mr. SMITH] has voted?

The VICE PRESIDENT. The Chair is informed he has not.

Mr. DILLINGHAM. I withdraw my vote, having a general pair with him.

Mr. GALLINGER. I am requested to announce the pairs between the Senator from New Mexico [Mr. CATRON] and the Senator from Oklahoma [Mr. OWEN] and between the Senator from Michigan [Mr. TOWNSEND] and the Senator from Arkansas [Mr. ROBINSON].

I will also state that the junior Senator from Maine [Mr. BURLEIGH] is necessarily detained from the Senate, and that the junior Senator from Vermont [Mr. PAGE] is detained at his home because of serious illness in his family. I will let this statement stand for the day.

The result was announced—yeas 38, nays 14, as follows:

YEAS—38.

Ashurst	Hughes	Pomerene	Swanson
Bankhead	James	Ransdell	Thompson
Borah	Kern	Reed	Thornton
Bryan	Lea, Tenn.	Shafroth	Vardaman
Burton	Martin, Va.	Sheppard	Walsh
Camden	Nelson	Shively	Weeks
Culberson	Newlands	Simmons	West
Cummins	Overman	Smith, Ga.	White
Hitchcock	Perkins	Sterling	
Hollis	Pittman	Stone	

NAYS—14.

Bristow	Jones	McCumber	Smoot
Clark, Wyo.	Kenyon	Martine, N. J.	Williams
Gallinger	Lane	Norris	
Gronna	Lippitt	Poindexter	

NOT VOTING—44.

Brady	du Pont	Myers	Smith, Ariz.
Brandegee	Fall	O'Gorman	Smith, Md.
Burleigh	Fletcher	Oliver	Smith, Mich.
Catron	Goff	Owen	Smith, S. C.
Chamberlain	Gore	Page	Stephenson
Chilton	Johnson	Penrose	Sutherland
Clapp	La Follette	Robinson	Thomas
Clarke, Ark.	Lee, Md.	Root	Tillman
Colt	Lewis	Saulsbury	Townsend
Crawford	Lodge	Sherman	Warren
Dillingham	McLean	Shields	Works

So the amendment of the committee was agreed to.

BLACK RIVER BRIDGE, MISSOURI.

Mr. SHEPPARD. Out of order I ask permission to report back favorably from the Committee on Commerce the bill (S. 6315) to authorize the Great Western Land Co., of Missouri, to construct a bridge across Black River, and I call the attention of the Senator from Missouri [Mr. REED] to the report.

Mr. REED. Mr. President, I ask unanimous consent for the present consideration of the bill. It simply provides for the construction of a bridge out in my State, and there are some reasons to get it through at once. It is an absolutely unimportant measure except as it is important to the particular locality affected by it.

Mr. CLARK of Wyoming. Mr. President, can that be done without laying aside the regular order of business?

The VICE PRESIDENT. The Chair does not see how it can be done without laying aside the pending bill. It can be laid aside by unanimous consent, of course.

Mr. REED. It was done yesterday by unanimous consent.

The VICE PRESIDENT. Is there any objection? The Chair hears none.

Mr. CULBERSON. Mr. President, I am perfectly willing to yield for the consideration of the bill, since the Senator from Missouri says it is an emergency measure.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to its consideration.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

PROPOSED ANTITRUST LEGISLATION.

Mr. MCCUMBER. Mr. President, a parliamentary inquiry. I desire to ask whether or not the status of the bill is such that I can move at this time to strike out section 7?

The VICE PRESIDENT. Not until the committee amendments have been disposed of, in the opinion of the Chair.

Mr. MCCUMBER. Is the bill before the Senate now?

The VICE PRESIDENT. The opinion of the Chair is that, as the unfinished business was laid aside and consent was given to take up the bill in which the Senator from Missouri was interested, technically speaking the trust bill is not before the Senate until permission has been obtained to put it before the Senate again.

Mr. CULBERSON. Mr. President, I ask that the bill may be presented to the Senate for consideration. I desire to say in this connection that, it being clearly against the spirit of the rule, in my judgment, I must refrain from consenting to lay it aside for the consideration of emergency measures while the bill is pending.

The VICE PRESIDENT. Is there any objection? The Chair hears none.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes.

The VICE PRESIDENT. The Secretary will state the pending amendment.

The SECRETARY. On page 7, line 13, it is proposed to strike out the words "orders, or associations."

Mr. McCUMBER. Mr. President, what I have to say upon this bill may as well be said upon this amendment as upon any other particular feature, and I shall ask the attention of the Senate for a very few moments only.

David, the Psalmist, says:

> Nevertheless, they did flatter me with their mouths and lied unto me with their lips.

For the benefit of Senators generally I will say that that language will be found in the Seventy-eighth Psalm, at the thirty-sixth verse. I quote it because I consider that it is exceedingly applicable to the bill now under consideration.

Mr. President, on the 4th day of July, 1776, a band of patriots had gathered in this land. They were the wise men of their day. They were the great scholars and philosophers of their time. They lived in the morn of a great political awakening, when the divine rights of kings were being questioned and the God-given rights of man were being proclaimed.

If, on the one hand, they were lacking in many acquirements which modern science and progress have opened to the human mind, they had escaped, on the other hand, the thousands of questions which arise to vex us in our present advanced civilization, and therefore had the leisure to direct their research into the realms of governmental philosophy. They were versed in the history of the world. They knew the abuses of monarchial governments and the weaknesses of democracies. They were neither sycophants nor demagogues. They flattered neither the king nor the citizen.

They were met a great body of wise men on a solemn occasion. They were to lay the foundation of a new government. They were to place as its corner stone a mighty principle for which men could lay down their lives; and these were the words they wrote:

> We hold these truths to be self-evident: That all men are created equal; that they are endowed by their Creator with certain inalienable rights; that among these are life and liberty and the pursuit of happiness; that to secure these [equal] rights governments are instituted among men deriving their just powers from the consent of the governed.

That all men are created equal and endowed by their Creator with inalienable rights rang to the world the birth of a new principle that should thenceforth be the basis of all civil and political governments. The lowly toiler heard it and raised his head in the pride of his right. The Slavic serf heard it and raised his shackled arms for the blow that should sever his chains. The impulsive sons of France heard it and planted the tree of liberty which, though hacked and bruised, still spreads its sturdy branches to every political tempest. The world heard it and felt the heart throbs of a new inspiration. Around that mighty principle we rallied the patriotism of our colonial fathers. For that principle they suffered and died. Orators have proclaimed and scholars have expounded the meaning of those words, but none clearer than our own Lincoln, when he declared that they do not mean that we are equal in intelligence or character or color but in our rights—our equal rights—under the law.

For 138 years we have maintained a Government based upon the equality of each and every citizen. For 138 years we have maintained a Government based upon the principle that every law shall operate with equal force upon every person; that none shall be too powerful to be above the restrictions of the law and none too lowly to be deprived of its protection.

With that principle written upon our national banner and given expression in every legislative act since the beginning of our Government, our progress has astounded the world, and the success of our free Government has belied all the prophecies of the downfall of our republican form of government.

To-day, while monarchies and republics are in a death struggle in the Old World, while the issue of imperialism and democracy, militarism and nonmilitarism are reddening the plains of Europe with the blood of millions of men, we, the great exponent of individual equality of citizenship under the law, we who founded our Government on that principle, have taken the first backward step. We for the first time have declared to our own people and to the world that our laws shall not operate with equal force on all our people; that an act committed by one class or individual shall be an offense, but when committed by another class or individual shall not be an offense. We, the originators of the great principle, are the first to strike a blow to that principle of equality.

You excuse this on the ground that such legislation is in the interest of labor. I deny it. You say you are the friend of the laboring man. I say you are his worst enemy. He who proposes to give me rights that are not allowed to my fellow citizen is not my friend. He who flatters me with a declaration that I am entitled to rights not granted to every other citizen flatters me with his mouth and lies unto me with his lips. You know and I know that when I begin to exercise a right that is not accorded to my fellow citizen you outlaw me from the sympathy and good will of that citizen. You know that the sentiment of the people will not long stand for this principle of inequality. It is repugnant to human nature and doubly repugnant to the American idea.

Nor is this all. Human nature is the same in every walk of life. Privileges exercised by the titled aristocracy of France brought on the first French revolution, when the incessant stroke of the guillotine wiped out the recipients of special privileges. Class inequality can not long continue in this land; the American people will not stand for it, though you clothe it with legislative sanction. Mr. President, justice and equality are not the strongest impulses of the human heart. Selfishness preponderates over both. Justice and equality are maintained in the world only by laws which recognize and enforce them. Withdraw the law of equality and injustice will always prevail.

What is the duty of the Government toward the American laborer? The first duty is to so legislate and conduct the internal affairs of the Government and so regulate our commercial relations with foreign Governments as to give the greatest possible employment to American labor. Give the American laborer the American market and you will show him an act of true friendship a thousandfold more valuable to him than any special privilege could possibly ever be. Giving him rights or exempting him from obligations that are not accorded or exempted to others does not create a demand for the only thing he has to sell in the market—his skill and his strength.

There is no living man possessing ordinary human sentiments who does not want to speed the day when labor will reap its legitimate reward, its legitimate wage in every article produced by that labor; who will not wish to speed the day when inequalities between the several kinds of labor and between labor and business vocations generally shall be wiped away and when the only difference in the wage or earnings of all classes shall be measured by the time used in the preparation for the labor, the hours employed, and the skill required.

But you secure none of these by destroying the very life principle of our Government—equality under the law. I know there are a great many labor leaders who believe that they are solving all inequalities by securing exemptions from liabilities. It may be that some temporary advantage may be secured, but it will be temporary only. The legislator who says to a laboring man, "We have authorized you to do acts which we have made criminal when committed by others," flatters him to his injury.

There is no question here presented against organization of labor. Without this new law laborers have organized and still maintain their organization. Their rights are not dependent upon this law. They may do any lawful thing under the present law to effectuate their purpose and better the conditions of labor, both as to wages and as to conditions and environments. They can strike whenever they believe their wages are not sufficient. They can strike to shorten hours of labor. They can enforce every one of their just demands through organized effort.

I know there are those on this floor who insist that nothing else is secured by this act; but, Mr. President, no matter how cunningly devised, this bill does go further. It gives authority to destroy the property rights of others in order to enforce demands. If it does not do this, if it gives no rights in advance of what the law now gives, then why is it placed in this bill? If it does not do so, then it is a piece of deception, a fraud upon those whose interest you declare you are furthering. There is no question but that you attempt to legalize the secondary boycott.

I do not believe that the great mass of American laborers are asking for this un-American legislation. I believe the sentiment of equality under the law is just as strong with them as with any other class of people. I believe they are endowed with too much good sense and judgment ever to believe that an unjust, unequal law can work ultimate good to them.

Mr. President, another feature of this proposed law is the destruction of judicial authority. A subservient judiciary is destructive of human freedom. The judiciary of our country must ever stand as a balance to check the tendencies of the executive to usurp the functions of the legislative branch. It must ever stand guard over the ancient and traditional rights

of the individual and shield him from unlawful injury and his property from destruction or confiscation.

The executive power can shield itself through the use of the agencies of the Government. The whole Army and Navy are at its disposal and subject to its command. The legislative arm can, in a degree, shield itself through its control over the revenues of the Government. The courts can only protect themselves through the power to enforce their judgments, and the only process by which it can enforce its writs and its orders is through proceedings for contempt. To deprive it of that power destroys its use and deprives the individual citizen of the only power of maintaining his civil and political rights. There are no people in this country who are more deeply concerned in maintaining the constitutional power of the courts than are our laboring people. Paralyze the arm of the court, and a tyrannical power will take its place in the future, as it has always taken its place in the past, and the laboring man ought to know that tyranny always ranges itself on the side of wealth and power. Let every laboring man pause before he strikes the protector of his own liberties.

I am making no objection to any procedure that shall require those things which are merely condemnatory of the court's action to be submitted to a jury. On the contrary, I am liberal enough to believe that if the court has the power to enforce all its judgments it need not pay very much attention to criticism against the authority that it is exercising. In other words, I do not believe honest criticism of judicial action, no matter how severe, should ever be regarded as a contempt.

Mr. President, this is a country governed by law and not by men. You can not deprive the court of its constitutional right to make its judgments effective. You may limit it and change its procedure, but you can not, by legislative act, deprive it of the means of enforcing its constitutional power. If A obtains a judgment against B through proceedings at law or in equity, you can not submit the question of the right of A to enforce his judgment to any jury. If A demands a writ of execution and B obstructs the execution of that writ, you can not compel A to submit to a jury whether he should allow B to continue the obstruction; and it is immaterial what the form of the obstruction and whether directed against an execution or injunction.

Mr. President, this deception practiced upon the laborer is bad enough, but you seek to cover up the vice of class legislation by increasing the size of the class, and so you say that the farmers shall also be exempt from the provisions of the trust law.

Why should you include farmers? You just now voted out a provision that the consumers might also be exempted. You say the consumers shall not be exempted from the trust laws; that they can not organize to protect themselves against exorbitant prices and charges. Why do you insist that they should be prohibited from so organizing? Their organization would not affect laborer, farmer, or manufacturer, but would only be directed against exorbitant retail prices.

Mr. President, what farmer has ever asked you to exempt him from a general law which declares that a certain act shall be an offense against public policy? I want to say to this Senate, in defense of that great class of toilers in our fields, the American farmers, that the farmer is American through and through, imbued with the American idea of equality; and even if he could obtain a special benefit from such legislation, from a law that would give him a right that the blacksmith and the grocer would not have, he would spurn the advantage; and if he would spurn that offer of advantage, you may be sure of his contempt for the sop you offer him. In the one instance you insult his sense of justice; in the other, his intelligence; and this seems to have been your attitude for a number of years. You have played the laboring man against the farmer and the farmer against the laboring man. You have declared in your political campaigns that you would reduce the price of the farmer's product to the laboring man; that you would give him cheaper food; you would give him cheaper eggs and butter, meat and flour. To the farmer you have declared that you would maintain his prices against the laborer and yet give him cheaper machinery and clothing and other articles of consumption. You have flattered them both with your mouths and lied unto them both with your lips.

There are 33,000,000 people in the United States engaged in farming. At least 30,000,000 of them are raising eggs. They are raising them on nearly every section of land from Canada to Mexico and from the Atlantic to the Pacific. They are selling those eggs every day over all of this vast territory to 70,000,000 customers. Tell me, then, how these egg producers can proceed to fix the price of eggs. You know they can not do it; and you know further that, being fearful that eggs might reach a price satisfactory to the farmer, you opened wide the bars for the free admission of all of the eggs of all of the hens on the face of the earth; and having by your laws placed the farmer where you know and where he knows it is impossible for him to combine to fix the price of his eggs, you laconically turn to him and say: "You can fix your own prices; we have exempted you from the law against combinations in restraint of trade." What is true of eggs is true of poultry and grain and meat and wool and practically everything the farmer produces. After you have placed him at the mercy of the whole world, then you serenely tell him he can fix his own prices for his crops.

You have not reduced the price of a single thing that the farmer purchases. Why? Because you know that the protection accorded any ordinary article in the shape of a duty is so infinitesimal when compared with the retail price of the articles that it is seldom taken into consideration at all. The ultimate consumer never recognizes the change. While eggs and butter in my State have gone down by reason of the lack of protection the great bulk of laborers throughout the United States have had no advantage of that reduction, and that is true of their meats and their flour and all other food products. Though our barley went down about 50 per cent the products of barley have remained substantially unchanged. Though our oats dropped 50 per cent in value, your laborer pays the same old price for a package of Quaker Oats.

Of course the great war raging in Europe has made many changes in the value of farm and other products for which you are in no way responsible. If our people have had some loss by reason of this war, it is not your fault. If it has given us some benefits, it is not due to the virtue of your policies. I can only say that you are exceedingly lucky that the war diverts the attention of the great American public from the political and industrial conditions brought about by your tariff revision, and which were becoming more and more stringent until the foreign demand was increased by that war.

The American farmer is not asking you for any favors. He is asking you for justice, and when you give him that he will excuse you from legislating any special rule exempting him from the laws of the land.

You have attempted, and I think successfully, in this bill to legalize a system that can not be but regarded as pernicious by all right-thinking men. The farmer, you know well enough, as I have stated, can not fix the price of his product to the laboring man. The laboring man, through his organization, can, with the assistance of this law, enforce the thing he has to sell as against the farmer. And right here, the farmer who must hire labor can not forget that while by law you have prohibited the importation of laborers, to the end that labor may not become too plentiful, and therefore remain more valuable, you have, on the other hand, invited the products of all the world to make the farmer's product more than plentiful, and therefore less valuable. The farmer can not send his agent and say to every other farmer and to every grocer, "Do not sell to this laboring man, he is not our friend." His effort would be laughed at as the folly of all follies. But how about the farmer who has a field of wheat which is ripe or an orchard of fruit which needs immediate gathering? Before his gate the agent of the laborer may walk back and forth, under the provisions of this bill, with impunity, bearing a placard: "Boycott this farmer. He works 16 hours a day and demands that his employees shall work 10 hours. See that his crops shall rot. He has committed no act against us, but insists that he ought to employ his labor at such a price as will enable him to support his family. Let us see to it that such audacity has its due and proper punishment." Of course, I have no fear of any such acts against the farmers of my State. They are every one of them courageous, and the placard artist would not long remain at that farmer's gate.

I do not question for one moment the right of the laborer, organized or unorganized, to declare that he will not accept employment under this farmer unless such employment is restricted to eight hours per day and to such a price as he himself may fix, but I do deny his right to institute a boycott against this farmer or against his neighbor whose only crime is that he loaned to the farmer his son to help him save a little of his year's labor. If I am right as to the farmer, I am right in every other line of business. There can be no principle that is unjust when applied to the farmer that the farmer at least will not consider unjust when applied to others.

You can just leave the American farmer out of this bill. If you want to be sincere with the American farmer, if you want to be just with the American farmer, give him the American market for 10 years as you have given the same to the merchant or manufacturer for 50 years. He has earned these markets. You deprive him of those markets. You depress the value of his products. You subject him to the competition of the whole world in his own country, and then you add insult

to that injury by telling him he need not obey the law prohibiting combinations to fix his prices. If you fool him with that sop, then I shall admit that I have overestimated the intelligence of the farming public.

I shall hope, Mr. President, that we will at least strike out the words "agricultural and horticultural associations" from this bill and leave the farmer where he can hold up his head and look straight into the eye of every other American citizen, capitalist and laborer, and say, "I am your equal and you are not more than my equal under the laws of the land."

Mr. POMERENE. I wish to ask the Senator a question. The Senator's State is almost exclusively an agricultural State. I wish to ask him whether there is any demand among the farmers of his State for any exemption of this character?

Mr. McCUMBER. There is no demand among the farmers of my State or any other State, so far as I know, for this unequal legislation.

Mr. HOLLIS. Mr. President, I desire to speak briefly on the labor-union exemption clause in the Clayton bill.

The Sherman Antitrust Act was passed in 1890, for the purpose of preventing industrial monopoly. It was frankly aimed at the "trusts," those great industrial combinations which were controlling various branches of interstate commerce through restraint of trade, greatly to the profit of their stockholders and much to the disadvantage of citizens at large. Familiar examples were the Standard Oil Co. and the American Sugar Refining Co.

At that time no one imagined that labor unions or farmers' associations would come within the act. No abuses from such organizations challenged attention.

But subsequently the language of the act was tortured into a meaning that has worked much hardship on workingmen and farmers. From an instrument which was intended for the relief of the plain people, it is transformed into an instrument for their oppression.

Section 7 of the pending bill is intended to place "labor, agricultural, or horticultural organizations" outside the provisions of the Sherman Act. In other words, such organizations are left to be dealt with at the common law. No matter what they do they can not be punished as "illegal combinations or conspiracies in restraint of trade, under the antitrust laws." Their members do not come in conflict with the antitrust laws as long as they carry out the legitimate objects of their organizations by "lawful" means.

Some of the legitimate objects of an agricultural organization are fair terms of shipment and sale of the products of its members, fair prices, and prompt collections. Some of the legitimate objects of a labor organization are fair wages, reasonable working hours, and wholesome conditions of labor.

In the attainment of these objects labor and farming organizations are not to be restrained by the antitrust laws so long as they act "lawfully." An act will be lawful in this connection unless it is prohibited by some special statute or by the common law.

For example, a labor union may vote to call its members out on strike to force higher wages, shorter hours, or better sanitary conditions. Its members may use peaceful persuasion to induce other workmen to join them, but any attempt at violence, coercion, threats, or intimidation would be "unlawful," and bring them into conflict with the antitrust laws.

The usual case of a strike or a boycott would present no difficulty, but when the regions of sympathetic strikes and secondary boycotts are reached opinions may differ. My own opinion is that so long as only peaceful means are resorted to, so long as there are no threats, no intimidations, no violence, no coercion, so long as the objects sought are the eventual good of the members of the unions, the acts are lawful. But the courts must decide when the facts are in dispute, or when the acts are close to the line.

But whether the acts constitute a restraint of trade will be immaterial if the bill passes in its present form.

Some distinguished Senators believe that labor unions do not now come within the provisions of the Sherman Act. How they can hold to this view in the face of Loewe *v.* Lawlor (208 U. S., 274) I do not understand, but it makes little difference here. If they believe it does not cover labor organizations, they can not object if the point is definitely settled. At all events, labor unions and their friends will be much relieved to know certainly that they are not to be classed with the Standard Oil Co. and the Sugar Trust.

But there is another class of persons who believe that labor organizations are prohibited by the Sherman Act and who vigorously oppose the exemption contained in the pending bill. I have had many letters and telegrams from men of this class. They may be referred to broadly as "capitalists."

Capitalists oppose this exemption of labor unions for a real reason. They wish to deprive organized labor of its only efficient weapon. But they proffer as an argument the proposition that the exemption of labor unions is "class legislation." I freely concede that it is class legislation, but I can not see why class legislation is not in this case highly proper and desirable. Let us see.

With the advent of steam, manufacturing was diverted from the workman's cottage to the factory. At the outset every employer of labor was permitted to run his business as he pleased. He fixed the hours of labor, he fixed the wages, he hired women and children, he guarded his machinery or he left it unprotected, he paid much or little attention to sanitary conditions, he made conditions hard or easy. No one undertook to prescribe any limits to his power and authority. Manufacturers look back to those early days as the days of the "old freedom."

At the beginning the capitalist lived near his mill; he knew his help and their families; he took pride in having his town or village prosperous, in having his employees well fed and well dressed. His own sons and daughters worked at the loom and in the countingroom. They intermarried with the families of the workingmen. There was one speech, one purpose, one prosperity, one God.

But some employers grow greedy. Some were cruel and inhuman. They worked longer hours than their rivals; they paid smaller wages; they employed more women and younger children; they provided less safeguards; they spent less on sanitary improvements. Such men secured an industrial advantage over their competitors.

And then the community exercised its power of protecting itself. It prescribed the conditions under which manufacturers might conduct business. It provided penalties by fine and imprisonment for those who disobeyed the labor laws.

In most States the first interference with the liberty of the capitalist took the form of limiting the number of hours of labor in mills for women and children. At first the limit was placed at 60 or even 72 hours per week. In the District of Columbia the present Congress has limited the hours of labor for women and children to 48 hours per week. The measure passed this Senate and the House without a dissenting vote. No one has questioned the right of Congress to pass the law; few have questioned the wisdom and policy of the law.

But in this law for the protection of women and children in the District of Columbia, enacted so easily, are contained all the elements of class legislation which are inveighed against so roundly in the discussion of the labor-union exemptions in the Clayton bill.

In the first place, the 48-hour law is frankly "class legislation," for it applies only to women and children. Women and children are made a class apart from adult males, and the law applies only to this particular class.

More than that, the law does not apply to all women and children. It is confined to those women and children who work in factories and stores. It does not apply to women and children who work on farms or at housework. Here again the law is limited to a certain class of a certain class—to those women and children who work in factories and stores.

It is readily seen that class legislation is very common, and very desirable in many cases. Many laws have been passed in the various States of a similar nature, such as child-labor laws applying only to children, to children employed in certain pursuits, and to children of a certain age. Here are three class distinctions; but who says that child-labor laws are void or wrong because they are "class legislation"?

There is the "phossy jaw" law, applying only to the class which makes lucifer matches; the sanitary-inspection law, applying only to factories; the boiler-inspection law, applying to a certain class of power plant; the milk-inspection law, applying to a certain class of food; the betterment-tax law, applying only to real estate of a certain class, and so on, indefinitely.

A good illustration of "class legislation" is found in the income-tax law passed during the present Congress. All persons having an income below a certain sum are placed in one "class"; married men are placed in a different "class" from unmarried ones; and there are numerous "classes" with different rates of tax, graded according to the amount of income.

The only constitutional provision is, not that all classes shall be treated alike, but that all persons of a designated class shall be treated alike. Few will dispute these propositions.

The dispute comes not in the power of Congress to pass class legislation, but in the wisdom and policy of the particular legislation under consideration. I have no hesitation in saying that I believe it is wise to make the provisions of the Sherman Act much more drastic as applied to combinations of capital in restraint of trade, for the evils springing from such combina-

tions are great and increasing. But I am equally certain that labor organizations are a good thing, and they should be encouraged rather than embarrassed by Federal laws.

A very good case may be made out, in the way of a distinction between labor and capital, as was done by Judge Furman, of the Oklahoma court, in State v. Coyle (130 Pac. Rept., 316), but I am content to rest my vote on the broad proposition that public policy is best served by exempting labor unions from the operation of an "antitrust" act.

The time may come when labor unions may oppress their employers or may act in such a way as to procure for their members more than their fair share of what is produced in the Nation. I believe that that time is not here yet, and if it is ever to come, it is a long way in the future.

But if that time shall ever come, let organized labor have a hearing, and fair consideration, and a law of its own. Let it be regulated by a statute that shall apply to its peculiar conditions and aims, its special advantages, and its special weaknesses. Let it not be insulted by being classed with malefactors of great wealth.

It would be funny, if it were not so unjust and pathetic, to picture the humble wage earner, paying his few cents a week for the protection of his trades-union, congratulating himself that the antitrust law will save him from the high prices imposed by monopoly, and suddenly realizing that he is himself classed with the monopolists and trust managers, and liable, like them, to fine and imprisonment under an antitrust act. This joke is hugely relished, no doubt, by monopolists and their attorneys, but it is the duty and the privilege of the Congress of the United States to put an end to all jokes and jokers of this character.

Mr. HUGHES. Mr. President, I desire to submit a few remarks with reference to this section of the bill, although I am not at this moment prepared to make any comprehensive or detailed argument. Still, I do not want the occasion to pass without submitting some of the reasons why I think this legislation is both necessary and wise.

First, I desire to direct my remarks to arguments which have been made on the other side of the Chamber with reference to the viciousness of class legislation. It is a strange thing to me that a Republican Senator should have the temerity to denounce class legislation, inasmuch as the existence of the Republican Party since it came into being has depended upon its ability to deliver class legislation.

I hold in my hand a book containing the Republican platform of 1908, and I find in it this language under the caption "Help to workers":

> The wise policy which has induced the Republican Party to maintain protection to American labor, to establish the eight-hour day in the construction of all public work, to increase the list of employees who shall have preferred claims for wages under the bankruptcy law, to adopt a child-labor statute for the District of Columbia, to direct the investigation into the condition of the working women and children and later of the employees of telephone and telegraph companies engaged in interstate business, to appropriate $150,000 at the recent session of Congress in order to secure a thorough inquiry into the causes of loss of life in the mines, and to amend and strengthen the law prohibiting the importation of contract labor will be pursued in every legitimate direction in Federal authority to lighten the burdens and increase the opportunity for happiness and the advancement of all who toil.

So, you can go through every declaration of the Republican Party set forth in its various platforms almost from the birth of that party down to the date of its last convention and you will find that it justifies enormous tariff exactions on the theory that the high prices made necessary by those exactions, going into the pockets of the manufacturer, are to be by him doled out to the American laboring man. If forbidding the American people to purchase their goods where they can purchase them cheapest and compelling them to purchase from a selected class of individuals is not class legislation, I am at a loss to know what class legislation is.

While we are speaking of class legislation, where could we find a more beautiful illustration of the ease with which class legislation is accepted when certain powerful interests are involved than the spectacle exhibited in this body the other day, when a statutory monopoly was permitted to continue its exactions, permitted to continue to mulct the American people for carrying their goods, even in the face of a great exigency, a great war emergency? Here was a little selected class of American citizens who have the privilege of operating vessels plying from port to port in the United States, while an American ship, flying the American flag, sailing from the port of Liverpool, for example, to the port of New York and discharging her cargo there can not pick up another cargo at the port of New York and carry it to a Gulf port in order to pay its expenses for that part of the trip, but must confine its operations to American commerce transported abroad. Why? Because if it were permitted to engage in the coastwise trade it would interfere with the privilege of a class of American citizens who own and operate coastwise ships and a class of American citizens who build those ships for those men to own and operate.

Now, let us drop all this nonsense; let us put that behind us. We are constantly engaged in class legislation. I am not discussing the merits of the shipping bill or of the conference report which was recently defeated in this body. I am simply calling attention to the fact that class legislation is not denounced and never has been denounced in this body since I have been here, unless the class attempted to be helped were the laboring people of the United States. As I have said, the Republican Party, the representatives of which are denouncing this legislation as class legislation, has held itself out as the exponent and proponent of class legislation in every campaign of which I have any recollection. I can not remember the time when the Republican orators did not claim that the principle of protection, the principle of forbidding the American people to purchase their goods where they might and compelling them to restrict their purchases and their operations to a limited number of known and designated men, was not the cause of the wonderful prosperity of the United States. They went further than that and stated that the reason why they did these things, the reason why they restricted the operation of the American people and compelled them to buy in a restricted market, oftentimes without competition, was not to benefit that class; no; it was another class they had in mind; the class they had in mind is the class that we are now really trying to help. They put the burden of that policy on the shoulders of the American laboring man.

They talk about demagogues and talk about claptrap and efforts to catch votes. What has their whole history been? What has it been with reference to this question but a succession and continuation of claptrap and buncombe, intended not only to get votes but to cheat the men from whom they got the votes? They have cheated them, but as soon as the men whom they cheated discovered the partnership and the connection between the Republican Party and those who were fighting the laboring people of this country that party was swept from power.

I listened to the argument of the Senator from Ohio [Mr. POMERENE] yesterday. He advanced, so far as I was able to discover, nothing that had not been advanced by the attorneys of the Manufacturers' Association years and years ago. Those gentlemen have been active in this fight ever since I can remember. On several occasions I came in contact with their agents in my district, and I was frankly informed that any man who stood for the legislation for which I stood could not be elected until every resource at the command of the Manufacturers' Association had been exhausted against him.

To-day I was handed a copy of a night letter which is being sent to Senators at this time, and I will read the body of it without putting in the name of the individual to whom it is addressed. It carries me back a good many years to the time when I was a younger man than I am now, but it is the same in form and the same in substance. This discredited organization, which was utterly disgraced and should have been shamed into silence, is as active to-day as ever it was, but it no longer has the influence it formerly had; it no longer can hold the club, and its threats have no force. Members of the House and Members of the Senate no longer fear the Manufacturers' Association.

I will read this communication now:

> The Clayton bill, exempting labor combinations from the Sherman Act, providing trial by jury for contempts, and radical regulations for business, is now pending in the United States Senate. To overcome belief existing in many quarters that business men are indifferent to this vicious measure and to assist in securing illuminating debate, will you not immediately request and urge your members to make determined and persistent protest against it to your Senator and to ask their associates to do likewise? Immediate action is imperative.
>
> NATIONAL ASSOCIATION OF MANUFACTURERS,
> GEORGE S. BOUDINOT, *Secretary*.

The National Association of Manufacturers have a perfect right to send out that communication, and I am not objecting to it. It is entitled to all the weight that a communication from such an association is entitled to. I have no quarrel with them. I never had any quarrel with them. Their opposition to me was the source of my greatest strength. The opposition of the National Manufacturers' Association to-day would be the greatest asset I could have in the State of New Jersey. My only fear is that perhaps they will not oppose me; so I look upon their activity now more in sorrow than in anger, and sympathize with them, knowing that they have lost the invaluable services of the delectable Col. Mulhall, although they seem to have enlisted a number of new recruits under their banner. Still, I can not help feeling that the close, intimate, and per-

sonal activities of the colonel will be but illy compensated for by the activities of the new recruits to the Manufacturers' Association, so far as I have been able to observe their activities.

I became interested in the Sherman antitrust law and its application to organizations of labor as soon as it was intimated that the law was intended to apply to organizations of labor; and in another body I introduced and had printed—I think I got that far—an amendment providing that it should not so apply. I made a study of the debates, and became familiar with the history of the legislation, and particularly the history of the legislation so far as it referred to its effect upon organizations of labor, and I discovered that nothing in the world was further from the mind of the author of what was known as the Sherman antitrust law than that it should in the slightest degree affect organizations of labor.

The question was raised on the floor of the Senate. I do not like to bore my colleagues with a repetition of these facts. They have been set out over and over again, more than once by me, and a great many times by other Senators. Nevertheless, I will pause to take the time to set out the main features of the history of this legislation so far as it relates to these organizations.

Although the bill apparently, by its terms, and having in mind the object and intent of the legislator who offered it and the legislators who discussed it, had absolutely no application to these men and these organizations. The question was raised on the floor of the Senate, as I recollect, by Senator George, of Mississippi, first. At that time there was a great and powerful organization of labor known as the Knights of Labor. For that matter, they are still in existence and still interested in this sort of legislation. The question was asked whether or not the bill, if enacted into law, would interfere with them in their operations. The answer was that it would not. The answer by the author of the bill was that it could not possibly, by any stretch of the imagination, in any way interfere with the operations of these men. These men were then engaged in doing what the ordinary labor organization is doing to-day. Their organization was practically the same as it is now. Their operations then were about what they are now.

Senator Hoar, of Massachusetts, not satisfied with the explanation of the author of the bill, asked further assurances that it was not the intent of the author of the measure or of those who supported it to interfere with these organizations. He called attention to how necessary they were. He called attention to the beneficent results which flowed from their activities. He called attention to the fact that they had inherent and natural rights which must be respected, and that in the effort of the legislature to control and curb the operations and practices of the great combinations of capital which then were afflicting the body politic, great care must be exercised to see that no harm was done to these beneficent organizations, which were interested only in the rights of men and women and children, the blood and bone and sinew of this country, without which the country was nothing; and he, too, was assured by the author of the bill that nothing was further from the minds of the legislators who offered it or of those who supported it.

Not satisfied with that, Senator George then offered an amendment providing in terms that the bill should not affect organizations of labor. That amendment was adopted by the unanimous vote of the Senate.

A peculiar situation existed in this body at that time. There were all sorts of opposition to the Sherman antitrust law. There was open opposition and there was hidden opposition. The hidden opposition took the shape of offering amendments to the bill which were not offered in good faith, and which were not offered with the purpose or object of improving the bill, but in the hope that it would be loaded down and made so objectionable and so obnoxious that on the final vote it could not pass.

The author of the bill called attention to what was going on. He said he was familiar with the methods and the practices that were then being employed. He called the attention of the Senate to the fact that these Senators were not trying to improve or benefit his bill, but that they were trying to load it down with amendments which would make it impossible for even him to vote for it. So far, however, as this amendment was concerned, he said that he was in favor of it; that if it was necessary to keep the courts from attempting to apply this law to organizations of labor, then he wanted it; he would have written it himself. He accepted it fully and completely.

Various other amendments, however, he resisted most vigorously, but in spite of all he could say or do they went in the bill; and at last, when the Senate and the opponents of the legislation had worked their will upon the Sherman antitrust bill as it was first presented, it was in such shape that he himself could not vote for it. His opponents had succeeded in their purpose, and they had so loaded it down with objectionable amendments that the author of the bill himself would not vote for it, and he asked that it be recommitted. As I recollect, he himself asked that it be recommitted to the Judiciary Committee. It went to that committee, and five or six days later it emerged therefrom, and contemporaneous historians say that in the committee it was redrafted, recast, and rewritten by the Senator from Massachusetts, Mr. Hoar. That seems to be the general understanding and the general agreement now. I am indebted for that piece of information to the junior Senator from Indiana [Mr. KERN], who says Senator Hoar sets it out in his autobiography. Senator Edmunds, who for years was regarded as the author of the bill, admits that Senator Hoar really wrote it when it was recommitted to the Judiciary Committee. That Senator, with the sentiments in his breast which caused him to question the legislation, to insist upon its amendment, to ask for a declaration by the author as to what its object was, to point out the beneficent character of these organizations of labor, wrote the bill that we are asked to believe was intended to apply to labor organizations as well as to the Standard Oil Co. and the Sugar Trust, which were then almost the sole objects of the legislative action, because we did not have the brood of trusts and gigantic corporations then that we have to deal with now.

There were, as I recollect, but two industrial combinations which then were raiding the American people, and the legislators had them in mind, and had nothing else and no one else in mind. Senator Hoar of Massachusetts, when he wrote that legislation, had them in mind, and expressly stated that he not only did not have organizations of labor in mind, but that he wanted to protect them, so that by no mischance should they come within the provisions of this drastic law. Yet the highest courts have solemnly said that there is nothing in the bill or in the debates to show that it was not the intention of the Congress to make this law apply to everybody—individuals, corporations, and organizations of every character.

Mr. CUMMINS. Mr. President——

The PRESIDING OFFICER (Mr. MARTINE of New Jersey in the chair). Does the Senator from New Jersey yield to the Senator from Iowa?

Mr. HUGHES. Certainly.

Mr. CUMMINS. I have heard the phase of the history of this law just suggested by the Senator from New Jersey developed here several times; but there is one view of it which I think ought to be borne in mind, and which very greatly strengthens the position now taken by the Senator from New Jersey.

The Sherman bill was not at all like the antitrust law. The thing that was prohibited or made unlawful in the Sherman bill, over which the debate raged for a year or two, and to which the amendment of the Senator from Mississippi, Mr. George, was offered, was interference with free, full competition. The words "restraint of trade" were not used in that bill. It was thought by some that a prohibition against free, full competition might include labor unions. When, however, the bill went to the Judiciary Committee for the first time—it had theretofore been dealt with in the Finance Committee—and when either Senator Hoar or Senator Edmunds, it makes no difference which one of them it was, wrote a substitute for the bill, the words used were "restraint of trade or commerce," and the thing made unlawful was the restraint of trade or commerce, or monopoly. In my opinion, it never entered the mind of any man of that time that a labor union organized for the benefit of its members and to advance their interests in wages, in hours, in conditions, could be regarded as a restraint of trade. That suggestion was left for a much later period; and I have always thought that this difference between the Sherman bill as it was debated on the floor of the Senate and what we know as the antitrust law emphasized the point that has just been made by the Senator from New Jersey.

I am not saying, of course, that the members of a labor union can not do something that will restrain trade. That is a mere matter of what they do; but a labor union in and of itself, brought together for the purpose of advancing the wages of the members or bettering their condition, was never dreamed of at that time as being in any possible event a restraint of trade.

Mr. HUGHES. I am very much obliged to the Senator from Iowa for his contribution to this discussion. I can see the extreme importance and the relevancy of what he has said, although I confess that if I ever did know it I have forgotten it. I am speaking now entirely from memory, without notes, and

relying upon my general recollection of past investigations; but if it is necessary, if there is any honest doubt remaining in the mind of any man—and I confess that for the life of me I can not see how there can be—that it was not the intent of the legislators to make this drastic law apply to organizations of labor, it seems to me it must be dissipated by this fact:

Since the passage of this law, unless these men were either impliedly or expressly exempted from it, they have been existing and operating, a great many of them at least, in absolute and utter violation of it. Can anyone doubt that a strike threatened or carried into effect by a body of men like the Brotherhood of Railroad Engineers of the United States would be a violation of the Sherman law, if it is once admitted that the law is intended to include them within its terms?

We talk about the operations of the Danbury Hat Co. as in some indirect and far-fetched way affecting interstate commerce because it prevented the sale of an article in one State when made in another. But what about the explicit express and intended act of an organization the object of which is to prevent commerce between two States?

The Senator from Ohio [Mr. POMERENE] yesterday called attention to a threatened strike of the railroad employees west of Chicago a week or two ago, and he seemed to deplore the fact that this law would make it impossible to enjoin those men in that strike. But suppose the controversy had not been settled and that strike had been called, it was admitted by everybody and it must be admitted by everyone that that would not only restrain commerce, but it would absolutely for the time being destroy it.

Here is an organization of men banded together in combination under an agreement to do something that is not only going to restrain commerce, but is going to end commerce for the time being. Not only that, but they threaten in advance that they are going to conspire together, and then they are going to commit acts in conspiracy. If the Sherman antitrust law applies to organizations of labor, dealing directly or indirectly with goods which enter into interstate commerce, certainly every trainmen's organization operating over a road which traverses two or more States must be in utter violation of this law by the very purpose of its existence.

The primary purpose of its existence is to bargain collectively with their employers for its members. It is to relieve them, to take away the terrific handicap which the individual labors under when he goes to his incorporated employer and tries to make a bargain. They found out a good many hundred years ago that they could make a better bargain with one man speaking for all than when going individually. The union was forced into existence because of hard conditions placed upon employees by employers.

You could destroy every union in the United States in six months, you could destroy a union anywhere as soon as the members of the union became convinced that their employers were men of such character that they would always receive what their services were worth and that they would be treated as they should be treated. The union is only a shield, a protection, a growth made necessary by the hard conditions imposed upon the weak by the strong.

What is the object of the union? The object is to bargain collectively. What power have they? They walk into the office of the president of a railroad company and say, "We are not receiving enough wages," or "We are working too many hours," or "We have to lie over too many hours at this place or that place and waste time away from home for which we do not get paid." The president of the railroad company listens to the demand, talks with them, pleads with them, and argues with them, reasons with them. Why does he do that instead of dismissing them and sending them out? He knows that the members of these railroad unions can work or not, as they like. He knows that these men have the power to stop the wheels of his trains and his locomotives. He knows that these men have the power to stop commerce, to restrain commerce, perhaps to destroy for the time being commerce throughout the territory served by the railroad company.

Is there any question about that? We read frequently in the newspapers of the ultimatums presented by men and the reply by the owners of railroads. Do they not even vote upon it? Have not the polls been published in the newspapers of the United States? No one can doubt, no one ever could doubt but that here was an organization of men the very purpose of which was to restrain, to destroy, if necessary, for the time being commerce between the States, and the more effectively they could make their interruption or restraint of commerce the more likely they were to succeed.

Why is it that for all those years from 1890 down no one has attempted to invoke that law against these railroad organizations? I will tell you why. The railroad organizations are too powerful. The railroad organizations are in a position to interfere with trade and commerce. If the provisions of the law did include them the railroad presidents would be loath to invoke it against them.

But here and there is an organization of men who are not powerful, who are not rich, who have not many connections, and these men have been selected by district attoneys here and an attorney general there for the purpose of testing out this law, of carrying it on, encroaching further and further upon the rights of the laboring people of the country, until within a year or two they became convinced that unless this law was repealed or modified a great war was coming; that, as soon as the heads of the great corporations of the country were satisfied of their position and satisfied of their power, the attempt would finally be made to make that law mean what some boldly say now it means, that every combination, organization, or association that has for its purpose directly or indirectly the impeding or restraining of commerce between the States falls within the provisions of the Sherman law, and that these organizations are criminal per se.

There was a situation existing in another body when this matter first came up which made it impossible for that body to act along certain lines. Bills could be introduced, amendments could be introduced, but careful arrangements had been made that those bills and those amendments should never get beyond the committees to which they were referred. It was comparatively easy to make such arrangements, and they were made. Nevertheless, it was sought to test the sentiment of the other body on this particular question, and an amendment was offered to an appropriation bill four years ago, as I recollect it, and that House, then Republican overwhelmingly, passed that limitation on an appropriation bill which said in effect, which said as nearly as could be said in the limited way in which the House can legislate in that manner, that this law did not and should not be applied to organizations of labor.

That started this fight. The manufacturing associations and the Federation of Labor joined issue in the next campaign. Lists were published of the Members who voted for and of the Members who voted against. The Manufacturers' Association furnished a list of every man who voted in favor of this limitation on the Attorney General's fund which prevented him from the prosecution of organizations of labor under the law; the American Federation and allied organizations furnished a list of the men who voted in favor of the limitation; and those two great organizations, one of them was a great organization and the other was supposed to be a great organization, joined issue and fought that contest on that limitation.

It was some time ago, and I have not paid any attention to it for a long time, but it is my recollection that something like 30 Members of the other body, who took the national manufacturers' side of that question, after a thorough discussion in the campaign, were defeated at the polls, and if my recollection serves me correctly not a single Member who was attacked by the Manufacturers' Association for his vote upon that limitation failed to come back to the House.

It was in that situation that the Democratic Party took control of the House of Representatives, and I had the personal assurance of not less than 10 Republican Members of Congress that the reason why they were defeated was that they had voted against this attempt to take the organizations of labor, as the House could do it at that time, out from within the provisions of the Sherman antitrust law.

The American people do not want oragnizations of labor classed with the Standard Oil Co. and the Sugar Trust. They can see the difference, whether legislators or judges can or not. They know that there is a world of difference between these organizations as organizations and between their acts and practices, and they know there is a world-wide difference between the effect that the acts and practices of the Standard Oil Co. have upon the people of the United States and the effect that the operations of the American Federation of Labor has upon the people of the United States.

I can assure my colleagues in this Chamber that the American people have no difficulty at all in making this distinction. They have made it already, and I can say to my brethren in this body that they, too, should be able to make the distinction.

These men have been conducting this fight against terrific odds for years and years, and the inherent justice of their cause, in my judgment, regardless of what this body or any other legislative body will do for them, has triumphed. Public opinion aroused by them, aroused by the mere exhibition of their wrongs and their grievances, has won this fight for them. We are halting lamely behind that public opinion. When we

pass this law we are scarcely abreast of the foremost judges of the land.

The Senator from Idaho [Mr. BORAH] and I had a controversy yesterday with reference to whether this legislation was needed or not, and as somebody said about the Equator, a great deal is to be said on both sides. There are judges who are as far apart on this very question as the poles. There are judges who believe that every organization of labor which is in a position to affect directly or indirectly interstate commerce is within the provisions of this law. There are opinions, only recently rendered by the courts, which take the opposite view. We can not afford to leave to occupants of the Federal bench who qualified for their places by serving the National Manufacturers' Association the decision of this question—men who as legislators served other masters than the people; who earned the condemnation of the people and were turned from their service, repudiated; men upon the bench who for those reasons were embittered by their defeat, with their inherent hatred of the laboring people of the country intensified by their humiliation, vented their spleen by racking their brain for a more and more drastic provision to put in their restraining orders. There are some of these gentlemen on the bench yet. I do not want it to be within the power of a single one of them to point to any legislative warrant for what he does.

I regret, of course, that the Judiciary Committee on this side, and on the other side, too, for that matter, did not have the courage of the British Parliament, that they were not as downright thoroughgoing and honest as the British Parliament, which said in terms by means of the trade disputes act that laws of any kind which would interfere with the operation of these bodies should not apply to them. And understand, when we pass this law we leave every organization of labor subject to the laws of the State in which it is located.

I say for the comfort of the gentlemen who in their hearts hate these men, that there is still law enough to fill the penitentiary with representatives of organized and unorganized labor in this country; that every State in the Union, every county prosecutor can harass them, any sheriff can arrest them, every county judge can try them, grand juries can indict, and local juries can convict them and send them to the penitentiary. It is not so in England. The Parliament acted by means of the trade disputes act and said these men should be permitted to conduct their organizations and do a great many of the things we propose to permit them to do here, and a great many other things at which we throw up our hands in holy horror.

Mr. CULBERSON. Mr. President——

The PRESIDING OFFICER (Mr. ASHURST in the chair). Does the Senator from New Jersey yield to the Senator from Texas?

Mr. HUGHES. Certainly.

Mr. CULBERSON. Probably I did not understand the Senator correctly, but do I understand him to make the assertion that the Congress of the United States has power to legalize the existence of labor organizations against the laws of the separate States?

Mr. HUGHES. No; the Senator misunderstood me. I may have given that impression but that is not the point I am trying to make. I think I will clear it up in a minute or two. I was simply caling attention to the action of the British Parliament. The criticism I made in which the Senator would be interested was an expression of regret. I am not criticizing the Senator or criticizing his committee. I am as familiar with the history of this legislation as anybody can possibly be and with the history of the present attempt to cure the evils complained of. I have no criticism to make of the Senator. On the contrary, I have found him and the members of his committee to be eager and anxious to cooperate in this movement to the extent that they thought it would be possible to go. I regret that it was not possible to go as far as the British Parliament went. Then I said that when the British Parliament acted it was not acting only upon members of organizations who were engaged in interstate commerce directly or indirectly but that the law ran into every hamlet in England and controlled every county prosecutor and every grand jury and every petit jury and every judge.

Mr. CULBERSON. The Senator of course understands that that would be impossible under our form of government.

Mr. HUGHES. Of course, I understand that it would be impossible. I am just calling attention to the fact that this legislation falls far short, in a Federal way, of what the British Parliament granted to its workingmen. Yet we are compelled because of our dual system of government to leave it subject to the laws of the various States. What would the laboring people have been getting if you had taken them out from within the provisions of this act? What would they have been getting from the Federal Government, when it is admitted that we leave them subject to the laws of every State? Was it too much to ask that they be exempted entirely from the operation of that law?

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Jersey yield to the Senator from Idaho?

Mr. HUGHES. Certainly.

Mr. BORAH. The Senator says that they are left to the laws of each and every State. I do not suppose the Senator means it that way; but it is so often said here that this and that must be left to the States, as if there were a superior virtue in the Congress of the United States to that which exists in the legislatures of the respective States.

I do not think there are any more competent bodies to pass upon questions in the respective States than the legislatures of those States. They make mistakes because they are human, but I do not think that because these matters are left to the States there is any reason to suppose that the States are going to be unfair in the laws which they pass. We have every reason to believe that the laboring men will share in as wise and just legislation at the hands of the States, with reference to those matters which are peculiar in the States, as they would in Congress. Does not the Senator think so?

Mr. HUGHES. I do not think anything to the contrary. I was not referring to the fact that this legislation ought to be left to the States. I was simply calling attention to the fact that there is now legislation in practically every State of the Union on this subject of one kind or another, but none going so far as the British Parliament went in the trades-disputes act. No matter if they are not prosecuted under the Sherman Anti-trust Act, or if not prosecuted under the modified law which it is hoped we may here pass, they are still subject to prosecutions in the various counties of the States in which they live. We can not do much for them in the nature of things. Every one of these organizations has its local habitation and its name. It operates through its organization and its officers.

Mr. BORAH. I know, so far as my State is concerned, the legislature enacted labor legislation which was satisfactory to labor in reference to eight hours a day, and protecting them in the mines, and so forth, years before Congress acted upon it.

Mr. HUGHES. Exactly. I do not know whether I am making myself clear or not, but I am simply calling attention to the fact that these men are now resting under a doable load of adverse legislation, because their activities are circumscribed, to a greater or less extent, in every State in the Union. There is not a single State in the Union of which I have any knowledge which has given them legislation as favorable as the British Parliament has given to the workingmen of England. There was no legislature that had the courage to stand up against the assaults of this discredited organizaion, powerful, indeed, at one time; I have seen its agents go to high places in public life in this country. There has not been a legislature of a State in the Union, so far as I know, which was courageous enough to stand up and look this outfit in the eye and do what the British Parliament did for the degraded pauper labor of England and Europe, as the phrase goes. The Senator is undoubtedly familiar with it.

Mr. CHILTON. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Jersey yield to the Senator from West Virginia?

Mr. HUGHES. Certainly.

Mr. CHILTON. Does not the Senator think that his expression and the expression of the Senator from Idaho that we are leaving anything to the States is the rankest kind of reasoning, but in which the Senator has unfortunately drifted? We can not leave anything to the States. The States are all powerful, except as they grant some power to us. We are now attempting to give within the powers that are granted to us to guarantee such rights and to extend such freedom to labor as we are enabled to do. Can the Senator suggest any other field in which we can legislate except under the grant to regulate interstate commerce? Can the Senator suggest that we can go further in those lines than the House and the Senate seem willing to go at this time?

Mr. HUGHES. I seem to be very unfortunate in my attempts to make myself clear. I did not want anyone to understand that I thought Congress or the Senator's committee should not attempt to legislate on this subject or take away the rights of the States to legislate.

Mr. CHILTON. That is all right. I did not want to interrupt the Senator, but I knew he wanted to be clear about it.

Mr. HUGHES. I am simply trying to call attention to the fact that even if we give everything that is in our power, even if in the express terms we should take these men from

within the provisions of the law, we would still leave them subject to the jurisdiction of the various States of the Union, which have all sorts of laws on this subject and none of which are as liberal as the British act of which I spoke, which operates in every part of England. That is all I desire to say.

Mr. CHILTON. Just in this connection, if the Senator will permit me——

Mr. HUGHES. Certainly.

Mr. CHILTON. Of course that law operates in England, because there is no constitutional limitation there on Parliament.

Mr. HUGHES. I said that in the beginning. I said on account of our dual form of government it was not possible for Congress to do the same thing. I do not want any member of the committee to think in anything I am saying that I am implying criticism. I realize that the members of this committee have gone as far as they thought they could go, and I agree with them. I am in absolute and utter harmony with them, but I would like to go farther. We know the hue and cry that can be and has been raised and is being raised now against all this sort of legislation. We take what we can get. The laboring men of the United States of America have been taking what they could get ever since I can remember. They have, with hat in hand, been haunting the corridors of this Capitol, begging for a chance to be heard. They have been humble and suppliant; they have been asking for a chance to keep their organizations and to perfect them; they have asked for legislation which would put into effect other legislation which was granted to them before a presidential campaign, but which was suspended by the decision of the Attorney General after the campaign. They spent years and years in getting an eight-hour law upon the statute books, a law providing that eight hours should constitute a day's employment on work done by or for the Government. That law had been enacted, I think, back in 1892, with a great flourish of trumpets, and the gentleman who introduced it in the other body went into the campaign in the State of Ohio as the author of that great measure. Although he had previously been defeated for Congress, he introduced that measure in the short session, during which he had yet to serve before his term expired, and the bill was passed. He then went into the campaign as the author of that bill and was returned as governor of the State by an overwhelming majority, and afterwards became the President of the United States as the father of the eight-hour law, a law which was suspended by a decision of the Attorney General before the returns were counted. From that time on——

Mr. BORAH. The eight-hour law was suspended by the Attorney General?

Mr. HUGHES. I do not mean actually suspended by order of the Attorney General, but they put a comma in or took a comma out of the law, and then building, construction, and other work done by or on behalf of the Government could be carried on under an 8-hour day or a 16-hour day or any other kind of a day.

I called the attention of the man who is now supposed to be the great exponent of the laboring people of this country, then President of the United States, Theodore Roosevelt, to the fact that there was being built a great reservoir in the city of Washington, that there was an eight-hour law upon the statute books, that the Republican Party had taken great pride in the fact that it had passed that law, that a revered and honored member of their party, then dead, had been pointed to as the author of that law; and I told him that I had been on the ground and had seen the work being carried on; that the work was being done by and for the Government directly, without the intervention of any contractor, the Government engineers being in charge and in control of it, and that they were operating under a 10-hour day, working two shifts 10 hours each, one shift working by electric light. I called his attention to that myself in person so that there would not be any question about it. I wanted to ascertain the facts. That was in the old days when public men did not have to be sincere, when men were only expected to make pretense about election time. They did not rely upon the people for nomination; they did not rely upon the people for election. Politics was a game of buncombe; and the man who most successfully practiced buncombe was the most successful politician. That day has passed.

Mr. BORAH. It must be since the Panama Canal tolls bill was passed.

Mr. HUGHES. I will not permit the Senator from Idaho to divert me. I called the attention of the then President of the United States to the fact that this vaunted eight-hour law had virtually been suspended by the decision of the Attorney General in various instances, and that, whatever the merit of the Attorney General's decision was, there could not be any question in this particular case that that $3,000,000 worth of work was being done in the District of Columbia for the Government and by the Government, and that the law was being violated. To make a long story short, there was considerable correspondence which I returned by request. I was informed that this was an emergency proposition. I did not even take the trouble to call the attention of the President to the fact that on an emergency proposition they could work 24 hours a day instead of 20 hours, three 8-hour shifts instead of two shifts of 10 hours. That was in 1904, as I recollect. It was not until last year or the year before last that the laboring people of this country were able to get on the statute books legislation overcoming that decision of the Attorney General.

They have not asked for much and they have gotten a great deal less. I started out by saying that I would like to have seen the Congress of the United States pass an act reading something like this:

Be it enacted, etc., That an act done in pursuance of an agreement or combination by two or more persons shall, if done in contemplation or furtherance of a trade dispute, not be actionable unless the act, if done without any such agreement or combination, would be actionable.

I wish we could even have gotten that far. There is nothing in this bill which goes so far as that. The first paragraph of the British trades-dispute act—and, as I said a while ago, that act runs into every nook and corner of the Kingdom and is controlling upon every prosecuting officer and every grand and petit juror—reads:

It shall be lawful for one or more persons, acting on their own behalf or on behalf of a trade-union or of an individual employer or firm in contemplation or furtherance of a trade dispute, to attend, at or near a house or place where a person resides or works or carries on business or happens to be, if they so attend merely for the purpose of peacefully obtaining or communicating information, or of peacefully persuading any person to work or abstain from working.

That meat was too strong for the gentle stomachs of the American people, as their views are expressed by the Manufacturers' Association and kindred associations. That language could not have been adopted; that language is not in this bill. The act continues:

An action against a trade-union, whether of workmen or masters, or against any members or officials thereof on behalf of themselves and all other members of the trade-union in respect of any tortious act alleged to have been committed by or on behalf of the trade-union, shall not be entertained by any court.

They seem to have gone mad over there. Parliament seems to be absolutely and utterly bereft of reason. Evidently they can not see any relation at all between an ordinary conspirator who is conspiring to murder somebody or to burglarize his house and labor unions. The British Parliament sees the widest distinction between those two kinds of conspirators. They seem to think that the interests of the British workmen are paramount and supreme over the necessities of everybody else in the land, and that they can permit them to organize and encourage them to organize and make it possible for them to procure reasonable wages and to enforce sanitary conditions, and that they in turn perhaps will be able to educate and feed their children and bring them up as they should be brought up. They seem to have some sort of an illusion that that will be a good thing for the British Empire.

We are under no illusion over here. There is not a State in the Union, so far as I know, that has an act of this kind or one so liberal as this. We know that it is not even attempted here to come within miles of it; and it is known that even if we did we still would leave these men subject to the various jurisdictions in which they live and operate. No; we prate about the American workman in our political platforms and we excuse the system of tariff robbery on the ground that the robbers are going to hand their plunder down to the workers. There is only one way in which they can be compelled to hand it down; there is only one weapon that will permit an American workman to plunge his hand into the employer's pocket and get his share of the loot that has been wrung from the American people, and that is the strike. One of these conspiracies, one of these combinations and agreements that may be in restraint of trade is the only weapon he has had, but you have given his employers themselves many; you have permitted them to capture this loot, and you have said you have done so on behalf of these American workmen. That is what you said; your platforms reek with it; there is not a platform that you have adopted for the past 25 or 30 years that does not say that. You pride yourselves upon being class legislators. You have two classes—employers and employees. You give the employers the right to loot and plunder, and you say we do so because we know they will pass it down. As the present Secretary of State one time said, you have appointed the employers trustees, you have made them executors or administrators, but you have not asked them to give bond.

Mr. WEEKS. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Jersey yield to the Senator from Massachusetts?

Mr. HUGHES. I do.

Mr. WEEKS. It is hardly necessary, I think, to comment on the language of the Senator referring to the benefits of a protective tariff.

Mr. HUGHES. I do not insist that the Senator comment on it.

Mr. WEEKS. But it seems to me that if there is any connection between high wages and the legislation to which the Senator has been referring as prevailing in Great Britain we would naturally expect to see better wages in Great Britain than here; and he knows, just as everybody knows, that the wages here are from 25 to 100 per cent higher in the same industries than they are in that country.

Mr. MARTINE of New Jersey. The American workman possibly performs from 25 to 100 per cent more work than does the average Englishman. Our workmen do not get any more than they are entitled to at that.

Mr. HUGHES. What difference does the suggestion of the Senator from Massachusetts make? I do not care to discuss that with the Senator. I can reply to the Senator by saying that even if his statement is true, which it may or may not be, yet——

Mr. WEEKS. The Senator knows it is true, does he not?

Mr. HUGHES. No; I do not know that it is true, as the Senator states it; but even assuming that it is true, the British workman is getting twice as much—and perhaps that is as nearly true as the Senator's statement—as is his French brother, who is living under a high protective policy; but I do not care to go into that.

Mr. WEEKS. But that statement, Mr. President, is not correct.

Mr. HUGHES. I think it is more correct than the Senator's statement; but we can not decide that now.

The fact remains that the Senator will probably vote against this bill. I do not know as to that. I hope he will not do so; but he probably will vote against it, or against this provision at any rate. He never had any idea in his mind when he voted for the protective tariff to do anything except to benefit the laboring people of this country, but I want to tell him now that if he wants to benefit the laboring people of this country he should give them a chance to combine and organize, to enter into combinations and agreements which may or may not restrain trade, so that they can deal collectively and effectively with their employers. Then they will get even higher wages than the wages which the Senator thinks now are so generous, but which the laboring people of Fall River did not think were so generous a year or two ago, which my people in the city of Paterson did not think were so generous, and which I myself do not think were generous.

Mr. WEEKS. But the Senator puts words in my mouth which I did not use.

Mr. HUGHES. Then I withdraw them.

Mr. WEEKS. I did not say that wages were generous or overgenerous; I said that wages were materially higher, and if the laws of Great Britain were so favorable to the laboring men, we would naturally suppose that they would benefit because of them.

Mr. HUGHES. The Senator does not have to take my opinion with reference to the laws of England being favorable to the laboring men. The Senator can read the proposed legislation now pending, and he can read the law which is on the statute books of England, and I will take his judgment as to whether or not the English law is more favorable on this particular question.

Now, I can not be diverted into a tariff discussion. The Senator is familiar with my views on that subject and I am familiar with his. The tariff has not anything to do with this matter, except that your tariff has been perpetrating a fraud and humbug upon the laboring people of this country for years by pretending that a high tariff rate is for the benefit of the laboring people. If you were interested in the laboring people you would be in favor of legislation which would permit them to organize and to operate as organizations in order to protect themselves against combinations of capital which are so much more powerful than they are.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Jersey yield to the Senator from Nebraska?

Mr. HUGHES. Certainly.

Mr. NORRIS. Mr. President, since the Senator has so often in his remarks undertaken to make a partisan question of this matter and has charged up to a political party all the sins that have come from bad legislation on this particular subject, I want to ask him if he charges the deficiencies of this legislation now pending to the Republican Party? If he claims that the bill now before the Senate does not go to the extent to which he thinks it ought to go, why not, then, put the responsibility on the Democratic Party, for they are certainly in power now?

Mr. HUGHES. They are perfectly willing to take that responsibility.

Mr. NORRIS. The Senator ought to place the responsibility where it belongs, then.

Mr. HUGHES. The Senator is as familiar with the situation that exists here as I can possibly be.

Mr. NORRIS. I think I understand the situation.

Mr. HUGHES. The Senator has had legislative experience enough to know that frequently a party may be in control, and yet the defection of a few men, united with a determined minority, can defeat legislation.

Again, I wish to say that I do not expect the Democratic Party to follow me blindly in these matters, or to go as far as I would have them go. I am simply trying to show you where I should like to have them go. I do not want the Senator to say that I am attempting to give a partisan tinge to this question.

Mr. NORRIS. I do not want to do so; but I have been surprised somewhat at some of the things the Senator has said, because I have been familiar with the Senator's activities in Congress. I entered the House at the same time he did, and I voted for certain propositions there affecting labor, just as he did; but he undertakes here every little while to put the responsibility for the lack of legislation on the Republican Party, and then gives a bouquet to the Democratic Party for what they are doing, and in the next breath says that what is being done now is not at all satisfactory; that it is not at all equal to what has been done over in England. Just as a matter of fairness, it seems to me that the Senator——

Mr. HUGHES. I think I have been absolutely fair——

Mr. NORRIS (continuing). Ought to place the responsibility where it properly rests.

Mr. HUGHES. I have not thrown any bouquets at anybody. I very frankly stated that, even if we did everything that the British Parliament did with reference to this question, we would still be leaving the laboring men subject to the laws of the various jurisdictions.

Mr. NORRIS. But we are not doing that; we do not propose to do that by the bill now pending. Does the Senator think that the President would like to have that done?

Mr. HUGHES. I think so.

Mr. NORRIS. It is true that when he signed the bill that was once vetoed by President Taft containing the restriction as to the use of funds allotted for prosecutions under the Sherman law, he also signed a notation in connection with it in which he expressed the same views that President Taft had expressed when he vetoed the same proposal.

Mr. HUGHES. I will say that I do not know whether or not the President would be as willing to go as far as the trades-dispute act goes, because I have never discussed that question with him. I was not a member of either committee having jurisdiction of the matter, and I had no desire to be officious or to attempt to shape legislation with which I had no particular or exclusive connection. I will say, however, that I am perfectly familiar with the reasons why the President made the memorandum with reference to the limitation on the sundry civil bill, and I agree with him in the main. The amendment to the sundry civil bill, as the Senator will recollect, was offered because of a situation which existed in a certain body with which the Senator is more familiar than any man in the United States. The Senator is not going to deny, I know, that committees were choked in a certain legislative body, and that action could not be had along certain lines. The Senator was as vigorous an opponent of the policy that resulted in those things as there was anywhere in the United States—I might say the most vigorous opponent.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Jersey yield further to the Senator from Nebraska?

Mr. HUGHES. Just let me finish this sentence, and then I will yield.

That amendment was offered as a limitation upon an appropriation bill for the purpose of testing the sense of the other House. It tested the sense of the House, and served its purpose. I do not think it is wise legislation to tie up a fund with a limitation: I do not think it is good legislation to abolish a judge by refusing to appropriate for his salary; I think the best way is to honestly abolish his office, and if I had been the President of the United States I would have been tempted to

say something such as he said. I was the author of the amendment.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Jersey yield to the Senator from Idaho?

Mr. HUGHES. I first yield to the Senator from Nebraska [Mr. NORRIS].

Mr. NORRIS. Mr. President, I recognize that the Senator was the author of that amendment, and he offered it in the House of Representatives before the present administration came into power. I was one of the Senator's supporters on that occasion and helped in my weak way to put that proposition on an appropriation bill. Then later a similar provision was put on an appropriation bill that was sent to President Wilson.

Mr. HUGHES. I can not accept the Senator's statement as to his help being weak.

Mr. NORRIS. The Senator was not asserting when he was putting the question up to a Republican President that it was improper to enact such legislation, but when a Democratic President takes the same ground he assists him in making his apology. Now, I can see only this difference—and I am surprised to-day that the Senator has so often intimated it in his remarks, because I have always thought a great deal of his independence in the stand that he has taken since he has been a Member of Congress—that he condemns an action if it originates in one political party and apologizes for it when it is consummated by another political party.

Mr. HUGHES. The Senator insists on quarreling with me, but I do not want him to quarrel with me, because he is too good a friend of mine and we have fought shoulder to shoulder on too many occasions for us to part over a fancied difference now, for there is no real difference between us.

Mr. NORRIS. I am not quarreling with the Senator on this provision of the bill; I am in favor of this provision.

Mr. HUGHES. I understand that; I know that without asking.

Mr. NORRIS. And I want to see it enacted into law; but the Senator is not satisfied with it. I am not saying that his proposition would not be better than the one proposed, but because he wants to go further, it seems to me—perhaps I am wrong in my conclusions—because this provision in the bill does not suit him, he is condemning another political party, that is now out of power, because they have not enacted any law along the lines of the British law, and then he turns to his party, which is in power, and says, "You have gone as far as you could be expected to go; you have done well; it is all right; everything is lovely; you have done just what you ought to have done." It occurs to me the rule ought to work both ways.

Mr. HUGHES. Mr. President, the Senator does me a great injustice there. When I referred to our attempt to get another party to act, I was referring to the eight-hour bill, which was enacted into law precisely as we had been attempting and as I had been attempting to get another party to enact it into law.

The laboring people of the United States are satisfied with this legislation. They are afraid to jeopardize their chances of getting any legislation, because they have not much confidence in the real regard of the Congress—I will put it in that way—for them, and they are afraid to jeopardize their chances of getting any legislation by insisting upon getting more than there is in this bill as it came from the House. They are satisfied, and nobody is authorized to go any further in their name. So much for that.

I have been constantly referring to the attitude of the Republican Party toward the laboring people of this country, because the speeches which have been made against this proposition have been made against it in the main on the ground that it was class legislation. It is unfortunate that I have not made myself clear. I have a vivid recollection of the service that was rendered by the Senator from Nebraska and a great many other members, not only of the Progressive Party but a great many members of the Republican Party, for the limitation upon the Attorney General's fund went on a bill in a Republican House. The first time that it ever was offered and the first time, in my recollection, that either House of Congress had expressed its opinion as to whether or not the Sherman law did include or ought to include organizations of labor was at that time when the House was under Republican control.

I regret if I have appeared to show any spirit of partisanship in this matter, because it is not a partisan matter, and ought not to be a partisan matter. It is within the power of the Senate now to give the organizations of labor everything for which they are asking in this bill. Practically, it is possible to take organized labor out of politics in this country and let them divide along natural lines, as they ought to divide. Nobody would deplore more than I the building up of a class-conscious party of any kind in this country.

Mr. LIPPITT. Mr. President——

The VICE PRESIDENT. Does the Senator from New Jersey yield to the Senator from Rhode Island?

Mr. HUGHES. Certainly.

Mr. LIPPITT. I have been rather interested in the Senator's views as to how labor can get higher wages. As I understand the Republican policy which he criticizes so severely, its purpose is to put a larger sum into the countingroom. The desire of the Senator from New Jersey is that out of the sum that goes into the countingroom a larger precentage shall go to labor, but he criticizes the policy which gives a larger sum to divide.

It seems perfectly evident to me that a policy which tries to put a dollar where it can be divided between capital and labor is infinitely superior to a policy which only puts 50 cents where it can be so divided, and that the division which goes to labor, even if it is only 75 per cent, is immensely greater when it is 75 per cent of a dollar than though it were 85 per cent of a half dollar. Neither labor nor capital can obtain more than the whole of what exists. The Republican policy, from the origination of that party, has been to make a larger fund that can be divided between the parties between whom it must be divided—those who contribute the labor and those who contribute the capital.

Mr. HUGHES. That is true; that is what I was trying to say; but the Senator has said it better than I could possibly have said it. I do not want to get into a discussion of the protective policy; I was only calling attention to it incidentally, as I tried to explain, to show that the Republican Party is not opposed to class legislation, because the Republican tariff laws have been class legislation. You are then legislating for a class, a class of employers and employees. I only touched on that incidentally.

Mr. LIPPITT. Will the Senator allow me just one moment?

Mr. HUGHES. Certainly.

Mr. LIPPITT. The Senator has said several times in the last 10 minutes that he did not want the tariff question to enter into the discussion of the matter which he is considering, but almost before the words are out of his mouth he begins again to attack the tariff policy of the Republican Party. It is very comfortable for him to say "I will attack a Republican policy, but Senators on the other side must not say a word, because I do not want that policy discussed." If the Senator does not want it discussed, would it not be well to refrain from attacking it?

Mr. HUGHES. I have to carry on this discussion in my own way. I am not compelled to yield to the Senator; I can do as he did a day or two ago and decline to yield.

Mr. LIPPITT. On what occasion?

Mr. HUGHES. When the Senator made his last speech, as I recollect, he signified a desire not to be interrupted.

Mr. LIPPITT. I have no recollection of having done so. I think one year ago or so I made a carefully prepared speech, and may then have expressed a desire of that kind.

Mr. HUGHES. I have a right to carry on this discussion in my own way.

Mr. LIPPITT. I have no desire to interrupt the Senator, if he does not want to be interrupted.

Mr. HUGHES. I have not said that I did not want to be interrupted, but I do not like the Senator to direct my remarks into channels which are foreign to the purpose of my argument. I am going to say now that I have not made any attempt to discuss the protective theory as a policy. I have simply called attention to the fact—and I know the Senator will admit it—that the Republican Party is devoted to that theory. It believes in the protective principle. The Senator will admit that, undoubtedly.

Mr. LIPPITT. I even glory in it.

Mr. HUGHES. Yes; undoubtedly. The Senator will also admit that the protective theory contemplates that a man will have the privilege, which is denied to others, of doing business in a certain territory, the aim being for him to get——

Mr. LIPPITT. I will admit that it involves the theory of having an American citizen do things in America that are denied to a German or to an Englishman or to a Frenchman. I do not admit that it denies to any one American citizen the right to do what any other American citizen can do.

Mr. HUGHES. Exactly; I understand the Senator's position; but the protective theory is that a manufacturer will get a little more money for his goods than he would if the country were opened up to foreign competition, and that in turn he will be enabled to pay more wages than he would be able to pay if the country were opened up to foreign competition. The Senator will surely admit that?

Mr. LIPPITT. I would not put it just that way. I would put it a little differently; but the Senator says he does not want to discuss the tariff, and if we go on we will have a very lengthy discussion.

Mr. HUGHES. I know. I do not want to discuss it; but I thought those were protective axioms. I did not know that I was stating anything debatable; and I was then calling attention to the fact that the Senator's party was on record as desiring to favor the American laboring people as a class.

Mr. LIPPITT. Surely.

Mr. HUGHES. That it was class legislation, and they would stand for it so far as it was involved in the protective theory; that is all. I never made a single word of attack upon the protective theory.

Mr. LIPPITT. If the Senator would not confine his remarks to the statement that the protective policy is designed to favor the laborer entirely, to the exclusion of other people in the United States, I might agree with him. I do not understand that the Republican protective policy means that. I understand that the benefit Republicans think accrues from that policy is distributed over the entire American people.

Mr. HUGHES. Yes; I know. The benefits that will flow from this policy will be distributed over the entire United States, but the direct beneficiaries of the protective tariff——

Mr. LIPPITT. Are the people of the United States.

Mr. HUGHES. Well, the direct beneficiary, first, is the man who gets a little more for his goods than he would get if the country were opened up to foreign competition. Surely the Senator and I can agree on that. The Senator ought to be fair and candid with me. I am trying to be fair and candid with him.

Mr. LIPPITT. The Senator is leading me into strange paths, however, or trying to do so.

Mr. HUGHES. I think the Senator finds those paths fairly familiar, but I shall not pursue the discussion any further now. I must insist on saying, however, whether it harrows the Senator's feelings or not, that the Republican Party has claimed to be guilty of class legislation in favor of the laboring people of the United States. I do not think they have. I acquit them, so far as I am concerned; but they have claimed, and they have written it into their platforms, that they have legislated and that they are going to legislate in the interest of the laboring people. They are going to tax, they are going to keep the protective policy in force, not because of its inherent virtues and beauties altogether, but because, directly or indirectly, it helps the laboring men of the United States of America.

Mr. LIPPITT. I agree with that.

Mr. HUGHES. Of course the Senator agrees with that, and that is what I have been saying all along.

Mr. LIPPITT. But I do not agree that it helps only the laboring people.

Mr. HUGHES. Of course the Senator's theory is that after that those benefits are handed down. That is the difference between the Senator's theory and mine.

Mr. LIPPITT. And that is all the difference between the position in which the Senator is trying to place this tariff policy and the position in which I place it. He is trying to argue that it favors only one class. He then goes on to say that it favors all classes, which I agree with.

Mr. HUGHES. I say that the Senator believes it favors all classes. There is no use in my saying to the Senator that I do not believe in his theory. I do not believe in it any more than he believes in mine, but I do not want to discuss it. We have not the time to discuss it. I am simply calling attention to the fact that it does not lie in the mouth of the Senator to criticize this side of the Chamber, or any other body, for passing so-called class legislation, because his whole theory——

Mr. LIPPITT. Does the Senator believe class legislation is right?

Mr. HUGHES. Yes; I believe in class legislation.

Mr. LIPPITT. The Senator believes in passing laws that favor one particular class in opposition to other particular classes?

Mr. HUGHES. Yes. For instance, take this provision in this bill——

Mr. LIPPITT. I just wanted a statement of the broad, general principle. The Senator says he thinks class legislation is right.

Mr. HUGHES. The Senator has just admitted that the protective theory involves a favor to the working class.

Mr. LIPPITT. I have not admitted it at all in the way the Senator means it. I have said, over and over again, that it involves a benefit to all the people. Now, the Senator says that he believes legislation ought to be passed which favors one class to the disadvantage of the others.

Mr. HUGHES. Why, certainly. The Constitution of the United States provides for a class. The Constitution of the United States provides that the press shall be free. If I threaten you with an injury, you may bind me over to keep the peace; you may take other steps; but if a newspaper of the United States threatens to make an attack on you, which may destroy you politically and socially, it is permitted to do it. It takes the consequences and pays for the consequences afterwards; but it can do it. You will find other classes provided for in the Constitution of the United States. Let me call your attention to a class in the bill now before us as it came over from the House. It has been stricken out by the Senate committee, for what reason I do not know; I hope not for the reason that it was class legislation.

Mr. McCUMBER. Mr. President, let me ask the Senator right there, if he will, whether I understand him correctly. If I understood him aright, he said that the press had rights that individuals do not have?

Mr. HUGHES. A man in the newspaper business has rights that other men have not.

Mr. McCUMBER. What right has he to defame another man's character, or to make any false statement, or to do anything else, that an individual has not?

Mr. HUGHES. Why, he has an absolute right to do it. He can not be prevented by injunction from doing it, under the Constitution.

Mr. McCUMBER. Neither can the individual.

Mr. HUGHES. The individual can be prevented from doing lots of things.

Mr. McCUMBER. I should like to know just one thing, if the Senator can point it out to me, that the owner of a paper can do through the instrumentality of his paper that an individual can not do.

Mr. HUGHES. He can injure a man; he can publish a defamatory statement about a man; he can give notice that he is about to do it, and he can continue to do it.

Mr. McCUMBER. Would that protect him any more than it would an individual?

Mr. HUGHES. Why, yes; the individual——

Mr. McCUMBER. Is there any difference between the law of libel and the law of slander, so far as the rights of the citizen are concerned, whether he be libeled by the press or slandered by the individual?

Mr. HUGHES. Why, yes. An individual can be bound over to keep the peace. If he were making verbal statements or written statements calculated to provoke a breach of the peace, he could be bound over. You can not bind a newspaper over.

Mr. McCUMBER. I admit that the press can not threaten that it will do anything of itself against a man.

Mr. HUGHES. A newspaper can go on publishing from day to day defamatory and libelous articles about the Senator, and he can not enjoin it. He can not stop it.

Mr. McCUMBER. But the Senator can have his action for damages against the newspaper, the same as he would against the individual.

Mr. HUGHES. Oh, yes; I started out by saying that.

Now, I want to read another specimen of class legislation which I approve of absolutely—that is, so far as any objection to it is concerned on account of its being class legislation. With the merits of the matter I am not familiar. I do not pretend to be familiar with it, but as this bill came over from the House it contained the language I am about to read. Now, this is a bill which prevents the existence of certain combinations and groups of men, and all that, and prevents combined action along certain lines. It contains this language:

> Nothing contained in the antitrust laws shall be construed to forbid associations of traffic, operating, accounting, or other officers of common carriers for the purpose of conferring among themselves or of making any lawful agreement as to any matter which is subject to the regulating or supervisory jurisdiction of the Interstate Commerce Commission, but all such matters shall continue to be subject to such jurisdiction of the commission, and all such agreements shall be entered and kept of record by the carriers, parties thereto, and shall at all times be open to inspection by the commission, but no such agreement shall go into effect or become operative until the same shall have first been submitted to, and approved by, the Interstate Commerce Commission: *Provided*, That nothing in this act shall be construed as modifying existing laws prohibiting the pooling of earnings or traffic, or existing laws against joint agreements by common carriers to maintain rates.

I quote that simply for the purpose of showing that when you are drawing a broad, comprehensive, and sweeping statute which is going to apply all over the United States of America it is likely to come in contact not only with other laws, but with customs and practices, and by virtue of being a later enactment wipe them out. Of course, it is class legislation. The interstate-commerce act is class legislation. I can charge a poor, unfortunate client of mine as much money as I can get

from him for my services as a lawyer; but the Erie Railroad, which runs through my town, can not charge me what it likes to carry me to the city of New York, because we have made a class out of railroads. A corporation is permitted to do certain things which individuals can not do. Individuals are permitted to do certain things which corporations can not do. The man who holds the stock of a corporation can limit his liability in business to the assets of the corporation, because we have made a class out of corporations. The individual, on the other hand, may have all his earthly goods swept away by an industrial calamity.

We have provided that workingmen who are in the employ of a concern which goes bankrupt shall be preferred; and the first act that a receiver performs when he comes into possession of the assets of the derelict industrial concern is to make the necessary arrangements at the bank and pay wages. That is absolutely class legislation. I am in favor of certain kinds of class legislation and I am in favor of this legislation.

Mr. CUMMINS. Mr. President——

The VICE PRESIDENT. Does the Senator from New Jersey yield to the Senator from Iowa?

Mr. HUGHES. Certainly.

Mr. CUMMINS. If the Senator from New Jersey has finished with this particular subject I should like to ask him to return to another with which he has already dealt. I do not quite like the way in which he has left the comparison of the English statute with the laws of the United States. The English statute in substance abolishes the distinction between individual action and combined action. That is all it does.

Mr. HUGHES. Oh, it does more than that.

Mr. CUMMINS. Yes; it does. It says, in substance, that people can not be held liable for concerted action if the same thing done by an individual would have been lawful.

Mr. HUGHES. Of course that is a tremendous addition; but that is not all.

Mr. CUMMINS. I will call attention to that. Now, that is all right. Of course the Congress of the United States could not do that, but I think the Senator from New Jersey entirely misunderstands what the application of the English doctrine would be under the antitrust law.

The antitrust law forbids restraint of trade. It makes no difference whether the restraint of trade is accomplished by an individual, by one man, or by 100 men, whether it is accomplished singly or in concert. If we had the English statute, whoever restrained trade would be liable under the law, whether a single person restrained it or whether a thousand persons acting together restrained it. In other words, the offense under our statute is not the combination to restrain trade, but it is the restraint of trade; and therefore, if the English statute were in full force in the United States and in all the States, the result would be just the same. If to do certain things would be to restrain trade, and the English had such a statute as ours, that act would be unlawful.

Mr. HUGHES. I agree with the Senator. I did not mean to be understood as saying that the literal language of the British act would be satisfactory here, or would meet the needs and requirements of the situation here as I see them. I am simply calling attention to the difference between the attitude of the British Government and the attitude of the American Government.

I will say, in deference to my friends here who have been disposed to criticize me for being partisan on this subject, that in the Taff Vale case, when it was demonstrated that organizations of labor in England could be held responsible for going on strike when that strike took the shape of a conspiracy and resulted in damages to an employer of labor, and those damages could be traced back to the men who went on the strike, to their friends who paid them while they stayed out, to their organization which kept them in funds and which encouraged them and persuaded them to persist in the strike—when it became demonstrated that the unions could be held liable for that, and when they were held liable for a large sum of money, £150,000, which they paid, then the British Parliament acted.

Mr. CUMMINS. I am not at all disparaging the English statute, nor am I suggesting that it has not a very great effect. I am only saying that so far as restraint of trade is concerned it would do no good whatsoever to enact the English statute.

Mr. HUGHES. No; I agree with that.

Mr. CUMMINS. There is a difference, in the broad field of human activity, between the lawfulness of the action of a single man and the action of a hundred men in conspiracy or in combination. One man may often do something that would be entirely innocent for the man to do, but which would be criminal for a hundred or a thousand men to do in combination. Therefore, the English statute had a great field for operation; but so far as the restraint of trade is concerned, that is the unlawful thing, and it is just the same whether it is restrained by one man or by a thousand men.

Mr. HUGHES. Yes; but the restraint of trade was the thing in the Taff Vale case.

Mr. NELSON. Mr. President, will the Senator from New Jersey yield to me?

The VICE PRESIDENT. Does the Senator from New Jersey yield to the Senator from Minnesota?

Mr. HUGHES. Certainly.

Mr. NELSON. I think the Senator from New Jersey is laboring under a great misapprehension as to the scope of the English trade legislation. While in some respects it is very liberal, yet it contains restrictions that we have not known of or thought of in this country. I want to read to the Senator, with his permission, section 5 of the act of August 13, 1875:

> Where any person willfully and maliciously breaks a contract of service or of hiring, knowing or having reasonable cause to believe that the probable consequences of his so doing, either alone or in combination with others, will be to endanger human life or cause serious bodily injury or to expose valuable property, whether real or personal, to destruction or serious injury, he shall, on conviction thereof by a court of summary jurisdiction or on indictment as hereinafter mentioned, be liable either to pay a penalty not exceeding £20 or to be imprisoned for a term of not exceeding three months with or without hard labor.

Then I read section 7 of the same act, which is still in force:

> Every person who, with a view to compel any other person to abstain from doing or to do any act which such other person has a legal right to do or abstain from doing, wrongfully and without legal authority—
>
> 1. Uses violence to or intimidates such other person or his wife or children or injures his property; or
>
> 2. Persistently follows such other person about from place to place; or
>
> 3. Hides any tools, clothes, or other property owned or used by such other person or deprives him of or hinders him in the use thereof; or
>
> 4. Watches or besets the house or other place where such other person resides or works or carries on business or happens to be or the approach to such house or place; or
>
> 5. Follows such other person with two or more other persons in a disorderly manner in or through any street or road—
>
> shall, on conviction thereof by a court of summary jurisdiction or on indictment as hereinafter mentioned, be liable either to pay a penalty not exceeding £20 or to be imprisoned for a term not exceeding three months with or without hard labor.

Now, the change in the legislation of Great Britain which the Senator from New Jersey lauds so much is subject to all those restrictions which I have quoted from the act of Parliament of 1875. There was an amendatory act passed in December, 1906, but it does not modify any of the provisions I have indicated. The only modification in it is that it authorizes peaceful picketing. So while on the one hand, if the Senator will allow me—and I speak by his permission—the British trade-union act seems to be a great deal more liberal than our legislation here is, yet on the other hand it is subject to a class of restrictions that are not found in our statute books, and that would be found very burdensome and onerous to labor in this country.

Mr. HUGHES. I will simply say that British workmen have found the trade-dispute act recently enacted eminently satisfactory. It has enabled them to do what the laboring men of America want to be enabled to do, to preserve and keep their organizations, to withdraw simultaneously from employment, and to do the usual things, subject always to the law of the community in which they are done, during the periods when strikes are on or declared.

Mr. NELSON. But did the Senator observe section 5 of the British act, to which I called attention and which I read?

Mr. HUGHES. Yes; I observed it, and I simply want to call the Senator's attention to this——

Mr. NELSON. What has the Senator to say to that? Does he approve that provision or is he against it?

Mr. HUGHES. I do not recollect the provision.

Mr. NELSON. I will read it again.

Mr. HUGHES. I do not care to have it read to me now.

Mr. NELSON. I should like to know how the Senator stands on that question. Would he like to have such a provision incorporated into our law, or is he opposed to it?

Mr. HUGHES. I should like to have a law as good as the British trade-dispute act; yes; and I know the Senator would not vote for such an act.

Mr. NELSON. I will quote it again, with the Senator's permission.

Mr. HUGHES. I do not want the Senator to read it again.

Mr. NELSON. No; I do not suppose the Senator does.

Mr. HUGHES. The Senator can put it in the RECORD if he likes. I am so indifferent to it that I will let the Senator put me down as being either for it or against it; he can use his own judgment.

I know this: I know that the British Parliament rose at once to the emergency when it saw the difficult situation into which the labor organizations of England had drifted. They had friends in the Parliament, and the friends enacted the legislation they asked, and under that legislation there has not been a single case such as littered the calendars of the courts before. I know that. I know that the question was settled. I should like to have the Senator help me settle it in this country.

American workmen are entitled to as good treatment as British workmen or the workmen of any other country. They do not get it. The legislation in this country is less favorable to workmen than that of any other civilized country in the world, and the Senator knows it, and has helped to keep it as it is.

I have said a good deal more than I intended to say, Mr. President. I think this is a tardy compliance with the just and reasonable demands of the laboring people of this country. In my judgment, there is nothing in this section which justifies the secondary boycott or a boycott of any kind. It simply makes legal that which we all have been taught to believe was legal. It simply interposes the barrier of the arm of this law before an unfriendly Attorney General, who might with great reason and force, it seems to me, go into a court of equity and dissolve by injunction every organization of railroad trainmen, firemen, or engineers who were organized for the purpose of simultaneously ceasing their employment whenever necessary to enforce their demands. That is all it does, in my opinion.

It is possible that at a later time I may have something to say with reference to the other provisions of the bill.

Mr. BORAH. Mr. President, I have been somewhat surprised at some of the views which the Senator from New Jersey expressed, although I agree perfectly with his closing sentence. I think the labor organizations of this country ought to have the right which the Senator says he thinks they ought to have, if we are to measure that right according to his closing paragraph; but there were some views expressed during his able and earnest presentation of this matter that I do not entirely accept.

He eulogizes the British trades act. There are some things in the British trades act which may be commendatory, and which, in so far as our framework of government would admit, might be very properly transmitted to this country. But when the Senator goes further and says that the legislative condition and the general condition of labor in Great Britain are better than in America, I am sure the Senator in his zeal has overstepped the actual facts.

Mr. HUGHES. Mr. President, I do not think I said that, and I did not intend to say it. I said that simply from a legislative standpoint there had been more legislation enacted for the benefit of English workmen than had been enacted for the benefit of American workmen. I want to make that absolutely clear. If there is any doubt about it, I will call the Senator's attention to the pension laws that have been enacted and various other social measures.

Mr. BORAH. I am aware that there are some things that, as I say, are commendatory; but if the weather should turn cool before this debate closes I propose to present the condition of legislation in England with reference to labor and the condition of labor in England with reference to the condition of labor in America, because it will be a startling contrast, not a comparison but a contrast, altogether to the advantage of the workmen of America, of which we ought to be very glad. Labor is not so well paid, not so well housed, not so well clothed, not so well governed as in America.

But that is no reason, Mr. President, why we should not go forward and do whatever is right and proper to be done for the laboring men of this country. I repeat, as I said yesterday, that in so far as it is necessary to protect union labor to go forward and do the things which ordinarily and legitimately any reasonable man would say belongs to union labor to do, I am in favor of going that distance. In fact, Mr. President, I believe I may say, speaking in a general way, that I could go all the way with labor on the hither side of threats and intimidation and violence. I do not believe that there is anything on the hither side of these that I would not be willing to do for laboring men and to enable them to do so far as the Federal Government has power to legislate on the subject. I would protect fully and completely their right to organize, their right to strike, and their right to enforce the strike in all peaceful and lawful ways.

Now, just a word with reference to the protective tariff, which was brought into this matter. He assails the Republican Party most severely and denounces it for legislating for the rich as against the poor, of building up monopoly against the rights and at the cost of labor. It may be that the protective tariff has not been the benefit to the laboring men of this country which men during the campaign assured them that it would be. It may be that their share of the profits have not drifted down to them, and that they have not had their proportion of the world's blessings and comforts. I believe that that is true. I do not believe that labor has had its fair proportion of our prosperity in past years. But, Mr. President, to-day there is estimated to be by laboring men themselves at least 500,000, if not a million, men out of employment. What has brought that condition about I am not going into details at this time to say, but it is the honest, the solemn judgment and conviction of the advocates of a protective tariff that it would assist in ameliorating that condition if it were restored in a uniform way in this country. I may be in error in regard to that, but those who believe in the other policy have not been able to find employment for the 500,000 or million of men who are out of employment in this country to-day. Neither have they by their system of spotted free trade reduced the cost of living to those who have employment, to say nothing of the condition of those out of employment.

But, Mr. President, what is the protective tariff? When does it take and when does it not take? When does it apply and when does it not apply? If there is any particular form of a protective policy found in this country that is peculiarly offensive to Democracy it is in regard to the coastwise shipping in the United States. You have denounced it on every stump and filled the debates here with anathemas. If there is any form of protective policy which has been designated, individualized, and legalized and made a monopoly, it is the coastwise shipping proposition which we had before us a few days ago in this Senate Chamber.

Last Friday when we adjourned and that matter was before the Senate there was scarcely a quorum to be found in Washington, and the lack of interest and apathy upon the part of legislators was phenominal. But the legislation having been postponed from Friday until Monday, practically every Senator of the United States was then in his seat, and the forces and the influence which have sustained this form of protection in this country in its most aggravated and indefensible form were in Washington before Monday morning's sun had risen. And the party always denouncing this monopoly, this form of protection, retreated from their report and from the report of their party and perpetuated further the most offensive form of monopoly that protection could possibly foster in this country, as our Democratic friends view it.

Mr. KERN. Mr. President——

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from Indiana?

Mr. BORAH. I yield.

Mr. KERN. I was about to say—

> Thou canst not say I did it; never shake
> Thy gory locks at me.

Mr. BORAH. That is true; and I could say more than that in compliment to the Senator. I am far from criticizing his course on this or other things.

Mr. ASHURST. Mr. President——

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from Arizona?

Mr. BORAH. I yield.

Mr. ASHURST. Supplementing what our distinguished leader the Senator from Indiana [Mr. KERN] has said, I wish to say also that I claim to be one who has stood by the true Democratic doctrine and stood by the report of that conference committee and voted last Friday as I voted on the 11th of June upon the amendment offered by the Senator from Missouri [Mr. REED] to permit all ships to enter our coastwise trade.

Mr. BORAH. Mr. President, I was not looking at the Senator from Indiana or the Senator from Arizona. I will confine my "looks" now entirely to this side of the Chamber in order that I may not be supposed to criticize anyone, in person or in particular.

Now, Mr. President, I believe in a protective policy and in the principle of protection. I do not believe in its application in spots or in sections. I do not believe in protecting shipbuilding and protecting peanuts in the State of Virginia and in putting wheat and barley upon the free list. It is but a question of applying the principle. If it is applied with universal effect, so that it may reach Nation wide, building up industries, energizing labor, affording opportunity and inducing initiative, it is a great system. If it is not thus applied, it becomes a special privilege, and is intolerable and indefensible.

Mr. President, a word with reference to the limitation on the sundry civil bill to which the Senator from New Jersey [Mr.

HUGHES] referred. He said it was put into the bill for the purpose of testing the sense of the House—a Republican House—and that when it was brought over here it had served its purpose. But the Senator from New Jersey, in a very earnest speech upon this floor, advocated its passage through the Senate for the same reason, I presume, that he urged its passage through the House—not to test the sense of the Senate and not to test the sense of the House, but because he said that the great organization of which he was a humble member was now prepared to do justice to the laboring men, who had been so long delayed in securing the justice to which they were entitled.

I took occasion to say upon the floor of the Senate at that time that attaching that limitation to that bill was a piece of hypocrisy and a fraud. I read in Mr. Gompers's great association paper within six months thereafter that it was a fraud, that the prosecutions wherever they arose proceeded just the same, that the law was enforced just the same, and that while they had asked for bread they had been given a stone.

Furthermore, Mr. President, the Senator tells us that certain Members of the House, as I understood, after serving the Manufacturers' Association and doing their work on the floor of the House, were selected out and put upon the Federal bench for the purpose apparently of protecting the manufacturers and the monopolies of this country. It was a serious charge to make. It was a direct impeachment of the honor of a Republican President and a most serious assault upon the bench. If any man has been placed upon the Federal bench for that purpose and there is any proof of that fact, it is not too late yet to know whether or not he is serving his masters who placed him there, and it should be investigated. I hope the Senator, in the cause of good and decent government, will withhold no fact.

But again, Mr. President, if the Senator wants to raise the question of serving monopolies, and of the close relationship between political parties and the interests, and selecting men who represent the monopolies to go into high place, what is the difference between selecting some single individual from the House of Representatives to go upon the Federal bench, where he is checked up by other judges and his opinions supervised and reviewed by the great Supreme Court of the United States, and selecting as the representative of one of the condemned monopolies of this country a man who had helped to build it up and defend it to take charge of the currency of the country, which indeed is no less than the lifeblood of the Nation? Does the Senator think that his party in these days is in a position to boast or to flaunt the record of anyone?

Give me the power to control the currency of this country, to contract and to inflate the currency, and I do not care who renders your decisions; I will build my fortune so high and spread my influence so far that no petty Federal judge can reach my power.

I would rather if I were seeking power and wanted to have close and effective alliance between government and monopoly to have control of the Federal Reserve Board than any single place in the whole structure of government. I am not impeaching the action of anyone, but it requires some effrontery, in view of lately written history, for Democracy to be talking of close alliance with the "interests."

Mr. BORAH. Mr. President, it is a common, and, I think, a deplorably common thing in these days to be always assailing the courts. I do not sympathize with this wholesale assault.

I do not claim that the courts do not err; they sometimes err signally and pronouncedly. I do not claim that they always administer justice with an even and exact hand, for judges are human and the passions and prejudices, the limited vision and the clouded mind which sometimes attach to their kind are also theirs. I do not claim that they are always free from political bias or at all times wholly exempt from that strange attachment which in a republic sometimes places party above the common welfare, for Presidents and governors and electorates in selecting judges do not always seek men most likely to resist such influences. But I do claim that of all the methods and contrivances and schemes which have been devised by the wit of man for the adjustment of controverted judicial questions and the administration of justice the courts and the machinery of the courts, built up from decade to decade and from century to century, built of the experience and the wisdom of a proud and freedom-loving race, the courts as they are built into our system, though not perfect, are the most perfect. They will not always be abreast of the most advanced opinions in the march of progress, but that they will in due time mortise and build into our jurisprudence all that is permanent and wise and just, all that a settled and digested public opinion finally indorses, no one familiar with the history of our jurisprudence can for a moment doubt. Not only that, but more than once the courts, both in England and America, have stood as the sole protector in the hour of turmoil and strife for the rights of the weak and the poor, the oppressed and the hunted, when the executive and the legislature have yielded to the whip of the strong and the powerful. I need recall only one instance in the hurry of this debate, though I might recall a hundred, beginning with the days of Coke's courage, and that is the instance wherein our own great Supreme Court preserved against the encroachments of war and the hunger of hatred the right of trial by jury, a most sacred right of the American citizen and without which the whole scheme of a republic would be but a delusion and a torment.

After the courts then what? When the courts can no longer stay the steps which may lead to violence and bloodshed, then what? When the arm of equity can no longer be extended to hold things in abeyance until rights can be adjudicated and reason and counsel can have a hearing, then what? Be not deceived. The alternative is the soldier and the bayonet. One can not be oblivious to the alacrity with which wealth in these days is prone to appeal to the soldier. When a delegation of workingmen informed me a few months ago that their fellow workmen had been arrested without warrant, tried without a jury, sentenced by no court—that at a time when the courts were open and in the midst of an intelligent, prosperous, modern American community men had been herded before a military tribunal, given the semblance of a trial, and sent to prison, it seemed incredible. For nearly 600 years no such repulsive scene had marred the story of the orderly development and growth of Anglo-Saxon jurisprudence. Our English ancestors had executed the petty tyrants who had last attempted it. I did not suppose that here, where jury trials and common-law courts were a guaranty—a part of our system of law and justice—that anyone would be so blind, so cruel, so witless as to covet the infamy of rehabilitating that discarded and detested dogma—the power of suspension. Nevertheless it was true. Since that time, in three other States, the workingman has settled his troubles out of court where counsel may be heard and witnesses testify, settled them at the point of the bayonet. What a glutton arbitrary power is for the rights and the interests of the weak. It generally comes forward at the bidding of the rich and the powerful and preys upon the interests and rights of the poor and the helpless.

These men who came to me were asking for what? They were asking for a hearing in the courts, before this tribunal, whose judgments they informed me they were willing to take. They were praying for the common-law court and its machinery just as it had been worked out and fought for in the humble days of our English ancestors to the humble days of their descendants on Paint and Cabin Creek in one of the great Commonwealths of this Union. And what was the answer to the charge when we arrived upon the ground? When we asked why have these men charged with offenses under the statute and guaranteed a trial in a common-law court been denied the right of the humblest citizen when charged with crime, what was the answer? The answer was not that riot and war had closed the courts, but that excitement and feeling in the community would render them ineffective in all probability. When we inquired further, the fear was that these laboring men would likely be acquitted. What, before the courts, acquitted under the processes and according to the manner that guilty men have been punished and innocent men acquitted for ten centuries? Then they must be innocent. But the logic seemed to be that, guilty or innocent, they must be punished. Force must be established and certainty as to results must be had. So, the strong fled from the courts of justice, suspended—what an infamous lie—yes, suspended by force the constitution of the State and the Nation, selected a military tribunal, called the judges from the guards who were in charge of the prisoners, tried them in groups, and sent them in droves to the penitentiary. Do not the workingmen understand that in the end their fight will be to maintain these courts in all their purity, independence, and strength? Do they not understand that if we can not have somewhere an independent tribunal, free from the passions and conflicts of contestants, to distribute justice, civilization must do again what it has done in the past—crumble and fall? Does not the average citizen of this country, whoever and wherever he is, understand that in the end he must find justice here in these tribunals or not find it at all? Does he not understand that after they are gone and law and order have departed he will shortly come to be the victim of violence and cruelty and injustice, the plaything of arbitrary power?

There comes a time, Mr. President, when every man and when the people in every walk of life seek shelter under the calm,

determined, beneficent power of a great government, rely upon its impartial strength, and accept with gratitude its means and methods of measuring and distributing justice. Men should seek to build a government which has no classes, grants no special privileges, recognizes no creed, and fosters no religion. It is a blind and shortsighted policy to suppose that you can curtail the functions of government in order to bestow favors, for when you have done so you have already weakened government for the prevention of wrongs. The fruits of industry, the wages of the toiler, the income of capital are all affected, fostered, encouraged, and sustained to the extent that order and law obtain throughout the land. While a strong and fearless government may sometimes seem quick to prevent those steps and block those paths which seem to lead to violence and bloodshed, yet ultimately the benefits to flow from such procedure must redound to the peace and happiness, the contentment and prosperity of the whole people. It was Liebknecht, the great socialist, who truly said, "Violence has been for thousands of years a reactionary factor." Show me a country without courts fully equipped in every way to deal with all the intricacies of each particular case as the facts appear; show me a country with its business and industry under the clamp of bureaucracy, its courts weakened, cowardly, and powerless, and I will show you a country where the laborer is no better than a slave—the miserable, ignorant, unclad dupe and plaything of arbitrary power.

The VICE PRESIDENT. The question is on the amendment of the committee, which the Secretary will state.

The SECRETARY. On page 7, line 13, after the word "organizations," strike out the words "orders, or associations."

The amendment was agreed to.

The VICE PRESIDENT. The Secretary will state the next amendment.

The SECRETARY. On page 7, line 16, after the word "organizations," strike out the comma and the words "orders, or associations."

The amendment was agreed to.

The VICE PRESIDENT. The next amendment of the committee will be stated.

The SECRETARY. On page 7, line 16, after the word "from," strike out the word "lawfully."

Mr. CUMMINS. Mr. President, this may be as appropriate a time as any other to express some views I hold with regard to the subject embodied in this seventh section.

I am not satisfied with the legislative expression found in the section now under consideration, but before I point out wherein I believe it might be strengthened and bettered I desire to pay some attention to the remarks of the Senator from North Dakota [Mr. MCCUMBER] and other Senators who have viewed the matter from his standpoint. He assailed this legislation, and many eminent citizens have assailed it, because it is alleged that it is class legislation, because it is said that we are here permitting certain people to do an act which if done by others would constitute a violation of the law.

I am not myself opposed to class legislation. Three-fourths of all the legislation adopted by Congress is class legislation. It is necessarily so because a general law will not accomplish the purpose that Congress has in view. But this particular legislation does not fall within the objection.

We have a statute which prohibits and makes unlawful restraints of trade. I agree with the Senator from North Dakota that a restraint of trade is as objectionable if brought about by a labor union as though brought about by a monopoly. But it is not always true that an interference with commerce on the part of a labor union is a restraint of trade.

I intend presently to ask the attention of the Senate to some observations with regard to the law of the matter, but just now I bespeak your consideration for one phase of this subject that hitherto has not been touched upon.

Labor organizations brought together for the purpose of enhancing or advancing wages, bettering the conditions of labor or lessening the hours of labor, can not in the very nature of things be a restraint of trade or commerce. Mark you, I am not now considering what the individual members of a labor organization may do. I am not considering how they may impede commerce in the execution of the objects of their organization. I am simply suggesting that an organization of workingmen who associate themselves together for the purpose of lifting up the plane upon which they live and labor can not be a restraint of trade.

I wonder if it is constantly in our mind that labor, even in a country as fortunate as our own, does not receive a compensation that will enable those who work for wages to adequately discharge their duties as citizens. We have in this country 20,000,000 people who may be called wageworkers. I have no information and can get none with regard to the average compensation of these 20,000,000 wageworkers, but I have information concerning a portion of them which I desire that Senators shall hear and remember during the remaining part of this debate. In the census of 1910 those who were collecting the information investigated the manufacturing establishments of the United States as defined in the law providing for the Thirteenth Census. I want, first, to read what the word "establishment" means, in order to show the scope of the investigation:

> The word "establishment," as used in the Thirteenth Census, is defined as meaning one or more factories, mills, or plants owned, controlled, or operated by a person, partnership, corporation, or other owner located in the same town or city, and for which one set of books of account is kept.

In these establishments turning out a product of $500 or more there was an investigation made, and they numbered, in all, 268,491. In these 268,491 establishments there were employed an annual average of 6,615,046 men and women.

I have just stated the average number employed in these establishments during the year 1909. These employees or wageworkers were paid, and I am confining my remarks now to wageworkers exclusive of clerks and salaried officers. The amount paid to these 6,000,000 and more wageworkers during the year 1909 was $3,427,038,000. So the average amount received by each of these 6,000,000 of wageworkers in the establishments to which I have referred was $518 per year. If I could have gathered the information respecting the 20,000,000 comprising all the wageworkers of the United States, I venture to say the average received by all of them would be under rather than over the sum I have mentioned. So we are expecting these 20,000,000 of men and women who constitute the bone, the sinew, the strength of the Republic to live; we are expecting them to support families and educate their boys and girls and train them into good citizens, to feed and clothe them, so that they may be respected members of society, upon $518 per year.

If this be true of the most fortunate Nation on the face of the earth, where opportunity is wider, where the rewards of enterprise and energy are richer than in any other country in all the world, I ask the question of those who seem to doubt the wisdom or the propriety of aiding these working people in enlarging their compensation and in bettering the conditions of their labor if they do not know that the life and the safety of the country depend upon the enlargement of the opportunities and the increase of the wages of our working men and women? Do you not know that unless we are able in some way to put into their hands as compensation for their labor a sum sufficient to inspire hope in their hearts and ambition in their souls, to enable them to hold their confidence in their country's institutions and their hope in the future, the experiment which we have been so brilliantly trying in the last century is doomed to dismal failure? These 20,000,000 of working men and women must be hopeful; they must be intelligent; they must be virtuous; they must be honest; they must be ambitious for themselves and their families, if free institutions in the world are to survive.

Then, why should not these workingmen and working women combine, associate themselves together, in order that their wages may be increased and the conditions under which their labor is performed may be bettered? There is no danger, Mr. President, that the workingman or the working woman will ever receive more than an adequate compensation for the labor performed. There is a potential competition always confronting wageworkers that will inevitably reduce the compensation far below the point at which it should in equity and in good conscience rest. These men and women grow hungry, and they must eat; they must clothe themselves; they must support their families; and these necessities compel them to work at whatsoever wages they may be able to secure. Idleness for any great length of time and among any great proportion of them is absolutely unthinkable and impossible.

For these reasons, Mr. President, I have never been one of those who have had any fear of combination among wageworkers. I believe that it ought to be the policy of this Government to encourage such combination and association. I believe we ought to lend a helping hand to their efforts to advance their condition in life, knowing that with all their energy and with all the assistance we can give them they will never be advanced in fortune or in property beyond the point necessary for comfort and happiness.

This is the beginning, I think, of all consideration of this subject. I do not see how anyone can investigate it without first learning and pondering upon the facts that I have so meagerly stated.

Let us take the next step. We have been debating this bill, and I have heard the subject debated a thousand times upon

the hypothesis that the labor of a human being is of the same quality and order as a bale of cotton, a barrel of flour or a bushel of corn. I repudiate the parallel and the comparison. It is because we have been in the habit of thinking of labor as a commodity that we have fallen into many mistakes which now impair and mar, I think, both legislation and judicial opinion. The labor of a human being, whether it be of the mind or of the hand, is not a commodity. While we are in the habit I know, of saying that a workingman has nothing to sell but his labor it is a confusion in thought and in terms. Labor is not a commodity; it is not an article of commerce; and when the Constitution of the United States gave to Congress the authority to regulate commerce among the States, it did not give it the right to regulate labor, the disposition of the energy of the human being.

If we would begin as we ought to begin, with the understanding that the power of a human being to work, to produce something, is not a commodity or a subject of commerce, we would reach a saner and better conclusion than we have heretofore announced.

It may be said that the distinction that I have drawn is technical rather than substantial. Not so, because out of it grows this proposition which is now admitted everywhere, which was declared in the Senate yesterday without dispute, namely, that it is the right of a human being to work or to refrain from working, as he deems best. Under our form of government it is not a thing that can be or ought to be controlled by the law. We have a right to say that one who refuses to work, and in that way becomes a burden upon society, shall no longer be a member of that society; we have a right to expel him from society; but we have no right under our form of government to say that he shall work; we have no right to say for whom he shall work or the vocation in which he may choose to employ his power of body or of mind. There is no inconvenience to organized society brought about by the refusal of a man or of a woman to work which can override the inherent and fundamental right to refuse to work or to refuse to work at a particular employment for a particular compensation or for a particular employer.

Therefore, when we speak of a restraint of trade or of commerce, when we prohibit, as we did in 1890, any person or any combination of persons from restraining trade or commerce, we did not prohibit one man alone, a thousand, or a million men from refraining from work, and we did not and we could not make it a crime for that one man or a thousand men in concert to advise or persuade other men to refrain from work.

Why, Senators, there is a propaganda going on all the time, and has been for years in this country and every other, for a complete change in the form of government. It might just as well be alleged that the movement for socialism is a restraint of trade and commerce as it is to allege that a strike or that the persuasion on the part of strikers brought to bear on those who are still at work to cease to work is a restraint of trade or commerce. After all, it is the privilege of free speech, it is the privilege of carrying forward a movement respecting the rules of society—respecting the belief of individual members of society; and I have never been able to understand how any man could believe that a labor union, the purposes of which are to advance the standard of wages, lessen the hours of employment, or better the conditions under which labor is performed, is a violation of the antitrust law.

But there are a great many people in the country who do believe it is a violation of the antitrust laws, precisely as it would be a violation of the law if a hundred manufacturers were to come together and agree that their products should be sold at a common price without any rivalry or competition between them. A combination or contract of that sort would be a violation of the antitrust law before a single act was performed, save the mere execution of the contract itself. That contract has to do with commodities, with the subjects of commerce, with articles that are transported from place to place and bought and sold in the markets of the world. A contract or an arrangement between men who have nothing to give but themselves, nothing to employ except the power of their own bodies or of their minds which they have, and which they can give or refuse as they choose, such a contract or arrangement as that, as it has always seemed to me and as I believe the better opinion of the courts is, can not be adjudged to be a restraint of trade.

For that reason I repudiate entirely the argument that we are here segregating a class, and exempting that class from the operation of the law and permitting its members to do the very things which other members of society are not permitted to do. That is not true; and if it had not been for the ill-considered judgment of some courts, if it had not been for the hasty and ill-advised expression of some judges, the matter contained in section 7 could never have been brought to the attention of Congress.

There never has been a decision—I emphasize the word "decision"—by any court that a labor union for the purpose I have so often described is in and of itself a violation of the law, or, in other words, a restraint of trade or commerce. There has been much argument that such a union ought to be considered as a violation of the antitrust law, but I think I speak advisedly when I say that no court has ever decided that such a union is within the prohibition of the antitrust law—I mean, now dissociated from any act performed either in the collective capacity of the union or by individual members of the union.

It is, however, as it seems to me, fair and just, in view of the disputes that have arisen from time to time and the differences of opinion which are everywhere manifest, to make it perfectly clear not by exempting a class and saying that we will not hold that class responsible for a violation of law, but by giving a legislative interpretation or construction of the law, by declaring, as we ought to declare, that labor is not a commodity, and that associations of laboring men for the purpose of lifting the level of their lives and increasing their compensation and other things that make existence a little more tolerable do not constitute a restraint of trade. We are not excepting them; we are simply declaring, so that all men may understand, so that hereafter there may be no difference with respect to it, that these unions thus organized are not restraints of trade. We ought to have done it long ago and preserved this country from many a disastrous and irritating controversy.

I have spoken about the right of the employee, the wage earner, to work for whomsoever he pleases or not to work at all. On the other hand, the right of the employer is corelative. The employer has a perfect right to hire whomsoever he pleases or to hire no one. His right in that respect, so far as labor is concerned, is just as well intrenched in the law and in the civilization of the time as is the right of the employee. We can not compel an employer—I am now passing over the question of public corporations which have assumed a duty under the law to the public—but in ordinary industry we can not compel an employer to employ men; we can not compel him to continue his business, to continue the risk of the capital he has invested or the operations which have been theretofore a part of his business; and his refusal to employ men or women can not constitute a restraint of trade.

If we are to recognize this higher right of labor to be dealt with in the manner I have already described, the question then always is—and we might as well look at it plainly and courageously—not whether labor organizations may be brought together for the purpose of general improvement, but what may the members of the associations lawfully do in order to accomplish their purposes?

There has never been any serious dispute hitherto with regard to the mere existence of a labor union, but there has been a very wide range of dispute with regard to what the members of the union can properly do in order to make effectual the purposes of the union, and the whole war has gathered around that issue. Let us see. If it be taken for granted that my view of labor is the correct view and that men may strike or quit their employment when they please, singly or in concert, and that they may persuade other laboring men to quit employment, singly or in concert, the next question—and it is the most difficult and perplexing question of all—is, What may these employees who choose thus to exercise their unquestioned right fairly do in persuading those whom their former employer desires to substitute in their places to refrain from working?

I believe that nine-tenths of all the cases and the overwhelming proportion of all the trouble that has arisen has arisen in the attempt to draw that line; that is, to determine the extent to which the strikers may go in interfering with the admitted right of the employer to substitute other wageworkers in the stead of those who have quit his employment.

The second question, which is of equal difficulty, is, How far may the employees who have thus quit employment go in interfering with the business of their employer; that is, with the sale and distribution of the commodities or articles produced by their employer?

These are the two things that are material in this bill. All that part of the bill which relates to the strike, which relates to the organization itself, is simply the expression of a universal understanding of the subject; but when we come to determine just how far the strikers may go in order to render their cause successful or their strike effectual we meet a difficulty that is not easy of solution.

This particular section does not deal with that question at all. There is a section in the bill, however, which does deal with it; and when the proper time comes I intend to offer a sub-

stitute for section 7 which shall declare the law as to labor unions, which shall recite what they may do, and leave the power of the courts in administering their rights as it now is.

I have never thought it wise, as is done in section 18, to attempt to declare that an injunction shall not be issued to restrain a person from doing so and so. I have believed that we ought to say that it is not unlawful for persons to do so and so; and if the act itself be not unlawful, no court can prohibit it by way of injunction, nor can any court penalize it by way of damages. Our code with regard to labor unions ought to be contained in section 7 instead of section 18. I shall present at the proper time—I do not think this is the proper time—a substitute for that section, dealing with it in that way.

Now, a word or two with regard to the section itself as it now is. I said I was not satisfied with it. I am not. I am not satisfied with it, first, because in the description of labor organizations the purposes for which the members of such an organization can combine are not stated. What are labor organizations? We understand fairly well what a labor union is, but a labor organization, as stated in the bill, may be anything that pertains to labor; and if it be confined to laboring men, as it is not always, there is not a suggestion as to the purposes for which they can lawfully organize. No one would contend that the members of a labor organization could come together for the purpose of destroying the property of an employer. No one would contend that a labor organization could embody in its articles of association any immoral or any unlawful purpose; and yet the bill as it was proposed in the House, and as it came to the Senate, and as it still is, does not attempt to define the purposes for which a labor organization can be created.

Mr. CULBERSON. Mr. President——

The PRESIDING OFFICER (Mr. VARDAMAN in the chair). Does the Senator from Iowa yield to the Senator from Texas?

Mr. CUMMINS. I yield.

Mr. CULBERSON. The Senator says the bill does not attempt to state the purposes for which the organization may be created. I call the Senator's attention to the fact that the bill provides that labor organizations instituted for purposes of mutual help, and not having capital stock or conducted for profit, are legalized.

Mr. CUMMINS. Of course every association is for mutual help.

Mr. CULBERSON. I was not arguing the sufficiency of the designation, but I wanted to attract the attention of the Senator to the fact that the attempt was made in the bill.

Mr. CUMMINS. Yes; I understand. The point I make is this: We recognize the wisdom, indeed the necessity, for the organization of laboring men, the purposes being to increase their compensation, to lessen the hours of their labor, and to render more tolerable the conditions of labor. Those are the objects of such a labor organization as should be authorized and encouraged in the law; but we, very inadvisedly, and I think with hardly a fair comprehension of the subject, have simply denominated these organizations which are declared to be not within the antitrust law labor organizations organized for mutual help. I am sure that when we reflect upon it we will go back to the old definition, the definition contained in the English trade act, the definition contained in every act that I have ever known to be presented here until this one, namely, labor unions or labor organizations for the purpose of increasing wages, lessening hours of labor, and bettering the conditions of labor. We can not afford to say that every labor organization, no matter what its purposes may be, is unobjectionable under the antitrust law.

I pass on now to the next part of the section. I have already given my view with regard to the character of labor and why laboring men have a high right to combine with each other to advance their own interests. We find in this section a proposal to extend the same immunity to agricultural organizations and horticultural organizations.

I should like some person who understands the subject better than I do to tell the Senate what an agricultural organization is. I venture to say that an organization of Chicago packers, for the purpose of buying all the live stock of the country, is an agricultural organization. I venture to say that an association which was to take into one ownership as trustee all the cereals of the United States or all the cotton of the Southern States would be an agricultural organization.

It does not confine the immunity to farmers' organizations. I would not be for it even if it were so confined, for I do not believe the farmers of this country desire that their commodities should be so treated. They deal in commodities precisely as a manufacturer deals in commodities. The farmer produces a commodity, and he produces it either for consumption or for sale. I venture to say that the farmers of this country do not desire the privilege of uniting their commodities in a single association or under the control of a single association so as to enhance by that combination the prices at which these commodities shall be sold.

Mr. POMERENE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Ohio?

Mr. CUMMINS. I yield.

Mr. POMERENE. The Senator comes from a State which, perhaps, has the largest agricultural product of the country, and that is a good deal for one from Ohio to admit. I wish to ask the Senator whether, in his State, there is any sentiment among the farmers in behalf of this exemption? I have not learned of any from my State.

Mr. CUMMINS. If the Senator means to ask me whether there is any demand among the farmers of my State for an amelioration or change in the law that would permit agricultural products to be monopolized, and thus affect their prices, there is no such demand. If, on the other hand, he means to ask me whether they desire to continue to have county fairs and harvest homes and old-settlers' picnics and other organizations of that kind, largely composed of farmers in my State, I say unhesitatingly "yes." I have never heard it suggested, however, that these associations where farmers gather together in a neighborhood, a county, a State, for the purpose of exchanging information, of increasing acquaintance, of cultivating good fellowship, were contrary to the antitrust law. I have never heard anybody suggest anything of that kind, and I think it has never been asserted. If this clause with regard to agricultural associations has any effect whatsoever, it must be that it is intended to allow associations that can control the commodities which farmers produce as to their prices. I assume that a provision which would permit an association to control their prices in an upward way and would also permit some other association to control their prices in a downward way.

I ask again, What is an agricultural organization? I have referred to the dictionary and other sources of information with regard to the meaning of the word "agricultural," and I find that the very first definition of the word is "of or pertaining to agriculture; connected with agriculture." It would be entirely within the meaning of the words "agricultural organization" if we were to find an association not one member of which was a farmer or who produced the commodity, but the members of which were associated together for the purpose of affecting agricultural products.

I almost fear that such an association as the International Harvester Co. is an agricultural organization. If it were not a corporation organized for pecuniary profit, it certainly would be an agricultural organization; and it would be the easiest thing in the world to organize a like concern the purpose of which was to benefit pecuniarily its members, and in which the organization itself would have no pecuniary profit and no capital stock.

I am not in favor of this invasion of the antitrust law. It is wholly different from the subject of labor, for it deals in commodities and in articles of commerce and not in the human power which produces commodities or articles of commerce. We shall regret it if we make this inroad upon a statute upon which we have come to rely with so great confidence.

If the section is limited merely to those associations of farmers and of fruit growers who come together, as we see every year, for mutual help—that is, mutual information—that is another thing. We have these associations in every vocation and every industry in the United States. We have the farmers' organizations; we have the retail dealers' associations; we have the wholesale dealers' associations; we have the manufacturers' associations. We have associations, I think, in every vocation in which people are engaged. No one has ever pretended that these organizations are in restraint of trade. It is absurd. We are in danger of becoming hysterical with regard to the construction of the antitrust law.

It was not designed to prevent cooperation of the sort I have indicated, and there is no demand for introducing the clause I have recited in this section unless it is intended that through these organizations there may be a monopolistic price attached to some commodity produced through agriculture or through horticulture. I know that the country not only does not demand a change of that sort, but it will resent a change of that kind.

When the time comes, Mr. President, I intend to offer a substitute for the section. I have it before me now. It may not be literally perfect, but it expresses my view of the matter vastly better than the provisions of this bill. While I do not offer it

now, I intend to take the liberty of reading it just at this moment, so that Senators may be advised of its general scope:

SEC. 7. The labor of a human being is not a commodity or article of commerce, and nothing contained in the antitrust laws shall be construed to forbid the existence and operation of labor organizations having for their objects bettering the conditions, lessening the hours, or advancing the compensation of labor, nor to forbid or restrain individual members of such organizations from carrying out said objects in a lawful way; nor shall said laws be construed to prevent or prohibit any person or persons, whether singly or in concert, from terminating any relation of employment or from ceasing to work or from advising or persuading others, in a peaceful, orderly way, and at a place where they may lawfully be, either to work or abstain from working, or from withholding their patronage from a party to any dispute growing out of the terms or conditions of employment, or from advising or persuading other wageworkers, in a peaceful and orderly way, so to do, or from paying or giving to or withholding from any person engaged in such dispute any strike benefits or other moneys or things of value, or from assembling in a peaceful way, for a lawful purpose, in any place where they may lawfully be, or from doing any act or thing which might lawfully be done in the absence of such dispute.

So much of it refers to labor. I cover the remainder of the section in this way:

Nothing contained in said antitrust laws shall be construed to forbid the existence and operation of agricultural, horticultural, or commercial organizations instituted for mutual benefit, without capital stock, and not conducted for the pecuniary profit of either such organizations or the members thereof, or to forbid or restrain such members from carrying out said objects in a lawful way.

Mr. WILLIAMS. Mr. President——

The PRESIDING OFFICER (Mr. LEWIS in the chair). Does the Senator from Iowa yield to the Senator from Mississippi?

Mr. CUMMINS. I yield.

Mr. WILLIAMS. I should like to ask the Senator from Iowa a question. If his substitute were adopted, and laboring men anywhere in a laboring man's newspaper should publish, under the head "We do not patronize," the names of JOHN SHARP WILLIAMS and various other people, could not they be prosecuted under the law as it then would be?

Mr. CUMMINS. Mr. President, I do not think so, if I understand the question of the Senator from Mississippi. I may state my purpose in this amendment, so that the Senator may at least read it in the light of my object.

Mr. WILLIAMS. Yes; I listened to the Senator.

Mr. CUMMINS. I believe in the strike. I believe the direct boycott of the offending or unfair employer is a fair weapon. I do not believe in the secondary boycott. I do not believe labor unions or any other organizations ought to be permitted to combine together to injure or destroy an innocent man because he may have dealings with a person who may be unfair to labor.

Mr. WILLIAMS. That is not quite the point I had in mind. I understand that; and I, like the Senator, believe in "boycotts," in the sense in which he is now using—that is, the right to refuse to patronize—not, of course, in the original sense of the word as derived from the fate of the unfortunate Capt. Boycott. When our forefathers made ready to resist Great Britain, the first thing they did was to boycott British goods; and I remember a time in the hard struggles of carpetbag days down South, when a man who was a large manufacturer in Indiana gave utterance to some very bitter expressions about the southern people, when mass meetings were held everywhere, and resolutions were passed that they would not buy any of his manufactured products, and they did not until he apologized by the explanation route, all of which I believe to be perfectly right. I go further. A man might come out to-morrow—take my own church as an instance, not that I am much of a churchman—and say that Episcopalians were all sorts of wicked and bad things, and tell all sorts of lies about them. I think the Episcopalians would have the right to agree, not only one Episcopalian but all of them, in one combined voice that they would not patronize that man, and ask fair-minded men everywhere not to patronize him.

Mr. CUMMINS. Undoubtedly. That is the primary boycott.

Mr. WILLIAMS. I believe civilization depends very largely upon the operation of the moral sense of a community, through ostracism, at times, if necessary, and frequently through what may be called a qualified boycott, but the point I had in view was the direct one, not the secondary one at all.

The Senator will remember that the labor unions were enjoined from putting upon a black list a certain manufacturer of hats, and that after that, obeying that injunction, they merely published the name of that manufacturer of hats under the heading: "We do not patronize."

Now, that was all there was to it; and yet, under that, and because of that, those men were held up for violating the injunction and were about to be punished for contempt. I do not know whether they ever have been punished or not. I believe the statute of limitations intervened somewhere and they were not punished. I regarded that as one of the most high-handed pieces of judicial tyranny that ever has been perpetrated in any country in the world.

Mr. CUMMINS. So it was.

Mr. WILLIAMS. The Senator will also remember another case where certain men were enjoined from quitting work. Now, that was a sympathetic strike; but I never could see a reason why a man should not quit work for any reason that was good to him, or without giving or having any reason.

Mr. CUMMINS. Nor I, either.

Mr. WILLIAMS. Nor why any number of men should not combine to quit work for any reason that was good, or without any reason.

Mr. CUMMINS. I have insisted on that so often this afternoon that I am simply guilty of gross reiteration when I say that I believe so, too. I think a man has a right to quit work alone or with his companions, with agreement or without agreement.

Mr. WILLIAMS. Primarily or sympathetically.

Mr. CUMMINS. It does not make a bit of difference; but the point I make is this: Here were certain hat makers in Danbury, Conn. They had a dispute with their employer, and it grew into a bitter warfare.

I am looking at it now from my own point of view. The employees had a perfect right to say "We will buy no hats made by this concern, and we will ask everybody else to wear no hats made by this concern," but they come to a dealer in my town, a clothing man. Hats are simply one of a great many articles that he carries. There are cuffs, collars, neckties, shirts, and a thousand other things in his stock. I do not believe that they have any right to come to him and combine and say "Unless you quit buying hats of the Danbury man we will not buy anything from you; we will cease to buy your neckties and your shirts and your clothing and your boots and shoes and everything else that you may have to sell." I do not believe that that is a fair weapon in the war.

Mr. WILLIAMS. Mr. President, I agree with the Senator that that is going to a very unwise and extreme extent; but that does not touch the question of right. Have I not a right to refuse to deal with a man for any reason, say, because he is red-headed, and have I not a right to agree with other people not to deal with him because he is a red-headed man?

Mr. CUMMINS. You have a perfect right to refuse to deal with him, but you have no right to combine or to enter into a conspiracy with a thousand other people that they will not deal with a certain man because he is red-headed.

Mr. WILLIAMS. Leaving that out, we both agree, at any rate, that that would be carrying things to what I consider an unfair extreme.

Mr. CUMMINS. Yes; that is what I claim for it.

Mr. WILLIAMS. But a man has a right, to carry it to that extent, as far as I can see, in combination or otherwise, though it may be a right which it is foolish or even not fair to exercise. There are forming all over this country some of the most useful societies that I know of in the social uplifting and the industrial uplifting of the country, mainly women, joining together for a laudable purpose now. They find that a department store, for example, makes its employees—women—stand up all day long, and that they work them 16 hours a day. So they publish a list of the people, and they say, "Those people do not treat their employees fairly." Then all the members of that society at once refuse to deal with those people until they do treat their employees fairly.

I think that public opinion invoked in that way is a stronger weapon than any law in the world looking to the uplift of the condition of the industrial labor of the country. I would dislike to see anything in any bill that might possibly be tortured into an interference with that sort of thing.

Mr. CUMMINS. On the contrary, the amendment I read expressly authorizes that.

Mr. WILLIAMS. But that is not a labor organization at all.

Mr. CUMMINS. Oh, no.

Mr. WILLIAMS. I do not know how we could call it a labor organization. They call themselves "consumers' leagues," I believe—just why I do not quite understand.

Mr. CUMMINS. The amendment I shall offer expressly declares that such a proceeding upon the part of laboring men shall not be construed to be a restraint of trade.

Mr. WILLIAMS. If the Senator will excuse me for bothering him one minute more——

Mr. CUMMINS. Certainly.

Mr. WILLIAMS. The Senator said he did not see how this exemption could apply to farmers in a way desired by them. I

will give the Senator an illustration in order that he may direct his mind toward it.

Take the cotton crop, for example. America possesses almost a monopoly of cotton production; that is to say, she produces such a great percentage of the cotton crop of the world that the supply of American cotton fixes the price of cotton in the markets of the world. Cotton planters and farmers come together when cotton is very low because of an abnormally large crop and large visible supply, and they agree to decrease the acreage for the next crop, because we frequently get more money for a small crop than for a large one.

If there is no exception of farmers' organizations from the operation of this act and the existing antitrust law, then in my opinion a farmers' union of the South, meeting and passing resolutions and agreeing to curtail the production of cotton is a thing done "in restraint of trade"—there can be no doubt of that—and they would be subject to prosecution unless they were exempted in this bill.

Mr. CUMMINS. They have been, then, for 20 years subject to prosecution.

Mr. WILLIAMS. I know, and the only reason why they have not been prosecuted is because the prosecuting officers were afraid of the farmers' vote. The Senator knows that as well as I. There may be, however, some day some prosecuting officer who will not be afraid, and he might give them a good deal of trouble in a matter of that sort.

Mr. CUMMINS. I rather agree with the Senator from Mississippi that that would be a violation of the antitrust law.

Mr. WILLIAMS. There is not any doubt about it; but it ought not to be prosecuted, because it is a perfectly justifiable means of defending one's self against a positive loss in production, by merely affecting the natural law of supply and demand.

I was very sorry this morning that we struck out the word "consumers." I think the best thing that we could do right now would be to boycott eggs, let us say, for example; to hold meetings and say we would not use any eggs until these miserable robbers reduce the exploitive price they have put on them; and then after we succeeded in bringing them to their knees on eggs—that is, bringing them to a reasonable price—the consumers' league could declare that they will boycott the use of a lot of other things for a while—meat, for example, and fowls—until the robbers concluded to accept reasonable prices. However, that has been passed and settled.

Mr. CUMMINS. May I suggest to the Senator from Mississippi that there may be a great many restraints of trade which for the time being will prove beneficial? But I will ask him this question: The railroads are by far the greatest consumers of iron and steel products. Would the Senator from Mississippi favor such a change in the law as would enable the railroads of the country to combine and dictate the prices of the steel which they might thereafter buy?

Mr. WILLIAMS. I would not have the slightest fear of that.

Mr. CUMMINS. Then the antitrust law is of no value, anyhow.

Mr. WILLIAMS. I have not the slightest fear of that, practically, because they could not refuse to buy steel any longer than a certain length of time. They would be compelled to have rails. They would be compelled to have rolling stock. They would have to go on the market for them. The Steel Trust, upon the other side, moreover, is about as strong as they are. It would be a Kilkenny cat fight, in which I would not be very much interested.

I can imagine cases where the consumer of some product might be so strong that he would have to be curbed in his cunning, in the exercise of his force or power.

But leaving that out, which is a mere offshoot of the argument, it seems to me that the labor organizations and farmers' organizations are not in any sense a commercial or an industrial affair. While this bill was directed in its origin and ought to be directed now and confined to industrial and commercial organizations—to great concentrations of money strength, which owing to their concentration can become dangerous to the public—these other people, farmers and factory hands, can never become dangerous as a money power, being mere voluntary organizations without any profit behind them to drive them to exploitive and tyrannical acts. They are acting in self-defense as a rule. If they use violence, the only way in which they may become dangerous to the liberties or property of society, the criminal law is there to curb and punish them.

Mr. CUMMINS. I think, Mr. President, that there are a great many instances in which cooperation could be employed with great advantage, but the difficulty is, as has been stated here more than once, this is a country of law, and we must describe the offense as certainly as we can, and then it must fall equally upon all who are within its terms.

I have no doubt that if we had an infinitely wise and patriotic and sensible person to administer the affairs of the United States, he could administer them in each individual instance with better advantage than they are administered through general law; but we have no such person. And so long as we are dependent upon general law we ought not to make an exception. Long before the Senator from Mississippi came in I attempted to demonstrate that the legislative declaration, to the effect that labor unions were not restraints of trade, was not an exemption of these unions from the operation of the law because of the difference between labor and a commodity.

I repeat that it disturbs me to hear labor termed a commodity—to hear the power of a man or woman to exercise the strength of mind or body in the production of something useful to the human race confused with the product which is the result of its exercise. It destroys all the distinctions that we ought to preserve. I close as I began with the insistence that when labor unions, with the purpose that I have described, are declared to be without the antitrust law, we are simply recognizing the essential character of things and are making a legislative declaration or interpretation of the law rather than classifying the people of the country and allowing one class to escape and another class to be bound.

Mr. NELSON. I wish the Senator would be good enough to have his amendment offered and printed.

Mr. CUMMINS. I think I will do that, so that it may be seen. I offer it as a substitute for section 7. I intend to discuss it further when we are considering section 18.

The amendment was ordered to lie on the table and be printed and to be printed in the RECORD, as follows:

Amendment intended to be proposed by Mr. CUMMINS to the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes, viz: Insert as a substitute for section 7 the following:

"SEC. 7. That the labor of a human being is not a commodity or article of commerce, and nothing contained in the antitrust laws shall be construed to forbid the existence and operation of labor organizations having for their objects bettering the conditions, lessenings the hours, or advancing the compensation of labor, nor to forbid or restrain individual members of such organizations from carrying out said objects in a lawful way; nor shall said laws be construed to prevent or prohibit any person or persons, whether singly or in concert, from terminating any relation of employment or from ceasing to work or from advising or persuading others in a peaceful, orderly way, and at a place where they may lawfully be, either to work or abstain from working, or from withholding their patronage from a party to any dispute growing out of the terms or conditions of employment or from advising or persuading other wageworkers in a peaceful and orderly way so to do, or from paying or giving to or withholding from any person engaged in such dispute any strike benefits or other moneys or things of value, or from assembling in a peaceful and orderly way for a lawful purpose in any place where they may lawfully be, or from doing any act or thing which might lawfully be done in the absence of such dispute. Nothing contained in said antitrust laws shall be construed to forbid the existence and operation of agricultural, horticultural, or commercial organizations instituted for mutual benefit without capital stock and not conducted for the pecuniary profit of either such organization or the members thereof, or to forbid or restrain such members from carrying out said objects in a lawful way."

Mr. KERN. I should like a unanimous agreement that the Senate take a recess not later than 5.45 until to-morrow morning at 11 o'clock.

The PRESIDING OFFICER (Mr. LEWIS in the chair). Does the Chair hear any objection? The Chair hears none.

Mr. JONES. I suppose the Senator from Indiana is going to move an executive session and that we will not return into legislative session to-day.

Mr. KERN. No.

The PRESIDING OFFICER. The Chair hears no objection to the suggestion of the Senator from Indiana. Therefore it is ordered.

Mr. KERN. I yield to the Senator from Tennessee.

NATIONAL CEMETERY, NASHVILLE, TENN.

Mr. LEA of Tennessee. From the Committee on Military Affairs I report back favorably without amendment the joint resolution (H. J. Res. 246) to authorize the Secretary of War to issue a revocable license for the use of lands adjoining the national cemetery near Nashville, Tenn., for public-road purposes, and I submit a report (No. 756) thereon. I ask unanimous consent for the present consideration of the joint resolution.

There being no objection, the joint resolution was considered as in Committee of the Whole. It authorizes the Secretary of War to permit all or any part of the land belonging to the United States and lying outside of and adjoining the north and west walls inclosing the national cemetery near Nashville, Tenn., to be used for a public road and to be maintained by the local authorities. But such license or permit shall be issued at the discretion of the Secretary of War and upon such terms and

conditions as he may prescribe, and may be revoked at any time, with or without cause.

The joint resolution was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

EXECUTIVE SESSION.

Mr. KERN. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 10 minutes spent in executive session the doors were reopened, and (at 5 o'clock and 25 minutes p. m.) the Senate took a recess until to-morrow, Thursday, August 20, 1914, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate August 19, 1914.

ASSOCIATE JUSTICE OF THE SUPREME COURT.

James Clark McReynolds, of Tennessee, now serving as Attorney General, to be Associate Justice of the Supreme Court of the United States, vice Horace H. Lurton, deceased.

ATTORNEY GENERAL.

Thomas Watt Gregory, of Austin, Tex., to be Attorney General, vice James Clark McReynolds, nominated to be Associate Justice of the Supreme Court of the United States.

COMMISSIONER OF IMMIGRATION.

Frederic C. Howe, of New York, to be commissioner of immigration at the port of New York, N. Y.

UNITED STATES ATTORNEY.

Charles F. Clyne, of Aurora, Ill., to be United States attorney for the northern district of Illinois, vice James H. Wilkerson, resigned.

UNITED STATES MARSHAL.

Jerome J. Smiddy, of Honolulu, Hawaii, to be United States marshal, district of Hawaii, vice Harry H. Holt, appointed by the court.

ASSAYER.

John W. Phillips, of Seattle, Wash., to be assayer in charge of the United States assay office at Seattle, Wash., in place of Calvin E. Vilas, superseded.

PROMOTION IN THE ARMY.

ADJUTANT GENERAL'S DEPARTMENT.

Lieut. Col. Eugene F. Ladd, adjutant general, to be adjutant general with the rank of colonel from August 17, 1914, vice Col. James T. Kerr, retired from active service August 16, 1914.

CONFIRMATIONS.

Executive nominations confirmed by the Senate August 19, 1914.

COLLECTOR OF INTERNAL REVENUE.

Roscoe Irwin, to be collector of internal revenue for the fourteenth district of New York.

ASSAYER.

Herbert Goodall, to be assayer in charge of the United States assay office at Helena, Mont.

POSTMASTERS.

FLORIDA.

Jesse E. Miller, Graceville.

WEST VIRGINIA.

W. N. Cole, Williamson.

WITHDRAWAL.

Executive nomination withdrawn August 19, 1914.

Adolph P. Hill to be postmaster at Santa Fe, N. Mex.

HOUSE OF REPRESENTATIVES.

WEDNESDAY, *August 19, 1914.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

O Thou, from whom cometh all strength, all wisdom, all justice and purity, be very near, we beseech Thee, to those to whom the welfare of our great Nation has been committed—our President and his counselors, our legislators and all others in authority—that they may be guided to a right solution of all the delicate and intricate problems which now confront us. And Thine shall be the praise through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Carr, one of its clerks, announced that the Senate had passed bill of the following title, in which the concurrence of the House of Representatives was requested:

S. 6116. An act to amend section 195 of the act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911.

ENROLLED BILLS SIGNED.

Mr. ASHBROOK, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bill of the following title, when the Speaker signed the same:

S. 5198. An act to reserve certain lands and to incorporate the same and make them a part of the Pike National Forest.

The SPEAKER announced his signature to enrolled joint resolution and bills of the following titles:

S. J. Res. 178. Joint resolution granting authority to the American Red Cross to charter a ship or ships of foreign register for the transportation of nurses and supplies and for all uses in connection with the work of that society;

S. 654. An act to accept the cession by the State of Montana of exclusive jurisdiction over the lands embraced within the Glacier National Park, and for other purposes;

S. 6116. An act to amend section 195 of the act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911;

S. 5977. An act to authorize Bryan Henry and Albert Henry to construct a bridge across a slough, which is a part of the Tennessee River, near Guntersville, Ala.; and

S. 5574. An act to amend and reenact section 113 of chapter 5 of the judicial code of the United States.

PRICES PAID FOR WHEAT IN KANSAS.

Mr. DOOLITTLE. Mr. Speaker, I ask unanimous consent for the present consideration of House resolution 571.

The SPEAKER. The gentleman from Kansas [Mr. DOOLITTLE] asks unanimous consent for the present consideration of a resolution which the Clerk will report.

The Clerk read as follows:

Resolution (H. Res. 571) requesting the Secretary of Commerce to report to the House all facts and information in his possession concerning the prices paid for wheat to the producer thereof in the State of Kansas, and the prices at which said wheat is sold for export by dealers, concerns, and exporters at Kansas City, Mo., and how such prices are fixed and determined.

Whereas there has this year been produced in the State of Kansas approximately 180,000,000 bushels of wheat; and

Whereas said wheat is now being moved to markets in and outside the said State of Kansas in large quantities; and

Whereas large quantities thereof are sold to different grain dealers, concerns, and exporters at Kansas City, Mo.; and

Whereas the average purchase price of said wheat paid to the producer is 63 cents per bushel at the loading elevators within the State of Kansas, and large quantities of the same wheat are sold for export by grain dealers, concerns, and exporters at Kansas City, Mo., for 82½ cents per bushel to 85 cents per bushel; and

Whereas the cost of transportation and other expenses from any shipping point in the State of Kansas to Kansas City, Mo., is far less than 20 cents per bushel; and

Whereas it is stated and believed that a combination, agreement, and understanding in restraint of trade exists between certain dealers, concerns, and exporters of wheat in Kansas City, Mo., to depress the purchase price paid for wheat to the producer: Now, therefore, be it

Resolved, That the Secretary of the Department of Commerce report to this body all facts and information in his possession concerning the prices paid for wheat to the producer thereof in the State of Kansas and the prices at which said wheat is sold for export by dealers, concerns, and exporters at Kansas City, Mo., and how such prices are fixed and determined.

The SPEAKER. Is there objection?

Mr. MANN. Reserving the right to object, Mr. Speaker, I understand the resolution provides that the Secretary of Commerce shall make this investigation?

Mr. DOOLITTLE. Yes.

Mr. MANN. It seems to me that any investigation that is made in reference to farm products ought to be made by the Department of Agriculture, which has some information on the subject and some men who are experts. Without any reflection at all upon the Department of Commerce, I think they do not have in that department men who are experts on the questions affecting the price or sale of farm products.

Mr. DOOLITTLE. I will say to the gentleman that at his own suggestion I took up that question with the Department of Agriculture, and I was informed by the Secretary that for the purposes of carrying out this resolution they did not have the machinery. On the other hand, the Secretary of Commerce stated to me specifically that he did have the machinery—the men who know how to do it.

Mr. MANN. Well, the only machinery that the Secretary of Commerce has is the Bureau of Corporations, and if there is anybody connected with the Bureau of Corporations who is

especially informed as to such matters he ought to be given another job.

Mr. FITZGERALD. This resolution merely calls for information in the possession of the Secretary of Commerce.

Mr. MANN. Well, that would not amount to anything.

Mr. FITZGERALD. He has the authority.

Mr. MANN. That is not the intention. I have no objection to an investigation being made; but the Department of Agriculture is engaged now in studying the question of the transportation and grades and grading and all matters connected with market production, market handling, and with the form of grading and marketing and handling grain products.

Mr. DOOLITTLE. This is a local condition, I may say to the gentleman from Illinois, and it has been more or less distressing. We should have the information, and if the Department of Commerce can give it to us—and the Secretary says it can—most certainly it could do no damage, and it might do a great deal of good.

Mr. MANN. I think it might do a great deal more damage than good. We put in the Agricultural appropriation bill quite an appropriation for the studying of market conditions and the marketing of farm products—$250,000, I believe, and am so informed by a gentleman who would know. If they have not the machinery, I do not know where you would get it. Certainly the Bureau of Corporations has not the knowledge.

Mr. DOOLITTLE. The Office of Markets is not yet prepared to give us the information or to make the investigation.

Mr. MANN. The appropriation is made, and they could make the investigation under that. In other words, I believe that under the language "to study the subject of the marketing of the farm products" that study ought to be made by the Department of Agriculture, which is in sympathy with the farmer who produces, rather than the Department of Commerce, which is in sympathy with the reduction in the price of farm products, instead of keeping them at a proper price for the benefit of the farmer.

Mr. DOOLITTLE. I hope the gentleman will not object to the consideration of this resolution.

Mr. FITZGERALD. The gentleman from Illinois [Mr. MANN] was one of the men who were instrumental in the creation of the Department of Commerce. He never intimated that it was for the purpose of building up an organization unsympathetic with the farmer and against the interests of the farmer.

Mr. MANN. No. I was the originator of the Bureau of Corporations. I intimated and always said that it was the duty of the Department of Commerce to study the interests of the manufacturer and commercial portion of the country. We had the Department of Agriculture to study the interests of the farmer.

Mr. MURDOCK. Mr. Speaker, will the gentleman withhold for a moment while I ask a question of the gentleman from Kansas?

Mr. MANN. Yes.

Mr. MURDOCK. I would like to ask him this question, reserving the right to object: When the gentleman introduced his first resolution, previous to the European conflict, there was a margin of some 20 cents between the export price of wheat at Kansas City and the price paid in the primary grain markets?

Mr. DOOLITTLE. Yes.

Mr. MURDOCK. Since that time and since the outbreak in Europe virtually no wheat has been moving?

Mr. DOOLITTLE. Not very much.

Mr. MURDOCK. There has been an embargo on shipments in Galveston and on the Atlantic seaboard markets, and in the meanwhile the general ocean-carrying charge on wheat has jumped from 3 cents to 11 cents, and on account of that tremendous jump in the ocean freight charge I understand that from all over the world English tramp steamers are heading for the Atlantic and the Gulf ports to take advantage of the situation. Now, either before the war abroad or since the war began there has been a question out in Kansas as to the reason for the difference between what is paid in the primary wheat markets and what the exporter sells it for——

Mr. DOOLITTLE. I have a substitute here——

Mr. MURDOCK. And you call for all information which the Secretary of Commerce now has. Of course he has no information bearing upon this matter now.

It does not seem that the language of this resolution would give him power to send men out to get it.

Mr. DOOLITTLE. I may say to the gentleman that Secretary Redfield has assured me that he would get the information that the House asked for.

Mr. MURDOCK. Under this resolution?

Mr. DOOLITTLE. Yes; and he has two men ready to send. I also have a letter from him which has already been read, and is incorporated in the favorable report on the resolution from the Committee on Interstate and Foreign Commerce.

Mr. MURDOCK. Of course he will have to go outside of the limits of the language of this resolution to do it.

Mr. DOOLITTLE. Not outside of the interpretation of it as they have interpreted it. It is in the customary form.

Mr. MURDOCK. I hope we can get the information, whether by resolution or not.

Mr. SLOAN. Mr. Speaker, reserving the right to object, I would like to ask the author of the resolution if his substitute broadens the scope of the inquiry beyond the State of Kansas?

Mr. DOOLITTLE. No; it does not.

The SPEAKER. Is there objection?

Mr. MANN. Reserving the right to object, the gentleman recalls that in the Agricultural appropriation act for the last fiscal year we carried an appropriation of $50,000 to enable that department to study marketing conditions. In the recent Agricultural appropriation act we carried an appropriation of $250,000 for the same purpose. Now, if the Agricultural Department can not obtain information like this with such an appropriation, how does the gentleman expect the Department of Commerce can get it without any appropriation?

Mr. DOOLITTLE. I am informed they can do it and will do it.

Mr. MANN. Well, I do not think they can.

Mr. ADAMSON. The Secretary wrote a letter stating that he could.

Mr. DOOLITTLE. And he so stated to me.

Mr. MANN. I will say to the gentleman that I am perfectly willing to let the Agricultural Department make any investigation in reference to prices or marketing conditions, or farm products, but I am not willing to turn that over to any other department of the Government while the Agricultural Department is engaged in making such investigations. I think the Agricultural Department ought to make the investigations relating to farm products.

Mr. MURDOCK. What was the gentleman's substitute?

Mr. DOOLITTLE. Would the gentleman from Illinois object to the present consideration of the resolution if it were directed to the Secretary of Agriculture?

Mr. MANN. I would not.

Mr. FITZGERALD. Well, I do not intend to have a resolution like this fixed up just to suit any one person here.

The SPEAKER. Is there objection?

Mr. MANN. I object.

The SPEAKER. The gentleman from Illinois objects. The gentleman from North Carolina [Mr. WEBB] is recognized.

CUSTOMS APPEALS.

Mr. WEBB. Mr. Speaker, I ask unanimous consent that the bill S. 6116 be taken from the Speaker's table and put upon its immediate passage. A bill identical thereto has been reported by the House Judiciary Committee and is on the calendar.

The SPEAKER. The Clerk will report the title of the bill.

The Clerk read the title of the bill (S. 6116) to amend section 195 of the act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

Section 195 of an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911, be, and hereby is, amended so as to read as follows:

"SEC. 195. That the Court of Customs Appeals established by this chapter shall exercise exclusive appellate jurisdiction to review by appeal, as herein provided, final decisions by a board of general appraisers in all cases as to the construction of the law and the facts respecting the classification of merchandise and the rate of duty imposed thereon under such classifications, and the fees and charges connected therewith, and all appealable questions as to the jurisdiction of said board, and all appealable questions as to the laws and regulations governing the collection of the customs revenues; and the judgments and decrees of said Court of Customs Appeals shall be final in all such cases: *Provided, however*, That in any case in which the judgment or decree of the Court of Customs Appeals is made final by the provisions of this title, it shall be competent for the Supreme Court, upon the petition of either party, filed within 60 days next after the issue by the Court of Customs Appeals of its mandate upon decision, in any case in which there is drawn in question the construction of the Constitution of the United States, or any part thereof, or of any treaty made pursuant thereto, or in any other case when the Attorney General of the United States shall, before the decision of the Court of Customs Appeals is rendered, file with the court a certificate to the effect that the case is of such importance as to render expedient its review by the Supreme Court, to require, by certiorari or otherwise, such case to be certified to the Supreme Court for its review and determination, with the same power and authority in the case as if it had been carried by appeal or writ of error to the Supreme Court; *And provided further*, That this act shall not apply to any case involving only the construction of sec-

tion 1, or any portion thereof, of an act entitled 'An act to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes,' approved August 5, 1909, nor to any case involving the construction of section 2 of an act entitled 'An act to promote reciprocal trade relations with the Dominion of Canada, and for other purposes,' approved July 26, 1911."

The SPEAKER. The Chair will inquire if a similar bill is on the House Calendar?

Mr. WEBB. An absolutely identical bill.

The SPEAKER. The question is——

Mr. FITZGERALD. It can not be done except by unanimous consent.

The SPEAKER. Why can it not?

Mr. FITZGERALD. Because this is Calendar Wednesday.

The SPEAKER. Suppose it is.

Mr. WEBB. I do not imagine the gentleman from New York will object to unanimous consent.

Mr. FITZGERALD. I want to find out something about it.

Mr. MANN. The gentleman asked unanimous consent.

Mr. FITZGERALD. He asked unanimous consent.

The SPEAKER. The rule does not bear out the gentleman from New York.

Mr. FITZGERALD. Perhaps not.

The SPEAKER. The rule provides that—

On Wednesday of each week no business shall be in order except as provided by paragraph 4 of this rule, unless the House by a two-thirds vote, on a motion to dispense therewith, shall otherwise determine.

Paragraph 4 reads:

After the unfinished business has been disposed of the Speaker shall call each standing committee in regular order.

This is before the unfinished business.

Mr. MANN. The rule says that no other business shall be in order. That has been the ruling of the Speaker heretofore.

The SPEAKER. The gentleman asked unanimous consent, and that settles it.

Mr. FITZGERALD. I will ask the gentleman to state exactly what is proposed to be done by this change.

Mr. WEBB. I can state it very briefly. When the Court of Customs Appeals was created, there was no provision whatever for an appeal in any case from that court, strange to say. Theretofore customs cases had been brought to the Supreme Court from the Board of Appraisers and through the circuit courts; but when the customs court was created there was no provision for an appeal from that court.

Mr. FITZGERALD. That was for the purpose of taking out of the United States Supreme Court a great mass of litigation which cumbered the docket of that court.

Mr. WEBB. That is very true. The bill before us provides that whenever the Constitution of the United States or a treaty is drawn in question by a decision of the Court of Customs Appeals, then either side may ask for a writ of certiorari to the Supreme Court of the United States—not to take an appeal as a matter of right, but to ask the court for the right to appeal—and if the Supreme Court of the United States think it is a question that ought to be decided by them, they can take it up.

Mr. FITZGERALD. That would include cases involving the construction of the Constitution or a treaty.

Mr. WEBB. That is all. In other cases where the Attorney General, before the customs court has passed upon a case, certifies that it should be carried to the Supreme Court, either side may ask for a certiorari. A large per cent of such applications is turned down by the Supreme Court. This bill is important at this time, because the question of the 5 per cent drawback or discount on imports in American bottoms is now pending, you may say, and that case involves many treaties.

It is not believed that this inferior customs court should pass finally upon a great matter of that sort. I might say that this pending case will affect the revenue to the extent of ten or twelve million dollars a year. Claims are being piled up against the Government. The Attorney General ruled that the 5 per cent clause was void on account of our treaty obligations. The customs officers held with the Attorney General, but the Board of Appraisers held differently, and the ruling of the Treasury Department still holds, and these cases are going to the Court of Customs Appeals.

The SPEAKER. Is there objection?

Mr. MANN. Reserving the right to object, I read the House bill and the report, and am not quite clear now, but it seems to me that a certificate had to be filed in advance of the decision of the customs court in order to retain the right of appeal to the Supreme Court. Is that correct?

Mr. WEBB. That is correct in cases where the Constitution and treaty are not drawn in question. In all other cases each side can ask for a certiorari when the Attorney General certifies, before the decision of the court is made, that the case is of such importance that it ought to be carried to the Supreme Court.

Mr. MANN. Does the gentleman know the opinion of the Treasury Department as to the amount of business that this is likely to send to the Supreme Court?

Mr. WEBB. Assistant Attorney General Wimple, who represented this court, and the Attorney General himself said it would be very small—probably not two cases in five years.

Mr. MANN. I notice that this bill provides that there can be no appeal in reference to the wood-pulp section in the Canadian reciprocity act.

Mr. WEBB. Yes.

Mr. MANN. Why should not the Government have the benefit of the Supreme Court in that matter?

Mr. WEBB. I think that the Government ought to have that right, and Assistant Attorney General Wimple was very insistent that it should, but the Treasury Department said that since wood pulp had been put upon the free list they considered the matter a closed incident. Such right was in the original bill, and insisted on by the Assistant Attorney General, but we saw at once the the paper folks all over the country were going to raise strennous objection.

Mr. MANN. Whom does the gentleman mean by "the paper folks"?

Mr. WEBB. The wood-pulp people.

Mr. MANN. Oh, no; just the other way. The pulp and paper manufacturers would like to get a decision from the Supreme Court of the United States, because the customs court decision was against them. Still I apprehend that it would be difficult to get a bill through the Senate or the House by unanimous consent where the newspaper people did not want it to pass and they do not want a review by the Supreme Court of the United States. So to that extent we are bowing to the power of the press.

Mr. WEBB. I can say that the power of the press had nothing to do with our decision. The Treasury Department told the committee that as wood pulp had been put on the free list and the matter had been settled by the court it would not insist on reviewing the court's decision. It was settled quite a while—probably a year ago—and they were willing to drop the matter and consider it closed, and that is why we exempted the Canadian reciprocity provision.

A brief review of legislation providing tribunals for passing upon customs claims may be of value in determining the necessity for passing the pending bill.

In the course of time the work of settling customs claims grew to such an extent that it was thought desirable to relieve the regular courts of this work and to provide tribunals to hear and determine such matters.

On June 10, 1890, Congress passed the act entitled "An act to simplify the laws in relation to the collection of the revenues." By section 14 thereof the decision of the collector as to rates and amount of duties chargeable upon imported merchandise, and so forth, was made final and conclusive against all persons interested therein, unless the owner, importer, consignee, or agent, and so forth, should, within 10 days after, "but not before," such ascertainment and liquidation of duties, if dissatisfied with such decision, give notice in writing, and so forth, and upon such notice and payment the collector was required to transmit the invoice and all the papers and exhibits connected therewith to the board of three general appraisers which should be on duty at the port of New York, or to a board of three general appraisers who might be designated by the Secretary of the Treasury for such duty at that port or at any other port, and so forth.

Section 15 of the act provides for a review by the circuit court of the United States for that district, on application of either side, within 60 days after the decision of the appraisers. It is provided that the circuit court might then refer the case to one of the general appraisers, as an officer of the court, to take and return to the court such further evidence as might be offered by either side, under the rules of the court, within 60 days' time. It provides that the case should be heard upon such further evidence and the returns from the lower court; the circuit court's decision to be final, unless such court should be of the opinion that the question involved was of such importance as to require a review of such decision by the Supreme Court of the United States. In such cases said circuit court, or the judge making the decision, might, within 30 days thereafter, allow an appeal to said Supreme Court, but it provided that an appeal shall be allowed on the part of the United States whenever the Attorney General shall apply for it within 30 days after the rendition of such decision.

It was contended that under the provisions of the act of 1890 claimants did not, in good faith, present their evidence before

the general appraisers, but did so in an indifferent manner, and trusted to their right to have other evidence presented in the circuit court, and their case finally determined upon that and the record from the lower court. To remedy this defect, it was provided in 1908 that all evidence in the case must be submitted to the Board of General Appraisers prior to their decision.

By the act of August 5, 1909, the Court of Customs Appeals was created and provision made for an Assistant Attorney General. The act provides that appeals from general United States appraisers can only be taken to this court, except in cases already tried, but then not yet heard on appeal.

This is the law to-day governing this class of litigation, as shown by section 195 of the act of March 3, 1911, which the bill under consideration seeks to amend.

It seems manifest, from the review of legislation, that Congress had in mind constituting the Court of Customs Appeals a court of final review to take care of the many questions that would arise affecting the construction of the revenue laws as to rates and classifications, and thus relieve the general courts of this detailed work. This it seems to have accomplished.

Since the act of 1909 it has been found that this Court of Customs Appeals has been called on to pass upon not only questions of rates and classifications, but also questions involving a construction of the Constitution and our treaties with other nations. In a few instances it has been called on to settle questions not involving a construction of the Constitution or treaties, which were of much importance on account of the amount of money involved.

The case of American Express Co. against United States, tried and determined by this court, as reported in the fourth volume of their decisions, on page 146, was a case involving the construction of our Constitution and treaties with other nations. The court was asked to determine whether the granting of free importation of wood pulp from Canada did not automatically, under the "favored-nation clause" in our treaties with other nations, nullify the act of Congress in so far as it attempted to lay a duty on wood pulp brought in by such other nations.

It was contended by the importers that, under our Constitution, treaties were to be construed as a part of our fundamental law, and therefore, of necessity, had to be read into the acts of Congress and construed by the court. The Government contended that treaty provisions, such as were involved in this case, were only executory promises and not binding upon the courts until written into our statute law by Congress. Under the decision in this case the Government will be required to repay to the importers about $3,000,000.

As examples of cases not involving a construction of the Constitution or treaties, we would cite the controversy with the Indian Government, as to whether the metallic or the exchange value of the rupee was the proper basis of taxation, which involved something like $1,000,000; and the question as to the proper classification of saki, the national drink of the Japanese, which involved something like a half million dollars.

The bill now being reported only modifies the existing law to the extent of providing that the decisions of the Court of Customs Appeals may be reviewed by the Supreme Court—

in any case in which there is drawn in question the construction of the Constitution of the United States, or any part thereof, or of any treaty made pursuant thereto, or in any other case where the Attorney General of the United States shall, before the decision of the Court of Customs Appeals is rendered, file with the court a certificate to the effect that the case is of such importance as to render expedient its review by the Supreme Court, to require, by certiorari or otherwise, such case to be certified to the Supreme Court for its review and determination, with the same power and authority in the case as if it had been carried by appeal or writ of error to the Supreme Court: *And provided further*, That this act shall not apply to any case involving only the construction of section 1, or any portion thereof, of "An act to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes," approved August 5, 1909, nor to any case involving the construction of section 2 of an act entitled "An act to promote reciprocal trade relations with the Dominion of Canada, and for other purposes," approved July 26, 1911.

Exception 1 covers all that portion of the Payne-Aldrich tariff law which levies the tariff taxes.

Exception 2 covers all that portion of the reciprocity act with Canada relating to wood pulp.

Whether Congress meant to give to this court the final jurisdiction in all such important cases, especially involving the construction of the Constitution and of treaties, when it made their decision final "in all cases as to construction of the law and facts respecting the classification of merchandise and the rate of duty imposed thereon under such classification, and the fees and charges connected therewith," etc., has been determined by this court taking such final jurisdiction. The only way now to limit their final jurisdiction to these matters of classification and rates is by amendment.

The Supreme Court of the United States, being the highest judicial tribunal in the Nation, should finally pass upon such important matters as affects the Constitution and treaties and the exceptional cases vitally affecting the Nation's revenue where the Constitution and treaties are not involved.

It is not thought that there would be very many cases, under the last class, reviewed, but cases, from time to time, will arise, and it is desirable to have in this amendment a provision by which such questions could be finally settled by the highest court. These cases would be limited to those in which the Attorney General would file his certificate before the decision, and after this the Supreme Court itself would determine whether the case was a proper one for their review.

This amendment will affect the final jurisdiction of the Court of Customs Appeals in cases arising under the tariff law of 1913.

The Treasury Department has asked the opinion of the Attorney General upon subsection 7 of paragraph J of section 4 of the tariff act of 1913, which section reads as follows:

That a discount of 5 per cent on all duties imposed by this act shall be allowed on such goods, wares, and merchandise as shall be imported in vessels admitted to registration under the laws of the United States: *Provided*, That nothing in this subsection shall be construed as to abridge or in any manner impair or affect the provisions of any treaty concluded between the United States and any foreign nation.

The Attorney General reported that, on account of provisions in treaties with other countries, this section was inoperative. The Treasury Department, acting upon this opinion, instructed the collectors of customs to not allow the 5 per cent discount. Protests were filed by importers, and the general appraisers heard the case and ruled as follows:

We conclude that subsection 7 of paragraph J of section 4, tariff act of 1913, should be enforced according to its letter; that dutiable goods imported in vessels admitted to registration under the laws of the United States should be conceded a 5 per cent discount from the duties provided for in the other parts of the statute.

From this ruling both sides appealed to the Court of Customs Appeals. These cross appeals will, in their order, be reviewed by the Court of Customs Appeals, and if this bill is promptly passed the cases can be reviewed by the Supreme Court without unnecessary delay.

Pending the final settlement of the question no discount is being allowed, and claims are being filed against the Government amounting to from $7,000,000 to $10,000,000 per year. Either a very large amount will have to be held as a contingent fund or, if the Government finally loses the cases, some provision will have to be made for settling the claims.

It is generally conceded that this case should be carried before the Supreme Court for final decision. Mr. Levett, representing the Merchants' Association of New York, admits that personally he thinks it should. The Government is anxious to have it thus passed upon as early as possible. There are widely differing opinions as to what should be the proper ruling upon this question, as will be found in the printed hearings before the Judiciary Committee upon this bill.

The Treasury Department has given its indorsement to this measure and urged its speedy passage, as shown by the following letter:

JUNE 10, 1914.

HON. EDWIN Y. WEBB,
Chairman Committee on the Judiciary, House of Representatives.

SIR: Under date of April 3, 1914, I had occasion to call your attention to bill H. R. 15960, now pending before the Committee on the Judiciary, providing for a review by the Supreme Court of decisions of the Court of Customs Appeals in certain customs cases, including those involving constitutional and treaty questions.

As the matter is one of the greatest importance to this department and to the proper administration of the customs, I wish to impress upon you again the necessity of early action by Congress on this measure. There are many cases now pending involving the 5 per cent shipping clause of the tariff. This issue is one of the greatest importance to the Treasury Department. Should the decision of the Customs Court of Appeals be adverse to the Government, the possible refunds might run from ten to twelve million dollars a year, and would materially reduce the revenue from customs. Constitutional and treaty questions are frequently raised in tariff issues, and they all are matters of the greatest importance and should be left for the final determination of the Supreme Court.

For these reasons I would therefore urge that prompt action be taken by the committee, with the view that this legislation be passed during the present session of Congress.

Respectfully, W. G. MCADOO, *Secretary.*

I hope, therefore, that the bill will pass at once, as it is very important to the revenues of the Government.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

The bill was ordered to be read a third time, was read the third time, and passed.

A similar House bill, H. R. 17147, to amend section 195 of the act entitled "An act to codify, revise, and amend the laws relating to the judiciary," was laid on the table.

Mr. WEBB. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD upon this bill.

The SPEAKER. The gentleman from North Carolina asks unanimous consent to extend his remarks in the RECORD on the bill. Is there objection?

There was no objection.

REVISION OF PRINTING LAWS.

The SPEAKER. This is Calendar Wednesday, and the unfinished business is the House bill 15902. The House automatically resolves itself into Committee of the Whole House on the state of the Union.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. PAGE of North Carolina in the chair.

The CHAIRMAN. The House is now in Committee of the Whole House on the state of the Union for the further consideration of the bill of which the Clerk will read the title.

The Clerk read as follows:

A bill (H. R. 15902) to amend, revise, and codify the laws relating to the public printing and binding and the distribution of Government publications.

Mr. BARNHART. Mr. Chairman, there is neither politics, poetry, nor inspiration to oratory in this bill. It is a plain business proposition in which every Member of Congress and every reading and thinking individual in our country is interested, for it has to do with their general information, their convenience, and their expenditures. And inasmuch as I am anxious to spend as little time as possible in general debate and give you the most intelligent and comprehensive outline of the proposed legislation possible, it will be a favor if I be spared from interruptions during the formal presentation, and after I am through with this I will try to answer any interrogatories which may suggest themselves to you. But as the bill is lengthy and full opportunity will be given for the consideration of each section, we will save time, I believe, by curtailing debate as much as possible now, that we may the sooner commence the reading and detail consideration of the bill.

FOREWORD.

As a matter of information to all concerned, the Government has a public printing office, the buildings and equipment of which are invoiced at $5,500,000, the annual expenditure for the operation of the establishment is approximately $7,000,000, and the output must be the mental and mechanical product of the best and most accurate skill in the printer's art. The building is a model in architectural arrangement, the equipment is modern and complete, and the four thousand and odd employees have sanitary system, medical attention, and emergency hospital facilities highly creditable to the best Government in the world.

In addition, in comparison with the wage scales of printers, binders, and machinists in the printing industries of the large cities of the United States, as shown by the union wage scales published by the Department of Labor, our Government pays its Printing Office employees more than the general wage scales, it gives them an annual leave of absence of 30 days with full pay, it guarantees stable wages whether prosperity or panic prevails in the country, it provides them with medical and surgical relief during working hours, and it assures them permanent employment if they are faithful. With these ideal conditions as a foundation for a public printing service the people have a right to expect helpful results, and they may have if Congress will systematize and economize to the end that a maximum of service in useful public documents be given at a minimum of expense.

Your Committee on Printing has carefully and impartially considered the necessity for better legislation for this branch of the Government service. It has given hearings to all who asked to be heard and to many whose knowledge and advice might aid in the preparation of a good bill. And it has gathered data from the hearings and investigations of preceding committees in both House and Senate, and comes to you with the fundamentals, at least, of a just and wholesome measure, in which every Member is interested, regardless of politics.

The bill to revise the laws for printing, binding, and distribution of public documents now under consideration is the result of investigations by a Printing Commission and the Printing Committees of the House and Senate, which have been at work nine years. Several bills have been introduced as the result of the work of the commission and the committees, one of which passed the Senate two years ago, but reached the calendar too late for consideration in the House before the end of the term, when all bills die. And in the beginning I want to give most of the credit for the general features of reform in this bill to Representative DAVID E. FINLEY, former chairman of the House Committee on Printing; Senator REED SMOOT, former chairman of the Senate Printing Committee; and Mr. George Carter, clerk of the Joint Committee on Printing. Of course, others have rendered valuable assistance, and this bill has many new features which none of the others carried, added by Mr. TAVENNER, Mr. KIESS, and myself, and which, we believe, will contribute much to the efficiency, economy, and popularity of the legislation.

The impression is abroad that Members of Congress—in both branches—are following long-established customs of grab-bag methods in printing and franking privileges not creditable to those big enough to make laws for our national welfare. It is doubtful if this impression is justified, all things considered, but that there is a tremendous waste in our methods of printing and distributing public documents there is not a doubt, as the official report accompanying this bill will readily show you. You would be amazed if I were to tell you that in public-document procedure alone we surely waste a half million dollars a year; and add to this the wrapping, franking, envelopes, leave to print, and other excesses which this bill aims to correct and it will amount to more than a million dollars a year that is absolutely wasted, except to those who profit by the production.

FEATURES OF THE BILL.

Much of this bill is reaffirmation of existing law. Whenever present law has been found conducive to good results, it has not been changed, but the advantageous new features of the bill, as the committee sees them, grouped into general subjects, are as follows:

Valuation system of allotment of documents to Members, so each may have the publications he needs for distribution.

Restrictions of departments in free-hand and duplicate document printing.

Limitation of printing frank slips and envelopes, correcting both printing and franking abuses.

Restricting leave to print extraneous matter in the CONGRESSIONAL RECORD.

More satisfactory plan for printing for committees.

Labor-saving method of folding, wrapping, and handling public documents.

Publication of morning bulletin of day's program of House and Senate business.

Rearrangement of Government printing officials and salaries.

More general supervision by joint committee and Public Printer over all public printing.

Requiring all printing and binding to be done at the Government Printing Office.

And providing fines and imprisonment for violations of franking and distribution privileges.

FAULTY DOCUMENT DISTRIBUTION.

Not only is our present system of printing and distributing extravagantly wasteful, but it does not give Members of Congress their allotment of the kind of publications that are most helpful to the people they represent. For instance, every Member of Congress sends out many publications to his people which are of little or no use to them, because they are allotted to him and he thinks it better to send them out than to let them lapse and be sold for junk paper. A Member in a purely agricultural district has little use for the publications useful in cities now allotted to him, and the Member representing the city has little or no use for much of the agricultural literature, and so forth, allotted to him. As it is now, Representatives from forest and prairie, from seacoast and interior, from cotton belt and wheat fields, from shop and live-stock ranch, and from city and country, are all given the same kind of free documents for their constituents and, of course, much of it is useless because it has no relation to conditions in the locality to which it is allotted.

Hereafter each Member of the House will be allotted $1,800 worth of public documents for his district each year, and each Senator $2,200 worth each year. This is practically the same expense the Government is now incurring in printing documents. But the advantages of the new system are many. In brief, the Printing Office will issue limited-edition copies of documents from time to time as the demand requires, and this will save much waste in printing allotment stuff not wanted, as is now done; each Member will be given only what he orders, and many will therefore draw less than their allotment, which will be another saving; no Member can draw on his allotment after his term expires, and new Members can supply the wants of their constituents as soon as their term begins and not encounter an exhausted document list because the predecessor had drawn out everything available, both present and future; Members can order what they need, and nothing else will be printed and wasted for them, and thus the people will get that which is helpful in their vicinity and vocation and there will be no excess printing of unwanted documents, as is always done where Members are given the same allotment of the various documents.

And so this provision will be a great saving in printing expense, a great convenience to Members, and a great help to those for whose benefit public documents are issued.

FRANKED STATIONERY PRINTING.

The franking privilege is much abused at much cost and without profit to any considerable number. True, this is a function of legislation not strictly within the province of this Committee on Printing, but we can help by the regulation of frank slip and envelope printing, so that the possibility of excessive franking shall be limited. To say nothing of the number of frank slips and white document envelopes used by Representatives during the past year, the Public Printer reports that twenty-two and a half million manila document envelopes of various sizes were furnished to Representatives and Senators—an average of 41,500 each. In addition to this, departments used millions, and committees and Members of the House and Senate were furnished with hundreds of thousands of free white envelopes and letter sheets for correspondence purposes, and each Member had his liberal cash stationary allowance besides. You say this is only the custom established by years of precedents. That is true, but wrongdoing is not justified by all the precedents and customs of the ages, and that the misusing of public funds in this way is plainly and inexcusably wrong who can deny?

How will our limitation of printing document envelopes and forbidding their use under penalty by others than Members work economy in franking expense? I will tell you: First, the abolition of the small-size document envelope will estop Members from using large quantities of them, contrary to law, in correspondence; second, it will stop the wholesale practice of inviting the public to pitch in for free public documents whether or not they are needed or used; third, it will stop the abuse of private interests promoting speeches in Congress, paying for the printing of large quantities of them and then using some Member's envelope, folding, and franking privilege to send them out; and, fourth, the curtailment of not-wanted document printing will discourage the practice that has long prevailed of some Members franking out any kind of useless document stuff just to show constituents on the mailing lists that they are not forgotten by their Representative in Congress.

FRANK-PRIVILEGE ABUSES.

If I were to give you all the reports of abuses of the franking privilege which have come to the knowledge of members of this committee, it would require a considerable extension of my time, and some of it might not be accurate, for evasion of the law is usually covered up; but if I were to tell you that 750,000 copies of the speech of a Member of Congress were recently sent to an agency in Philadelphia to be used by an organization to boost its purpose, and that the Government paid for the folding, for the envelope printing, and for the franking through the mails, you would have a hint of the possibilities of abuse of the franking privilege. Or if I were to cite the alleged distribution of a million and a half copies of speeches by a Member of Congress through Government franked envelopes by an organization which sought to exploit its ideas of a combined moral and industrial question, all at Government expense, you would see evidence of the abuse of the franking privilege. Or if I were to cite you to part 65 of the hearings pursuant to Senate resolution 92 by a Senate subcommittee of the Committee on the Judiciary, you would be astounded at the evidence that 320,000 copies of a selfish interest pamphlet had been printed, wrapped, and franked at Government expense, and you would applaud the Post Office Department in its undertaking to recover from this selfish interest $57,600 postage expense which the Government incurred in transmitting this illegally franked document through the mails. Or if I were to tell you that a congressional campaign committee had more than a 1,000,000 Government-printed speech envelopes left over after a campaign, which represented a large public expense, and that these envelopes were disposed of as junk by some one unknown to a Government record, you would admit carelessness, to say the least. Or if I were to show you that a certain congressional exponent of a will-o'-the-wisp political propaganda had 2,000,000 speech envelopes printed at one time, and either sent them out carrying his hallucination or wasted them, you would be justified, after knowing these few instances of the many of the kind, in sidestepping your dignity far enough to exclaim, "Rotten!"

PENALTIES FOR VIOLATIONS.

I want to also call your attention to the fact that there are enough sharp teeth in this bill to protect the proposed law from imposition. Section 68 provides a fine of $1,000 as penalty for any Government distributing agent selling or disposing of for gain any public document printed for free distribution; and also provides a heavy fine of $5,000 or imprisonment for 5 years, or both, for any officer or employee of the Government Printing Office who violates this section. Section 35 provides a heavy fine of $3,000 or imprisonment for 7 years, or both, for the Public Printer if he shall by himself or in collusion with others defraud the Government. Section 36 provides a fine of $1,000 or imprisonment for 5 years, or both, for the Public Printer or any of his official subordinates if any such be interested in any industry which furnishes supplies for the Government Printing Office. And section 42 provides a fine of $300, which ought to be more severe, for any Member of Congress or agent or employee of the Government who shall assist any private institution or individual to the unlawful use of franked envelopes or frank slips.

Furthermore, section 69 protects the CONGRESSIONAL RECORD from misuse by providing that any matter not spoken in order on the floor of the House or Senate shall first be offered, then considered by the respective Printing Committee, and passed on by the respective House before it be published. There is an exception, however, whereby leave-to-print matter germane to the subject under consideration may be inserted in the RECORD by unanimous consent, but it must be limited to four pages. And these provisions, the committee estimates, will greatly curtail the inconvenient bulk and the unnecessary expense of the CONGRESSIONAL RECORD, which ought to be a succinct reproduction of the proceedings of Congress and not the carryall for every Tom, Dick, and Harry in the country to exploit his ideas at the expense of the Government and to the inconvenience of everybody who would like to read the actual proceedings of Congress.

ECONOMY IN THE BILL.

To the casual observer the proposed changes might seem inconsequential, but to the investigator they show large possibilities of retrenchment and benefit to the public service. In the matter of economy alone this bill must attract your approval. Here is a table of estimates of curtailment and increases of expenses carried in the bill which we ask you to inspect. It specifies the provisions of the bill upon which the committee bases its estimates of economies to be effected:

Economies.

Section 2: Vesting Joint Committee on Printing with authority to prevent duplications and waste in printing and distribution of documents, and authority to investigate other abuses in the public printing (estimate based on actual savings effected by printing investigation commission under similar authority)	$25,000.00
Section 3, paragraph 2: Compilation of memorial volumes and other documents by clerk of Joint Committee on Printing	900.00
Section 11: Reduction in salary of Deputy Public Printer	500.00
Section 14, paragraph 1: Reduction in salary of purchasing agent	600.00
Section 16: Reduction in compensation of assistant superintendent of work in charge of night work	600.00
Section 27: Leave of absence at day rate paid at time granted instead of at rate earned	8,000.00
Section 42, paragraph 2: Franked document envelopes issued free to Members of Congress to be of manila stock instead of more expensive grade	43,500.00
Section 44, paragraph 1: Restriction of "unanimous-consent" printing of documents by either House (estimated)	25,000.00
Section 45: Elimination of departmental publications from numbered-document series of Congress, and thus preventing duplication	19,952.25
Section 47, paragraph 1: Elimination of print of private pension bills as introduced (cost, Sixty-first Congress, $172,554.80)	60,000.00
Section 47, paragraph 4: Elimination of one useless print of bills as authorized by present law	8,000.00
Section 49, paragraph 3: Restriction of use of embossed letterheads and envelopes by Members of Congress	33,132.71
Section 54: Restricting library distribution of House and Senate Journals	1,000.00
Section 55, paragraph 2: Folding of documents for valuation distribution at Government Printing Office	25,000.00
Section 64, paragraph 2: Selection of documents to be sent to depository libraries	110,000.00
Section 65, paragraph 2: Elimination of duplicate copies of documents sent to depository libraries	23,730.87
Section 66: Revising library mailing lists of departments	5,000.00
Section 68, paragraph 1: Valuation plan for distribution of documents by Members of Congress	150,000.00
Section 68, paragraph 4:	
(2) Elimination of one edition of Congressional Directory in long session	4,187.52
(5) Substituting new process instead of engraving for memorial volumes	5,000.00
(8) Elimination of abridgment of messages and documents	13,847.83
(17) Elimination of list of patents from annual report of commissioner to Congress	6,646.07
(20) Discontinuance of geological depository libraries	4,418.48
(22a) Elimination of Secretary's report from Agricultural Yearbook	16,020.00
(22g) Discontinuance of Annual Report on Field Operations, Bureau of Soils	17,310.66
(26) Discontinuance of annual list of officers of merchant steamers, etc	2,500.00
Section 69, paragraph 4: Restricting matter inserted in Congressional Record to subjects germane to proceedings of Congress (estimated)	100,000.00

Section 69, paragraph 6: Limiting remainder copies of CONGRESSIONAL RECORD to be bound for Members	$72,588.00
Section 72:	
Paragraph (1): Limiting distribution of Decisions of Comptroller of the Treasury	8,712.00
Paragraph (10c): Increasing subscription price of Patent Gazette from $5 to $10 per year	15,000.00
Eliminating Patent Gazette depository libraries	12,858.74
Paragraph (12): Placing Daily Consular and Trade Reports of Department of Commerce on sales basis	30,000.00
Discontinuing publication of Commercial Relations	6,245.99
Section 77, paragraph 3: Restriction of committee binding	10,000.00
Section 78: Requiring all printing and binding to be done at Government Printing Office (based on 5 per cent saving on $1,000,000 worth of such work now done outside)	50,000.00
Section 80, paragraph 1: Limiting size of annual reports of departments and establishments (estimate)	10,000.00
Total reductions	945,320.12
Increases.	
Section 3, paragraph 1: Stenographer for Joint Committee on Printing	$1,000.00
Section 10, paragraph 2: Salary of Public Printer, from $5,500 to $6,000 per annum	500.00
Section 16: Salary of medical and sanitary officer, from $2,600 to $3,000	400.00
Section 26: Compensation of 60 job compositors, from 50 to 55 cents an hour	8,012.80
Section 27: Leave of absence to 82 temporary employees	2,787.00
Section 49, paragraph 5: Printing clerk for House of Representatives	2,500.00
Section 50, paragraph 3: Bulletin of committee hearings	15,000.00
Section 69, paragraph 2: Daily table of contents	10,000.00
Section 72 (10d): Copy of patents for library in each State	12,000.00
Section 81, paragraph 1: Division of publications in each department and establishment of the Government	10,000.00
Increase in miscellaneous publications (estimated)	25,000.00
Total increases	87,199.80
Total economies	945,320.12
Total increases	87,199.80
Net economies	858,120.32

In most instances the figures in this list are based on unquestionable statistics of actual saving. Other estimates of probable economies are based on conclusions of clerks and heads of divisions who are familiar with present practices which they know to be excessive and uselessly expensive. And, besides, we can safely add another big item of economy in franking cost to the Postal Service by the limitation of the free-for-all use of franked envelopes, in the lesser quantities of documents that will be sent out under the proposed allotment reform, in lesser number of documents of little or no interest to anybody, and in the reduction of bulk of the CONGRESSIONAL RECORD, Yearbooks, and many other publications carrying a superfluity of space filled with reports, and so forth, in which the public has little or no concern. For instance, the elimination of the annual report of the Secretary of Agriculture in the Yearbooks will amount to a saving of $16,000 worth of paper and printing and the weight of the book and consequent franking expense will be reduced proportionately. Many other similar instances of franking economy by reason of reduction in bulk could be cited, but you see the horse sense in the Yearbook illustration as well as the committee saw it and as the wayfaring man, though a fool, can see it.

GENERAL OBSERVATIONS.

Time forbids that I go into general details of the manifold merits of this bill. It has no politics in it, it has no favoritism in it, and it has no purpose except that Members of Congress be given a more helpful and more economic public printing service than now. Of course, it is not satisfactory to all. No improved legislation was ever proposed which curtailed privileges or eliminated unnecessary expense that did not incur opposition from those who want to be let alone or those who want more than consistency and justice to others will permit.

There are, as we believe, so many advantageous features in this bill that no Member of Congress can vote against it and serve his constituents best. It may be improved by amendments, and to that end the committee invites sincere endeavor from any source. But opposition which arises because the bill provides for a faithful public service, rather than continue the present method of a service wide open to imposition, ought not to have much influence with Members who are here to serve the public rather than the public serve them with advertising facilities.

It is high time that the people measure the merit of their Members of Congress by their work and votes in legislative endeavor rather than by the number of letters and the amount of free document stuff they can send out. But I would not be understood as opposed to the legitimate use of the franking privilege. The people have a right to know the nature of bills, what is being said of them, and what is being done in their Congress and by heads of their Government. They, too, have a right to Government helps in suggestions of experts in health, comfort, industry, and vocational endeavor. This is a people's Government, and they have a right to be liberally advised through free-postage privilege what is being done for them or to them, so they may intelligently direct the future by their votes.

The present methods of misusing the public printing and franking privilege is not graft. It is a custom that has grown up because of lax and flexible regulations, which mean most anything that precedent has established. It has not been violation of law, for there has been no well-defined enactment, and officials and Members have placed their own interpretations on what they have a right to use and the people's Treasury has suffered accordingly.

But hereafter the law will be specific if you enact this bill; department heads and Members will all know what is proper and what improper, and the public can easily learn from official publicity if their officials are overdoing in the matter of promiscuous document distribution.

Gentlemen, the citations in the committee report and in this presentation merely touch the high places of economic possibility in congressional printing and franking. Abuses that result from "everybody's business is nobody's business" are the bane of the public service. We can correct much that is wrong and wasteful by passing this bill, and we owe it to the country as exemplars of finance, of public trust, and of honor to do it.

There is an adage as old as honesty itself which says if we be true to ourselves we will not be false to others. Therefore, in fairness to Members of Congress and in justice to those whom they represent, we ought to pass this bill and make clear what is right and what is wrong in public-document printing and distribution. The misuse of Government printing and franking has been the stalking horse of common scandal for years, and whether it is warranted or not we can here efface the cause, and I believe it is up to every Member of this House to aid in this legislation by helping to make this bill plain and effective in the largest measure possible that this public service may be vastly improved and its use freed from criticism forever. [Applause.]

Mr. GOULDEN. Mr. Chairman, will the gentleman yield?

Mr. BARNHART. Yes.

Mr. GOULDEN. Mr. Chairman, I have listened with a great deal of care to the able and careful presentation by the gentleman of the bill under consideration, and I have one suggestion that I desire to make to him. The gentleman speaks of the liberal allowance for printing; he should use the word "stationery," and he should give the amount. The gentleman created in my mind the impression that it might be four or five or six or seven thousand dollars; but we know it is only $125 for both stationery and postage. I make that suggestion only because the public might be misled.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield.

Mr. BARNHART. Yes.

Mr. STAFFORD. The gentleman refers to abuses of the franking privilege by Members of Congress. It has been my privilege as a member of the House lobby investigating committee to give some consideration to those abuses, but the impression I gained from the gentleman's statement would lead me to believe that there were but few instances of abuse of the franking privilege. From the investigation I concluded there were only rare instances where Members of Congress permitted their franks to be used by civic associations in violation of the law, and I think the gentleman owes it to the House to make that clear, because some newspapers are only too inclined to pick up some little straw and magnify it in criticizing Congress. I recall years ago when serving as a member of the Committee on the Post Office and the Post Roads of this House the Washington Post carried an editorial charging that pianos and other freightable matter were being sent through the mails by Members of Congress under a frank.

The Committee on the Post Office immediately summoned the editor of that newspaper, Mr. McLean, before it, and we found that there was no warrant whatsoever for that charge. The charge had been made and it had gone broadcast to the public over the country. The public made up its opinion that Members of Congress were violating the franking privilege. It was not the fact. It was refuted, but the refutation did not reach to the quarters the original charge did, and Members are still under that obloquy. The gentleman this morning has stated that it is surprising the number of instances where the franking privilege has been abused. I think he should state, in fairness to the Members, the instances, as far as he can, and the number, so that the country may know that the Members of Congress generally are not indulging in wholesale abuses of the franking privilege. But the instances are few; that is my opinion from

the consideration I have given to this question as a member of the Committee on the Post Office for 10 years and as a member of the House lobby investigating committee. [Applause.]

Mr. BARNHART. Mr. Chairman, on the other hand, the gentleman from Indiana, did not say that there was wholesale violation. He said numerous instances had been reported to the committee, and he recited at least a half dozen or a dozen, without giving names, and I think they are sufficiently conspicuous to identify themselves in the mind of the gentleman from Wisconsin.

Mr. STAFFORD. I do not desire to have the gentleman mention the names, but I would like to have him state from his thorough investigation of this subject whether there are more than 10 instances where the franking privilege has been abused by Members in loaning their frank to civic associations or others.

Mr. BARNHART. I could not say as to how many instances there are. I only mentioned some of those that had been reported to the committee. These are conspicuous and pronounced instances, and I do not recall definitely—I think two of them occurred during the present Congress. The instances are past and gone, and in the course of my remarks I said that the interpretation of the printing law and the franking privilege, as they stand, was such that everyone put his own interpretation upon it; and, while there had been abuses beyond doubt, it is barely possible that those who indulged in them did not consider them to be such.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield further?

Mr. BARNHART. Yes.

Mr. STAFFORD. I wish to say that as far as the law is concerned there is no question whatsoever in my mind that it is very plain and clear that no Member can allow his frank to be used for the dissemination of matter published in the CONGRESSIONAL RECORD for the benefit of any organization save one, and that is an organization composed of Members of Congress, that exception being made for the benefit of the respective congressional campaign committees. When the representatives of the National Association of Manufacturers, who had abused the franking privilege by scattering broadcast the speech of a learned Member of this House on a question of interest to the public——

Mr. BARNHART. The gentleman mentions one that I omitted.

Mr. STAFFORD. Those representatives of the National Association of Manufacturers testified they were not acquainted with the law. The law is clear enough, and as I construe the law the Post Office Department, as the representative of the Government, has the right to proceed against every one of the violators of that law for the postage that would be required to be paid in the circulation through the mails of those speeches. There is nothing the matter with the law.

Mr. BARNHART. Mr. Chairman, the difficulty with the gentleman is that he is undertaking to assume that this committee is attempting to regulate the franking privilege. The Committee on Printing in this bill undertakes to do nothing of the kind, except indirectly. If the Committee on Printing can regulate the printing of franked envelopes and slips so that these abuses will be impossible, or if they are indulged in will be reported and given to the public by official publicity each year, we will have taken a long step in the direction of creating a reform and going probably as far as our committee could go, because if we went further we would invade the domain of the Committee on the Post Office and Post Roads. Therefore we have been careful on the line of demarcation as to how far this committee can assist the Committee on the Post Office in preventing the possibility of future abuses which we know to have existed in the past.

Mr. FESS. Mr. Chairman, will the gentleman yield?

Mr. BARNHART. Yes.

Mr. FESS. For information, I want to ask the chairman of the committee a question: Suppose a Member of the House should make an address here, and I should want to use it under my own frank. Would there be any violation of the franking privilege if I secured the gentleman's address and sent it out under my own frank?

Mr. BARNHART. I think not.

Mr. FESS. Suppose an ex-Member of the House were to make an address outside of the House on some occasion and that that address were printed here by unanimous consent. Would it be a violation of the franking privilege for me to send out that address?

Mr. BARNHART. As I understand, the law provides you can frank out any parcel of matter contained in the CONGRESSIONAL RECORD. That is thoroughly established, I believe.

Mr. CANTOR. Will the gentleman yield for a question?

Mr. BARNHART. I will.

Mr. CANTOR. Does the gentleman's committee recommend any change in the present franking law?

Mr. BARNHART. No; this committee felt that it did not come within its province to make recommendation for any change in the franking law except so far as the printing laws can regulate; in other words, in making a violation of the law impossible. We thought we could go that far.

Mr. CANTOR. That is within the provisions of the law and act itself?

Mr. BARNHART. Yes.

Mr. FITZGERALD and Mr. SIMS rose.

Mr. BARNHART. I yield to the gentleman from New York.

Mr. FITZGERALD. This bill proposes to revise completely the laws relating to printing and binding and the distribution of Government publications. Why should the Joint Committee on Printing longer be continued practically in the control of the administration of a Government establishment that does a business of $5,000,000 or $6,000,000 a year? Why should the Printing Committees of the two Houses assume to do any part of the administrative work in connection with the Government Printing Office any more than the Naval Committee the Navy Department or the Agricultural Committee the Agricultural Department? Why should not the Printing Office be managed by the Public Printer? If he be not competent, let him be removed, and if he be competent he should administer the office. Why should the members of the joint committee have authority to supervise contracts, supervise the administration, and do the innumerable things of a purely administrative character for which there might have been some excuse when the law was first enacted providing that Congress should have its records, files, and other papers printed, but for which no such necessity exists at this time with the progress and advancement in the printing trade?

Mr. BARNHART. Is that the question?

Mr. FITZGERALD. I should like the gentleman to answer the question.

Mr. BARNHART. Well, it is very long, and covers quite a wide range, but in brief my answer would be this——

Mr. FITZGERALD. It is a very important matter. For instance, the gentleman knows that when Congress is not in session the clerk of the Joint Committee on Printing, who always has been, as far as I can recall, selected by the members of the committee of the Senate, remains in Washington and assumes the control of the conduct of the Government Printing Office rather than have that done by the Public Printer.

Mr. BARNHART. On the contrary, the very reverse is true; the Secretary of the Interior has charge of the Government Printing Office when Congress is not in session; but going back to the other question——

Mr. FITZGERALD. He never exercises any control.

Mr. BARNHART. His business is to do it; that is what this bill seeks to do, to fix responsibility upon somebody.

Mr. FITZGERALD. The truth of the matter is that the clerk to the Joint Committee on Printing has the care of the public printing when Congress is not in session. Why should any committee, why should any Member of either House of Congress be engaged in the work of a great administrative department of the Government? Why should we not divorce the legislative branch, now that we are to revise these laws, from the control of an administrative department of the Government and let the Public Printer conduct the Printing Office. Under this bill as proposed he is a figurehead in most respects.

Mr. BARNHART. Oh, the gentleman could not put that construction upon it——

Mr. FITZGERALD. The fact is he is put at the head of the Government Printing Office, and yet there is not a contract of any character, not a thing that he can do himself, but the entire business is done under the supervision of six Members of the two Houses. With all due respect to the entire membership of the two Houses, I do not believe that any three Members of either House are as competent to conduct a great administrative establishment as the man selected for the work, who is a practical printer. If we are to revise the printing laws, laws in reference to the control of the Government Printing Office, it seems to me that a very pertinent matter to be determined is whether the Joint Committee on Printing, or each Printing Committee of the two Houses of Congress, should have anything whatever to do with the administrative work of the Printing Office, and that is a question to be determined in the consideration of this bill. There may be good reasons for it, and, if so, I shall be pleased to have the gentleman state them.

Mr. BARNHART. Now, if the gentleman will permit me here, the Committee on Printing finds that it has something to do. It believes that it has a right to assume some control

over the affairs of the Government Printing Office. It has the responsibility for a good many things. The Committee on Appropriations, I believe, has all that it can do to take care of its special line of business, but the Joint Committee on Printing has charge, as I said in the beginning, of the expenditure of $7,000,000 of funds a year. Under present rule, as I said before, what is everybody's business is nobody's business. Things have been going along haphazard, and I realize, gentlemen, that these other committees are not quite ready to consent that the Committee on Printing of either House should undertake to regulate things which they—the other committees—believe are within their jurisdiction. We have understood that for some time, because we have encountered this opposition before, but on the other hand there is not any question, I believe, but what the Committee on Printing has a perfect right to bring this bill in, and as long as we do not infringe upon the rights of any other committee I believe we are performing a righteous public service. That is my answer to the gentleman's inquiry.

Mr. FITZGERALD. This is not a question of differences between committees. As a Member of the House I have asked the gentleman to state, and I think it is a very pertinent and important matter, the reasons that justify a committee of this House; I do not care whether it is the Committee on Printing or any other—take, for instance, the Committee on Naval Affairs——

Mr. BARNHART. Just a minute. Who does the gentleman think ought to have supervisory control over the Government Printing Office?

Mr. FITZGERALD. I think the Joint Committee on Printing should have full control over the legislation affecting public printing. I do not believe that the committee should have any right, for instance, to administer the Government Printing Office any more than the Naval Affairs Committee should administer the Navy Department or the Military Affairs the War Department or the Committee on the Library the Library or some other committee the Bureau of Printing and Engraving.

The Bureau of Engraving and Printing is nearly as large an establishment as the Government Printing Office.

Mr. BARNHART. It is a different type of business and service altogether.

Mr. FITZGERALD. The head of that office conducts it under the head of a department, and no committee of Congress is attempting to determine the character of materials he should purchase, nor is he prohibited from making any contract or agreement or doing anything at all affecting the management of that office unless some joint committee of Congress approves it. We ought to divorce the administration of these great administrative departments from administrative control of Congress. We have legislative duties to perform. The Committee on Appropriations appropriates money, but it does not attempt to compel the head of any department or bureau to confer with the members of the Committee on Appropriations as to the expenditure of the money.

The gentleman speaks of the conflict of committees. For instance, section 32 of this bill, providing for the method of submitting estimates, is in conflict with the general law relative to the submission of estimates by all departments of the Government. There is another provision in this bill which makes a permanent indefinite appropriation for the Government Printing Office. There is another provision in the bill which authorizes the leasing of additional space upon the approval of the Joint Committee on Printing, regardless of certain other statutes controlling. There are a great many other things in this bill which put in the hands of the Joint Committee on Printing administrative powers which have no justification for lodgment in the hands of any legislative body. Why should not the Bureau of Fisheries be supervised, controlled, and conducted by the Committee on Merchant Marine and Fisheries? I ask in good faith if the gentleman will suggest any reason for the continuance of this policy, now that we have arrived at the stage we have in the art of printing?

A few years ago this House was confronted with the fact that a writ had been issued by the District Supreme Court to the members of the Joint Committee on Printing, bringing them into court to determine whether they should or should not execute a certain contract, because they were performing an administrative function. The question is likely to arise at any time. The Members of this House and of the other House, in the performance of administrative duties, are likely to be thrown into the courts and get into legal entanglements. Here is a great printing office, and why should it not be organized and administered by administrative officials and not by members of a legislative body. Everybody knows that Members of this House and Members of the other House have not time to devote to the conduct of the Government business reaching the enormous extent of $6,000,000 or $7,000,000 a year.

I should be glad to have the gentleman give some reasons. He may have reasons that I have not in mind that will justify this condition. I know no one else to ask if it be not the gentleman from Indiana [Mr. BARNHART], the chairman of the Committee on Printing.

Mr. BARNHART. Mr. Chairman, the gentleman from New York is generally fair and lucid, but when he undertakes to describe the Bureau of Fisheries as an important adjunct to the Congress of the United States he is surely very wide the mark. The Government Printing Office is really a part of the Congress in a large measure. It can not be any other way, because its mission very largely is to serve the Congress. We all admit that. Now, he says there is not any administrative feature to it as it now stands. On the contrary, there is a great organization down there, and under the plan proposed by the gentleman they would either have to report to the Committee on Appropriations or else not report at all, and so far as the finances are concerned the Appropriations Committee does take care of it, and in certain instances, in the not very far-distant past, it has gone down there without proper knowledge, because it did not have the time, and raised the wages of the different classes of workmen out of proportion with wages of other workmen in the Government Printing Office, and created disturbances that are not settled even at the present time.

Mr. FITZGERALD. The gentleman is intimating that something was done from which the inference is that I was responsible. The gentleman said that in the not distant past the Committee on Appropriations went to the Government Printing Office and raised salaries. The truth of the matter is the compensation was raised, if at all, for any employees, not by the Committee on Appropriations, but with the knowledge of every Member of the House, in items fixed in an appropriation bill.

Mr. BARNHART. It was done in a sundry civil bill, as I remember it.

Mr. FITZGERALD. It was not done by any committee; it was done by the House.

Mr. BARNHART. In any event, it was done, and doubtless the gentleman from New York had full knowledge it was being done, and I have no objection to the fact that it was done; but when you take one class of workmen, who are scheduled by the Bureau of Labor at certain wages per hour, and another class of workmen who are scheduled at the same wages per hour in the principal cities, and raise one class and leave the other one where it is you are creating trouble, and there ought to be some committee that has more time to give to the investigation of matters of that kind than a great committee that is overwhelmed all the time with other matters of even more importance.

Now, then, as to the organization of the Government Printing Office. I appreciate the fact that every Government head, and you all appreciate it, would like to have his own way. In the preparation of this bill we encountered practically the head of every department, who insisted that he must have his own way with what documents he should print and how he should print them. They all want all the leeway they can get, and I do not know as I blame them for wanting the largest privilege possible; but, on the other hand, there must be some stay somewhere, and it seems to me that it would be the part of consistency for the gentleman from New York [Mr. FITZGERALD], the chairman of the great Committee on Appropriations, to join hands with us and help regulate these abuses I have pointed out.

Mr. FITZGERALD. I am not objecting to the gentleman trying to regulate the abuses. I have asked the gentleman a simple question, and he has not come within a mile of answering it; and that is, Is there any reason why any committee of Congress should perform purely administrative duties in connection with the Government Printing Office?

Mr. BARNHART. Certainly; in this instance; because the Public Printer is more the servant of Congress than any other man in official life. That is why it is our business.

Mr. FITZGERALD. The gentleman says he is the servant of the Congress. The Clerk of the House is the servant of the House, but no committee of the House attempts to perform his duties.

Mr. BARNHART. No; we are not attempting to perform the Government's duties.

Mr. FITZGERALD. I think the gentleman will find from an examination of his bill that he is not only attempting to provide for it, but to——

Mr. BARNHART. We are attempting to limit sole authority.

Mr. FITZGERALD. There is in Statuary Hall a clerk known as the CONGRESSIONAL RECORD clerk. He is an employee of the

Government Printing Office. What peculiar reform is to be affected by the provision which provides that the Public Printer shall appoint this particular individual with the approval of the Joint Committee on Printing? The law provides that he shall be under the direction of the Public Printer. He is an employee of the Government Printing Office. He is now in the classified service. But here is a provision to fasten that place in the Joint Committee on Printing. It takes the position out of the classified service.

Mr. BARNHART. Well, now, Mr. Chairman, in reply to that I will tell him why the House ought to have something to do with this clerk in charge of the CONGRESSIONAL RECORD. It is because we are in direct contact with him all the time. He is our servant, not the servant of the Public Printer especially. He is the servant of the House and of the Senate, and especially of the House.

Mr. FITZGERALD. No; not especially of the House.

Mr. BARNHART. He is our servant, and we have the right to assist in the selection of him, to approve or disapprove of his selection.

Mr. FITZGERALD. He is not especially the servant of the House, except that his place of business is perhaps nearer the House Chamber than the Senate Chamber.

Mr. SIMS. Mr. Chairman, I approve of the purposes of the gentleman's bill, and know that he is sincere, and all that. But as he is a newspaper man, I want to call his attention to a little matter, because there was several years ago reference made to a charge that a Member from Indiana had shipped 60 bags of seeds from Washington to his home city to be mailed out. The paper in which I saw the item stated that there was a carload of these bags. Of course the paper did not say that these seeds could have been franked here and sent out separately, which would have given the Government postal employees still more trouble than to have them shipped in bags direct from Washington to the Member's home city. But this same paper was a weekly newspaper and claimed that it had a circulation, deliverable in the county of its publication by mail, exceeding 1,000, and on that circulation, I understand, the paper does not have to pay any postage whatever. It was a weekly paper, published in the county, and it was sending out each week more than 1,000 copies of the paper, 52 times a year, which made its franking privilege amount to a much greater number of pieces during one year than the whole franking privilege enjoyed by a Representative of a congressional district. It was lamenting terribly over the abuse of the franking privilege by Members of Congress, and yet it did not mention at all the fact that it was itself exercising the franking privilege in the county in a volume nearly three times that of a Congressman.

It is complained that as an actual fact the Government loses about $60,000,000 a year on second-class matter, which is $60,000,000 lost on the franking privilege extended to these publications. I think these publications, when they abuse Congress, ought to be at least liberal enough to let the people know that they themselves are exercising the franking privilege in a volume vast in extent and far greater than that of the Members of the House.

Mr. BARNHART. Well, I will say to the gentleman that my experience is that there are a whole lot of consistent, sensible, and fair-minded newspapers published in the United States, and then there are others.

Mr. COOPER. Mr. Chairman, before the gentleman takes his seat I want to ask him one question. This Government is founded on the principle of maintaining a separation between the legislative and executive departments. This bill proposes a combination in many respects, of the two in the administration of the Government Printing Office. Some of the men who help make the law are in many ways to execute it. Does the gentleman think that the reasons he has given are sufficient to confer all this executive power on the Joint Committee on Printing?

Mr. BARNHART. Will the gentleman point out in what particular section of the bill it takes from the judicial department of the Government any of its rights and prerogatives?

Mr. COOPER. I said "executive."

Mr. BARNHART. In what respect?

Mr. COOPER. The bill gives directions as to how the law shall be executed in regard to contracts, and the Public Printer is bound to execute them in accordance with the views of the Joint Committee on Printing. The gentleman has pointed out many things that will be under the supervision of that committee.

Mr. BARNHART. I will call the gentleman's attention to the fact that the section to which he is now referring is the existing law. This section is a very slight enlargement, indeed, of the present law.

Mr. COOPER. I was not referring to a particular section, but to many sections of the bill, some of which are new, I think.

Mr. BARNHART. I said in my opening statement that, in the main, this bill is a reenactment of existing law, because it has been found effective, efficacious, and helpful in the public printing service.

Mr. MANN rose.

The CHAIRMAN. The gentleman from Illinois is recognized.

Mr. STAFFORD. Mr. Chairman, will the gentleman from Indiana yield to me for a moment?

Mr. BARNHART. Yes.

Mr. STAFFORD. I hope the gentleman did not infer from my remarks that I, as a member of the Post Office Committee, was in any sense criticizing the bill. Far from it. I was merely trying to have the gentleman give the House a full bill of credit, that the franking privilege is not abused by Members of Congress generally. I was fearful that the remarks made by the gentleman might be misconstrued by the newspapers generally as a statement regarding a general abuse of the franking privilege. I think the bill as reported by the gentleman's committee——

Mr. BARNHART. I think if the gentleman from Wisconsin will look at my remarks when they are printed he will find that I very carefully avoided any such criticism, because it was foreign to my thought. I took these particular instances and cited them as a few of those that had been mentioned to the committee.

Mr. STAFFORD. I supposed the gentleman thought I was casting criticism upon him, but it was furthest from my mind to do so in that particular.

Mr. BARNHART. I did not understand it so.

The CHAIRMAN. The gentleman from Illinois [Mr. MANN] is recognized.

Mr. MANN. Mr. Chairman, speaking of the abuse of the franking privilege, as the gentlemen preceding me have just done, I am not sure that I am correct, but my recollection is that one of the Members of the House recently printed in the CONGRESSIONAL RECORD, under leave to print, a letter addressed to his constituents asking for a renomination. I know I have seen the letter, and my recollection is that it was published in the CONGRESSIONAL RECORD. I have been told that that letter is being sent out under the Member's frank, with a picture of the Member at the head of the letter.

Of course, I suppose under the law the Post Office Department may have no authority to stop it. Perhaps it is not an abuse of the franking privilege. But I have always thought that I had no right to conduct a campaign or send out letters of any kind in reference to a renomination or reelection under my congressional frank.

There is a question as to the proper conduct of the Printing Office on the one side. The suggestions made by the gentleman from New York [Mr. FITZGERALD] that a printing office is an administrative or an executive office, and ought to be so managed, are of great force. Congress is not so situated that it is able to manage an executive office to good advantage. I do not think that any board anywhere makes a good executive. An individual ought to be at the head of an administrative work, and I have no doubt but that the Government Printing Office could be better conducted in its ordinary work if the Joint Committee on Printing had nothing whatever to do with it, so far as the administrative end of it is concerned.

That is one side of the question which must appeal to anybody familiar enough with administration and legislation to have gotten into this body. Everyone here must know that Congress does not make an ideal administrative or executive head. We do not even make a very good executive or administrative head as to our own work. We would be run in a great deal better manner, as far as legislation is concerned or as far as the administrative end of it is concerned, if we had somebody at the head to direct us. But as that is impossible in a legislative body, we do the best we can.

On the other side, I hold this bill in my hand. It is dropped into the basket by a Member of Congress to-day, and containing 125 printed pages, we expect it to be printed and in the hands of Members the next morning. The remarks I am now making will, without revision on my part—though revision might improve them—appear in the CONGRESSIONAL RECORD, which will be in the hands of every Member of Congress to-morrow morning. We could not rely upon having this bill, dropped in the basket to-day, printed and in the hands of Members to-morrow morning unless we had some control over the public printing establishment, originally known as the Congressional Printing Office.

I do not recall, if I ever knew—which I probably did not—the history of the beginning of the congressional printing, but I suppose that in the early days Congress found that it was necessary to control its own printing—which very likely was originally done by contract—so that it could determine that a thing should be done and done promptly and done correctly and have it under its own control. I do not believe it would be practicable for Congress to obtain from the Government Printing Office the work that it must have done for the orderly procedure of legislation if it had no strings tied to that work. How far the Joint Committee on Printing ought to pass upon the kinds of paper that are to be used and to pass upon the samples of paper and the kinds of ink and the samples of ink to be used upon all the contracts that are entered into for all the work of the Government Printing Office, which now extends practically to all of the printing done by all of the departments of the Government, I do not undertake to express an opinion about.

The distinguished gentleman from Indiana [Mr. BARNHART] the chairman of the House Committee on Printing and the ranking House member of the Joint Committee on Printing, has presented this bill before us as a codification in part of the existing law and in part as an amendment to the existing law. The bill has been floating around Congress for quite some time. I do not now remember whether this bill was drawn to a large degree before the distinguished gentleman from Indiana became a Member of the House, but I think it was before he became chairman of the House Committee on Printing, and he is not entirely responsible for the matters that are in the bill, though I am glad to say I think we never have had a better, more conservative, more gentlemanly, and more courteous chairman of the House Committee on Printing than the gentleman from Indiana. [Applause.]

Now, this bill is one of details. The committee has not endeavored to reform the control of the Printing Office. That control is now in the hands of the Joint Committee on Printing. The committee may have intended in the bill to enlarge its powers and functions somewhat, but in the main the bill is one of details. As a rule, in examining bills that consist mostly of matters of detail I try to determine whether the man who drew the bill was careful about his details. When I strike a few places about which I wonder whether they have been carefully considered, then I wonder whether the whole bill has been carefully considered.

I call attention, for instance, to section 46, paragraph 2, page 42, of the bill. I shall not read the language of the bill, but the substance of it. It provides that of Senate documents and reports there shall be distributed to the Senate document room 300 copies. The language of the bill is in all cases "not to exceed," but that means the full number. Of Senate documents the Senate document room is to have 300 copies, and the House is to have 500 copies. When it comes to House documents, the Senate is to have 150 copies and the House 500 copies. The bill proposes to give to each Senator three copies of a Senate document, and to each Senator one and one-half copies of a House document. When it comes to House documents, it proposes to give to each Member of the House one copy, and of each Senate document one copy. Now, I am very appreciative of the distinction and honor of being a United States Senator, and I have the highest respect for that body; but I can not understand why you should print 800 copies of a Senate document and 650 copies of a House document. Of course, I am not a candidate for the United States Senate, and never will be, and perhaps the gentleman from Indiana [Mr. BARNHART] is.

Mr. BARNHART. I take it I am not telling any family secrets when I say that in the hearings it developed that the clerks of the document rooms of the House and Senate agreed that it was necessary to have more Senate documents than House documents, because the House is very much more strict in what it permits to be printed than is the Senate, and therefore they have more calls for Senate documents in the House document room than otherwise would be the case.

Mr. MANN. Let us see about that. If the House is more strict about what it publishes as a document, then it publishes better documents on the average than the Senate, which is less strict; and yet the gentleman proposes to print, of these favorite documents, 650 copies, and of any old document 800 copies. I am afraid the explanation is worse than the original proposition.

Mr. BARNHART. If the gentleman will yield, this is virtually a reiteration of the present proportions, considering the enlarged membership of the House.

Mr. MANN. I do not see that that makes any difference. The original proportion was fixed many years ago, before the House or the Senate was of the same size that it now is.

Mr. BARNHART. Will the gentleman yield?

Mr. MANN. Certainly.

Mr. BARNHART. We took it that if there had been any serious complaint the superintendent of the House document room would have been aware of it.

Mr. MANN. If the superintendent of the House document room is not aware of it, he is more stupid than I take him to be. It is a common thing to send for a House document and find the number exhausted in the House document room, and have to send to the Senate to get the House document.

Mr. RUCKER. Will the gentleman yield?

Mr. MANN. I will.

Mr. RUCKER. In confirmation of what the gentleman from Illinois has just said, I have to-day on my desk four applications for documents which they tell me can not be had.

Mr. BARNHART. As a matter of enlightenment, we are now under present law printing documents for 391 Members of Congress, and we have 440, and, as a matter of course, the supply is low all the time; but this bill undertakes to provide for that. It provides for the enlarged membership of the House. The growth of the House has been enormous—something like 78 within the last 20 years, and in the Senate about 8.

Mr. MANN. The growth of the House has been considerable, but that was not known to the gentleman who drafted the provisions of the bill, because he has not recognized that fact. He has proposed no greater number of House documents to be printed now than was provided for before the increase in number. And, even if he had, no one but a Senator or a Senator's secretary would have provided for the printing and supply of as many documents for the Senate or a Senator as he did for the House. But let us see what it does. This is new. The House is to get 500 copies, and "upon the order of any Senator or Member at the beginning of each session one copy of every document for such session shall be promptly delivered to his office by the Senate or House document room, respectively, from the number provided therefor in this section."

Of course, each Member of Congress is not going to read these documents. Now, when he wants them he comes to the House document room, which receives 500 copies. It will be a very green Member of Congress having a very green secretary who, if this becomes a law, will not at the beginning of each session of Congress order the document room to send to his office a copy of every document published. That will take 435 copies of the 500 copies furnished. After they receive them they will pile them up until they get too high, and then they will dump them in the wastebasket. Then when a Senator or a Member wants a copy he will send to the document room, and the document will not be there. This is a new proposition. Without an increase in the number to be published, without an increase corresponding to the increased membership of the House, limiting the number published for the House document room to 500 and having disposed of 435 at one fell swoop you do not leave any in the document room for the benefit of the public.

That is not the worst. On top of page 43 it is provided that any Member can have every document sent to him from the document room during the entire session. This includes reports both upon public and private bills. Now, from the reports on public bills there are to be 500 copies sent to the document room, of which 435 will be distributed to Members. Of private bills there are to be 200 reports sent to the document room, and out of them the document room must distribute 435 to Members. That is a mathematical computation which anybody can engage in who desires. There have been a great many people studying for a long while how to make 200 in number reach around so as to give 1 to each of 435 Members, but nobody ever discovered the method until the joint committee reported this bill. I will yield to the gentleman from Indiana to answer.

Mr. BARNHART. Mr. Chairman, I call the attention of the gentleman from Illinois to the fact that the provision at the top of page 43 does not refer to bills at all.

Mr. MANN. I did not say that it did.

Mr. BARNHART. I do not, then, understand what the gentleman did say.

Mr. MANN. It refers to documents.

Mr. BARNHART. The gentleman said that we had provided for a certain number of bills and also provided that a copy of these bills should be sent to each Senator and Representative, and the provision does not say anything of the sort.

Mr. MANN. I have not mentioned bills, but I will later when I reach them. I am only calling attention to these matters, not

for the purpose of saying that these are my criticisms of the bill, but for the purpose of testing the accuracy with which the drafter of the bill drafted it as to details.

Section 46, paragraph 5, provides that of House reports on private bills and of Senate reports on private bills they shall deliver to the office of the Secretary of the Senate not to exceed 10 copies. That is a perfectly legitimate purpose, but they do not give any to the Clerk of the House. If we have a private bill and report presented we send over 10 copies to the Secretary of the Senate, as we do also if there is a Senate bill and report of a private bill; the Secretary of the Senate gets 10 copies. But the drafter of this bill had forgotten that there was a Clerk of the House. It is just as essential that the Clerk of the House should have private bills and reports as it is that the Secretary of the Senate should have them.

Paragraph 5 of section 46 provides:

Of the Senate reports on private bills and simple and concurrent resolutions there shall be distributed, unbound, to the Senate document room, not to exceed 220 copies; and of the House reports on private bills and concurrent and simple resolutions, not to exceed 100 copies.

If it is a Senate bill and report, the Senate document room gets 220 copies. If it is a House bill and a House report, the House document room gets 200 copies. In addition to giving 220 copies of the Senate report to the Senate document room, we give the Secretary 10 copies; and then, having economy in our minds, when it comes to ourselves, we take 20 copies less for our document room of a House report than we give to the Senate, and we cut out the Clerk of the House altogether.

Mr. BARNHART. Mr. Chairman, will the gentleman yield?

Mr. MANN. Yes.

Mr. BARNHART. I think I can explain that to the satisfaction of the gentleman from Illinois. I hope I can. I do not know whether he is making technical criticisms or not.

Mr. MANN. Of course I am making a criticism of the bill.

Mr. BARNHART. The inference that the bill has not been carefully considered by the present committee is a mistaken inference. The fact of the matter is the present committee had before it the superintendents of the document rooms of the House and the Senate and their chief clerks, and my recollection is that it was the superintendent of the House document room, through the very efficient Mr. Joel Grayson, who is so helpful to all of us, who gave us the information in many of these instances. Where large numbers of documents are printed, authorized by the House, there has been little or no demand for them; and he suggested the limitation; and, just the opposite, the superintendent of the Senate document room found that there was a constant demand from him.

The figures may have been slightly changed, but it was done upon the recommendation of these agents of the House and the Senate, who insisted that was the number of documents they ought to have to furnish the supply. For instance, in the matter of private pension bills the number printed are a burden upon the House side, and we have a provision in the bill to abolish them entirely until they are reported out. This because of the 100 that are printed the man who introduces the bill probably puts 1 in his file, and of the balance of the 100, 1 is sent to the man for whom the bill is introduced and the rest go to the junk heap. That is done in the House in such large proportions that our investigations led us to fix these numbers upon the basis upon which they are scheduled, and while some of them may not look right, I think that when we come to the consideration of the bill by paragraphs we will be able to show from the hearings that in the main the bill has been carefully digested and arranged, as I said in the opening statement, according to the evidence of the needs of the Congress, and which we ascertained from an examination of those whom we believe to know what is needed.

Mr. MANN. Mr. Chairman, I do not propose to argue the question. If any gentleman's mind is so constituted that he believes that 98 Senators need 220 copies of a Senate report upon a private bill and 435 Members need only 200 copies of a House report upon a private bill, the matter is beyond argument. The mere statement of the case answers all that the gentleman from Indiana has said. Senators have no greater use for Senate reports on Senate private bills than House Members have for House reports on private House bills. I do not undertake to say what is the correct number, though I have been here and have seen superintendents of documents come and go, and have kept fairly well in touch with the documents and reports of both the House and the Senate.

Take section 47, paragraph 1, and we find the following provision:

There shall be printed of each Senate and House bill and resolution the number of copies for the following distribution: Of all public bills and joint resolutions there shall be distributed to the Senate document room not to exceed 300 copies, to the office of the Secretary of the Senate not to exceed 15 copies.

The Secretary of the Senate comes in in both places. The Clerk of the House is not recognized at all. There is no more need for the Secretary of the Senate having a file of these documents than there is for the Clerk of the House; but the Joint Committee on Printing—and this is my main objection to it—since I have been here has always been dominated by the Senate or a Senator. I have great regard for the Senators who have dominated it.

Mr. BARNHART. Mr. Chairman, the gentleman is always fair and instructive, and I believe that I can help him in this instance.

Mr. MANN. I am very much in need of help.

Mr. BARNHART. I will call attention to the fact that the provision to which he is now referring is practically a reenactment of existing law.

Mr. MANN. That does not make any difference to me.

Mr. BARNHART. The fact of the matter is the House committee made up its own bill, and we have many changes in the House bill from the Senate bill. These figures and estimates were made after we compared notes and had a meeting with the superintendents of the document rooms of the House and the Senate, with the result that they set forth that the estimates were the demand of the Senate, and that that was what they needed. Of course we then decided that inasmuch as the Senate would insert that in their bill anyway, if that is what they need—and I am in favor of letting them have what they need—that we might as well put it in our bill; but if the House does not need any more than was indicated to us, the Committee on Printing is not in favor of forcing any greater number upon the House.

Mr. MANN. The gentleman from Indiana is a little behind. He is answering an argument made some time ago and that he answered once before. Will the gentleman now tell me why it is necessary for the Secretary of the Senate to have 15 copies of every bill and not necessary for the Clerk of the House to have them?

Mr. BARNHART. That is for the reason that there is a different organization in his office, or so he sets forth to us, and that there was a demand for them, and that he had use for them and must have them to meet the demand.

Mr. MANN. That is childish. I would not say that of the gentleman from stating that, but if the Clerk made that statement, it is a childish statement. The Secretary of the Senate performs the same functions for the Senate that the House Clerk performs for the House. He has no more need of documents than the Clerk of the House, and I presume both ought to have and keep a file of them. The Clerk of the House wants these bills and ought to have them, and no provision is made in the bill for the delivery of any to the Clerk of the House; no provision in here, as I recall, for the bill to be delivered to the committee which has to act upon it, unless you get it from the document room. You take care of the Senate. When I was chairman of a committee they used to bring us—maybe we sent for them, I do not know, but we always had some copies of the bill delivered and always used to have from 15 to 25 or 30 copies of every public bill in the committee room. In addition to the number that would go to the members of the committee, there was always one copy of a bill to every member of the committee. You do not provide for doing that. You can not give every Member of Congress a copy of a public bill under the terms of this act. You do not make any pretense of taking care of the Clerk of the House, who has to have copies of the bill.

Section 50, paragraph 2, says:

SEC. 50, PAR. 2. Whenever any committee or commission of Congress shall have printed hearings or other matter relating to their official business, not confidential in character, there shall be printed, in addition to the number authorized for the use of the committee or commission, sufficient copies to meet the following distribution: To the House document room, 1 copy to be delivered to each Member, Delegate, and Resident Commissioner, and not to exceed 50 copies in addition thereto; to the Senate document room, 1 copy to be delivered to each Senator, and not to exceed 25 copies in addition thereto.

Of course that is an entirely new proposition. I can not imagine anything more grossly extravagant and unnecessary than that. We print hearings by the thousands upon thousands of pages. A Member of Congress who is interested in a particular hearing can obtain a copy of it from the committee room, or if there is an excessive demand from the public the House gives authority to print additional copies. But here is a proposition that a copy of every hearing before every committee shall be delivered to every Member of Congress. Why, you might as well say you will send the Library of Congress to each Member of Congress. What good does it do? It adds to the amount of money we receive from the sale of waste paper, because every

Member of Congress every session of Congress will throw away a pile of hearings that would reach from the floor to above the top of his head, and he will not look at them at all unless he is specially interested; and if he is specially interested, he gets the hearings. Now, I do not know who made the estimate about how much this would cost extra, but I would like to ask my friend from Indiana, What is the estimate of the extra cost by the reason of the publication of these hearings?

Mr. BARNHART. I do not recall.

Mr. MANN. Very well.

Mr. BARNHART. The fact of the matter is the gentleman from Illinois has an entirely different conception of the meaning of this section of the bill from what the committee has.

Mr. MANN. Well, let me read and see whether there is any difference of meaning. It says:

SEC. 50. PAR. 2. Whenever any committee or commission of Congress shall have printed hearings or other matters relating to their official business, not confidential in character, there shall be printed, in addition to the number authorized for the use of the committee or commission, sufficient copies to meet the following distribution: To the House document room, 1 copy to be delivered to each Member, Delegate, and Resident Commissioner, and not to exceed 50 copies in addition thereto; to the Senate document room, 1 copy to be delivered to each Senator, and not to exceed 25 copies in addition thereto.

How anybody can have a different opinion of what that means passes my understanding. It is as clear as the English language can be written.

Mr. BARNHART. It is as clear as language can possibly make it that that restricts the publication of hearings. It sends 1,000 copies of hearings to the committee and then furnishes 1 to each Member of Congress, just as the committee intended to limit it.

Mr. MANN. Mr. Chairman, the gentleman from Indiana is hardly correct in his statement to the committee. There is no change in this from the number of hearings now authorized to be delivered to the committee. This is in addition to the number which the committee receives. It says one copy to be delivered to each Member of the House. It will take quite a corps of men to deliver them.

Mr. BARNHART. I trust I am not intruding on the gentleman's time, but here is the situation which confronted the committee in the consideration of this matter: When 1,000 copies of the hearings are sent to the committee, ordinarily the members of the committee who are interested in these hearings and who participated largely in the proceedings find it convenient to broadcast this 1,000, and they then come back to the House; and I want to say to the gentleman from Illinois that I think possibly I have lost the good will of otherwise very excellent friends because it has become incumbent upon me, in order to hold these appropriations down, we have had to refuse them continuously, and sometimes there is absolute need; so it was decided by the committee, after a very full consideration, it would be better to send by mail to each Member of Congress a copy of the hearings, and if he chooses to throw them away that is his misfortune——

Mr. MANN. That shows good sense.

Mr. BARNHART. And if he wanted to send them away he could do so, but we gave the committee the 1,000 hearings that they now have to which they are now entitled. Hereafter we will only send one copy under the provisions of this bill to each Member of the House, and if the Committee on Printing has the backbone it ought to have it will end there.

Mr. MANN. Now, Mr. Chairman, for a great many years I served on a committee of this House which, I think, had more hearings than any other committee of the House, and for a time I was chairman of that committee. The statement of my friend from Indiana that members of the committee sent broadcast the 1,000 copies of the hearings which were delivered to the committee is gratuitous and made without information. It is not the practice of committees to do that. It is not the practice of Members of Congress to do that. It is the practice of committees where they have requests from people indicating that they are interested in a particular proposition for the chairman of the committee to have a copy of the hearings sent to the list that is kept for that purpose. Now, that is a provision for a distribution of the hearings, and when the list exhausts the number that is allowed—the 1,000—then it is the duty of the Committee on Printing to allow more copies to be printed. Usually they have refused that during the last two years. Before the last two years under the law it was supposed that the Committee on Printing would order a reprint, and they would order a reprint when the 1,000 copies were gone. I do not know, but I presume you can still find in the Committee on Interstate and Foreign Commerce some hearings taken before that committee while I was chairman of it and before I became chairman of it, which were preserved in proper method, so that they could be reached for distribution when anybody desired them, much more carefully than the Joint Committee on Printing preserves anything.

Now, the proposition is that instead of increasing the number when there is a demand for it, which goes to the committee which will have charge of the distribution and which will have the request, you are going to deliver to each Member of the House a copy of these hearings when you know that Members of the House will not read them, will not retain them, will only throw them in the wastebasket if the Members have any sense. A Member of Congress can not read all the hearings of all the committees in Congress even if he could extend his time so that he had 240 hours a day instead of 24 hours a day, and if he did read them all he would not know anything when he got through. He would be a driveling idiot. Those things he wishes to know about he keeps posted about, and he gets the hearings. But this proposition here is a pure waste of money.

There is one thing I want to call attention to, and this is not a criticism in any way of the bill. We print what we call "slip" laws, and it is a very common thing to refer to a law by the number that is given. Slip laws are given numbers, according to each Congress, and you frequently find a reference to a slip law by number, say "No. 241." You do not know whether it is this Congress or the preceding Congress or a Congress of 10 years ago by the number, and very often you find this is referred to by people who suppose that Congress has had sense enough to inaugurate a system by which you could identify a bill or a law by its number, but you could not identify it by its number. I asked the State Department some time ago—during last summer—as they make out the copies of the laws for printing, if they would not change the methods so that each number would apply to a Congress, and the slip laws are now printed as "number so and so," say, "Sixty-third Congress." Well, that was a very good reformation so far as it went, and I congratulate both the State Department and myself for having it done.

Now, we make no distinction, as a matter of fact, between a joint resolution and a bill. They both have the same effect; they both mean the same thing. One reads, "*Be it enacted*," and one reads, "*Be it resolved*." They are both approved by the President. They usually refer to a bill by the date of its approval. Unfortunately, no one yet has ever been born who could prepare an index that met everybody's mind. My experience is, and I constantly refer to the Statutes at Large, if you know the date of a law you had better look for it by the date than look for it by the index, because I very rarely find at the first place I look for in the index what I am looking for. And speaking of indexes, I may say the worst indexed thing I know about is the House Calendar. I do not know who is responsible for that.

Now, you provide for a different series for laws and joint resolutions, and when they are printed in the Statutes at Large the laws are printed according to the date of their approval, in consecutive order. You do not print the joint resolutions until you finish with the laws, and so the dates of the joint resolutions come in consecutive order and the dates of the laws come in consecutive order. A sensible method of printing is to make no distinction between a joint resolution and a law, but to print them all in consecutive order and number them all in consecutive order. They are all laws. You call one a "joint resolution" and you call the other an "act," but they both mean the same thing.

A gentleman came on the floor of the House here not long ago, to my certain knowledge, who had a reference to a law by date. He looked in the Statutes at Large under that date, and found there was no law under the date. He was looking under the acts. The reference was simply to the law, and he came on the floor of the House to tell me there was no such law. Well, having been caught myself that way years ago, I suggested possibly that the man who made the reference was accurate, and asked him if he had looked under the head of joint resolutions. He said he had not, but supposed that they were all printed together, as they were all laws. He came back afterwards and told me he had found this law along with the joint resolutions printed in a different place in the book than where it would have been printed if it had been an act of Congress, although it meant the same, whether it was an act or a joint resolution.

Now, here is an objection I have to the bill. On page 59 it says:

That all publications allotted to a Member in his respective folding room shall be taken by him within two years from the date of their delivery to such folding room, and prior to the expiration of his term of office, or the same shall revert to the superintendent of documents, to be sold or distributed by him, as provided for by law.

Now, that is a new proposition. At the end of the Sixty-first Congress there was passed a law giving to the different Members of Congress certain documents, which was repealed at the

special session of the Sixty-second Congress. There has always been some conflict between the retiring Members and the new Members, but it has always been held, under the law, that a retiring Member of Congress had control over the publications in the folding room to his credit when he went out of office until his successor was sworn in at the beginning of the session of the Congress following. Now, I do not know why the Joint Committee on Printing has proposed this startling change in the law. Nobody here is asking for it. Just why should Members of Congress here legislate that when they get out of office they immediately lose the documents to their credit, and that the documents go to their successors who have not yet been sworn in? Of course, I believe in extending the hand of charity, but it seems to me that is a little too charitable.

Mr. BARNHART. Will the gentleman yield?

Mr. MANN. I will.

Mr. BARNHART. The gentleman from Illinois seems to proceed on the theory that these documents belong to the Members. They do not belong to the Members at all.

Mr. MANN. I will yield for an explanation, but not for an argument.

Mr. BARNHART. They belong to the districts and not to the Members, and if one Member does not send them out, and the district is entitled to them, his successor has the right to send them out, because they have paid their proportionate share for them.

Mr. MANN. They belong to the Member of Congress to send out. The retiring Member can send them out as well as the incoming Member. The gentleman has not given any explanation yet as to why he proposes such a radical change. I undertake to say to him that I do not think Congress is constituted of men so exceedingly foolish that they will make such a change. I do not know whether I shall go out of Congress at the end of this term or not, and no one else probably knows about himself, but I think that Congress is quite able, even if the Members are retired, to take care of their documents and franking privilege, as they now possess it, until the next session of Congress.

Nor do I see any reason why, if a Member has documents to his credit in the folding room, and is desirous of keeping certain kinds of documents there until he gets a set, he should be deprived of them at the end of two years. I have got some documents in the folding room that have been there for many years, where I endeavor to give a set to somebody who is interested in the subject treated, instead of sending them out as soon as I get them to Tom, Dick, and Harry, who may not be interested in the subject. But this proposes to say that at the end of two years—and no Member can know when the two years are up as to a particular document, regarding the date of its publication—he is to be deprived of them.

I must hasten along, because I see I shall not be able to finish all I desire to say within my hour. Section 57, paragraph 2, provides:

> The superintendent of documents shall, under the direction of the Public Printer, have general supervision over the distribution of all Government publications committed to his custody.

That is very similar to the existing law. I do not wish to complain about any of these officials. I have no doubt they do the best they can do. But the present system, while it may be economical, is not efficient.

Now, I am going to give you a particular case that is still on the table. On August 11 I received a telegram from the Dry Goods Reporter, of Chicago, asking me if I could have sent to them immediately copies of the Trade Directory of South America, another publication entitled "South American Markets for Canned Goods," and still another one entitled "South America as an Export Field." On receiving the telegram my secretary communicated with the Department of Commerce in reference to these documents, to know if they were available, and was told that they could all be obtained only through the superintendent of documents; that the directory would cost $1. We immediately communicated with the superintendent of documents, inclosing to him a form letter with $1, and asking that the Trade Directory be sent at once, as it was an urgent matter. Also the Department of Commerce sent the communication to the superintendent of documents, asking that the two other publications be sent to me. That was on August 11.

On August 12 the Chief of the Bureau of Foreign and Domestic Commerce sent me a letter in compliance with my request, as follows:

> DEPARTMENT OF COMMERCE,
> BUREAU OF FOREIGN AND DOMESTIC COMMERCE,
> *Washington, August 12, 1914.*
>
> Hon. JAMES R. MANN,
> *House of Representatives, Washington, D. C.*
>
> MY DEAR SIR: In compliance with your request over the telephone to-day, the bureau takes pleasure in inclosing herewith a subscription blank for the Trade Directory of South America, and to advise that copies of special agents' series No. 81, "South America as an Export Field," and special agents' series No. 87, "South American Markets for Canned Goods," will be sent to you by the superintendent of documents, Government Printing Office, who has been supplied with a mailing frank for that purpose.
>
> Very truly, yours,
> A. H. BALDWIN,
> *Chief of Bureau.*

That was August 12. My office does not stop with these things. We had communicated already by telephone. It was on August 12 that my secretary called up in reference to the matter and received this information. On August 14, not having received the documents "South America as an Export Field" and "South American Markets for Canned Goods" we called up the superintendent of documents in the afternoon and asked whether the documents had been sent to me. We were informed by the person answering the telephone that it was not possible to locate the order; that they could not tell whether they had received the order or not or whether they had filled it. We then asked whether the directory had been sent, in accordance with the order that had been forwarded, inclosing the $1, and the man answered that he could not tell anything about it, but would look it up and let us know.

The next day, the documents not being in the morning mail, we again called up the Chief of the Bureau of Foreign and Domestic Commerce and laid the facts before him. He promised to send the documents requested from his office and not wait on those to be sent from the superintendent of documents. My secretary asked the Chief of the Bureau of Foreign and Domestic Commerce if he did not think the delay in attending to this request was unusual, and was informed that it was the usual thing, that there was a great deal of trouble constantly arising about having documents sent out by the superintendent of documents.

On the same day, after we had called up the Chief of the Bureau of Foreign and Domestic Commerce, at a later hour we called up again the superintendent of documents, and the man who answered the telephone informed us that the Trade Directory of South America would be sent to the party desiring it on Monday morning, August 17. This was on the morning of Saturday, August 15, and a letter had been sent to them several days before.

That is not the way we do business in my office; and my clerks, not being familiar with that method of delay, asked why it was not just as easy to send that document out on Saturday morning as it was to wait until Monday morning, notwithstanding the fact that the office closes at 1 o'clock on Saturday; why it would take any longer to send out the document than it would to answer the telephone and tell why it could not be done.

Well, my clerk did not get any satisfaction from the person who answered the phone, and, understanding the business, asked to talk with the superintendent of documents himself. That official very properly and promptly said that there was no excuse possible to be given, and that the document would be sent out at once, and that the clerk that had answered in the way he had would be "called down." I presume that was done; and very likely the Trade Directory, for which we had forwarded a dollar, has gone out. As to the two other documents that we asked for, first on August 12—what is the date of to-day?

SEVERAL MEMBERS. The 19th.

Mr. MANN. We have not yet received them.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. MANN. Now, I would like to have some gentleman who wants to transfer all this work to the superintendent of documents explain why it takes from August 12 to August 19, after repeated inquiries, to get two documents out of the superintendent of documents. Meanwhile I have gotten those documents from the Chief of the Bureau of Foreign and Domestic Commerce, who is efficient, while the other office is entirely inefficient. [Applause.]

Mr. BRYAN. Mr. Chairman, the proposition I desire to take up for a few minutes has to do with an extension in the RECORD, and is especially in order in connection with the discussion of this printing bill. In addition to that, the extension in the RECORD has special reference to the circulation and distribution of speeches for campaign purposes, and that makes it doubly in order for me to discuss this matter at this time. The extensions I refer to were made principally by my colleague, Mr. HUMPHREY, on a leave to print granted him either in connection with one of his tariff utterances or under general unanimous consent to extend on the reclamation extension bill. I have searched the RECORD for his authority and have concluded that it was under this latter authority that he acted. I am not questioning his authority. The further extension by the gentleman from Washington [Mr. LA FOLLETTE] seems to have been under similar authority. I have not found in the RECORD

where either of the gentlemen asked for permission to extend the particular matter, but, as stated, I do not question the regularity of the authority in either case.

The particular reference in the speech, or in the extension to which I have referred as making my remarks particularly in order, is one which lauds my colleague [Mr. HUMPHREY] as a Member of this Congress and urges his retention and inferentially the retirement of myself, because of the fact that his speeches made out of Congress are so popular and there is such a demand for them that they have very wide distribution through printing in the RECORD and distribution under Government frank. The statement referred to is as follows:

He has taken first rank in the debaters of the House, more than 75,000 copies of his speech at Indianapolis having been printed and circulated in various portions of the country.

These extensions in the RECORD are purely political propaganda, and they were preceded by attempts on my part to keep such matters out of the RECORD, as the facts will show.

It so happens that, by virtue of a legislative reapportionment in the State of Washington, it will be impossible for both my colleague and myself to return here after March 4, 1915.

On the 14th of last July, on the floor of this House, my colleague [Mr. HUMPHREY], without any challenge or provocation whatever on my part, suggested a criticism of my record. At that time I very much questioned the policy of injecting political controversies into the RECORD, and I still disapprove of such procedure. In accordance with those ideas, I made the following statement, which was incorporated in the RECORD of that day's proceedings:

I have planned to keep out of the debates or proceedings of this House any reference to the campaign between us as to the representation of the first congressional district on this floor. That is a matter for the hustings in my State. But in my colleague's brief reply to the gentleman from Alabama [Mr. HEFLIN] a while ago he threw down the glove before me, in a sense, by criticizing my vote on the tariff. * * * That glove I shall cheerfully take up at the proper time and place, which is during the campaign and in my district. "The proof of the pudding is in the eating thereof," and I have decided to put the matter up to him in the following manner:

My colleague [Mr. HUMPHREY] having in public debate this afternoon in this House referred to and adversely criticized my vote on the tariff, I invite the gentleman to meet me and as many of the people of the first congressional district of the State of Washington as care to attend at a public meeting at the Dreamland Rink, at Seattle, Wash., a hall with a seating capacity of 5,000 people, on such date in the month of September next and under such rules as may be agreed upon by Mr. J. C. Herbsman, the State chairman of the Progressive Party, on my behalf, and some other person to be named by my colleague on his behalf; provided, that the rules to be adopted shall make it in order for Mr. HUMPHREY to defend his own record on the tariff and other matters in Congress and to attack mine, and for me to defend my record and attack his; and provided further, that at the close of the last speech, without further delay, the question of who pays the expenses of the meeting—not to exceed $250—shall be submitted to the audience and decided by majority vote; the amount of such expenses to be deposited pending the decision of the audience by each of the speakers while the band plays but before the speaking begins. R. S. V. P.

HUMPHREY IGNORES INVITATION AND EXTENDS IN RECORD.

Up to this time I have received no answer whatever to this invitation. It is evidently the intention of my colleague to ignore it entirely. But that is not all of the story. If that were all, I would say no more here on the House floor.

Determined not only to ignore my proposition, my colleague and his friends have made almost unprecedented use of the CONGRESSIONAL RECORD, with campaign statements and voluminous arguments on his and their behalf. When these glaring statements are sent out under frank to the voters of the first congressional district—and I understand some 20,000 copies have already gone out, besides very extensive newspaper publications—I will have no adequate way of answering them, since it is plain that my colleague will not meet me as I have suggested.

For these reasons I am compelled to answer these statements, which contain glaring inaccuracies that must be controverted. Surely, a Member, under such circumstances, would be totally derelict to duty if he did not take such a course. It is not a matter now of campaigning for myself or against my colleague, but the rendition of a public service in correcting misstatements that will work great injury if not corrected.

On July 17, three days after my remarks, Mr. HUMPHREY inserted in the RECORD, under leave to print, four voluminous letters, addressed to Hon. W. A. Rupp, chairman Republican State committee, Aberdeen, Wash. One of these letters was from Senator WESLEY L. JONES, one from Mr. HUMPHREY, and one from the gentleman from Washington, Mr. JOHNSON, and one from the gentleman from Washington, Mr. LA FOLLETTE.

Following these letters came the platform of the late Republican State convention, held at Tacoma, Wash. In this series of letters each of the gentlemen were more or less complimentary of the other, carrying out the principle, "I'll tickle you, love, in your lonesome ribs if you'll tickle me, love, in my lonesome ribs." Mr. JOHNSON made this highly humorous reference to my colleague, Mr. HUMPHREY:

Show me—

Says the gentleman—

any New England or southern State that would call upon men like JONES and HUMPHREY * * * to even think of having to fight to hold the advanced positions which they have earned among the lawmakers of the Nation.

These letters and the party platform cover more than six pages of the RECORD, and if put into an ordinary pamphlet would make 20 pages. Just for pastime, I am going to quote a few selections from the pen of my colleague, so as to remind the Members of one of the leading traits of this gentleman, who, according to my other colleague, Mr. JOHNSON, would not "even have to think of having to fight for reelection if he lived in a southern State."

These selections are taken from the extension in the RECORD and from the Indianapolis speech made to business men and others, of which speech 75,000 copies have been printed at the Government Printing Office in addition to insertion in the RECORD:

Every day this Nation is going in debt more than a million dollars.
To-day 238,000 freight cars stand idle.
To-day 500,000 railroad employees are out of work.
To-day more than 3,000,000 men are idle, asking for work.
To-day the balance of trade is against us.
The business of this Nation has decreased a million dollars every hour that Woodrow Wilson has been in the White House.

In view of that statement, too extravagant for an Alice in Wonderland, the following, which may be termed a "Eulogy of a dear friend's political career," appears to be a joke rather than the sober statement of a profound Senator.

He [Mr. HUMPHREY] now has a national reputation and is everywhere regarded as an authority upon the questions of the tariff, rivers and harbors, merchant marine and fisheries, and the Panama Canal.

Yet, according to Mr. HUMPHREY's expert figures, the amount of the Nation's loss, occasioned by the Democratic administration, at $1,000,000 an hour, aggregates something over $13,130,000,000 to date, an amount nearly equal to the estimated actual cash value of all the railroad systems of this country, or about one-tenth of the entire national wealth of the United States. The great European war now going on is said to cost $22,000,000 per day, but my colleague says the Democratic administration is costing the people of the United States $24,000,000 per day in business depression alone. This great loss, if Mr. HUMPHREY is correct, in the past 18 months has been enough to run this Government for 13 years, or build 33 Panama Canals; more than half the national debt of the seven greatest nations of the world; more than $5,000,000,000 in excess of the entire estimated cost of the Civil War, including losses of private property and military losses as well.

Here are a few more gems selected from among many:

The incomprehensible stupidity of the administration.
The Democratic Party has deceived, betrayed, and robbed the people of the Pacific coast.
This Nation practically declared war against an individual (Huerta).

It seems to nearly break his heart that President Wilson has thus far succeeded in keeping us out of war with Mexico. It would seem that Europe would present to him a lesson and make him glory, as I do, in the fact that we have not yet gone to war with Mexico, and I hope we never will. Here is a part of what he said about that:

The world furnishes no parallel of our blundering stupidity in our Mexican affairs, and it is charity not to designate it by stronger terms.

Charity, he says, not to call it worse than "blundering stupidity."

But he goes on in the same vein, which would certainly be cause for alarm on the part of the Street Speaking Reform Association of Seattle if such language were heard on the public street. Listen to it and judge for yourself:

It will be a gainful day to this Nation when that prince of peaceful blunderers, that foremost of limelight lovers, once more takes up the poetic pursuit of filling his purse and feeding his longing soul on popular applause and again stands in Chautauqua's glad glare, in exciting contest with the yodeler, the acrobat, and the unadorned dancer, and leaves the affairs of state to subordinates or to happy chance.

I am glad to say on behalf of the people of Seattle and of Kitsap County, who compose the first congressional district, that the Secretary of State is loved and admired out there. Many differ from him as to political views, but all agree that he is an able and sincere man, and if Mr. HUMPHREY of Washington were to try to put that paragraph over to an ordinary Seattle audience he would have trouble with his audience, and yet one of these campaign documents, extended in the RECORD and signed by Senator JONES, says:

He has taken first rank among the debaters of the House.

But I will say that if my colleague had stopped with this abuse and the letters and platform I yet, perhaps, would have

said nothing here, but would have waited till I reached my district to make my comments; but he did not stop there.

CONGRESSMAN LA FOLLETTE INSERTS A VERY LONG LETTER FOR MR. HUMPHREY.

Quite to the contrary, his friend and political associate, Congressman LA FOLLETTE, Representative, Member from Washington, placed in the RECORD, under leave to extend remarks, on July 18, pages 13468, 13469, and 13470, another very long letter from Senator WESLEY L. JONES on the subject "HUMPHREY'S work in Congress." The letter is written to a party whom I do not have the pleasure of knowing, Mr. J. P. Todd, and appears to be undated. In this letter the work of Mr. HUMPHREY of Washington in Congress is placed squarely at issue, and I am forced to discuss it or else allow those fulsome inaccuracies of a political associate to go to the people unchallenged and fully vouched for by the public record of the greatest deliberative body in the world.

SENATOR JONES NOT A VOTER IN THE FIRST CONGRESSIONAL DISTRICT.

I desire to suggest here that the insertion of these various campaign documents in the RECORD, not only the various letters from each of the Members to the other, but the further letter of Senator JONES on behalf of my colleague, aside from what may be considered about the use of the CONGRESSIONAL RECORD, constitutes a unique and rather unusual precedent in this, that a Senator of the United States, who does not reside in the congressional district involved, would inject his opinion in this way into a controversy between two Members of this House as to which of those two Members should be returned to Congress.

I consider that that leaves the good sense of the Senator subject to criticism on my part, and I feel that it gives me the right and privilege to question his judgment. And in questioning that judgment I want to suggest in passing that only a few months back that same Senator took the position that William Lorimer was a good representative, and that he voted for William Lorimer as a Member of the United States Senate. So I suggest that when the Senator comes here, and through this RECORD, and through thousands and thousands of franked documents circulated and to be circulated in the first congressional district of the State of Washington, and through a hundred thousand newspaper copies published in that district, attempts to declare my colleague [Mr. HUMPHREY] to be a faithful and efficient public servant, and that he ought to be returned, and that I ought to be retired, he naturally submits himself to the question as to whether he is using the same measuring rod in judging my colleague that he used when he adjudged William Lorimer a faithful and efficient public servant.

Mr. NORTON. Will the gentleman yield?

Mr. BRYAN. I will.

Mr. NORTON. I understand the gentleman is criticizing certain Members of the House for using the CONGRESSIONAL RECORD for political purposes.

Mr. BRYAN. No; I am not. I am criticizing a United States Senator for using the CONGRESSIONAL RECORD for the publication of inaccuracies and false statements. As far as the statements are true, it is all right.

Mr. NORTON. And criticizing his fellow Members, Mr. JOHNSON of Washington and Mr. HUMPHREY of Washington, for using the CONGRESSIONAL RECORD to send out and disseminate certain letters throughout the State of Washington. Is that right?

Mr. BRYAN. I am criticizing them; yes.

Mr. NORTON. Does not the gentleman recall that he as a Member of this Congress has used the CONGRESSIONAL RECORD just about as voluminously for that purpose as any Member of Congress, and does not the gentleman think that right here and now would be a good place for him to practice what he is attempting to preach and not use the RECORD in this way?

Mr. BRYAN. I will say that anything I have ever extended in the RECORD, or set out in the RECORD, is subject to an attack on the floor by gentlemen who speak, and I am willing to have the accuracy of any matter I am involved in brought in question and will not make any objection as to the jurisdiction or right of any Member to do it.

Mr. NORTON. Does not the gentleman think that the proper place to have such a discussion is out on the field of political battle in Washington rather than taking up the time of Congress here?

Mr. BRYAN. I did; but if I had extended this answer in the RECORD without attempting to present it on the floor I would have been condemned. My colleague saw fit to extend these matters in the RECORD, and I am going to correct inaccuracies, for I think it is my duty to do so.

Mr. NORTON. The gentleman is going to do just what he criticizes others for.

Mr. BRYAN. No; I am going to tell the truth. [Laughter and applause.] Now, before I go into the real merits of the letter I want to take up a small feature of the letter.

The letter signed by Senator JONES divides the subject up into subheads, and near the end of the letter, under the heading "Attention to home interests," is the following:

Local matters. I think you know and everyone should know that no constituent, however poor or humble, however prominent or influential, has ever written to Mr. HUMPHREY that he did not receive a prompt reply and prompt attention to his request. During his entire service all these many matters have received his personal attention, and he has performed his heavy task ungrudgingly, feeling that it was his duty to do so.

In order to show that this indorsement is not warranted by the facts, and to emphasize the fact that it is not only William Jennings Bryan, Secretary of State, who has been called nicknames by my colleague, and as a sort of balsam or consolation to the great Democratic leader I shall read copies of some letters written by Mr. HUMPHREY to Mr. Lloyd Armstrong, of Walla Walla, Wash., one of the "poor and humble" constituents back in the State of Washington, and a letter from Mr. Armstrong to Mr. HUMPHREY. I will say further that I am well acquainted with Mr. Armstrong, and know him to be a splendid citizen and a thorough gentleman. He is a printer by trade. The copies which I insert are as furnished me by Mr. Lloyd Armstrong, who holds the originals. I have not seen them, but if these copies are not accurate I shall cheerfully submit to correction by my colleague, although Mr. Armstrong has offered to forward me the originals. Likewise if my colleague desires inserted in the RECORD the letters he received from Mr. Armstrong, I will gladly give them space here or give my consent to their publication in the RECORD at any time or place desired. The first letter reads as follows:

WASHINGTON, D. C., *June 30, 1914*.

Mr. LLOYD ARMSTRONG,
24 Jaycox Building, Walla Walla, Wash.

MY DEARLY BELOVED: When I kick a mangy cur in the ribs I like to hear him howl. Waiting with pleasant anticipations for your next yelp, I am,

Yours, truly, W. E. HUMPHREY.

Eighteen days later Mr. HUMPHREY of Washington wrote as follows:

WASHINGTON, D. C., *July 18, 1914*.

Mr. LLOYD ARMSTRONG,
24 Jaycox Building, Walla Walla, Wash.

MY DEAR SORE-SIDED FRIEND: So my last kick landed squarely in your "slats." Really, I do hate to hurt a brainless pup, but I do enjoy your howls. Trusting that you will delight me with another yelp, and with most pleasant anticipations, I am,

Sincerely, yours, W. E. HUMPHREY.

The following is Mr. Armstrong's reply to the last letter:

WALLA WALLA, WASH., *July 22, 1914*.

Representative W. E. HUMPHREY,
Washington, D. C.

DEAR SIR: A long time ago a prominent politician of the time was asked his procedure in his political speeches, and replied: "When I have a good argument, I present it calmly and convincingly; when I have no argument, I 'holler' and saw the air." In the latter event you use billingsgate.

Your letters have caused me much merriment, and you might continue them in the same vein. As they contain no information, I will not further reply to them. In any event, I have proven your unfitness for public life and your total lack of common cause with and contempt for your constituents.

You can change, if you will. Why not?

Yours, truly, LLOYD ARMSTRONG.

A subsequent letter to the same party, the copy sent me does not carry the date:

Mr. LLOYD ARMSTRONG,
Jaycox Building, Walla Walla, Wash.

MY GREATLY ADMIRED: I am not surprised to find that your yellow streak is equal to your howl.

Sincerely, yours, W. E. HUMPHREY.

The last of the series:

Representative W. E. HUMPHREY,
Washington, D. C.

DEAR SIR: Your last letter says to me: "I am not surprised that your yellow streak is equal to your howl." Coming from you, that remark is very funny.

But let us see who has the yellow streak. Suppose that we appoint impartial investigators as a board to investigate the acts of both of us for any number of years back to the present; their findings to be general property. Are you game?

Replies must be in the name of a third party, as any from you will be returned unopened.

Yours, truly, LLOYD ARMSTRONG.

Inasmuch as Senator JONES, from his high and powerful position, permits the use of the CONGRESSIONAL RECORD in an effort to elect my colleague and to retire me, I feel it is my duty to answer these things and show that the statements by the Senator who found Mr. Lorimer to be a fit public servant are not

correct, especially when he says Mr. HUMPHREY is so attentive to "each poor and humble constituent."

The following appeared in the Seattle Star, a leading independent newspaper of that city, a few weeks ago:

REPLY OF CONGRESSMAN HUMPHREY.

While brutal Cossacks in American uniforms are pitilessly riding down weak women and innocent children in blood-soaked Trinidad, ruthlessly cutting, slashing, and shooting them down; while monstrous onslaughts are made daily upon defenseless workmen who have the temerity to buck big moneyed interests; while soldiers are ordered to shoot and kill men because they are fighting for a bread-and-butter existence; while kind-hearted, whole-souled Mother Jones is kept in military captivity like the worst of animals; while the country is shocked by the brutality, inhumanity, bloodshed, and barbarism which holds reign in one of our States, Congressman WILLIAM E. HUMPHREY, of Seattle, complacently strokes his beard, draws his Government salary, eats his sumptuous meals, promenades along the boulevards, feasts at banquets, and, entirely self-satisfied, declares, "I should worry."

A few weeks ago Socialists at Anacortes sent a letter of protest to W. E. HUMPHREY, Congressman from this district, in regard to the outrages committed in the copper regions and asked for a congressional investigation.

After acknowledging receipt of the letter and resolutions, the statesman from Seattle has sent this reply to Miss Emma Sager, of Anacortes:

"It is my judgment that there has been entirely too much outside interference in this matter already."

A SNEER AT SUFFRAGE.

But it is not alone to individual constituents that my colleague writes his caustic letters, but by the wholesale he sneers at his constituents sometimes, as the following correspondence seems to show:

CONGRESSIONAL UNION FOR WOMAN SUFFRAGE,
Washington, D. C., June 20, 1914.

Dr. CORA SMITH KING,
The Olympia, City.

DEAR DR. KING: I am inclosing copy of a letter from Mrs. Norman Whitehouse, member of the Women's Political Union of New York. I have written her that I have forwarded a copy of her letter to you, and that you will do everything possible, I am sure, to induce a better attitude in Representative HUMPHREY toward the suffrage question.

Very sincerely, yours,

ALICE PAUL, *Chairman.*

The following is the inclosed letter referred to. Mrs. Norman de R. Whitehouse, who signs the letter, is the daughter of Mrs. Elizabeth Cady Stanton, a very distinguished woman.

118 EAST FIFTY-SIXTH STREET,
New York City, June 19, 1914.

MY DEAR MISS PAUL: I know your union is ready to fight the entire Democratic Party. Can you do something to one Republican Congressman? Last night, June 18, Mrs. Blatch was given a hearing before the New York Republican county committee. Her speech was, of course, excellent and very well received. The speaker of the evening was Congressman HUMPHREY, of Washington State. Mrs. Blatch had written to him asking him to mention woman suffrage in his speech, and I had telephoned to him to the same effect. He came in after Mrs. Blatch had spoken. When he began his speech he said he understood there had been a suffrage speech before he arrived, and coming from a suffrage State he would like to say that it did not cause dissension in the family. Every man voted the way his wife told him to and that made the end of it. The effect of this remark was most unhappy—a sneer at suffrage. I see the number of women eligible to vote in Washington is 277,727. Could not some of them be gotten to write and protest to him or do something?

Yours, sincerely,

VIRA BOARMAN WHITEHOUSE,
(Mrs. NORMAN DE R.)

Miss Paul then wrote Mrs. Whitehouse as follows:

JUNE 20, 1914.

Mrs. NORMAN DE R. WHITEHOUSE,
118 East Fifty-sixth Street, New York City.

DEAR MRS. WHITEHOUSE: I have sent a copy of your letter to Dr. Cora Smith King, of the State of Washington, who is here at the present time and who is treasurer of the National Council of Women Voters. I have asked her to have protests made to Representative HUMPHREY, and I am sure she will do everything that can be done in the matter. She is the most influential women that I know of with the Congressmen from Washington State.

Thank you for letting us know about Mr. HUMPHREY'S position.

As you doubtless know, we are having a deputation to the President on June 30, led by Mrs. Harvey Wiley. Would it be possible for you to join this deputation? It is called a deputation of club women, but that includes everyone, of course, as practically all of us belong to some kind of club. We do wish very much that you could come.

Hoping that you will be able to take part in this deputation, I am,

Very sincerely, yours,

ALICE PAUL, *Chairman.*

Dr. Cora Smith King's answer:

JUNE 22, 1914.

DEAR MISS PAUL: Thanks for referring to me the letter from Mrs. Whitehouse about Mr. HUMPHREY, of the State of Washington. I wrote the gentleman at once, as you see from the inclosed, which you are at liberty to send on to Mrs. Whitehouse for her encouragement. Will let you see what follows.

The gentleman from Washington doubtless conveyed his real opinion if he gave the impression of a sneer. He was wholly unregenerate on the subject when it was up before our voters, and is quite unreconstructed as yet, apparently. He was barely elected last time, and from current reports has little expectation of getting through this time. I will use this letter against him if he does not make a full recantation.

Yours, faithfully,

CORA SMITH KING.

THE NATIONAL COUNCIL OF WOMEN VOTERS,
Washington, D. C., June 22, 1914.

Hon. W. E. HUMPHREY,
House Office Building, District of Columbia.

DEAR MR. HUMPHREY: I am to-day in receipt of a letter from Mrs. Norman de R. Whitehouse, of 118 East Fifty-sixth Street, New York City, in which she quotes a part of your speech of June 18 before the New York Republican county committee. She says you said you "would like to say that it did not cause dissension in the family. Every man voted the way his wife told him to, and that was the end of it."

She adds, for herself, "The effect of this remark was most unhappy—a sneer at suffrage." She asks if the women voters can not do something about it. I am therefore writing to you, first of all, to warn you, in all friendliness, that it is not safe to joke about a subject that the whole country is taking so seriously. I advise and request you to write to the lady herself and make such amends as you see fit, by making some more constructive comment on the suffrage in our State, such as naming some of the good laws that have been passed since the women got the vote. If you have not this memoranda at hand and desire it, I will gladly phone or send it to you.

But please do something, and do it quickly, to remove the wrong impression you gave her. I will appreciate getting a report from you in the matter, since I am holding up my mention of this back in our State until such time as I might reasonably expect to hear from you.

Urging you to lose no chance to speak well of the working of woman suffrage in Washington, I am, with regards to your wife,

Yours, truly,

CORA SMITH KING,
Treasurer and Chairman Congressional Committee.

Mr. HUMPHREY replied to this letter with formal courtesy, but, according to Dr. King, the reply was merely a denial and was not accompanied by satisfactory affirmative statements.

Mrs. Emma Smith de Voe, president of the National Council of Women Voters, writes Dr. Cora Smith King concerning Mr. HUMPHREY'S position in this matter as follows:

I know he was opposed to woman suffrage during our campaign, and there is no doubt he has not changed.

Now, here is a United States Senator whose electioneering in a district in which he does not reside on behalf of Mr. HUMPHREY and, of course, against me, is inserted in the RECORD and made part of the proceedings of Congress:

I am pleased—

Says Senator JONES—

to comply with this request for a statement of the record of Congressman HUMPHREY, so far as it is possible to do so, and all the more so because of my continued service with him and because of our almost general agreement upon the important matters of legislation that have come up during the last 12 years.

The Senator refers to my colleague's labor record, and says it is something remarkable, or words to that effect; that he has been here all the time, working on behalf of labor, and he asks labor to work for him and support him.

THE TRUE LABOR RECORD OF MR. HUMPHREY.

I have secured from the American Federation of Labor the record votes of my colleague on matters of interest to labor. This data, which I now hold in my hand, shows his record and that of every other member of the Washington delegation, on propositions of interest to labor, and it is handed out by the American Federation of Labor without any partisanship whatever. It shows Mr. HUMPHREY'S position on various questions involving matters of interest to labor, wherein the Senator says he has generally agreed with him. I ask unanimous consent that this record, along with other matters, may be extended in the RECORD.

The CHAIRMAN. The gentleman from Washington asks unanimous consent to insert certain papers in the RECORD. Is there objection?

Mr. NORTON. I object.

Mr. BRYAN. Mr. Chairman, this is an insertion to which any friend of the gentleman from Washington [Mr. HUMPHREY] may well object. This record shows my colleague's opposition to labor in almost every instance. I am willing to give it to the public at any time, but I am not going to read it into the RECORD at this time, because its reading would consume too much time and there is something else at which I would rather use the balance of my time.

THERE ARE SENATORS AND SENATORS AND THERE ARE LA FOLLETTES AND LA FOLLETTES.

There appeared another comment on my colleague's record by another United States Senator, and perhaps the gentleman who just objected will not object to this being extended in the RECORD. It is a review of my colleague's record by United States Senator ROBERT M. LA FOLLETTE, of Wisconsin. In 1910 Senator LA FOLLETTE published in La Follette's Weekly, under the head of "Humphrey system specialist," an article giving his judgment of my colleague's record as a record of service to special interests, voting with unvarying regularity the system's program. He declares that my colleague sold at his time and talents on behalf of these interests. He mentions the interests which Mr. HUMPHREY supported:

The shipping interest, the railroad interest, the Standard Oil interest, the iron and steel interests, the sugar interest, the textile in-

terests, the smelting interest, the lumber interest, the coal interest, and the water-power interest, and all the other interests that together make up federated big business bound and riveted together by intercorporate ownership and community of interest and control.

The article written by Senator LA FOLLETTE's own hand continues:

In politics it is the representation of all these interests, organized in a common cause and cemented together by the cohesive force of public plunder. In politics the system uses its money to make "statesmen" and uses its "statesmen" to make money. Politics for profit is the slogan of the system and system interests. "Do you wish to invest in a Senator?" wrote Sibley to Standard Oil. So when a Congressman is representative for an interest he becomes by exchange of courtesies—through the logrolling that obtains in legislation, through the influence of legislation—representative for all the interests, for the system. Thus while HUMPHREY is primarily the champion of subsidies for the shipping interest, he is secondarily, but no less faithfully, the champion of all the interests and adherent to the Cannon system organization of the House. The RECORD shows him throughout his congressional service, when not giving himself entirely to his specialty of shipping subsidies, voting generally the system program.

A CANNON REGULAR.

The RECORD shows him an ardent "regular" of the Cannon machine.

The article continues. I would like to put it all in the RECORD, but I have not time to read it all. It takes up the record of Congressman HUMPHREY, with which Senator JONES says he generally concurred, and by example and instance on instance establishes his point that Mr. HUMPHREY was a system specialist. His article is divided into subheads. One title is "Killing the seamen's bill." Under this he shows Mr. HUMPHREY'S continued and persistent opposition to this meritorious and much-needed measure, and details his subserviency to the Cannon machine, instancing measure after measure. Yet Senator JONES devotes a section of his letter to make the very opposite impression. Under the heading "Man of political independence," Senator JONES says:

His political independence. He has the courage to follow his judgment, even against his own party. * * * While he is a partisan, he refuses to follow his party when its action does not meet with his conviction.

On another page of the same issue of La Follette's Weekly appears the following article:

WHAT HAPPENED TO HUMPHREY?

When something happens to a Member of the House of Representatives the Nation is interested. And rightly so. Congress makes the laws for the whole country.

At this moment the eyes of the people must be turned upon Congressman WILLIAM E. HUMPHREY. Something happened to him—quite recently.

HUMPHREY is a Representative from the State of Washington. Unlike most people in that State, he is a standpatter. He is one of "the faithful" in the Cannon machine. He is an ardent admirer of Cannon; at any rate he was on August 3. We have his own testimony as to that. Here it is:

"I believe in the obstinate integrity of that grand old man who for 36 years has held as with hoops of steel the confidence and esteem of his constituents and his colleagues, who for more than a generation has stood between wild extravagance and the National Treasury, who has saved this Nation more money than any other man that ever lived beneath our flag, who knows more about the wants and needs of this Nation than any other man in the Republic, who for years has borne his own sins and sins of every infernal coward in Congress, under whose leadership during the last eight years Congress has passed more important legislation than was passed in all the 30 years prior to that time—that grim old fighter that never asks quarter nor never gives it, the 'Iron Duke' of American politics—Speaker Joseph G. Cannon."

That was on August 3. Mr. HUMPHREY'S constituents may be pardoned for inferring from HUMPHREY'S remarks that there existed no hard feeling between Cannon and himself. Others who are not citizens of Washington may be pardoned for inferring the same thing. But many things may happen in the course of 19 days. For instance, a State like Kansas may leave Speaker Cannon a little the worse for wear after a face to face encounter. And States like Iowa and California may enter a vehement protest against Cannonism. And the big party bosses may hasten to sacrifice a man like Speaker Cannon in the interest of "party success." And little bosses all over the country may take their cue from the big bosses and desert their erstwhile czar and master. All these things may happen between the 3d of the month and the 22d of the month. Certain it is that something happened to HUMPHREY during this time. We have the evidence from his own lips. On August 22 he unbosomed himself to his constituents as follows:

"While I have had no official information upon the subject, press dispatches in the last few days have announced that Mr. Cannon would be a candidate for the Speakership of the next House of Representatives. I do not believe that he will be, however. I have waited several days for an authoritative denial from him, but he has not seen fit to make one. This action on the part of Mr. Cannon, which I regret very much, makes me feel that it is my duty to state publicly what my closest political friends have known for more than a year; that is, that I did not think it to the best interests of the Republican Party for Mr. Cannon to be a candidate for Speaker of the Sixty-second Congress; and if he was, that I would not support him. So long as he made no announcement I felt I should make no statement in regard to the matter.

"I have never attempted to conceal my attitude upon any public question from the people of my district, and I shall not do so upon this matter."

Let us not pause here to reflect upon the frailty of human devotion. Let us pass over HUMPHREY'S magnanimity in thus taking his constituents into his confidence. Let us not indulge in superfluous remarks concerning the awful designs upon his friend and patron—Cannon—that he hid in his heart, and the hearts of his closest political friends, for a whole year; designs that he cherished in secret while he gave vent to fulsome eulogies in public. Let us not yield to any of these obvious temptations to moralize. Let us rather seek an answer to a question. It is this: What happened to Congressman HUMPHREY?

I want to suggest that Senator LA FOLLETTE also took an entirely different view of Senator Lorimer, who is now under indictment, I understand, in connection with his bank failure, and came to a different conclusion from Senator JONES on this matter, too. Senator LA FOLLETTE thought that Lorimer was entirely unfit, and voted to expel him from the Senate. Is it possible—I am not going to say it is a fact—but is it possible that this difference of view had something to do with the entry of Senator JONES into this campaign for Mr. HUMPHREY and against me? I would not have referred to these matters or brought them up on the floor if the CONGRESSIONAL RECORD and the leave to print had not been used to circulate the letter of Senator JONES.

Mr. STAFFORD. Mr. Chairman, I raise the question of order—that the gentleman is out of order in referring to a Member of a coordinate branch and criticizing his actions. Nothing is more violative of the rules than that a Member of the House should refer disparagingly to a Member of another coordinate body.

The CHAIRMAN. The point of order is well taken, and the gentleman will proceed in order.

Mr. BRYAN. Mr. Chairman, I am reading from La Follette's Weekly, a newspaper published at Madison, Wis.; and when I was reading a while ago from a letter——

Mr. STAFFORD. Mr. Chairman, a question of order. The gentleman was not reading from La Follette's Weekly. He was criticizing by name a Senator of the United States, and he had not any right to do so.

The CHAIRMAN. The point of order is well taken, and the gentleman will proceed in order.

Mr. BRYAN. Mr. Chairman, I shall continue to proceed in order, as the Chair has directed.

Mr. COOPER. Mr. Chairman, one moment.

The CHAIRMAN. Does the gentleman yield?

Mr. BRYAN. Certainly.

Mr. COOPER. Mr. Chairman, I do not wish to enter into this controversy at all. I do not know anything about the merits of it one way or the other, but is it out of order—because this is establishing a precedent here—if a United States Senator writes a private letter in my district and the letter is put in the RECORD for me to refer to that letter and to the Senator because of that act? I thought the matter of privilege went only to the Senator and his rights as a Senator and what he says on the floor of the Senate.

The CHAIRMAN. The Chair thinks the gentleman from Wisconsin is right, and yet the Chair will hold that the criticism of a Member of the Senate on the floor of the House broadly was not within the rule.

Mr. BRYAN. Mr. Chairman, I want to suggest to the gentleman that I did not say that Senator JONES did anything wrong in voting for Lorimer. I merely said that he did it. That may be one of the proudest acts of his life. Mr. Lorimer met with his approval; so did Mr. HUMPHREY. I only asked if it was possible that he was measuring my colleague by that same measure. I did not say that he did anything wrong. It is the gentleman from Wisconsin [Mr. STAFFORD] who gets up and flies to the defense of Senator JONES, and says that I have accused him of doing something very wrong. It is he who condemns the Senator. I did not condemn him.

Mr. STAFFORD. Mr. Chairman, the gentleman knows full well that his only purpose is to besmirch Senator JONES. Why has he not the courage to say so openly?

Mr. BRYAN. Mr. Chairman, the statement of the gentleman is as false as he is tall, and he is a 6-footer.

Mr. STAFFORD. Mr. Chairman, I call the gentleman to order, if nobody else does.

Mr. BRYAN. The gentleman ought not to have made his statement, and I am willing to extract mine from the RECORD.

Now, gentlemen, I have about finished, although there are some brief documentary matters that I should have the right to extend in the RECORD—I want to say, as I said at the outset, the only occasion, the only reason why I inject this matter into the RECORD is because these voluminous letters by these gentlemen, and the copy of the platform, and especially this letter of Senator JONES has gone out in large numbers into my district, and I do not believe there is a fair man on this floor who will not realize that it is only legitimate and straightforward for me to answer at the same tribunal a matter——

Mr. CLINE. Will the gentleman yield?

Mr. BRYAN. In a moment—a matter that was put in the RECORD, and practically every work that was placed in the RECORD by my colleagues was placed in there under leave to

print on the state of the Union, or some general unanimous consent. Now, I yield to the gentleman from Indiana.

Mr. CLINE. I want to inquire of the gentleman from Washington whether he assumes there is an understanding between Senator JONES, of Washington, and Mr. HUMPHREY, of Washington, that the Senator shall assist Mr. HUMPHREY in his canvass of his district, and that is the reason why these letters have been inserted in the RECORD.

Mr. BRYAN. There is no question of their being confederates and associates in this political enterprise. They expect to help each other.

Mr. CLINE. I ask the question for the reason that if it appears that there was any confederation shown or intimated by the gentleman from Washington, and if his colleague from Washington and the Senator sought the CONGRESSIONAL RECORD for the purpose, then the gentleman from Washington [Mr. BRYAN] is clearly right in answering here.

Mr. BRYAN. I will risk that proposition, all right. They can not have exclusive use of the RECORD. It is a poor rule that will not work both ways. The letter of Senator JONES recommended earnestly the retention of Mr. HUMPHREY in Congress, and, of course, my retirement.

I will state further that I have also the roll call from Collier's of my colleagues votes for a long time back, and if there is anything left unsaid or any document or article I have referred to that my colleague would like to have inserted in the RECORD I am prepared to insert it.

I much prefer him to accept my proposition, however, and refrain from extending campaign letters in the RECORD, but meet me out in the State of Washington along in September, when we both can get an opportunity to present these matters to the voters. I agree that these things ought not to be presented here, but when a Member does put things in the RECORD, when a Member does extend his letters and documents and put matters at issue, as was done in this case, it puts me in such a position as to make it necessary to adopt this means of meeting it. I have only inserted part of the La Follette's Weekly article; the rest of it I will insert if my colleague wants it and unanimous consent is given; or if he wants to meet me out at Seattle we will read the article to the people and let him answer it in person or through Senator JONES. [Applause.]

MESSAGE FROM THE SENATE.

The committee informally rose; and Mr. UNDERWOOD having taken the chair as Speaker pro tempore a message from the Senate, by Mr. Carr, one of its clerks, announced that the Senate had passed without amendment bills of the following titles:

H. R. 11740. An act to amend an act entitled "An act creating a legislative assembly in the Territory of Alaska and conferring legislative power thereon, and for other purposes," approved August 24, 1912; and

H. R. 92. An act to extend the general land laws to the former Fort Bridger Military Reservation, in Wyoming.

The message also announced that the Senate had insisted upon its amendments to the bill (H. R. 6282) to provide for the registration of, with collectors of internal revenue, and to impose a special tax upon all persons who produce, import, manufacture, compound, deal in, dispense, sell, distribute, or give away opium or coca leaves, their salts, derivatives, or preparations, and for other purposes, disagreed to by the House of Representatives, had agreed to the conference asked by the House on the disagreeing votes of the two Houses thereon, and had appointed Mr. SIMMONS, Mr. WILLIAMS, Mr. THOMAS, Mr. MCCUMBER, and Mr. SMOOT as the conferees on the part of the Senate.

The message also announced that the Senate had agreed to the amendment of the House of Representatives to the bill (S. 5739) to present the steam launch *Louise*, now employed in the construction of the Panama Canal, to the French Government.

The message also announced that the Senate had agreed to the amendments of the House of Representatives to the bill (S. 5977) to authorize Bryan Henry and Albert Henry to construct a bridge across a slough, which is a part of the Tennessee River, near Guntersville, Ala.

REVISION OF PRINTING LAWS.

The committee resumed its session.

Mr. MCKELLAR. Mr. Chairman and gentlemen of the committee, I am not going to talk about the printing bill. I am going to leave that to my friends, Mr. BARNHART, Mr. FITZGERALD, and Mr. MANN. I think it is in good hands and we will work out a proper bill in that regard. I am not going to talk about politics either. I have up to date neither Bull Moose nor Republican opponent, and I hope I will not have; and therefore that matter is of no burning importance yet, and I hope will not be. But I do want to talk about, for a little while, gentlemen, the proposition that is of live interest to the people of America and especially to the people of the United States to-day. Nothing is nearer, not the heart, but the pocketbook of the American people than the high cost of living, and to show the interest that the people have in that subject to-day, there is not a district in the United States and not a city in the United States wherein an investigation of this subject is not being carried on by Federal or local authorities or both. I became interested in this matter more than a year ago, and for quite a while I have been investigating why it was that there was such a great difference between the prices that are received for their wares by the producers of such wares and the prices that are demanded of the consumers of those same wares. It was with this end in view that about a year ago, or a little less, I introduced into this House a bill regulating cold-storage warehouses throughout the United States engaged in interstate commerce. This question, I want to say to the committee, is not a new one. It has been investigated before. In 1910 and in 1911 special committees of the Senate and special committees of the House investigated the subject, with the result that on March 3, 1911, a bill was reported out. A committee of the Senate, presided over by the late Senator Heyburn, held extensive hearings on this subject, and unanimously reported a bill to the Senate regulating cold storage in this country. That bill did not become a law.

The bill that I have introduced in the House is along the same lines of the bill introduced and recommended in the Senate by the committee presided over by the late Senator Heyburn. Last fall, when this bill was introduced, it created great public interest, for the reason that there were certain commodities, notably eggs, the prices of which had gone to remarkable heights. But later on, when the supply in the spring became greater, the interest in the question dropped to some extent; and, in the next place, while the bill was pending before the Committee on Interstate and Foreign Commerce the President desired to have the antitrust bills considered by that committee, and the hearings on my bill were postponed until recently, when short hearings were held, but have not been completed as yet.

Since the war in Europe has broken out, gentlemen of the committee, interest in this matter has again become acute, and ought to be acute. These investigations are being carried on now for the purpose of determining who are to blame for the remarkable increase in prices, and I want to discuss that feature of the case with you.

This bill provides that certain meats used every day in every family and every household shall be kept in cold storage only a limited time. What for? For the purpose of preventing the packers who are in combination from demanding exorbitant prices for those meats. Just to show you how concerned the great body of the plain people are on this subject, I am going to read, with his permission, a letter that my friend Representative EAGAN handed me a moment or two ago, not knowing at the time that I intended to discuss this subject this afternoon. I say I read it for the purpose of showing that this is a question that reaches every family in the country, the poor and the rich alike. And the appeal that is given here shows that in a more effective way than I can talk about it. It says:

HOBOKEN, N. J., *August 15, 1914.*

Hon. JOHN J. EAGAN.

DEAR SIR: I think that I have a very good way of solving the high cost of living by the Congress and United States Senate getting together and immediately passing a bill that will not allow the cold-storage houses to keep meats of any kind or vegetables or anything perishable longer than 15 days; anything kept over the limited time will be sold by the Government and the owner of storage houses and owner of goods sent to jail for not less than 7 years nor more than 20 years without a fine. It will only take about one week to pass a law like this if the Congress and Senate get busy.

Hoping you will oblige a poor mother with 10 children,

Respectfully,

MRS. MEYER,
221 Madison Street, Hoboken, N. J.

[Applause.]

You will find in the hearings here that have been printed letters and editorials from every State and every congressional district in this Union in approval of the cold-storage bill that has been introduced into this House by me. Innumerable letters from every portion of the country, innumerable editorials from almost every paper of any importance in this country, and, with four exceptions, as I now recall, every one of them demanding of Congress or asking of Congress or pleading with Congress to pass such a measure. Why? It is just as simple, gentlemen, as that two and two make four. We know, whatever else may be said, that the packing-house interests in this country absolutely control the prices of meat.

They fix them on one day in every week in every town and every city in this country, not by the law of supply and demand, but because we have in cold storage as it is now managed an instrument here which enables them to disregard any such law of supply and demand. But they merely have their agents, who on every Thursday morning, I am told, in the city of Memphis, where I live, meet and say that the price of meats shall be thus and so for the following week. And every butcher, every dealer in that city, must sell it at that price and at no other price.

Talk about monopoly! Talk about combination! Gentlemen, that combination or that monopoly that will thus control the price of the very necessities of life is the most outrageous, the most unjust, and, in my judgment, should receive from this Congress its earliest disapproval. [Applause.]

Mr. Chairman and gentleman, I say they control it. This bill provides that the United States Government shall have the right to inspect packing houses in this country. Do you imagine it has any such right now? Why, it has no more right to-day than it has to go into your pocket and inspect how much money you have got. Meat for the most part is a subject of interstate commerce; packing houses do almost an exclusive interstate business, and not a line or a syllable in the law passed by this Congress for their regulation. Subject to State regulation? Yes. But we know how that is done. Very few of the States regulate them, and they have become so powerful and so proud that they have no respect for either the State authorities or for the national authorities, and the way they treated our friend, the late Senator Heyburn, of Idaho, was simply outrageous in the extreme. I do not think I could better show you just the way they did him and his committee than by reading a letter or two from Mr. Armour and from Mr. Swift.

Mr. CLINE. Will the gentleman permit a question there?

Mr. McKELLAR. I certainly will.

The CHAIRMAN. Will the gentleman from Tennessee yield to the gentleman from Indiana?

Mr. McKELLAR. Certainly. I would prefer if the gentleman would permit me to go on now——

Mr. CLINE. It is very brief.

Mr. McKELLAR. Very well.

Mr. CLINE. I wanted to inquire whether the gentleman would go to the extent of authorizing some governmental agency to fix a maximum price under any conditions?

Mr. McKELLAR. Oh, no. That is not a governmental function at all. What we want to do is to regulate them, so that the law of real supply and demand will influence and control their actions and not just the question of their greed, the question of how much they will take. And to illustrate what I say, let me mention——

Mr. BRYAN. The practice obtains with respect to many products besides meat—products that are not affected by the cold-storage proposition?

Mr. McKELLAR. Yes; but the gentleman would be surprised to know how many products are absolutely controlled by the cold-storage companies and packers. How many would the gentleman say? A dozen or a half dozen? Oh, no. There are in the neighborhood of 300 products in this country, the price of which, the control of which, depends upon these warehousemen and these packers, with no Government control over them; and I will take the time right here to show you why control is so necessary. If a man has 100 beeves in his pasture, he, the producer, has got to sell them. Why? If he does not, they will eat their heads off. So they are killed and put in cold storage and kept for 6 months, 12 months, 18 months, 2 years, 3 years, or 5 years, as the case may be. Why? Is that packer in the same position as the producer? Oh, no. The producer has to sell or the cattle eat their heads off. But it is different with the packers. It costs only a fraction of a cent to keep that meat in cold storage indefinitely; and the packer, practically speaking, without cost to himself, can put that meat on the market whenever he pleases, and there is no man to say him nay, and unfortunately no law under which he may be regulated.

When, however, you fix a limitation, depending on the nature of the commodity that is kept in cold storage, when you fix that limitation upon him, what does it do? It puts him again under the control of the law of supply and demand, because he can not keep it longer than that; and when you have done that, then it is that you have to investigate him and keep track of that. And that is just what this bill provides for—the investigation of it.

Why, they tell me that they put any kind of beef into cold storage—good beef, bad beef, indifferent beef, all kinds of beef, and all kinds of hog products in cold storage. A great many people do not know but what cold storage rather helps articles put in cold storage. Well, cold storage merely keeps it in the same condition it was in when it was put in. They do this without regulation. Why, gentlemen, we ought to have a law that will force these packers and warehousemen to submit their products to examination by Government officials when their products are intended to go into interstate commerce, to see that the food that the American people have to eat shall be pure and fit to be eaten.

Mr. FOWLER. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman yield?

Mr. McKELLAR. Certainly.

Mr. FOWLER. I desire to inquire if the gentleman has investigated as to the character of the preservatives used by the packers?

Mr. McKELLAR. Yes. They use all kinds of preservatives; some that are good for the human body when taken into the system, and others that are not. But I will say to the gentleman that as long as these packers absolutely refuse to give any information about their management, and about the management and control of their systems of packing, it is impossible for the Government to have any accurate knowledge or information about it, and the only way you can get it is to investigate by piecemeal. And I want to say to the gentleman that where I got my information was through examinations that were made not only by Senator Heyburn's committee, but from other examinations that were made by committees of various State legislatures. And you will be surprised to know that there are eight States in the Union now that have cold-storage laws. Does that answer the gentleman?

Mr. FOWLER. I will ask the gentleman if he has conferred with Dr. Wiley and ascertained the results of his examinations into this question?

Mr. McKELLAR. I have. Dr. Wiley, however, has not gone as thoroughly into the meat question as he has gone into other phases of the general question, notably as to eggs. But Dr. Wiley is one of the most distinguished chemists, or agricultural chemists, whatever you might call the man who makes investigations of that kind; certainly he is a great authority. This bill is based to a very large extent upon the report of Dr. Wiley as furnished in the hearings.

Mr. FOWLER. He says they are using benzoate of soda and sulphides, both of which are very injurious to health.

Mr. McKELLAR. They do; and that is being constantly done.

Now, under the provisions of this bill it is provided that the Government should investigate and see how these meats are prepared and kept; whether they are good when they go in; whether they stay in there longer than the time allotted to them under the law. And the figures that are produced in this bill—which I need not go into—have been carefully drawn, and scientifically drawn. They are not of my drawing, and I am depending upon the expert testimony of witnesses who have been produced before the hearings, and the length of time is virtually the same as is prescribed in the bill that was favorably reported in the Senate.

But I want to talk about the packing interests for a few minutes, and of their absolute contempt for Congress on this subject. Senator Heyburn's committee was directed to go to Chicago and summon the packers before it. That committee went out there, and here is what occurred. I will read some letters. They are short. Here is a letter that was sent out on May 20, 1910:

MAY 20, 1910.

Mr. ARTHUR MEEKER,
Care Armour & Co., Chicago, Ill.

DEAR SIR: Senate bill 7649, introduced as a result of the inquiry that is being made by a special committee appointed by the Senate to investigate the high cost of living, has been the subject of hearings before the committee. A number of representatives of those who conduct cold-storage plants, as well as chemists, have appeared before this committee and furnished information in reference to the alleged unwholesomeness of food kept in cold storage. By reason of your familiarity with the cold-storage business you could probably furnish valuable data which would be of interest and value to the committee in determining what action should be taken on the measure. Will you kindly indicate if you are willing to appear before the committee when a date will be set for the hearing?

Very truly, yours,

_____.

Certainly a very genteel request to appear before the committee; nothing that Mr. Meeker, the representative of this great packing interest, could object to. Here is what he says:

MAY 24, 1910.

Hon. W. B. HEYBURN,
Chairman Committee on Manufactures, Washington, D. C.

DEAR SIR: I beg to acknowledge receipt of your courteous invitation to appear before the special committee appointed to investigate the high cost of living. I would gladly appear if I thought I could fur-

nish any information that would be of value to the committee, but I have no special knowledge on the subject.

Thanking you, I am,
Very truly, yours, ARTHUR MEEKER.

Swift, Armour, every other packer, received the same courteous invitation to appear before the committee, and there was not a single packer that had the slightest knowledge, according to the replies. Senator Heyburn's committee went to Chicago and came back, and not a packer appeared before that committee to testify in any manner whatsoever.

Now, gentlemen, of course they did not do it. Why? The testimony of this record shows that they make an enormous per cent—they are middlemen—by reason of being able to buy the products at a low figure, because the producer is obliged to sell the cattle or let them eat their heads off, and then the packers hold them for practically nothing, or at nominal expense. They make enormous profits in many cases, including the profit derived from the products and the by-products.

Now, I am not going to argue against cold storage. It is one of the great discoveries of this country or any other country. Used properly it is a great boon to mankind. A man would be an idiot not to know that cold storage properly used is a great thing for our country. But what I am decrying against is its use as an instrument of oppression of all the people of the country as it is being used this day, simply to multiply almost without limit the profits of the middleman. The many fortunes that have been made by these packers simply because they have in cold-storage an instrument which they use for the oppression of the people and for their own profit all the way down the line are a by-word in this country. They are entitled to reasonable profits; no one denies that. But they ought not to be permitted to rob. You saw an example of it about a week ago. For a few days they have been trying to backtack, but as soon as an excuse arose they raised the price. Did they wait until the law of supply and demand could operate? Everybody knows that if this European war continues long enough it will raise the prices of certain food products. But they did not wait for that. They found an excuse and promptly accepted it by raising the prices of everything that we have to eat in this country. Cold-storage products went up first. It is just an excuse. There is no real reason for it.

Now, gentlemen, what is the practical thing to do? As I say, the demand for this legislation is almost universal in this country. Every gentleman on this floor, whether Democrat, Republican, or Progressive, unless he represents a district in which there are large packing houses, is in favor of this legislation. And even in those districts the great majority of the people, including everyone who has a family, demands this legislation. If you do not believe it, get the hearings and see the communications from your districts. I doubt if there is a man here who will not find a letter printed in those hearings from some constituent demanding the passage of this law. If you are not satisfied with that, read the editorials from your district that are found in the hearings—well-considered editorials written by men who are familiar with the subject, men who are accustomed not to speak lightly; men who have given the matter careful consideration; men who know what conditions are.

You will find there editorials from every congressional district in this country from your leading papers. I do not care where you come from, whether from California or Maine, from the South or from Brother DONOVAN'S district in Connecticut, you will find them everywhere demanding that this legislation be passed. If you still have doubts about the wisdom of passing this legislation, then I ask you to go to your own State law, and what do you find? You will find that New Jersey, New York, Massachusetts, Indiana, Kansas, California, and several other States have already passed cold-storage measures. Many others are trying to pass them. I want to tell you about those cold-storage measures passed by the States. If you will examine the statutes of the various States as found in the hearings you will find that in practically all of them the cold-storage people, the packers and the warehousemen, have secured modifications which are satisfactory to them. By the way, in this controversy there are two distinct sets of people who control the market. One is what are called the independent warehousemen; the other is the packers. And to show you that it is a big thing, gentlemen, the independent warehousemen alone have got $3,000,000,000 invested in cold-storage plants and management in this country. They control only about 40 per cent, or perhaps 35 per cent, of the cold-storage products of the country. The other 60 or 65 per cent are controlled by the packers, and we do not know how much they have invested. We can not tell. They will not tell. We can not get them before us. They treat the committees of the Senate and the House with contempt, because they know that whenever they have to stand under the glare of publicity they are going to lose their profits and the people are going to be benefited. That is why they do not come. That is why they treat these committees with contempt, and there is but one way to get at them. The State regulations are inefficient. But whenever the great Government of the United States lays its hand on them and says, "You must do right," they will come across and do right, and every man, woman, and child in this country will be benefited.

Why, gentlemen, the records here show—and, by the way, this is shown by their own trade papers—that these packing people buy eggs, on an average, for illustration, at from 6¾ to 10 cents a dozen. They sell them, on an average, for 26 cents a dozen. Those are the figures, not just taken from a year or two, but the middle man makes over 200 per cent and in some cases over 300 per cent. In a former speech here I could not help paying my respects to a coarse fellow out in the West who bragged that he had made a fortune of nearly a half a million dollars within three weeks last year by cornering the egg market in the city of Chicago for that length of time. Are you going to permit it? We have got the power to change it. Well, they say this may not be the most effective means to get at it. It can not hurt anybody, can it? If the packers and warehousemen are doing right, can it hurt them to submit themselves to a governmental investigation? If they are doing right, why do they not come up and show us? I say to you, gentlemen, that the fact is they are getting profits that they know they are not entitled to. They are reaping where they have not sown, and to the detriment of the great consuming classes in this country; and both the producer and the consumer will never have relief until we take this splendid discovery, which means so much for our comfort and our happiness, so much for the improvement of our food, and regulate the system and make it perform the duties that it was intended to perform; take it out of the hands of the speculators and the gamblers in food products and put it in the hands of the Government, which will force them to do the right thing, and at the same time give them their reasonable profits.

I want to say something about State regulations. I will be very frank. I do not want to criticize any State organization; but if you will read the hearings that have taken place in Massachusetts you will find that some gentlemen would come in with a cold-storage bill along the lines of this one. The packing houses and the independent warehousemen would get together, and when the bill came out of the committee it would be built along lines to which they did not object, and they would say, "That is reasonable; that is nothing that will hurt us." They have such a law over here in Pennsylvania, and the packers are very much pleased with it, because it does not hurt them.

Now, what we want to do is to pass a law not that will hurt anybody but that will make them all do right; that is all. We have the power, because nearly nine-tenths of these products sooner or later are the subject of interstate commerce. It is a matter peculiarly within the Federal jurisdiction, and we will never get relief until the Congress passes a bill along the lines of this one. I do not mean to say that my bill is a perfect one or that it is going to cure every ill; but I think that when it is pared down and arranged and perfected by the committee and then goes through this House and is passed in the interest of the people, the producing and consuming public, and not in the interest of those who are using it for their own selfish purposes and designs, it is going to do more to bring about a settlement of the question of the high cost of living than any bill that has been enacted into law by this Congress in many years. [Applause.]

Now, gentlemen, I fear I have already taken too much of your time. I have made quite a study of this subject, and if there is any gentleman here, in the few moments that remain to me, who desires to ask me questions, I will be glad to answer if I can.

Mr. FOWLER. Will the gentleman yield?

Mr. McKELLAR. Certainly.

Mr. FOWLER. The subject that the gentleman is discussing is the high cost of living, and I discover from his remarks a very large difference between the price paid to the producer and the price paid by the consumer. I would be glad to have the gentleman tell what he really thinks is the cause of this great difference to-day.

Mr. McKELLAR. I did not quite catch what the gentleman asked.

Mr. FOWLER. The gentleman says that eggs, for instance, are bought up by the cold-storage people for from 6¾ to 10 cents per dozen and sold, on the average, at 26 cents a dozen. What causes the great difference between the price to the producer and the price paid by the consumer?

Mr. McKELLAR. I am glad that the gentleman asked that question, because it permits me to impress on the House a very important matter and one provided for in the bill. This applies not only to eggs, but to all other products stored in cold storage. This country is divided by the monopolistic packers and warehousemen into districts, and a certain monopoly in the city of Chicago can buy eggs in the States of Indiana or Ohio, and another one in Tennessee and Virginia, another one in another State, and another in Kansas, where so many eggs are produced. The producing districts in this country are divided up, and the agents of these packers are sent to these districts and they fix the price. They do not compete with each other when buying the product. The territory is divided. They do not compete with each other in selling the product, and that is the true reason of the large difference in the price paid to the producer and the price charged to the consumer. Does that answer the gentleman's question?

Mr. FOWLER. And by virtue of the cold storage and warehouses they are able to hold the product until they see fit to put it on the market.

Mr. McKELLAR. They are enabled to hold the product indefinitely at no substantial cost.

Mr. SIMS. Will the gentleman yield?

Mr. McKELLAR. I will.

Mr. SIMS. Has not the parcel post to some extent enabled the farmer to sell eggs at a better price by selling directly to the consumer? In other words, he is not now compelled to rely on the cold-storage purchaser as much as he has been heretofore?

Mr. McKELLAR. I hope that is to some extent true; but I heard an officer connected with the House when I was discussing this last year—and it was on the subject of eggs to which the gentleman referred—he told me that there were farmers outside of Washington City that supplied certain hotels with eggs in Washington. He said they were supplied as fresh country eggs. They sent them in every morning, but they bought them down

They sent them in every morning, but they bought them down here at the cold-storage plants every night, took them out, and shipped them in the next morning as fresh country eggs. The cold-storage people paid 6 to 10 cents a dozen for them and sold them to the farmers for about 25 or 30 cents a dozen, and the farmer brought them in as fresh eggs and sold them to the public the next morning at 50 cents a dozen. Of course the parcel post has to some extent done away with that.

Mr. SIMS. The parcel post has relieved to some extent the opportunity that the cold-storage people had to corner eggs, because the farmer can sell directly to the consumer. I will state what I know to be a fact, that during the winter and spring I bought every egg I used from a place distant 60 or 100 miles in Virginia. They came from the farmer, who sold them to me and sent them by parcel post, better known as the "Burleson Express," and I think it is giving a great relief along that line.

Mr. McKELLAR. I hope so, and I hope that as we put it further into operation it will be greater.

Mr. SIMS. At the present time the Post Office Department issues a sort of advertising sheet in which farmers all over the country may advertise what they have that can be shipped by parcel post, and you can buy half a dozen or a dozen eggs, and it does not require any middleman at all. That does not remove the purposes of the gentleman's bill, but it helps the matter.

Mr. McKELLAR. Yes; I think it helps. Somebody told me a few days ago, in discussing this matter, that cold storage was intended to provide that the products of a season of overproduction should be carried over to a season of scarcity, and that is true and very properly so. If it was used right it would be of great benefit to the public. I think my good friend from Missouri said, "Why, do you know if we did not have cold storage we would have to pay three or four times as much for eggs in the fall of the year, in times of scarcity, as we do now?"

The trouble with my friend's proposition is that we have the statistics of the prices of eggs from 1880 to 1890, and from 1890 to 1900, which we get from the Agricultural Department, and the average price was not much more than half what they were last fall, and they did not have cold storage for eggs in those years. Cold storage is largely a modern improvement. So far as beef and other products are concerned, it was used in the nineties for the first time, but it was not used for eggs until within the last 15 years.

Mr. PAIGE of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. McKELLAR. I will.

Mr. PAIGE of Massachusetts. I would like to ask the gentleman if he does not think the high cost of products outside of cold storage is caused in getting the products from the producer to the consumer?

Mr. McKELLAR. I think that is true. I think the middleman's profits are in a great many instances too large. That is one of the things my friend from Tennessee [Mr. SIMS] seems to think the parcel post is destined to correct to some extent.

Mr. BOOHER. Mr. Chairman, I understand my friend to take this position, that the cold-storage proposition is one of great benefit to the people of this country.

Mr. McKELLAR. Oh, the greatest possible; it can hardly be estimated.

Mr. BOOHER. Will the gentleman please tell the House how it can be of great benefit to the country on the question of eggs, if eggs are much higher ever since we have had cold storage? Why not abolish the cold storage, so far as eggs are concerned, and make them cheaper?

Mr. McKELLAR. I think the price of eggs is due to the abuses of cold storage, but not to the cold storage itself, and if the gentleman had investigated it along the same lines that these other gentlemen have investigated it from time to time and have testified to it he would be of the same opinion.

Mr. BOOHER. I understand the gentleman to argue that the cold-storage people are the middlemen.

Mr. McKELLAR. They are the middlemen; yes.

Mr. BOOHER. I would like the gentleman to explain how he can conclude that. The farmer, we will say, for instance, is the producer of eggs and meat.

Mr. McKELLAR. Yes.

Mr. BOOHER. He can not put them into cold storage, because he has not the facilities. The packer has the cold-storage plant.

Mr. McKELLAR. Yes.

Mr. BOOHER. How does the packer become the middleman? I am anxious to find out who the middleman is whom we are all abusing so much.

Mr. McKELLAR. I may be technically incorrect in calling the packer the middleman, but the packer who buys from the producer and holds the product in cold storage indefinitely or definitely, as suits his purpose best, in order to get the highest price for it, is the middleman. He is not the producer or the consumer, but he is the man through whose hands the product has to pass before it gets to the consumer, and that is my understanding of the middleman.

Mr. BOOHER. The consumer does not buy directly from the packer. He buys from the retail man.

Mr. McKELLAR. It used to be that way. As a matter of fact, under present conditions he buys directly from the packer, and for this reason: There is not a butcher in any city in the country who sells packing-house products who does not sell at a price for those products fixed, not by the butcher himself but by the agents of the packing-house companies. That is why I say the consumer buys not from the retail grocery merchant, but from the packer, because he buys from the man who fixes the price.

Mr. BOOHER. Let us follow that out. We will say that the man who has a meat market in a small town buys his dressed meat from the packer.

Mr. McKELLAR. That is right.

Mr. BOOHER. He puts it on his block and sells it to his customers.

Mr. McKELLAR. Yes.

Mr. BOOHER. Which one of those people who have handled this meat is the middleman?

Mr. McKELLAR. Both.

Mr. BOOHER. The gentleman is in favor of wiping both of them out?

Mr. McKELLAR. Not at all. What I believe in is regulating the packer who is using the cold storage to the detriment of the whole people, and letting the law of supply and demand affect the retail merchant. My sister, who keeps house for me, stated to me on a particular week that beef had gone up 2 cents a pound, and she asked me if I would not ask the market man about it. I did; and he replied to me, "Mr. McKELLAR, I have nothing to do with it. The agent of the packing house directs what price I shall ask for the meat, and I can not handle his wares unless I demand of the public the price that he fixes." And you can ask any butcher in any city in this country, and he will tell you exactly the same thing if he tells you the truth.

Mr. BOOHER. In the town in which I live we have two meat markets, each one of which slaughters its own meats.

Mr. McKELLAR. That is an entirely different proposition. This bill is not aimed at that.

Mr. BOOHER. If they sell their meat at exactly the same price that butchers in other towns sell meat, the price of which

is fixed by the packer, who, then, fixes the price that the butcher in my town sells at?

Mr. McKELLAR. Of course, it is fixed by the packer.

Mr. BOOHER. Where a man butchers his own stock?

Mr. McKELLAR. Of course it is fixed by the packer. It is as plain as the nose on a man's face. The packer in a neighboring town, or perhaps in the gentleman's own town, fixes the price, and this man who slaughters his own meat is going to demand the same price for his meat, of course. Why should he not have the advantage of the higher price?

Mr. BOOHER. When you get down to the question of what these things are sold for, is it not really the ability of the man who buys to pay and the cupidity of the man who sells it?

Mr. McKELLAR. That is another way of expressing the law of supply and demand; but if it has not an effect on the price demanded by the packer, then I want to ask the gentleman a question. Would he defend a proposition whereby the packers of this country farm out the territory in which they buy their products, and then have their agents scattered all throughout the country to fix the price at which the consuming public shall take the product? Does the gentleman defend that system?

Mr. BOOHER. No; and if that is the case, there ought to be a law making it a crime to practice it, and the guilty party should be punished.

Mr. McKELLAR. I agree with the gentleman heartily, and I want to say this: That if that is not the case, will the gentleman oppose a bill the effect of which is to investigate that very proposition?

Mr. BOOHER. I have not said that I was opposed to the gentleman's bill. I have been trying to find out who the gentleman is going to have for the middleman, and when the gentleman said he was a packer I thought we had got him, but I never could think that the packer was the middleman. I do not agree with the gentleman upon that.

Mr. McKELLAR. If you pass this bill for governmental inspection of foods that go into cold storage and governmental regulation of foods while they are in cold storage, you are going to put your finger on the place where the hurt comes.

Mr. BOOHER. I want to say to the gentleman that I will go as far toward the regulation of cold storage, probably, as any Member of the House, because I think it ought to be regulated.

Mr. McKELLAR. I thank the gentleman, and I appreciate his help.

Mr. BOOHER. But I would like to locate the middleman, if we can find him.

Mr. McKELLAR. That is what is proposed to be done under the terms of this bill.

Mr. GOOD. Will the gentleman yield?

Mr. McKELLAR. I will.

Mr. GOOD. Does the gentleman's bill fix a time limit within which the foodstuffs may be retained in cold storage?

Mr. McKELLAR. Not all foodstuffs. As I said, I think, before the gentleman came in, there are between 200 and 300 foodstuffs that go into cold storage. Now, this regulates only the leading foodstuffs, and fixes the time, of course.

Mr. GOOD. The reason I am inquiring is this: I received a number of letters some time ago from some apple growers, complaining in regard to the provisions of some bill—I am not sure it is the gentleman's bill—claiming that if it were passed it would allow a good deal of this fruit to go to waste, because the stuff would be taken out of cold storage before it could be used.

Mr. McKELLAR. This bill does not refer to fruits, for the reason that my idea was that we had better fight for some single line altogether, so that if this Congress would pass a law regulating cold storage of the necessities of life it is not going to pass a law regulating those things that are not necessities of life; so that the purpose of the bill is to regulate, first, at any rate, the necessities of life, and fruit is not considered a necessity of life in this bill.

Mr. GOOD. Will the gentleman yield for another question?

Mr. McKELLAR. Certainly.

Mr. GOOD. As I understand, the bill only applies to those articles that are placed in cold storage.

Mr. McKELLAR. It only applies to articles placed in cold storage, and I will give the gentleman what they are if he would like to hear them: Beef, and the period for which it is to be held is seven months; veal, and products thereof, two months; pork, four months; sheep or goats, four months; lambs or kids, three months; poultry, game, three months; fish, two months; and eggs, a variable arrangement required by necessity of the case, from three to seven months. Those are the principal foodstuffs, as the gentleman can see for himself. Now, I do not think the American public ought to be required—and, by the way, Dr. Pennington, a lady who is one of the best posted chemists on cold-storage matters in this country (she is connected with the Department of Agriculture), says that most of the poultry which is used in this country is from 1 to 2 years old. Did you ever see the little dark pieces in the poultry that you eat that you buy at an ordinary hotel and for which you pay 75 cents for half a chicken? If you look at it you may find a dark place on it. That chicken probably was put in cold storage, and improperly put in cold storage, about two years ago. The average time, so far as we can tell, because, mind you, there is a dearth of information about it, but, so far as we can tell, poultry is kept in cold storage about 15 to 18 months before it is consumed in this country and manifestly—and, by the way, I want to say this to you, gentlemen, that the poultry we eat that is put in cold storage is undrawn. Of course, gentlemen understand what that means. The chicken is put in there with his feathers on just like the chicken was when his neck was cut off, and very frequently the blood is still in its veins, and we eat that kind of chicken when we go to a first-class hotel and pay 75 cents for a half a chicken that was killed about two years ago.

Now, gentlemen may say that is all right. I believe that some men say that cold storage helps that condition. The next time you eat a piece of chicken—because I want to bring this home to you if I can; I want to pass this bill, because I believe it will do more for the relief of the American public and the consumers of this country than any other bill that can be passed—you look at the chicken you eat, and if you have good nostrils smell it a little, and you will find evidence of its just being dropped in by the hogshead. They have these big hogsheads about that high, and they drop them in, the undrawn chickens, feathers and all, and they leave the heads on them——

The CHAIRMAN. The time of the gentleman has expired.

Mr. GOOD. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 10 minutes.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent that the gentleman may proceed for 10 minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. McKELLAR. I really feel I am imposing upon the committee, but let me finish this point and I will yield to both of my friends over here who have indicated that they have questions. They leave the heads on the chickens for a purpose. They are taken out of cold storage, the feathers are taken off, or, rather the chickens are drawn and the feathers are taken off—I do not know which first, but I presume it is feathers first—and then they are not allowed to thaw in the air, as they ought to be, which would make them very much better, according to Dr. Pennington and Dr. Wiley, but they thaw them in warm water. I do not know whether you gentlemen are going to eat any more chickens or not after hearing this story. When they thaw them they thaw them in warm water, so that it will fill the skin out and make them look like freshly killed chickens, but for fear they will not have that appearance they leave the heads on them. For that reason they are not bled properly, and in order to bleed a chicken properly the head ought to be cut off properly. They leave the heads on them in order to give them the appearance of a freshly killed chicken, and the housewife—your wife—goes to the market in the morning and she asks for a fresh chicken and finds this kind of a cold-storage chicken, one with the head on, and they say that is a fresh chicken when it may have been in cold storage from two and a half to three years, and I understand they can keep them in cold storage sometimes for four years.

Now, I want to yield to my friends over here. I beg your pardon for not having yielded before.

Mr. GOOD. Obviously there should be some Government regulation to prevent food of this kind being kept in cold storage beyond the period when it is suitable for food. What I want to ask the gentleman is this: I understand that on bacon, ham, salted meats, lard, and things of that kind that are not kept in cold storage, the price has been going up more rapidly, or as rapidly, as the price of fresh meat, and I wondered, if cold storage is accountable for the rise in the price of fresh meats, then how will you regulate the price in regard to cured meats?

Mr. McKELLAR. If anybody has told the gentleman that hams and lard, and every other article that he has mentioned, do not go into cold storage, they have misinformed him. They all go into cold storage.

Mr. GOOD. The gentleman is mistaken. I have cured hams myself.

Mr. McKELLAR. Personally, yes; and you have killed chickens, too, and they did not go into cold storage. But the gentleman is not a packer.

Mr. GOOD. The gentleman knows that there is hardly a farmer in this country but that kills his hogs in the fall, salts

down his pork, and in the spring he will smoke the ham in such a way that it is cured so that it will keep as the best kind of food for a number of months without going into cold storage.

Mr. McKELLAR. I will say to the gentleman that I have been a farmer myself, and have killed hogs and cured hams, and likewise killed chickens by wringing their necks and letting them bleed, and I know all about it. But we are not talking of that kind of products. What we are talking about, and what this bill is made to regulate, is the 99½ per cent of hams and sausages and beef and fresh meat of every kind, and fish, eggs, and poultry, that come in from the farm, but through the packing houses.

Mr. SLOAN. I would like to ask the gentleman from Tennessee whether the primary purpose of his bill is to protect the public as to obtaining pure foods, or is it to control the price of the product?

Mr. McKELLAR. Both, of course, but in a modified sense as to price fixing. It is absolutely its purpose to bring about purity of foodstuffs and it will be one of the best pure-food laws that was ever passed in this country, I believe, and the only one that will be effective. And I will say to him about the price, that it does not control the price, but it will have a mighty effect upon reducing the price that is now asked by these monopolies.

Mr. SLOAN. Then your professed purpose is the matter of health?

Mr. McKELLAR. Well, it affects the public in two ways: First, in the matter of health. I say health, but some people eat rotten meats and are healthy, but it is certainly not a tasty thing to do. And this will be for their comfort and health.

Mr. SLOAN. Now, then, following that, you heard the discussion of Dr. Pennington before the Agricultural Committee?

Mr. McKELLAR. I not only heard it, but I talked with her and know what she thinks, and I believe that she is one of the most accomplished experts in this country.

Mr. SLOAN. Let me ask this: Is it not true that in the discussion of those matters she stated in substance that if these products, beef, poultry, and eggs, were properly prepared and properly placed in cold storage, the average period in which they would be good and pure would be at least twice the period that you have here in your schedule?

Mr. McKELLAR. No. I do not think she fixed any period. She held that eggs could be kept for a period of six months. Dr. Harvey Wiley says that if they are properly stored eggs can be kept three months, and if the farmer comes in and buys them from the cold storage within the period of three months and takes them out and sends them back as fresh eggs, nobody can tell the difference. But after three months the difference can be told.

Mr. SELDOMRIDGE. I would like to ask my friend if the pure-food laws of the District of Columbia will permit a dealer to keep for sale poultry that has been in cold storage 18 months, with head and feathers on, and in an undrawn condition?

Mr. McKELLAR. The gentleman has asked me a question that I can not answer with certainty, but I do not think the pure-food law applies to that particular phase here. I would be glad to have the gentleman enlighten us.

Mr. SELDOMRIDGE. I have not investigated this subject to the same degree that the gentleman has, but it is my impression that food supplies of the cities in the country are examined and supervised by inspectors, and nothing is offered for sale that does not come up to a certain standard.

Mr. McKELLAR. I will say that in theory the gentleman may be correct about the local inspection, but if he will go around with a local inspector and examine the local places he will find the point is not carefully guarded.

Mr. BOOHER. Will the gentleman state again the maximum length of time eggs can be kept according to his bill?

Mr. McKELLAR. To meet a particular season and a particular difficulty, the wording of my bill is this, which I think will meet the approval of the gentleman from Missouri:

> Eggs held in cold storage not less than three months or more than seven months may not be classed as adulterated if they are, upon inspection, at the end of the three-months period sound and wholesome and are stamped or labeled as follows: "Second period cold-storage eggs," such stamp or label to be on each container from which said eggs are sold, and shall be in plain view of the purchaser, or, on demand, produced for inspection by the purchaser.

I will say to the gentleman in explanation of that, that eggs are different from beef. We have a period of superabundance and a period of scarcity. The period of great abundance is in the months of April, May, and June, as the gentleman knows. In February, March, July, August, September, and part of October the consumption about offsets the production, but in the months of April, May, and June the production largely exceeds the consumption. Now, the purpose of the bill is to allow these eggs to be carried over from the period of excess to the period of scarcity—in November, December, and part of January.

But, in doing it, it is the purpose of the bill to let the consuming public in the period of scarcity know exactly what they are buying, and not permit the dealer or middleman to palm off cold-storage products for fresh products.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. BOOHER. Mr. Chairman, I want the gentleman to have two minutes more.

The CHAIRMAN. The gentleman from Missouri [Mr. BOOHER] asks unanimous consent that the gentleman from Tennessee may have two minutes more. Is there objection?

There was no objection.

Mr. BOOHER. I want to ask just a short question.

Mr. McKELLAR. I thank the gentleman.

Mr. BOOHER. The experts all agree, I believe, that an egg can be kept with perfect safety for three months?

Mr. McKELLAR. Dr. Wiley says so, and Dr. Pennington says so, and a number of other experts agree. I think they are right, provided the egg is perfect when put into cold storage.

Mr. BOOHER. Yes. Do you not think it wrong in your bill to take the chances of keeping the egg seven months?

Mr. McKELLAR. Well, these same experts now say that for many purposes eggs held the additional four months can be used.

Mr. BOOHER. Then I think the gentleman's bill should set out specifically the purpose for which that stale egg could be used.

Mr. McKELLAR. It is a proper article of food within that period; that is, if properly kept. But the bill provides, as the gentleman will notice from the reading of it, that the consumer shall know exactly what he is getting, and the seller is obliged to tell him.

Mr. BOOHER. He knows he is getting the second period of storage eggs, and he does not know whether it is a good egg or a bad egg until he buys it and breaks it.

Mr. McKELLAR. That is so.

Mr. BOOHER. Why let the consumer take the chances on it? I think it ought not to remain in cold storage longer than it is wholesome.

Mr. McKELLAR. Mr. Chairman and gentlemen, I thank you for your kind attention, and I want to ask the Members of the House to join me in pressing this bill. It is now before the Committee on Interstate and Foreign Commerce, and because of the administration antitrust bills I mentioned a while ago it has been delayed. I hope the Members of the House who are interested in this question—and we all ought to be interested in it—will aid me in pressing it before the committee and before the House, so that the American people can be benefited by the enactment of its provisions. I thank you, gentlemen. [Applause.]

Mr. STAFFORD. Mr. Chairman, I would like to inquire of the gentleman having the bill in charge whether we can not come to an understanding as to the disposal of time. It is a very oppressive day, and there are several gentlemen who are desirous of discussing this bill, but owing to the oppressive heat they have been obliged to leave the Chamber.

Mr. BARNHART. Mr. Chairman, I would like to inquire of the gentleman from Wisconsin how much time has been spoken for. The gentleman from New York [Mr. FITZGERALD] has asked me for an hour, and my colleague on the committee, Mr. KIESS of Pennsylvania, has asked for 15 minutes. How much does the gentleman from Wisconsin desire?

Mr. STAFFORD. I think I could readily conclude in half an hour or three-quarters of an hour.

Mr. BARNHART. I think it would be well to reserve 15 minutes for the committee. If the gentleman will agree to close debate in 2 hours when we meet next Wednesday, I would be willing. Can we do that?

Mr. STAFFORD. We can not do that in committee.

The CHAIRMAN. Does the gentleman present a request for unanimous consent?

Mr. BARNHART. Yes. I ask unanimous consent, Mr. Chairman, that the general debate close at the end of two hours after we resume the consideration of the bill on next Wednesday.

The CHAIRMAN. The gentleman from Indiana asks unanimous consent that when this bill is taken up on next Calendar Wednesday general debate may be closed in two hours thereafter.

Mr. NORTON. Mr. Chairman, I rise to a parliamentary question. Can we fix the time for debate in the Committee of the Whole?

The CHAIRMAN. Yes; by unanimous consent. Is there objection?

There was no objection.

Mr. STAFFORD. Mr. Chairman, I yield to the gentleman from South Dakota [Mr. BURKE].

Mr. BURKE of South Dakota. Mr. Chairman, a few days ago the House passed Senate bill 4628, being an act extending the period of payment under reclamation projects, which bill was signed by the President and became a law on the 13th instant. During the consideration of the measure in the House a very determined effort was made to amend the first section so as to require the payment of interest on the deferred payments, the claim being made that to not require payment of interest was unfair and unjust, because it favored a class, and that so long as farmers under reclamation projects were not required to pay interest it could not be justified withholding money of the Government for loaning to farmers generally in the country. I observed that those who insisted upon the amendment providing for the payment of interest and those who supported them came largely from the Eastern and Middle States, and for their benefit I want to bring to the attention of the House the fact that the States represented by these Members received from the Treasury of the United States nearly $30,000,000, and that same was paid to them during the years 1836, 1837, and 1838, and that no part of the amount has ever been repaid into the Treasury, and no interest has been paid thereon. I would suggest to these gentlemen that it might be desirable to introduce a measure requiring the States having a portion of the fund to return it to the Treasury, which would be especially desirable just at this time, when our revenues are depleted and when we are seeking to provide the necessary funds to maintain the Government. These gentlemen seem to overlook the distinction between the proceeds received from the sale of public lands and revenue derived from taxation and other sources upon which we depend for the money necessary to meet the general expenses of the Government. The theory of the reclamation act is that it is not only within the power of Congress, but is in the interest of the development of the country as a whole, to treat the moneys received from the sale of public lands as a trust fund and to expend the same in developing and reclaiming the arid lands of the West, thereby making available homes for the homeless and adding to the wealth and general welfare of the Nation. This was the theory upon which the beneficent homestead law was enacted many years ago.

I imagine if the gentlemen who so earnestly insisted upon interest being charged in connection with deferred payments in reclamation projects had been Members of Congress when the homested act was considered they would have taken the position that was taken by some Members at that time—that it was unconstitutional to dispose of the public domain by giving it away; that if it was not unconstitutional it was unequal and unjust, because it was confined to one class of our people; or that it would injure the East by encouraging emigration to the West; and that, furthermore, to give away the land would deprive the old States of their just proportion of the proceeds that might be derived if the lands were to be sold for what might be gotten for them. They would not appreciate that there was any advantage to the Eastern States by the development of the West, because they seem to assume that the benefits of the reclamation law are limited to the immediate localities where the projects are located. Where would the city of Chicago be to-day if it had not been for the homestead act? Our very distinguished friends upon this floor from that great city, who advocated the interest proposition in connection with the reclamation act, do not seem to realize that their city has been built up by the development of the West, and its prosperity and future growth depends upon the further development and prosperity of that great region.

In 1860 Congress passed the first bill proposing to provide homesteads on the public domain, and on June 22 of that year President Buchanan vetoed the measure; and for the benefit of our reactionary friends who are unable to see any benefit to the whole country from the reclamation act, and to show to the House that they represent to some extent the position taken by President Buchanan when he vetoed the homestead bill, I want to quote from his message the following:

> It would require clear and strong evidence to induce the belief that the framers of the Constitution, after having limited the powers of Congress to certain precise and specific objects, intended by employing the words "dispose of" to give that body unlimited power over the vast public domain. It would be a strange anomaly indeed to have created two funds—the one by taxation, confined to the execution of the enumerated powers delegated to Congress, and the other from the public lands, applicable to all subjects, foreign and domestic, which Congress might designate; that this fund should be "disposed of," not to pay the debts of the United States, nor "to raise and support armies," nor "to provide and maintain a navy," nor to accomplish any one of the other great objects enumerated in the Constitution, but be diverted from them to pay the debts of the States, to educate their people, and to carry into effect any other measure of their domestic policy. This would be to confer upon Congress a vast and irresponsible authority utterly at war with the well-known jealousy of Federal power which prevailed at the formation of the Constitution. The natural intendment would be that as the Constitution confined Congress to well-defined specific powers, the funds placed at their command, whether in land or money, should be appropriated to the performance of the duties corresponding with these powers. If not, a Government has been created with all its other powers carefully limited, but without any limitation in respect to the public lands.
>
> * * * That it never was intended by the framers of the Constitution that these lands should be given away by Congress is manifest from the concluding portion of the same clause. By it Congress has power not only "to dispose of" the territory, but of the "other property of the United States."

In addition to his constitutional objections to the measure, among other reasons for his veto, he said:

> It will prove unequal and unjust in its operation, because from its nature it is confined to one class of our people.

He further said, commenting upon the giving away of the public lands, and I want to particularly bring this to the attention of those who are opposed to the reclamation act or to other measures that encourage the development of the West and the settlement of the unused and unoccupied public lands, because this expression represents apparently the sentiment of these gentlemen:

> But to give this common inheritance away would deprive the old States of their just proportion of this revenue without holding out the least corresponding advantage. Whilst it is our common glory that the new States have become so prosperous and populous, there is no good reason why the old States should offer premiums to their own citizens to emigrate from them to the West. That land of promise presents in itself sufficient allurements to our young and enterprising citizens without any adventitious aid. The offer of free farms would probably have a powerful effect in encouraging emigration, especially from States like Illinois, Tennessee, and Kentucky, to the west of the Mississippi, and could not fail to reduce the price of property within their limits.

I will not spend any time discussing the wisdom of the original reclamation act and the benefits that have resulted and will continue to result therefrom. The subject was very fully discussed during the consideration of the Senate bill extending the period of payments. I think it has been established that the original legislation was wise and its enactment has been beneficial. Possibly some of the details of the act might have been put in a form that would have better safeguarded the expenditure of the fund, but that is something that can easily be corrected. It is no argument, because some of the provisions of the act may be criticized, that the act itself should be condemned.

The matter of granting long time to the settlers who may undertake to acquire title to lands in reclamation projects is in no sense class legislation, it being merely to encourage the settlement and development of lands that otherwise might never be productive, and any person anywhere in the whole United States may avail himself, if he desires, of the advantages or benefits of the law, and therefore it can not be successfully asserted that it is legislation confined to a certain class and beneficial only to a locality.

The more producers there are in the West the better it is for the consumer of the East, first, because it will cheapen the cost of living and also provide additional markets for the manufactured products of the East.

It has always been the policy of our Government to encourage development, and millions of acres of valuable public lands were given as subsidies to railroads. Perhaps it would have been better if there had been more conservatism in this regard, but everyone recognizes that had it not been for this policy the present development of the West would not have obtained in this and possibly not in the next generation. We have in this Congress provided an appropriation for the construction of a railroad in far-off Alaska. The gentlemen who were opposed to the reclamation-extension act because it did not provide for the payment of interest on deferred payments, on the theory that it was class legislation, favored the appropriation for the Alaskan railroad, and yet it would seem that that is an expenditure of public funds more distinctively class in its character than the reclamation act.

I am in favor of any legislation or appropriation of public funds, within reasonable bounds, that will promote and encourage development and industry throughout the Nation, and I will go to the extreme in making it possible to further aid the people to make it easier for them to live and prosper, and I am not so narrow that I oppose measures simply because I may not see any direct benefit to my immediate constituency.

I do not wish to discredit Members of the House because of their opposition to any legislation, and I do not wish to be understood as questioning the good faith or the patriotism of those who opposed the passage of the reclamation-extension act by insisting that there should be no extension without the

payment of interest, because I think they acted conscientiously, and because they believed that in justice to all the people they ought to take that position.

In order that there may be no doubt about the statement that I have made with relation to the money held by the several States that was distributed from the Treasury many years ago, I wish to have read the following letter, with the list of States to which the fund was distributed, showing the amount each State received.

The letter and list is as follows:

TREASURY DEPARTMENT,
OFFICE OF ASSISTANT SECRETARY,
Washington, July 29, 1914.

Hon. CHARLES H. BURKE,
House of Representatives.

MY DEAR CONGRESSMAN: By direction of the Secretary and in reply to your communication of the 23d instant, relative to the distribution of the Treasury surplus to the several States under the act of 1836, I have to inform you that it is understood that your inquiry relates to the deposits by the Federal Government with the States which were directed to be made by the thirteenth section of the act approved June 23, 1836 (5 U. S. Stat., 55), entitled "An act to regulate the deposits of the public money," and provided "that the money which shall be in the Treasury of the United States on the 1st day of January, 1837, reserving the sum of $5,000,000, shall be deposited with such of the several States in proportion to their respective representation in the Senate and House of Representatives of the United States, as shall, by law, authorize their treasurers or other competent authorities to receive the same on the terms hereinafter specified." The terms were that the States receiving deposits should, through their treasurers or other competent authorities, sign certificates of deposits therefor in such form as might be prescribed by the Secretary of the Treasury, which would express the usual and legal obligations and pledge the faith of the State for the safe-keeping and repayment thereof, and should "pledge the faith of the States receiving the same to pay the said moneys and every part thereof from time to time whenever the same shall be required by the Secretary of the Treasury for the purpose of defraying any wants of the Public Treasury beyond the amount of the five millions aforesaid."

Under this legislation three installments were placed with the several States. Before the time for the making of the deposit of the fourth installment the condition of the Treasury was such that the Secretary withheld the fourth installment. Upon the meeting of Congress in September, 1837, the subject received immediate consideration, and on October 2, 1837, there was passed and approved "An act to postpone the fourth installment of deposits with the States." (5 U. S. Stat., p. 201.) This act contained the following proviso:

"*Provided*, That the three first installments under the said act shall remain on deposit with the States until otherwise directed by Congress."

Congress has never directed the return of the deposits, and the matter stands at this date as it was left by the act of October 2, 1837, no part of the moneys deposited with any of the States ever having been returned to the Treasury.

As authorized by the act of June 25, 1910 (36 Stat., 776), the accounting officers credited the general account of the Treasurer of the United States and charged the several States with the sums deposited under the act of June 23, 1836, as directed by the provision of the act of June 25, 1910, as follows:

"*Provided*, That the credit herein authorized to be given to the Treasurer of the United States shall in no wise affect or discharge the indebtedness of the several States to the United States as is provided in said act of Congress approved June 23, 1836, and shall be made in such manner as to debit the respective States chargeable therewith upon the books of the Treasury Department until otherwise directed by Congress."

A list of the States which received deposits and the amount received by each of the total deposits of $28,101,644.91 is inclosed herewith.

Respectfully,

WM. P. MALBURN, *Assistant Secretary.*

Maine	$955,838.25
New Hampshire	669,086.79
Vermont	669,086.79
Massachusetts	1,338,173.58
Connecticut	764,670.60
Rhode Island	382,335.30
New York	4,014,520.71
Pennsylvania	2,867,514.78
New Jersey	764,670.60
Ohio	2,007,260.34
Indiana	860,254.44
Illinois	477,919.14
Michigan	286,751.49
Delaware	286,751.49
Maryland	955,838.25
Virginia	2,198,427.99
North Carolina	1,433,757.39
South Carolina	1,051,422.09
Georgia	1,051,422.09
Alabama	669,086.79
Louisiana	477,919.14
Mississippi	382,335.30
Tennessee	1,433,757.39
Kentucky	1,433,757.39
Missouri	382,335.30
Arkansas	286,751.49
Total	28,101,644.91

Mr. STAFFORD. Mr. Chairman, I reserve the balance of my time to allow the gentleman from Indiana to move that the committee rise.

Mr. BARNHART. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. PAGE of North Carolina, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 15902) to amend, revise, and codify the laws relating to the public printing and binding and the distribution of Government publications and had come to no resolution thereon.

EXTENSION OF REMARKS.

Mr. DONOHOE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of the ship-registry bill.

The SPEAKER. The gentleman from Pennsylvania [Mr. DONOHOE] asks unanimous consent to extend his remarks on the shipping bill. Is there objection?

There was no objection.

Mr. BUCHANAN of Illinois. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of the immigration law.

The SPEAKER. The gentleman from Illinois [Mr. BUCHANAN] asks unanimous consent to extend his remarks in the RECORD on the subject of immigration. Is there objection?

There was no objection.

Mr. CONNELLY of Kansas. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 11451, and agree to the Senate amendments.

The SPEAKER. When did that bill come over?

Mr. CONNELLY of Kansas. It came over yesterday.

Mr. STAFFORD. Reserving the right to object, I suggest to the gentleman that he can bring up his proposition in the morning.

Mr. CONNELLY of Kansas. Mr. Speaker, I withdraw the request.

The SPEAKER. The gentleman can call it up in the morning.

ADJOURNMENT.

Mr. BARNHART. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 33 minutes p. m.) the House adjourned until Thursday, August 20, 1914, at 12 o'clock noon.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. MOSS of Indiana: A bill (H. R. 18440) to authorize the Secretary of Agriculture to license grain warehouses, and for other purposes; to the Committee on Agriculture.

By Mr. HOBSON: A bill (H. R. 18441) to encourage the development of the American merchant marine and to promote commerce and the national defense; to the Committee on the Merchant Marine and Fisheries.

By Mr. ALEXANDER: A bill (H. R. 18442) to authorize the establishment of a bureau of war-risk insurance in the Treasury Department; to the Committee on Interstate and Foreign Commerce.

By Mr. KELLY of Pennsylvania: Joint resolution (H. J. Res. 324) proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. RUPLEY: Resolution (H. Res. 596) authorizing the Secretary of Commerce to investigate the present high cost of food; to the Committee on Interstate and Foreign Commerce.

By Mr. ADAMSON: Memorial of the Legislature of the State of Georgia, urging Congress to devise ways and means by which the cotton crop may be marketed economically and safely; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions of the following titles were introduced and severally referred as follows:

By Mr. ALLEN: A bill (H. R. 18443) granting an increase of pension to Lena Hirtzlin; to the Committee on Invalid Pensions.

By Mr. BAILEY: A bill (H. R. 18444) granting a pension to John W. Koch; to the Committee on Invalid Pensions.

By Mr. BATHRICK: A bill (H. R. 18445) granting a pension to Mary Foote; to the Committee on Invalid Pensions.

By Mr. GALLAGHER: A bill (H. R. 18446) for the relief of John M. Dimmick; to the Committee on Claims.

By Mr. GORMAN: A bill (H. R. 18447) granting a pension to Stephen O'Connor; to the Committee on Pensions.

Also, a bill (H. R. 18448) granting an increase of pension to Preston M. Guild; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18449) granting an increase of pension to W. W. Jackson; to the Committee on Invalid Pensions.

By Mr. KENNEDY of Connecticut: A bill (H. R. 18450) granting a pension to William F. Gorman; to the Committee on Pensions.

By Mr. LLOYD: A bill (H. R. 18451) granting an increase of pension to Susanna Rankin; to the Committee on Invalid Pensions.

By Mr. RUPLEY: A bill (H. R. 18452) granting a pension to George J. Beam; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18453) granting an increase of pension to Abraham Mowery; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18454) granting an increase of pension to Sarah Quest; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18455) granting an increase of pension to Maggie L. Shoares; to the Committee on Invalid Pensions.

By Mr. WINGO: A bill (H. R. 18456) for the relief of the legal representatives of George Tubb, sr.; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. BATHRICK: Petition of 90 people of Colebrook, Ohio, favoring national prohibition; to the Committee on Rules.

Also, petitions of sundry citizens of Trumbull County, Ohio, favoring the passage of House bill 5308, relative to taxing mail-order houses; to the Committee on Ways and Means.

By Mr. BRUCKNER: Petition of the Federation of Federal Civil Service Employees of San Francisco, Cal., favoring House bill 11522, to increase pay of civil-service employees; to the Committee on Reform in the Civil Service.

Also, petition of Symons Kraussman, of New York City, protesting against increasing tax on cigars; to the Committee on Ways and Means.

Also, petition of various members of the American Optical Association, favoring the Stevens bill (H. R. 13305); to the Committee on Interstate and Foreign Commerce.

Also, petition of the Central Federated Union of Greater New York and vicinity, favoring the passage of the seamen's bill; to the Committee on the Merchant Marine and Fisheries.

Also, petition of the Central Federated Union of New York City, favoring passage of House bill 10735, for bureau of labor safety; to the Committee on Labor.

Also, petition of the Texas Co., protesting against certain features of bill for American registry of foreign-built ships; to the Committee on Interstate and Foreign Commerce.

Also, petition of the D. R. K. Staatsverbund, of New York City, protesting against national prohibition; to the Committee on Rules.

Also, petition of the National Association of Letter Carriers, protesting against amendment to House bill 17042, relative to requiring bond of assistant postmaster and other employees; to the Committee on the Post Office and Post Roads.

By Mr. DALE: Petition of the Chamber of Commerce of the State of New York, relative to problems of shipments during the European war; to the Committee on Interstate and Foreign Commerce.

By Mr. DRUKKER: Petitions of sundry citizens of New Jersey regarding "absolute neutrality"; to the Committee on Foreign Affairs.

By Mr. GALLIVAN: Memorial of the Ward 24 Democratic Club, of Boston, and the American Association of Masters, Mates, and Pilots, protesting against certain features of bill for American registry of foreign-built ships; to the Committee on Interstate and Foreign Commerce.

By Mr. GOULDEN: Petitions of sundry citizens of New York regarding "absolute neutrality"; to the Committee on Foreign Affairs.

By Mr. HULINGS: Petitions signed by 12 officers of the Woman's Home Missionary Society of the Methodist Episcopal Church of Greenville, Pa., remonstrating against the passage of Senate bill 5687 or House bill 16904, to bring railroad tracks opposite Sibley Hospital, Washington, D. C.; to the Committee on the District of Columbia.

By Mr. MERRITT: Petition of Hiram C. Stimpson, William Bates, George H. Adkins, W. H. Shattuck, Arthur C. Beers, C. B. Loomis, Robert S. Hack, C. F. Warner, C. F. Thompson, William Bates, jr., F. E. Aubrey, P. E. Torrance, Charles W. Calkins, William Lamberton, J. C. Belden, Will Phillips, Gordon Myott, R. Harold Green, E. G. Wilson, O. P. Mason, O. C. Wilson, L. M. Adkins, O. C. Badgen, James A. Bartholomew, W. E. Bradford, S. F. Valentine, Alf Reed, R. C. Landon, Ernest C. Beers, William C. Thomas, Pell Lester, George H. Gibbard, Roy L. Lidgerwood, A. P. Richardson, William Potter, Armin K. Bolles, Le Roy Fleming, O. S. Benjamin, John Hennessy, William H. Cook, A. P. Bartholomew, R. E. Woodhull, C. R. Belt, William Mason, P. C. Bradford, John I. Carr, F. G. Thomas, Albert Hayford, William Huriburt, F. E. Johnson, Alf Moore, Allen Hall, Archie Wright, Ralph N. Moore, John A. Moore, John S. Hall, Herbert Hall, J. A. Phillips, John W. H. Moore, Frank D. Rafferty, W. A. Petty, A. J. Petty, O. H. Johnson, J. E. Smith, Frank Cooper, James Rafferty, jr., R. J. Smith, George W. Johnson, H. A. Taylor, C. G. Burt, Walter W. Johnson, N. Gibbard, Howard Grimes, Harney Hogle, A. W. Roberts, H. J. Bell, C. A. Morhous, George Stevenson, R. V. Smith, Harold Hunter, Albert Hall, J. H. Oswander, A. J. Hentley, James Williams, H. N. Floyd, Milton C. Grinnell, R. C. Beers, Frank E. Grimes, F. H. Grimes, S. B. Moore, M. A. Dolbeck, J. S. Whittley, J. G. Hutchinson, John Gilbert, James P. Meehan, William A. Gale, Elmer R. West, M. J. Wilcox, C. E. Beers, Amos Y. French, B. J. Spearman, Westill J. Carr, C. H. Lazarus, C. G. Richardson, and Daniel Webster, all of Ticonderoga, N. Y., favoring national prohibition; to the Committee on Rules.

By Mr. PROUTY: Petition by citizens of New Virginia and St. Charles, Iowa, asking for an adjustment of the polar contention; to the Committee on Naval Affairs.

By Mr. SAUNDERS: Petitions of sundry citizens of the State of Virginia, relative to the rural credit bill; to the Committee on Banking and Currency.

By Mr. SMITH of Idaho: Papers to accompany House bill 18277, to increase the pension of Lydia A. Lint; to the Committee on Invalid Pensions.

By Mr. UNDERHILL: Petition of sundry citizens of Corning, N. Y., favoring national prohibition; to the Committee on Rules.

By Mr. WALLIN: Petition of the Woman's Home Missionary Society of Anderson, Ind., protesting against passage of House bill 16904, authorizing the laying of railroad tracks in square 673 in the District of Columbia; to the Committee on the District of Columbia.

SENATE.

THURSDAY, *August 20, 1914.*

(Legislative day of Wednesday, August 19, 1914.)

The Senate reassembled at 11 o'clock a. m. on the expiration of the recess.

PROPOSED ANTITRUST LEGISLATION.

The VICE PRESIDENT. The Senate resumes the consideration of the unfinished business.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes.

The VICE PRESIDENT. The Secretary will state the pending amendment of the Committee on the Judiciary.

The SECRETARY. In section 7, page 7, line 16, after the word "from," insert the word "lawfully," so as to read:

That nothing contained in the antitrust laws shall be construed to forbid the existence and operation of labor, agricultural, or horticultural organizations, instituted for the purposes of mutual help, and not having capital stock or conducted for profit, or to forbid or restrain individual members of such organizations from lawfully carrying out the legitimate objects thereof.

Mr. SMOOT. Mr. President, I dislike very much to call for a quorum this morning, but I am quite sure the Senator from Texas [Mr. CULBERSON] having the bill in charge would not like to have the question passed on now, because it would come up again. For that reason, and that only, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Dillingham	Nelson	Smoot
Bankhead	Gallinger	Norris	Stone
Brady	Gronna	Overman	Swanson
Bryan	Jones	Owen	Thompson
Burton	Kenyon	Perkins	Thornton
Chamberlain	Kern	Pittman	Tillman
Chilton	Lane	Poindexter	Vardaman
Clapp	Lea, Tenn.	Ransdell	Walsh
Clark, Wyo.	McCumber	Reed	Weeks
Clarke, Ark.	Martin, Va.	Shafroth	White
Culberson	Martine, N. J.	Sheppard	Williams
Cummins	Myers	Simmons	

Mr. DILLINGHAM. I desire to announce that my colleague [Mr. PAGE] is absent from the city on account of illness in his family.

Mr. THORNTON. I was requested to announce the necessary absence of the junior Senator from New York [Mr. O'GORMAN].

Mr. JONES. The junior Senator from Michigan [Mr. TOWNSEND] is necessarily absent. He is paired with the junior Senator from Arkansas [Mr. ROBINSON]. I will let this announcement stand for the day.

I wish also to announce that the senior Senator from Wisconsin [Mr. LA FOLLETTE] is absent on account of illness.

Mr. CLARK of Wyoming. I desire to announce the necessary absence of my colleague [Mr. WARREN]. He is paired with the senior Senator from Florida [Mr. FLETCHER]. I wish this announcement to stand for the day.

Mr. GALLINGER. The junior Senator from Maine [Mr. BURLEIGH] is detained from the Senate unavoidably, and the junior Senator from Vermont [Mr. PAGE] is detained at his home because of illness in his family.

The VICE PRESIDENT. Forty-seven Senators have answered to the roll call. There is not a quorum present. The Secretary will call the roll of absentees.

The Secretary called the names of the absent Senators, and Mr. JAMES and Mr. SHIELDS answered to their names when called.

Mr. LEE of Maryland and Mr. STERLING entered the Chamber and answered to their names.

The VICE PRESIDENT. Fifty-one Senators have answered to the roll call. There is a quorum present. The Secretary will state the pending amendment.

The Secretary again read the amendment.

Mr. JONES. Mr. President, I have received hundreds of telegrams of the following tenor:

We earnestly protest against the passage of that section of the Clayton bill exempting labor and agricultural organizations from the provisions of the Sherman law. Such exemption we deem class legislation of the rankest kind. We therefore hope that you will use your best efforts to defeat the same.

I have also received hundreds of telegrams of this effect:

The tenth convention of District No. 10, United Mine Workers, assembled in Seattle, request the passage by the Senate of the Clayton House resolution exempting farmer and labor organizations from the operation of the Sherman antitrust law.

Those who send these telegrams believe that section 7 of this proposed law exempts farmers' and laborers' organizations from prosecutions under the Sherman law for acts done in undue restraint of interstate commerce. Both are mistaken. It does nothing of the kind, and when the section is clearly understood there will be no objection to it anywhere in the country, in my judgment, unless the members of the organizations referred to should object to it on the ground that it does not go far enough. Those who so violently oppose it will see that it does not at all do what they think it does. Those who favor it may find that it does not go nearly so far as they believe or desire.

It is unfortunate that in the discussion of cases arising under the Sherman Antitrust Act many misstatements have been made, and the effect of decisions has been misrepresented, either intentionally or ignorantly and carelessly. This has given rise to much misapprehension as to the effect of and operation of this law regarding labor and farmer organizations. Many misstatements have been so often repeated as to be accepted as facts. Prosecutions for acts done outside of the objects and purposes of such organizations and in a manner contrary to the legitimate purposes thereof have led to charges and statements that prosecutions have been made against these organizations as such, and that their legitimate objects have been interfered with. This has been done so persistently that the members of these organizations have come to believe that their organizations, as such, have come under the ban of the Sherman law, and that the courts have without warrant held them to be contrary to that law. This has led others very naturally to conclude that legislation urged by such organizations and proposed in their behalf is intended to give to such organizations and their members some special privileges, and to permit them to do and commit acts contrary to that law, and they have very naturally concluded that this proposed law does this. They have concluded that this legislation will make legal certain acts done by these organizations which if done by other organizations or persons would be illegal.

The courts have not held these organizations illegal; they have not held that the mere fact of the existence of such organizations showed that the Sherman law had been violated. Some isolated cases in inferior courts may have gone this far, but no authoritative court has done so. On the contrary, the courts of last resort have uniformly held that such organizations are not in themselves illegal, but are entirely lawful. In my judgment the criticism that has been leveled at the courts for holding such organizations to come within the terms of the Sherman law when acts have been committed in undue restraint of interstate commerce has been most unjust. The blame, if any, lies with Congress. While some men of great ability and high character and lofty patriotism did declare in the debates that such organizations should be exempt from the provisions of that law, and while a provision to that effect was in some of the measures introduced or proposed, there were other men of equally high character and ability who contended that such organizations should not be exempt, and the legislation that Congress actually passed did not contain any provision exempting such organizations from its operation, but Congress did declare that—

Every contract, combination in the form of trust or otherwise, or conspiracy in restraint of trade or commerce among the several States, or with foreign nations, is hereby declared to be illegal.

There is no exception made or hinted at in the Sherman law; no organizations are declared to be exempt. No suggestion is made that any organization or any person is exempt from the operation of that law.

All through the act its terms are all-embracing. There is nothing to show that it was the intention of Congress to exempt any body or any person from the prohibition against restraint of trade. The court had to construe the law as it passed and not as some said in debate it ought to be and not as we may think it should have passed. Instead of the court legislating when it declared labor organizations to be included within the prohibitions of the law against restraint of trade, it simply declared the law as Congress had enacted it; and if the law did not declare what Congress intended, the fault was that of Congress and not of the courts. The courts get much blame that should, in fact, attach to Congress. We pass laws almost every day of doubtful meaning and uncertain intention.

When we have a purpose to accomplish which is difficult to express we use broad, general, uncertain, and comprehensive terms, and leave it to the courts to construe and apply them. We ought not to do this; we ought not place such a burden on the courts. When these laws are construed, as they must be, those who are not suited by the construction given are dissatisfied and charge the courts with interfering with legislative functions, when, in fact, we are to blame for not making our meaning and intention clear.

Mr. President, there is a division of opinion as to the meaning of section 7 of this act and of some of the terms employed. Some Members of Congress contend that it means one thing and others contend that it means another. Why is it not possible for Congress to say what it means and express in clear and unequivocal language what its intention is, so that the courts will not have to bear the burden and the onus and the blame for a construction of the law which may not coincide with the views and opinions of some of us in passing it? If there is an uncertainty about the meaning or the construction that ought to be given to the language of the section, it is the duty of Congress to make it clear and plain, for it can be made clear and plain.

Mr. STERLING. Mr. President, will the Senator from Washington permit an interruption?

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from South Dakota?

Mr. JONES. Yes.

Mr. STERLING. I should like to ask the Senator from Washington a question. In section 7 there is language found which, I think, is uncertain in its meaning. For example, section 7 provides that nothing in the antitrust laws, as I remember the language, shall prevent the existence and operation of labor organizations and farmers' organizations, and so forth. Is not the word "operation" susceptible of different interpretations? Will not the question arise as to the lines along which a labor organization or a farmers' organization may operate, the methods which they may pursue, and so forth? Be as careful as we may, will there not be an uncertainty in the language, and will it not have to be eventually interpreted by the courts?

Mr. JONES. Mr. President, I have just suggested that very situation. I do not think we have made the language as certain as we may. I think we may make the language more certain and definite and clear as to what is really intended by the section. I have just suggested that there is a decided difference of opinion among Members of Congress as to what the real meaning and effect of this section is. I think that we ought to try to make it clear in the interest of labor itself. I understand that labor is satisfied with this provision, and yet it may be that after years of litigation, after years of trial in the courts, the decision may finally be that Congress meant something entirely different from what they expected; and we may find at the end of three or four years that instead of accomplishing something we have done nothing. I think it would be better for these organizations if Congress would try to make its meaning and intention clear. If Congress intends to provide one thing, let us say so; let us do it; and if it intends to provide for something else, let us say that and make provision for it and thereby do our duty and also protect the courts from unjust criticism and aspersion.

Mr. STERLING. Mr. President, I should like to ask the Senator from Washington, further, if there is any question in his mind now that under the Sherman antitrust law as it is

there is the right, as shown by the construction given by the courts to the language of the act, of labor organizations and farmers' organizations to exist and to operate? Can there be any question at all in regard to the right of existence and operation of such organizations under the law as it is, and need it be made any more definite and certain in view of the decisions of courts charged with the interpretation of the law?

Mr. JONES. I think I shall make my views about that clear before I get through.

Nor does this proposed section 7 make acts done by some organizations legal which if done by other organizations would be illegal. It does not permit these organizations to commit acts in undue restraint of trade which would be prohibited to other organizations. While some few might argue in favor of such an exemption, there is no considerable number of our citizens, laborers, farmers, or otherwise, who would urge that they be permitted to restrain trade and others be prohibited from doing it. One of the cardinal principles of farmers' and laborers' organizations is "special privileges to none and equal rights to all." A law that would allow some persons or organizations to commit certain acts and make it unlawful for other persons and organizations to do the same thing would be more injurious in the long run to the organizations and persons given this special privilege than beneficial, and nothing would sooner undermine the very foundations of our Government than such a course.

Mr. McCUMBER. Mr. President, would the Senator from Washington mind explaining right here if the farmers are not given the right to restrain trade by organizing to fix the price of their products, then what rights are the farmers given under this bill? What would a farmers' organization accomplish unless as an organization it may fix the farmers' own price for their products? And has not that always been declared to be in restraint of trade?

Mr. JONES. I am going a little further along to refer to farmers' organizations, but I will say right here that I think there can be farmers' organizations which do not have for their purpose or object the restraint of trade or an interference with commerce at all. We have some farmers' organizations in my own county which do not pretend to interfere with trade; the farmers simply gather together and talk over the situation, talk over their condition, and what will be beneficial to them, and so on; but I am going to touch on that point later.

Mr. McCUMBER. Then, is there any new law needed to confirm that right?

Mr. JONES. I am going to touch on that question just a little later on. I propose to discuss those various subjects further on, and it will probably save time if I do not go into them now.

The Senator from Kansas [Mr. THOMPSON]—and I regret he is not here, for I told him a moment ago that I expected to refer to his speech on some points—made a very interesting speech on the proposition involved in section 7 the other day. I want to take it as a text to show how unfounded is the popular view regarding the action of the courts and the operations of the Sherman law as affecting farmers' organizations, and it will apply also to labor organizations in greater or less degree. It was not only an interesting speech but a most remarkable one in many respects. It illustrates most strikingly and perfectly how and why wrong impressions may be fostered and how the people may honestly acquire wholly wrong ideas. The Senator has unwittingly given a strong basis for a wrong impression among the farmers as to the action of the courts and the effect of the Sherman law upon farmers' organizations. He is the victim of the very error into which he has fallen and into which his speech may be the means of misleading many of our people. That he is not to blame for this every Senator knows, because of the multitude of duties that press upon us here. No Senator can investigate the truth of every statement that comes to his knowledge, and he has a right to assume that statements commonly and frequently made and not denied are true.

With much of his speech I am in hearty accord. His eulogy of the farmer has my hearty approval. He has uttered it in so much more beautiful language than I could formulate that I adopt it as my own. I agree with him in his clear distinction between labor and capital or commerce. Labor is not a commodity. It is not an article of commerce. We can not ship it; we do not transport it. Laws governing the transportation of articles of trade and commerce are not applicable to labor at all, and there is no class distinction in enacting legislation that is applicable to the one and not to the other.

It is urged that farmers' organizations should be exempt from the operations of the Sherman law. I do not believe that there is much demand for this. None has been made to me, or, at least, very few such requests have come—so few that I do not now remember of having received any request from any organization in my State for this exemption. Neither the granges nor the farmers' unions nor any other farmers' organizations have asked me to work for their exemption. Probably they do not know that they are prohibited by that law now. They have not been disturbed. Their associations have not been attacked, and probably they think they do not need any exemption. It has been sought to create a demand on the part of farmers' organizations for such exemption because of the alleged prosecution of a farmers' organization in Kentucky, and through this case it is sought to make the farmers believe that they need relief of this kind. This case has been so persistently misrepresented that the statements in regard to it have been accepted as facts, and the distinguished Senator has been deceived, and his unwittingly mistaken statements regarding this case are apt to be used to deceive and mislead the people and create a prejudice against the courts and the Government. When the Senator, in his speech the other day, said:

> These eight men—

Referring to the defendants in the case of the United States against Steers, in the One hundred and ninety-second Federal Reports—

> who resorted simply to the right of "free speech," were indicted and convicted of the crime of conspiring to restrain interstate trade and commerce.

I was amazed and shocked and when he read from the Farmers' Union News that the facts in the case are simply these:

> Two or three years ago these men, who are excellent citizens of Grant County, Ky., and who stand high in the good opinion of their neighbors, persuaded one of their neighbors to haul his white leaf tobacco back from the railroad station, where he had taken it, and had consigned it to a commission broker in Cincinnati, Ohio, just across the State line. For merely persuading a fellow friend and neighbor into withdrawing his products from the railroad's custody, which the shipper, the neighbor, had a perfect legal right to do, and where he had taken it and consigned it to a point in another State under the mistaken notion that the planters were no longer holding their tobacco, these eight men have been indicted and convicted of a crime.

And when the Senator himself stated that the statement of the defendant Steers did not differ substantially from the statement of the case by the court, and said that the—

> defendants all claimed that there were no threats of any character made, and no force, coercion, or other unlawful means used or attempted by those who finally persuaded Osborne to hold on to his tobacco for a higher price—

I myself wondered, as he said—

> how these facts or circumstances could possibly amount to a violation of section 2 of the Sherman Antitrust Act.

I agree with the Senator that this, to use his own language, "is difficult to understand," until the actual facts of the case are understood.

As I have said, it seemed to me very strange and very remarkable that these men should be indicted for a mere persuasion of another man to withdraw his goods from shipment; it seemed very strange to me that they would be indicted for the mere exercise of free speech. So I secured the case and looked it up, and what did I find? I have the case here, and the facts are entirely different from those set out by the Senator and from those described in the newspaper article which he read. Here are the facts as set out by the court, and they must be taken as the facts in the case as found by the court and the jury, because it must not be forgotten that these men were tried by a jury who heard all the testimony, and while the Senator says that the defendants claim there was no coercion the report of the case shows that not one of the defendants went on the stand and testified in this case. Where they made any such statement as that to which the Senator refers or under what circumstances, I do not know; but they did not make it in the case. The only witness who went on the stand for the defendants was one witness who testified as to their good character. Now, this is what the court says—Mr. President, I will ask to put in the full statement of the court in the RECORD, and will not read it now; but this is the substance and the gist of the facts as set out by the court——

Mr. STERLING. Mr. President, if the Senator will yield for a moment?

Mr. JONES. Certainly.

Mr. STERLING. I should like to express the hope that the Senator will proceed to read that statement, because of its pertinency and because we are all interested in this question.

Mr. JONES. I am going to read the real gist of it, and I think that when I read it it will be all the Senator will care to have read. If after I read this he cares to have me read the whole statement, I will do so. In the statement the court said this:

> During Tuesday and Wednesday Osborne—

Osborne was the man who had consigned his tobacco—

During Tuesday and Wednesday Osborne received messages to the effect that he must not ship this tobacco, and on the evening of Thursday a considerabe number of men gathered in Dry Ridge with seeming reference to the matter of this shipment, and three of Osborne's acquaintances or neighbors went out to his farm to see him. They told him that there was a crowd of 50 men at Dry Ridge; that the crowd was determined this tobacco should not be shipped; and that, unless Osborne would withdraw the tobacco, it would be destroyed, and he or his property might be otherwise injured.

There is the case; there are the facts that were found in the case by the jury. Those are the facts upon which these men were convicted. This was a threat; this was not mere persuasion; it was coercion. This was not the simple exercise of the right of "free speech"; it was intimidation.

Is not this an entirely different case from what it was supposed to be by the Senator? Surely he will not contend that these men had the right to do these things. If this legislation passes, the Senator will not contend that it will legalize such acts as these. Not at all; such acts will still be unlawful, just as they are unlawful now.

I ask that I may incorporate in the RECORD without reading the full statement of the court to which I have referred.

The VICE PRESIDENT. Without objection, permission is granted.

The statement referred to is as follows:

In November, 1907, W. T. Osborne, living upon a farm near Dry Ridge, Ky., and his two tenants, Stowers and Bryant, had in their possession about four hogsheads of tobacco, being their entire crop for the season 1906. They delivered these four hogsheads to Ramsey, the railroad station agent at Dry Ridge, and directed shipment to Cincinnati, Ohio. Ramsey gave to Osborne a bill of lading in customary form, showing that he was the shipper and that the "Globe House, Cincinnati, Ohio," was the consignee. This was Tuesday, November 26. It was too late for shipment that day, and the next day there was no car available, so that on Thursday the tobacco was remaining in the railroad warehouse awaiting transportation.

An existing association among the tobacco raisers of the vicinity, called the "Society of Equity," or the "Burley Society," had pooled and was holding at its warehouses all the tobacco of its members until such holding, with other causes, should bring about a higher price, and it was opposed to the shipment to market of any tobacco not so pooled. Osborne and his tenants did not belong to the association and their four hogsheads of tobacco were unpooled.

During Tuesday and Wednesday Osborne received messages to the effect that he must not ship this tobacco, and on the evening of Thursday a considerable number of men gathered in Dry Ridge with seeming reference to the matter of this shipment, and three of Osborne's acquaintances or neighbors went out to his farm to see him. They told him that there was a crowd of 50 men at Dry Ridge; that the crowd was determined this tobacco should not be shipped, and that unless Osborne would withdraw the tobacco it would be destroyed and he or his property might be otherwise injured. He then determined that it might be withdrawn, and to accomplish this result he indorsed over the bill of lading to one of his visitors. The next morning, in seeming pursuance of some previously formed plan, a large body of men, probably 200 or 300, said to be more than he had ever seen together there before, assembled in Dry Ridge and marched to the railroad station. The indorsed bill of lading was presented, the tobacco was turned over by the station agent, and the procession, headed by four teams carrying the four hogsheads, marched away from the station, after the crowd had called the agent outside and notified him that he must not ship any unpooled tobacco. The four hogsheads were then returned to Osborne's premises and kept there by him until January 14, 1908. On this last day one of those who had been active in the proceeding notified Osborne that he was at liberty to ship the tobacco, and he did so at once.

A special grand jury considered these acts to be in violation of the congressional act approved July 2, 1890, commonly called the "Sherman antitrust law," and returned an indictment against the appellants and four others. Motions to quash and demurrers were overruled, and the respondents tried upon their pleas of not guilty. The case was nolle prossed as to one respondent, the jury acquitted three, and the appellants, eight in number, were convicted and severally sentenced to pay considerable fines. They all join in this writ and assign a large number of errors. While we have not omitted to consider each one argued, we must confine this opinion to the few which seem to us most deserving of discussion.

Mr. POINDEXTER. Mr. President——

The VICE PRESIDENT. Does the Senator from Washington yield to his colleague?

Mr. JONES. Certainly.

Mr. POINDEXTER. I should like to ask the Senator if such an act as he has just described is not unlawful and punishable under laws other than the Sherman law?

Mr. JONES. I think so.

Mr. POINDEXTER. So that in such a class of cases as that, where violence and intimidation and violent coercion are resorted to, the Sherman law need not be involved at all?

Mr. JONES. Not necessarily.

Mr. POINDEXTER. Such acts can be prevented under other laws, and constitute a different set of cases, based upon a different principle, than those which are prohibited as being in restraint of trade.

Mr. JONES. That is true; but I am simply setting this out because this case has often been cited as a case of absolute injustice, as one that shows that the farmers need this exemption, and as one that warrants us in repealing legislation upon the statute books that may cover a situation like that; and the quotation which I have made from the speech of the Senator from Kansas shows that the Senator unwittingly accepted the loose statements which have been going about and which create a wrong impression among the people as to the action of the court in this case and other cases of a similar character. Now, does the Senator from South Dakota care to have the other part of the statement read?

Mr. STERLING. I think not. I will say to the Senator that I think that will be sufficient.

Mr. KENYON. Mr. President, may I ask the Senator a question?

Mr. JONES. Certainly.

Mr. KENYON. Has the Senator read the record of that case as to the acts that had been committed previous to that time?

Mr. JONES. No; I have not.

Mr. KENYON. Such as the burning of property, the shooting of people, and the nonenforcement of the State law?

Mr. JONES. I have not. It seemed to me that it was not even necessary to go further than the statement of the court to show the error into which the Senator from Kansas had fallen.

Mr. KENYON. Those are what were commonly known as the "night-rider" cases.

Mr. JONES. That is true.

Mr. KENYON. The Government tried to break up the night-rider practices under the Sherman Act, and it did accomplish the purpose, which the State laws seemed unable to accomplish.

Mr. JONES. The Senator from Kansas says that it was a surprise when it was found that labor organizations were included in this law, but it was "a greater astonishment when farmers' organizations were also included"; and he says, "There seems, however, but one prosecution of organizations of this kind that ever reached the higher courts," referring to this Steers case. This case was not brought against the association; it was against the individuals who committed the unlawful acts of coercion and intimidation. No charge was made at any time that the organization was an unlawful organization, and this case is no basis whatever for any contention that such organizations are now unlawful. This organization was a perfectly lawful organization, as the Senator himself says in another part of his speech. It was never indicted or prosecuted. No action was taken because its members were holding their crops for higher prices; no action was taken because they had pooled their crops and refused to sell; no action was taken until an innocent farmer outside the organization was forced by threats and coercion to withdraw from commerce the products which he had already consigned. Mr. President, if this is the only case to show that this legislation is needed for the protection of the farmers of the country from unjust prosecution, then they need not worry whether this legislation is passed or not.

Section 7 of the bill before us reads as follows:

SEC. 7. That nothing contained in the antitrust laws shall be construed to forbid the existence and operation of labor, agricultural, or horticultural organizations instituted for the purposes of mutual help and not having capital stock or conducted for profit, or to forbid or restrain individual members of such organizations from lawfully carrying out the legitimate objects thereof; nor shall such organizations or the members thereof be held or construed to be illegal combinations or conspiracies in restraint of trade under the antitrust laws.

Those really interested in this provision are the labor organizations of the country. They want it; they believe they ought to have it; they believe they need it. This is not class legislation. It does not permit labor to restrain trade or commerce while prohibiting others from doing it. Capital can combine; it can and does organize now, and no one complains unless it does actually restrain trade, and often not then. A mere commercial combination may in itself be a restraint of trade, and therefore in violation of the law and its continuance a continued violation of the law. An association or organization of laborers can not in and of itself be a restraint of trade. It is not a combination or association of anything entering into trade and commerce. Trade and commerce are made up of articles or commodities; not of labor, but the products of labor. Combinations of capital control commodities or the instruments of commerce; combinations of labor are simply the association of human beings. Legislation for the regulation and control of the one may be no more suitable for the regulation and control of the other than would legislation for the control of a flying machine be suitable for the control of railroad trains.

In my judgment, this provision does not give to labor a single right that it does not now possess. This provision simply says, in effect, that the existence of labor organizations is not unlawful; that their operations for mutual help are legal; that the lawful efforts of their members to carry out their legitimate objects is not forbidden; and that such organizations are not per se in restraint of trade nor their members as such conspira-

tors in restraint of trade. All this, in my judgment, is lawful now. I do not believe that any decision of any court can be found where it has been held that a labor organization, independent and apart from acts done by its members, is simply by virtue of its formation and existence a combination in violation of the Sherman law. No court of last resort has held that laborers, in the absence of contract, can not quit work either singly or in a body, and for any reason whatever or for no reason, and regardless of the consequences to private or public interests. The right to do so is an inherent right and its exercise is superior to the rights of the individual or the public, and the courts can not inquire into the consequences of the exercise of such right with a view to preventing it.

Any employer can discharge his employees at any time for any reason or without any reason and regardless of the consequences to them or the public, and the employees have the equal right to quit work for any reason or no reason at all and regardless of the consequences to their employers or the public. If the thousands of employees of a great railroad system of the country should advise the managers or owners of such system that they intend to quit work unless they are paid certain wages, they can quit if the wages are not paid, no matter what the effect on commerce may be. They have an inherent right to ask for an increase of wages. They have an inherent right to quit work if they are not satisfied with their wages or any other condition. The effect of their quitting work upon commerce, the railroad system, or the community, however disastrous, is purely incidental and is subordinate to that infinitely greater right which every free man has to act freely and as he sees fit, so long as he does not infringe upon the rights of some one else. If after quitting work the individual or the organization goes further and unlawfully interferes with the right of others to work or with the operation of the road, prosecution and punishment may follow, and it will follow just as surely and swiftly after the passage of this provision as before.

Labor has the right now to solicit and peaceably persuade others to join its organizations and its undertakings. All these things it can do now for mutual help, to raise wages, to maintain employment, and better its conditions. Isolated cases here and there may deny some of these rights or detached sentences may be found in decisions pointing to a different conclusion, but the whole trend of modern decisions and every authoritative case will sustain every one of these propositions. This provision gives no more than this. Why pass it? What is its purpose? It is to set at rest in an authoritative way by legislative enactment any doubt that may exist as to these rights of labor, or rather to set at rest this one question, to wit, whether a labor organization is per se a combination in violation of the Sherman law, and therefore liable to dissolution irrespective of what it or its members may do. Some able lawyers have held that it is so liable to dissolution, and labor thinks they may be right, and this provision sets at rest that doubt. Surely no one who understands this will object to such legislation, and those who have protested against this section will most surely approve its passage when they understand it. In other words, this provision is no more and no less than a legislative declaration of existing law as enunciated by the courts. Mr. WEBB, now chairman of the Judiciary Committee of the House and who had charge of the bill in that body, said regarding this provision:

> It is needless to say that we have had much diversity of opinion in adopting and agreeing on this particular section, but after all, Mr. Chairman, we have embodied in this amendment what we understand to be the best legal interpretation of the best judges in the United States. Personally I have never had any idea that the existence and operation of labor organizations, of farmers' unions, or fraternal orders were ever intended to come within the provisions of the antitrust law. However, some labor leaders have contended for many years that labor organizations have their existence as a matter of sufferance and at the whim of the Attorney General, and if suit should be brought, if they were not dissolved entirely, much trouble could be given them. We are therefore writing into the statutes of the United States the consensus of opinion of the best judges of the country on this troublesome question. I have not had an opportunity of reading the opinion, but only last Friday the circuit court of appeals of the fourth circuit at Richmond, Va., held that a labor organization was not a conspiracy or combination in restraint of trade. Therefore we say that we have embodied in this section as set forth in the first part of section 7 and as expressed in the latter part of this amendment which I now offer what is generally understood to be the law and should be the law in the United States with reference to labor organizations, as well as fraternal and farmers' organizations.

Then, on page 10374, he says this:

> We wanted to make it plain that no labor organization or farmers' organization organized for mutual help without profit should be construed to be a combination in restraint of trade or a conspiracy under the antitrust laws. Now, I will say frankly to my friend that we never intended to make any organizations, regardless of what they might do, exempt in every respect from the law. I would not vote for any amendment that does do that.
>
> Mr. MURDOCK. If the labor organization goes beyond the province of mutual help, then is it subject to the Sherman antitrust laws?
>
> Mr. WEBB. If it violates the law, it is. Of course it is an organization subject to the law, and I ask if my friend from Kansas would vote to exempt it from all laws?

Mr. WEST. Mr. President, I should like to interrupt the Senator from Washington right there in order to ask a question.

Take the farmers, for instance, and say they have organized a farmers' union, and they want to boost the price of cotton. They want to connect themselves up and give cotton receipts for the money; and as cotton is always ready money at some price, they might take half price. Assuming that cotton usually sold at 12 cents, they might consent to hold their cotton until it got to 16 or 18 cents, and would not sell for less than that. Would they come within the purview of this bill if enacted into law?

Mr. JONES. I will say frankly to the Senator that I have not looked into that matter very carefully. I can see a very great distinction between farmers' organizations and their operations and labor organizations and their operations. I confess that I can not see any difference between a combination of farmers for the purpose of raising the price of their products, which are commodities just the same as any other products are commodities, and a combination of merchants for the purpose of holding up the prices of their goods.

I think the farmers' organizations can not be put on the same plane and the same basis as labor organizations. While I think probably all that this provision does with reference to farmers' organizations is to recognize their legal existence purely for mutual help, yet if they go out and by combinations with reference to their commodities violate the Sherman law, like other instrumentalities they will be subject to the law just the same.

I think there is more reason to charge that this is class legislation with reference to farmers' organizations than with reference to labor organizations, although much can be said in favor of legislation putting them on a different basis from those who deal in merchandise and other commodities in the production of which they have had little to do. Just what the effect of this measure would be upon an operation of that kind by the farmers I am not prepared to say, except that I do not think it gives them any rights they do not now possess.

Mr. HUGHES. Mr. President——

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from New Jersey?

Mr. JONES. I do.

Mr. HUGHES. I wish to call the Senator's attention to what I regard as a distinction between farmers and merchants and between the operations of farmers and the operations of merchants, having in view a common object—that is, merchants having in view the raising of prices of commodities of which they are in possession and farmers having in view the raising of prices of commodities which they themselves have produced and own.

Mr. JONES. The merchant may own the commodity, too.

Mr. HUGHES. He owns it, but he has not produced it.

Mr. JONES. Oh, no; and the farmer may not have done anything personally. He may have hired help and all that, and they may have produced the crop.

Mr. HUGHES. But we all know what the farming situation is.

Mr. JONES. Yes.

Mr. HUGHES. We know the number of units into which it is broken up and know how it is next door to impossible to combine so many men into such a compact body as to have any real effect upon the price of the commodity. Does not the Senator think greater liberty of action should be permitted to combinations of men who are tilling the soil and bringing those products into existence by their own muscular efforts than to men who merely have to get control of a sum of money and with sufficient money and with merely a clerical force may be in a position to cover the whole of the country and materially affect prices?

I think, too, that we are making the same mistake in this legislation that was made originally in the case of the Sherman antitrust law. The authors of the Sherman antitrust law had one or two combinations in mind. At that time the Standard Oil Co. was just coming into public notice. Its practices were new in the economic world. Men were being put out of business, and the most extravagant charges were being made against the company. It was accused of blowing up its rivals' plants, of preventing the passage of pipe lines over States, of corrupting legislatures, and so forth. It was the only industrial combination in existence at that time that the people knew anything about or whose practices were repugnant. The Sherman law was aimed directly at that combination and possibly one other. These other industrial condi-

tions have grown up since then, and they have come in contact with the law in a hundred places.

So it does seem to me that we ought to legislate with reference to labor organizations by themselves, and that we should legislate with reference to farmers' organizations by themselves. I think the farmers of the United States can not abuse the power of being permitted to combine for the purpose of preventing the price of their products from being unduly depressed.

We can take the chance that perhaps they will occasionally get a little bit above the true value of the product. That will happen so rarely that I should say the harm brought about by it would be infinitesimal and would be outweighed tremendously by the opportunity given to them to have a chance to get what their product is worth. Somebody said to me in the cloakroom the other day that the average farmer, the average cotton raiser in the State of Arkansas, was working for 22 cents a day. We know how they operate. They have to borrow money from the banks on notes, and they have to take the chance of the crop maturing. They have to get the help to garner it, and then they have to deal with men who make it their business and who have legislative machinery called into existence and invented for the purpose of depressing the price of their product when the time comes to market it and for raising the price of that product after the farmer has parted with it.

So it has always seemed to me, while I do not come from an agricultural State, and I am not particularly familiar with the agricultural business—there is only one farmer in our delegation—that to legislate for industrial combinations like the Standard Oil Co., the American Sugar Trust, the American Federation of Labor, and farmers' organizations in general terms was inviting trouble.

Mr. McCUMBER and Mr. WHITE addressed the Chair.

The VICE PRESIDENT. Does the Senator from Washington yield, and to whom?

Mr. JONES. I yield first to the Senator from North Dakota.

Mr. McCUMBER. I just want to ask the Senator from New Jersey a question. If a farmers' organization to-day advises its members that a product at the present time is not receiving in the markets the price to which it is entitled, and that it would be well for the farmers to hold this kind of a product or that kind of a product for a few months, when the demand will be greater, or it will be best for them to sell now certain products because they will probably get a better price now for them than they would at any other time, does the Senator contend that any of those instructions coming from the farmers' organizations to their members would be repugnant to the antitrust laws?

Mr. HUGHES. The Senator is asking me a very difficult and embarrassing question. My view of the antitrust law is that it was intended to control industrial combinations which are familiarly called trusts. The study I have made of the history of the law and what was in the minds of the legislators at that time, and, as the Senator says, the best opinion of the courts of this country, confirms the view I have, I think—that it never was intended to control them and it does not control them at all.

So far as labor organizations and farmers' organizations are concerned, it is, in my opinion, as though the law had never been passed. It is true the farmers are still subject to the laws of their localities and that the labor organizations are still subject to the laws of their localities; but, so far as they and their operations are concerned, the law never had them in mind when it was passed. The authors of the law said so, and their statement is in the RECORD and can be read now.

I will say there are a great many people who take a view of that law which makes the acts cited by the Senator as supposed to have been done by farmers' organizations in flat violation of the law.

Mr. McCUMBER. I am asking the Senator if he believes they are in violation of the law as that law has been construed?

Mr. HUGHES. Even as it has been construed, as the Senator says, in one of the cases which went to the appellate division. As the Danbury Hat case has been construed, those things are in violation of the law. I want to tell my friend that many of the farmers of the United States are fearful that those acts are in violation of the law. The labor organizations of the country have had frequent prosecutions, some of which have never gone beyond an indictment, some of which have never reached the nisi prius court; but they are convinced that an unfriendly Attorney General could dissolve such organizations, at least as do the things the Senator has cited, and that there would not be any question about it in the case of organizations the members of which were engaged in transporting commodities between the States.

Mr. McCUMBER. If the Senator from Washington will allow me, if the supposition of the Senator from New Jersey is correct, that this matter might come within the provisions of the antitrust law, then he could claim that every industrial publication which deals with steel or flour, which states to the members of their organizations what the supply in the world is to-day, and what the price perhaps will be to-morrow, and that they will probably receive a better price next spring than they are receiving at the present time, would be against the antitrust law. I do not believe that it would be, and I do not believe that under this provision the farmers would come within that law. Therefore the farmer gains nothing by this unless you can say he has a right to do an unlawful act with force and violence and intimidation, and wish to make that legal, and the farmer does not ask that such things shall be made legal.

Mr. HUGHES. I wish the Senator would not inject such terms into this discussion. If there was any force or violence or intimidation used by any party to any of these disputes, they do not wait for the Federal authority to interfere. The Federal authorities have no jurisdiction in those matters except in an indirect way. If I commit an act of violence by striking a man, his redress is that he immediately goes to the criminal court and seeks to have me punished for an assault. He is not going to wait until three or four men strike him and then attempt to prove that there is a conspiracy on foot to prevent him from doing business. He applies at once to the local courts; he makes complaint against me for assault, and I am indicted, tried, and convicted 99 times out of 100.

I do not see why the Senator should inject such terms in this discussion. There is no one here on either side of the Chamber who desires to give the farmers' or laborers' organizations or any other organizations the right to use violence, threats, intimidations, coercion, or force of any kind. I am willing to write that into this section now. It seems to me that we ought not to waste any more time on it.

Mr. McCUMBER. I only want to say, with the permission of the Senator from Washington, in the case just cited by the Senator, a case of intimidation, does the Senator claim that the courts had no right to take cognizance of that under the antitrust law?

Mr. HUGHES. I am not passing upon the decision at all.

Mr. McCUMBER. I am asking the Senator that question.

Mr. HUGHES. I am not familiar with the facts. If the Senator wants my opinion, I do not believe that the Federal courts could take cognizance of a case of violence when the violence was committed within a State. I think that could very well be left to the State courts. I do not think a man who is charged with violence should be dragged 100 miles to be tried and compelled to transport his witnesses. There is no excuse for dragging those things into this discussion. The State courts have jurisdiction of those cases. If I assault a man, and if I am a member of a thousand labor unions, I assault him somewhere in the United States, in some State, some county, some municipality, and I am subject to be punished for it.

Mr. McCUMBER. This is not a question of assault. It was simply a question of fact.

Mr. HUGHES. Against the laws of the State.

Mr. McCUMBER. Can the farmer break his contracts? I say the farmer is not asking for that kind of a law.

Mr. HUGHES. There is no law of the United States of that sort which prevents intimidation, and there is not a State in the Union that does not prevent it.

Mr. CLAPP. Will the Senator permit me an interruption? I wish to ask the Senator from North Dakota if the passage of the bill in its present form would interfere in another case similar to the Steers case, the court doing what it did there?

Mr. McCUMBER. I do not think so.

Mr. CLAPP. Then it strikes me that the inquiry was hardly apt.

Mr. McCUMBER. I do not know how it may strike the Senator, but it strikes me that the whole thing is being used as a sop to indicate that the farmer has a right which the Senator admits and which I admit he has not under this bill, and which he is not asking under this bill. That is my criticism.

Mr. WHITE. Mr. President, may I interrupt the Senator?

Mr. JONES. Is it about this colloquy?

Mr. WHITE. Yes, sir.

Mr. JONES. Very well; because I want to make a remark about this colloquy.

Mr. WHITE. I wish to make this suggestion, differentiating farmers from merchants: The farmers create something. They create a commodity by their labor. They enrich the world to the extent of their creation, while the merchant simply exchanges these commodities between sellers and consumers. He is a mere medium of exchange. It seems to me, for that reason, a

clear distinction exists between farmers and merchants, and that on that account alone farmers ought to be taken out of that class and not treated in legislation with that class. They are like miners; they produce something.

Mr. GALLINGER. What about manufacturers?

Mr. WHITE. They do not create anything in reality. They simply add value to something which already exists.

Mr. GALLINGER. Just about what the farmer does when he digs his potatoes.

Mr. WHITE. He plants potatoes before he digs them, and he has to wait for God and the rain and himself combined to make potatoes, and then he gets them.

Mr. JONES. I wish to ask the Senator from Alabama a question. I recognize the distinction he makes. I want to say that I do not see any difference among the four of us Senators here with reference to this provision of the law. I want to ask the Senator what he understands this provision gives to the farmer that he has not now?

Mr. WHITE. It gives him confidence; that is all.

Mr. JONES. Then there is no difference.

Mr. WHITE. It gives him assurance that in what he does he will not be in the dark. It removes a cloud from his title. It clears up the situation and lets him understand what he may do, and it is worth a vast deal not only to the farmer but to the laborer that the situation may be clarified, that they may know exactly what they are doing. I do not think it confers upon him a single right that he does not now in fact have, but I think it makes that right better understood.

Mr. JONES. I have always believed heartily in the proposition of confidence, and so there is no difference between the Senator and me.

Mr. WEST. Mr. President——

Mr. JONES. I will yield in just a moment. As I said a moment ago, I do not think there is any difference between myself and the Senator from New Jersey and the Senator from North Dakota and the Senator from Alabama on this matter at all. Under this legislation we do not give any right to the farmers that they do not now have, except I am going to call attention a little later to one particular thing that I think possibly we do give to them and to labor organizations that they do not have now. Now I yield to the Senator from Georgia.

Mr. WEST. I rose for the purpose of presenting to the Senator from Washington a parallel to see if he can make the distinction. I take the great sawmills out of the list, the stationary sawmills. It is well known that there are tens of thousands of portable mills over the country that perhaps do not cost a thousand dollars apiece, carriage, boiler, engine, and all. The engine is usually attached to the boiler.

What would be the difference in these tens of thousands of little portable sawmills over the country and the farmers, where the average farmer would be worth more than the average sawmill man, if they combine together, without any money being put up, and say, "We will put up the price of our product," just like the wheat people or the cotton people say, "We will put up the price of our wheat or our cotton"? Can the Senator from Washington draw a distinction between the farmers and the owners of the little portable sawmills?

Mr. JONES. I am not trying to draw any particular distinction. In one way I do not see any very great distinction. I recognize this, however——

Mr. WEST. Why the difference, then, in legislation for different classes? I am a farmer; I raise a whole lot of produce; but I can not see why that should differentiate me in my favor against some other class of people.

Mr. JONES. I just stated a moment ago that I do not believe this provision gives them any rights that they have not now, and it does not take away from the little mill owners any rights that they have now.

Mr. WEST. Why cumber the statute books, then?

Mr. JONES. I suggested a while ago, especially with reference to labor, that there is a difference of opinion with reference to what a combination or an association of labor is. Some prominent lawyers say the mere fact of the existence of an organization of labor is of itself a violation of the Sherman law. I do not think there is anything to that, and the only purpose of this legislation is to set at rest in a legislative way that particular question. It is a legislative construction that these farmers' organizations may exist without violating the Sherman law; it simply makes certain what some able men have doubted; that is all.

I recognize the force of the suggestions made by the Senator from New Jersey and the other Senators here with reference to the different conditions under which the farmer and the small operators labor and work, and it presents a strong case for different legislation for them. I think all the Senators overlook the fact that no matter what some Senators thought or said when the antitrust law was passed, we must construe that law as it passed, and it makes no exception because of any particular conditions under which these men or those belonging to different occupations have to labor. Without going over what I said in the first part of my address, I will simply call the attention of the Senator from New Jersey to the fact that while a bill was introduced containing, I think, a provision exempting labor organizations and farmer organizations, or at least such a provision was offered to the bill, and some Senators, when that was pending, contended that the law should not apply to such organizations, as a matter of fact that exception was not put in the law, and there were some prominent Senators who said that the exemption ought not to be made. So whatever our personal views may be as to what course ought to have been taken, we must take the law as it passed and not as we think it ought to have passed or as some thought it ought to be passed.

Mr. HUGHES. I simply want to call the Senator's attention to the fact that the amendment when it was offered was passed unanimously by the Senate.

Mr. JONES. That is true; but there are lots of amendments that the Senate passes which never become law.

Mr. HUGHES. There was, as I recollect, no Senator who held the view that the exception should not be made.

Mr. JONES. That may be true, although I think some did express opposition. It may not have been expressed.

Mr. HUGHES. A great many Senators held the view that there was no necessity for making the exception, that it could not by any possibility be construed to apply to the organizations, and finally when the amendment was offered there was not a single vote against it, the author of the legislation accepting the amendment and declaring it to be a fair legislative inference that they should be excepted.

Mr. JONES. That is true; but both Houses have to do with the passing of the law and the law did not pass with that amendment and with that provision.

When I say this I am not arguing now that it ought not to be passed or that we ought not to treat the farmers and farmers' organizations in a different way from the great commercial organizations of the country. If we want to do it, we ought to make the provision as we want it and not leave it to the courts or by uncertain language impose this burden on the courts. I am simply suggesting this as a sort of defense of the courts, that I think have been reflected upon very unjustly simply because we have not done our duty.

Mr. McCUMBER. I wish to ask the Senator for his enlightening view upon another feature of these organizations. As far as I know, the hens of the United States are laying eggs in their usual number, without any change on account of the war. I do not know of any demand that is being made particularly for American eggs for foreign shipment. Suppose the grocers and market men here conclude that as an excuse for raising the price of eggs they shall use this war argument when, as a matter of fact, they may be purchased for the same old price. Here is a consumers' league which organizes and declares that these people are charging exorbitant prices, prices that they ought not to charge—that their reasons for raising the price are unjustifiable—and they advise their associations not to purchase unless they bring those eggs down to a reasonable price, which price they may fix. Does the Senator think that that ought to be an unlawful organization? I notice that by a vote yesterday you prohibited them, so far as you could, from so organizing.

Mr. JONES. The Senator did not examine the details of that vote. If he did, he would find that I voted against that proposition.

Mr. McCUMBER. I know the Senator was right. I examined it simply enough to know that you prohibited the consumers' leagues, which are struggling not against the laboring men, not against the farmer in his prices, but to prevent the combination and organizations of the middlemen from fixing exorbitant prices. Now, does the Senator believe that if we had legalized them the same as we have the farmers' organizations and the labor organizations that we would have exempted them from the effect of the antitrust law?

Mr. JONES. If I thought so, I would not have voted as I did. I voted with the Senator on that proposition. Of course, the Senator and I both agree that this provision does not add anything to what they have, that it does not give the farmers anything; and cutting the word "consumers" out does not take anything from them. I think they have the right still to form those organizations, but I think, as we are putting these others in, we ought to leave those in, too.

Mr. McCUMBER. It was a sentiment against the consumer, and they must accept it as such.

Mr. JONES. I think it was more a disposition to stand by the committee. I think probably that had more to do with controlling the votes of the Senate than anything else. The committee recommended it, and the Senate so voted, not because they were against the consumers but because they wanted to stand by the committee.

Mr. CULBERSON. Mr. President——

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Texas?

Mr. JONES. Certainly.

Mr. CULBERSON. I call the Senator's attention to the fact that in the decision of the Supreme Court of the United States in the case of Loewe against Lawlor the Sherman Act was practically held to apply to organizations of farmers and to laborers generally. If the Senator will yield, I will read a paragraph from the opinion.

Mr. JONES. I shall be very glad to have any information on the subject.

Mr. CULBERSON. In the case of Loewe against Lawlor, Two hundred and eighth United States, page 301, in the opinion delivered by Chief Justice Fuller, it is said:

> Nor can the act in question be held inapplicable because defendants were not themselves engaged in interstate commerce. The act made no distinction between classes. It provided that "every" contract, combination, or conspiracy in restraint of trade was illegal. The records of Congress show that several efforts were made to exempt, by legislation, organizations of farmers and laborers from the operation of the act and that all these efforts failed, so that the act remained as we have it before us.

I read that to suggest that the same reason exists for passing this bill with respect to farmers' organizations as for labor organizations per se, inasmuch as the Supreme Court in this opinion said, in effect, that they were within the provisions of the antitrust law.

Mr. JONES. Of course the question with reference to farmers was not directly involved in that case.

Mr. CULBERSON. It was dictum, but it throws a cloud over the right of farmers to that extent.

Mr. JONES. I understand that. The court even in that case did not hold the existence of the labor organization per se to be in violation of the Sherman Act.

Mr. CULBERSON. No; it did not, but they used the expression "organization of laborers" and held, in effect, that they were within the operation of the law under certain circumstances.

Mr. JONES. Well, section 7 will not take them out under certain circumstances either; they will still be subject to the Sherman law under certain conditions if they do certain acts, will they not?

Mr. CULBERSON. No more than anyone else.

Mr. JONES. Oh, well, I understand that, of course. I shall point out in a moment what I think is the real difference in this section, and then I shall ask the Senator what is his view with reference to the particular point that I shall make.

Mr. President, some of the friends of this provision admit that it is class legislation. I do not think it is; but even if it is, that is no valid reason against it if it is desirable legislation. There are very few laws passed by Congress that are not class legislation, that do not benefit some of our people more than others; that do not benefit one section of the country more than another. Many instances of such legislation have been enumerated by those who have spoken upon the question, and I shall not go over the ground again. The great expanse of our country, the diversity of our industries, the varied occupations of our people make class legislation necessary and inevitable. If those who contend that the mere existence of a labor organization is a violation of the Sherman law are correct, then there is a class distinction now in that commercial organizations are not per se violations of that law, and this legislation is justified on this ground if on no other.

Those who oppose this legislation and urge us not to pass it must believe that it exempts labor organizations and their members from prosecutions for acts done beyond what they have a legal right to do for the purpose of unreasonably restraining trade or commerce. It does not do this, and such acts can be prosecuted just the same after the passage of this provision as before, either, in my judgment, under the Sherman law or under other laws of a local or a national character affecting these acts. It may be—and this is the point I want to call the attention of the chairman of the committee to—that for such acts an organization could now be dissolved, while after the passage of this provision it might not be; but even if this is so, it could be restrained from doing the unlawful acts, and then there could be no objection to its continuance as an organization. In other words, under the Sherman law an organization that is found guilty of restraining trade can be dissolved; and I take it that if a labor organization should be held now to have restrained trade, the court could dissolve such organization.

Now, I want to ask the Senator from Texas if this section is adopted and then a labor organization should be held to have violated the Sherman law by reason of intimidation or coercion or acts of that character which are beyond the legitimate purposes of the organization and its lawful scope whether this provision would not exempt it from dissolution and whether the courts would not probably restrain those acts and then let the organization continue in existence?

Mr. CULBERSON. I think, Mr. President, that would depend somewhat upon whether or not the amendment proposed by the committee inserting the word "lawfully" is adopted.

Mr. JONES. I mean if the amendment is adopted.

Mr. CULBERSON. It would depend on whether the amendment proposed by the Judiciary Committee inserting the word "lawfully" is adopted. I think in that case, where the organization exists and is pursuing the legitimate objects of the organization in a lawful manner, it could not be dissolved or, rather, declared unlawful or restrained by an injunction of a Federal court.

Mr. JONES. The point I am suggesting is this: Suppose that they do something unlawful. Suppose they do unlawful acts, then the court could restrain them from doing those acts.

Mr. CULBERSON. I think so, so far as this bill is concerned.

Mr. JONES. But would it not have to stop there, or could it go on and dissolve the organization?

Mr. CULBERSON. Not in my judgment. The court would not be authorized to dissolve the organization.

Mr. JONES. That is my point, and that is the suggestion that I am making. That, in my judgment, is the only substantial change made by this provision in existing conditions. Under conditions now existing the court could dissolve the organization, while if this provision is passed and a labor organization should commit some unlawful act the court could stop those unlawful acts. There it must stop and let the organization continue its existence. I think that is quite a substantial right and quite a substantial provision, but one that will not in any way interfere with interstate trade or commerce.

Mr. WEST. Mr. President, in what way would the court stop such an organization—by fine or imprisonment?

Mr. JONES. I suppose so, or by injunction or something of that sort.

Mr. McCUMBER. May I ask the Senator from Washington a question right there?

Mr. JONES. Yes.

Mr. McCUMBER. Does the Senator from Washington contend that if a labor organization is organized for lawful purposes and for very many good purposes, and is proceeding in the exercise of its functions according to its organization, because it may break the law in one respect, the court, under present laws, can go further than an injunction and dissolve it and prevent it from performing its usual functions?

Mr. JONES. I do not believe that any reasonable court would do so; but I fear the court could do so if it saw fit to exercise that power.

Mr. CLAPP. Mr. President, upon what theory could a court exercise such power? Of course, where a body of men come together primarily in the form of a conspiracy or combination in restraint of trade the very coming together is the initiation of the act prohibited; of course, that can be further prevented by dissolving their associations, but where a body of men, whether a labor organization or any other body of men, lawfully organized and ordinarily pursuing a lawful course of action, should in some particular violate the law I am at a total loss to understand how the court may invoke the power of dissolution.

Mr. JONES. Here is the point—and I suggest it more to get information and the views of Senators than anything else—if some court should find that a labor organization has violated the Sherman law, and it were disposed to do so, it could make a finding that it is a conspiracy, and under that finding, of course, dissolve it.

Mr. CLAPP. Mr. President, let us eliminate for a moment labor organizations.

Mr. JONES. That is the main thing I am talking about.

Mr. CLAPP. Let us take a copartnership or a firm that has been doing a legitimate business and is legitimately organized. There is no relation between its original organization and the

circumstance that two or three years later it may do something that is a violation of the Sherman antitrust law. If in the course of their business they should transgress the Sherman antitrust law clearly a court would not dissolve the copartnership. It would restrain them from continuing that particular act which constituted a violation of the law.

Mr. JONES. I think that is true.

Mr. McCUMBER. The court could not dissolve the partnership.

Mr. CLAPP. The court could not do so.

Mr. JONES. I think that is true.

Mr. WHITE. Mr. President——

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Alabama?

Mr. JONES. Certainly.

Mr. WHITE. In line with the Senator's suggestion, if a case were pending in a court of equity, and one of these organizations should continue to violate the law, might not a court of equity, in order to give complete relief, even go behind what prompted the immediate act and destroy the agency that is continuing the violation? That is the idea, as I understand, suggested by the Senator from Washington, that the court would have the power to decree dissolution, but would be exceedingly loath to do so.

Mr. JONES. I think so. The real idea that I have in mind is this: Suppose a labor organization is charged with conspiracy and the court finds that it has been guilty of a conspiracy, as I understand, under the Sherman law now it could be dissolved. I will ask the Senator from Minnesota if that is correct?

Mr. CLAPP. The conspiracy could be dissolved. If a labor organization, a copartnership, or a corporation join with others in a conspiracy, that conspiracy could be dissolved, and the parties to that conspiracy would return to their constituent elements as a firm, a corporation, or a labor organization, as the case may be. Suppose that a dozen men are engaged in legitimate business, and they form a conspiracy under the Sherman antitrust law, and the court finds them guilty; the court will then enjoin them and dissolve that conspiracy, but each one of those dozen men can then go on and pursue his lawful business.

Mr. JONES. Let me ask the Senator another question. I have not a well-settled conviction about this matter, and I want to get the Senator's views. As I understand—I may be mistaken—there was some case brought against a labor organization in which it was charged with being a conspiracy, and the court issued a decree dissolving the organization. I do not know the facts; they have come to me in a sort of general way like the facts in the case cited by the Senator from Kansas [Mr. THOMPSON], and I have not investigated the case to ascertain what the real facts are; but suppose that that is correct, and that the court did find such an organization a conspiracy and dissolved the organization into its original members. I assume under the existing Sherman law it would not be necessary for the court to take such action; it could enjoin that organization from violating the law as it had conspired to do, and thereby prevent its violation, and that would really accomplish the purpose sought; but suppose this provision is passed, then could the court go further than enjoining the commission of those unlawful acts and dissolve the actual existing organization as a conspiracy as it is reported it did in that case?

Mr. CLAPP. If the court could do it in the one case, then it could do it in the other. If a group of men, under the guise of calling themselves a labor organization or the United States Steel Co. or any name they may assume, unite together in a conspiracy in restraint of trade, that combination could be dissolved, and it could be dissolved just as readily, in my judgment, after the passage of this bill as before. It is a question of the purpose of the organization.

Mr. JONES. That illustrates the uncertainty of the provisions of this bill as well as of other bills. The Senator from Texas [Mr. CULBERSON], as I understand, holds the other way. I am rather inclined to the view of the Senator from Texas.

Mr. CUMMINS. Mr. President, may I interrupt the Senator from Washington for a moment?

Mr. JONES. Certainly; I have lots of time.

Mr. CUMMINS. The nearest approach to a decree of the character mentioned by the Senator from Washington with which I am familiar is the decree entered by Judge Dayton in West Virginia, and that decree was, in fact, based upon the common law and not upon the statutes of the United States which we are now considering. The circuit court of appeals, however, reversed that decree, holding that the labor organization involved in that case was not in violation in and of itself either of the common law or the statute of 1890. Even that decree was not wholly dissociated from the act of the individual members and officers of the organization; but I think that Judge Dayton's opinion and decree might well be accepted as a holding that the labor union was—in this case the United Mine Workers—in and of itself, on account of the objects which were declared in the articles of association, an unlawful organization. Then, of course, the court proceeded to consider what had been done and what was proposed to be done, but the decision was promptly reversed by the circuit court of appeals, in which the whole subject is reviewed, and in their opinion it is distinctly and positively held that labor unions, having in view the purposes for which that organization was created, were not violations of the antitrust law as being in restraint of trade, nor were they opposed to the common law, and the court drew a very sharp distinction between the common law as it was formerly understood in England and the common law as it had been accepted in the United States, expressly declaring that we had never adopted the harsh and rigorous rules which appeared to have favor in the early days of England.

Mr. JONES. Now, Mr. President, let me ask the Senator—because I have very great respect for his opinion with reference to these matters—does he think that the court could under the law as it now exists, if it found that a labor union because of acts which it had committed was guilty of conspiracy, dissolve the union?

Mr. CUMMINS. The Senator is now asking my individual opinion?

Mr. JONES. Certainly.

Mr. CUMMINS. I premise it by saying that it never has been done, and the declarations of all courts which are really entitled to respect are to the effect that it can not be done; but I am perfectly aware that the construction of a statute is a matter of development, and personally I have been apprehensive that there might be found a court some time that would declare that an association of men having for their avowed object the increase of their compensation as wageworkers is an unlawful combination or conspiracy.

I have been apprehensive of that because up to this time the courts have not seemed to take account of the real character of a labor union. That is, they have not drawn the distinction between labor and commodities which I think must be drawn in order to reach the conclusion logically that a labor union is not a violation of the antitrust law. The very moment you assume that labor is a commodity and that to suppress competition or limit competition in labor is a restraint of trade, as it would be if it concerned a commodity, we are upon very dangerous ground. It is because I would like to see that distinction drawn, and labor recognized as not being a commodity, that I am in favor of this section, or, rather, to speak accurately, I am in favor of a substitute for it, which I suggested yesterday.

Mr. JONES. I agree entirely with the Senator, and I want to ask him a question. Would the passage of this section as recommended by the committee remove the apprehension he has expressed?

Mr. CUMMINS. Yes. I think the passage of the section will remove this danger. It will make it clear that a labor organization—assuming now that the words are construed to mean a union of wageworkers having for its object the increase of wages, the betterment of conditions, and the lessening of hours of work—is not in and of itself a restraint of trade. I think that must be accepted as the effect of this section; but the moment you pass beyond that and enter any activity of an officer of the association or a member of the association I think the section does nothing at all. I think the word "lawfully," which has been reported by the committee and, I understand, is now before the Senate for rejection or adoption, limits the activities or acts or doings of any such association to just such as are now authorized by the law.

Mr. JONES. I am very glad to have the opinion of the Senator, because it is squarely to the point and presents the issue squarely, I think.

Mr. McCUMBER. Mr. President, may I ask the Senator from Iowa if any court has ever held or ever intimated that the sale by a man of his labor is a commercial act?

Mr. CUMMINS. No; I think no court has ever so held.

Mr. McCUMBER. Does the Senator really think there is danger of a court ever holding that the mere hiring of a man to an employer is an act of commerce?

Mr. CUMMINS. There are a great many opinions which contain discussions of the subject and which will be found to embrace a course of reasoning which, if carried to its logical end, would put labor precisely where you put a bale of cotton or a bushel of wheat; but those reasons have never found expression in any decision. It never has been so decided. I con-

fess that I have shared the apprehension that some students of the subject have—that the courts may do that in the future.

Mr. JONES. Mr. President, in my judgment, it would be better for us to take some such course as that suggested by the Senator from Iowa. Let the Sherman law affect trade and commerce and those who deal in and with trade and commerce as it, in fact, was intended when it was passed. Take labor and labor organizations out from under the law entirely, and let us formulate a statute governing labor and its organizations. Let us define its rights and place upon it certain fair and just limitations. Then will we indeed give to labor its magna charta upon which can be builded a code of laws under which labor's rights can be fully protected and a fairer and more equitable share of the products of its toil secured. We can devote our time to no more important and beneficent legislation than that which seeks to solve fairly and justly the tremendous problems affecting the relations of labor to those engaged in interstate trade and commerce. They are the problems which affect the very lives and existence of hundreds of thousands of men, women, and children, and their proper solution means happiness, peace, comfort, and prosperity to millions of individual citizens and stability and safety to our industries and institutions.

Mr. CUMMINS. Mr. President, the difficulty with the suggestion just made by the Senator from Washington is that, except as the relations of an employer and an employee are connected with commerce or trade, we have no jurisdiction to deal with them at all. We are powerless to prepare and enact a code which shall govern the rights of wageworkers and of employers except as that relation is involved in the commerce of the country, for we must draw our authority from the provision of the Constitution which gives us the right to regulate commerce among the States. All that we can do in this connection and with respect to this subject, as I view it, is to see that labor is not improperly involved in commerce; that is to say, that we, in our efforts to regulate commerce, do not attempt to draw within our regulation a thing that is not commerce at all, and never can be made commerce, and ought not to be made commerce.

Mr. JONES. I am very glad the Senator interrupted me there, because I had that distinction in mind, although I know I did not express it. What I intended to say, of course, is that within the limits of our jurisdiction we should treat labor and its relations to interstate trade as really an independent proposition, in so far as we can. Of course we can not disassociate it from interstate trade and commerce, because, as the Senator says, it is only in that relation that we have jurisdiction over it, but we must define the rights of labor so far as it affects commerce, or, at least, we ought to do it, keeping in mind its character and condition and not deal with it as a commodity, as commerce. That was what I had in mind when I said we should separate it and legislate for it, of course in its relation to interstate trade and commerce, but not treat it, as the Senator says, as an article of commerce, because it is not an article of commerce. It is no part of commerce. It is not a commodity at all.

I would not weaken the Sherman law in its application to the conditions and operations which it was really intended to affect. It should stand in all the force and vigor which the courts have given it against these practices in restraint of the distribution of the commodities of commerce which it was intended to prevent. I would, however, lend every reasonable encouragement and proper assistance for the improvement of the conditions and a better and fairer compensation of those upon whose shoulders rest the very foundations of society and civilization, through whose toil and sweat and effort commerce and trade are possible and upon whose well-being and contentment depend largely the peace, prosperity, and progress of society. If nothing better is offered, I shall vote without hesitation for the provisions of section 7 of this proposed act.

I want to apologize to the Senate for taking more than 20 or 30 minutes, as I promised at the beginning of my remarks; but I doubt if this apology is necessary, in view of the interruptions that those who have been here know about.

Mr. CLAPP. Mr. President, the Senate was accessory before the fact to the offense of the prolongation of the Senator's remarks. There is no question about that.

I want to say just a word in regard to section 7. It not infrequently happens that Congress and some others indulge in a sort of a shadow dance—get up in the clouds and wage a combat there, and after all the smoke has cleared away it is discovered that it was not a very vital combat after all.

I am inclined to think we are now in that sort of a combat. I do not believe there is a lawyer in this body or outside of this body who will seriously contend that section 7 modifies existing law up to the point that law has been construed to this time. I believe the Senate, generally speaking, and the public, generally speaking, will agree to a proposition that could not be more tersely and plainly stated than it was stated by the senior Senator from Iowa [Mr. CUMMINS] in his proposed amendment to section 7:

> That the labor of a human being is not a commodity or article of commerce.

And if not a commodity or article of commerce, then clearly it is not the subject of the laws designed to prevent the destruction of competition in articles of trade and commerce.

The Senators who oppose section 7 insist with one breath that it adds nothing to the law, that it is simply a sop thrown to labor, and in the next breath some, at least, insist that it is throwing open wide the doors to anarchy and lawlessness. The fact is it is neither the one nor the other; it is only making plain what is now accepted by all as the law, although there is outside of Congress an impression that section 7 gives some rights that do not now exist, as is evidenced by the mass of telegrams and letters received not only by the Senator from Washington [Mr. JONES], but, I think, by every Member of this body. These telegrams and letters are based upon the assumption that section 7 confers certain rights and enlarges certain liberties beyond the legal status of labor organizations as they exist in the absence of section 7.

Now, while this assumption is an error, while it is true section 7 neither enlarges nor restricts the right of men to form labor unions, yet in view of the impression that section 7 does make some change, it has always been a theory of mine—perhaps too plain and fundamental to invite any great amount of attention—that one of the duties in enacting legislation is to make legislation just as plain and positive as it can be made. Aside from the evils that may result from unwise and unjust laws comes the great evil of the uncertainty of law. The Senator from Washington this morning, in a form that attracted my attention by its simplicity, and yet with a logic of reasoning that was also a marvel, pointed out that the fault is not so often with the court as it is with the legislature. We pass laws about which we ourselves differ as to the use and application of the terms, and then courts are criticized because of their interpretation of the laws.

Being one of those who believe that there is nothing in section 7 which changes existing law, but recognizing that there must be abroad an impression that the right of labor to-day is not the right as measured by section 7, I for one have no hesitation whatever in casting my vote for section 7, unless it may be improved by the amendment of the Senator from Iowa [Mr. CUMMINS], which I think is an improvement, thereby making plain and certain, as far as human language can do so, what is intended by the legislation.

It may be said that if this is already the law there is no necessity for repeating it; but the pouring in of telegrams and letters would indicate that there is an impression that this is not the law. I can see no reason why we should not, and, on the other hand, every reason why we should, make this so plain and certain that there can be no longer any doubt about it.

Mr. CHILTON. Mr. President——

The PRESIDING OFFICER (Mr. KENYON in the chair). Does the Senator from Minnesota yield to the Senator from West Virginia?

Mr. CLAPP. With pleasure.

Mr. CHILTON. I want to make a suggestion to the Senator. The amendment offered by the Senator from Iowa is for us to define labor as not being a commodity. If it is not a commodity, or if it is not commerce, upon what theory can we enact eight-hour laws under our grant of power to regulate interstate commerce? How are we going to reconcile the votes we have made?

I should like to say beforehand that I should like to make that declaration. I feel like making it. I wish the Congress could. But I am afraid we are going to do more damage to labor and more injury to humanity by making that kind of a broad declaration than we can possibly do good to labor.

We have passed a lot of eight-hour laws, a lot of regulations as to interstate commerce where they affected labor, and they have received the approval of labor. They are humanitarian. Suppose we make a declaration that under no circumstances can labor be construed as a commodity, that means that in no way can it be a part of interstate commerce, and do we not injure it by that declaration much more than we will benefit it? Ought we not to get at it in the other way?

Mr. CLAPP. There is a vast difference between declaring an article is not the subject of commerce and regulating the instrumentalities and agencies of commerce. For instance, we passed a law prohibiting labor for more than a certain number of hours in interstate commerce, and we passed laws for pro-

tection of the life of those who are being transported. That has no earthly relation to the question whether labor be an article of commerce.

Mr. CHILTON. Will the Senator tell me where is the grant of the power to Congress to do that except the interstate-commerce clause? Will the Senator kindly point out to me the clause in the Constitution authorizing us to prescribe the number of hours men shall work or labor? The States have a right to do it. We ought to have probably the power, but where is it?

Mr. CLAPP. The Senator is insistent upon asking a question when there can be no question about it. Of course, under the interstate-commerce clause of the Constitution, we get the power to regulate interstate commerce. Nobody claims that we can get it anywhere else.

Mr. CHILTON. The Senator has answered as I thought he would. If the thing we are regulating is interstate commerce, how can we regulate it?

Mr. CLAPP. The character of the rails that may be run over is not commerce, it is one of the instrumentalities of commerce. We can require that the rails shall be of a given thickness and a given strength, and we can require safety appliances on cars. That is not commerce. It is one of the instrumentalities of commerce. There are a thousand things involved in the regulation of interstate commerce where these things themselves are not the subject of commerce.

Mr. CHILTON. Then, would the Senator say that labor is an instrumentality of interstate commerce?

Mr. CLAPP. It may be so related to interstate commerce that under our power to regulate interstate commerce we can regulate the application of labor, as we do in regard to the hours of labor which we prescribe.

Mr. CUMMINS rose.

Mr. CHILTON. In the committee we have discussed this with the distinguished Senator from Iowa [Mr. CUMMINS]. I know how he has contended for it, but that has been the trouble I have had with it. I want to go along in a way that will do them some practical good.

Mr. CUMMINS. May I interpose for a moment?

Mr. CLAPP. I will yield to the Senator from Iowa.

Mr. CUMMINS. I will trespass only a moment. The distinction between the cases put by the Senator from West Virginia and the declaration that labor is not a commodity to me is very apparent. When we regulate a railway company or prescribe rules for the operation of an instrumentality of commerce we are not regulating labor, we are regulating the railroad company and prescribing the conditions upon which it shall engage in interstate commerce. One of those conditions may be that it will not employ any man for more than 8 hours or 10 hours or 12 hours continuously. That is in no sense a recognition that labor is a commodity or an article of commerce. It is simply a rule put upon the railroad company that is engaged in commerce in order to render its operations more efficient or safer.

Mr. CHILTON. Mr. President——

Mr. CUMMINS. Just a moment. In the same way, if we have the power, which I think we have, to regulate a corporation engaged in general industry and also engaged in interstate commerce, I think we can say to that corporation, "You shall not engage in interstate commerce if you do so and so." I think we can say to it that its capital stock must be paid up. I think we can say to it that it must not be in collusion with or have a community of directors with another company that is also engaged in interstate commerce. I think we can say to it that it shall not employ its men or women more than a certain number of hours per day. All these things, however, have no connection with the essential character of the thing that we call labor.

Mr. CHILTON. Yet does not the Senator remember that the substance of his amendment is practically one of the arguments made against the opponents of the eight-hour law?

Mr. CUMMINS. Not at all.

Mr. CHILTON. I have read the argument to very poor purpose, then.

Mr. CLAPP. I confess I never heard it made. On the contrary, it was claimed time and time before our committee that we should do these things in the interest of the traveling public.

Mr. THOMAS. Mr. President, I quite agree with the Senator from Minnesota [Mr. CLAPP] that legislation should be made as clear and as free from ambiguity as language will permit. Yet that is sometimes one of the most difficult things to accomplish. This difficulty arises from the meaning of which words in the English language in combination with other words is susceptible, constructions which never occurred to the legislator in framing the statute.

I recall that the first bankruptcy act passed by Congress was framed by Justice Story, of the Supreme Court, at the request of one or the other of the two Houses. He was one of the greatest masters of legal expression that the bar of this or any other country ever produced. He gave a vast deal of time and anxious thought to the preparation of a bankruptcy law, and Congress very wisely adopted and enacted the bill which he had drafted without any change whatever. A case involving the consideration of an important section of that act came before the Supreme Court at the time when Story was one of its illustrious members. After listening to Mr. Webster's argument relating to the application of that section to the facts involved he was compelled to declare that he himself did not know what it meant. In line with this thought it occurs to me that section 7 of this bill contains one ambiguity that seems to me to be obvious, although it is perhaps not of very serious importance. I refer to the last paragraph:

> Nor shall such organizations or the members thereof be held or construed to be illegal combinations.

I am not able to understand how an individual can be charged with or convicted of being an illegal combination. Combinations necessarily involve numbers, more than one, at least. Yet there is a provision here that the members of organizations shall not be held or construed to be illegal combinations.

As I said, Mr. President, I do not know that that is of any particular importance, but nevertheless it is an expression which ought not to appear in a carefully considered statute.

Mr. President, I have given much thought to section 7, and from time to time have considered its provisions since it was reported from the House committee and thus became a part of the bill which has attracted universal public attention. I think that that section as it has been amended here corresponds to the Democratic pledge upon the subject, and I am still old-fashioned enough to want to adhere to the platform of my party wherever it is possible. My faith in it receives an occasional severe jolt, but still I think it is making fairly good progress over a rough road.

I was tempted on Monday morning to suggest a change in our party declaration that "a private monopoly is indefensible and intolerable," by excepting the Coastwise Shipping Trust from its provisions, and I am satisfied that the logic of the situation fully justifies the acknowledgment of such an exception. My own conscience, however, being clear, I am not yet prepared to accept the vote of my colleagues as indicative of the feeling of my party upon the subject.

Mr. President, I was a member of the Democratic national convention of 1908, which met in my city. My delegation did me the honor to place me upon the committee on resolutions, which reported that platform to the convention, where it was adopted. Among other things we said:

> The expanding organization of industry makes it essential that there should be no abridgment of the right of wage earners and producers to organize for the protection of wages and the improvement of labor conditions, to the end that such labor organizations and their members should not be regarded as illegal combinations in restraint of trade.

The convention of 1912 adopted that plank of the platform in 1908 in hæc verba, so that our attitude upon the subject in 1908 was our attitude in 1912 and should be our attitude here. That declaration was inspired by the fact that the courts ever since the case of the United States *v.* Workingmen's Amalgamated Council (54 Fed., 994), which arose in the State of Louisiana, have been inclined to hold and have held in several instances that labor organizations were per se organizations in restraint of trade and therefore obnoxious to the provisions and prohibitions of the Sherman Act. The object of the Democratic Party in this platform declaration was to provide against that contention by legislation necessary for the purpose, so that as far as the labor organization was concerned it should start out upon the same plane and occupy the same position held and occupied by a corporation. And that object is subserved by this section if my construction of it is the correct one.

But, Mr. President, after listening to the arguments on this floor upon the meaning and effect of this section, it has occurred to me that its recitals are not commonly understood, and that too great latitude has been given to its provisions. Notably, on yesterday the declaration was made on at least two occasions to the effect that if section 7 was enacted into law it would wholly exempt labor and agricultural organizations from the operation of the antitrust act.

Mr. President, whatever else we may do we can not afford to enact legislation that is going to prove a disappointment in its practical operation, and this will prove to be a disappointment if statements of that sort are allowed to go unchallenged, because I do not believe that this section does or that it should wholly exempt any class of citizens completely and permanently from the operation of the general statutes of the country. Such legislation is dangerous in the extreme, and the more dangerous in that it is bound to become a precedent upon

which other classes and other interests will found their subsequent contentions for similar legislation to the ultimate undoing of free institutions, for I think it may be stated as a general proposition that no legislation, unless it becomes absolutely unavoidable, should be enacted of a general character which does not have a general application. Privilege is founded and based upon class legislation, and so far as class legislation exists privilege will continue. The essence of equality depends upon the absence or extinction of privilege, and privilege can not thrive in the atmosphere of general legislation designed for the benefit and made applicable in its requirements to the duties and responsibilities of all.

Mr. President, I am justified, I think, in taking up a little time of this body and in giving my views concerning this section, because the courts have been justly censured for giving a construction to the Sherman Act in its application to labor organizations which is said to be entirely inconsistent with the declarations of its framers at and before the time of its enactment. Men say, and they say with great justice, that this law was never designed to apply to organizations of men, because distinguished Senators so declare, and one of them offered an amendment to that effect at the time of its enactment which would have been adopted but for the impression that such an amendment was not necessary. Hence there has been bitter feeling, much in the way of reproach and of injustice, because of the operation of the law when contrasted with these preceding statements.

For one, Mr. President, I do not want to be a party to the enactment of a law the operation of which is going to prove disappointing to those who may build so much upon it, and inasmuch as I think this statute merely declares that organizations per se shall not be obnoxious to the antitrust law, I deem it important both to my party and myself that I give my views as to the meaning and effect of this section.

It declares:

That nothing contained in the antitrust laws shall be construed to forbid the existence and operation of labor, agricultural, or horticultural organizations instituted for the purpose of mutual help—

And so forth. But for the decisions to which I have referred that declaration would not be necessary. It is not necessary that we should here say that nothing contained in the antitrust laws shall be construed to forbid the existence and operation of corporations, because corporations as such are not forbidden to exist by law. Corporations are as free to organize and carry on their legitimate business since, as they were before, the enactment of the antitrust law, and when in this section we declare that nothing in the antitrust law shall forbid the existence and operation of agricultural and labor unions, we simply say that these organizations and the corporations shall stand on the same equality, shall occupy the same level, and may exist as such without running counter to the provisions of the antitrust law. Let us proceed:

instituted for the purpose of mutual help, and not having capital stock or conducted for profit, or to forbid or restrain individual members of such organizations from lawfully carrying out the legitimate objects thereof; nor shall such organizations, or the members thereof, be held or construed to be illegal combinations or conspiracies in restraint of trade under the antitrust laws.

The effect of this section is to neutralize and to render inoperative those decisions of the class to which I have referred, which declare or tend to declare that these organizations are in themselves organizations in restraint of trade, and therefore subject to dissolution.

The fact of existence, their status, in other words, is fixed by this section, and in so far as their objects are legitimate and in the pursuit of them legitimate measures are used, there can be no conflict with the antitrust laws. The same thing may be said of corporations great and small. But beyond that, Mr. President, this section does not go. The thing itself is legalized. Whether it comes under the provisions of the antitrust law depends upon its future conduct, which may or may not be offensive to those statutes.

The union can do nothing, in other words, that the corporation can not do under this statute if it proposes to steer clear of the antitrust laws. The corporation can do anything that the labor union may do and keep out of the clutches of the antitrust law. Its purpose, in other words, Mr. President, is to create an equality of status, and beyond that the general laws of the country are operative.

I think, Mr. President, that so far as strikes are concerned they can not be punished or prevented by anything contained in the antitrust law if this section is adopted. I say that first, because I am aware of no court in the country except in cases involving the operation of some of our public transportation companies—and those decisions are, to some extent, obsolete—which declares that ceasing to work either individually or collectively is an offense against the laws of the country. And I question whether a lockout, unless designed to restrain commerce, is not lawful also.

It is a fundamental principle that every man in this country is entitled to work if he wants to. It is an equally fundamental principle that every man in the country is entitled to abstain from working if he wants to, and the denial of either of these rights is necessarily a denial of the other, and will logically lead to the abolition of both. They must coexist or they will mutually disappear.

So that the act of striking—which is negative in that its primary operation is such whether universal, whether communal, or individual—is perfectly proper under this law as it should be a recognized legal right of the citizen everywhere without it.

For example, if the Brotherhood of Railway Trainmen after the enactment of this statute, should for reasons satisfactory to themselves determine to quit working they would have a perfect right to do so. There is nothing in the statutes which we call the antitrust laws or in this statute that would justify any interference with the exercise of that right. It may be that this section, Mr. President, is an improvement upon the present statutes in that it emphasizes and legalizes, if further emphasis is necessary, the right of the individual and the right of the organization to quit work and to abstain from working as long as desired and not be subject to any of the provisions of the antitrust law.

Therefore with reference to this branch of the subject I may summarize the situation by the statement that section 7 makes so far as the antitrust laws are concerned all labor and agricultural associations lawful and endows them with power, if they did not have it before, of carrying out in a lawful manner the legitimate purposes and objects of their organization, but they may nevertheless so act as to violate the law just as corporations or individuals may violate it by conduct which brings them within its prohibitions.

No combination really becomes a combination in restraint of trade until it does something, until it takes some active step, until its plans are effected or sought to be effected by overt acts. A man may contemplate a crime, and the law is powerless to lay its hand upon him until by some act he does or attempts the thing forbidden.

So it is the act or the attempted act, in its last analysis, which makes a corporation or any other association of individuals subject to the provisions and the inhibitions of the antitrust law, and it would be a mistake if this bill were enacted into a statute under the mistaken impression that it does something more; otherwise a large class of our fellow citizens might well say that they asked us for bread and received a stone.

A combination of men, like any other combination, can become, through their actions, a conspiracy in restraint of trade. We may imagine a half dozen merchants doing business individually in the city of New York combining with half a dozen merchants doing business individually in the city of San Francisco to carry out some line of policy as thoroughly prohibited by the antitrust acts as we can imagine similar conduct between as many corporations similarly located. We may also imagine a combination in restraint of trade between organizations of men who are unincorporated in the city of Philadelphia and organizations of men who are unincorporated in the city of New Orleans quite as easily as we can imagine it between corporations existing in those two places. The difference is not in organization, not in the components which make up those committing the offense, but in the offense itself. It seems to me, therefore, that he who defines this proposed statute as one giving full immunity to organizations whereby they will be entirely exempted from the operative provisions of existing statutes either has not given this section the careful consideration it deserves or else is able to give it a construction to which I can not assent.

Mr. President, I have said that under this proposed statute there can be, in my judgment, no question about the right of organizations to strike, to abstain from working if they see fit to do so, but there may be a vast difference between a strike and what is called a boycott. One consists in the exercise of undoubted constitutional right; the other consists in the exercise of a power which may or may not conflict with the guaranteed rights of other individuals, which may or may not come within the prohibitions of existing statutes. If it does not, there is no penalty; if it does, then the penalty should be as inevitable, and I think is as inevitable, in the one case as in the other.

Mr. President, a boycott, as I have said, may or may not be an act in restraint of trade, but it is difficult to conceive of an effectual boycott that is not in restraint of trade to a

greater or less degree. It is true that a boycott may be practiced upon the individual without reference to the thing or commodity involved. It is equally true that you can seldom separate the one from the other. As a consequence, unless section 18—about which I will perhaps have something to say when we reach it—makes a change which I am unable at present to perceive, this bill, if enacted, will not relieve any organization from the consequences of the antitrust acts if, in carrying out what is known generally as the boycott, there is involved a restraint of trade under the meaning of the antitrust laws.

Mr. President, let me instance one or two forms which the boycott has taken to which public attention has been directed and which to my mind, irrespective of this proposed statute, will bring those who repeat the same practice directly within the antitrust acts. I read from the World's Work of July of this year, at page 257, the following:

THE UNIONS AND THE SHERMAN ACT.

Some time ago a department store in one of our large cities bought some goods from a manufacturer who was at odds with the local union. A walking delegate went to the manager of the store and told him not to buy from that manufacturer. The store manager replied that he was not concerned in the union's fight and that, as he could serve his public best by buying from the nonunion manufacturer, he would continue to do so.

The next day a woman came into the store and ordered a large ice chest to be delivered C. O. D. on the top floor of an apartment that had no elevator, 4 or 5 miles from the store. When the ice box was finally in place the woman told the delivery men from the store that she did not want it because she had learned that the store dealt with manufacturers who were "unfair" to labor. The next day a similar thing happened, and again the day after. Such annoyance finally became so common that the manager of the store notified the offending manufacturer that he would no longer deal with him. Then all went well again, except that the public got a poorer article made in a union shop for the price it used to pay for the better article.

In a certain small town the school authorities had decided upon a set of readers for the schools, their judgment being based entirely upon the educational merits of the books and upon the price. When the purchase was about to be made, some of the members of the town council who were members of unions were told that these books were not made entirely in a union shop. The members of the council (the body that pays the school bills) suggested that another set of books, the product of entirely union shops, be substituted. The school authorities made the change and all went well—except that the children of the town were taught from inferior books.

A company that employs nonunion men in the manufacture of building materials sold a large part of its product in a large city near its plant. The unions of the building trades refused to allow their members to work on buildings where the materials came from this company. The unions were very strong and the company was driven out of that field; in other words, competition was reduced by the elimination of one competitor.

Mr. President, these acts are essentially acts in restraint of trade. They necessarily affect commodities which but for them would take their chance in the competitive market and succeed or fail upon their own merits. If they are entirely shut out, as was the case here, there necessarily is an injury to trade, and that injury comes from combined action. You may call it what you will, but the effect upon trade is the same. There is nothing in this bill, and there is nothing that we could constitutionally put into this bill, that would so far legalize such acts as to exempt those committing them from responsibility under the general statutes of the Nation.

In this connection I call attention, Mr. President, to an article written by one Walter Gordon Merritt, a gentleman whom I do not know, with whose views I am not in full accord, but who makes some observations upon the subject which I am now discussing that seem to me to be entirely pertinent. He says:

Labor unions occupy a new relation to the law of to-day, not on account of a change in the law but on account of a change in their activities and of their assertion of an interest in the sale and distribution of commodities which are the subject of commerce. The adoption of the union label and the statutory regulations in connection therewith, which create a new right unknown to the common law, show the tendency of organized labor to follow the products of their labor into commerce by booming the sale of union-made goods and suppressing the sale of nonunion goods.

We may concede, Mr. President, that labor is not a commodity, and, not being a commodity, should not be made subject to the provisions of the antitrust law; but when labor unites its element, whatever it may be called, commodity or otherwise, with the things which it produces and goes into the market for the purpose of promoting or preventing its sale, then we must consider it in connection with the commodities to which such action relates; and inasmuch as it asserts its interest in the thing which it creates and uses its tremendous power in influencing markets for and against it, necessarily it occupies a different attitude from that which it occupies in the mere matter of working or of refusing to work.

This illustrates the fundamental difference between the strike and the boycott; the one concerning labor, the other concerning labor and its product; and in so far as its products are identified with the act, just in so far will there be collision with the provisions of the antitrust act.

We passed a bill here the other day in which we declared that unfair competition is made unlawful. We did not say that unfair competition of corporations shall be made unlawful; that unfair competition of attorneys at law shall be made unlawful; that unfair competition by any particular class of artificial or natural persons shall be made unlawful; but that unfair competition, wherever and by whomsoever practiced, is made unlawful; and when the element of the boycott enters between competitors by taking sides with one and against the other, unfair competition is just as certain to result as that the law of gravitation operates at all times.

All boycotts are direct attempts to control the relation between producer and consumer, while most strikes are the direct attempts to control the relation between employer and employee. The ordinary strike attacks the working organization, or the productive machinery; the boycott attacks trade and good will, or the distributing machinery. The first affects manufacturing, with which the antitrust act has no concern; the second affects the sale and distribution of commodities through commerce, to which the law does apply. The well-organized efforts of unions to drive open-shop articles from interstate commerce clearly offends the Sherman antitrust law, and the same is true of any effort to destroy or suppress the competition of any nonunion manufacturer.

This statement, Mr. President, will remain unchallenged until the Sherman law is modified or repealed.

Let no man, either in this body or out of it, lay the "flattering unction" to his soul that the enactment of this proposed statute is going to exempt organizations from the consequences of such a boycott. There is nothing in this bill, and I repeat that I do not think that constitutionally we could put anything into this bill, that would give it such effect, and he is deceived and will be sadly disappointed who places any other construction upon this proposed law. This author continues:

When workingmen pass from the strike to the boycott they play the rôle of producers of merchandise, interested, like their employers, in the sale and distribution of products which are the joint fruits of capital and labor. The employer seeks to advance the sale of his products in preference to those of his competitors, and the union seeks to advance the sale of products made by union men in preference to those made by nonunion men. Like the employer, the union at times resorts to the illegal practice of suppressing competitive sales. In such cases both employ the same means for the same end, for both block the channels of interstate commerce in order to fill their own pocketbooks.

I do not see, Mr. President, how any man for a moment can question the mathematical accuracy of that statement. It is made dispassionately, and, of course, all discussions of so very important a subject as this should be made without any passion or prejudice, for, Mr. President, legislation conceived and enacted in either generally acts like a boomerang—it recoils upon those for whose benefit it is supposed to have been enacted.

The derailment of a train for the purpose of preventing the transportation of competitive products would be the clearest violation of the antitrust law. In such a case no one would doubt that an employee would be equally guilty with the employer in committing such a crime, yet the blocking of the channels of interstate distribution by intangible methods is open to the same argument.

Mr. President, if it be true that under the provisions of this bill labor organizations may indulge with impunity in the boycott, then it is equally true that manufacturers may combine with labor organizations in boycotting their competitors' goods, and because of such combination they will also become exempt from its operations, for it is an elementary legal proposition permitting of no exception that if the principal is not guilty the accessory can not be guilty. The result would be that we would have a statute prohibiting corporations from any act in restraint of trade unless those actions were in combination with employees, in which event they would be absolutely exempt from its provisions and the Sherman Act would cease to be an effective force in interstate commerce. The mere statement of such a proposition is its own refutation.

We all know that in many instances such combinations are made; that unscrupulous concerns and manufacturers deliberately unite with labor organizations for the purpose of preventing that competition which if it existed would be helpful for the public, but at the same time result in reduced profits to those interested. I can give one or two instances:

The Manufacturing Woodworkers' Association of New York, composed of union manufacturers of wood trim, agree to employ only union carpenters on condition that the union will protect them from all open-shop competition by calling strikes on all buildings where open-shop products are used. Through this combination no non-union woodwork—which is 25 to 50 per cent cheaper than union woodwork—can be used for building purposes in certain parts of the country, because the builder is deterred from purchasing such material by fear of disastrous strikes. Monopoly and inflated prices are thus assured, while employer and employee divide the spoils.

I am told, Mr. President, that one result of this agreement between the manufacturing woodworkers in the city of New York and the union organizations of that city is that it has completely excluded all nonunion wood-trim products from that market, in consequence of which the others have an absolute monopoly and fix their own prices. I am not arguing for its justice or its injustice; I am simply calling attention to the far-

reaching fact that when you concede the exemption of any association from the operation of the prohibitions of the antitrust act, you open a door which will permit of its absolute violation with impunity all along the line. Having conceded such an exemption, I can not conceive of a product of commerce, I can not conceive of a business in which men engage which by combination between corporations and unorganized associations can not snap its fingers in the face of the antitrust act and march forward to monopoly without regard to the power and dignity of the Government.

Mr. President, it has been said—I do not know whether it is true or not—that the strikes in West Virginia were largely financed by coal operators in Ohio, Indiana, Illinois, and western Pennsylvania in order to overcome the natural advantage which the West Virginia mine owner had because of the quality of his coal, the manner in which nature has placed it in the earth, and the advantage of other conditions which are commercial in their character. Whether it be true or not, the possibility of the accomplishment of such a thing is certainly obvious to anyone, and therefore I repeat that if under the provisions of this bill a boycott aimed at the distribution of products is legalized, then the producers of certain lines of those products, by combining with those carrying on the boycott, can effectuate their own monopoly in defiance of the prohibitions of existing law. I do not think, Mr. President, there is any part of the country or any citizenship in any part of the country in or outside of labor organizations that would seek or attempt to justify or expect the enactment of legislation having that effect.

There is another thing, Mr. President, with reference to this bill to which I want to call attention. I must repeat that my main purpose is to inform those interested in the measure that this bill is not the all-embracing panacea which some seem to think, to the end that there may be no flareback as against this Congress after its provisions are tested by the courts. This bill does not, because it can not, interfere with the operations of any State law bearing upon the subject of labor organizations, of corporate monopoly, or any other commercial legislation. It may be, Mr. President, that our steady and constant advance toward centralization, our usurpation, if I may use the word, first of one and then of another hitherto recognized State right, will ultimately bring all these things under the shadow of the National Capitol. It may be that even I shall live to see the States relegated to the position which counties in the States now occupy and the National Government extend its arms, like those of Briareus, until they shall take in and embrace every subject of local concern.

Of course, this bill does not pretend to interfere with the operation of State laws; but, Mr. President, we should make the statement here, so that we can not be misunderstood hereafter, that every repressive statute now upon the statute books of every State will be just as effective, just as operative, and just as vigorous as it is at present. The legislation which we are enacting, within the provisions and pledges of the Democratic platform, means what the language employed conveys to the mind, and will be so construed.

I have heard it said, though not in any authoritative way, Mr. President, that this bill is desirable because of the complaints which have been made concerning the unjust nature of State legislation. I have heard it confidently asserted that as soon as this bill is enacted into law every statute in conflict with it, wherever existing, disappears to the extent of such conflict. That is an impression which ought not to be entertained anywhere, and which I think justifies calling attention to the fact, however obvious its unfounded character may be to Members of this body.

The amendments proposed by the Senate committee, Mr. President, are, in my mind, admirable, in view of the purposes sought to be subserved; and, as it stands, the bill ought to become a part of the statutes, since it meets the legitimate objections which have been made to the provisions of the Sherman law, based and founded, as those objections are, upon criticisms and comments made by the framers of that measure at and before the time of its enactment.

Mr. OWEN. Mr. President, I shall detain the Senate but a few moments. I wish to express my approval of section 7 of the bill. I do not think that the framers of the antitrust law, the so-called Sherman Act, had any intention whatever originally of preventing the organizations of labor being formed for the protection of laboring men. The purpose of the original act was to lay a restraining hand upon the power over the people of monopolies, of the great concentrations of wealth that controlled the market place, and by virtue of their organized power were able to impose upon the great masses of the people.

It was not the purpose to deal with the then existing petty organizations of labor, because, for the most part, they are only small organizations, labor unions, of little groups in towns, composed of carpenters, plumbers, plasterers, tinners, bakers, and so forth, and men engaged in various other lines of industry, who by means of organization try to protect themselves so as to get a little better wage for their labor. Since labor is in a position where great organizations of capital can pit labor against labor and unorganized labor against organized labor, it is the general consensus of the opinion of the people of the United States, I am sure, that these labor and agricultural organizations ought not to be embraced within the prohibitions drawn against gigantic organizations of capital, which can exercise wholesale monopoly over every line of commerce. I therefore wish to give my approval to section 7, but I do not care to repeat the arguments which have been made a number of times in explanation and justification of this section.

It has seemed to me that the word "consumers," however, ought not to be stricken out, because one of the processes now going on in American life is that of consumers in cities trying to get together in small organizations with a view of protecting themselves against monopoly in local markets, just as is being done in this city (Washington, D. C.) now. I shall not enlarge upon it; I do not think it is very important, because I do not think under any circumstances, whether or not this word were stricken out, that the officers of the Government would undertake to apply the antitrust laws to the small groups of people who might unite together for mutual self-help against monopoly in local markets.

There is another matter, Mr. President, which I desire to mention and which the liberty of debate permitted under the rules of the Senate will allow me to discuss, but I shall only take a few minutes, and I hope that I shall have the tolerance of the Senate while I make a few remarks upon it.

The assaults being made upon the initiative and referendum throughout the Nation merit the careful attention of every American citizen who believes in popular government and genuine majority rule.

Direct legislation is now in operation in 15 States, and its adoption is a vital issue in many others. Its advance is, of course, bitterly opposed by the special interests. But not content with combating the further extension of the initiative and referendum, various corrupting corporations and the corrupt political machines under their influence or control are determined to destroy these instruments of self-government in States which have already secured them.

In Missouri, for example, the legislature has submitted, in place of the excellent provision now in force, a new substitute amendment which will, if adopted, practically kill the initiative and referendum in that State. The people of Missouri are not aware of the true character of the proposal made to them.

They are being asked to support a deceptive substitute, on the grounds that it will prohibit the initiative from being applied to the single tax. *As a matter of fact, they are being asked to renounce the sovereign control which they now possess over the lawmaking function, forfeit the powers they gained after years of struggle, and once more place the State legislature in supreme control over themselves.*

In Montana the supreme court has recently been asked to invalidate, upon absurd technicalities, an initiative and referendum amendment adopted by the people of that State in 1906.

In Arkansas the supreme court has by unfriendly decisions destroyed a great part of the amendment adopted in 1910.

In Washington the organized farmers and workingmen have found great difficulty, under the unjust and arbitrary conditions imposed by the legislature, in securing petitions for laws desired by them. Even after petitions have been secured, the State officials are seemingly making every effort to keep these questions off the ballot—questions which the special interests do not want submitted to the people.

In Oregon an attempt is being made to secure the passage of a law which will render it almost impossible to secure petitions. In Colorado Gov. Ammons has declared himself in favor of inhibitive restrictions. Like attacks might be mentioned in other States.

Mr. President, the cause of this sinister warfare against the people's new-found liberties is not far to seek. Many laws of the highest importance to equalize opportunity, to conserve, protect, and develop human life and human energy are urgently needed. Those great objects are to be accomplished by a series of measures involving social and industrial reforms. There is in reality a political struggle being waged between the masses of the people and the organized forces of human selfishness, which have systematically glorified the acquisition of property at the expense of human life and happiness.

It is the failure of representative government to give the people what they want that has caused the people of several States to demand and secure the initiative and referendum. A demand for direct legislation is being made by the people of every State. This movement the forces of reaction are determined to overthrow, if not openly, then by betrayal. This is the explanation of all these amazing attempts to prevent true self-government from being established in this Republic, founded upon the principle of the sovereignty of the people. This is why men who claim to reverence Thomas Jefferson and Abraham Lincoln bend their energies to subvert and annihilate methods of government which embody the very essence of every principle for which those great exponents of government by the people stood. I deem it a public duty to expose upon the floor of the Senate this attack upon popular government, and I desire to insert as a part of my remarks a statement upon this subject prepared by the National Popular Government League, of this city, which sets forth in detail the methods now being employed to destroy the initiative and referendum and block the efforts of the American people to attain true political liberty.

If there is no objection, I should like to insert that in my remarks.

The PRESIDING OFFICER (Mr. PITTMAN in the chair). Without objection, it will be so ordered.

The matter referred to is as follows:

THE NATION-WIDE ATTEMPT TO DESTROY THE EFFICIENCY OF THE INITIATIVE AND REFERENDUM.

A statement prepared by Judson King, executive secretary of the National Popular Government League, and individually reviewed, accepted, and approved by the following officers of the league:

President: Hon. ROBERT L. OWEN, United States Senator, Oklahoma.
Vice presidents: Charles S. Barrett, Union City, Ga., president National Farmers' Union; Hon. GEORGE E. CHAMBERLAIN, United States Senator, Oregon; Hon. MOSES E. CLAPP, United States Senator, Minnesota; Samuel Gompers, Washington, D. C., president American Federation of Labor; Dr. John R. Haynes, Los Angeles, father direct legislation in California; C. B. Kegley, Palouse, Wash., president National Conference of Progressive State Granges; Hon. M. CLYDE KELLY, Congressman, Pennsylvania; John P. White, Indianapolis, president United Mine Workers of America.

Of the finance committee: George P. Hampton, chairman, New York, secretary Farmers' National Committee on Popular Government; Hon. WILLIAM E. CHILTON, United States Senator, West Virginia; Carl Schurz Vrooman, Bloomington, Ill., author "American Railway Problems."

Of the executive committee: Hon. Frank P. Walsh, chairman, Kansas City, Mo., chairman Federal Commission on Industrial Relations; Prof. Lewis J. Johnson, Cambridge, Mass., civil engineering, Harvard University; Dr. A. J. McKelway, Washington, D. C., southern secretary National Child Labor Committee; Hon. GEORGE W. NORRIS, United States Senator, Nebraska; the president and executive secretary of the league.

Of the committee on legislative forms: William S. U'Ren, chairman, Oregon City, Oreg., father of the "Oregon system"; Hon. ROBERT CROSSER, Congressman, chairman initiative and referendum committee, Ohio constitutional convention; Hon. Joseph W. Folk, Washington, D. C., ex-governor of Missouri, solicitor Interstate Commerce Commission; Francis J. Heney, San Francisco, attorney at law; Stiles P. Jones, Minneapolis, secretary the Voters League; Dean William Draper Lewis, Philadelphia, law school University of Pennsylvania; Dr. Charles McCarthy, Madison, Wis., director legislative reference library; Milton T. U'Ren, San Francisco, attorney at law; Delos F. Wilcox, Ph. D., New York, consulting franchise expert, author "Government by all the People."

The warfare of the reactionary allied corporation and political interests to prevent the successful establishment of constitutional amendments and statute laws for the initiative and referendum in American States and cities has been directed along four general lines:

FIRST. TO PREVENT THEIR INTRODUCTION AT ALL.

It took 10 years of strenuous fighting in Oregon to secure direct legislation, 12 years in Missouri, 18 years in Ohio, etc. After 22 years of effort since the popular demand began, only 17 States have amendments, such as they are.

SECOND. TO HAVE THEM DECLARED "UNCONSTITUTIONAL" BY COURTS.

The Morgan interests carried a case to the Supreme Court of the United States in an effort to have the Oregon amendment—and hence all amendments—declared "repugnant to the Federal Constitution." The court decided in 1911 that it was a political question for Congress to determine. And Congress has kept hands off. Attacks of like character have been made in nearly all State supreme courts.

THIRD. TO INDUCE LEGISLATURES TO INSERT "JOKERS" IN PROPOSED AMENDMENTS WHICH WOULD RENDER THEM UNWORKABLE WHEN SECURED.

Of the 17 amendments adopted, only 8 can be called *good*. And there are only 4 honest, adequate, complete systems in operation to-day. The rest are all defective at vital points, and some are absolutely worthless. Six proposed amendments will be voted on November 3, 1914. Four of these are worthless.

FOURTH. TO BREAK THEM DOWN AFTER THEY ARE ESTABLISHED.

An account of attacks of this character is the subject of this writing. In nearly every State which has direct legislation the interests are constantly at work to destroy them or prevent their use *on vital issues*. The courts are appealed to, the legislatures are seduced, and even the people themselves are asked—not to repeal the initiative and referendum, the interests are too clever for that,' but to vote for innocent-looking changes in the amendments which will deprive the people of practical power to control the lawmaking function of their government.

It is these "jokers" which shear the voters of their power and against them all champions of government by the people should be on their guard. An abortive initiative and referendum is worse than none at all.

MISSOURI.

One of the cleverest attempts to deprive the people of a great State of the powers they now possess under the initiative and referendum is furnished just now by Missouri.

In 1912 an amendment to the State constitution proposing a mild application of the principle of the single tax was placed upon the ballot by initiative petition, and, after one of the most bitter and sensational campaigns of its kind ever known in the State, was defeated by a vote of 508,137 *against* to 86,647 *for*. The total vote for governor was 699,210; hence 85.1 per cent voted on the proposition. So great was the opposition to the measure that a very considerable demand was made upon the legislature to make it *impossible for the single tax to be again initiated. That was all.* There was no demand from the people that the use of the initiative and referendum on other questions be impaired or prohibited.

The legislature of 1913 submitted an entire substitute initiative and referendum section to be voted upon at the general election, November 3, 1914, which contains a clause prohibiting the initiative and referendum from being applied to the single tax; *but it did not stop with this.*

Several other new provisions were inserted which, if adopted, will render it easy to stop the use of the initiative and referendum *on any subject whatever* which may meet with any powerful opposition.

THE OPEN RESTRICTION.

What might be called the antisingle-tax section is as follows:

The powers reserved or contained in this section as aforesaid shall not be used to pass a law or constitutional amendment authorizing any classification of property for the purpose of levying the different rates of taxation thereon, or of authorizing the levy of any single tax on land or land values or land sites at a higher rate or by a different rule than is or may be applied to improvements thereon, or to personal property, or to authorize or confer local option or other local powers in matters of taxation in or upon any of the counties, municipalities, or political subdivisions of the State, or to repeal, amend, or modify these provisions relating to taxation.

This is a remarkable proposition.

Not only are the single-taxers tied up tight, but everyone else, no matter how hostile to the single tax. The principle of property classification is not the single tax, but is urged by bitter antisingle-taxers. The principle of home rule in taxation is not the single tax. Even the Supreme Court of the United States, which can not be said even to have single-tax leanings, declared (Pacific Express Co. *v.* Seibert, 142 U. S. Repts., 351):

A system which imposes the same tax upon every species of property, irrespective of its nature or condition or class, will be destructive of the principle of uniformity and equality in taxation, and of a just adaptability.

PEOPLE POWERLESS TO CHANGE THIS.

The people are thus asked to surrender any practical control over the function of taxation; but, what is more, they are specifically cut off from ever recovering control if they so desire. They can not use the initiative and referendum to "amend, repeal, or modify these provisions relating to taxation." If the old adage be true, that the power to tax be the power to govern, then a more humiliating proposition was never presented to a free citizenship.

OTHER RUINOUS PROVISIONS APPLYING TO ALL PETITIONS.

But this is not the most important thing. Let us examine further. Another new provision, the conditions of which are in another place repeated so as to *apply also to the referendum*, reads:

Initiative petitions shall be filed with the respective county clerks of the respective counties in which the signers thereof reside and vote not less than four months before the election at which they are to be voted upon. *Within 30 days* after said petitions are filed with the respective county clerks of the respective counties said initiative petitions shall be by said respective county clerks laid before the county courts of the respective counties, and said petitions shall be examined by the respective county courts of the respective counties, and *if the signatures thereto are found to be genuine signatures of voters of such counties, they shall, at least three months before the election* at which they are to be voted upon, be certified by the respective county courts of the respective counties to the secretary of state.

This seemingly innocent section when coupled up with another provision, "that petitions must be secured—8 per cent for the initiative and 5 per cent for the referendum—in each of at least two-thirds of the congressional districts in the State," can easily be made an insurmountable obstacle to the use of the initiative and referendum.

WHAT COUNTY CLERKS COULD DO WITH ALL PETITIONS.

Now, watch carefully! All petitions must be in the hands of county clerks *four months* before the election. That means in

1914, say, on July 3, with the election on November 3. But the clerk may hold these petitions for 30 days before turning them over to the county court. He can hold till August 1 to 3 all petitions filed from July 1 to 3. Now, August 3 is the date on which all petitions must be in the hands of the secretary of state at Jefferson City—that is, "*three months* before the election"—after being examined and certified by the county courts. It would be a physical impossibility for the county court to do all this for all petitions filed late in June or early in July, and the history of similar petitions filed in States all over the Union shows that a goodly portion of such petitions are filed shortly before or on the final date set. And even if the people should file their petitions earlier, the power of the county clerk to hold them 30 days would still be a menace and could cause thousands of names to fail to reach the secretary of state in time.

The county court could easily refuse to certify a petition to the secretary of state on the grounds that it had not had time to examine the genuineness of the signatures.

It is perfectly clear, then, that any petition opposed by a small number only of county clerks or county courts would have no possible chance to get through, and these officials would all act within their constitutional rights and could not be touched.

UNPRECEDENTED POWER OVER PETITIONS GIVEN THE COURTS.

But more dangerous still is the unprecedented power given the courts to reject at will not only single-tax petitions but all other petitions of the people. The text says petitions shall be certified by the county courts "*if the signatures thereto shall be found to be genuine signatures of voters of such counties.*" This is the first instance where it has been provided not only that genuine signatures must first actually be obtained, but that they are then of no avail until proved genuine signatures of voters before a judicial officer—*the first time signatures authorized to be procured by law are presumed to be false until found genuine by the courts.*

That this provision would absolutely kill every petition passed upon by an unfriendly court can not be denied. The language is plain; the effect is clear. The examination by the court and the passing upon the signatures by the court, and its finding them to be genuine, is one of the prerequisite steps of a valid petition. Further, the amendment could not be aided by judicial construction *because it is a fundamental condition* on which a law can be initiated or referred.

In other States, and in Missouri now, the oath of the one securing the petitions that they are genuine signatures of voters is sufficient to establish validity, and such petitions are presumed genuine unless they are proven to be otherwise.

But in this provision the little word "if" shifts the burden of proof to the other side. It is not too much to say that a judge desiring to strictly comply with the requirements laid down could compel, or would have to compel, every man signing a petition to come into court and prove to the satisfaction of the court both that his signature was genuine and that he was a legal voter of the county. *Unquestionably, an intolerable burden is here placed upon the judges which is undesirable to them, and one which it is inexpedient and unwise to place upon them.*

This provision, if carried out, *could and would cause the rejection of all petitions*, because it is practically impossible for a judge to examine into the genuineness of all the signatures of his county. If the judge were friendly to the initiated measure he might assume to pass upon the signatures without an examination, but if unfriendly he would simply say, "I am unable to find the signatures 'genuine signatures of voters of such counties,'" and what then? There is no method prescribed for reviewing the judge's conduct. It being a judicial act, the judge can not be compelled, by mandamus or otherwise, to find the signatures "genuine signatures of voters of such counties." Had this section been simply an effort to have questionable signatures passed upon it would have provided that within the 30 days anyone could present to the court evidence of the falsity of signatures questioned, and then the court would have to pass upon only the *questioned* signatures instead of the *unquestioned* ones as well. If the court had to pass only upon the genuineness of the signatures, he might take the testimony of those of actual voters of his county. Think of a county judge examining into the fact as to whether every signer of a petition is a voter.

If the courts, acting clearly within the powers thus granted, could easily throw out petitions which were genuine, consider with how much greater ease they could decline to certify a petition on which a few illegal or doubtful names appeared. It is always a simple matter for those opposing a petition to "job" a solicitor, no matter how honest he may be, and get fraudulent names upon a petition. Judges could hold the whole petition incompetent because of a few bad signatures, no matter how genuine all the rest of the petition might be. The whole provision is comparable only to one which might prescribe that *no man's vote upon a measure could be counted until first passed upon by the courts.*

ESPECIALLY HARD FOR THE FARMERS.

The farmers have made active use of the initiative and referendum in nearly every one of the 15 States where it is in operation. They will want to do so in Missouri. The above provisions will make it harder for them to secure valid petitions even than for town people. For example, the organized farmers of the State of Washington this year initiated seven laws of tremendous value to them, which were rejected by the legislature. They appointed a joint legislative committee to manage the work of securing the seven petitions, and found it a difficult matter. Think of the additional money, anxiety, and trouble it would cost the committee, *under the proposed Missouri conditions*, to watch all the county clerks and the county courts to see if they were properly attending to petitions after they had been filed! The farmers would be helpless against hostile county courthouse "rings," and the rings be protected by the constitution itself. And, then, if they were blocked in just 1 district out of the necessary 11, the whole State petition would fail, even if all the voters in the other 10 districts had signed the petition.

TIES UP THE PEOPLE FOR SIX YEARS.

It is also provided that any law or amendment to the State constitution rejected by a vote of the people can not be resubmitted by petition for a period of *five years*. This means *six years*, since Missouri has biennial elections. The provision reads:

When any measure shall have been submitted to the people for their approval *under the powers reserved or contained in this section*, as aforesaid, and shall be rejected by the people, neither the same measure nor any other measure which shall have or *tend to have* the same meaning, nor any other measure which shall have or tend to have the same or similar effect as the measure rejected, shall again be submitted *under the said powers reserved or contained in this section* for a term of five years.

On first blush this is ostensibly inserted to prevent the early resubmission of a defeated *initiative* measure. A law or constitutional amendment rejected in 1914 could not be again presented till 1920, then 1926, and so forth, nor could anything which a court might say "*tended in that direction*" be submitted. An emergency might arise, conditions might change, delay might mean millions of dollars lost; the people might desire to act in 1916 or 1918, but they could not until 1920.

INCLUDES THE REFERENDUM ALSO.

But this provision goes far deeper. It is so worded as to apply to the referendum as well as the initiative. The phrase "powers reserved or contained in this section" includes the referendum.

An amazing limitation on the people is here disclosed which can best be set forth by an example. Suppose the legislature should enact an unpopular law—make some huge appropriation, create some special privilege, give away a railway franchise, or do anything which might be strongly opposed by the people; suppose a referendum petition is filed and the act is rejected by an enormous majority; *the very next session of the legislature could enact that exact law—or one like it—and the people could not vote on the question for six years.*

A CONFISCATION OF THE PEOPLE'S POWER.

TO SUM UP, WHAT THE PEOPLE OF MISSOURI WHO VOTE FOR THIS AMENDMENT THINK THEY ARE DOING IS TO PREVENT ANOTHER SUBMISSION OF THE SINGLE TAX.

WHAT THEY REALLY WILL BE DOING IS:

1. TO PLACE IN THE HANDS OF A FEW COUNTY OFFICIALS POWER TO PREVENT THE PEOPLE'S USE OF THE INITIATIVE AND REFERENDUM ON ANY SUBJECT.

2. TO SURRENDER THEIR PRESENT CONTROL OF THE TAXATION MACHINERY OF THE STATE AND HAND IT OVER TO THE LEGISLATURE.

3. TO FIX THIS LEGISLATIVE CONTROL IN THE CONSTITUTION IRREVOCABLY SO THAT THE PEOPLE CAN NEVER CHANGE OR RECOVER IT.

4. TO DENY TO ALL THE PEOPLE FOR SIX YEARS THE USE OF EITHER THE INITIATIVE OR REFERENDUM ON THE SUBJECT MATTER OF ANY MEASURE ONCE REJECTED BY POPULAR VOTE.

5. TO GIVE THE LEGISLATURE ABSOLUTE POWER TO IMMEDIATELY REENACT ITS OWN LAWS WHICH THE PEOPLE HAVE REJECTED THROUGH THE REFERENDUM.

When closely examined, therefore, and its "sleepers" pointed out, the people of Missouri are asked in this substitute to vote to curtail and destroy their own legislative powers and to solemnly announce by their votes that they can not trust themselves with the instruments of self-government, which they now possess, but must return to the old conditions of being

controlled instead of remaining their own masters as at present. If this substitute carries, it will be the first time in American history when the people by their own act have deliberately deprived themselves of popular sovereignty.

It is unthinkable that a majority of the members of the Missouri Legislature who voted for this substitute were correctly informed as to the true significance of the changes proposed, as there are many members who are strong supporters of direct legislation.

WHO IS BACK OF THIS SCHEME?

The whole situation is a pleasing prospect indeed—to the reactionary interest. The railroads, the brewery interests, the franchise grabbers, the wealthy tax dodgers, and, in short, all forms of "special privilege" opposed to the people and who hate the initiative and referendum with an undying hatred, have now their golden opportunity. They know exactly what they are about. Taking advantage of the resentment aroused by the submission of the unpopular single-tax proposal they hope to carry this new substitute amendment and so "hamstring" the initiative and referendum itself. If the people of Missouri fall in with this scheme, they will find their hands completely tied on any practical use of the initiative and referendum in the future.

The great mass of the voters do not know this. In truth, proposed measures are so inadequately published in Missouri that not more than one-third of the voters will ever see the text of this substitute.

Every citizen of Missouri who believes in democracy and the rule of the people should awake to the fact that the passage of this amendment would destroy his fundamental political rights, won after years of struggle. It would place Missouri in the column of reactionary States.

Talk about the danger of the single tax is without point. The people of Missouri did not want it and voted it down almost unanimously. It is absurd, therefore, to ask this same people to indorse a proposition which implies that they are unfit for self-government and unable to use the initiative and referendum.

Hence, the question before the people of Missouri is not whether they want to vote on the single tax, but whether they want to *retain the power to vote upon anything.*

Here is what some leading public men in Missouri and elsewhere think about the value of the initiative and referendum:

GOV. ELLIOTT W. MAJOR.

Gov. Elliott W. Major, when he was attorney general of Missouri, filed a brief for the initiative and referendum before the United States Supreme Court, in which he argues strongly against the attempt to declare these measures unconstitutional, and he said that they were the distinguishing right of the people under a republican form of government.

GOV. HERBERT S. HADLEY.

In his message to the Forty-ninth General Assembly of Missouri, Gov. Hadley said:

I believe that, on the whole, the initiative and referendum in our constitution has been beneficial. Some persons have urged that the requirements for initiating laws or amendments to the constitution should be made more difficult. I do not agree with this suggestion and I recommend that the law stand unchanged.

GOV. JOSEPH W. FOLK, NOW ATTORNEY FOR THE INTERSTATE COMMERCE COMMISSION.

Ex-Gov. Folk, in his address before the National Popular Government League in Washington, D. C., on December 6, 1913, strongly condemned this attempt to kill the initiative and referendum in Missouri:

If the opponents of the initiative and referendum succeed in hobbling it with this proposed amendment in this respect—

Taxation—

the next step, of course, will be to hobble it in some other respect, and directly take away from the people the power to vote on some other question. This, *together with the other changes made by the new proposal, leads to the practical repeal or abolition of the initiative and referendum.* I hope the people of Missouri will not be misled into giving up this power that they now have in their hands and the obtaining of which has taken 14 years of political struggle. If they tie their hands now from voting on something they do not want, they will find themselves powerless in the future to secure something they do want.

We want in this country not only good government, we want self-government. We might have good government under a king; we might have so-called good government, though all of us be slaves. As between good government without self-government and bad government with self-government, I would prefer the latter.

The initiative and referendum are the tools of self-government, and when the people have these in their hands they can make the Government just as good as they wish to make it or just as bad as they suffer it to become. The kind of government this movement for better things demands is that which comes through governing ourselves.

EX-PRESIDENT THEODORE ROOSEVELT.

In his public addresses and in the platform of the Progressive Party, Theodore Roosevelt has repeatedly urged the initiative and referendum as necessary instruments in the hands of the people to maintain self-government.

HON. WILLIAM JENNINGS BRYAN.

This great Democratic leader has for 18 years been an active advocate for the initiative and referendum. In a letter written July 15, 1914, urging the voters of Mississippi to adopt a pending amendment providing for these powers, he said:

I regard the initiative and referendum the greatest modern improvement in strengthening representative government.

PRESIDENT WOODROW WILSON.

In his book, "The New Freedom," in chapter 10, entitled "The way to resume," the President said:

Back of all reform lies the method of getting it—

And then he pointed out that the initiative and referendum were necessary instruments in the hands of the people to secure these reforms. They are the key that opens the door to our legislative house. He then says:

The initiative is a means of seeing to it that measures which the people want shall be passed when legislatures defy or ignore public opinion. The referendum is a means of seeing to it that the unrepresentative measures which they do not want shall not be placed upon the statute book.

OREGON.

The notable things accomplished by the people of Oregon through the initiative and referendum have been heralded to the Nation. It is not generally known that since their adoption in 1902 the people of Oregon have been engaged in a *constant struggle to* preserve these legislative powers against repeated attacks by the enemies of popular sovereignty. The struggle is still on.

The first attack was made by the State legislature of 1903 in an attempt to virtually set aside the referendum by declaring the "emergency clause" upon laws the politicians did not wish to go to the people. The then governor, Hon. GEORGE E. CHAMBERLAIN, now United States Senator from Oregon, being a genuine friend of popular government saw the danger and promptly met the issue by sending such bills back with a stinging veto. His messages roused the State, and it is now dangerous for any member to "trifle" with the emergency clause.

In 1906 the State grange initiated a law taxing the telegraph, telephone, and express companies upon their gross incomes. They were at that time practically untaxed. The bill was adopted by the people. The Morgan interests refused to pay the tax, and took this as a test case to the Supreme Court of the United States in an effort to have the Oregon initiative and referendum declared "unconstitutional," and so kill the movement in the entire Nation. They failed, but the struggle was a costly and harrowing one to the people.

At every session of the legislature laws or changes in the amendments are introduced calculated to "pull its teeth." For example, in 1910 the legislature proposed a new constitutional convention. The evident scheme was to fix up a new constitution in which all the new popular-government provisions would be either abolished or rendered inoperative. A hard campaign ensued, and it was rejected by the people.

In 1910 an amendment was submitted to the people to require measures to receive a majority of "all votes cast in the election" to enact measures instead of a majority of the votes cast on the question, as at present. It took a vigorous campaign to defeat this joker.

At the present time a new amendment is proposed which will prohibit the employment of solicitors to secure petitions. Needless to say, this attempt is meeting with the strong opposition of all organizations and men who know from actual experience what it means to get petitions and what a blow this would prove to the successful use of the initiative and referendum, as it has already proven in the State of Washington.

IDAHO AND UTAH.

By a vote of 43,658 to 13,490, the people of Idaho placed in their constitution at the election of 1912 what they supposed was an initiative and referendum amendment. It contained several jokers, but, worst of all, was not made self-executing. It provided that the legislature should draft laws, filling in details and putting it into effect. The legislature of 1913, in defiance of the direct mandate of the people, refused to pass such legislation. This is a repetition of the same fraud which was practiced upon the people of Utah since 1900. The "general principle" was put in the constitution, and for 14 years the people have waited in vain for the legislature to put the initiative and referendum in action. *No legislature should be permitted to fix by law the conditions upon which the people may review its acts.*

WASHINGTON.

The voters of Washington adopted the initiative and referendum at the general election of 1912. It was a defective amend-

ment. Among other things, it failed to provide for the use of the initiative on amendments to the State constitution. Gov. Hay's opposition to the constitutional initiative defeated him for reelection. The legislature met in January, 1913, and under the guise of "safeguarding" the amendment, deliberately passed an enabling act which needlessly placed severe handicaps upon the people in any use of the initiative and referendum. It is made a "gross misdemeanor" for a busy citizen to aid a petition in which he is interested by hiring a solicitor to secure signatures. Only names of voters who are actually *upon the last registration lists* can be counted on petitions, and so on.

On July 3, after a heroic struggle, the State Farmers' Grange, the State Farmers' Union, the State Federation of Labor, and the Direct Legislation League, acting under the direction of a joint legislative committee, succeeded in surmounting the obstacles and filed petitions for seven laws—"the seven sisters"—of great importance to the common people but undesired by the politicians and the interests. Miss Lucy R. Case, of Seattle, a most able woman and secretary of the committee, gave her entire time for six months, without pay, to the work of securing this petition. But even then the petition cost $1,281.93. Thirty-one thousand eight hundred and thirty-six names were necessary; 35,000 were secured and properly certified to before the county registers, where they were signed.

The interests opposed to these laws organized a "Stop, Look, Listen League," and spent thousands of dollars in paid newspaper advertising and otherwise in an attempt to frighten the people away from signing petitions. They are now bending every energy in an attempt to *prevent the questions from going on the ballot*. In this they evidently have the support of the State administration. The law requires the secretary of state simply to *count* the signatures certified to by the county authorities, and if sufficient he is required to place the questions on the ballot. Instead of this Secretary Howell assumes jurisdiction upon the genuineness of the signatures and is putting the State to a frightful expense to verify work already done. His every move is hostile and the seeming intent is, upon one pretext or another, to *throw out enough names to cause the principal petitions to fail*.

The attorney general, Mr. Tanner, makes the unheard-of "ruling" that during the 30 days given the secretary of state by law to count the names citizens can *withdraw their names;* and blanks for that purpose have been prepared in the office of the secretary of state. But *no new names can be added*. The "Stop, Look, Listen League" is scouring the State to induce men to withdraw their names, and at this writing (July 27) it is doubtful if the farmers' important laws will go on the ballot.

But whatever the outcome, this experience of the people of Washington serves as a warning to other States to watch "enabling acts" closely. It further shows the bitter hostility of reactionary politicians and corporations to permitting the people expressing their will on important laws. Mr. C. B. Kegley, of Palouse, Wash., master of the State Grange, strongly opposes the law prohibiting responsible organizations and citizens from employing solicitors, thus enabling the volunteer work to be supplemented by men who can give their entire attention to securing petitions in a crisis.

ARKANSAS.

In Arkansas the opponents of the initiative, referendum, and recall have met with success in their efforts to devitalize the amendment through the decisions of a supreme court hostile to these instruments of popular government.

The original amendment, adopted in 1910, read:

> The legislative power of this State shall be vested in a general assembly, * * * but the people of each municipality, each county, and of the State reserve to themselves power to propose laws and amendments to the constitution and to enact or reject the same at the polls—

And so forth.

It is perfectly evident that this is a bungling attempt to establish both the local and State-wide initiative and referendum in one short clause, so adored by constitutional lawyers. In fact, the words "*of each municipality, of each county, and of the State*" were inserted in the original draft as an amendment to accomplish this purpose, and not, as was claimed in the campaign, to permit the cities to override the State constitution.

Nevertheless the supreme court declared itself unable to discover what the language meant, and so abolished the whole clause, *which took from the people their constitutional right of initiative and referendum in counties and cities. Exit the local initiative and referendum!*

Next, the legislature of 1913 passed a law under the "emergency clause" and thus denied a referendum petition upon it on the grounds that it was "necessary for the *immediate* preservation of the public peace, health, and safety," but also provided that the law should not go into effect for *one year*. The supreme court upheld the legality of this action. Hence, *exit the referendum!*

Next, in 1912 the people passed an amendment by initiative petition establishing the recall on all public officers, including judges. Also two other amendments.

Now, the constitution adopted in 1874 provided that the legislature could submit only three amendments at any one election. The initiative and referendum amendment adopted in 1910—36 years later—did not disturb the old system, but made no limitations on the number of amendments the people might submit by petition.

At the 1912 election the legislature submitted proposed amendments No. 11 and No. 12. The people submitted No. 13, limiting the legislative session to 60 days. No. 14 provided for the recall of all elective officials, including judges; also No. 15.

All three of the initiate amendments were adopted by large majorities. The election board refused to certify the adoption of Nos. 14 and 15, on the grounds that they were illegally submitted.

Suit was brought, and the supreme court solemnly decided that limitation of three, adopted in 1874, governed the amendment of 1910, and that amendments 14 and 15 must fail. This is a complete reversal of the universal rule of construction that the last enactment governs and repeals older enactments in conflict.

But by this means *the recall was destroyed*. Hereafter the legislature can prevent the submission of any amendment by initiative of the people by *filling up* the ballot with three amendments of whatever nature. *Exit the constitutional initiative!*

And at the present time it is given to this supreme court to decide whether the people will have the right to vote at the November election upon a bank-guaranty law and a law establishing a State mining board and insure safety for miners. These laws have been properly initiated and promptly enjoined from going on the ballot by the bankers and mine owners.

OHIO.

Ohio adopted the initiative and referendum in 1912. Gross frauds were practiced by the special interests in 1913 in an attempt to secure referendum petitions upon two statutes. These frauds were widely heralded in the press and were made the basis of a demand by these same special interests for a law prohibiting solicitors for petitions to receive compensation. To secure from 60,000 to 125,000 signatures of legal voters upon petitions, as required in Ohio, is a gigantic task, and few petitions could be secured by volunteer work alone.

The friends of direct legislation in the legislature and outside promptly met the issue, a campaign of education was made, the help of the administration was secured, and a law preventing fraudulent securing of petitions was passed, but not the thing desired by the enemies of popular government.

The citizens of Toledo are engaged in a life and death struggle wi ththe public-utility interests over a street-car franchise worth $25,000,000. These interests are now carrying a case to the supreme court in an attempt to have the municipal initiative and referendum law of the State declared "unconstitutional," and so *deprive the people of a vote upon the settlement of this important question*.

OKLAHOMA.

One of the most vital provisions of a direct-legislation system is adequate publicity upon pending measures for the information of the voters. Oregon has the best method. A neat State pamphlet containing copies of the measures, with their ballot titles, and also explanatory arguments for and against, *furnished by citizens or organizations of citizens*, is mailed from the office of the secretary of state direct to the voters 50 days before election. In Oklahoma, however, the legislature has failed to provide for any arguments from citizens, and the system of distribution is fatally defective. It is supposed to be handed to the voters at the primary election by election officials. On any vital measure opposed by the machines this is not done adequately. Probably not more than one-third of the voters ever see the pamphlet. Another vital defect in the Oklahoma system is the requirement that measures, to be adopted, must receive a majority of all votes cast "in said election" instead of "a majority of all votes cast thereon."

PENDING AMENDMENTS.

At the general election November 3, 1914, proposed constitutional amendments for the initiative and referendum will be voted upon in five States, as follows:

Texas: Petitions must be signed by 20 per cent of the voters for both initiative and referendum. This is preposterous. No State should require over 8 per cent, and in no case more than 50,000 signatures for the initiative; nor more than 5 per cent, and in no case more than 30,000 for the referendum. The

amendment is not self-executing and all other details must be provided by the legislature. It is the Utah and Idaho trick all over again. The adoption of this subterfuge would kill the movement in Texas for years.

Minnesota: The Minnesota amendment is so full of jokers and restrictions that space does not permit even an attempt at discussion. One provision actually gives the legislature specific power to *prohibit* the circulation of petitions on any subject it sees fit.

Wisconsin: Submits a conservative but fairly good amendment, which it will be worth while to adopt.

North Dakota: Amendment lacks the constitutional initiative, requires too large petitions, and has a wicked "distributing" clause for petitions. There are other jokers. Not worth adopting.

Maryland votes upon an amendment providing for the *referendum* only. It is in very good shape. The people, however, are prohibited from referring any liquor law.

Iowa: An amendment was passed in 1913, which, if adopted by the legislature of 1915, will be voted on in 1916. Among the numerous jokers which render it worthless may be mentioned the right given the legislature to fix petitions at anywhere from 12 to 22 per cent for the initiative, and from 10 to 20 per cent for the referendum. Worthless.

This statement is by no means a complete account of the unwarranted and unjustifiable attacks made upon the initiative and referendum in States and cities where they are established. The few examples given illustrate the general tendency and demonstrate beyond question that strenuous efforts are being made to destroy the initiative and referendum in America, and that the most dangerous forms which the opposition takes are, first, to insert stealthy "jokers" in these provisions which unexpectedly operate at critical junctures against the exercise of direct legislative powers by the people; and, second, to break them down in the courts.

One of the most important functions of the National Popular Government League (nonpartisan) is to point out these "jokers" and warn the people against them. The league maintains a bureau of information and its headquarters are at 1017 Munsey Building, Washington, D. C., where accurate information concerning these matters can be had freely upon application to the executive secretary.

Mr. WALSH. Mr. President, reference having been made by the Senator from Oklahoma [Mr. OWEN] to the recent effort to invalidate the initiative and referendum amendment to the constitution of the State of Montana on account of irregularities claimed to have existed in the adoption of the amendment, I take pleasure in saying to the Senate that the supreme court of my State recently decided that the objections were not well taken, and affirmed the validity of the amendment.

I embrace this occasion to give to the Senate and the country the operation of the amendment so far as it has been utilized in my State. Perhaps some interest will be exhibited in the character of the legislation which has been adopted and which it is proposed to adopt under its provisions.

Two years ago, under the operation of the amendment, we adopted a primary-election law. Every political party in my State for 10 years has declared in favor of a primary-election law. The members of the legislature, of all political parties, were elected upon pledges to enact such a law, but the legislature never enacted the law. Ordinarily one party would control one branch of the legislature and the other party would control the other branch, and they never were able to agree. We also passed a corrupt-practices act at the same time.

There will be submitted at the ensuing election three important items of legislation—a workmen's compensation law, a law to provide for the consolidation of all the educational institutions of the State, and a law providing for the loaning of the State school fund upon farm-mortgage securities. An effort was made to adopt all three of these measures at the last session of the legislature, but, owing to forces that have long been powerful in the political and legislative activities of our State, none of them received the consideration at the hands of the legislature which, in the judgment of the people, their importance demanded. It is intended now to get a direct vote of the people upon these measures.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

Mr. GALLINGER. I wish to inquire what the amendment is?

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 7, line 16, after the word "from," it is proposed to insert the word "lawfully."

The amendment was agreed to.

The PRESIDING OFFICER. The Secretary will state the next amendment of the committee.

The SECRETARY. On the same page, line 18, after the word "organizations," it is proposed to strike out the words "orders, or associations."

The amendment was agreed to.

Mr. GALLINGER. Mr. President, the provision now reads:

> Or to forbid or restrain individual members of such organizations from lawfully carrying out the legitimate objects thereof; nor shall such organizations, or the members thereof, be held or construed to be illegal combinations or conspiracies—

And so forth.

I do not quite see how the members thereof, in their individual capacities, could be a combination or conspiracy; and I think, beginning on line 19, the words "when lawfully conducted" should also be inserted. Inasmuch, however, as I propose to offer a substitute for that section, which I will now send to the desk and ask to have read, I shall not undertake to secure the insertion of those words.

Mr. CULBERSON. Mr. President——

Mr. GALLINGER. I send the amendment to the desk simply for the purpose of having it read.

Mr. CULBERSON. I understand that the committee amendments only are being now considered.

The PRESIDING OFFICER. Yes.

Mr. GALLINGER. I simply ask that my amendment shall be read and lie on the table. I will offer it at the proper time as a substitute for section 7.

The PRESIDING OFFICER. The amendment will be read for the information of the Senate.

The SECRETARY. As a substitute for section 7, it is proposed to insert:

> That nothing contained in the antitrust laws of the United States shall be construed to forbid the creation, existence, and lawful conduct of labor or other organizations instituted for the purpose of mutual help and not having capital stock or being conducted for profit, or to forbid or restrain individual members of any such organization from lawfully carrying out the legitimate objects and purposes thereof; nor shall such organizations, when lawfully conducted, be held or construed to be illegal combinations or conspiracies in restraint of trade under the antitrust laws.

Mr. GALLINGER. I ask that the amendment may be printed and lie on the table.

The PRESIDING OFFICER. That action will be taken.

Mr. WALSH. Mr. President, those who have followed the present discussion will recognize that when section 9b is reached it will be advisable, if not indeed necessary, to endeavor to make its provisions conform to the provisions of section 5 of the trade commission bill so far as concerns the proceedings contemplated by the section before either the Interstate Commerce Commission or the Federal trade commission. It will be understood that it is provided by the bill now being considered that sections 2, 4, 8, and 9 are to be enforced either by the Interstate Commerce Commission or by the Federal trade commission through proceedings substantially similar to those provided for in section 5 of the Federal trade commission bill. In anticipation of that necessity, I shall propose an amendment to the section.

Mr. CULBERSON. For the committee?

Mr. WALSH. For the committee—an amendment to section 9b, which is intended to eliminate the provisions therein respecting hearings before these commissions and proceedings thereon, and providing in substance that the procedure shall be the same as provided in the Federal trade commission bill.

Mr. CULBERSON. Mr. President, I call the attention of the Senator to the fact that the committee has a right to perfect its own amendment before it is formally submitted; and that, as I understand, is the purpose of the Senator.

Mr. WALSH. Exactly. I thought I would offer this amendment and have it printed and lie on the table.

The PRESIDING OFFICER. In the absence of objection, the request will be granted. The Secretary will state the next amendment of the committee.

The SECRETARY. On page 7 it is proposed to strike out lines 21 to 25, inclusive, and on page 8 to strike out lines 1 to 12, inclusive, in the following words:

> Nothing contained in the antitrust laws shall be construed to forbid associations of traffic, operating, accounting, or other officers of common carriers for the purpose of conferring among themselves or of making any lawful agreement as to any matter which is subject to the regulating or supervisory jurisdiction of the Interstate Commerce Commission, but all such matters shall continue to be subject to such jurisdiction of the commission, and all such agreements shall be entered and kept of record by the carriers, parties thereto, and shall at all times be open to inspection by the commission, but no such agreement shall go into effect or become operative until the same shall have first been submitted to and approved by, the Interstate Commerce Commission: *Provided*, That nothing in this act shall be construed as modifying existing laws prohibiting the pooling of earnings or traffic, or existing laws against joint agreements by common carriers to maintain rates.

The amendment was agreed to.

The SECRETARY. On page 8, line 20, after the words "line of," it is proposed to strike out the word "trade" and insert the word "commerce."

The amendment was agreed to.

Mr. CUMMINS. Mr. President, I rise to make a parliamentary inquiry. The Senator from Texas has just stated that the committee amendments are now being considered. I desire to offer a substitute for the matter from line 13, on page 8, to line 4, on page 9. I ask whether the adoption of the committee amendment will interfere with the amendment I shall offer by way of substitution at a later time?

Mr. CULBERSON. Mr. President, speaking for myself, I will say readily that it will not have that effect. We are only considering the committee amendments section by section, after which the amendments sought to be proposed by individual Senators may be offered.

Mr. GALLINGER. The whole bill will be open.

Mr. CULBERSON. The whole bill will be open.

Mr. CUMMINS. That is true; but I assume that after a committee amendment is adopted, no amendment to that amendment can be offered in Committee of the Whole. That was the point which gave rise to some doubt in my mind; but with the assurance of the Senator from Texas, and unless the Chair indicates otherwise, I shall defer, as I desire to defer, the amendments I have to offer until the committee amendments are disposed of.

The PRESIDING OFFICER. The opinion of the present occupant of the Chair accords with the opinion stated by the Senator from Texas. It is suggested, however, that the question may be differently ruled on later.

Mr. CUMMINS. I shall in the same manner desire to offer a substitute for certain parts of section 9, but, with the understanding just expressed, I shall not offer the amendments at this time.

Mr. WALSH. Mr. President, I rise to inquire whether we are to understand that section 7 has been adopted by the Committee of the Whole?

Mr. CULBERSON. Only the amendments of the committee.

The PRESIDING OFFICER. The Chair understands that we are simply perfecting the section by the amendments of the committee and that it has not yet come down to the question of the adoption of the bill or the section. The Secretary will state the next amendment of the committee.

The SECRETARY. On page 8, line 20, it is proposed to strike out the words "in any section or community."

The amendment was agreed to.

The SECRETARY. On page 9, line 3, after the words "line of," it is proposed to strike out the word "trade" and insert the word "commerce."

The amendment was agreed to.

The SECRETARY. In the same line it is proposed to strike out the words "in any section or community."

The amendment was agreed to.

The SECRETARY. On page 9 it is proposed to strike out lines 17 to 21, inclusive, in the following words:

> Nothing contained in this section shall be held to affect or impair any right heretofore legally acquired: *Provided*, That nothing in this paragraph shall make stockholding relations between corporations legal when such relations constitute violations of the antitrust laws.

Mr. CULBERSON. Mr. President, I wish to state that those words are stricken out on page 9, lines 17 to 21, inclusive, and the proposal is made in lieu thereof on the subsequent page, lines 17 to 21, inclusive. It is a mere transposition and enlargement of the proviso. They ought to be considered together.

The PRESIDING OFFICER. Does the Senator desire to consider the substitute amendment at the same time with the matter stricken out?

Mr. CULBERSON. Oh, not at the same time; but I want the Senate to understand that the proposition is not to strike it out altogether, but to substitute and transpose.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The SECRETARY. On page 9, line 23, after the word "any," it is proposed to strike out the words "railroad corporation" and insert "common carrier subject to the laws to regulate commerce."

The amendment was agreed to.

The SECRETARY. On the same page, line 25, after the words "construction of," it is proposed to strike out the word "branch" and insert the word "branches."

The amendment was agreed to.

The SECRETARY. In the same line, after the word "short," it is proposed to strike out the word "line" and insert the word "lines."

The amendment was agreed to.

The SECRETARY. After the amendment just agreed to it is proposed to strike out the word "railroads."

The amendment was agreed to.

The SECRETARY. On page 10, line 3, after the word "branch," it is proposed to strike out the word "line" and insert the word "lines."

The amendment was agreed to.

The SECRETARY. On the same page, line 4, after the word "any," it is proposed to strike out the words "railroad corporation" and insert the words "such common carrier."

The amendment was agreed to.

The SECRETARY. On the same page, line 6, after the word "line," it is proposed to strike out the word "railroad."

The amendment was agreed to.

The SECRETARY. On the same page, line 10, after the word "prevent," it is proposed to strike out the words "any railroad company" and insert "such common carrier."

The amendment was agreed to.

The SECRETARY. On the same page, line 13, after the word "other," it is proposed to strike out the words "railroad company" and insert "such common carrier."

The amendment was agreed to.

The SECRETARY. On page 10, after line 16, it is proposed to insert:

> Nothing contained in this section shall be held to affect or impair any right heretofore legally acquired: *Provided*, That nothing herein shall be held or construed to authorize or make lawful anything prohibited and made illegal by the antitrust laws.

Mr. WALSH. Mr. President, I wish to inquire from the chairman of the committee whether the word should not be "or" instead of "and" in that amendment?

Mr. CULBERSON. Where?

Mr. WALSH. So that it would read "to authorize or make lawful anything prohibited or made illegal by the antitrust laws."

Mr. CULBERSON. I have no objection to that change.

Mr. WALSH. It seems to me that it might give rise to very serious question as to whether both of those conditions should combine.

Mr. CHILTON. That is right. That change should be made.

Mr. CULBERSON. I ask to modify the committee amendment by inserting the word "or" in place of the word "and."

The SECRETARY. In the committee amendment on page 10, line 20, after the word "prohibited," it is proposed to strike out the word "and" and to insert the word "or," so that it will read:

> Or make lawful anything prohibited or made illegal by the antitrust laws.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The SECRETARY. On page 10 it is proposed to strike out lines 22 to 25, both inclusive, in the following words:

> A violation of any of the provisions of this section shall be deemed a misdemeanor, and shall be punishable by a fine not exceeding $5,000, or by imprisonment not exceeding one year, or by both, in the discretion of the court.

The amendment was agreed to.

Mr. SHIELDS obtained the floor.

Mr. CULBERSON. Mr. President, before the Senator from Tennessee proceeds, will he allow me to make a formal verbal amendment?

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Texas?

Mr. SHIELDS. I do.

Mr. CULBERSON. On page 12, line 4, in place of the word "having," I move to insert the words "shall have."

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The SECRETARY. In the committee amendment on page 12, line 4, after the word "commerce," it is proposed to strike out the word "having" and to insert the words "shall have," so that if amended it will read:

> No common carrier engaged in commerce shall have upon its board of directors, etc.

The amendment to the amendment was agreed to.

Mr. SHIELDS. The committee amendment, lines 21 to 25, inclusive, on page 10, being the penal clause of this section, is a matter that will come up on the reconsideration of sections 2 and 4 now pending, and I will ask that that be passed until the motion to reconsider is brought up for determination.

The PRESIDING OFFICER. Is there objection to the request made by the Senator from Tennessee?

Mr. CULBERSON. I will state to the Senator from Tennessee that there is no proposition pending to strike out sections 8 and 9, as in the case of sections 2 and 4.

Mr. SHIELDS. No; but the committee strikes out the penal clause. A similar penal clause is to be found in sections 2 and 4, and the motion to reconsider involves those two sections, and involves the question whether the prohibitions contained in 8 and 9 should also be penalized. The questions are analogous. Not only that, but it will save time to dispose of the penal clauses by having them both come up together.

Mr. OVERMAN. Let it be passed over.

Mr. SHIELDS. For that reason I suggest that it be passed over till those are disposed of.

Mr. CULBERSON. Let it be passed temporarily, Mr. President.

The PRESIDING OFFICER. Without objection the amendment will be temporarily passed over. The next amendment will be stated.

The SECRETARY. In section 9 the committee propose to strike out——

Mr. WALSH. Before we proceed to that let me remark to the chairman of the committee that the substitutes should be renumbered. It should not take No. 9 as its number.

Mr. CULBERSON. When we get to the final conclusion of the bill we can renumber the sections.

Mr. WALSH. That will not do, because if we adopt the subsequent provisions you will have incorporated this in section 9. Let me explain it. This amendment proposed by the committee covers acts the violation of which is not intended to be enforced through the trade commission. Penal provisions are attached. A compliance is to be compelled by the peril of incurring the penal provisions. It was not intended by the committee that violations of that part of the section should be considered or have review at all by the trade commission. I suggest that that section should go to section 9b.

Mr. CULBERSON. Will not the Senator be satisfied with postponing the numbering of the sections until we get through with the bill?

Mr. WALSH. It is not a mere matter of numbering, because later on you provide that the whole of section 9 shall be enforced through the trade commission, and you would have to reconsider that provision. It is not a mere matter of renumbering.

Mr. CULBERSON. The remedies in the bill are cumulative and not exclusive.

Mr. WALSH. I do not think it was ever the purpose of the committee to relegate to the trade commission the enforcement of that provision which penalizes transactions between corporations having common directors.

Mr. CULBERSON. I think we can arrange that when we come to consider section 9b. It seems so to me at least.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The SECRETARY. Strike out all of page 11 and the first two lines on page 12 and insert:

After two years from the approval of this act no common carrier engaged in commerce having upon its board of directors or as its president, manager, or purchasing officer or agent any person who is at the same time an officer, director, manager, or general agent of, or who has any direct or indirect interest in, another corporation, firm, partnership, or association, with which latter corporation, firm, partnership, or association or with such person such common carrier shall make purchases of supplies or articles of commerce or have any dealings in securities, railroad supplies, or other articles of commerce, or contracts for construction or maintenance of any kind with any such corporation, firm, partnership, or association to the amount of more than $50,000 in any one year, unless and except such purchases shall be made from or such dealings shall be with the bidder whose bid is the most favorable to such common carrier, to be ascertained by competitive bidding after public notice published in a newspaper or newspapers of general circulation, to be named, and the time, character, and scope of the publication to be prescribed, by rule or otherwise, by the Interstate Commerce Commission. No bid shall be received unless the names and addresses of the officers, directors, and general managers thereof, if it be a corporation, or of the members, if it be a partnership or firm, be given with the bid.

Any person who shall, directly or indirectly, do or attempt to do anything to prevent anyone from bidding or shall do any act to prevent free and fair competition among the bidders or those desiring to bid shall be punished as prescribed in this section.

Every such common carrier having any such transactions or making any such purchases shall within 10 days after making the same file with the Interstate Commerce Commission a full and detailed statement of the transaction, showing the manner and time of the advertisement given for competition, who were the bidders, and the names and addresses of the directors and officers of the corporations and the members of the firm or partnership bidding; and whenever the said commission shall have reason to believe that the law has been violated in and about the said purchases or transactions it shall transmit all papers and documents and its own views or findings regarding the transaction to the Attorney General.

If any common carrier shall violate this section, every director or officer thereof who shall have knowingly voted for or directed the act constituting such violation or who shall have aided or abetted in such violation shall be deemed guilty of a misdemeanor and shall be fined not exceeding $25,000 and confined in jail not exceeding two years, in the discretion of the court.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. CULBERSON. Upon reflection, we will have the amendment which has just been adopted numbered section 10.

The PRESIDING OFFICER. Without objection, the paragraph just agreed to will be numbered section 10.

Mr. CHILTON. I wish to call the attention of the chairman of the committee to an amendment to strike out, in lines 19, 20, and 21, on page 12, the words "published in a newspaper or newspapers of general circulation, to be named, and the time, character, and scope of the publication to be," so that it will read:

To be ascertained by competitive bidding after public notice prescribed by rule or otherwise by the Interstate Commerce Commission.

This would leave the entire matter in the hands of the Interstate Commerce Commission. I move that amendment to the amendment. The reason for it is that sometimes there are places where they can have only a week, or a notice of that kind, on account of the fact that they have no daily papers, and if it was published in the daily papers in the city it might not reach the people who would want to be reached; and it is best to leave the entire matter of notice to the Interstate Commerce Commission. I think it would be better to give them full authority, by rule or otherwise, to make the regulations as to the kind of publication or notice that shall be given. I therefore move to strike out, in lines 19, 20, and 21, the words I have indicated. That would leave the authority with the Interstate Commerce Commission complete.

Mr. CULBERSON. The amendment to the amendment is satisfactory to the committee.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. CULBERSON. Commencing at page 14, line 3, it ought to be numbered section 9.

The PRESIDING OFFICER. Without objection, that part will be numbered section 9.

Mr. CUMMINS. Section 9 would now begin on line 21, page 15.

Mr. CULBERSON. The amendment will begin there, but the section will begin at line 3 on page 14.

The next amendment was to strike out lines 3 to 25, inclusive, on page 14, and lines 1 to 20, both inclusive, on page 15, in the following words:

That from and after two years from the date of the approval of this act no person shall at the same time be a director or other officer or employee of more than one bank, banking association, or trust company organized or operating under the laws of the United States either of which has deposits, capital, surplus, and undivided profits aggregating more than $2,500,000; and no private banker or person who is a director in any bank or trust company, organized and operating under the laws of a State, having deposits, capital, surplus, and undivided profits aggregating more than $2,500,000, shall be eligible to be a director in any bank or banking association organized or operating under the laws of the United States. The eligibility of a director, officer, or employee under the foregoing provisions shall be determined by the average amount of deposits, capital, surplus, and undivided profits as shown in the official statements of such bank, banking association, or trust company filed as provided by law during the fiscal year next preceding the date set for the annual election of directors, and when a director, officer, or employee has been elected or selected in accordance with the provisions of this act it shall be lawful for him to continue as such for one year thereafter under said election or employment.

No bank, banking association, or trust company organized or operating under the laws of the United States in any city or incorporated town or village of more than 100,000 inhabitants, as shown by the last preceding decennial census of the United States, shall have as a director or other officer or employee any private banker or any director or other officer or employee of any other bank, banking association, or trust company located in the same place: *Provided*, That nothing in this section shall apply to mutual savings banks not having a capital stock represented by shares: *Provided further*, That a director or other officer or employee of such bank, banking association, or trust company may be a director or other officer or employee of not more than one other bank or trust company organized under the laws of the United States or any State where the entire capital stock of one is owned by stockholders in the other: *And provided further*, That nothing contained in this section shall forbid a director of class A of a Federal reserve bank, as defined in the Federal reserve act, from being an officer or director or both an officer and director in one member bank.

The amendment was agreed to.

The next amendment was, on page 15, line 23, after the word "corporations," to strike out "either" and insert "anyone," and, on page 16, line 5, before the word "elimination," to strike out "an" and insert "the," so as to read:

That from and after two years from the date of the approval of this act no person at the same time shall be a director in any two or more corporations, any one of which has capital, surplus, and undivided profits aggregating more than $1,000,000, engaged in whole or in part in commerce, other than common carriers subject to the act to regulate commerce, approved February 4, 1887, if such corporations are or shall have been theretofore, by virtue of their business and location of operation, competitors, so that the elimination of competition by agreement between them would constitute a violation of any of the provisions of any of the antitrust laws. The eligibility of a director under the foregoing provision shall be determined by the aggregate amount of the capital, surplus, and undivided profits, exclusive of dividends declared but not paid to stockholders, at the end of the fiscal

year of said corporation next preceding the election of directors, and when a director has been elected in accordance with the provisions of this act it shall be lawful for him to continue as such for one year thereafter.

The amendment was agreed to.

The next amendment was, on page 16, line 17, before the word "corporation," to strike out the words "bank or other"; in line 19, before the word "corporation," to strike out the words "bank or other"; and in line 24, before the word "corporation," to strike out the word "bank or other," so as to read:

When any person elected or chosen as a director or officer or selected as an employee of any corporation subject to the provisions of this act is eligible at the time of his election or selection to act for such corporation in such capacity his eligibility to act in such capacity shall not be affected and he shall not become or be deemed amenable to any of the provisions hereof by reason of any change in the affairs of such corporation from whatsoever cause, whether specifically excepted by any of the provisions hereof or not, until the expiration of one year from the date of his election or employment.

The amendment was agreed to.

The next amendment was, on page 17, to strike out lines 3 to 8, inclusive, in the following words:

That any person who shall violate any of the provisions of this section shall be guilty of a misdemeanor and shall be punished by a fine of not exceeding $100 a day for each day of the continuance of such violation or by imprisonment for such period as the court may designate, not exceeding one year, or by both, in the discretion of the court.

The amendment was agreed to.

Mr. SHIELDS subsequently said: My attention was called away at the time the amendment in lines 3 to 8, page 17, was read. I ask that it be passed over.

Mr. CULBERSON. Let it be passed over temporarily.

The PRESIDING OFFICER. Without objection, the vote will be reconsidered and it will be temporarily passed over.

The next amendment was, on page 17, after line 8, to insert:

SEC. 9a. Every president, director, officer, or manager of any firm, association, or corporation engaged in commerce as a common carrier, who embezzles, steals, abstracts, or willfully misapplies any of the moneys, funds, credits, securities, property, or assets of such firm, association, or corporation, or willfully or knowingly converts the same to his own use or to the use of another, shall be deemed guilty of a felony and upon conviction shall be fined not less than $500 or confined in the penitentiary not less than 1 year nor more than 10 years, or both, in the discretion of the court.

Prosecutions hereunder may be in the district court of the United States for the district wherein the offense may have been committed.

Mr. KENYON. If it is in order at this time I should like to offer an amendment to the committee amendment.

The PRESIDING OFFICER. The Chair rules that it is in order.

Mr. KENYON. On page 17, line 12, section 9a, after the word "misapplies," I move to insert "or intentionally or negligently permits or suffers to be misapplied."

I ask that the Secretary may read the section as it will appear with those words, and I especially ask the chairman of the committee, the Senator from Texas, if he will observe the section as it would be if this amendment be adopted.

The PRESIDING OFFICER. The Secretary will read as requested.

The Secretary read as follows:

SEC. 9a. Every president, director, officer, or manager of any firm, association, or corporation engaged in commerce as a common carrier, who embezzles, steals, abstracts, or willfully misapplies or intentionally or negligently permits or suffers to be misapplied any of the moneys, funds, credits, securities, property, or assets of such firm, associaton, or corporation, or willfully or knowingly converts the same to his own use or to the use of another, shall be deemed guilty of a felony and upon conviction shall be fined not less than $500 or confined in the penitentiary not less than 1 year nor more than 10 years, or both, in the discretion of the court.

Mr. KENYON. Mr. President, I wish to take just a moment to explain this amendment to the amendment. It seems to me that it ought not to meet any very serious opposition. As section 9a is now drafted the president, directors, officers, and so forth, are made liable if they embezzle, steal, abstract, or willfully misapply. The purpose of my amendment is to reach such a situation as has developed for instance in the New York, New Haven & Hartford Railroad, where a director or an officer pays absolutely no attention to the business of the corporation, goes off to Europe for a couple of years, and in the meantime the funds of the corporation are misapplied. This amendment would hold that director criminally responsible.

I know that at once we are confronted with the legal proposition that you can not make a director responsible where he has nothing to do with the performance, but I do not think that principle can hold where there is a statutory obligation, as this would make upon the director and it would work no hardship, because if he negligently permits the funds to be misapplied, negligently permits the property to be destroyed against the statutory inhibition, he would be guilty of a crime. If the director can not attend to the business of the corporation he should resign. This would give a remedy against the directors who hold the position and pay no attention to the business of the company.

There are many cases, I do not know that it is necessary to cite many of them, showing that the absolute intent to commit a wrong is not essential to make a crime. In cases of manslaughter negligence is so reckless that it is sufficient to make the party responsible therefor.

I have at my desk an English case that I think substantiates the proposition, if there is any serious contention that it is not sound, namely, the case of Rex against Medley, as reported in Sixth Carrington and Payne's Reports. There was an indictment against the chairman, deputy chairman, and others of the directors of the Equitable Gas Co. for polluting a stream. It was shown and it was conceded that these directors knew nothing about the proposition, had nothing to do with it, but under their guidance of the property of this corporation this stream was polluted and this nuisance was thereby committed. The court said:

It is said that the directors were ignorant of what had been done. In my judgment that makes no difference. Provided you think that they gave authority to Leadbeter to conduct the works, they will be answerable.

So in a large number of liquor cases in this country and in cases against gambling on premises the defendants have been held guilty where the gambling has occurred, even though they had told their servants not to permit it, that being a question which would go to the good faith and perhaps inhere in the penalty.

I have here a Maryland case which I will cite. I do not want to take up much time of the Senate upon this proposition, but it does seem to me that a provision of this kind will put additional teeth in this act and will prevent innocent stockholders from being robbed. It is the case of Carroll against The State of Maryland, reported in Sixty-third Maryland Reports, page 551. The appellant was a licensed dealer in spirituous liquors, and was indicted for unlawfully selling liquor to one William Miller, a minor under the age of 21 years. The law under which he was convicted provided that—

If any person shall sell any spirituous or fermented liquors or lager beer to any person who is a minor, under 21 years of age, he shall, on conviction, pay a fine of not less than $50 nor more than $200, together with the costs of prosecution.

There was a violation of that statute by an employee of this man, and it was held there that, notwithstanding the fact that he had told his employee not to sell the liquor, he was personally responsible.

The case of Rex *v.* Gutch (Moody & Malkin, 433) is cited in Taylor on Evidence. This was a libel case. Lord Tenterden says:

A person who derives profit from and who furnishes the means for carrying on the concern, and entrusts the business to one in whom he confides, may be said to have published himself, and ought to be answerable.

Again, the case of The Queen *v.* Bishop (L. R., 5 Queen's Bench Division, 259):

The defendant was convicted of receiving into her house two or more lunatics, not being a registered asylum or house duly licensed by law. The jury found specially that the defendant honestly and on reasonable grounds believed that the persons received into her house were not lunatic, though the jury found they were lunatic. The point being reserved, was heard before Coleridge, Denman, Stephen, Pollock, and Field, all of whom affirmed the conviction, holding that such belief was immaterial.

There is one other case in law division, Redgate *v.* Haynes (L. R., 1 Queen's Bench, 89):

The appellant was charged with suffering gaming to be carried on upon her premises. She had retired for the night, leaving the house in charge of the hall porter, who withdrew his chair to a part of the hotel remote from the guests and did not see the gaming. It was held that the landlady was answerable.

So there is a long line of decisions, and in this country, too, sustaining the proposition. In Martin against the State of Nebraska, found in Thirtieth Nebraska, page 507, it was held that—

where intoxicating liquors have been sold on Sunday, the principal, although not personally present, will be liable if his agents or anyone authorized by him to sell or give away intoxicating liquor in his place of business violates the law by selling or giving away such liquors in his place of business on Sunday.

In this case Martin was outside of the State and had no knowledge of the sale whatever.

In Michigan, in the case of People *v.* Roby (52 Mich 577), it was

Held, That under these sections a saloon keeper was properly convicted whose clerk, without his consent or knowledge, but while he was on the premises, had opened the saloon on Sunday morning to have it cleaned out and had meanwhile sold a drink to a casual customer, who insisted on having it.

In a similar case, in State v. Steamboat Co. (13 Md., 181)—

A common carrier was held liable to a statutory penalty for transporting a slave on its steamboat, though the person in charge of its business had no knowledge of the fact.

So the point I am making, briefly stated, is simply this:

Under the section as reported by the committee there is absolutely no criminal liability where a director neglects his duty and the property of the company engaged in interstate commerce is dissipated or misapplied. My amendment simply adds to this statute, which is good as far as it goes, a provision that would make a director or the officers criminally liable where they intentionally or negligently, which would be a question for the jury under the instruction of the court, permit funds to be misapplied. I wish the chairman of the committee could see his way clear to accept the amendment.

Mr. CULBERSON. Mr. President, without an opportunity to consult with the committee I do not feel authorized to accept the amendment proposed by the Senator from Iowa to the amendment of the committee.

Mr. CHILTON. This proposed statute was drawn practically from the banking statute as to embezzlement and willfully misapplying funds of the institution. The amendment of the Senator from Iowa would make any director guilty if there were loss to the common carrier which could have been prevented.

Mr. KENYON. Not at all.

Mr. CHILTON. Let us see if it would not.

Mr. KENYON. The word "negligently" is used, and consequently one would have to be negligent in the performance of his duty; but what "negligence" may be would be left in each case to the jury. That is a broad field for a penal statute like this.

Mr. CHILTON. This statute makes it a crime for anyone who embezzles or steals or abstracts or willfully misapplies any of the assets. Then it goes further and makes it a crime if anyone "willfully or knowingly converts the same to his own use or to the use of another."

It was made to cover the class of cases where stockholders do as they did in the New York, New Haven & Hartford road and make trades for twenty or thirty million dollars when it is apparent to everybody that the property was not worth that sum of money, as the evidence shows. It was to cover that kind of a case that this amendment was framed. We did not think we ought to go further in these cases than the wisdom of Congress had seen fit to go in the case of national banks, as to which there is no doubt of the jurisdiction and the power of Congress.

There can be no higher function of a director than that of directing national-bank affairs, and in those matters there is no doubt of the power for Congress to regulate it to the fullest extent. This committee amendment is a little stronger, as I recollect it, than the act governing directors and officers of national banks. It does seem to me that there is no reason why we should go further in the one as to which, in some matters, our power is doubted, than we would in the other, where there is no question of our power.

Mr. KENYON. Does the Senator believe that a man ought to be permitted to take a place as a director of a great company and loan his name to it and never give one particle of consideration to it—go off on his summer vacation and make yachting trips and let the property in that company be absolutely dissipated, as was done in the New York, New Haven & Hartford case?

Mr. CHILTON. I think the Senator knows me well enough to know how his question would be answered. Of course I do not believe that a director should be permitted to do that.

Mr. KENYON. That is all this amendment does.

Mr. CHILTON. I think not. You say "intentionally or negligently permits or suffers to be misapplied." Why should we not do that in the case of national banks if we go that far as to common carriers?

Mr. KENYON. I think we should. I do not know why directors of national banks——

Mr. CHILTON. Why with railroads when not so with banks? For instance, if a director is away and a jury says he ought not to have been away at the time something happened, I think we would be going a little too far to make that a felony. I have heard of no demand or reason for going that far.

Mr. KENYON. You have not seen any abuse that that would correct?

Mr. CHILTON. None has been brought to my attention.

Mr. KENYON. The Senator must be blind to the industrial condition of this country in the last two years.

Mr CHILTON. I have not known anything of that kind.

Mr. KENYON. The Senator leaves out entirely the word "negligently." If a man went away for a week or two weeks and something happened in the railroad or in the business engaged in interstate commerce of course that would not be negligence unless he had some facts and circumstances to put him on notice that there might be trouble. But if he goes away for years, merely loans his name to the business, and pays absolutely no attention to it, it seems to me he ought to be just as guilty where trouble occurs as if he actually participated in it. But it is a straight issue as to those who believe as the Senator says and those who believe otherwise.

Mr. REED. With the permission of the Senator from West Virginia——

Mr. CHILTON. I yield.

Mr. REED. I want to ask the Senator from Iowa if he does not think it would be going far enough if an amendment was to be adopted to stop at the word "intentionally" instead of using the word "negligently," so that the amendment would read "or intentionally permits or suffers to be misapplied."

Mr. KENYON. In answer to that, let me ask the Senator this question, which will explain the difference: Does the Senator believe that a director of a corporation engaged in interstate commerce should be permitted to pay no attention at all to the business of that company?

Mr. REED. No; the Senator——

Mr. KENYON. Then, that might not be intentional. That might be a negligent act on his part; and that illustrates the difference.

Mr. REED. Mr. President, I think the Senator knows that—speaking for myself alone now, and not speaking for the committee; of course, I have no authority to speak for them, and am not presuming to do so—I am willing to go to any reasonable length to stop the practices aimed at by this section. The Senator from West Virginia [Mr. CHILTON] suggested the amendment to the House provision. We on the committee who supported it thought that it was a long step in the right direction. It makes the willful misapplication of funds a criminal offense; it makes it a felony; and I think that is very wholesome.

Now, the Senator from Iowa [Mr. KENYON] suggests an amendment which, it seems to me, has much merit in it; but I am inclined to think it goes too far. I think, in so far as the amendment proposes to insert the words "or intentionally * * * permits or suffers to be misapplied," it is a wholesome provision; I would be inclined to support it; but to make a man guilty of a penitentiary offense for negligently permitting a misapplication might work great hardship.

The Senator asked me a question—whether I did not think it the duty of directors of corporations to attend to their business. I do; of course, we all agree to that. But if the language is adopted which is now in the section, especially if it is amended as the Senator suggests, with the words "or negligently" left out, it is certain we can get every man who has had a criminal intent or purpose in his mind, for somebody must have known what he was doing. But if you make mere negligence a penitentiary offense, it might easily be said that it was the duty of a man to be at a board of directors' meeting; he was not there, and he was negligent; or that if he had investigated clear to the end of a transaction he might have discovered an irregularity, but he failed to do so, and therefore he should go to the penitentiary. It seems to me that that is going a step too far. I think with the words "or negligently" out I could myself heartily support the amendment.

Mr. KENYON. With the permission of the Senator from West Virginia, may I make a suggestion to the Senator from Missouri?

Mr. CHILTON. I yield to the Senator for that purpose.

Mr. KENYON. The insertion of the words "or negligently" is exactly what I am anxious to accomplish. If those words go out, of course the purpose of the amendment is practically destroyed. To illustrate: Where a man drives his automobile perhaps carelessly and negligently and runs over somebody, the circumstances might be such that he would be guilty of manslaughter; or if he sat in the back seat of his automobile and saw his driver, without raising objection, drive recklessly into a crowd of people and somebody was killed, I think he would be guilty of manslaughter, though such a sentence for that crime would be a hardship on him. The hardship of these directors being compelled to attend to their business, to keep the property of the company from being dissipated, is nothing, however, compared to the hardship of the people who lose when those directors do not attend to their business. I am very frank in saying that my purpose in offering this amendment is to make it impossible for men to hold positions as directors and do absolutely nothing. If they do not want to attend to their

business, they have a very speedy and adequate remedy; they can step off the board of directors.

Mr. REED. Mr. President, I will not interrupt at this time——

Mr. CHILTON. I yield to the Senator.

Mr. REED. Well, I can say in a word that the way it strikes me is this: There is a very grave difference between a man driving an automobile with such reckless and wanton disregard of the public right along a highway as to kill people and being held for manslaughter and the position of a man upon a directorate. In the first place, no jury would ever convict in the case of the automobile driver if his mind had simply for an instant wandered, unless he had injured somebody when by the exercise of a high degree of care, which he is bound to observe, or, at least, a reasonable degree of care, he could have avoided the injury. The only time that there would be a conviction in such a case would be where a man had been driving at a tremendously reckless rate of speed and had shown a total disregard of the public right, he would have to be guilty of conduct that amounted to wanton and willful negligence as distinguished from a mere lapse of memory or from mere neglect.

If this, the amendment in this instance, were limited to wanton and willful negligence, it would not be so bad; but when you say, Mr. President, that a member of the board of directors shall be sent to the penitentiary if there is a misapplication of any of the funds, even $10 of the funds, simply because he was negligent in not discovering that misapplication or in not preventing that misapplication, it seems to me you are going entirely too far, because we all know that if a director constantly attended every meeting and investigated every item he might discover the facts, and his failure to do so might be said to be negligence for which he might be civilly liable; but surely it would not be right to send a man to the penitentiary because he had been upon a board of directors and there was an item of $10 or some other small sum misappropriated. We must remember that a law of this kind, if put upon the statute books, may be applied to just such a case as that as well as to a director who sits by while $100,000 of fictitious securities are issued. I think in the latter case, where a man is thoroughly put upon his notice, he would have difficulty in escaping; but it seemed to me that if you insert the words "or negligently" you go a little too far; that is all.

Mr. CHILTON. Mr. President, the Senator from Missouri [Mr. REED] has stated so much better than I could have stated the thought that was in my mind that I will not go over what he has said; but I do want to call the attention of the Senate to this difference. Here is a bank whose business is concentrated; it is in one building; the money, the securities, the organization are in one building, and, as I have said, the Congress of the United States has seen fit as to such institutions to use the words "embezzles, abstracts, or willfully misapplies." Those are the words that make the crime under section 5209, the national banking act.

The railroad company may be 100 miles long; it may be 3,000 miles long; it has stations, it has construction works, it has a purchasing department, it has an operating department, it has a clerical department, and a legal department. In contemplation of law every one of those departments is in charge of the directors of the railroad. I am perfectly willing to make any kind of a stringent regulation concerning the operation of a common carrier if it be of such a matter as in the very nature of the organization and the character of the business there will be a fair opportunity for the officer to oversee the transaction as to which you will make his shortcoming a crime. There may be something wrong about the operation of a station out in Montana, but the director in the city of New York or in the city of Baltimore is in contemplation of law and in a way in charge of it; that is, the rules for which he is responsible are the only security that the railroad company, the common carrier, or whatever it may be, may have for the good faith and for the honesty of the employee. I say that, in the very nature of the business, the amendment goes too far.

I think when Congress only went as far as I have stated in regard to the national banks, where the directors and the officers have the whole property and business immediately under their charge, it is going too far for us to adopt the amendment of the Senator from Iowa. As the Senator from Missouri [Mr. REED] says, I am perfectly willing to make criminal a willful and wanton act, but I can not go so far as to say that I think it is proper legislation to merely use generally the words "or negligently" in connection with so serious a crime as we propose to make this. As I have said before, we saw no abuse which justified us in going that far.

Mr. WHITE. Mr. President, we might very seriously impair the service by the adoption of this amendment. Men would hesitate very much to become directors on such boards if they knew that by mere negligence, by mere oversight, they would subject themselves to imprisonment in the penitentiary.

Then, furthermore, we might punish a man merely for want of mental capacity. An act of negligence is the omission to act as an ordinarily prudent man would have acted under similar circumstances. Persons should not be held criminally liable for doing or not doing what an ordinarily prudent man would do or not do in like circumstances, for such a man might not be an ordinarily prudent man, even though the jury might believe that the defendant did not really comprehend the situation they would have to convict, because they would be instructed by the court to find him guilty if they believed his action was such as an ordinarily prudent man under similar circumstances would not have acted.

For these reasons, Mr. President, I do not agree with the Senator from Iowa [Mr. KENYON] with respect to this subject, and will therefore have to oppose the amendment.

I have an amendment to this section which I should like to submit to the Senate. I think the committee would agree to it if submitted to them. I will therefore suggest to the chairman of the committee the amendment and its effect.

The VICE PRESIDENT. Does the Senator desire to offer an amendment to the amendment of the Senator from Iowa?

Mr. WHITE. No, Mr. President; I do not.

The VICE PRESIDENT. Then, the amendment of the Senator from Iowa must first be disposed of.

Mr. WHITE. I understood that it had been disposed of.

Mr. CLAPP. Mr. President, while, of course, it would not be in order for the Senator from Alabama to offer the amendment pro forma, I think there will be no objection to his stating to the Senate the substance of it, as it might throw light on our action with reference to the adoption or rejection of the pending amendment.

Mr. WHITE. I will submit it, then, for the purpose of being considered hereafter. The amendment is to strike out the word "general" in line 7, page 12, section 9. The provision in the section sought to be amended is to prevent an officer, director, or agent of a selling corporation from acting as a director or other officer of the purchasing corporation.

Mr. CUMMINS. That section has been adopted, Mr. President.

Mr. CULBERSON. That section has already been passed upon.

The VICE PRESIDENT. The section has been adopted.

Mr. OVERMAN. I suggest to the Senator that he can offer that amendment when the bill gets into the Senate.

Mr. WHITE. I will state what it is. Of course, I need not insist upon immediate action now, but while I am on the floor I will state the reason for the amendment. I believe a Senator can talk about almost anything while he is occupying the floor.

The purpose of the first provision of section 9, as I have said, is to prevent the president, manager, or director of a purchasing corporation from becoming the officer or agent of some other person or corporation who is selling to the purchasing corporation.

I can see no reason why that prohibition should be confined to a general agent. It should extend to a special agent as well. To illustrate with the words in the provision which my amendment proposes to strike out, a director, manager, or president of a purchasing corporation can become the special agent of a selling concern for the purpose of selling to the particular corporation of which he is an officer. Such an agent would be the most dangerous of all agents. Such agent might be employed for no other purpose than to sell or deal with a particular purchasing corporation of which he is the president or a member of its board of directors, and he may be employed because of his official connection with the purchasing corporation. If that is true, all the harm that is sought to be guarded against will be admitted.

Furthermore, it is very difficult to draw the distinction between general and special agents; the line of demarcation between them is not at all well defined; and I do not see any reason why directors and officers of purchasing corporations should be allowed to act as special agents or agents at all and be prohibited from acting as general agents. I can not quite see the reason for the distinction, and I will ask the chairman of the committee if there is any reason for it?

Mr. CULBERSON. I do not remember, Mr. President, that there is any particular reason for it.

Mr. OVERMAN. I call for the regular order.

Mr. CULBERSON. I am rather inclined to the view of the Senator from Alabama; but we can take that up when we reach it again in the Senate. The section has been adopted as in Committee of the Whole.

Mr. OVERMAN. Regular order!

Mr. CHILTON. The Senator does not contend that the provision should apply to station agents, does he?

Mr. WHITE. Of course not; because station agents are not contemplated by the provision. It is intended to affect the agent of some corporation or individual engaged in selling to a railroad or other corporation included in this act. I hope the chairman of the committee will see the propriety of the amendment and consent to its adoption.

Mr. GALLINGER. Mr. President, I ask that the amendment submitted by the Senator from Iowa be again stated.

The VICE PRESIDENT. The Secretary will again state the amendment.

The SECRETARY. On page 17, line 12, after the word "misapplies," it is proposed to insert the words "or intentionally or negligently permits or suffers to be misapplied," so that it will read, if amended:

SEC. 9a. Every president, director, officer, or manager of any firm, association, or corporation engaged in commerce as a common carrier who embezzles, steals, abstracts, or willfully misapplies, or intentionally or negligently permits or suffers to be misapplied, any of the moneys, funds, credits, securities—

And so forth.

Mr. GALLINGER. Mr. President, I am in sympathy with the purpose of the amendment, because no one knows better than those of us from the New England States what has happened in reference to a certain corporation; and yet I will venture to ask the Senator from Iowa exactly what interpretation he would put upon the word "negligently"?

Mr. KENYON. Mr. President, "negligence" is, of course, a well-understood legal term. Negligence is the want of ordinary care under the circumstances. That is a question for a jury to decide, taking all the facts and circumstances into consideration.

Mr. GALLINGER. That is what I was about to ask—if it would necessarily have to be determined by the court.

Mr. KENYON. By the court and the jury.

Mr. GALLINGER. By the court and the jury.

Mr. KENYON. If there were no evidence to justify a verdict of guilty, the court would instruct the jury to that effect, just as if the Senator should sue some one for a personal injury, basing the action on negligence; he would go ahead and show what the facts and circumstances were, and then, although reasonable men might differ as to the matter, it would be a question whether or not under all the circumstances there had been exercised ordinary care, such care as a reasonably prudent man would exercise. I have defined the term as I understand it.

Mr. GALLINGER. I was about to observe, Mr. President, that, beyond a question, in our national banks and other large corporations there is a great deal of negligence on the part of directors. I think I may say, in reference to national banks, that it is almost a rule that but a small proportion of the men who accept places on the board of directors pay any attention to the business of the bank.

Mr. KENYON. Mr. President, I will ask the Senator in that connection. Is it not true that that very neglect has cost the people of this country a good many million dollars?

Mr. GALLINGER. I think the Senator is absolutely correct in making that statement.

Mr. KENYON. Does not the Senator believe that if a man is not willing to perform his duties as a director he ought not to accept the position?

Mr. GALLINGER. I quite agree with that.

Mr. KENYON. I know the Senator from New Hampshire would not be a director in an institution and pay no attention to its affairs.

Mr. GALLINGER. I certainly would not, Mr. President.

Again, I will say that I am in sympathy with the proposed amendment, and if I felt sure that the courts would reasonably interpret the word "negligently" I should be inclined to support the amendment. Whether or not absence from a certain number of the meetings of a corporation would be negligence I do not know, but if the amendment can be so confined, or if assurance can be given that there will be a reasonable and perhaps rather a liberal interpretation of the word I should be inclined, as I am inclined, to vote for the amendment, because I think we can not very well tie this matter up too closely. Officers and directors of such corporations ought to be held to a strict accountability; there is no doubt about that; and I am satisfied if that had been done in the case of some corporations whose names are fresh in our minds there would have been less looting of their funds than actually occurred.

Mr. CLAPP. Mr. President, will the Senator pardon a suggestion?

Mr. GALLINGER. Certainly.

Mr. CLAPP. Of course it is impossible to frame any law so that there will not perhaps be some injustice under it, but we have to take into consideration whether the benefits which it will bring will be sufficient to counterbalance the slight evil it may entail. I do not think the Senator would disagree with me when I say that probably no national bank ever failed except for the fact that some man standing high in the community in which the bank was located was negligent in his duty as a director on the board of that bank. The same is true of the unfortunate circumstance in New England to which reference has been made. While it is true, of course, that now and then perhaps a jury might bring in a verdict of guilty in a case where the Senator or myself or others might think the verdict should have been not guilty, the moral effect of this liability would, in my judgment, many times overcome the possible injustice that might here and there occur, and in proportion as the moral effect of this provision were felt and the cases of the kind proposed to be covered were lessened, the less likelihood would there be that juries ever would bring in an unfair or unjust verdict.

Mr. GALLINGER. Mr. President, the responses which have been made to my interrogatory lead me to conclude to vote for the amendment submitted by the Senator from Iowa, notwithstanding the chairman of the committee thinks that it is not wise. I think that at least it might well go to conference and be considered there, and, if it is agreed to, I should indulge the hope that it would strengthen the legislation to such an extent that the shame that has come to some of us from New England because of certain operations may never be repeated. I will say here, Mr. President, that the disclosures which have been made are a matter of shame to us, and every time the New York, New Haven & Hartford Railroad is mentioned in this Chamber I feel like blushing in behalf of the people whom I in part represent. The manner in which that property was allowed to become involved was disgraceful, utterly without justification, and almost without parallel in the history of the country.

Mr. CHILTON. Mr. President, before the Senator sits down I will ask him if he does not recognize that the principal part of the wrong that was done in that case was not due alone to negligence, but was due to the making of bad trades, to the use of the money and property of the company in a willfully careless manner?

Mr. GALLINGER. In response to that I will ask, Does the Senator from West Virginia think that if the directors had been diligent and had known what was going on they would have permitted a few men connected with the corporation to have done what they did?

Mr. CHILTON. Probably not. As to some of them, you might say there was negligence, and as to others there was possibly something else. I will not discuss that, because I do not know all of the facts. I only know them generally. The evil would not have been corrected entirely under this proposed statute, although a greater part of it would have been corrected.

Mr. LANE. Mr. President, I should like to say that, in my opinion, this is a good and wise provision, and that it will save to the people annually much money. Millions upon millions of dollars have been lost to the people through sheer carelessness or negligence upon the part of trustees who have had money in charge. I think more money is lost in that way than is ever actually lost through theft or because of any intentional wrongdoing.

Not only will such a provision save money to the people, but it will be beneficial, at least, to the person in charge of the funds of a corporation, for the reason that it will fix a responsibility upon him; and the disgrace and shame which frequently come to men in such positions because of the loss of money, although they are in no wise directly connected with the loss, will be obviated in the future if they know that there is attached to the positions which they occupy full responsibility for any negligence upon their part and that they will be held answerable.

As I have said, I think that it is a wise provision. I do not believe in unnecessary criminal prosecutions, but if a few examples were made of malefactors it would do wonderful good in this country in clearing up the management of business affairs, and I may say that I think the same principle ought to be applied to public officials. About 40 cents on the dollar, I think, would be saved to the people of this country if we could make such a provision effective as to those occupying official station.

Mr. CUMMINS. Mr. President, in voting for the amendment of my colleague it ought not to be overlooked that it does not make the negligent officer or director responsible for the small peculations of clerks or ordinary employees. It embraces only the willful misapplication or embezzlement of property by a president, director, officer, or manager of a common carrier, and it seems to me it will very greatly strengthen the paragraph.

I ought to say, and I think candor requires me to say in this connection, that I have very grave doubts with regard to the validity of the paragraph. I seriously question our right to punish larceny from a railroad company unless we couple it with a provision that the larceny in some way impairs the efficiency of the common carrier to render its service to the public.

We are here simply creating the crime of larceny in one form or another. I do not intend, however, to make objection to that phase of it, except that after the amendment of my colleague is voted upon I intend to move to strike out the word "or" in line 17 and insert the word "and."

I am sure the chairman of the committee has not contemplated this possible result of the adoption of the amendment as it is. We declare this offense, which is practically the offense of larceny in one form or another, a felony. Now, the distinctive difference between a felony, as defined by a great many opinions, and a misdemeanor is that the former is punishable by imprisonment in the penitentiary and the misdemeanor is not. Now, it is made possible here to imprison the offender in the penitentiary, but it is made possible to permit him to escape with a fine of but $500.

I venture to say you can not find a State in the Union in which the crime of larceny or stealing is punished with a fine and no imprisonment. If this passes as it is, one of the officials of the New York, New Haven & Hartford Railroad Co., having stolen all that the company had, could be indicted in the Federal courts and fined $500, and could not thereafter be punished for that offense under the laws of New York or under the laws of Connecticut, although those laws might require his imprisonment in the penitentiary for a series of years. I am sure that no such outcome was in the contemplation of the committee, and I have pointed it out because I think we ought to close the door to any such result as that.

I rose, however, only to call attention specifically to the fact that the negligent failure on the part of the director or officer or manager to do his duty makes him criminally liable, under the amendment of my colleague, only when the misapplication or the embezzlement is by a president or officer or director or manager of the common carrier, and therefore presumably would involve something more than the peculations of subordinate employees.

Mr. WALSH. Mr. President, I should like to inquire of the Senator from Iowa whether he would like to see the offense punishable by incarceration in the penitentiary under any circumstances, if the amendment of his colleague should prevail making mere negligence criminal?

Mr. CUMMINS. I would have latitude. I think the offense ought to be punished by imprisonment. The offense of willfully stealing from a common carrier or any other person ought to be punished by imprisonment; and if we make the negligent performance of the duties of a director or officer a crime, I think there ought to be very considerable latitude in the time of the imprisonment. Still, I believe it ought to result in incarceration.

Mr. STONE. Mr President, I desire to supplement one or two observations made in the course of the remarks of the Senator from Iowa, who has just taken his seat.

It seems to me that this section, taken as a whole, carries us a very long way from what I, at least, have understood was the line that separated the jurisdiction of the States and the jurisdiction of the General Government, at least in criminal procedure. It is rather remarkable to my mind that the Judiciary Committee, of all other committees of the Senate, should propose a statute that would confer upon a United States district court jurisdiction to indict, try, and condemn a member of a firm—not even a corporation, but a partnership entered into by private individuals in the State of Maryland, for example, to carry on a legitimate line of business which in its nature and in the course of its conduct became interstate.

Mr. CUMMINS. Mr. President, this is confined to common carriers; but the remarks which have just been made are just as applicable, because if we can do it with regard to common carriers we can do it with regard to every kind of business.

Mr. STONE. I was just going to remark that if you can do it in one insrance I see no reason why you can not in another. Now, you say here that it is confined to common carriers.

Mr. CULBERSON. Engaged in commerce.

Mr. STONE. Engaged in commerce.

Mr. CHILTON. That means interstate commerce.

Mr. STONE. It says interstate commerce; but, to make my statement as concrete as possible, suppose there should be a firm, a copartnership formed in the State of Maryland by private citizens to run a line of coaches from the State of Maryland into the District of Columbia, to carry passengers alone—that is interstate commerce; to carry freight alone, or to carry both—that is interstate commerce. Now, if a citizen of the State of Maryland, a member of that partnership, is accused in a Federal court of misusing the funds of that partnership or of that firm, he can be tried and condemned.

When has the jurisdiction and sovereignty of a State fallen so low that we can not depend upon the power and the official integrity of the Commonwealth to punish its own citizens for committing the crime of larceny or embezzlement within its own territory?

Mr. CULBERSON. Mr. President, may I ask the Senator from Missouri a question?

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from Texas?

Mr. STONE. Certainly.

Mr. CULBERSON. Can not the United States, in the case the Senator names, for the protection of interstate commerce and the integrity of interstate commerce, make this act punishable in addition to the laws of the State? Does not its jurisdiction arise out of its authority to regulate interstate commerce, and all of the agencies connected with the carrying on of interstate commerce, so as to protect that commerce and the people interested in it?

Mr. STONE. Mr. President, there can be no doubt that the Congress of the United States has constitutional power to regulate interstate commerce, and that that means it can regulate the agencies employed in the conduct of that commerce. It is possible that in such a case as I have stated, or in any case of like kind, the Congress can, if it will, confer jurisdiction upon the Federal courts to indict and punish such offenses as are defined here, committed by the officials of such a firm or such a corporation. But, Mr. President, I have always believed that the States themselves had jurisdiction in cases involving such a crime; that it is a part of the police power of the State; and that when we go from the civil regulation of interstate commerce into criminal jurisdiction, into the exercise of a police power, we are venturing very close to, if we are not trespassing upon, the line drawn between State and Federal sovereignty.

The Senator from West Virginia says that this section—9a—is in substance the same as a section in the national-bank laws for the punishment of directors and officials put in control and management of national banks, but the circumstances are wholly different. A national bank is a Federal corporation. The States have nothing to do with the organization of national banks. Those banks are under the exclusive jurisdiction and supervision of the National Government. In cases of involuntary liquidation the Federal Government, not the State government, takes control. They are national corporations and are responsible alone to the National Government. I think it is an entirely different situation from that we are meeting here now.

These corporations, these firms, these partnerships or associations referred to in section 9a of the pending bill, are organized and conducted primarily under State laws and subject to State jurisdiction and regulation. Why do we wish to take from the States the power or to trespass and encroach upon the power of the State to punish the officers or agents of these private corporations, associations, and firms by transferring in large part the jurisdiction in these enumerated criminal cases to the Federal courts? It seems to me we ought to leave it where it is—in the hands of the States.

Mr. WHITE. Mr. President, will the Senator from Missouri allow me to make a suggestion?

Mr. STONE. I yield the floor.

Mr. WHITE. Are we not now punishing larcenies that are committed on subjects of interstate commerce by Federal courts, and are we now for the first time invading the jurisdiction of the State courts, and are we depriving the State courts of their jurisdiction? Are we not simply conferring on Federal courts concurrent jurisdiction?

Mr. STONE. I think so, Mr. President. That argument perhaps is well taken, but it is another step of the many steps we are constantly taking in encroaching upon the power and integrity of State jurisdictions. Every man must know that if this becomes the law every little firm, every little association or corporation that can be said to be engaged in interstate commerce, becomes at once, so far as the criminal procedure goes, under the jurisdiction of the Federal courts; and there are hawk-eyed officials connected with those courts who will be

only too quick to bring them to the attention of Federal grand juries; and citizens, instead of being tried as they now are by a jury of the vicinage, in their own neighborhoods, and by judges and prosecuting attorneys of their own selection, will be taken away to distant courts to be tried before judges who know nothing of them and before juries to whom they are strangers. I believe it is wiser and better and more American to let the citizens of a State be tried for offenses before a judge and jury of the vicinage where they live.

Mr. WHITE. Mr. President, possibly we are not taking the first step across the line, as the Senator has indicated. It may be, and probably is, the last step.

Mr. STONE. It seems to me it would be about the last step you could take in that direction.

Mr. WHITE. But the question is, Where are you going to draw the line of demarcation? The Constitution has drawn that line by declaring that Congress has power to regulate commerce between the States, and it does not make any exceptions. That provision of the Constitution applies just as well to the hack driver who crosses the line from Rosslyn, Va., to Washington, or from the city of Girard, in my State, to the city of Columbus, Ga., across the river, where street cars are operated from one side of the river to the other, from one State into the other State, and are therefore agencies of interstate commerce, subject to regulation by Congress.

I can very well see some good objections to the exercise of this power in extreme cases, such as are mentioned by the Senator from Missouri; but I would like to know from him where the Judiciary Committee was to draw the line. It has to be drawn somewhere if Congress is to exercise the power conferred on it.

Mr. CUMMINS. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Iowa?

Mr. WHITE. Certainly.

Mr. CUMMINS. I did not know that there was a person in the world who could outrun me in a liberal construction of the Constitution of the United States. I find, however, that I have been mistaken about that. I rise to ask this question of the Senator from Alabama:

We all agree that whatever we do in this respect must be a regulation of commerce among the States or foreign nations, or it has no basis in our Constitution. Does the Senator from Alabama think we could make any act of larceny committed upon the property of any corporation doing an interstate business a Federal crime? Could we make it a Federal crime to break and enter and carry away a pound of steel from the United States Steel Corporation, a concern engaged in interstate commerce? Could we make it a Federal crime for one in the Senator's own State to break the glass in one of the doors of a hack that plied between his city and a neighboring city in an interstate way?

If we can do those things, we have carried the Constitution of the United States to a point I never dreamed it could be made to reach. I put those questions to the Senator from Alabama.

Mr. WHITE. Mr. President, the Senator from Iowa seems to be delighted that he has found at least one person who keeps pace with him, if he does not go in advance of him, in extending the jurisdiction of the Federal courts, or in the liberality of construction of the Federal Constitution. I do not think it is a question of liberality of construction or of narrowness of construction. I think it is a necessary, natural construction. The lines between the States are the lines of demarcation with reference to commerce passing from one to the other. The Constitution in conferring power on Congress has drawn the line there; and those who engage in or become an agency in transporting that commerce place themselves under the power of Congress to regulate.

I will say to the Senator that I believe Congress has the power to make it an offense to steal property on a railroad car or steamboat while being carried from one State to another. I want to say, Mr. President, that that is not my view alone; it is the view of Congress.

Mr. CUMMINS. I accept that view. That has been done, and there is no question about it; but what about the question I put to the Senator from Alabama of the United States Steel Corporation?

Mr. WHITE. I will be glad if the Senator will give his questions to me one at a time.

Mr. CUMMINS. Very well. The United States Steel Corporation is engaged in commerce among the States, and is therefore subject to our regulations in so far as we may impose rules that do constitute regulations of commerce. Does the Senator from Alabama say that we could pass a law making it a Federal offense or crime to commit larceny against the property of the United States Steel Corporation?

Mr. WHITE. Yes; if that property was in process of transportation from one State to another.

Mr. CUMMINS. But suppose it was not?

Mr. WHITE. Of course we could not.

Mr. CUMMINS. Why not?

Mr. WHITE. Because the Constitution has not conferred the power. We are without the power to do it. That is the answer.

Mr. CUMMINS. This paragraph says if these officers steal anything from a railroad company, no matter whether it is done in course of transportation or not, they shall be punished.

Mr. WHITE. That is a question for the Senator to put to the Judiciary Committee.

But, Mr. President, I will ask the Senator from Iowa, How can we regulate commerce between the States if we can not regulate the men engaged in that commerce?

Mr. CUMMINS. I suppose the Senator would not contend that we could make it a Federal offense under the constitutional power for a president of a railroad corporation to beat his wife?

Mr. WHITE. Not unless he beat her while she was being transported from one State to another by one of the agencies of interstate commerce. Then we could try him and convict him for it and we ought to hang him.

I do not think, Mr. President, that we need now apprehend so much more danger from the Federal courts than we do from the State courts. The time has been, sir, when we had the right to fear and tremble when we heard their tread. But, Mr. President, that day has gone. The Federal courts then were treating some of the States of this Union as provinces—conquered provinces. To-day, however, they are all equal States in the Federal Union and have equal rights, and we have now upon the benches of those courts to preside over them men who are in sympathy with the people of the States in which they preside. There has been a great transformation, and I am glad of it.

Mr. President, I have said more than I intended to say; but I do want to say in answer to the criticism upon the Judiciary Committee by the Senator from Missouri, that when he says they ought not to make these things punishable, and illustrates his position by instancing transactions which might occur between Maryland and the District of Columbia in matters of transportation, along with that criticism he ought to suggest where the line of demarcation is and give the committee the benefit of it. I do not see where the committee can draw it elsewhere than where they have drawn it.

There is an amendment which I want to submit, to be considered hereafter. I will state what it is. It is to strike out the word "or," in line 9, page 17, between the word "officer" and the word "manager," and insert immediately after the word "manager" the words "or agent," so as to make it read:

Every person, director, officer, manager, or agent of any firm—

And so forth.

Mr. CHILTON. Mr. President, if the Senate will look at the House provisions which came up to the Senate committee for its consideration it will see that the House considered that the jurisdiction of Congress over this subject extended much further than the Senate committee saw fit to extend it. The House bill deals with all corporations engaged in commerce and makes many provisions as to stocks and interlocking directorates, and so forth. We had in mind the arguments which have been made here, especially the reasons which have been assigned by the distinguished Senator from Missouri, and we thought, everything considered, we ought to take the beaten path, that we ought to go only into those fields where the jurisdiction of Congress is well known and well recognized.

It is strange, Mr. President, that the illustration given by the Senator from Missouri of the hack line between Baltimore and Washington was practically the only kind of overland interstate commerce which was in existence when the Constitution of the United States was framed and adopted. There can be no doubt that the framers of the Constitution and the States which ratified it had that kind of commerce in view. To take the Senator's illustration, I am not afraid to answer his question, and I have no hesitation in answering it. If we can regulate interstate commerce, which we can, if we can control it in that way, certainly we can say that it shall not be in the power of anyone to destroy interstate commerce. If Congress found out, for instance, that Indians destroyed the subject of interstate commerce, that they destroyed the wagons and the wheels, and the mules that hauled them, certainly it was in the power of Congress to make it a crime either for civilized persons or Indians to wantonly destroy them or to steal or take them away.

Therefore, whether we go back to the conception of interstate commerce which was in the minds of the fathers when the Constitution was adopted or take it as it has grown to be with our modern appliances, we are clearly within our rights when we say it shall be a crime to steal and take and carry away property absolutely needed in interstate commerce.

Mr. OVERMAN. Has it not often been decided by the Supreme Court of the United States that the Federal Government has no police power at all?

Mr. CHILTON. No; it has not, stated in that way.

Mr. OVERMAN. The Senator knows that it has been decided frequently that the Federal Government has no police power.

Mr. CHILTON. Grant that it has not the police power specifically named; but, if in so far as we have been granted power, there is in that grant, or necessarily incident to it, the need of the exercise of the police power, then we have that much police power. The Constitution has not catalogued the grants to the Federal Government. Each grant carries all incidental powers necessary to the exercise of those granted, whether police or otherwise.

Mr. OVERMAN. Where and when did the Constitution grant the police power to the Federal Government?

Mr. CHILTON. I might as well ask the Senator the question, Where is there any mention in the Constitution of railroads? Railroads are not mentioned, but they are a part of interstate commerce or an instrument of interstate commerce. Taking it as an original proposition, Congress has no police power nor any other powers except those granted; yet it does exercise police power. It can exercise the power which the Constitution gives it the right to exercise. In so doing, it necessarily exercises powers originally belonging to the States. If in carrying out the purpose of the granted power it exercises what the States call the police power, that does not nullify the grant. A clearly granted power may be exercised by Congress, and with it such incidental powers as may be necessary to enjoy or exercise the granted power; and whether or not that shall trespass upon the police power takes nothing from nor adds nothing to the grant of power. Of course, there is no specific grant of police power, but we may use it as incident to another power.

Mr. OVERMAN. The Senator admits that there is no police power granted to the Federal Government by the Constitution.

Mr. CHILTON. I do not admit anything of the kind, stated as the Senator states it.

Mr. OVERMAN. The Senator can not cite any clause of the Constitution which gives police power to the Federal Government.

Mr. CHILTON. Why should I have to do it? I have explained how and when we exercise powers which the States call police powers.

Mr. OVERMAN. I think the Senator has to do it, because the Supreme Court of the United States has time and time again stated that the Federal Government has no police power.

Mr. CHILTON. It is very funny that the Supreme Court has found it necessary to decide the same thing so many times. I am not aware of its doing so once.

Mr. OVERMAN. The Senator knows that in the Lottery cases, the first time this great encroachment was made on the right of the States, the Supreme Court said, "We know this power is not there, but we will go further than that on account of the conditions and circumstances of the case," and the associate justice warned the profession that they did not intend to carry the police power any further than they had done in the Lottery cases.

Mr. SHIELDS. Mr. President——

The VICE PRESIDENT. Does the Senator from West Virginia yield to the Senator from Tennessee?

Mr. CHILTON. I do, with pleasure.

Mr. SHIELDS. In reply to what the Senator said, it does not seem to me that there can be any doubt of the soundness of the proposition that the General Government has no police power except where it is necessary to effect some express power given by the Constitution, and it must be necessary for that purpose. If this provision of the bill is sustained, the courts have to find that it is necessary to punish the officers of a common carrier for misapplication of its funds in order to properly regulate interstate commerce. It occurs to me that it would be a very far-fetched construction for them to so hold.

The question I wish to ask the Senator from West Virginia is in regard to the constitutionality of the section under discussion. The Senator will remember that the first employers' liability act applied generally to all employees of common carriers engaged in interstate commerce, just as this applies to all the property and funds of such common carriers. That act, in a case reported in Two hundred and seventh United States, was held to be unconstitutional, because it applied to employees of carriers engaged in intrastate commerce as well as to those engaged in interstate commerce.

Now, the language of this bill will apply to any fund or assets of the common carrier, whether they be used in interstate commerce or in intrastate commerce. I think as it is now written it is invalid.

If the Senator from West Virginia will allow me, I wish to say here that I fully concur in what the Senator from Missouri [Mr. STONE] has said. I think the courts of the States are ample to punish the crimes here denounced. You would have one law for a railroad agent and another for an agent of any other corporation. You will have one tribunal for one citizen and another for others. I do not think a discrimination ought to be made.

Further, this is not germane to the law we are considering. It has nothing to do with supplementing the Sherman law. It is true we may do it, but it is a matter that ought not to be included in this bill. It is foreign to the subject in hand. I am also against the policy of the provision, and I think it ought to be stricken from the bill. I am willing to trust to the laws of the States and the courts and juries of the States to punish larceny and embezzlement. They have never failed to do their duty in such matters.

Mr. CHILTON. This amendment applies to common carriers engaged in interstate commerce. That is a definite statement and is as easily understood as are the functions of the Interstate Commerce Commission.

Mr. President, we have gone so far as to say that in certain things we will control the hours of labor. Nobody is now going to question that kind of a statute. It is done under the interstate-commerce clause. We have regulated the transportation of diseased cattle.

Mr. OVERMAN. We have not attempted to regulate the working hours in the States.

Mr. CHILTON. It does not make any difference whether it is in the State or Territory or the District of Columbia if it be to regulate interstate commerce.

Mr. OVERMAN. We have control over national works, but not State work.

Mr. CHILTON. You have to regulate it in some place. Everything done in the world is done at some geographical point.

Mr. OVERMAN. You do not regulate it as far as the State is concerned. There is no national law to regulate it.

Mr. CHILTON. Certainly not; but would the Senator say we can regulate it so far as interstate commerce is concerned, but if it happens to be in a State we can have nothing to do with it?

Mr. OVERMAN. We can only regulate those engaged in interstate commerce.

Mr. CHILTON. Mr. President, we have regulated safety appliances, and they have gone so far as to say that even where the car is in a State, still because it may go into a train and may become a part of an instrument of interstate commerce, that is within our power. There are too many good lawyers in the Senate for us to go over that beaten track.

Mr. President, common carriers engaged in interstate commerce are matters over which this Congress has absolute control, if we, in our judgment—and we are the last judge—as to how we shall regulate, find that it is necessary for us to regulate them in order to regulate commerce. The Supreme Court has said we have ample and complete jurisdiction. It was because of that ruling that we chose to confine this legislation to common carriers, so that not a line of it could be successfully questioned in the courts and we would be traveling clearly within the beaten path of the decisions.

Mr. OVERMAN. What is interstate commerce? A factory is not interstate commerce. Interstate commerce is that which enters into transportation going from one State to another State.

Mr. CHILTON. Mr. President, I understand that, and I do not want to go into those definitions simply because it is not necessary here. Here we are dealing with instruments of interstate commerce—common carriers. We are dealing with all common carriers alike. We propose this in order to regulate interstate commerce and in order to preserve the instruments of interstate commerce. As I said before, we may find a line engaged in interstate commerce that can not keep its property; it can not get honest men to protect it. It is reported in the public prints that great lines of railroad have been fleeced of their property by its high officials. If that continues, it may cripple the lines of communication between the States. This act proposes to avert that calamity.

Mr. OVERMAN. I wish the Senator to answer this question: Is a director of an institution engaged in interstate commerce an instrumentality of interstate commerce?

Mr. CHILTON. We have found that in many cases they are not instruments at all, but dummies, and we want to keep them from being dummies.

Mr. KENYON. How about the man working for the interstate carrier? The Senator from North Carolina may suggest that he would be an instrumentality of commerce.

Mr. OVERMAN. Oh, no; there is a great distinction.

Mr. CHILTON. Take the case that has been mentioned here by so many. I do not want to bring it up again, but can not well avoid it. We find that the commerce of New England and the commerce of the great West, on account of mismanagement or crime, have been thrown topsy-turvy. The Interstate Commerce Commission does not understand how to regulate rates there on account of the misdeeds of certain corporations. You do not know whether you have to fix a rate that will respond with a reasonable profit to one capitalization that is honestly fixed or whether a different rate would apply and would be a reasonable rate for another or fictitious capitalization.

In other words, Mr. President, we have gone so far that we have found power to value every single interstate railroad carrier in this country. We are now valuing them. What for? For the purpose of fixing rates in this country, for the purpose of regulating them after finding out what is necessary in order to do the best by the people and by the stockholders of those railroads.

We are going into every detail because they are instruments of interstate commerce. I will now answer the Senator definitely. Simply because in a specific case the director may not be an interstate instrument, or simply because one piece of freight in a car might not be interstate commerce, does not make the law invalid. We have the general power over interstate commerce, and because intrastate commerce gets in the way, or can not be always found out of the way, we need not surrender our powers.

Mr. President, this proposed law was drawn with quite a good deal of care. A great deal of consideration was given to it. We had many of these arguments before us. We had these authorities before us. Rather than go into the doubtful field we chose to take the beaten path, to go on the line marked out by the decisions, and to deal only with these common carriers in this way. Legislation to regulate them seemed to be needed, and it was done for the greater reason that we wanted this law to be effective and we did not want to make it a source of practice for the lawyers and subject the people and the Government to all kinds of litigation and costs. We wanted to try these rules and regulations with common carriers engaged in interstate commerce, because the power of Congress as to them has been passed upon by the courts and because the abuses in the management of common carriers have become a matter of common knowledge and grave public concern.

I have not any doubt in the world that this is constitutional. I do not want to go over the arguments again; they are well known. At each step of reform in all of these matters we have the same arguments to go over, the same question to meet—Is it interstate commerce? It may be all interstate commerce; it may not be; some considerations may be the subject of interstate commerce, and may not be; some may be subjectively and some may be objectively. What is the use of going into that? The Supreme Court has held that we have power over these interstate common carriers and that our power is supreme over them if we be regulating commerce between the States. When we take hold of them for this purpose we have exclusive jurisdiction over them.

As I have said, if we have a right to regulate them we have the right to see that their property is appropriated for the purposes of interstate commerce and shall be used for no other purpose. If we have that power, we have the right to say that the instruments shall not steal away the subject but shall preserve it for the public. In doing that we are clearly exercising the rights and the powers given us by the Constitution.

Mr. OVERMAN. Mr. President, this is no beaten path; no track has been laid out before by any Congress or by any court on earth. In fact, ever since the Constitution was adopted the Supreme Court of the United States has decided time and time again that we have no police power whatever. I am not going into the argument in this case except to say that no factory is interstate commerce, no railroad per se is interstate commerce. I say whenever a State charters a corporation and parts with a part of its visitatorial powers, the directors then elected are quasi State officers, and this Government has no power whatsoever, so far as its police power is concerned, to constitute an act a crime of which the directors of such a corporation may be guilty.

I want to read an extract—and I am going to read no more; I am not going to extend my remarks—to show what the Supreme Court has said. The Senator from West Virginia [Mr. CHILTON] read from this case the other day in connection with another matter before the Senate. The court in this opinion said:

> No distinction is more popular to the common mind, or more clearly expressed in economic and political literature, than that between manufactures and commerce. Manufacture is transformation—the fashioning of raw materials into a change of form for use. The functions of commerce are different. The buying and selling and the transportation incidental thereto constitute commerce.

What constitutes commerce? Buying and selling. What constitutes manufacture? Fashioning of the raw material. How can you extend the police power of the Federal Government and say that the director of a manufactory that fashions raw material shall be guilty of a crime?

Mr. CHILTON. We do not say that.

Mr. OVERMAN. You do. You say he shall be guilty of a penitentiary offense.

Mr. CHILTON. The provision applies to common carriers.

Mr. OVERMAN. Well, the director of a common carrier. What is the difference?

Mr. CHILTON. It does not apply to anything except a common carrier.

Mr. OVERMAN. The principle is the same. I read further from this opinion:

> The buying and selling and the transportation incidental thereto constitute commerce; and the regulation of commerce in the constitutional sense embraces the regulation at least of such transportation. The legal definition of the term, as given by this court in County of Mobile v. Kimball (102 U. S., 691, 702), is as follows—

And I call this to the attention of the Senator from Alabama [Mr. WHITE], because it is a case from his State—

> "Commerce with foreign countries and among the States, strictly considered, consists in—

What?

> in intercourse and traffic, including in these terms navigation and the transportation and transit of persons and property as well as the purchase, sale, and exchange of commodities." If it be held that the term includes the regulation of all such manufactures as are intended to be the subject of commercial transactions in the future, it is impossible to deny that it would also include all productive industries that contemplate the same thing. The result would be that Congress would be invested, to the exclusion of the States, with the power to regulate not only manufactures but also agriculture, horticulture, stock raising, domestic fisheries, mining—in short, every branch of human industry. For is there one of them that does not contemplate more or less clearly an interstate or foreign market? Does not the wheat grower of the Northwest and the cotton planter of the South plant, cultivate, and harvest his crop with an eye on the prices at Liverpool, New York, and Chicago? The power being vested in Congress and denied to the States, it would follow as an inevitable result that the duty would devolve on Congress to regulate all of these delicate, multiform, and vital interests—interests which in their nature are and must be local in all the details of their successful management.
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> This being true, how can it further that object so to interpret the constitutional provision as to place upon Congress the obligation to exercise the supervisory powers just indicated?

Congress can not deal with such matters. I will not read more from this decision. It is unnecessary to extend this discussion. I think enough has been said about it. I do not think we have the power to do what is proposed.

Mr. STONE. Mr. President, I do not know whether or not enough has been said about it. Senators, I warn you that this matter ought not to be lightly passed. I regard it as an exceedingly serious question. We are proposing by this bill to transfer the exercise of the police power of the State to Federal jurisdiction. You mean not only to regulate commerce, as we have been doing through the Interstate Commerce Commission and otherwise, but to prescribe the rules and regulations for carrying on interstate commerce. By mandatory injunction we can compel those engaged in interstate commerce to perform certain acts or to desist from certain acts. The power of the Federal Government in the mere regulation of interstate commerce is wide and ample; but we are going to do now what we have not done before—we are going to authorize the Federal Government to intrude upon the States and indict officials and agents of State corporations and private firms and associations for the crime of larceny, of embezzlement, and other like offenses known to the statutes of every State. Think what will result!

Mr. President, the Department of Justice, like all the other departments of the Government, some larger, some smaller than others, has an army that are spying out over the country, alert, vigilant, often overzealous in their efforts to detect and to ferret out offenses against the laws of the Government of the United States. Offenders are carried into the grand jury room of the district courts of the United States; men are indicted by

those grand juries, and the victims—and often they are victims—the citizen who is arraigned by the grand jury is taken from his home into a strange community miles away. Why, sir, in the great State of Texas, an empire in territorial domain, a man engaged in transporting passengers or freight from some border town across the line into New Mexico—engaged in interstate commerce—may be charged by a Federal grand jury with embezzling the funds or property of the firm of which he is a member, or the corporation of which he is an official, and taken 500 miles, more or less, to a jurisdiction to him unknown and before a court with whose procedure he has no familiarity, to be tried before a judge he never saw and of whom he knows nothing, and by a jury whose members are strangers, of whom he knows nothing and who know nothing of him.

Why, Mr. President, one of the safeguards against the abuse of power which has been written into the common law and into the statutes of our States requires that a man shall ordinarily and save in exceptional cases be arraigned and tried before and by a jury of the vicinage of the neighborhood where he lives and to whom he is known. It boots little that a man has lived an upright, moral, and manly life, building up a character that should stand in his support when accused, if he is to be taken miles away from his home where he is not known. His character is worth something to him; its value can not be overestimated when he is arraigned before a court or jury of his immediate fellow citizens, who are acquainted with him and are familiar with his career and standing. It is proposed to take him hundreds of miles away and introduce him into a Federal court, a court of our country—and no man honors the Federal judiciary more than I—but I can see that when he is taken before such a court he is suffering a disadvantage; at least he loses that advantage which clearly belongs to him when he is tried by a jury of his neighbors and the citizens of his immediate vicinity.

Here is what we are opening up; here is what this section proposes to do: It proposes to enable the Federal Government to thrust in its strong hand, grapple with the citizen and take him away from his home and his own people for trial before a far-distant tribunal, with which he is absolutely unfamiliar. I think it is a dangerous thing to do. I say again that we ought not to enact a statute with such possibilities in it and so unnecessary in itself. We ought not to do it without the gravest and most thoughtful consideration.

Mr. CHILTON. Mr. President, will the Senator yield to me?

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from West Virginia?

Mr. STONE. I yield to the Senator.

Mr. CHILTON. I should like to ask the Senator what he thinks of the white-slave act, and if we may compare that kind of legislation with this?

Mr. STONE. I have had no occasion to familiarize myself with that act. Perhaps the Senator is in a position to explain it.

Mr. CHILTON. Did the Senator vote for it?

Mr. STONE. I presume I did.

Mr. CHILTON. I was not in the Senate, Mr. President, when that act was passed. I have my own opinion about it; but speaking of dragging people away and of exercising the police power, I want to call the attention of the Senator from Missouri to the fact that the Supreme Court of the United States has held that act to be constitutional and within our power, and it is now being enforced by the courts. That act was designed for the purpose of bringing about a great reform in interstate commerce. That is the theory upon which that act was passed, and it does seem to me that a Congress which passed that act should not hesitate now when an opportunity is presented to enact another great reform so much needed by situations all around us.

Mr. THOMAS. Mr. President, I merely want to add one word to the discussion of this particular section. To my mind it is a legitimate consequence of our departure from the true theory of trust regulation, or, rather, trust prohibition.

The act which we passed creating a Federal trade commission was to my mind as much of an invasion of the rights of the States as any act that ever received the sanction of the Senate. I endeavored at that time to emphasize the proposition that the prevention of monopoly by national legislation ought to be effected by some such measure as Senate bill 1138, which contents itself with imposing restrictions upon the agencies of interstate commerce which are created by the States, but as to which we have absolute power to impose restrictions. I also said then that whatever the purpose of that measure might be, the effect of it would be to regulate instead of to prevent monopoly.

Now, this bill is designed to supplement the trade commission bill. It therefore legitimately proceeds upon the theory that we have jurisdiction not only of everything affecting interstate commerce but of all of the instruments to be engaged in it. It is subject to all of the criticisms made so vigorously and eloquently by the Senator from Missouri [Mr. STONE], but it is a logical proposal in view of the assumption by Congress of the power to legislate with reference to every detail of interstate commerce, and we will go further than that before we get through. It is not too late yet to take up and enact Senate bill 1138, which will relieve us of all these difficulties and embarrassments, although I have no hope or expectation that Congress will do so.

Mr. CHILTON. Mr. President, before this debate shall close I should like to read a clause from a decision of the Supreme Court of the United States in the case of the Southern Railway against the United States, reported in Two hundred and twenty-second United States. It is known as the safety-appliance case. I want to read from page 26, down to the bottom of that page, just this much:

> We come, then, to the question whether these acts are within the power of Congress under the commerce clause of the Constitution, considering that they are not confined to vehicles used in moving interstate traffic, but embrace vehicles used in moving intrastate traffic. The answer to this question depends upon another, which is, Is there a real or substantial relation or connection between what is required by these acts in respect of vehicles used in moving intrastate traffic and the object which the acts obviously are designed to attain, namely, the safety of interstate commerce and of those who are employed in its movement? Or, stating it in another way: Is there such a close or direct relation or connection between the two classes of traffic when moving over the same railroad as to make it certain that the safety of the interstate traffic and of those who are employed in its movement will be promoted in a real or substantial sense by applying the requirements of these acts to vehicles used in moving the traffic which is intrastate as well as to those used in moving that which is interstate?
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> If the answer to this question, as doubly stated, be in the affirmative, then the principal question must be answered in the same way. And this is so, not because Congress possesses any power to regulate intrastate commerce as such, but because its power to regulate interstate commerce is plenary, and competently may be exerted to secure the safety of the persons and property transported therein and of those who are employed in such transportation, no matter what may be the source of the dangers which threaten it. That is to say, it is no objection to such an exertion of this power that the dangers intended to be avoided arise in whole or in part out of matters connected with intrastate commerce.

I could not make a better answer to each and to every criticism made of this act than this decision makes; and I am willing to leave the subject, so far as I am concerned, with that in the RECORD.

Mr. WALSH. Mr. President, there is a feature of this matter of very profound importance in considering the wisdom or the policy of this legislation which ought to have some attention from the Senate.

I should like to inquire from the Senator from Missouri as well as from the Senator from Iowa whether, in the judgment of either of them, the enactment of this legislation will prevent or supersede prosecutions under the State law. That is to say, will the result be not only that the offender will be called upon to answer the charge against him in the Federal court, but will the additional result follow that the State court will no longer have any jurisdiction at all to punish? In other words, will the State statute be superseded so far as the subject of larceny or embezzlement is covered by this statute?

If that is the case, I question very seriously the wisdom of the enactment of this measure, even conceding that we have the constitutional power to pass it. Of course we are all familiar with the recent decisions of the Supreme Court of the United States holding that when Congress passed the employers' liability law, covering the case of injuries to employees of companies engaged in interstate commerce, all State laws in relation to the subject became inoperative, and thereafter no right whatever could be predicated upon those statutes in behalf of one engaged in interstate commerce who was injured in that business.

I should like very much to have the opinion of the distinguished Senators I have named, and the opinion of the Senator from West Virginia as well, who seems to have given considerable thought to this subject, and who, according to my recollection, is the author of the section in question, as to whether the incorporation of this provision in the bill would or would not entirely supersede all State statutes in relation to embezzlement or larceny by any of the individuals referred to in the act, so that not only would they be subjected to punishment in the Federal courts, but they could not be subjected to punishment in the State courts.

Mr. CUMMINS. Mr. President, if the Senator from Montana will yield to me, before the question just put by the

Senator from Montana is answered by the Senator from West Virginia or any other Senator I desire to add to what he has said with respect to the decision of the Supreme Court upon the employers' liability act another class of cases.

In 1906 the Senate adopted, as a part of the so-called Hepburn Act, what is known as the Carmack amendment, which attempted to deal wtih the liability of common carriers under a bill of lading. Theretofore most of the States in the Union had laws which prevented common carriers from stipulating against full liability for their negligence or for losses that occurred under such circumstances as made them liable. There was not a word concerning that particular matter in the Carmack amendment, but when the amendment came to be construed by the Supreme Court, first in the case of Adams Express Co. against Gröninger and afterwards in several other cases, the Supreme Court held that inasmuch as this was a regulation of interstate commerce and touched the subject of liability of common carriers under bills of lading, all the laws of the States touching that matter were abrogated and that these statutes and constructions of the common law which forbade common carriers from so limiting their liability were repealed or rendered ineffective, and that thereafter the liability of the common carriers must be determined upon the Carmack amendment as interpreted by the common law.

That was the reason, among others, why I called the attention of the chairman of the committee to the fact that here we find a series of felonies as regulations of commerce, the validity of which may be doubtful; but, conceding our right to pass the paragraph and to make these acts criminal under the Federal law, we attach a penalty of $500 in the discretion of the court, or imprisonment, or both; and I feared that unless something were done with it we would destroy the laws of the States respecting larceny by presidents and directors and officers of common carriers and substitute for those laws a most inadequate provision for punishment for similar crimes.

I simply wanted to add that to the statement of the Senator from Montana, so that the Senator from West Virginia could have the whole subject in mind when he answered.

Mr. REED. Mr. President, since we have had one interruption, may I be permitted another?

If it is true that by making embezzlement by an officer of a common carrier engaged in interstate commerce a crime under the Federal statutes we thereby repeal or render innocuous the State statutes relating to the same subject matter, that is true because the subject matter is interstate commerce; and Congress having entered upon that field of legislation and legislated with reference to a particular matter, it is held that its legislation alone is governing. Now, if that is the case with reference to the directors of a corporation engaged in interstate commerce who embezzle the funds of the corporation, then why is it not true, when we have passed an act to regulate unfair competition, that in like manner we have repealed every State trust act so far as it may apply to any act of any concern engaged in interstate commerce?

I do not know where you draw the line between the two; and if the danger exists here that is suggested, then we have been indulging in a very dangerous practice by, in effect, repealing all the State statutes against trusts and monopolies, so far as they apply to interstate commerce, and substituting for their drastic remedies the remedy that is laid down in the trade commission bill.

Mr. WALSH. Mr. President, I should like to ask the Senator from Missouri whether, in his judgment, the enactment of the Sherman Antitrust Act abrogated all State statutes on that subject?

Mr. REED. I do not think so; and the Senator will follow that with the question, Why, then, should the statute in regard to unfair competition abrogate them?

Mr. WALSH. Or the present statute.

Mr. REED. And I follow both questions with the question, Then, why should this bill, which proposes to make it a crime to embezzle the funds of a concern engaged in interstate commerce, repeal the State statutes in that regard?

Mr. STONE. Mr. President, I hesitate to express on a mere moment's reflection an opinion upon the question raised by my friend from Montana and by my colleague, but it seems to me that in the case of the Sherman antitrust law, or any other antitrust law amendatory of the original act, intended, as those acts are intended, primarily to reach interstate commerce and not strictly intrastate commerce, there would be no conflict, certainly no patent conflict, between such Federal statutes and statutes enacted by the legislature of a State regulating commerce within the borders of the State, or what we ordinarily denominate intrastate commerce. There is no line where the two would meet and conflict. They treat of different kinds of commerce.

Now, as to whether the insertion into the Federal statutes of this provision of the bill we are discussing wherein the provision prescribes punishment in the Federal courts for the crime of embezzlement, would, pro tanto, repeal the law of the State on embezzlement I am not certain, but let me put it in this way:

Suppose the Federal statute prescribes punishment by a fine of $500, or not exceeding $500, for embezzlement committed by an officer of a corporation or copartnership doing an interstate business, while on the other hand the State statute prescribes imprisonment for some stated period for the same crime committed by the same individual or class of individuals; then there would be a different punishment prescribed in the two jurisdictions. One would make it a mere misdemeanor, punishable by a simple fine. The other would denounce it as a felony, punishable by imprisonment in the penitentiary. Then we find that an officer of a copartnership or a corporation organized under the laws of a State has embezzled funds belonging to that corporation engaged in interstate commerce. The Federal Government assumes to take control. It ignores the statute of the State which makes such an offense punishable with imprisonment, and declares that it shall be punished by fine alone.

Here are two jurisdictions assuming to control the same subject matter, exercising the right to hear and determine the same case on the same facts. Which controls? It would seem to me at first blush that the Federal statute, being enacted by Congress, the higher jurisdiction, enacted in pursuance of the Constitution of the United States giving to Congress full and exclusive control of interstate commerce, would supersede the State statutes; that the Federal jurisdiction would be the paramount jurisdiction.

Mr. President, if I am mistaken about that, then the accused party may be indicted or tried in either the State or the Federal court, and then he is subject to arraignment before either of two jurisdictions proceeding on different lines.

Mr. WILLIAMS. Mr. President, does it not go further than that, if the Senator from Missouri please? To plead that a man had been formerly convicted in a State court would not help him out as to this statute, and to plead that he had been formerly convicted in the Federal court would not help him out as to the State statute. He could be punished under both.

Mr. STONE. The Senator may be right as to that. If he is, it simply magnifies the objection that ought to be urged against its passage.

Mr. WILLIAMS. I am clearly right, because one is an offense against the State law and the other is an offense against the Federal law. It has been decided half a dozen times in half a dozen cities that a man found guilty of a certain offense could not plead that he had been convicted under the State statute when he was tried under the city ordinance.

Mr. STONE. Mr. President, there is undoubtedly great force in the observation of the Senator from Mississippi, and as a matter of first impression I am disposed to agree with him in what he has said.

Mr. President, speaking for myself, I would rather a citizen of my State should be tried in the State court in his own county than that he be dragged away a hundred miles or more into what, so far as he is concerned in that particular emergency, is a foreign jurisdiction, an unsympathetic jurisdiction, an unfamiliar jurisdiction, and I plead here now to protect the people of my State against that menace conveyed in the provision offered in the bill, against which I raise my voice in protest.

Mr. WILLIAMS. I should like to ask the Senator another question. If the Federal Government can take jurisdiction to punish the citizen of a State for embezzlement or grand or petit larceny when he happens to be president, director, officer, or manager of a firm or association engaged in interstate commerce, could we not equally well take jurisdiction to regulate his marriage and divorce for the same reason?

Mr. STONE. Why not?

Mr. WILLIAMS. Or for any other purpose.

Mr. STONE. Why not? I invoke Senators to pause and reflect before they incorporate such a provision as this in the statutes of the United States.

Mr. SHIELDS. Mr. President, in every State of the Union there are laws under which every crime here denounced can be punished—are punished when committed. The question here presented is, Shall the citizens of the several States be taken away from home, be taken out of the jurisdiction of their own courts, be denied the right to be tried by judges whom they have elected and who are responsible to them, and be tried before judges and jurors wholly unknown to them?

There is no question about the enforcement of the laws of the States covering every crime here denounced. This is simply a change of jurisdiction of these crimes from the State to the Federal courts. There is no reason or demand for such a change. It is for this reason I oppose it. I wish to call attention to the case of the Southern Railway against the United States, read by the Senator from West Virginia [Mr. CHILTON] in answer to my suggestion that this law is unconstitutional, because it goes beyond the powers vested in Congress to regulate interstate commerce.

I suggested that a case reported in Two hundred and seventh United States, involving the employers' liability act, covered this question, and that under it this act was void.

That case was this: The first employers' liability act in terms applied to all employees of common carriers engaged in interstate commerce. It made no distinction between those employees who were engaged in interstate commerce and those who were engaged in local work in intrastate commerce solely. For that reason the court held the act void, because it covered commerce over which Congress had no power.

The new act was limited in its application to employees while engaged in interstate commerce, and the court sustained it.

It will not be controverted that the same corporations have property which they use only in intrastate commerce, while they have other property which they use in interstate commerce. This statute is not confined to property used in interstate commerce. It applies equally to that used in intrastate commerce, over which Congress has no power. The Southern Railway case read by the Senator from West Virginia [Mr. CHILTON] is not in point. I read the concluding paragraph or sentence read by the Senator:

> That is to say, it is no objection to such an exertion of this power that the dangers intended to be avoided arise in whole or in part out of matters connected with intrastate commerce.

"In whole or in part." Of course, if it applies wholly to funds used in interstate commerce, and it is a necessary or a proper police regulation, it comes within the power vested in Congress by the commerce clause. If it applies to funds which are used in part in interstate commerce it is also within the power of Congress, because the power vested in Congress over interstate commerce is paramount to that of the States. Interstate commerce and intrastate commerce are often closely related and so commingled that it is impossible to separate them. In such cases the Federal laws control because they are paramount.

But Congress has no more power over intrastate commerce than the States have over interstate commerce, and the law that applies to both is unconstitutional, whether passed by Congress or by a State.

All acts of Congress regulating interstate commerce supersede the laws of the States covering the same subject.

Indeed, in matters of general application, the States can not enact a statute that affects interstate commerce whether Congress has passed any or not. That was held in the case of Kidd against Pearson, reported in One hundred and twenty-eighth United States, and approved in many subsequent cases.

In the absence of Federal legislation the States may legislate concerning certain local matters; but when Congress does enact a law upon the subject, it supersedes everything that the State has done. This is well settled by many cases.

Now as to the question raised by the Senator from North Carolina [Mr. OVERMAN] a few moments ago, I join with him in his insistence that this statute does not come within the police power that Congress has incident to regulating State commerce. I will read from a case involving this question. It is the case of the United States *v.* Dewitt, found in 9 Wallace. The defendant was indicted under section 29 of the act of March 2, 1867, which declares—

> That no person shall mix for sale naphtha and illuminating oils, or shall knowingly sell or keep for sale, or offer for sale such mixture, or shall sell or offer for sale oil made from petroleum for illuminating purposes, inflammable at less temperature or fire test than 110° F.

And so forth.

This is sufficient to understand the opinion. The question was made for the defendant that the act was void because it was an invasion of the police power of the States, and beyond that incident to the power of taxation, and the court so held. The opinion was delivered by Chief Justice Chase:

> The questions certified resolved themselves into this: Has Congress power, under the Constitution, to prohibit trade within the limits of a State?
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> That Congress has power to regulate commerce with foreign nations and among the several States, and with the Indian tribes, the Constitution expressly declares. But this express grant of power to regulate commerce among the States has always been understood as limited by its terms, and as a virtual denial of any power to interfere with the internal trade and business of the separate States, except, indeed, as a necessary and proper means for carrying into execution some other power expressly granted or vested.
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> It has been urged in argument that the provision under which this indictment was framed is within this exception; that the prohibition of the sale of the illuminating oil described in the indictment was in aid and support of the internal-revenue tax imposed on other illuminating oils. And we have been referred to provisions, supposed to be analogous, regulating the business of distilling liquors and the mode of packing various manufacturing articles; but the analogy appears to fail at the essential point, for the regulations referred to are restricted to the very articles which are the subject of taxation, and are plainly adapted to secure the collection of the tax imposed, while in the case before us no tax is imposed on the oils the sale of which is prohibited. If the prohibition, therefore, has any relation to taxation at all, it is merely that of increasing the production and sale of other oils, and, consequently, the revenue derived from them by excluding from the market the particular kind described.
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> This consequence is too remote and too uncertain to warrant us in saying that the prohibition is an appropriate and plainly adapted means for carrying into execution the power of laying and collecting taxes.
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> There is, indeed, no reason for saying that it was regarded by Congress as such a means, except that it is found in an act imposing internal duties. Standing by itself, it is plainly a regulation of police; and that it was so considered, if not by the Congress which enacted it, certainly by the succeeding Congress, may be inferred from the circumstance that while all special taxes on illuminating oils were repealed by the act of July 20, 1868, which subjects distillers and refiners to the tax on sales as manufacturers, this prohibition was left unrepealed.
>
> As a police regulation, relating exclusively to the internal trade of the States, it can only have effect where the legislative authority of Congress excludes, territorially, all State legislation, as, for example, in the District of Columbia. Within State limits it can have no constitutional operation. This has been so frequently declared by this court, results so obviously from the terms of the Constitution, and has been so fully explained and supported on former occasions that we think it unnecessary to enter again upon the discussion.

Mr. President, it seems to me that that case is directly in point upon this proposed statute, and that the application of this section to interstate commerce is entirely too remote as a police power to be exercised by Congress and to supersede that power, which is now so efficiently and so wholesomely exercised by every State constituting this Union.

Mr. CULBERSON. Mr. President, I understand it is the purpose of the Senate to go into executive session in a few moments, and I wish to give notice of an amendment which I shall propose to the committee amendment, in section 9a, before the section is voted on. On page 17, line 14, after the word "corporation," I move to insert the words "arising or accruing from such commerce, in whole or in part."

Mr. CUMMINS. Mr. President, I wish to ask the Senator from Texas a question about that amendment. If that amendment were adopted, would the offense then be limited to an embezzlement or a misapplication of the earnings of an interstate carrier? In other words, would the paragraph extend to the misapplication of the proceeds of the securities that might have been sold? I ask that because if you are going to make the misapplication of some of the proceeds an offense we certainly ought to reach an improper diversion of the capital of a railway company or a common carrier as well as the earnings of a carrier.

Mr. CULBERSON. Mr. President, the amendment is based on what is called the Shreveport rate case in the Supreme Court of the United States, two paragraphs of the opinion of which I will take the liberty of reading. That case was decided on June 8 of this year:

> This is not to say that Congress possesses the authority to regulate the internal commerce of a State as such, but that it does possess the power to foster and protect interstate commerce, and to take all measures necessary or appropriate to that end, although intrastate transactions of interstate carriers may thereby be controlled.

I will read another paragraph:

> It is for Congress to supply the needed correction where the relation between intrastate and interstate rates presents the evil to be corrected, and this it may do completely by reason of its control over the interstate carrier in all matters having such a close and substantial relation to interstate commerce that it is necessary or appropriate to exercise the control for the effective government of that commerce.

Now, in answer to the question of the Senator from Iowa, I will say that, in my judgment, under the amendment, if intrastate receipts were affected as well as interstate receipts, the statute would apply, nevertheless, but a conviction could be had, not with reference to intrastate trade or property but with reference to that affected by or received from or arising out of or accruing from the conduct of interstate commerce as defined in this bill.

Mr. CUMMINS. I fear the Senator from Texas did not catch my point. My own opinion is that there is no difference constitutionally between the capital of a common carrier and the earnings of a common carrier, so far as congressional regulation is concerned; but I fear that the amendment which he has just offered would allow the officers and directors of a common carrier to embezzle or to misapply the capital of the company without punishment, and that the penalty would be attached only to the embezzlement of the earnings of the company; that is, the money received in interstate transportation.

Mr. CULBERSON. The amendment as presented would only apply to matters contained in the proposed committee amendment, which are "moneys, funds, credits, securities, property, or assets of such firm," and so forth.

Mr. CUMMINS. Will the Senator state how the language would read if his amendment to the amendment were adopted?

Mr. CULBERSON. After the word "corporation," line 14, on page 17, I move to insert the words "arising or accruing from such commerce in whole or in part."

Mr. CUMMINS. Mr. President, I think it is perfectly clear that the amendment would be limited to a degree that the Senator from Texas does not intend. It would then read:

SEC. 9a. Every president, director, officer, or manager of any firm, association, or corporation engaged in commerce as a common carrier, who embezzles, steals, abstracts, or willfully misapplies any of the moneys, funds, credits, securities, property, or assets of such firm, association, or corporation, arising or accruing from such commerce, in whole or in part.

That is the way the amendment would read should the Senator's amendment to it be adopted?

Mr. CULBERSON. Yes.

Mr. CUMMINS. The securities that are issued by a common carrier and sold on the market do not accrue from the operation of the road.

Mr. CULBERSON. But they arise out of it?

Mr. CUMMINS. They do not arise out of interstate commerce in which the company is engaged. They are the funds which are raised independently for the purpose of enabling the company to carry on interstate commerce. I suggest that words that would cover capital of that kind be included; otherwise this would merely be an invitation to embezzle capital without any penalty at all.

THE PRESIDENT'S APPEAL FOR NEUTRALITY.

Mr. STONE obtained the floor.

Mr. CHILTON. Will the Senator from Missouri yield to me?

Mr. STONE. I yield to the Senator from West Virginia.

Mr. CHILTON. I ask unanimous consent to have printed in the RECORD and as a public document the appeal of the President of the United States for neutrality.

Mr. KENYON. A parliamentary inquiry, Mr. President.

The VICE PRESIDENT. The Senator will state it.

Mr. KENYON. I should like to inquire what amendment is now before the Senate?

The VICE PRESIDENT. The amendment proposed by the junior Senator from Iowa to the amendment of the committee.

Mr. KENYON. I was under that impression, but I thought perhaps it had been displaced.

Mr. SMOOT. I have no objection to having the article to which the Senator from West Virginia refers printed either as a public document or in the RECORD. Will not the Senator from West Virginia select either form in which he desires the article printed?

Mr. CHILTON. Why should it not be printed in both shapes? What is the objection to that?

Mr. SMOOT. The Senator knows very well that it is not the policy nor has it been the policy of the Committee on Printing to print articles both in the RECORD and as public documents.

Mr. CHILTON. Then, I think this is a good time to change the policy. I ask unanimous consent to print this article both as a public document and in the RECORD.

The VICE PRESIDENT. Is there objection?

Mr. SMOOT. Mr. President, the Senator from West Virginia is a member of the Committee on Printing, and he certainly knows what the policy of the committee has been. He speaks as though he cares nothing whatever about what has been the policy of the committee in the past.

Mr. CHILTON. I wish this article to have the very widest circulation, to go to as many people as possible. I therefore want it printed in the RECORD and I wish it also printed as a public document. I do not think the Senator from Utah ought to object. This is an unusual case.

Mr. SMOOT. What is the article which the Senator desires to have printed?

Mr. CHILTON. It is the President's appeal for neutrality. It is a short, patriotic paper, which everybody ought to read.

Mr. SMOOT. I will not object; but I think it is against the rules of the committee.

The VICE PRESIDENT. In the absence of objection, the document is ordered to be printed as a public document and also to be printed in the RECORD.

The document (S. Doc. No. 566) referred to is as follows:

AMERICAN NEUTRALITY.

STATEMENT OF THE PRESIDENT.

"MY FELLOW COUNTRYMEN: I suppose that every thoughtful man in America has asked himself, during these last troubled weeks, what influence the European war may exert upon the United States, and I take the liberty of addressing a few words to you in order to point out that it is entirely within our own choice what its effects upon us will be and to urge very earnestly upon you the sort of speech and conduct which will best safeguard the Nation against distress and disaster.

"The effect of the war upon the United States will depend upon what American citizens say and do. Every man who really loves America will act and speak in the true spirit of neutrality, which is the spirit of impartiality and fairness and friendliness to all concerned. The spirit of the Nation in this critical matter will be determined largely by what individuals and society and those gathered in public meetings do and say, upon what newspapers and magazines contain, upon what ministers utter in their pulpits, and men proclaim as their opinions on the street.

"The people of the United States are drawn from many nations, and chiefly from the nations now at war. It is natural and inevitable that there should be the utmost variety of sympathy and desire among them with regard to the issues and circumstances of the conflict. Some will wish one nation, others another, to succeed in the momentous struggle. It will be easy to excite passion and difficult to allay it. Those responsible for exciting it will assume a heavy responsibility, responsibility for no less a thing than that the people of the United States, whose love of their country and whose loyalty to its Government should unite them as Americans all, bound in honor and affection to think first of her and her interests, may be divided in camps of hostile opinion, hot against each other, involved in the war itself in impulse and opinion if not in action.

"Such divisions among us would be fatal to our peace of mind and might seriously stand in the way of the proper performance of our duty as the one great nation at peace, the one people holding itself ready to play a part of impartial mediation and speak the counsels of peace and accommodation, not as a partisan, but as a friend.

"I venture, therefore, my fellow countrymen, to speak a solemn word of warning to you against that deepest, most subtle, most essential breach of neutrality which may spring out of partisanship, out of passionately taking sides. The United States must be neutral in fact as well as in name during these days that are to try men's souls. We must be impartial in thought as well as in action, must put a curb upon our sentiments as well as upon every transaction that might be construed as a preference of one party to the struggle before another.

"My thought is of America. I am speaking, I feel sure, the earnest wish and purpose of every thoughtful American that this great country of ours, which is, of course, the first in our thoughts and in our hearts, should show herself in this time of peculiar trial a Nation fit beyond others to exhibit the fine poise of undisturbed judgment, the dignity of self-control, the efficiency of dispassionate action; a Nation that neither sits in judgment upon others nor is disturbed in her own counsels, and which keeps herself fit and free to do what is honest and disinterested and truly serviceable for the peace of the world.

"Shall we not resolve to put upon ourselves the restraints which will bring to our people the happiness and the great and lasting influence for peace we covet for them?"

THE COTTON CROP.

Mr. VARDAMAN. I ask unanimous consent to have printed in the RECORD a statement from cotton growers, merchants, bankers, and other business men of Rosedale, Bolivar County, Miss., in relation to the disposition of the cotton crop.

The VICE PRESIDENT. Without objection, it is so ordered.

The statement referred to is as follows:

To our Senators and Representatives in the Congress of the United States:

The cotton growers, merchants, bankers, and other business men of Rosedale and vicinity would respectfully represent that by reason of the war prevailing among those nations that consume the bulk of our cotton, and the difficulty and dangers in transporting cotton to neutral nations and to those nations at war whose ports are still open, and the distracted, uncertain conditions of all trade and manufacturing business of those nations at war, embracing practically all the manufacturing countries of Europe, with the possibility of war extending to other nations of Europe and to Asia, confront the South with a calamity such as it has not faced since the great Civil War. The normal cotton crop of the South is from fourteen to fifteen million bales. Not exceeding 7,000,000 bales will be taken by the mills of the country and not more than 3,000,000 bales of American cotton will, under war conditions, be taken by the mills of other nations, leaving a surplus of between four and five million bales on the producers' hands. This will not only ruin the cotton raiser, but will cripple or ruin all the merchants and bankers in the cotton-growing States. It will leave such a surplus over in the hands of the producer that the combined strength of the merchants and bankers of the South can not carry it. Such conditions will force the cotton grower to rush his cotton on the market for such price as he can get for it and enable the buyers to fix their own price, and finally refuse to take cotton at

any price, which will bring ruin and disaster on our people equal to war.

Why should the sins of Europe be visited upon our heads? Why should we be made to suffer for the wars of Europe? The people of this Nation demand that a Navy and Army be maintained at vast expense to protect this country in time of war. Great fortifications are erected and maintained at great cost to protect our cities from a possible enemy. Now, when war menaces, not only menaces, but is surely drawing its cordons around the great cotton-growing industry of the Nation, with certain destruction and ruin to follow if relief is not given from some source, why should not this Nation come to the rescue of its cotton growers? If we are not given relief, we will feel that we have been abandoned by the Nation. If California were invaded by an Asiatic nation, every southerner able to bear arms would rush to her rescue; if Massachusetts were invaded or threatened by any foreign power, Mississippi would be among the first to respond to her call. And we do not doubt that if this grave menace to the South, growing out of this gigantic European war, is properly put before the people of this Nation that from Maine to California they will respond to our call as we would respond to a danger call from them. A failure to grant this relief would dampen the splendid patriotism that now pervades the young men of the South. They would feel that they were not of the Nation. We would all feel that we had been abandoned in times of great trial and need by our fellow countrymen.

That a calamity such as we portray will follow a congested cotton market, such as will occur unless the Government gives relief, is taught by the history of 1893 and following years, when this Nation went from the double to the single money standard and nation-wide depression ensued.

It is equally certain that the mills will buy as cheaply and sell as high as the market price will permit. Now, we feel, we know, every Mississippian will do his duty, and we have abiding faith in the Congress of this Nation meeting the demands of this serious situation. The thing is this, to know exactly what to do, and this can best be done by having the views of those most deeply interested, as well as those not personally interested, so that the cool, fine brain of the representatives of the American people in Congress will find a solution that will maintain the price of the great product of the South and enable her to participate in the prosperity that will be enjoyed by the other sections of this Nation who will feed the warring nations and clothe them with our cotton.

This can be done without any risk or cost to the Government. It can be done at a profit—at a greater profit than the profit derived from the Panama Canal, the construction of which cost a sum equal to the amount necessary to carry over the surplus of this year's cotton crop.

We suggest:

First. That the cotton be stored in warehouses provided by the growers or other owners of cotton, such as shall be specified by the Government, at such points most convenient to them.

Second. That all cotton be stored in such warehouses shall be sampled and graded, which sample, grading, and classification to be made in duplicate, one sample and grading of the cotton thereof to be placed with the Government warehouseman, or such other agent or depository as Congress may provide, the other sample and classification to be given to the owner.

Third. That a valuation of not less than 12 cents per pound be placed upon all middling cotton so stored or deposited in such warehouses.

Fourth. That the expense of building or providing warehouses, the handling and storing, weighing, sampling, and grading of such cotton to be borne by the owner of cotton so stored.

Fifth. Interest on the money advanced by the Government on cotton so stored to be 4 per cent.

Sixth. That the storer of cotton shall pay insurance at rate to be fixed by Congress, the insurance policy to be deposited with the Government as collateral security, or the Government insure and make it a charge on the cotton.

Seventh. All who avail themselves of the privilege of storing cotton in Government warehouses shall contract and agree to reduce their cotton acreage next year on a scale to be fixed by Congress, with such forfeitures and penalties as may be provided by Congress.

The rapidly rising prices of provisions and all other products make it imperative that cotton be maintained at and around 12 cents per pound. The price of cotton stood at 13¼ cents per pound, middling cotton, when war was declared in Europe. Twelve cents per pound is 1¼ cents per pound under the price which the producer was receiving for his cotton at that time, and would get if war did not prevail in Europe. This cuts the price of cotton about 20 per cent, while all other products are rising at a rapid rate. Bear in mind, the depression that occurred and the bankruptcy that prevailed in the South in 1893, and the succeeding years, when cotton fluctuated at from 4 to 7 cents per pound, though all other products were driven to the lowest level. Wheat, at 25 to 35 cents per bushel; corn, at 15 cents per bushel; mules, at $50 to $75 each; and horses being fed to chickens. Now, with all prices soaring to the skies, which the South must pay with her low-priced product, 12 cents per pound is full low, and will leave the producer only a small margin with which to change from cotton to grain and other products next year. It is absolutely certain that the carry-over price advanced on cotton by the Government will fix the price of cotton, as the buyers will merely shade this price in order to induce sale. So it is of paramount importance that the price be fixed at not less than 12 cents per pound.

With the low prices of cotton and the high prices of foodstuffs, the bankers and merchants of the South will have their hands full to finance the South the coming year. Nothing but the aid of the Government can avert the great calamity that will befall the South if the gigantic destructive war, now prevailing in Europe lasts six months; and we urge you to use your uttermost energies, talents, and influence to avert the great calamity that threatens the South.

With abiding faith in your patriotism to your Nation and loyalty to and love for your own people, we, your fellow citizens, submit this address and suggestion.

WALTER SILLERS, *Chairman.*
W. H. FITZGERALD, *Secretary.*

FORMS OF CERTIFICATE OF ELECTION.

Mr. KERN. Mr. President——

Mr. STONE. Mr. President, I yield to the Senator from Indiana.

Mr. KERN. I present the resolution which I send to the desk. It has been submitted to Senators on the other side. It is with reference to the form of credentials of Senators who have been chosen under the new constitutional amendment. I ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The resolution will be read.

The resolution (S. Res. 444) was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That in the opinion of the Senate the following are convenient and sufficient forms of election of a Senator or the appointment of a Senator, to be signed by the executive of any State in pursuance of the Constitution and the statutes of the United States:

"To the President of the Senate of the United States:

"This is to certify that on the — day of ———, 19—, A——— B——— was duly chosen by the qualified electors of the State of ——— a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 4th day of March, 19—.

"Witness: His excellency our governor ———, and our seal hereto affixed at ——— this — day of ———, in the year of our Lord 19—.

"By the governor:

"C——— D———,
"Governor.

"E——— F———,
"Secretary of State."

"To the President of the Senate of the United States:

"This is to certify that, pursuant to the power vested in me by the Constitution of the United States and the laws of the State of ———, I, A——— B———, the governor of said State, do hereby appoint G——— D——— a Senator from said State to represent said State in the Senate of the United States until the vacancy therein, caused by the ——— of E——— F———, is filled by election, as provided by law.

"Witness: His excellency our governor ———, and our seal hereto affixed at ——— this — day of ———, in the year of our Lord 19—.

"By the governor:

"G——— H———,
"Governor.

"I——— J———,
"Secretary of State."

Resolved, That the Secretary of the Senate shall send copies of these suggested forms and these resolutions to the executive and secretary of each State wherein an election is about to take place or an appointment is to be made in season that they may use such forms if they see fit.

EXECUTIVE SESSION.

Mr. STONE. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 15 minutes spent in executive session the doors were reopened.

PERSONAL EXPLANATION.

Mr. MARTINE of New Jersey. Mr. President, I rise to a question of personal privilege.

I find in the RECORD of August 17, page 13840, on the vote on the motion of the Senator from New York [Mr. O'GORMAN], I am recorded as having voted "nay." I do not complain that it is an error on the part of the clerks, but if I voted "nay"—and I do not say that I did not—it was not my intention. My desire was to have voted "yea." I refer to the vote on the motion of the Senator from New York [Mr. O'GORMAN], where he said:

Mr. President, in view of the action just taken by the Senate, I move that the Senate recede from its amendment to the House bill and adopt the House bill.

As I said, I am recorded as having voted "nay." I desired and intended to have voted "yea." I understand that as that was on the 17th and to-day is the 20th it may be quite impossible to correct the RECORD of that day. In fact, it is not possible, for it has already been printed. I only ask that this statement may go before the country.

I was not in favor of the conference report, and voted against it. I am in favor of a system of Government-owned craft for merchant marine, and hence would very readily favor a method that would tend somewhat to accomplish that, as was proposed in the House bill.

If I may be permitted a little latitude on this general subject, without interfering or taking any length of time, I desire to say a few words in connection with this proposition.

I felt happy this morning—in fact, I am generally fairly happy—but to-day I feel exceedingly pleased and profoundly grateful for the action of the President in his declaration in favor of and acquiesence in the plan to appropriate $30,000,000 for the purchase of ocean ships that shall bear our commerce, the crops of our fields, the work of our looms, and the products of our furnaces and anvils to the ports of the globe, there to feed the hungry mouths and clothe the naked of the world. I congratulate the country that we have a President with a scope of mind so broad and so patriotic as to have seized upon this plan.

This policy I have urged for many years, both as to railroads and as to marine, and I most earnestly felicitate my countrymen on this step of advance.

I feel that this is but the initial step to a great merchant marine for this country. I believe that we shall yet deck the blue ocean with American craft flying the American flag at the masthead. That they may sail on to every clime, carrying the evidences of our blessings and civilization from this land of constitutional liberty, is my hope and my prayer. This is an American plan to revive the American merchant marine. It shall have my most earnest and warm support.

The VICE PRESIDENT. The permanent RECORD will be corrected as the Senator requests.

Mr. MARTINE of New Jersey. I do not claim that it is an error on the part of the clerk. I want that distinctly understood. There was quite a good deal of excitement at that particular time, and I may have voted "nay" where I meant to vote "yea."

The VICE PRESIDENT. It is the privilege of the Senator to have the correction made in the permanent RECORD.

Mr. MARTINE of New Jersey. I thank you.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House had passed the bill (S. 6315) to authorize the Great Western Land Co., of Missouri, to construct a bridge across Black River.

The message also announced that the House agrees to the amendment of the Senate to the bill (H. R. 14155) to amend an act of Congress approved March 28, 1900 (Stat. L., p. 52), entitled "An act granting to the State of Kansas the abandoned Fort Hays Military Reservation, in said State, for the purpose of establishing an experiment station of the Kansas State Agricultural College, and a western branch of the State Normal School thereon, and for a public park."

The message further announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 5673) to amend an act entitled "An act to protect the locators in good faith of oil and gas lands who shall have effected an actual discovery of oil or gas on the public lands of the United States, or their successors in interest," approved March 2, 1911.

ENROLLED BILLS SIGNED.

The message also announced that the Speaker of the House had signed the following enrolled bills, and they were thereupon signed by the Vice President:

S. 5197. An act granting public lands to the city and county of Denver, in the State of Colorado, for public park purposes;

S. 5574. An act to amend and reenact section 113 of chapter 5 of the Judicial Code of the United States;

S. 5739. An act to present the steam launch *Louise*, now employed in the construction of the Panama Canal, to the French Government;

S. 5977. An act to authorize Bryan Henry and Albert Henry to construct a bridge across a slough, which is a part of the Tennessee River, near Guntersville, Ala.;

S. 6116. An act to amend section 195 of the act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911;

H. R. 92. An act to extend the general land laws to the former Fort Bridger Military Reservation in Wyoming; and

H. R. 11740. An act to amend an act entitled "An act creating a legislative assembly in the Territory of Alaska and conferring legislative power thereon, and for other purposes," approved August 24, 1912.

PETITIONS AND MEMORIALS.

Mr. PERKINS presented memorials of sundry citizens of San Francisco, Los Angeles, and San Diego, all in the State of California, remonstrating against the passage of the Clayton antitrust bill, which were referred to the Committee on the Judiciary.

Mr. CLARK of Wyoming (for Mr. WARREN) presented a petition of 20 citizens of Douglas, Wyo., praying for national prohibition, which was referred to the Committee on the Judiciary.

Mr. BRANDEGEE (for Mr. OLIVER) presented a petition of the congregation of the Glasgow Presbyterian Church, of Smiths Ferry, Pa., praying for the adoption of an amendment to the Constitution to prohibit polygamy, which was referred to the Committee on the Judiciary.

He also (for Mr. OLIVER) presented petitions of sundry citizens of Clearfield, Pa., praying for national prohibition, which were referred to the Committee on the Judiciary.

He also (for Mr. OLIVER) presented a memorial of the National Association of Assistant Postmasters, remonstrating against the enactment of legislation to amend the postal and civil-service laws, and for other purposes, which was referred to the Committee on Post Offices and Post Roads.

REPORTS OF COMMITTEES.

Mr. CLARKE of Arkansas. From the Committee on Commerce I report back favorably, with amendments, the bill (S. 6357) to authorize the establishment of a bureau of war risk insurance in the Treasury Department, and I submit a report (No. 757) thereon.

I ask that the report may be printed, and to-morrow morning I shall ask the Senate to give consideration to the measure.

The VICE PRESIDENT. The bill will be placed on the calendar.

Mr. BURTON, from the Committee on Commerce, to which was referred the bill (S. 6113) to authorize the closing to navigation of Swan Creek, in the city of Toledo, Ohio, reported it without amendment and submitted a report (No. 758) thereon.

Mr. CLAPP, from the Committee on Indian Affairs, to which was referred the bill (H. R. 11246) for the restoration of annuities to the Medawakanton and Wahpakoota (Santee) Sioux Indians, declared forfeited by the act of February 16, 1863, reported it with an amendment and submitted a report (No. 759) thereon.

Mr. NORRIS, from the Committee on Public Lands, to which was referred the bill (S. 5497) authorizing the issuance of patent to Arthur J. Floyd for section 31, township 22 north, range 22 west of the sixth principal meridian, in the State of Nebraska, reported it without amendment and submitted a report (No. 760) thereon.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. THORNTON (for Mr. O'GORMAN):

A bill (S. 6359) granting an increase of pension to Hannah C. Van Tassel; to the Committee on Pensions.

By Mr. SHIVELY:

A bill (S. 6360) granting an increase of pension to Samuel Brenner (with accompanying papers); to the Committee on Pensions.

By Mr. OWEN:

A bill (S. 6361) to codify, revise, and amend the laws relating to publicity of contributions and expenditures made for the purpose of influencing the nomination and election of candidates for the offices of Representative and Senator in the Congress of the United States, limiting the amount of campaign expenses, and for other purposes; to the Committee on Privileges and Elections.

By Mr. BURLEIGH:

A bill (S. 6362) granting a pension to Abbie G. Thompson; to the Committee on Pensions.

By Mr. MARTIN of Virginia:

A bill (S. 6363) for the relief of J. W. Hanrahan and James W. Taylor; to the Committee on Claims.

By Mr. CHILTON:

A bill (S. 6364) for the relief of John Wiseman;

A bill (S. 6365) for the relief of the heirs of John T. Adkins; and

A bill (S. 6366) for the relief of Hyter Myers; to the Committee on Claims.

A bill (S. 6367) granting a pension to John H. Snyder (with accompanying papers); and

A bill (S. 6368) granting a pension to John B. Brockmire (with accompanying papers); to the Committee on Pensions.

TRADE WITH SOUTH AMERICA.

Mr. WEEKS. I ask unanimous consent to introduce a resolution and have it read and referred to the Committee on Commerce. It is an important matter connected with shipping legislation, and I think it ought to be given early consideration.

The resolution (S. Res. 443) was read and referred to the Committee on Commerce, as follows:

Whereas the larger part of the foreign trade of South American countries is carried on with European nations which are now in a state of war, this trade aggregating $1,600,000,000 a year; and

Whereas it is desirable that, as far as possible, this trade be diverted, to the United States; and

Whereas it is not only desirable but necessary that early and prompt action be taken to call to the attention of the people of South America the quality and varied character of our manufactures and products; Therefore be it

Resolved, That the Secretary of Commerce be, and he is hereby, directed to cause to be prepared, in detail, an estimate of the probable cost of sending at least six vessels now in the military or naval service of the United States or otherwise to the principal ports of South America, such vessels to carry suitable samples of the manufactures and products of this country, together with a reasonable number of representatives of business or trade organizations, and to adopt such

other means as may to him be deemed advisable, to the end that our manufacturers and producers may be forthwith put in direct contact with the markets of South America; and be it further

Resolved, That the Secretary of Commerce be, and he is hereby, further directed to furnish the Senate an expression of his opinion as to the feasibility of such an undertaking, such other methods, if any, which should be adopted, and the time within which suitable vessels, samples, and representatives of trade and business organizations may be assembled for the purposes referred to.

PRESIDENTIAL APPROVAL.

A message from the President of the United States, by Mr. Latta, executive clerk, announced that the President had approved and signed the following joint resolution:

On August 20, 1914:

S. J. Res. 178. Joint resolution granting authority to the American Red Cross to charter a ship or ships of foreign register for the transportation of nurses and supplies and for all uses in connection with the work of that society.

ADJOURNMENT.

Mr. KERN. I move the Senate adjourn until to-morrow at 11 o'clock a. m.

The motion was agreed to; and (at 5 o'clock and 45 minutes p. m.) the Senate adjourned until to-morrow, Friday, August 21, 1914, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate August 20 (legislative day of August 19), 1914.

APPOINTMENT IN THE ARMY.

MEDICAL RESERVE CORPS.

To be first lieutenant in the Medical Reserve Corps, with rank from August 19, 1914.

Charles Mallon O'Connor, jr., of Virginia.

PROMOTIONS AND APPOINTMENT IN THE NAVY.

Lieut. Commander Franklin D. Karns to be a commander in the Navy from the 1st day of July, 1914.

Lieut. Owen H. Oakley to be a lieutenant commander in the Navy from the 1st day of July, 1914.

Lieut. (Junior Grade) Charles C. Gill to be a lieutenant in the Navy from the 1st day of July, 1914.

The following-named ensigns to be lieutenants (junior grade) in the Navy from the 5th of June, 1914:

Cummings L. Lothrop, jr.,
Roland M. Comfort,
George N. Reeves, jr.,
Thalbert N. Alford,
Solomon Endel,
Lawrence Townsend, jr., and
Dennis E. Kemp.

Midshipman Paul W. Fletcher to be an ensign in the Navy from the 6th day of June, 1914.

Asst. Surg. Chester M. George to be a passed assistant surgeon in the Navy from the 24th day of December, 1913.

Charles F. Glenn, a citizen of Illinois, to be an assistant surgeon in the Medical Reserve Corps of the Navy from the 8th day of August, 1914.

RECEIVER OF PUBLIC MONEYS.

William W. Ventress, of Plaquemine, La., to be receiver of public moneys at Baton Rouge, La., vice Louis T. Dugazon.

REGISTER OF THE LAND OFFICE.

Edward D. Gianelloni, of Napoleonville, La., to be register of the land office at Baton Rouge, La., vice John Franklin Nuttall.

CONFIRMATIONS.

Executive nominations confirmed by the Senate August 20 (legislative day of August 19), 1914.

COLLECTOR OF CUSTOMS.

George Bleistein to be collector of customs for customs collection district No. 9.

SURVEYOR OF CUSTOMS.

Thomas E. Rush to be surveyor of customs in the district of New York.

RECEIVER OF PUBLIC MONEYS.

Samuel L. Page to be receiver of public moneys at Vernal, Utah.

PROMOTIONS AND APPOINTMENTS IN THE NAVY.

Capt. Charles A. Gove to be a rear admiral.

Lieut. Commander George L. P. Stone to be a commander.

Lieut. Theodore A. Kittenger to be a lieutenant commander.

Lieut. Charles T. Hutchins, jr., to be a lieutenant commander.

The following-named ensigns to be lieutenants (junior grade):

Hugh P. Le Clair.
James D. Maloney.
Wallace L. Lind.
Richard McC. Elliot, jr.
Radford Moses.
Holbrook Gibson.
Howard H. J. Benson.
Wilbur J. Carver.
George A. Trever.
Benjamin F. Tilley, jr.
Robert P. Guller, jr.

Jack H. Harris to be an assistant surgeon in the Medical Reserve Corps.

Pharmacist Charles E. Alexander to be a chief pharmacist.

Capt. Epaminondas L. Bigler to be a captain in the Marine Corps.

Capt. Robert B. Farquharson to be a captain in the Marine Corps.

Capt. Walter N. Hill to be a captain in the Marine Corps.

Capt. Lauren S. Willis to be a captain in the Marine Corps.

Capt. Frederick A. Barker to be a captain in the Marine Corps.

Capt. Edward B. Cole to be a captain in the Marine Corps.

Capt. William T. Hoadley to be a captain in the Marine Corps.

The following-named commanders to be captains:

Ashley H. Robertson.
William M. Crose.
Samuel S. Robison.

The following-named ensigns to be lieutenants (junior grade):

Luther Welsh.
Olaf M. Hustvedt.
Chester S. Roberts.
Harold C. Train.
Frank D. Manock.
Sherman S. Xennedy.
Harold A. Waddington.
Alger H. Dresel.
Clifford E. Van Hook.
Francis L. Shea.

Asst. Surg. William E. Eaton to be a passed assistant surgeon.

Asst. Surg. Harry E. Jenkins to be a passed assistant surgeon.

Asst. Surg. Edward E. Woodland to be a passed assistant surgeon.

Chalmer H. Weaver to be an assistant surgeon in the Medical Reserve Corps.

William H. Michael to be an assistant surgeon in the Medical Reserve Corps.

Pay Inspector Thomas H. Hicks to be a pay director.

Passed Asst. Paymaster George R. Crapo to be a paymaster.

Gunner James H. Bell to be a chief gunner.

POSTMASTERS.

CALIFORNIA.

Manuel J. Andrade, San Leandro.
James F. Saunders, Antioch.

ILLINOIS.

Cora L. Tisler, Marseilles.

INDIANA.

George A. Dalton, West Baden.

IOWA.

Maurice Fay, Anamosa.

LOUISIANA.

Laura B. Beaubien, St. Joseph.
Joseph Muth, Elizabeth.

MISSOURI.

John H. Lyda, Atlanta.

NEBRASKA.

J. R. McCann, Beatrice.

NEW JERSEY.

Arabelle C. Broander, Keansburg.
Carl L. Richter, Fort Lee.

NEW YORK.

Maurice F. Axtell, Deposit.
Kent Barney, Milford.
Andrew B. Byrne, Hannibal.
Margaret D. Cochrane, Bedford.
Bernard H. Cullen, Chester.
William H. Davis, Altmar.
Charles Fitzpatrick, Goshen.

Charles L. Goodell, Worcester.
Edward A. Gross, New City.
F. M. Hopkins, Binghamton.
Cort Kramer, Holland.
William McNeal, Montgomery.
C. E. Miller, Moravia.
Elmer W. Simmons, Millerton.
Henry J. Vollmar, Boonville.
Florence Williams, Bolivar.

NORTH DAKOTA.

Nellie Darcy, Fessenden.
M. P. Morris, Jamestown.

SOUTH DAKOTA.

E. H. White, Castlewood.

TEXAS.

J. N. Worsham, Laredo.

VIRGINIA.

George C. Carter, Leesburg.
A. B. Dye, Honaker.
R. W. Ervin, Dante.
Asa A. Ferguson, Lebanon.
C. P. Greever, Graham.
C. F. Kitts, North Tazewell.
J. W. H. Lawford, Pocahontas.

WEST VIRGINIA.

William G. Williamson, Vivian.

HOUSE OF REPRESENTATIVES.

THURSDAY, *August 20, 1914.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

O Thou, to Whom we are responsible of our every act, and Whose all-seeing eye is ever upon us, quicken, we beseech Thee, our conscience, clarify our spiritual vision that we may make straight our paths by the absolute truth of our speech and rectitude of our behavior, that our names may be written on the roll of honor and peace and righteousness possess our souls forever and aye. In the spirit of the Lord Jesus Christ, the world's great exemplar. Amen.

The Journal of the proceedings of yesterday was read and approved.

RURAL CREDITS.

Mr. DILLON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of rural credits.

The SPEAKER. The gentleman from South Dakota asks unanimous consent to extend his remarks in the RECORD on the subject of rural credits. Is there objection?

There was no objection.

DISTRICT OF COLUMBIA.

Mr. MAPES. Mr. Speaker, I ask unanimous consent to file minority views on the bill (H. R. 17826) to amend an act entitled "An act providing for a permanent form of government for the District of Columbia," and also on the bill (H. R. 17857) to provide for appointment to places under the government of the District of Columbia, and for other purposes, within two days.

The SPEAKER. The gentleman from Michigan asks unanimous consent to file minority views within two days on the bills he mentions. Is there objection?

There was no objection.

HINDU IMMIGRATION.

Mr. CHURCH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD with reference to Hindu immigration to California.

The SPEAKER. The gentleman from California asks unanimous consent to extend his remarks in the RECORD on Hindu immigration. Is there objection?

There was no objection.

NEUTRALITY OF THE UNITED STATES.

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent to insert in the RECORD President Wilson's warning and appeal to the American people in reference to our relations with foreign countries.

The SPEAKER. The gentleman from Colorado asks unanimous consent to insert in the RECORD President Wilson's warning to the American people on the subject of neutrality. Is there objection?

There was no objection.

FORT HAYS MILITARY RESERVATION.

Mr. CONNELLY of Kansas. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 14155 and agree to the Senate amendments.

The SPEAKER. The Clerk will report the title to the bill.

The Clerk read as follows:

An act (H. R. 14155) to amend an act of Congress approved March 28, 1900 (Stat. L., p. 52), entitled "An act granting to the State of Kansas the abandoned Fort Hays Military Reservation, in said State, for the purpose of establishing an experiment station of the Kansas State Agricultural College and a western branch of the State Normal School thereon, and for a public park."

The Senate amendments were read.

The SPEAKER. The gentleman from Kansas asks unanimous consent to take from the Speaker's table the bill, the title of which has just been reported, and agree to the Senate amendments. Is there objection?

Mr. MURDOCK. Reserving the right to object, I would like to ask the gentleman from Kansas what is the significance of the Senate amendments?

Mr. CONNELLY of Kansas. It is only to make more definite the citation of the statute and to amend the title.

Mr. MURDOCK. The only change the Senate has made is one making more definite the reference to the statute?

Mr. CONNELLY of Kansas. That is all.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

The Senate amendments were agreed to.

The title was amended to conform with the text.

On motion of Mr. CONNELLY of Kansas, a motion to reconsider the vote whereby the Senate amendments were agreed to was laid on the table.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Carr, one of its clerks, announced that the Senate had passed bill of the following title, in which the concurrence of the House of Representatives was requested:

S. 6315. An act to authorize the Great Western Land Co., of Missouri, to construct a bridge across Black River.

The message also announced that the Senate had passed without amendment House joint resolution of the following title:

H. J. Res. 246. Joint resolution to authorize the Secretary of War to grant a revocable license for the use of the lands adjoining the national cemetery near Nashville, Tenn., for public-road purposes.

ENROLLED BILLS SIGNED.

Mr. ASHBROOK, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills of the following titles, when the Speaker signed the same:

H. R. 11740. An act to amend an act entitled "An act creating a legislative assembly in the Territory of Alaska and conferring legislative power thereon, and for other purposes," approved August 24, 1912; and

H. R. 92. An act to extend the general land laws to the former Fort Bridger Military Reservation in Wyoming.

The SPEAKER announced his signature to enrolled bills of the following titles:

S. 5739. An act to present the steam launch *Louise*, now employed in the construction of the Panama Canal, to the French Government; and

S. 5197. An act granting public lands to the city and county of Denver, in the State of Colorado, for public-park purposes.

LOCATORS OF OIL AND GAS LANDS.

Mr. FERRIS. Mr. Speaker, I call up the conference report on Senate bill 5673, an act to protect the locators in good faith of oil and gas lands," and ask unanimous consent for its adoption. The Senate receded from the position taken by the House, and the conference report is to do precisely what the House did when the bill was passed. There should have been a statement filed, but there has been none filed.

The SPEAKER. The Clerk will read the conference report.

The Clerk read the conference report, as follows:

CONFERENCE REPORT.

The conferees on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 5673) entitled "An act to amend an act entitled 'An act to protect the locators in good faith of oil and gas lands who shall have effected an actual discovery of oil or gas on the public lands of the United States or their successors in interest,' approved March 2, 1911," having met, after full and free conference have agreed to

recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendments of the House and agree to the same.

KEY PITTMAN,
WILLIAM HUGHES,
Managers on the part of the Senate.

SCOTT FERRIS,
EDWARD T. TAYLOR,
BURTON L. FRENCH,
Managers on the part of the House.

The SPEAKER. The question is on agreeing to the conference report.

Mr. MANN. Mr. Speaker, the question is on asking unanimous consent for the present consideration of the conference report.

Mr. FERRIS. I make that request, Mr. Speaker.

Mr. MANN. The gentleman from Oklahoma asks unanimous consent for the present consideration of the conference report. When that is stated, I will state to the Speaker why.

The SPEAKER. The gentleman from Illinois says that the gentleman from Oklahoma [Mr. FERRIS] has to ask unanimous consent for the consideration of the conference report, and the Speaker would like to know why.

Mr. MANN. That is the gentleman's request.

The SPEAKER. If the Chair should put the request of Members in the exact language used on the floor, half of the time it would make the RECORD ridiculous.

Mr. MANN. There has been no conference report presented to the House. Is that a sufficient reason?

The SPEAKER. That is sufficient; yes.

Mr. MANN. Now, the gentleman makes a request for the present consideration of a conference report.

The SPEAKER. Has this conference report ever been printed in the RECORD?

Mr. MANN. It has never been presented to the House.

The SPEAKER. It was just presented a while ago, but does not appear to have been printed in the RECORD. It takes unanimous consent, and the gentleman from Oklahoma asks unanimous consent for the present consideration of the conference report without printing it in the RECORD. Is there objection?

Mr. MANN. Reserving the right to object, and I shall not object, the Speaker is in error about one thing. While the conference report was read just now it was a conference report presented to the Senate and not a conference report to the House. The House conferees through inadvertence did not present any conference report to the House at all.

The SPEAKER. What is this conference report that we have here?

Mr. MANN. It is a conference report presented to the Senate signed by the conferees with the names of the Senate conferees coming first. Of course that is a matter of form. It was acted upon by the Senate and transmitted by a message to the House. What we have here is a conference report presented to the Senate. I shall make no objection to agreeing to this conference report, although I think it is a pretty ragged practice.

The SPEAKER. The Chair agrees with the gentleman from Illinois about that. The Chair supposed, as he had a right to assume, that it was a conference report in due form which had been printed in the RECORD.

Mr. FERRIS. Mr. Speaker, it is fair to say that what the gentleman from Illinois says is true. The Senate did not furnish us with a duplicate copy of the conference report.

The result is that until last night I did not know that the conference report was adopted and sent over here. Last night I discovered the conference report upon the table, or at least half of it, and I ascertained that the Senate had receded from everything they contended for, and that there was brought back to us precisely what the House passed by unanimous consent. I thought in view of that that the gentleman from Illinois [Mr. MANN] and the House would be willing to obviate the formality of making a statement and going over and getting a duplicate copy and printing it in the RECORD under the rule. Of course, if the gentleman objects, we can go through that form.

Mr. MANN. Mr. Speaker, what I have said was said because I did not wish managers on the part of the House in conference to get the idea that they can have a conference report adopted by simply signing one copy of the conference report, and letting that go to the Senate, and then come from the Senate to the House, without making any conference report to the House. I understand the present circumstances, and I am not seeking to make any criticism in the present case, but House conferees with more experience will learn that it is quite essential to the proper procedure in the House to present a conference report to the House with the names of the managers on the part of the House signed first, and also a statement.

Mr. TAYLOR of Colorado. Mr. Speaker, if the gentleman will permit, I will state that the managers on the part of the House knew everything that the gentleman has said, and we very emphatically lectured the managers on behalf of the Senate, and it was through some oversight that this matter got in that form. I may say further, that it is a Senate bill, and our distinguished representatives at the other end of the Capitol assumed the responsibility of preparing the report, and did not prepare it correctly.

Mr. MANN. The fact is the conference report ought to have been presented first to the House under the practice of the two bodies. It could not have been acted upon otherwise, but now we are going through a rather slipshod method. Here was a House amendment to a Senate bill, disagreed to first in the Senate and a conference asked for. The House agreed to the conference, and the rule is that the House which agrees to the conference acts upon the conference report first. I think the gentlemen on the conference committee who watched the matter were not fully familiar with the practice.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none. The question is on agreeing to the conference report.

Mr. MONDELL rose.

Mr. FERRIS. Mr. Speaker, I yield five minutes to the gentleman from Wyoming.

Mr. MONDELL. Mr. Speaker, I shall not object to the conference report. I regret that this legislation is not in somewhat different form. It deals with an important subject, which at the present time particularly interests the people of California and some people in my State. The fact is that the conference report as we have adopted it does not relate to many cases which are not fully cared for under a fair interpretation of an amendment adopted some time ago to the withdrawal act. In other words, practically all that we are doing now is to say to the Secretary of the Interior, "If you will not obey the law and give people rights which the law has granted to them, then you may make an agreement with them whereby you will impound the resources of their property—such part as you desire—until some time in the future the question of ownership title shall be decided." There is pending another bill which relates to similar cases and which would give more permanent relief than this bill does. I regret that that bill was not adopted as part of the conference report, although I realize that that matter can be cared for on the general leasing bill which will be taken up later, but which we all know will not become a law at this session of Congress.

One thing more. The bill as it passed the House is unfortunate, it seems to me, in that it leaves entirely in the discretion of the Secretary of the Interior whether he shall impound all of the product of the wells on the lands which may be brought within the provisions of the bill or whether he shall impound a portion of those proceeds, such portion as would be a reasonable royalty. The gentlemen on the committee say that they understood that the Secretary will impound such proportion of the proceeds as would constitute a reasonable royalty. That would be the logical and reasonable and proper thing to do. That is what we hope the Secretary will do, but the Secretary has much broader power than that, and I fear that in some cases he will be importuned to take action which will not afford these people much relief. I trust that in carrying out the provisions of the law he will proceed upon the assumption that these people having applied for title, he, while the matter is under consideration, may be allowed to operate freely and receive and keep all the oil or gas taken from the land except such portion of it as would make a fair and reasonable royalty if the application for title shall finally be denied. The fact is, however, that most of the people who can come under the provisions of the bill in its amended form are so clearly entitled to a patent that it should be granted without delay.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

BRIDGE ACROSS BLACK RIVER, MO.

Mr. RUSSELL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill S. 6315, to authorize the Great Western Land Co., of Missouri, to construct a bridge across Black River, and to consider the same at this time.

The SPEAKER. Is there a bill of similar tenor upon the House Calendar?

Mr. RUSSELL. There is a bill of exactly the same words on the House Calendar, that has already been favorably reported by the committee.

The SPEAKER. The gentleman from Missouri asks unanimous consent to take from the Speaker's table and consider at this time the bill S. 6315, which the Clerk will report.

The Clerk read as follows:

Be it enacted, etc., That the Great Western Land Co., a corporation organized under the laws of the State of Missouri, is hereby authorized to construct, maintain, and operate a bridge and approaches thereto across Black River at a point suitable to the interests of navigation, in the northwest quarter of section 5, township 22 north, range 7 east, of the fifth principal meridian, in the county of Butler, in the State of Missouri, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The SPEAKER. Is there objection to the present consideration of the bill? [After a pause.] The Chair hears none. The question is on the third reading of the Senate bill.

The bill was ordered to be read a third time, was read the third time, and passed.

On motion of Mr. RUSSELL, a motion to reconsider the vote by which the bill was passed was laid on the table.

The SPEAKER. Without objection, the bill (H. R. 17511) of similar import on the House Calendar will lie on the table.

There was no objection.

WATER POWER ON THE PUELIC DOMAIN.

The SPEAKER. Under the special rule the House resolves itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 16673, with the gentleman from New York [Mr. FITZGERALD] in the chair.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 16673, with Mr. FITZGERALD in the chair.

The CHAIRMAN. The Clerk will report the bill by title.

The Clerk read as follows:

A bill (H. R. 16673) to provide for the development of water power and the use of public lands in relation thereto, and for other purposes.

The CHAIRMAN. The question is upon the amendment offered by the gentleman from Wyoming [Mr. MONDELL].

Mr. MONDELL. Mr. Chairman, I believe under the agreement which was reached I was to have 10 minutes. Is that correct?

The CHAIRMAN. That is correct.

Mr. MONDELL. Mr. Chairman, my amendment strikes out, on page 4, lines 3 to 6, the following words:

That the physical combination of plants or lines for the generation, distribution, and use of power or energy under this act or under leases given hereunder may be permitted, in the discretion of the Secretary.

Now, in considering this provision it should be borne in mind that there is nothing in this bill which prohibits the Secretary of the Interior from leasing more than one water power to the same person or the same combination of persons. The Secretary could lease all the water power, or, rather, all the land controlling water power in the entire public domain, to one person, or he could lease it to various companies with interlocking directorate representing the same people. In other words, there is nothing in the bill anywhere which in anywise restricts the Secretary from doing as he pleases. Now, that being true, without this provision in the bill, what is the situation with regard to combinations? Combinations would be restricted in three ways—first, combinations would be unlawful if in violation of the antitrust laws; second, combinations could be proceeded against if they violated the prohibition of the common law relative to the restraint of commerce and trade; and, third, and more important than all, combinations are more or less restricted or prohibited by public-service commissions within the States. Therefore, with or without this provision in the bill, the Secretary has unlimited power to lease to combinations. The only restriction in the exercise of the power would be the prohibition of the common and statute law and the prohibition of public-service commissions. This provision does not limit the power of the Secretary; it is rather a suggestion to him that he allow physical combinations of plants, and if it has any legal force or effect at all, or can have any, its effect would be to authorize the Secretary of the Interior to allow combinations which might come within the prohibition of the antitrust statutes, allow combinations which might be contrary to the spirit of the common-law provisions against restraint of trade. He might allow combinations in the face of the prohibition of such combinations by public-service commissions. This is what we are proposing to give the Secretary of the Interior power to do. We give, first, the power to do as he pleases, to lease all to one person or one corporation, and then, in addition to that, we say to him that if he does not happen to lease all to one corporation he may go on and allow the few that you have leased to to combine without regard to the statute law, without regard to the common law, without regard to the prohibition of the public-service commission within the State.

Why talk about granting unlimited power? I can not conceive of any provision that could be drawn that would go further than this. You place in the hands of one man power to allow combinations that may be not only in derogation of the public interest, but combinations prohibited by public-service regulation, prohibited by the common and statute laws. The gentleman from Oklahoma [Mr. FERRIS] the other day, in excusing the extraordinary power placed in the hands of the Secretary by this bill, stated, quoting Mr. Pinchot, that you must grant great power to somebody, power under which great harm might be done, under which a man might work evil in order that he might have power to do good. Why, that is a doctrine as old as tyranny, as old as despotism and autocracy, as old as the doctrine of the divine right of kings. That is the kind of doctrine under which the Germanic Empires of Europe placed in the hands of two men—Kaiser and Emperor—the right to declare war with all the world. They must have the power, it was said, that they might defend their people against invasion; but that right to declare war against invasion was used, many people think, to declare war—a war of ambition and of conquest, war for the maintenance of kingly power, war against democracy the world over and in favor of special privilege. That doctrine which Mr. Pinchot announces is the same doctrine under which men have had their rights denied from the beginning of time, under which tyranny has flourished, under which rights have been filched from the people as a whole in order that they might be placed in the hands of the privileged few. Another peculiar doctrine embraced in this legislation, which Mr. Pinchot and some of those who agree with him have loudly proclaimed, is the doctrine of licensing monopoly. Most of us are against the creation of monopoly, and our statutes and common law are aimed at preventing and destroying it, but there is a certain class of gentlemen who have been prominent in the last few years who have a new doctrine. They would license monopoly in the vain hope that those who have the power to license may be able to control and will be wise enough and honest enough, if they have the power, to control it in the interest of the people. If the history of the human race teaches any one thing above another, it is that it is not safe to lodge in the hands of any man, no matter how wise, how good, how well intentioned, wide power of discretion over those things that have to do with the happiness and the prosperity of the people.

We are certainly departing from the doctrines of our fathers, from the principles on which the Nation was founded and under which it has flourished, when we go back to those ancient and discredited doctrines that we should place unlimited power over the interests of the people in the hands of a single man, or a few men, in the hope, forsooth, that they may use that power in the public interest. [Applause.]

Mr. STAFFORD. Mr. Chairman, I believe under the order I am entitled to 10 minutes?

The CHAIRMAN. The gentleman is entitled to 10 minutes.

Mr. STAFFORD. I yield to the gentleman from Illinois [Mr. MANN] such time as he may wish to use within the 10 minutes.

Mr. MANN. Mr. Chairman, I think I shall follow in this case whatever the committee determines to do in reference to it. This section relates to the regulation and control of service and charges for service to consumers, and issuance of stocks and bonds by the company, and gives to the Secretary of the Interior the absolute control wherever the transmission lines extend into two States. It was stated in the general debate, when I addressed the committee for a few moments, that the Committee on the Public Lands had in mind the following of the theory of interstate-commerce laws in reference to railroad rates. I do not feel disposed to criticize the proposition that Congress shall give to the Secretary of the Interior the absolute control over the rates to be charged by these companies for the electric power generated. And yet I have a good deal of hesitation in subscribing to the idea that the Secretary of the Interior should have that power where the public-utilities commission of the State has the power within the limits of the State. It may be necessary to give to the Secretary of the Interior the power to control rates where the current passes across a State line. I do not know whether the public-utilities commission of either State would have control of that; but where the power is consumed within a State after it has crossed a State line, or where a plant itself is within the limits of a State, and most of the power is consumed in that State, I do not feel confident that the Secretary of the Interior ought to be allowed to usurp the functions of a State commission and control within that State. I had intended to offer an amendment upon that subject, and had

one prepared, but I concluded that I would not. I call the matter to the attention of the gentlemen interested in the bill. I do not know what the constitutional proposition would be. Say we authorize, for instance, the creation of an electric-power plant on an Indian reservation in the State of Wisconsin. We have control of the Indian reservation. Now, suppose we have a power plant there which runs a line across into Minnesota or Illinois. Have we the power to take away from the State of Wisconsin the right to control the charges which are to be made within the State of Wisconsin simply because we happen to have title to an Indian reservation in Wisconsin? And if we have the power to do it, is it a desirable thing to do?

The Interstate Commerce Commission exercises control over interstate rates. It never has attempted to exercise control over rates wholly within a State; it never has been given the power to do that. The Supreme Court intimated recently in a decision that Congress might have the power to control interstate rates, and, in addition, intrastate rates, because they are bound so closely in the management of a railroad corporation in connection with its interstate rates. Yet no one has yet proposed, so far as I know or can recall, in the House or the Senate that we should give to the Interstate Commerce Commission power to control all railroad rates, both the local rates and the interstate rates. Shall we do it here? I think that is a matter that ought to be very carefully considered before we determine that the Secretary of the Interior, located in Washington, shall control the rates of every company that may have a plant in California which extends a line over into Nevada—both the local rates and the interstate rates.

The CHAIRMAN. The gentleman from Wisconsin [Mr. STAFFORD] is recognized for four minutes.

Mr. STAFFORD. Mr. Chairman, I think there can be no question on the part of those who have studied this bill as a whole that it would perfect the bill if this entire section was stricken out and a new provision framed. It is rather confusing and conflicting in its terms. Here in the first part we authorize the Secretary of the Interior to initiate rates in the States where they transmit power in more than two States. Then the provision in the last clause is predicated on the idea that the Secretary of the Interior has not the power to initiate the rates, but that the company has the power to fix and maintain the rates. But further than that, I can not see any reason for supplementing in this bill the Sherman antitrust law by this last provision, which will only add to the confusion that will certainly arise by forcing upon the Supreme Court another construction as to the meaning of that clause.

Thirdly, I do not believe it is advisable to permit and lodge in the power of the Secretary of the Interior the privilege of authorizing a combination of plants. There may be isolated cases where it might be expedient, but I think there are any number of cases where it would be unadvisable to lodge that great power in the hands of any person. The history of the development of water power in this country under private control shows that it tends entirely to one control, and some of us have been thinking that by the inauguration of this legislation we would establish individual competitors to develop and control these large individual projects on the public domain which would act as competitors. And yet here in this first provision of the proviso you are giving recognition to that very practice which everybody believes is the bane of hydroelectric power in this country under the Water Power Trust. I hope that the committee will not only strike out the proviso as proposed by the amendment offered by the gentleman from Wyoming [Mr. MONDELL], but that they will go so far as to strike out the whole section entirely and substitute a provision giving the Secretary power to levy the rates in States where no public-utility commission exists. It is confusing. It is loosely drawn. It is hard to understand what is really the meaning of the framers of the bill. It is conflicting in its phraseology.

The gentleman from Illinois [Mr. MANN] has pointed out a very great objection as to the right of the Secretary of the Interior to determine what the rates shall be for power generated, where it happens to be consumed in more than one State, for instance, if power should be developed upon the Menominee Indian Reservation in Wisconsin and conveyed also to Minnesota. As to that power when it passes over into Minnesota, with that State having a commission, why should not it have the supreme right to determine what should be the rates for the power consumed in that State? Why should you lodge that power in the Secretary of the Interior? I think that any person who studies this section closely and sees its conflicting provisions will realize there is no reason why this power should be lodged in the Secretary of the Interior, except in the isolated cases of power generated in a Territory. Well, that only applies to Alaska, anyway. We can make some provision as to that separate and isolated case. I hope the amendment of the gentleman from Wyoming [Mr. MONDELL] will be adopted.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. FERRIS. Mr. Chairman, under the tentative arrangement made on Saturday the committee had 10 minutes, and I yield 2 minutes to the gentleman from New Mexico [Mr. FERGUSSON].

The CHAIRMAN. The gentleman from New Mexico [Mr. FERGUSSON] is recognized for two minutes.

Mr. FERGUSSON. Mr. Chairman, I was greatly impressed with the statement of the gentleman from Illinois [Mr. MANN], but there is this difference between a railroad corporation which takes freight across State lines and a generating plant for the transmission of electricity across State lines: In the case where a power line crosses the State line it is necessary that some governmental power should control, because otherwise there would be confusion in adjusting the rates. Where the power under this bill, however, is generated in a State and all distributed within that State, I do not hesitate to say that I think the State should have the control of that distribution, and not the central power.

The difficulty is, however, that electrical power can be transferred so easily that in almost all instances it will cross a State line. In the case of a railroad, where the railroad crosses a State line, it may originate freight within the State and be delivered exclusively within the State. I do not know that there is any dispute about that; that it should in that case be controlled by the State. And the same rule should be followed in the matter of the transmission of both freight and electric power. It can be applied without confusion as to control, on the one hand, by the State authority and, on the other hand, by the Federal Government. The State in every instance should control in such matters exclusively within the State. It is only in the case of electrical power that it is a little different in the crossing of a State line, in this, that it will hardly be possible for an electric plant to be established without some power crossing a State line from the plant. If the gentleman can suggest an amendment, that will not create confusion in the actual working, to some such effect as this, analogous to freight crossing a State line, that when electric power crosses a State line the State into which it passes shall have control of its use and distribution within its own boundaries, even if the plant which created it is in another State, I will support it. The truth is, I am personally inclined to conclude that some such solution of the obvious difficulty will have to be finally adopted.

Mr. FERRIS. Mr. Chairman, I yield to the gentleman from California [Mr. RAKER].

The CHAIRMAN. The gentleman from California [Mr. RAKER] is recognized.

Mr. RAKER. Mr. Chairman and gentlemen of the committee, as I understand the parliamentary situation, the motion of the gentleman from Wyoming [Mr. MONDELL] aims to strike out lines 2, 3, 4, 5, and 6, down to the word "Secretary," in line 6 of page 4, which permit the combination of plants.

The object of that part of the section is to permit two separate, independent plants to join and connect their wires, so that the one which has plenty of power and plenty of water may furnish power, for the time being or otherwise, to the other plant that may be short in water power or that may be short in fuel, and thus effect a saving of the material.

That is all the power that is conferred, and the testimony had before the committee shows conclusively that it is to the interest of conserving the water that is stored in the reservoir, that it is to the interest of both plants, when one for the time being has more power or more material to furnish power and a small number of consumers, and, on the other hand, the other plant has a large number of consumers, or those who desire to consume it, and a small amount of energy reserved in its reservoir. They may join and use that, so that all can obtain it. It simply requires the connecting of the wires of the two great plants. They may cover some four or five States.

This is illustrated by the Georgia situation, where sometimes the plants cover some four States, where it was shown that they can connect, and indicates how beneficial it would be to the consumer, and how it would cheapen the price to him; how it would really be a conservation of the power that was there, in the shape of water in the reservoir, to allow it to be used when it ought to be or when the streams are low, in order that they may obtain it from their neighbor. It is not intended for a combination at all.

Mr. COOPER. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from California yield to the gentleman from Wisconsin?

Mr. RAKER. Yes; I yield.

Mr. COOPER. If such a connection were made the control of rates to consumers would still be under some public authority?

Mr. RAKER. Absolutely. If it should be in two States or three, and they had a public-service commission, it would be under their control absolutely; and if not, it would be under the control of the Secretary of the Interior. The gentleman may well see that one plant may have an abundance of water stored in its reservoir and no extra plant or extra machinery needed, and with a connection, say, of 10 or 20 miles of wire, they could both use them to advantage.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. FERRIS. Mr. Chairman, as the gentleman from Illinois [Mr. MANN] offered no amendment, I think we have the right to assume that the paragraph as it stands—perhaps not as strong as it should be written and as we all desire that it should be written—is perhaps the best we can do with the lights before us. In any event, it confers on the Interior Department now the power to do for the Federal Government what we think ought to be done, and whether some gentleman wants it committed to the Interstate Commerce Commission and another to the President and the Secretary of War, I think we have done the best we could under the circumstances; so that I intend to address my remarks now to the statement made by the gentleman from Wyoming [Mr. MONDELL].

Mr. MANN. Mr. Chairman, will the gentleman yield to me for a word?

Mr. FERRIS. Yes; gladly.

Mr. MANN. I did not offer an amendment because I think the provision is so bad that I am sure the gentleman from Oklahoma will at the proper time correct it.

Mr. FERRIS. I think the gentleman from Illinois [Mr. MANN] is sufficiently astute as to amendments to justify me in believing that if he thought the provision was as bad as that he would have offered an amendment.

Now, I want to confine my attention to the argument made by the gentleman from Wyoming [Mr. MONDELL]. The idea of the gentleman, if I understand his argument, is that there shall be no physical combination of plants. I call attention to the fact that that amendment would make this bill unworkable; that that amendment would make this bill lacking in economy and would make it burdensome to the consumer—a thing that the House does not want to do. In support of my contention I call to my aid the testimony taken in the hearings from some of the best water-power authorities who presented themselves before us. The first witness I call is Mr. L. B. Stillwell, one of the leading engineers of the United States, who appeared before the Committee on Public Lands. He says:

> Now, a physical connection with an adjacent line, I think, might be permitted * * * provided that the public is properly protected in order that there might be no increase in price.

Farther on he says:

> I think, as it is, the provision sufficiently protects the public in the matter of price. * * *

Why? Because this provision is supplemented by saying, first, that there shall be no combinations, arrangements, agreements, or understandings, express or implied, to limit the output of electrical energy; second, to restrain trade with foreign nations or between two or more States or within any one State; third, or to fix or maintain prices; and, fourth, to increase prices for electrical energy or service.

Mr. BARTON. Mr. Chairman, will the gentleman yield?

Mr. FERRIS. I regret I can not. I have only a moment. Otherwise I would be glad to.

Again, Mr. P. P. Wells, of this city, a well-known authority on water power, who is the attorney for a well-known water-power company, says:

> With respect to consolidation, I think we are bound to have consolidation of water power. I do not think you can stop the consolidation of water power any more than you could stop the consolidation of railroads in the past.

Further, on page 200 of the hearings, Mr. Wells says:

> It would be desirable if it were properly controlled.

Let me read, again, what Dr. George Otis Smith says concerning a portion of the report of the public-utility water powers and their government regulation, Water-Supply Paper No. 238, in connection with this phase of the question. I read from the report:

> In the final analysis, therefore, all sources of power available for a particular field of demand must be brought under a common administration, so that at any time the energy can be turned hither and yon to meet the requirements of each hour. It follows that regulation prohibiting power monopoly must not prevent power consolidation, lest it injuriously affect industrial development. There is no virtue in preventing consolidation if economies in maintenance and operation are thereby prevented. No one will deny that water power consolidation secures distinct and unusual economies, and if the consumer receives the benefit therefrom he is better off under a consolidation. These are oft-stated and self-evident truths; therefore the proper solution of the problem must lie in the legislative regulation of water-power development and maintenance, to the end that the consumer shall pay a fair and reasonable price for power, consistent with the production of fair and reasonable earnings on the capital invested.

Commenting thereon, Dr. George Otis Smith says, at page 329 of the hearings:

> I doubt if I would suggest an amendment of that language to any great extent. I should want to state that the natural monopoly which is described there can be absolutely beneficial to the consumer in the matter of decreasing cost, and also, what is equally important to the consumer, in increasing efficiency of service, reliability of service.

Now, what economy would it be to say that every house in this city must pay rent to two telephone companies in order that you might have supposed competition? What economy would it work if you had them pay rent to two electric light companies in this city instead of one? No one can contend that. The amendment of the gentleman from Wyoming [Mr. MONDELL] would destroy the workability of this bill. It is not a friendly amendment offered in aid of this bill. It does not increase the efficiency of this bill. It is in the face of every authority on the subject. I can not believe that the friends of this bill who want to get, first, proper conservation; second, a bill that will work; and, third, a razor that will actually shave, will allow any such amendment as this to be adopted. Secretary Lane comes forward and says they have got to tie into each other in order to make a going concern of it, and that it not only does that but it works economies to the consumer. I hope the amendment of the gentleman from Wyoming will not be agreed to. I ask for a vote.

The CHAIRMAN. The time of the gentleman has expired. All time has expired. The question is on the amendment of the gentleman from Wyoming [Mr. MONDELL].

The amendment was rejected.

Mr. MONDELL. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The gentleman from Wyoming offers an amendment, which the Clerk will report.

The Clerk read as follows:

> Page 4, line 6, after the word "Secretary," strike out "but" and insert "and all leases and contracts shall be granted and entered into on the condition that."

Mr. MONDELL. Mr. Chairman——

Mr. FERRIS. Mr. Chairman, debate on this section and all amendments thereto was closed by unanimous consent on day before yesterday.

Mr. MONDELL. Following the words——

The CHAIRMAN. The gentleman from Oklahoma makes the point of order that all debate on this section is closed.

Mr. MONDELL. I did not so understand it.

Mr. FERRIS. Yes; it was.

Mr. MONDELL. Will the gentleman give me a couple of minutes?

Mr. FERRIS. I have no objection to the gentleman's proceeding for a couple of minutes by unanimous consent, but debate has been closed.

Mr. MONDELL. That is all I want.

The CHAIRMAN. Unanimous consent is asked that the gentleman from Wyoming have two minutes. Is there objection?

There was no objection.

Mr. MONDELL. Mr. Chairman, the language following the words which I have inserted is in the nature of a general statute intended to prevent combination. The probability is that as a general statute it would not be at all effective as to plants within a State. My purpose is that the Federal Government shall use its ownership of these lands to do what it may properly do to strengthen the hands of the States in their control over these enterprises which are wholly within one State. The Government can do that. Its control over these lands does give it the power to make such a provision a part of the lease; but unless we do insert the words I have suggested, or some similar words, then the part of the following language that refers to an enterprise within a State is without force or effect, and, furthermore, the entire prohibition against combination is strengthened by making it a part of the contract, making the continuation of the lease dependent upon the observance of the prohibition against combination, both interstate and intrastate.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wyoming [Mr. MONDELL].

The amendment was rejected.

Mr. THOMSON of Illinois. Mr. Chairman, I move to add the words "of the Interior" after the word "Secretary," in line 6, page 4.

The CHAIRMAN. The gentleman from Illinois offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 4, line 6, after the word "Secretary," insert the words "of the Interior."

The amendment was agreed to.

The Clerk read as follows:

SEC. 4. That except upon the written consent of the Secretary of the Interior no sale or delivery of power shall be made to a distributing company, except in case of an emergency and then only for a period not exceeding 30 days, nor shall any lease issued under this act be assignable or transferable without such written consent: *Provided, however*, That nothing herein contained shall preclude lessees from executing mortgages or trust deeds for the purpose of financing the project. Any successor or assign of such property or project, whether by voluntary transfer, judicial sale, foreclosure sale, or otherwise, shall be subject to all the conditions of the approval under which such rights are held, and also subject to all the provisions and conditions of this act to the same extent as though such successor or assign were the original lessee hereunder.

Mr. MONDELL. Mr. Chairman, I move to strike out all of section 4 down to and including the word "consent," in line 17.

The CHAIRMAN. The gentleman from Wyoming offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 4, in lines 12 to 17, inclusive, strike out the following language: "That except upon the written consent of the Secretary of the Interior no sale or delivery of power shall be made to a distributing company, except in case of an emergency and then only for a period not exceeding 30 days, nor shall any lease issued under this act be assignable or transferable without such written consent."

The CHAIRMAN. The gentleman from Wyoming [Mr. MONDELL] is recognized for five minutes.

Mr. MONDELL. Mr. Chairman, the part of this section which I propose to strike out provides that there shall be no sale or delivery of power to a distributing company except on permission of the Secretary of the Interior. This is another one of the beautiful provisions of this act intended to make of all the public-land States Federal provinces. The entire bill is drafted upon the proposition that if a State is unlucky enough to have any of Uncle Sam's domains within its borders, it is not a State of the Union, it did not come into the Union with the same rights and on the same basis as other States, but it is a mere outlying Federal province, to be legislated for by gentlemen from the ends of the country, who know little of the conditions existing, and some of whom seem to have a limited knowledge of the fundamentals of the Government under which they are living. [Laughter.] For instance, in the State in which I live the people operate in the matter of water rights through what we know as a water board, and that board grants water rights for certain definite purposes. It may grant a water right for the purpose of furnishing power to a municipality. The company building the plant may not be so situated that it can enter into the business of distribution and, as a matter of fact, it could not distribute the water in the municipality. It would be compelled to treat the municipality as a distributing company.

Furthermore, there are many large plants selling electric energy generated by water, and there will be more in the future, whose organization is not such that they can go into the details of wide distribution, and there is no reason why they should. The people who use the current have no interest in that feature of the management. Their interest lies in securing the current at the lowest possible rate and under the most favorable conditions. This simply puts that much more power in the hands of the Secretary.

Of course it will be said that in all such cases the Secretary will say, "Why, of course; certainly; by my grace and under my grant," just as every kingling has said since time began. And here in this Republic, in this twentieth century, we are proposing to write into statute law provisions at which the bureaucrats of the Czar of all the Russias ought to halt and hesitate. The public-service corporations of the States can say whether or not it is in the public interest to have a power company deal with all its customers direct or through a distributing company. In many cases it is, I presume, necessary they should. I can not see why they should not. If there be any question let the State decide, and not compel the developers of power to go to the Secretary of the Interior and say, "Please may I, good Mr. Secretary."

Mr. FERRIS. Mr. Chairman, if I had as much antipathy to the Federal Government as the gentleman seems to have, I would move out of it—I would not even remain here. I prefer to be one of those who have respect for the Federal Government, each and every arm of it. I do not think it comes with good grace for any Representative in Congress to constantly rail and storm against his own Government. No one has a right to assume that the present Interior Department or that a future one will be made up of pickpockets and porch climbers. The Interior Department now, has been in the past, and will be in the future a patriotic, cogent force in this country to carry out the will of Congress and try to accomplish great good for the people. It is true that we give unusual powers to the Secretary of the Interior—and I recognize that this is very obnoxious to the gentleman from Wyoming—but the gentleman himself does not expect the House to follow him and allow water-power sites to be acquired by homesteaders, to allow oil and gas lands to be acquired by homesteaders at $1.25 an acre.

I am as liberal as the gentleman in allowing the western settler to acquire land for himself and family, but I do not agree with any part that the gentleman has said that it is our duty to allow the water power and oil and gas and coal and mineral lands in this country to slip into the hands of the few people, so that those few people can torture and oppress the rest. It is not right to the people, it is not right to the Federal Government, it is not what the gentleman ought to advocate, and it is not what he himself really means. It is the fashion in the West to teach the people to detest the Federal Government, and sooner or later the man who preaches that doctrine will reap the whirlwind that goes with it. The gentleman from Wyoming has been here too long to warrant him in taking the stand he does and calling the Government the Czar of Russia and vicious.

I do not believe the people exact any such tone from the gentleman, and I do not believe they will enjoy any such ranting and raving as that. Now, I speak dispassionately about it and not in any spirit of partisanship. I do not believe any good Republican, any good Progressive, or any good Democrat will advocate or approve any such doctrine.

Now, one word about the amendment. The amendment strikes out the backbone of this section, and, if adopted, would leave two wild, meaningless provisos. It could not have been offered in good faith, or otherwise the gentleman would have moved to strike out the two provisos. I should not think that the gentleman from Wyoming would want to vote for the amendment himself. I ask for a vote.

Mr. COOPER. Mr. Chairman, I move to strike out the last word.

Mr. FERRIS. Will the gentleman yield for a moment?

Mr. COOPER. Yes.

Mr. FERRIS. I ask that at the expiration of five minutes, which will be occupied by the gentleman from Wisconsin, all debate on this amendment and all amendments thereto be closed.

The CHAIRMAN. Is there objection?

Mr. CLINE. I object to that.

Mr. FERRIS. It is only on this amendment and amendments to the amendment.

Mr. CLINE. I have no objection.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. COOPER. Mr. Chairman, I want to call the attention of the committee to a report made by the United States consul at Berlin, Robert P. Skinner, printed in the Consular and Trade Report of August 17, the present month, on hydroelectric development in Germany. It contains some very interesting facts. He says:

The works at Rheinfelden were begun 15 years earlier. The company has a capital of 12,000,000 marks ($2,856,000). This enterprise is the result of a common effort between the German concern and the Swiss Canton of Basel City. The cantonal authorities first proposed to build independent works 6½ miles above Basel, where there is a fall in the Rhine of 16½ feet. Eventually the German and Swiss interests were consolidated and the Kraftübertragungs-Werke Rheinfelden, A.-G., obtained the concession.

Before the German and Swiss interests were fused there was a prolonged discussion of the subject, participated in by the Grand-Duchy of Baden and the Swiss Cantons of Argau, Basel City, and Basel Land, and the principal point discussed was the advisability of giving over the concession to a private corporation. The Canton of Basel City reserved the right to be represented in the board of managers of the corporation and in the financial management, and provided for the interests of future users of current. The profits of the concern are limited by the terms of the concession, and should they be exceeded, consumers are entitled to a reduction in rates. During the fiscal year 1913 the company's net earnings were 1,055,993.40 marks ($251,326), and it paid a regular dividend of 8 per cent and a superdividend of 4 per cent out of the available surplus.

The Kraftübertragungs-Werke Rheinfelden, A.-G., furnishes energy directly to a population of about 56,000 inhabitants. In addition to this direct service a large amount of energy is delivered to middle organizations, societies, and overland power works, which dispose of the same to their members or consumers. The current is furnished at a tension of 130, 220, and 500 volts, or at a high tension of 6,800 volts or more. The following are the prices per year and per lamp paid by consumers for electric current:

Carbon lamps.	First category.	Second category.
10 candlepower	$1.26	$2.28
16 candlepower	1.90	3.80
25 candlepower	3.09	5.71
Metal filament lamps per candlepower	.057	.095

The "first category" includes lamps in bedrooms, drawing-rooms, cellars, stables, and warehouses; the "second category" includes living rooms, kitchens, passages, offices, and workshops.

Prices for a 500-volt current for industrial purposes are quoted per kilowatt hour as follows: For the first 10,000 kilowatt hours, $0.0214; 10,001 to 20,000 kilowatt hours, $0.019; 20,001 to 30,000 kilowatt hours, $0.0166; 30,001 to 50,000 kilowatt hours, $0.0142; 50,001 to 80,000 kilowatt hours, $0.0119; 80,001 to 120,000 kilowatt hours, $0.0107; 120,001 to 150,000 kilowatt hours, $0.0099; 150,001 and more kilowatt hours, $0.0095.

Mr. SELDOMRIDGE. Will the gentleman yield?

Mr. COOPER. Yes.

Mr. SELDOMRIDGE. Is the gentleman familiar with the statement recently made by the association composed of electrical power and lighting engineers of the country, to the effect that the cost of electric energy for power and light in this country during the past few years has shown a reduction of somewhere like 17 per cent, and that it is one of the few industries that has given the consumer a lessening of cost in the power furnished, so that we are not confronted in this country by the spectacle of increasing cost in electrical energy and electrical force?

Mr. COOPER. Mr. Chairman, how much time have I left?

The CHAIRMAN. About 10 seconds.

Mr. COOPER. I yield back the balance of my time. [Laughter.]

Mr. DONOVAN. Mr. Chairman, I ask unanimous consent that the gentleman from Wisconsin may be allowed five minutes more.

The CHAIRMAN. The gentleman from Connecticut asks unanimous consent that the gentleman from Wisconsin may proceed for five minutes. Is there objection?

Mr. FERRIS. I am willing that the gentleman from Wisconsin should have five minutes additional, but at the end of that time I ask for a vote.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut? [After a pause.] The Chair hears none, and the gentleman from Wisconsin is recognized for five minutes more.

Mr. COOPER. Mr. Chairman, I called attention to this report by our consul merely to show the way that the consumers of hydroelectric power and light in Germany are protected against wrongful exactions. In this particular instance the profits of the concern are limited by law, and rates to consumers are low.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

Mr. COOPER. Yes.

Mr. STAFFORD. Has the gentleman any knowledge as to what the rates are in this country for power generated by coal and also hydroelectric power for the respective units as stated in the bulletin from which he has just read?

Mr. COOPER. No. I know something was said here a while ago about a reduction from 16 to 12 cents per kilowatt hour. I think the gentleman from Connecticut [Mr. DONOVAN] called attention to that.

Mr. BRYAN. We pay 10 cents here in Washington.

Mr. STAFFORD. In many other cities the rates are much lower than that.

Mr. COOPER. Mr. Chairman, I have heard repeated reference here to what the United States has done, and to what States have done, in the past in the matter of regulating the building of dams and the use of water power. Now, before we cite a precedent we ought to know the facts out of which the precedent arose. The so-called "precedents," the laws which have heretofore controlled the building of dams and the use of water-power privileges, were based upon facts entirely unlike the facts of to-day. The "precedents" to which gentlemen refer, and the original laws regulating the building of dams and the use of water power, were made at a time when the use of electricity for power purposes was unknown; when a man who wanted to use water power at a dam site was obliged to put his mill beside the dam. But to-day the man who owns a dam can carry electric power from it to his factory or mill 300 miles away.

A great dam in the center of Wisconsin might now generate power that could be carried east across the State to Lake Michigan and west across the State into Minnesota. It is impossible to find any analogy between such conditions, and the laws properly applicable to them, and the conditions and laws of 50 or more years ago, when a dam could not generate power that could be used away from the dam itself.

You might as well expect the men who made the so-called "precedents" to which the gentlemen have appealed, the precedents of 50 or 60 or 100 years ago, to have made laws to govern the use of aeroplanes. They knew nothing of aeroplanes. They knew nothing of the use of electricity for power purposes and its tremendous possibilities. They were not omniscient. They made laws for conditions as they saw them; and those laws and conditions constituted precedents—usually just precedents—down to the time that conditions remained unchanged. But now that conditions have changed so utterly, neither the old laws nor the acts done under them can properly be cited as precedents to control us in our efforts to help solve this new and vastly important problem—the problem of enacting wise laws to control the generation and distribution of hydroelectric power. Experts declare that there is a possibility of developing in the United States more than 35,000,000 of hydroelectric horsepower. An uncontrolled monopoly of this enormous power would give men such an opportunity to tyrannize over business as the world has never before seen or imagined.

If a few men were to secure control of the water powers of the country, they could control the industries of the country. Never was this possibility brought home to the American people until within very recent years. We can not meet this new situation by appealing to the laws and practices of 50 years ago. The man who now runs a factory by electric power brought from his milldam 300 miles away is, in a business sense, a very different individual from the man who 100 years ago owned the same dam, when it could generate only water power and when, in order to use that water power, he must build his factory or mill close beside the dam.

Mr. Chairman, in considering questions of interstate commerce, State lines should be no more than county lines. This bill relates to water powers on the public lands, and presents a great national question that can not be answered by appeals to State prejudice.

We all wish to see an early and thorough development of the country's hydroelectric power resources under laws and on conditions just to all. In urging such development we touch upon a subject of great national importance, for the possession and control of the hydroelectric power of the United States would mean the control of the industries of the United States. [Applause.]

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Wyoming.

The amendment was rejected.

Mr. CLINE. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Page 4, line 18, after the word "however," strike out the following: "That nothing herein contained shall preclude lessees from executing mortgages or trust deeds for the purpose of financing the project."

And insert in lieu thereof the following:

"That no lessee under this act shall create any lien upon any power project developed under a permit issued under this act by a mortgage or trust deed, except approved by the Secretary of the Interior, and for the bona fide purpose of financing the business of the lessee."

Mr. CLINE. Mr. Chairman, I am offering this amendment for the purpose of harmonizing this particular portion of this section with the provisions of section 3, which has just been perfected by the committee. Section 3 provides that in the issue of bonds and securities it can only be done by approval of the Secretary of the Interior. I believe the same regulation ought to exist with reference to deeds and mortgages executed and created as a lien on the property; that the Secretary of the Interior ought to be authorized and directed to scrutinize the purpose for which mortgages and trust deeds are executed upon the property that he is operating. And for this reason: This section 3 provides that the Secretary of the Interior, under certain conditions, may control the rates at which hydroelectric power is sold. If that be true, then the committee ought to go further and say that the Secretary of the Interior should have the right to fix the basis on which those rates are fixed. It is well recognized that this is an avenue through which, very frequently, corporations seek to increase the price to the consumer of the product they have to sell. There can be no harm in subjecting these propositions to the Secretary of the Interior for his examination and approval before liens are created upon property of this character, and it ought to be done for another reason. My friend from Wisconsin [Mr. COOPER] states, which is a well known fact to everybody, that electricity can be carried to the extent of 300 miles as an operating power for plants and industrial institutions.

If that be so, a man living at a distance of 300 miles ought to rely upon the same authority that has the power and whose duty it is to fix the basis for the rate that he has to pay. Now, we are lodging all this power in the Secretary of the Interior. Why should not we say that a trust deed executed or a mortgage executed upon the property shall be for the bona fide financing of the business that he is engaged in and not for the purpose of securing some stockholder or some individual who may have advanced some money? It looks to me as though this provision is in direct harmony with the provision set forth in

the bill in section 3, and I offer the amendment believing the committee will not feel that any wrong is done to any stockholder or any company, or that the discretion this bill vests in the Secretary of the Interior is in the least curtailed by protecting the rights of the users.

Mr. RAKER. Mr. Chairman, the original question presented by the gentleman's amendment was presented to the committee and just why the language was stricken out I can not remember now. We had in it this: "Except by mortgage issued for the bona fide purpose for financing the business to any transferee not having the capacity to lease defined thereunder." This is intended to cover the same question. Now, as I read the provisions of this bill that the gentleman moves to strike out:

That nothing herein contained shall preclude lessees from executing mortgages or trust deeds for the purpose of financing the project.

Now, the gentleman's amendment reads:

That no lessee under this act shall create any lien upon any power project developed under the permit issued under this act or mortgage or trust deed, except approved by the Secretary of the Interior, and for the bona fide purpose of financing the business of the lease.

I suppose it is the intention of the committee to carry out the same view the gentleman has in his amendment, but the wording is a little different.

Mr. CLINE. Will the gentleman yield for a question?

Mr. RAKER. Surely.

Mr. CLINE. The original paragraph was that no mortgage should be executed except for the financing of the business, but who is to determine under the original language, who is to decide whether it is necessary for the financing of the business? Why not put this power in the hands of the Secretary of the Interior to determine that a mortgage or trust deed is necessary to finance an institution, if its financial condition is such that it is necessary to execute a mortgage or trust deed? Then you locate the responsibility of executing the mortgage or trust deed in the Secretary of the Interior, where you place all the other elements in reference to regulation.

Mr. RAKER. The only trouble will be that in a great many of the States the public-utility commission law authorizes who shall construct them and control these concerns and before any mortgage can be made or any indebtedness incurred they must make their application and show what the property is and what the money is to be used for, and they must use it for that purpose, and unquestionably in many States I do not know how it would be, but I know this company in California would have to go to the public-utilities commission to raise the money and would have to spend it for that purpose, and the only question in my mind is whether or not we ought to be writing all the provisions of a statute in a general bill. The gentleman's proposition undoubtedly is all right.

Mr. CLINE. I was at a loss to understand why the committee in directing that all stocks and bonds should be under the strict supervision of the Secretary of the Interior in their issuances did not also include mortgages and trust deeds, inasmuch as they are all liens upon the property. You submit one for his inspection and approval, why not the other?

Mr. RAKER. Well, it says here that they are not permitted to issue a lien or a mortgage on the property for any purpose except financing the project. That is clearly the intent of the bill. Does not the gentleman think so?

Mr. CLINE. But upon whose authority; who is to determine that the necessities exist? The only referee that ought to be recognized as to that proposition ought to be the Secretary of the Interior.

Mr. RAKER. Suppose that a company should issue a mortgage for $100,000 for the purpose of buying some other property? Clearly a mortgage would be illegal under the provisions of this bill.

Mr. CLINE. Well, I do not know. I do not understand how the lessee ought to be permitted to issue a double lien of that kind when there is no inspection required.

Mr. RAKER. That is one of the conditions provided for. If he violates it, he is deprived of his franchise. Now, the bill says:

That nothing herein contained shall preclude lessees executing mortgages or trust deeds for the purpose of financing the project.

Now, if they place a mortgage or a lien upon the property for another purpose that is contrary to the provisions of this bill, that is contrary to the rules and regulations to be placed on it by the Secretary of the Interior, and it will be the duty of the Secretary of the Interior upon ascertaining that fact to declare the lease forfeited.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CLINE. Mr. Chairman, I ask that I may have two minutes additional in order to interrogate gentlemen representing the committee.

The CHAIRMAN. The gentleman from Indiana asks unanimous consent to proceed for two minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. CLINE. The distinction between the gentleman's illustration and this situation is this: When there is no authority to say whether a deed or mortgage should be executed or not the mortgagee is protected, and the mortgagee is not required to follow the use of the money into the financing of the plant. When there is inspection and authorization by the Secretary of the Interior the general public is protected as well as the mortgagee, and that is the purpose of regulation.

Mr. RAKER. Let me call the gentleman's attention to that——

Mr. CLINE. Where the authority is vested in the Secretary of the Interior, not only is the mortgagee protected under those circumstances, but, what is of more importance, the men who use the electricity at so much per kilowatt hour are protected.

Mr. RAKER. Let me call the gentleman's attention to section 11, which covers the very thing, and which we are not very far apart on:

SEC. 11. That the Secretary of the Interior is hereby authorized to examine books and accounts of lessees, and to require them to submit statements, representations, or reports, including information as to cost of water rights, lands, easements, and other property acquired, production, use, distribution, and sale of energy, all of which statements, representations, or reports so required shall be upon oath, unless otherwise specified, and in such form and upon such blanks as the Secretary of the Interior may require; and any person making any false statement, representation, or report under oath shall be subject to punishment as for perjury.

Now, that covers the entire business of the concern.

Mr. CLINE. The gentleman understands that that is not in connection with creating any lien upon the property. That is only to give the Secretary of the Interior general information as to what the company or organization has already done, and has no reference whatever to the present necessity of the lessee for financing his institution by creating any Lien upon it.

The CHAIRMAN (Mr. PAGE of North Carolina). The time of the gentleman from California [Mr. RAKER] has expired.

Mr. THOMSON of Illinois. Mr. Chairman, I think the amendment suggested by the gentleman from Indiana is a good one, and that the idea expressed in that amendment is in accord with the idea expressed by the language which the committee used; but the language suggested by the gentleman from Indiana makes it a little more sure, as it should do. I think the gentleman who has offered this amendment struck the matter squarely on the head when he asked the gentleman from California who was to determine what the purpose of the mortgage was. Under the language of the bill the company might well determine the purpose and might properly be considered as having the final word on that proposition. Under the amendment the Secretary of the Interior would determine what the purpose of the mortgage was. In one case it would be the company itself determining the question for itself and in the other case it would be the representative of the consuming public determining what the purpose was. The bill states that a company may mortgage or execute a trust deed for the purpose of financing the project. Now, the gentleman from California [Mr. RAKER] asks whether it would not be true that if a company attempted to put a mortgage on their plant for the purpose of acquiring additional plant capacity, that mortgage would be illegal. If that proposition ever got into court it would be a pretty close question as to whether or not that mortgage was illegal. It might be very well contended by the representatives of the company that with the plant of its original size it was impossible to finance it; and in order to finance it they had to acquire additional plant capacity, and that they were doing that in executing this mortgage. That might be very plausible, but it might be very untrue. A water-power concern might have a great desire to give some rival a claim on it, and they might work that out by executing a mortgage which would purport on its face to be a mortgage for the purpose of financing the project, but really would be something else. It might be that a concern felt it was not getting quite the return it ought to get on its product, and it might want to bolster up its accounts so as to justify an increase in rates. They might attempt to do that in an ingenious sort of a way by putting on a mortgage that they might claim was for the purpose of financing their plant, but it would be for a very different purpose. As I said in the beginning, there is no conflict in the language suggested by the amendment of the gentleman from Indiana and the language that is in the original section as suggested by the committee, but the language of the amendment makes it surer and protects the interests of the con-

sumer in the proposition involved. It seems to me it would be well to adopt the amendment, and I hope it will be adopted.

Mr. FERRIS. Mr. Chairman, I shall consume only a minute. I know that the gentleman from Indiana [Mr. CLINE] offered his amendment with the very best of purpose, and I am not sure but it may improve the text. It was the opinion of the committee that at the initial outset of the water-power development the developer ought to have money and get his assets together, so that we might not be subject to the charge that we are affording the country a razor that will not shave and a bill that will not accomplish things. And that is the only thing we had in mind in letting the borrower have a little more of a free hand than the gentleman's amendment would let him have. And the text as it stands says that the money must be for development purposes, and I believe that there would not be any judge of the proposition as satisfactory as would be the Secretary of the Interior.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. CLINE].

The question was taken, and the Chair announced that the ayes seemed to have it.

Mr. MONDELL. Division, Mr. Chairman.

The committee divided; and there were—ayes 15, noes none.

So the amendment was agreed to.

Mr. MONDELL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am glad the gentleman from Indiana [Mr. CLINE] offered the amendment he did, because I had a similar amendment drawn, but had I offered it the gentlemen on the other side would have all opposed it, and we could not have carried it. As it was offered by a Democrat, we carried it largely with Republican votes on this side.

Mr. Chairman, it is a little bit tiresome when one in the best of faith makes an observation with regard to a bill of this kind, and a gentleman on the other side spends 4 minutes and 55 seconds of his time in misstating one's position, and the balance of the time discussing something other than the amendment. The gentleman from Oklahoma [Mr. FERRIS] does not disturb me by suggesting that I am hostile to the Federal Government. The gentleman knows better than that. I love the Federal Government so well that I want to perpetuate it, and I am old-fashioned enough to think that you can not perpetuate it unless you maintain the balance of power between the States, or the people in the States, and the Federal Government. In other words, I am one of those people old-fashioned enough to believe that if this Government is going to be maintained it must be maintained under the Constitution we now have, and I am not one of those who believe that State lines have become even as county lines, and I am not one of those who believe that the people in the States of this Union are so miserably pusillanimous that they will not protect themselves. Also, I am not one of those who believe that the State of Wisconsin, for instance, does not protect its citizens as well as do the Cantons of Switzerland. By the way, the gentleman was discussing the question of water power over there in Switzerland. Did anyone take note of the fact that it was the Grand Duchy of Baden and the Cantons of Switzerland that were doing it? It was not the Empire of Germany, or even the Federation of Switzerland, small as it is.

It was the people locally exercising their powers and protecting themselves. I have not reached the point when I believe you put into the hands of a single man—the Secretary of the Interior, whoever he may be—all the powers under our Constitution which the people have reserved unto themselves in order to protect the people.

Another thing: The gentleman from Oklahoma [Mr. FERRIS], arguing as many a pettifogger has argued—although he is not a pettifogger, but a good lawyer, and therefore he ought not to argue in that way—instead of attempting to answer any argument made, proceeds to misstate the position of the fellow on the other side. He knows that I am no more in favor of turning over water powers to anyone improperly than he is. He knows that I am no more in favor of having anyone monopolize the water powers or the coal lands than he; but he is simply adopting the method of the pettifogger and the method of the cuttlefish when, failing to discuss the point at issue, he proceeds to misstate my position in the matter.

Why, if we had not with votes on this side compelled them to adopt the amendment offered by the gentleman from Indiana [Mr. CLINE] they would not have adopted that amendment, which gives the Secretary of the Interior the authority he ought to have. When I offered an amendment a moment ago that would strengthen the hands of the States and strengthen the hands of the Federal Government in controlling water-power development they turned it down. And why? Because it was not written in the bill as the Secretary handed it to the committee and as the committee finally worked it over somewhat under departmental guidance.

Now, I do not like the provisions of this bill, because I think they lead to monopoly, because there is not a line in the bill that will have any tendency to prevent concentration. On the contrary, its effect will be to accelerate concentration. It takes authority from the people in the States and gives it to the Secretary of the Interior. I believe the people have the right to control and that they will control more wisely than the Secretary can.

The CHAIRMAN (Mr. PAGE of North Carolina). The time of the gentleman from Wyoming has expired.

Mr. FERRIS. Mr. Chairman, the gentleman from Wyoming and myself have both frequently departed somewhat in our discussions from the beaten paths in our zeal to carry out the things we believe in, and in what I said I had no intention whatever to impugn the statements or abuse the position assumed by the gentleman from Wyoming. It would be impossible for me to hold the gentleman from Wyoming up to disfavor for a moment. It would be impossible to do that, I say, on my part; but the gentleman from Wyoming is so clear in presenting his own views, and does present them so frequently, that if I should attempt to misrepresent him he would correct me, and the RECORD would thereby be made complete.

Mr. Chairman, as there is nothing before the House, I ask that the Clerk proceed with the reading of the bill.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 5. That upon not less than three years' notice prior to the expiration of any lease under this act the United States shall have the right to take over the properties which are dependent, in whole or in part, for their usefulness on the continuance of the lease herein provided for, and which may have been acquired by any lessee acting under the provisions of this act, upon condition that it shall pay, before taking possession, first, the actual costs of rights of way, water rights, lands, and interests therein purchased and used by the lessee in the generation and distribution of electrical energy under the lease, and, second, the reasonable value of all other property taken over, including structures and fixtures acquired, erected, or placed upon the lands and included in the generation or distribution plant, and which are dependent as hereinabove set forth, such reasonable value to be determined by mutual agreement between the Secretary of the Interior and the lessee, and, in case they can not agree, by proceedings instituted in the United States circuit court for that purpose: *Provided*, That such reasonable value shall not include or be affected by the value of the franchise or good will or profits to be earned on pending contracts or any other intangible element.

Mr. MONDELL. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Wyoming offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 5, line 4, before the word "prior," insert "which may be issued at any time after three years immediately."

Mr. MONDELL. Mr. Chairman, I assume that it was the intent of the committee that the Federal Government could only exercise the right contemplated in section 5 at the expiration of the lease. Is that correct? I will ask the gentleman from California [Mr. RAKER].

Mr. RAKER. Yes.

Mr. MONDELL. I want to call the gentleman's attention to the fact that the language will bear a very different construction; that under an entirely reasonable construction of this language I think the Federal Government could issue this notice three years after the lease was granted, or practically at any time after the lease was granted. If the intent is that the Federal Government shall not have the right to issue this notice except practically at the expiration of the lease, or at any time thereafter, then some such language as I have suggested will be necessary.

Mr. RAKER. Does not the gentleman think he is a little hypercritical?

Mr. MONDELL. No; I think not, for this reason: Allow me to say to the gentleman that half a dozen people, looking at this bill at different angles, independent of mine, have expressed views similar to mine relative to that matter.

My only object here is to do what I assume to be the intent of the Committee—not to interfere with the lease during its term, but to give the Federal Government the right to issue this three-year notice, so that at the end of the lease the Government can exercise its right, or at any time thereafter. I think the language I sent up does that.

Mr. MANN. Mr. Chairman, I hope the committee will agree to this amendment. The language of the bill is that "upon not less than three years' notice prior to the expiration of any lease the Government shall have the right to take over the property." I made a note on this bill to the effect that "any time probably means at the end of the term. It is very loosely drawn. There is no provision after the end of the lease."

Now, plainly it is not intended—or if intended, it ought not to be intended—to permit the Government to serve a notice immediately when the lease is granted to take over the property, unless it proposed to pay the promotion charges, at least. But this says, "upon not less than three years' notice prior to the expiration of the lease." Now, the amendment offered by the gentleman from Wyoming would fix it so that that notice may be given at any time after three years immediately prior to the expiration of the lease, so that, in the first place, you would not have the Government take over the property until the end of the lease, but you could have the Government take over the property at any time after the end of the lease. This makes no provision under the terms of the bill, even as the gentleman from California construes it—and I think he takes a forced construction—for taking over the property. Under that there is no provision after the expiration of the lease for the Government to take the property.

Mr. RAKER. The purpose of this language is that at any time; that is, immediately—that is what it intends to mean—before the expiration of the lease, upon three years' notice, the Government may take over this plant.

Mr. MANN. Now, the gentleman means, I take it, that the Government should have the right, three years prior to the expiration of the lease, to give notice that it will take it at the end of the term?

Mr. RAKER. That is it exactly.

Mr. THOMSON of Illinois. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman yield?

Mr. MANN. Certainly.

Mr. THOMSON of Illinois. I agree with my colleague from Illinois that the language used here needs some change. I am not sure, however, that the language suggested by the gentleman from Wyoming ought to go in there. I want to ask the gentleman what he thinks of this language, "That upon not less than three years' notice the United States shall have the right, at the expiration of the lease or at any time thereafter, to take over the property." Does not that come nearer expressing what the gentleman from Illinois and the gentleman from Wyoming had in mind?

Mr. MANN. I am like my colleague; he probably does not carry the amendment of the gentleman from Wyoming in his head, and I do not carry his proposition in my mind. The amendment of the gentleman from Wyoming will be this: It will make the first time that you can give the notice three years before the end of the lease, and authorizes a notice at any time, even after that, or after the expiration of the lease.

I take it that that is what is desired. The amendment of the gentleman from Wyoming [Mr. MONDELL] quite clearly covers that and nothing more. It might be well to have it reported again.

Mr. THOMSON of Illinois. As the amendment was reported by the Clerk, it would seem to me——

Mr. MANN. Let me read the amendment. This is the way it will read if amended, and that is the way to get it:

That upon not less than three years' notice, which may be issued at any time after three years immediately prior to the expiration of any lease under this act.

Mr. THOMSON of Illinois. It seems to me that that is a little awkward in its expression, and it would be more straightforward if it should say that upon not less than three years' notice the United States shall have the right, at the expiration of the lease or at any time thereafter, to take over the property. That insures three years' notice, and it provides that it shall be done at the expiration of the lease or at any time thereafter.

Mr. MANN. Undoubtedly. That would require several amendments to the bill. The language of my colleague [Mr. MONDELL] would cover the case entirely. This states it plainly—that upon notice, which may be issued at any time after three years immediately prior to the expiration of the lease, the Government may take over the property.

Mr. RUCKER. Does that mean at any time after the beginning of the three-year period?

Mr. MANN. The three years' notice can not be served until three years immediately prior to the expiration of the lease, and after that you can give three years' notice and take over the property at any time.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MANN. I ask for a little more time.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent that he may proceed for five minutes. Is there objection?

There was no objection.

Mr. RUCKER. I call the attention of the gentleman to the particular language, "at any time after three years."

Mr. MANN. No; it says upon not less than three years' notice, which—the word "notice" not being repeated—may be issued at any time after three years immediately prior to the expiration of the lease.

Mr. RUCKER. The notice may be at any time after the expiration of three years immediately before the expiration of the lease.

Mr. MANN. Notice can be given at any time after three years, just before the expiration of the lease. In other words, if the lease is for 50 years, under this provision you can give the notice at the end of the forty-seventh year, or at any time thereafter.

Mr. COOPER. Would not the insertion of the word "next" after the word "notice" make it clearer?

Mr. MANN. That would not cover the issuing of a notice that affected the right to purchase the property after the expiration of the lease. When I first made a notation upon this I proposed to insert merely the word "immediately" before the word "notice," so that there would be three years' notice immediately prior to the expiration of the lease; but I think the Government should retain the right to give notice, even after the notice has expired, if it does not lease the property to somebody else; and the next section gives the right to lease it to somebody else. We do not want to fix it so that the Government must serve the notice on a particular day and then have its right end on that day.

Mr. FERRIS. Is it the contention of the gentleman that the section as it now stands would enable the Secretary of the Interior to serve the three years' notice at any time during the life of the lease?

Mr. MANN. Yes; that is one contention; second, that it would not enable him to serve notice or take the property after the expiration of the lease.

Mr. FERRIS. Has the gentleman given careful attention to the amendment offered by the gentleman from Wyoming [Mr. MONDELL], and does he think it accomplishes what is desired?

Mr. MANN. I think so.

Mr. FERRIS. I do not think the committee wants to dispute with the gentleman about that at all.

Mr. MANN. I think the amendment offered by the gentleman from Wyoming covers the case absolutely.

Mr. RAKER. Let the Clerk report it again.

Mr. MANN. Let me read it:

That upon not less than three years' notice, which may be issued at any time after three years immediately prior to the expiration of any lease under this act—

The United States shall have the right to take the property.

Mr. RAKER. This is intended to give the party three years' notice.

Mr. MANN. Yes.

Mr. RAKER. Now, let us see. As I understand the reading of it, then it adds to the word "prior" the words "which may be issued at any time after three years prior to the expiration of the lease."

Mr. MANN. Yes.

Mr. RAKER. You could not get the three years in there.

Mr. MANN. Why, certainly.

Mr. RAKER. I do not know but what that covers three years before the expiration of the lease as well as afterwards. In other words, the Government gives this notice three years before the lease expires.

Mr. MANN. Yes.

Mr. RAKER. Or at any time afterwards.

Mr. MANN. If it does not give it then, it can give it afterwards.

Mr. RAKER. I think that is the way it ought to be. I think that is all right.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wyoming [Mr. MONDELL].

Mr. COOPER. I ask that it be read again.

The CHAIRMAN. If there be no objection, the Clerk will report the amendment.

The Clerk read as follows:

Page 5, line 4, before the word "prior," insert "which may be issued at any time after three years immediately," so that the paragraph as amended will read:

"That upon not less than three years' notice, which may be issued at any time after three years immediately prior to the expiration of any lease under this act."

The amendment was agreed to.

Mr. THOMSON of Illinois. Mr. Chairman, I move to strike out the last word merely for the purpose of saying that I trust our friend from Wyoming [Mr. MONDELL] is not losing sight of the fact that an amendment which he has just suggested was agreed to without a dissenting voice.

Mr. MONDELL. I am delighted, and I hope other amendments will be adopted in the same way.

Mr. MANN. I can suggest to the gentleman an amendment which will be adopted without a dissenting vote, if he will offer it.

Mr. RAKER. I offer the following amendment, in line 21, page 5, to strike out the word "circuit" and insert the word "district."

Mr. MANN. I was just going to ask the gentleman from Wyoming [Mr. MONDELL] to offer that amendment.

The CHAIRMAN. The question is on the amendment which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. RAKER:
Page 5, line 21, strike out the word "circuit" and insert the word "district."

The amendment was agreed to.

Mr. MONDELL. Mr. Chairman, I move to strike out the last word. I should move to strike out this section if it were not for the fact that if any bill of this sort is to be adopted some provision of this kind must, of course, be in the bill. But I want to make a suggestion in regard to this entire matter of recapture. I am not disturbed in regard to recapture from the standpoint of those who may invest in power plants. I think that in all probability capital can be secured in the majority of cases for plants that may be worthy of development on a 50-year lease. I doubt if the 50-year lease will greatly discourage investment in the majority of cases of itself; but I do believe as thoroughly and profoundly as I ever believed anything that there is no public interest to be served by any provision of recapture. I believe, on the contrary, that the tendency and effect of a provision of that kind is to increase the cost of power; increase the cost of the energy delivered.

Fifty years is better than twenty-five, and twenty-five is better than ten, but one hundred years would be better than fifty, and an indeterminate period better than all, for this reason: It makes no difference to the people of the country whether it is Bill Smith or Joe Brown who controls and owns the water power, or who the stockholders are. The people's interest is twofold: First, to secure the benefit of the energy developed at the least price under the most favorable conditions; and second, in order that that may be accomplished, to completely control the enterprise at all times with regard to all of its activities.

Cheapness is secured under public control after consideration of the elements of cost, and one of the elements of cost of an enterprise is the cost of amortizing the enterprise. If it is an enterprise in perpetuity, to go on indefinitely, there is no excuse for amortization. On the contrary, if it be based on a 50-year lease there is at least a very excellent argument on behalf of those who invest that it is their right to secure all or a large portion of the capital cost of the enterprise within the period of the lease in addition to a return on the investment in the way of interest.

So I believe that any provision of this kind is not in the interest of the public, not in the interest of the people generally, but that it does tend and will tend to increase the cost of power. The right to buy under certain conditions does not, after all, greatly modify the present power of the public in a matter of this sort, and particularly in those public-land States where the use of water is a public use and where the right of eminent domain may be exercised—where there is a higher public use to be served than the one for which the enterprise is being operated.

Mr. COOPER. Will the gentleman yield?

Mr. MONDELL. I will.

Mr. COOPER. Does the gentleman say that it is his judgment that those who invest in an enterprise of this kind ought, before the expiration of the 50-year lease, to get some of the investment on the original cost? They get that back at the end of the 50 years.

Mr. MONDELL. That is a question under the provisions of this bill. The bill provides that they shall get back the actual cost of water rights and of lands—that they shall get back the fair value, whatever that may be, of their other property. In other words, as to the property that might appreciate in value during the term of the lease they can secure none of the increased value.

The CHAIRMAN. The time of the gentleman from Wyoming has expired.

Mr. COOPER. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended five minutes.

The CHAIRMAN. The gentleman from Wisconsin asks that the time of the gentleman from Wyoming may be extended five minutes. Is there objection?

Mr. FERRIS. Reserving the right to object, I ask that at the expiration of the gentleman's remarks all debate on this amendment be closed.

The CHAIRMAN. The gentleman from Oklahoma asks unanimous consent that at the expiration of the remarks of the gentleman from Wyoming all debate on the section shall be closed. Is there objection? [After a pause.] The Chair hears none.

Mr. MONDELL. As to the property such as lands and water rights, which would naturally increase in value, when the property is taken over the company or individual owning the property can secure no part of that increase. It must be turned over to the Federal Government at what it originally cost. But when you come to that class of property that constantly and continually rapidly depreciates after construction—buildings, pipe lines, dynamos, and all that sort of thing—the bill provides that they shall be taken over, not at their cost but at their reasonable value at the time they are taken over.

Now, there is a depreciation decreed in the bill, and that being true any court passing on the question of rates, or any public commission fixing rates, would be compelled to recognize that here was an uncertainty as to the return of capital invested at the end of the lease, and that therefore, whatever that uncertainty measured, be it less or more, would be a matter of judgment, and the owners would be perfectly justified in providing a scheme for amortizing that value before the expiration of the lease.

Mr. CLINE. Will the gentleman yield?

Mr. MONDELL. Yes.

Mr. CLINE. Suppose in the development of electricity it is found that new machinery is necessary in order to get the best available returns, would not the cost of that new machinery have to be deducted in the final settlement, and would not they get the pay for it?

Mr. MONDELL. They would get the value of the machinery in use but not its original value. Now, I am not especially quarreling with these provisions. I do not think they are wise even if you make the provision for a terminate of the lease; I think they tend to make the current cost more.

Mr. CLINE. Ought not those people who are compelled to put in new machinery in order to get better results have that cost included when they come to final settlement?

Mr. MONDELL. I think if we are to take over the property—recapture it, as they say—at the end of 50 years, or at any time, we should take it over at its actual and fair value. I think in the long run you would get cheaper service under a provision of that kind than under the provisions of this bill. I think the service would be still cheaper if there was no definite termination of the lease. I have my doubts also whether you can recapture the property as suggested—whether the Government has power to do it. We must realize that public service corporations or courts must take into consideration the fact that you can not confiscate a man's property. You can make the returns so low that they may be very small, but you can not confiscate a man's property, and therefore anticipating losses, which would be inevitable under the provisions of recapture in this bill, the rate would be fixed so as to cover that, as well as interest. Do I answer the gentleman's question?

Mr. CLINE. Mr. Chairman, I was asking my question in the light of the language in the bill here, which seems to me ought to provide for the full return of the investment if there is to be an amortization proposition.

Mr. MONDELL. I think we must do one of two things. If we pay the full value of the property at the end of the term, then there would not be any argument for amortization, but, so long as we do not provide that, there is an argument for it, and that is a claim that the courts or public-service commissions would consider in fixing rates.

Mr. COPLEY. Mr. Chairman, will the gentleman yield?

Mr. MONDELL. Yes.

Mr. COPLEY. Does the gentleman realize what percentage of the property which needs to be provided for in amortization must be set aside every six months, in order that compounding at 5 per cent semiannually it will completely amortize the property at the end of 50 years?

Mr. MONDELL. I am not familiar with that.

Mr. COPLEY. Six-tenths of 1 per cent a year will be more than enough.

Mr. MONDELL. To provide for amortization?

Mr. COPLEY. For complete amortization at the end of 50 years you need to set aside every six months less than three-tenths of 1 per cent, and compound it semiannually at 5 per cent.

Mr. MONDELL. Mr. Chairman, I think the gentleman is better posted in regard to these matters than I am, but I want to say that when I was home last fall I talked with a friend of mine who had a small electric plant, and he told me that his plant had to be paid for in 10 years, that every 10 years his plant wore out.

Mr. COPLEY. That is a very different matter. That is an operating expense.

Mr. MONDELL. It would be in the nature of an operating expense if the operation were continuous, but not if there comes a time when the plant is to be taken over under the terms of this bill.

Mr. COPLEY. That is not amortization. That is depreciation incident to the business.

Mr. MONDELL. If the enterprise was a continuing one, going on forever, then you care for betterments and improvements in your charge, but if at the end of a certain period, in addition to that charge for betterments and improvements, carried right along, there must be some provision made for loss in actual investment values, then it must be an addition in the nature of amortization.

Mr. COPLEY. Amortization in 50 years is at the rate of less than six-tenths of 1 per cent a year, one-half set aside every six months and compounded semiannually.

Mr. MANN. At what rate of interest?

Mr. COPLEY. Five per cent.

The CHAIRMAN. The time of the gentleman from Wyoming has expired. The Clerk will read.

The Clerk read as follows:

SEC. 6. That in the event the United States does not exercise its right to take over, maintain, and operate the properties as provided in section 5 hereof, or does not renew the lease to the original lessee upon such terms and conditions and for such periods as may be authorized under the then existing applicable laws, the Secretary of the Interior is authorized, upon the expiration of any lease under this act, to lease the properties of the original lessee to a new lessee upon such terms, under such conditions, and for such periods as applicable laws may then authorize, and upon the further condition that the new lessee shall pay for the properties as provided in section 5 of this act.

Mr. MONDELL. Mr. Chairman, I move to strike out the last word. I have never been able to clearly understand—and it is probably my fault—what is really meant by section 6. Section 5 provides for the taking over of the property by the Federal Government. Section 6 provides that if the Federal Government does not take the property over and does not renew the lease it may turn over the property owned by the lessee, I assume, on any terms the Secretary sees fit and lease them to some one else. The gentleman from Oklahoma [Mr. FERRIS] shakes his head. Is it the gentleman's idea that if the Secretary is going to take the property over with a view of leasing to some one else the other lessee shall pay for the property upon the same basis as is provided for in section 5?

Mr. FERRIS. Precisely, and we think the section so provides.

Mr. MONDELL. Mr. Chairman, that being true, let me make this suggestion: Let us take it for granted that from the standpoint of the public interest you may be justified in taking over or you may have authority to take over a man's property at the end of a lease for the use of all of the people, not at what it is worth, not at a fair price, but at what it cost 50 years before. To me that is a startling proposition. I grant you that I am old-fashioned, and I do somewhat cling to precedents, and if that be a crime I am guilty. There are certain precedents that you can not overturn until you overturn the eternal verities. There are certain things that are founded on truths. They may be obscured, they may be temporarily brushed aside for a time, they may be trampled under foot, but a great man said years ago that crushed to earth they rise again, and these old precedents with regard to taking people's property are based on verities eternal in character.

Assuming that you may modify the eternal verities as we have understood them with regard to taking a man's property without due compensation because you have made a contract with him under which he has waived all of his natural and legal rights—assuming that that is true, and that you can do that in the interest of the public, query, Can you do it in behalf of some favorite of the Secretary of the Interior? Ought you to do it in behalf of some favorite of the Secretary of the Interior? Even assuming that the Government ought to have the right to take the property over and use it under section 5, should the Secretary of the Interior have the right to take it over under those conditions—confiscatory, as we have been accustomed to understand those things—and hand the property over to some one who had nothing to do with it up to that moment, some one who has had none of the worry or none of the trouble of getting the property in shape; of starting it and nursing it; of developing it through all of the 50 years; some one new to the scene—turn over the property that has been developed at great expenditure of time and energy and thought and care to other people and let them, without payment, become the proprietors of the unearned increment—if that is what it is—which you have ruthlessly taken from the men who really created it?

Mr. McLAUGHLIN. Mr. Chairman, will the gentleman yield?

Mr. MONDELL. Certainly.

Mr. McLAUGHLIN. I do not understand that there is even a suggestion of taking the property away from a company by the Government, either for its own, to be operated by it, or to be given over to somebody else, until the original owner says that he no longer wants it.

Mr. MONDELL. I think the gentleman is mistaken. I suggest to him that he read the bill, because if the gentleman has any such notion as that he does not read the bill the way I read it. The Secretary can take it over when he pleases—when he gets ready—any minute after the expiration of the lease.

Mr. J. M. C. SMITH. Will the gentleman be kind enough to state what the conditions would be under which the Government would want the property back?

Mr. MONDELL. Oh, the Lord only knows.

Mr. J. M. C. SMITH. And if at any time the Government gives the three years' notice, is it compelled to take the property if it should find the property run down so as to be worthless?

Mr. MONDELL. The gentleman propounds conundrums here that nobody can answer, unless it is the gentlemen in charge of the bill, and I do not think they can. There is certainly nothing in the bill itself which would compel the Federal Government ever to take the property over, although it might be issuing these notices all the time continually and every day in the year. It would not be compelled to take the property over if it did not want to.

Mr. J. M. C. SMITH. Even after notice was given?

Mr. MONDELL. Oh, no; I think not.

The CHAIRMAN. The time of the gentleman has expired.

The Clerk read as follows:

SEC. 7. That where, in the judgment of the Secretary of the Interior, the public interest requires or justifies the execution by any lessee of contracts for the sale and delivery of electrical energy for periods extending beyond the life of the lease, such contracts may be entered into upon the approval of the said Secretary, and thereafter, in the event of the exercise by the United States of the option to take over the plant in the manner provided in sections 5 or 6 hereof, the United States or its new lessee shall assume and fulfill all such contracts entered into by the first lessee.

Mr. STAFFORD. I offer an amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amend, page 6, line 17, after the word "lease," by inserting the words "but for not more than 20 years thereafter."

Mr. FERRIS. Mr. Chairman, I think the amendment is a good one, and I do not think there will be any objection on the part of the committee, and certainly not on my part.

The CHAIRMAN. The question is on the amendment.

Mr. MANN. Let us see about this. I suppose the proposed amendment means not more than 20 years after the expiration of the lease?

Mr. STAFFORD. Yes. I was debating whether the amendment should go in after the word "lease" or after the word "Secretary." I did have an amendment prepared after the word "Secretary."

Mr. MANN. I take it there is no objection to any company making the lease for 50 years from the beginning of its term, as long as it has the power to make the lease——

Mr. STAFFORD. The question is as to the length of the lease beyond the expiration of the original 50-year period.

Mr. MANN. I understand.

Mr. STAFFORD. The purpose of this amendment is to grant that right of not more than 20 years after the expiration of the period.

Mr. MANN. I am in sympathy with the purpose; that is all right; that is only putting it 20 years beyond the expiration of the period. Let us have the amendment again reported.

The CHAIRMAN. Without objection, the amendment will be again reported.

There was no objection, and the amendment was again reported.

Mr. THOMSON of Illinois. Will the gentleman yield?

Mr. STAFFORD. With pleasure.

M. THOMSON of Illinois. What does "thereafter" mean? After the date of the contract or after the expiration of the lease?

Mr. STAFFORD. It means beyond the life of the lease.

Mr. THOMSON of Illinois. I think it would be plainer if the gentleman said "for not more than 20 years after the expiration of the lease," instead of using the word "thereafter."

Mr. STAFFORD. I will ask unanimous consent——

Mr. THOMSON of Illinois. The gentleman does not want to put the word "lease" in twice unless it is necessary.

Mr. STAFFORD. I do not.

Mr. THOMSON of Illinois. So if the lease for 50 years has expired and a further contract is desired the man can only have 20 years?

Mr. STAFFORD. The word "thereafter" refers to the expiration of the lease, of course.

Mr. FERRIS. May I call the attention of the gentleman from Illinois to the fact that this section entirely is an authorization to go beyond the life of the lease, and I do not believe it would be necessary to have a repetition of the word as suggested by the gentleman from Illinois. The whole theory is on going beyond the life of the lease. If the gentleman will permit me, I desire to say I am in entire sympathy, and I hope that the committee will agree to the amendment.

Mr. MANN. I think it is all right.

Mr. FERRIS. However, it may not be out of place to say a word as to why this section is inserted. The committee was especially anxious to give the lessee every advantage possible in competing with the water-power interests that have already crept away from us. For instance, suppose the lease had extended 40 years, and suppose a city advertised for bids for a lighting contract for 20 years. That would carry it 10 years beyond the life of a 50-year lease, and so it would place the Government lessee in a position where he could not compete with the competing power company that was probably in private ownership and without regulation, so that the section is undoubtedly necessary to the end we may not give the Secretary too much authority, and we make it as seems to be proper.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Wisconsin.

The question was taken, and the amendment was agreed to.

Mr. FERRIS. Mr. Chairman, it has been called to my attention that section 8 is a section that is going to be controverted and will require more attendance of the committee, and I ask unanimous consent that section 8 be for the present passed without prejudice, so we may go on and dispose of uncontroverted sections.

Mr. CULLOP. Mr. Chairman, reserving the right to object, I would like to ask the chairman if he will permit an amendment now to be pending to that section, so that it may be considered when the time comes to act upon it?

Mr. FERRIS. I have no objection at all.

Mr. CULLOP. Mr. Chairman, then I offer the following amendment. On line——

Mr. MANN. The section must be read first.

The CHAIRMAN. The Chair will call the attention of the gentleman from Indiana to the fact that the section has not been read and it would not be in order to offer an amendment until the section has been read.

Mr. FERRIS. The section will be open to amendment, and I hope the gentleman will not object.

Mr. MANN. I understand the request is to be passed over at least to-day?

Mr. FERRIS. I am perfectly willing to do so; undoubtedly we must have more Members here when that section is considered, but there are a lot of uncontroverted questions which the committee can dispose of at this time.

The CHAIRMAN. Does the gentleman ask unanimous consent to modify his request, so that section 8 be passed for this legislative day?

Mr. FERRIS. Does not the gentleman think if we finish the bill in the next hour there may be an hour of general debate on it, and put off the voting?

Mr. MANN. I do not think so.

The CHAIRMAN. The gentleman from Oklahoma [Mr. FERRIS] asks unanimous consent that section 8 be passed over until the next legislative day. Is there objection?

There was no objection.

The Clerk read as follows:

SEC. 9. That in case of the development, generation, transmission, or use of power or energy under a lease given under this act in a State which has not provided a commission or other authority having power to regulate rates and service of electrical energy and the issuance of stock and bonds by public utility corporations engaged in power development, transmission, and distribution, the control of service and of charges for service to consumers and stock and bond issues shall be vested in the Secretary of the Interior or committed to such body as may be authorized by Federal statute until such time as the State shall provide a commission or other authority for such regulation and control.

Mr. MANN. Mr. Chairman, I move to strike out the last word. I did not offer an amendment to section 3 and shall not offer an amendment to this section, because I think what will have to be done will be for some one to work the two sections out together very carefully.

I wish to again direct their attention for a moment to some matters now that I spoke about before. Section 3 provides in effect that wherever there is a transmission line that crosses a State line, then the Secretary of the Interior has control over the question of rates and the issuance of stocks and bonds. Section 9 provides that where the plant is wholly within the limits of a State and there is a State public utilities commission, that that commission has the control over the rates and also of the issuance of stocks and bonds. Now, what will naturally arise out of such a condition? It is a very easy matter to extend transmission lines across the boundary lines of a State, and under the terms of section 3, where a plant has been established and a public utilities commission of a State is in operation and control, as long as the lines are wholly within the State the company, the moment it puts its lines across the State boundary lines, transfers the jurisdiction, if we have the constitutional power—it does under the terms of this bill—from the utilities commission of the State, both as to rates and as to stocks and bonds, to the Secretary of the Interior. There is no avoidance of inextricable confusion if you attempt to put those two provisions in the statutes and operate under them, because they are in direct conflict with each other. If one of these corporations runs against a public utilities commission in a State and has issued or obtained the authority to issue or has been refused the authority to issue stocks and bonds and thinks that that company can do better with the Secretary of the Interior, they will build a transmission line across the State line some place, and the jurisdiction immediately passes away from the State and is vested in the Secretary of the Interior.

Of course, it goes without saying that the company will do that which is for the best interests of the company and not for the best interests of the public. It will have the power to transfer the jurisdiction over its charges and over the issuance of its stocks and bonds at its own will, at any time, from the Secretary of the Interior to the utilities commission, or vice versa. I am sure that no one desires to put the law in such a position as that. Of course, as we pass this bill it is not the final throw. I hope the gentlemen in charge of the bill as well as the gentlemen in the Interior Department will endeavor to write these provisions in some way so that at least there will be no conflict and no choice by the company as to which jurisdiction it will take.

Mr. FERRIS. Will the gentleman yield?

Mr. MANN. Certainly.

Mr. FERRIS. Of course, where a State has a public-utility commission and the business is clearly intrastate, is there any doubt in the gentleman's mind but that the bill as it stands would let the public-utility commission of that State control it?

Mr. MANN. There is not any doubt, if they have a transmission line across the State boundary——

Mr. FERRIS. I said where it was all intrastate.

Mr. MANN. Oh, where it was intrastate?

Mr. FERRIS. If hydroelectric energy is generated at a given place in one State and transmitted across State lines into another State, where it is consumed, is there any doubt in the gentleman's mind that that would divest the State of any jurisdiction at all over them, even though they had not a public-utility commission?

Mr. MANN. I do not know. I think we ought to exercise and retain jurisdiction. So there is no oversight between us on those two points.

Mr. FERRIS. I understand there is not, and I am more than appreciative of the gentleman's position on that. We have been trying to preserve some regulation for the public interest.

Now, let me ask the gentleman, In a State where they have no public-utility commission at all—and there are five of those States in the West, and I think probably seven, although I am not clear on that, but Montana is one, but there are five that have no public-utility commission—it is not the gentleman's thought that power generated in those States that have no public-utility commission at all, on land that belongs to us, should go without any control, is it?

Mr. MANN. Certainly not. Now, I have answered the gentleman's question satisfactorily, so let me ask the gentleman a question. Here is a power being generated near Chicago, in Wisconsin. We have a public-utilities commission. The State of Wisconsin has a public-utilities commission. It can send its current to Milwaukee or other places in Wisconsin and be under

the control of the public-utilities commission in Wisconsin, but suppose that the public-utilities commission in Wisconsin——

The CHAIRMAN. The time of the gentleman from Illinois [Mr. MANN] has expired.

Mr. FERRIS. Mr. Chairman, I ask that the gentleman from Illinois may have five minutes more.

The CHAIRMAN. The gentleman from Oklahoma asks that the gentleman from Illinois may proceed for five minutes more. Is there objection?

There was no objection.

Mr. MANN. Suppose the policy of the public-utilities commission in Wisconsin is not quite as lenient as is the policy of the Secretary of the Interior—and, of course, that policy will largely be a general policy—does my friend from Oklahoma think that that company ought to be permitted to escape the control by the public-utilities commission of Wisconsin by running a line across into Chicago, or some other point in Illinois, even though it does not do any business there?

Mr. FERRIS. No; I do not, and neither do I think, just as an humble example, that I ought to pay a 3-cent carfare on my road home to Oklahoma on roads that in some States have a 2-cent fare. My thought was, rather than to let them get away altogether without any regulation, we had better let the Secretary of the Interior do the best he could.

Mr. MANN. I am not in favor of getting away from regulation; far from it. What I want is to see regulation fixed so as to know who is going to exercise it. I have no objection myself to the Government regulating intrastate railroad rates or the Government regulating intrastate current rates, but we ought to know, and not give the company the choice as to which power it will put itself under.

This gives the company the power. Or, in the case that I stated, suppose they are running over into Illinois. That gives the Secretary of the Interior the control of the rates. Supposing they think his rates are too onerous, or suppose he will not let them issue stocks and bonds, and they abandon the lines running into Illinois; immediately another commission gets control of the rates.

Mr. CULLOP. Mr. Chairman, will the gentleman from Illinois yield?

Mr. FERRIS. Of course; but do not those precise troublesome conditions prevail with respect to interstate railroad rates?

Mr. MANN. Oh, no.

Mr. FERRIS. Let me ask the gentleman, Does not the only difference between the regulation of railroads, intrastate and interstate, and the proposal laid down by us consist in the fact that the State commissions in railroad rates hold on to intrastate control, even if the lines do cross the State lines? And is there not a reason—perhaps an imperfect one, but is there not some reason—to think that where they cross State lines at all, electricity not being invisible, although on transmission lines it is more invisible than cracker boxes and wheat and corn and freight——

Mr. MANN. It is just as easy to locate as a cracker box. You can not tell until you get inside the cracker box what is inside there. There is no distinction, so far as that is concerned. In the railroad proposition the control is fixed. The United States Government directs the interstate roads, and the State controls the intrastate roads. But under the terms of this bill as to electric lighting to-day the Government may control all, and to-morrow the State utilities commission may control all.

Mr. FERRIS. That is by reason of the transmission line crossing the State line?

Mr. MANN. That is by reason of the company either adding a transmission line or cutting one out. It gives it the control; it gives it the right of saying which regulation it will take.

Mr. FERRIS. Has the gentleman an amendment prepared which will make the handling of electricity in interstate and intrastate business precisely as the railroad rates are with respect to interstate and intrastate business?

Mr. MANN. I had one, but I tore it up a little while ago.

Mr. FERRIS. The committee gains new hope and new enthusiasm, because if that seems so large a question to the gentleman who has given consideration to interstate-commerce questions for so long, surely the committee may consider that it has made at least a fair effort.

Mr. MANN. Do not misunderstand me. I am not making any criticism of the people who prepared the bill or put it in this shape, but I think there is a conflict between section 3 and section 9, although it can be worked out so that either the General Government or the State utilities commission has control. I think as a rule it may be desirable to let the State utilities commissions act where they have the power to act, although I do not say that that should be the policy. But I think that is something that the committee can work out.

Now I yield to the gentleman from Indiana [Mr. CULLOP].

Mr. CULLOP. Mr. Chairman, I would like to ask the gentleman from Illinois a question. I want to know if I understood him correctly or not. Is it his contention that if a company organized in Wisconsin and doing business in Wisconsin should extend its business in Illinois, and because it extends its business in Illinois and commences doing an interstate business instead of an intrastate business altogether, it takes the regulation of the Wisconsin business, done in that State alone, out of the hands of the public-utilities commission of the State of Wisconsin?

Mr. MANN. There is no controversy over that. The terms of the bill clearly do that.

Mr. CULLOP. I doubt that very much, as I have read it.

Mr. MANN. Oh, no. The gentleman does not mean that.

Mr. CULLOP. I do not understand this bill to take it entirely out of the hands of the State commission at any time.

Mr. MANN. Oh, absolutely; it takes it out, so far as the terms of the bill are concerned.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. CULLOP. Mr. Chairman, I ask for recognition in my own right.

Mr. MANN. The gentleman will notice section 3, that——

Mr. CULLOP. Yes; I notice that the language in that regard in section 3 is identical with the language in this section 9 on that subject.

Mr. MANN. Oh, no; it is directly contrary.

Mr. CULLOP. So far as the regulation is concerned. I am trying to get the gentleman's view.

Mr. MANN. Section 9 does not affect any case except where the power is wholly within the limits of one State.

Mr. CULLOP. Section 9?

Mr. MANN. Yes; section 9. If there is transmission across the State line, section 9 does not apply.

Mr. CULLOP. That applies only to the State?

Mr. MANN. Only where it is wholly within the limits of a State; that is, the development, the generation, the transmission, and the use of the power must be wholly within the State under section 9. Then section 9 operates.

Mr. CULLOP. Does the language in either section 3 or section 9 make it obligatory upon the Secretary of the Interior to regulate the charge? The language of the section, as I take it, gives him the right to do so, if he elects to do so. Or it may remain within the jurisdiction of the State utilities commissions of the States.

Mr. MANN. Well, I think not; because the language is that "the power is hereby conferred upon the Secretary." That is not a discretionary power.

Mr. CULLOP. If he sees proper to exercise it.

Mr. MANN. Oh, no. That is not a discretionary power.

Mr. CULLOP. This is not a mandatory provision.

Mr. MANN. Oh, yes.

Mr. CULLOP. That is where we are in disagreement. I do not agree to that construction, because the language does not warrant it.

Mr. MANN. Where we give the Secretary of the Interior certain power, not to be exercised in his discretion, he is bound to exercise that power.

Mr. CULLOP. Now, of course, it is true that the public utilities commissions of two States—two sister States, for instance, as in the illustration the gentleman has given, the States of Illinois and Wisconsin—do not altogether move along the same lines in regulation.

Mr. MANN. No.

Mr. CULLOP. There is a difference in their power, or in the manner in which they exercise it in the regulation of charges. Now, all the time each of these sections provides "or as Congress may confer the power." In other words, Congress may create a commission; Congress may, by an enactment, lodge that power in the public-utility commission of any State in which any company may do an interstate business.

Mr. MANN. Oh, I beg the gentleman's pardon. The language of the bill——

Mr. CULLOP. I say if Congress sees fit.

Mr. MANN. Under the language of the bill the power is committed to such a body as may be authorized by Federal statute. In section 9 we can not authorize a State utilities commission to exercise that power.

Mr. CULLOP. But right here we are giving the public utilities commission power——

Mr. MANN. Oh, I beg the gentleman's pardon——

Mr. CULLOP. And Congress can extend that right.

Mr. MANN. Oh, no; we do not give them any power at all. We have not the power to give them power. We do not take it ourselves.

Mr. CULLOP. In other words, we do not take it ourselves, and that leaves it with them.

Mr. MANN. That leaves it with them.

Mr. CULLOP. It is just the same thing expressed in another form.

Mr. MANN. It is a very different thing.

Mr. CULLOP. It amounts to the same thing.

Mr. MANN. No; not by any means.

Mr. CULLOP. I beg to differ with the gentleman on that.

Mr. MANN. If we could confer power on them, we could make them do things, and we could fix the terms on which they should do them and regulate them, but we can not do it by withholding it.

Mr. CULLOP. We confer power on them by withholding it from ourselves. That is what this statute is doing, and it is arriving at the same results, except in a different way. It means one and the same thing, and therefore the difference is merely one of expression, of form, instead of real substance. It is the difference between tweedle dee and tweedle dum. In other words, the State exercises the power because the Federal Government does not elect to exercise it. Now, so long as the States do not abuse the power they will be doubless permitted to exercise it, but the moment it is abused, then the Federal Government can step in and exercise it and see that fair dealing between the producer and consumer is maintained.

Mr. SMITH of Minnesota. Mr. Chairman, I move to strike out the last word. I should like the attention of the committee for a moment.

On several occasions during this debate I have tried to call attention to this particular feature of the bill, and I am satisfied that after the discussion between the gentleman from Illinois [Mr. MANN] and the chairman of the committee [Mr. FERRIS] the committee as a whole understand what I was trying to get at.

Subdivision b of section 16, page 13 of House bill 17854, that I introduced, not with the hope of having it passed, but with the idea of presenting to this committee and to the House a plan for the development and use of hydroelectric power which I believe to be feasible, reads as follows:

(b) That when the power generated by such project enters both interstate and intrastate commerce, the commission is hereby authorized to join with any State in which such power is used in effecting such joint and interlocking system of Federal and State regulation as in its judgment shall most effectively promote the general public interest and carry out the purposes of this act.

Not more than two years ago nearly all the students of hydroelectric power contended that even though a single plant or group of united or tied-in plants located within a single State transmitted electric current into two or more States, the public utilities commission of each State into which current is brought should have the sole power to regulate service and rates. However, at the present time these same parties are advocating that when current from a single plant or combination of plants is used in two or more States their service and rates should be controlled by the Federal Government.

The reason they assign for changing their views on this subject is that in order to fix an equitable rate you must first ascertain the value of the plant and cost of operation as a whole, and since the only jurisdiction coextensive with the plant is that of the Federal Government, therefore it is manifestly necessary that the Federal Government should exercise control over interstate current in some form or another. Under section 3 of the pending bill plants are permitted to combine, and as electric current can be produced more economically by the union of power plants, it is more than probable that a number of plants will unite. Thus by far the larger portion of electric energy will be interstate, and unless some such plan as I have suggested is adopted the State utilities commissions will have but little voice in the regulation of rates and service.

A State utilities commission is more in touch with the local situation than a bureau located in Washington would or could be. Therefore, since the exigencies of the case make it impracticable for State commissions, unaided by the Federal Government, to fix rates and service, the Federal Government should assist the State commission to fix such rates and service and not deprive the States of all rights in the premises, as is contemplated in the legislation proposed by the committee.

Moreover, under a joint and interlocking system of Federal and State regulation, such as I propose, there could be no "twilight zone" in which the hydroelectric monopoly could live in security and play hide and seek with the State and Federal Governments. First its current would be interstate and then local, whichever best subserved the purpose of the trust. If, perchance, the bill under consideration becomes a law in its present form, its most mischievous and objectionable feature will be the opportunity it affords these mammoth companies to escape effective regulation.

Those objectionable features of the pending bill were pointed out so clearly in the debate to-day by both the gentleman from Illinois [Mr. MANN] and by the chairman of the committee [Mr. FERRIS] that there should be little doubt left in the minds of the committee as to the advisability of amending the proposed bill in either the way I suggest or in some other way that will eliminate this dangerous feature.

Mr. MONDELL. Mr. Chairman, I move to strike out the last word.

Mr. FERRIS. If the gentleman will yield, I ask unanimous consent that at the expiration of five minutes all debate on this section be closed. There is no amendment pending except the pro forma one.

The CHAIRMAN. The gentleman from Oklahoma asks unanimous consent that at the end of five minutes all debate on this section be closed. Is there objection?

There was no objection.

Mr. MONDELL. Mr. Chairman, I am glad that the gentleman from Illinois [Mr. MANN] discussed the pending section before the committee. I am sorry he was not here yesterday to indorse my amendments to section 3, which would have lifted the committee out of the mire in which it finds itself. Of course this section, when read in connection with section 3, renders the bill rather ridiculous in regard to this matter of regulation where an enterprise is in two States; and in order to have the bill conform to what must eventually be the rule in the case, and at the same time use the power of the Federal Government as a proprietor to strengthen the arm of the State, I offered this provision:

That all leases shall be granted upon the condition and subject to the reservation that at all times during the use and enjoyment thereof, and of the water power appropriated and used in connection therewith, the service and charges therefor, including all electric power generated or used in connection therewith, shall be subject to the regulation and control of the State within which the same is used, and subject to the fixing of the rates and charges for the use thereof and the issuance of securities by such State or under its authority.

Now, that must be the rule. There can not be any other rule, no matter what may be written into this statute. You can not make interstate commerce of a great power plant having a capital of $2,000,000 or $10,000,000 simply by reason of the fact that it runs a spider-web wire across a State line. That is ridiculous on its face. And still that is what the section attempts to do.

Now, if the committee had adopted my amendment to section 3 the matter would have been cleared up. The States would have control, as they do without any legislation, and particularly in that western country, where our control of these things is bottomed on our recognition of the public ownership of water.

Mr. SELDOMRIDGE. Would you carry the analogy still further——

The CHAIRMAN. The time of the gentleman from Wyoming has expired. All time has expired.

Mr. SELDOMRIDGE. I ask unanimous consent that the gentleman may have two minutes, so that I may ask him a question.

The CHAIRMAN. Unanimous consent is asked that the time of the gentleman from Wyoming be extended two minutes. Is there objection?

Mr. DONOVAN. Mr. Chairman, I demand the regular order.

The CHAIRMAN. The gentleman from Connecticut demands the regular order, which is equivalent to an objection.

Mr. SELDOMRIDGE. We would like to have a chance to ask a question once in a while.

Mr. MONDELL. Mr. Chairman, if we can not debate this bill in good faith I think we shall be obliged to invoke the rule relative to a quorum.

Mr. SELDOMRIDGE. I am a friend of the bill, and I should like to have an opportunity to ask a question.

The CHAIRMAN. Debate on this question is exhausted, and the Clerk will read.

The Clerk proceeded with the reading of the bill, as follows:

SEC. 10. That where the Secretary of the Interior shall determine that the value of any lands, heretofore or hereafter reserved as water-power sites or for purposes in connection with water-power development or electrical transmission, will not be materially injured for such purposes by either location, entry, or disposal, the same may be allowed under applicable land laws upon the express condition that all such locations, entries, or other methods of disposal shall be subject to the sole right of the United States and its authorized lessees or grantees to enter upon, occupy, and use any part or all of such lands reasonably necessary for the accomplishment of all purposes connected with the development, generation, transmission, or utilization of power or energy, and all rights acquired in such lands shall be subject to a

reservation of such sole right to the United States, its lessees or grantees, which reservation shall be expressed in the patent or other evidence of title: *Provided*, That locations, entries, selections, or filings heretofore allowed for lands reserved as water-power sites or in connection with water-power development or electrical transmission may proceed to approval or patent under and subject to the limitations and conditions in this section contained, but nothing herein shall be construed to deny or abridge rights now granted by law to those seeking to use the public lands for purposes of irrigation or mining alone.

Mr. MONDELL. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 9, line 4, after the word "title," insert the following: "*Provided*, That those who may use such lands for power purposes under the provisions of this act shall pay the entryman or owner under this section the fair value of the lands used exclusive of their value for power purposes, and for all damages to crops and improvements by reason of such occupancy."

Mr. MONDELL. Mr. Chairman, this section is a very important one; and, while I do not exactly like its form and would prefer a somewhat different provision, still I think that if this amendment were adopted it would be reasonably satisfactory.

There are large areas of lands withdrawn for power sites which will not be utilized for a great many years to come for power development. All individuals who live in the public-land States recognize that fact. In my State there are several large areas withdrawn, and a considerable portion of those lands, if they ever can be utilized for power purposes, it will be in the distant future. There is no demand for them now for power purposes. The lands are in demand from time to time for homes for cultivation, irrigation settlement, and for various purposes, and should be utilized.

There is no provision under the title which this section gives whereby the owner can receive any compensation for such of his land as is taken for power purposes. It seems to me there is no reason why the owner should not be paid a fair value for the land other than its value for power purposes. He may be cultivating the land for the next 20 years, or 40 or 50; and if some big power company comes along and wants to put a plant on his land, they certainly will be able to pay, and ought to pay, the owner a fair price for the land, and they ought to pay him the value of his improvements.

The amendment I have sent up to the desk is practically the language of the law with relation to the limited ownership of coal and oil and gas land. Where these lands are taken over by those who seek to utilize their mineral product, they pay to the owner under the limited fee the value of the land taken and of the crops destroyed and of the improvements.

Now, if we do that on coal lands and oil lands, where the development is frequently by men of limited means, there is all the more reason why we should do it when we come to development in which the undertaking involved includes vast investments by people of large financial means. They can certainly afford to pay the owner of the land its fair value other than its value for the purposes for which they desire it. They can afford to pay him for his house if they tear it down, and for his crops if they destroy them, and it is in the public interest that they should pay it.

Mr. FERRIS. Mr. Chairman, this section was put in the bill on the theory that in some instances greater areas of land were withdrawn than will be used for power purposes. The thought was that if a man wants to go in and use the surface of the lands pending the time when they should be used for power purposes, subject to the superior right, then they could develop them. But if the gentleman's amendment was adopted he would make the power company, who later came along to develop the power, pay for the value of the land and improvements taken, which would be a condition sufficiently onerous to drive away and destroy the development of the water-power privilege, a thing that no one wants to do. There will be a question in the minds of some whether a limited entry should be made at all.

Mr. SELDOMRIDGE. Will the gentleman yield?

Mr. FERRIS. I will, gladly.

Mr. SELDOMRIDGE. Is there any power given the Secretary of the Interior in this bill for the condemnation of private property for these power plants?

Mr. FERRIS. No.

Mr. SELDOMRIDGE. Does not the gentleman recognize the fact that there might be a contingency that would require the condemnation of land for the construction of reservoirs at points far remote from the actual plant?

Mr. FERRIS. The gentleman from Colorado is proceeding on the theory that the Government intends to install the plant. That is not the fact and is not the theory of the bill. The theory of the bill is that the Federal Government will lease the water power, and the men that are developing the power subject to the provisions of the bill and regulations will buy the rights of way, flowage, and all that sort of thing.

Mr. J. M. C. SMITH. Will the gentleman yield?

Mr. FERRIS. Yes; certainly.

Mr. J. M. C. SMITH. Does this bill affect a State where the public lands are not in question, where there are no public lands?

Mr. FERRIS. Not at all.

Mr. J. M. C. SMITH. The Muskegon River and the Grand River and other rivers in Michigan go through the State where there are no public lands. As I understand, this bill does not apply to those rivers at all.

Mr. FERRIS. Not at all. The gentleman might confront some provisions of the Adamson dam bill which control navigable rivers, but this bill deals only with public lands and does not affect the gentleman's State at all.

Mr. LEVY. Will the gentleman yield?

Mr. FERRIS. Yes.

Mr. LEVY. At the termination of the lease somebody may have power houses, and is there any provision for paying for them?

Mr. FERRIS. Precisely; it pays for all property leased to another; they pay the actual costs for the nonperishable property and a fair value for all perishable property.

Mr. LEVY. That is where this question comes in now and where the suggestion of the amendment of the gentleman from Wyoming has a direct bearing. Now, in the State of Virginia they have the right to condemn for power houses in the State.

Mr. FERRIS. That is a State statute, is it not?

Mr. LEVY. Yes.

Mr. FERRIS. The Federal Government has nothing to do with private lands.

Mr. LEVY. If it came in at the termination of the lease and they took the power house they ought to pay the value of it.

Mr. FERRIS. Of course this bill has nothing whatever to do with lands in private ownership.

Mr. LEVY. Then they would be cut off from that power house.

Mr. FERRIS. Oh, not at all. The bill specifically says that where the plant is built on Government land it shall be paid for before it is taken.

Mr. SELDOMRIDGE. Does the gentleman maintain under this bill that where a power company should construct reservoirs on private land, at the expiration of the lease the Government could step in and require that corporation to part with its holdings that it had acquired on private lands?

Mr. FERRIS. Precisely; and that is in the interest of the power people. If they acquire the bung barrel, the eye of the needle, which is the dam site, from us, and they acquire other links in the chain from other sources, they would want to sell all or none; and it would be in the interest of the Government to take it over as an entity, for no one would want to buy a single link in the chain or to buy the bung without the barrel.

Mr. SELDOMRIDGE. But there might be a question as to what was the bung and what was the barrel in some cases.

Mr. FERRIS. That is true; but in either event my premise would be sound.

Mr. MONDELL. Mr. Chairman, does the gentleman yield?

Mr. FERRIS. Yes.

Mr. MONDELL. Does not the gentleman think a great power company would be very badly hampered if it had to pay the farmer $10 or $20 or $30 an acre for the land that he had made valuable or for the house that they tore down?

Mr. FERRIS. Not at all; but I think it is a matter of the keenest doubt whether or not a homesteader whose rights are inferior and whose surface rights would be worth $5 an acre should have the right to interfere with a power plant that might be worth $10,000,000; and this section lets the surface of the property be farmed, with full notice to the homesteader that whenever the superior right comes in—to wit, the development of power thereon—he must either get out of the way or submit to such flowage or rights of way as may come in connection with the project. No one would say that the Federal Government ought to be forced to buy out a lot of homesteaders.

Mr. RAKER. Mr. Chairman, I move to strike out the last word. The purpose of this section is to reserve this land, or land already reserved for power purposes, that there might be an additional and extra use made of it for farming, homesteading, desert claims, or otherwise; that the party may file on it after the Secretary of the Interior determines that for the immediate use it appears that it is not at that time necessary. But he takes the grant, or, in the first instance, he makes his application, with the understanding that whenever the Government or its lessee desires any of this land for power purposes

it may take it; otherwise it would be foolish to take this law in here. Having reserved it for this purpose, you do not want to turn it over for homesteading, desert-land claims, or any other claims, and dispose of the title in fee and then compel the Government or its grantee to condemn it or buy it back for the very purpose that you originally reserved it for.

Mr. MANN. Mr. Chairman, will the gentleman yield?

Mr. RAKER. Yes.

Mr. MANN. I noticed the gentleman used the term "grantee." The bill uses the term "lessee." What is meant by "grantee" in this section?

Mr. RAKER. Lessee or grantee. That word "grantee" was used, practically speaking, covering the word "lessee."

Mr. MANN. Then would it not be better to strike it out?

Mr. RAKER. It would not do any harm. I remember distinctly that the committee said it would do no harm to use the word "grantee" because it covers "lessee."

Mr. MANN. But you do not use it anywhere else.

Mr. RAKER. I think the gentleman is correct about that. The committee and those who appeared before the committee had this in view, that while we want to conserve the public domain and the public property for uses that might be made for the purpose of developing hydroelectric power in all its forms for ditches, houses, plants, or reservoirs, it should be done, but at the same time we are beginning to realize that a reservation simply to mark imaginary lines around a large tract of land and saying that is conservation, but not using it, means nothing. It is absurd; it is ridiculous, but we can reserve it; we can have it prepared for its highest use, and if in the meantime it can be used for surface or underground, for any other purpose, and men desire to take a chance, and they will, it ought to be so used, and then we should give them that permission to use it, but we should specify in the grant of that land the condition that it is always subject to the right of the Government to take it, to the right of the lessee of the Government to take it, and you ought not to specify as in the gentleman's amendment. Then comes up the same question, as it would now if you did not reserve it, that the Government grantee or the Government itself would have to condemn or go into court to determine the value of the land that it is going to use, and we ought not to complicate the bill in that way.

Mr. TAYLOR of Colorado. Mr. Chairman, will the gentleman yield?

Mr. RAKER. Yes.

Mr. TAYLOR of Colorado. Does the gentleman not think that in view of the fact that the Interior Department has withdrawn from entry a very large amount of land so as to be sure to cover all possibilities—for instance, for power sites they have withdrawn land that is from 3 to 5 miles up on the mountain—where they have withdrawn so much land, hundreds of thousands of acres, and all of that land is hereafter, I suppose, going to be open to entry, would it not be better that the company should pay something for the actual improvements, we will say, that they destroy on a piece of ground, if any—not the land, but the improvements? Ought they not to pay for the improvements rather than have a cloud upon the real estate of the possibility of some one going over them and paying nothing for it? Would not that depreciate the value of the real estate?

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. RAKER. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection?

Mr. FERRIS. Mr. Chairman, reserving the right to object, I ask unanimous consent to close debate on this section at the end of 15 minutes.

Mr. MONDELL. Mr. Chairman, I have two amendments which I desire to offer to this section and I would like to be heard on both of them.

Mr. FERRIS. Five minutes apiece?

Mr. MONDELL. Five minutes on each of them, but I want to be heard as I offer the amendments.

Mr. FERRIS. Mr. Chairman, I ask unanimous consent that at the expiration of 25 minutes we close debate on this section, 5 minutes to be controlled by the gentleman from California [Mr. RAKER], 10 minutes by the gentleman from Illinois [Mr. MANN], and 10 minutes by the gentleman from Wyoming [Mr. MONDELL].

The CHAIRMAN. The gentleman from Oklahoma asks unanimous consent that all debate on this section and amendments thereto be closed in 25 minutes, 5 minutes to be controlled by the gentleman from California [Mr. RAKER], 10 minutes by the gentleman from Illinois [Mr. MANN], and 10 minutes by the gentleman from Wyoming [Mr. MONDELL]. Is there objection? [After a pause.] The Chair hears none.

Mr. RAKER. Mr. Chairman, now, in answer to the question of the gentleman from Colorado, I believe that the statement he presented is a good one, that it is no more than right to pay for the actual improvements made upon the land, and that looks fair and right, but this amendment says those who may use such land for power purposes under the provisions of this act shall pay the entryman or owner under this section the fair value of the land. Now, the very purpose and object is to avoid these complications. The land is reserved now, the land is held for that purpose, and it ought to be if there are these possibilities, if we are going to use the system of leasing lands for power purposes.

Mr. McLAUGHLIN. Will the gentleman yield?

Mr. RAKER. I yield.

Mr. McLAUGHLIN. For the Government lands granted under it the Government requires pay for water purposes, does it not?

Mr. RAKER. Practically no pay; it is practically all turned over.

Mr. McLAUGHLIN. There is some compensation, is there not?

Mr. RAKER. Practically no compensation. It is homesteaded.

Mr. McLAUGHLIN. They are not all under the homestead law?

Mr. RAKER. Practically under the homestead law or the desert-claims law. That is the way the country has developed, and I am in favor of continuing it, and that being the case it is opened up. When the Secretary of the Interior says it can be used for some other purpose, maybe 5, 10, 20, or 50 years, it ought to be used and it ought not to lie idle. As the gentleman from Colorado has well said, there are hundreds of thousands of acres of land withdrawn. The purpose of this is the Government ought to use the land that is withdrawn, use it all you can for power purposes, permit it to be developed to the end that these communities might prosper, that they may get cheaper electric energy and save the timber upon the hills that will hold back the water that will make the country better instead of leaving it barren as it is to-day.

Mr. LEVY, Mr. SMITH of Minnesota, and Mr. MONDELL rose.

The CHAIRMAN. To whom does the gentleman yield?

Mr. RAKER. There are so many handsome gentlemen I hardly know how to yield, but I will yield first to the distinguished gentleman from New York [Mr. LEVY].

Mr. LEVY. Now, in case of a power station it may be in the position where the Government does not own any land, and you have to condemn for a site——

Mr. RAKER. I will answer that.

Mr. LEVY. And I know of cases in Virginia where unimproved land has been condemned for a power house as high as $3,600 an acre.

Mr. RAKER. You can in this city. It would be possible to condemn the best hotel in the land, the most palatial residence anywhere, if it becomes necessary to put a power house upon it, but that is not involved.

This bill deals entirely with the Government's land and the Government's land alone, and the man who obtains a lease upon Government land, if he wants anything further—or the corporation, if it is a corporation under the State—can then proceed under the State law to condemn additional tracts of land to use for his plant and power house. If he can not buy by agreement with the party, he may condemn and pay for it. We are dealing solely and entirely with Government property owned by the Government alone.

Mr. SMITH of Minnesota. Will the gentleman yield?

Mr. RAKER. I now yield to the gentleman from Minnesota.

Mr. SMITH of Minnesota. Is there any greater use you can put land to than that of agriculture?

Mr. RAKER. Why, yes, in some instances. Here is a large tract of land on a mountain side and in a canyon on which agriculture can not be carried on, of which but little use can be made. Now, to permit a desert claim or homestead upon that land, which, if used for a power site, might enable the company to go in here and build a dam, put up a power plant by which they could light all the cities surrounding it, by which they could furnish electricity for every home that might be lighted as brilliantly at night at it is in the day, and if we let this electric energy go down in those valleys that are now barren and burned up for the want of water, and there allow them to pump water, these people might be able to build homes upon thousands of acres of land that to-day are absolutely idle. In such a case and under such conditions we ought to reserve that land

and use it for an electric plant and build an electric plant on it, to the end that the entire community surrounding, a distance perhaps of hundreds of miles, might be thus benefited, instead of permitting a few men to locate and——

The CHAIRMAN. The time of the gentleman has expired.

Mr. MANN. Mr. Chairman, I agree that there ought to be a reservation in the bill, but it is perfectly patent to me that many cases will arise where the power company has to pay for the damage or else there will be private claims which we will pay in private claims bills. It will not infrequently happen that along the line of a stream the Secretary of the Interior may now determine that there is no probability of water-power development at that place, and along the lines of a stream entrymen will go in and settle up the land. In the course of time another Secretary of the Interior will find, with the decreased cost of power development and possibly the increased power and increased value of power, that it will pay to have a power development at that place. Now, under the reservation in the patents you can grant a lease to the power company to go in there and overflow all of the land of the homesteader or the owner. That is a reservation, I think, properly reserved, but there is no power under the terms of this bill to require the company to pay the owner of the land for the property which is absolutely taken away from him.

Mr. FERRIS. Will the gentleman yield?

Mr. MANN. Certainly.

Mr. FERRIS. This amendment under consideration here requires them to pay for that land.

Mr. MANN. I am not talking about the amendment under consideration.

Mr. FERRIS. The gentleman is speaking in favor of it, and he is likely to get the House to adopt an amendment he is not in favor of himself.

Mr. MANN. I am talking about the section in the bill, and not the amendment I am discussing that section of the bill in the hope of calling the attention of the committee to a matter that may be remedied before the bill becomes a law. I think it would be unconscionable to take away the farm of a man who is given a farm, when he had a right to believe it never will be taken away from him—although you retain the reservation of the right—without ever making him any compensation.

Mr. FERGUSSON. As I understand, this applies only to public land that comes up against the streams, and if it is reserved a man may locate a homestead on it, thinking he can get some water and irrigate it, and he takes it, then, subject to the prior right of the Government to use a part of his land on which to build a dam. That is all there is to it, in my judgment.

Mr. MANN. He takes it like anybody else takes any other public land at any other place. He takes it and develops it. He takes it with the knowledge that the Secretary of the Interior has found that the land will not be materially injured by the power development. But the reservation does not contain that; and afterwards the Government determines to take it away from him by giving it to a power company. Now, no one can say that the man's house and his barn and his cultivated fields should be overflowed by the water for the benefit of the power company and the power company make no compensation for it. Yet that is the provision of the bill.

Mr. RAKER. Will the gentleman yield?

Mr. MANN. Certainly.

Mr. RAKER. Does not the gentleman believe, so far as the land is concerned, that he takes it with knowledge that he gets nothing for the land?

Mr. MANN. I do not think he ought to be required to do that, nor do I think that Congress would ever make him do it in the end. The man who takes that land, when the Government gives him the right to take it, has the right to suppose that he has the right to cultivate it.

Mr. RAKER. If that is the case——

Mr. MANN. Now, we have had a committee of this House report time and again in favor of paying to the owners of the land the entire value of the land out in Oregon, where they took it without authority at all, and they were ousted from it by a decision of the Supreme Court of the United States. The bill that will pass, if it ever passes—they will never get it through with my vote—will pass with the vote of the gentleman from California [Mr. RAKER] and all the rest of the committee.

Mr. RAKER. It appealed to my heart, and I could not resist it.

Mr. MANN. Of course. You can not do unconscionable things and make them stand. I think we ought to reserve the right, so that nobody can hold up the company. But give to the Secretary of the Interior the power to require the developer on the land—I mean the developer of the power—to pay for the value of the land or any other thing that he has taken, and give him the power, so that you can hold up the company, so that you can not prevent its development. Of course these situations will not ever arise in our day and generation, but they may arise 50 or 100 years from now when the community is settled up. This reservation and the patent runs on the land forever, unless Congress releases it, and 50 or 100 years from now, or maybe in a shorter time, some prosperous community may find itself wiped off of the face of the map, without any recompense at all, in favor of some great company that wants to develop power and that ought to be permitted to develop the power.

Mr. RAKER. Does not the gentleman believe that if we pay for the actual improvement and development that that would be about fair?

Mr. MANN. Oh, well, this land is not worth anything now, is it?

Mr. RAKER. That is true.

Mr. MANN. The man who goes on it and develops it, and makes it worth $25 or $50 an acre, is just as much entitled to the value of it, because with the development they have made that value. When they go on it, it is not worth anything. They have made the value, and in conscience the Government can not take it away from them. Nor do I think a power company should have the right to run a transmission line across a man's farm, probably attaching it to his house, without making any compensation or settlement with him.

I yield to the gentleman from Oklahoma [Mr. FERRIS] the balance of my time.

Mr. FERRIS. How much time have I, Mr. Chairman?

The CHAIRMAN. The gentleman is recognized for four minutes.

Mr. FERRIS. Mr. Chairman, I did not try to reserve any time for the committee, because I think I had the right and reason to rely on the gentleman from Illinois being on the right side of this question.

Mr. MANN. Well, I am.

Mr. FERRIS. But if ever in the future should he be wrong, or if never in the past he was wrong, he is undoubtedly wrong now.

This is the equation that presents itself here: The Government has gone out with the best lights it had before it and has withdrawn areas of land. What for? For power purposes. The country has placed its approval upon that withdrawal. Now, the section of the bill provides that entrymen may go in and make a limited entry thereon. Now comes along the gentleman from Wyoming [Mr. MONDELL] with an amendment, which reads that for every power that is developed they must pay not only for the improvement but also for the land.

I say to you, Mr. Chairman, that if this amendment is adopted, that will require payment from the Government or its assignee, first, for the improvement, and, second, for the land, you could give away every power site in this country. The Federal Government always has the right to buy property for its own use. The Federal Government would have the right to buy property if you gave a patent in fee, and we could go and condemn it for a public purpose under existing statutes in the interest of the development of water for irrigation. I do not understand that the gentleman bases his amendment entirely on the part that requires the Government to pay for the land, but in answer to an interrogatory propounded to the gentleman by the gentleman from California [Mr. RAKER] I thought he also did that.

Mr. MONDELL. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Oklahoma yield to the gentleman from Wyoming?

Mr. FERRIS. Yes; with pleasure.

Mr. MONDELL. The gentleman is continually talking about "the Government." The Government is not going to develop these powers.

Mr. FERRIS. I am going to come to that in a moment. The gentleman from Illinois [Mr. MANN] very ingeniously says that some ingenious power company will come in and take this property. If the Government places such conditions upon these power sites that nobody will touch them, the Government will have destroyed all interest and value in these power companies.

The gentleman from Illinois is entirely wrong. That is a pretty broad statement for me to make of him, because he is pretty nearly always on the right side in the discussion of these questions. Although he sometimes irritates me by objecting to a little bill that I may have up, he is almost always right. But when he comes in here with the proposition of practically giving away every power site in this country he undertakes to do

too much, and the House ought not to let such an amendment go in.

The gentleman does not give his full approval to the amendment offered, but in his debate upon it he does say and does go almost to the extent that I have stated. He commands more votes on both sides of the aisle than any of the others of us, and therefore he should be careful in placing stumblingblocks and onerous conditions in these provisions that would almost destroy the value of power sites that are reserved.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. FERRIS. I understand, Mr. Chairman, that the gentleman from Wyoming [Mr. MONDELL] has two amendments to offer.

Mr. MONDELL. Mr. Chairman, I prefer to have five minutes of my time now, if the gentleman does not object.

The CHAIRMAN. The gentleman from Wyoming is recognized for five minutes.

Mr. MONDELL. Mr. Chairman, I am very much surprised, indeed, at the attitude of the gentleman from Oklahoma.

Mr. FERRIS. Mr. Chairman, let me submit a point of order, if I may. The gentleman, of course, has already spoken on the question once.

Mr. MONDELL. I had 10 minutes of the discussion. I am using 5 of it now. Of course, if the gentleman objects——

Mr. FERRIS. That is true, but I want to submit a parliamentary observation. I thought the committee had the right to close the debate.

Mr. MANN. The committee has no rights as to that at all.

Mr. FERRIS. The gentleman from Illinois gave me four minutes.

Mr. MANN. Yes; but I had not the right to close.

Mr. FERRIS. I recognize that. Mr. Chairman, I call for a vote on the amendment now.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Wyoming [Mr. MONDELL].

The question was taken, and the Chairman announced that the "noes" seemed to have it.

Mr. MONDELL. Mr. Chairman, a division.

The CHAIRMAN. The gentleman from Wyoming calls for a division.

The committee divided; and there were—ayes 12, noes 20.

So the amendment was rejected.

Mr. MONDELL. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Wyoming offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 9, line 11, after the word "seeking," insert "to secure lands under the homestead or desert-land laws or."

Mr. MONDELL. Mr. Chairman, I have been surprised a good many times during the discussion of this bill, but not so much as I was a moment ago when some Members from the public-land States deliberately put themselves on record as against the common, plain, ordinary rights of a homestead settler. Those gentlemen ought to know—others may not—what these power sites are. There was one in my State of Wyoming at one time that was 120 miles long and averaged 3 miles wide. They have voted down an amendment which provided that if people made homes on such lands as provided in this bill, and they were needed for power purposes later, they would receive the value of their land and improvements. As the bill now stands they would get nothing.

There is a power site on Green River, in my State, now several miles long and about a mile wide, in a beautiful valley, the best land in that whole section that can be irrigated. Sometime, a hundred years from now, someone may want to put a great dam at the mouth of the canyon at the lower end of that valley. It will cost at least a million or two to do it. And yet gentlemen from the public-land States say that a power company, proposing to invest $2,000,000 in a dam and as much more in other features of an enterprise, can not afford to pay the homesteader, who, perhaps, has lived on the land for 50 years, the value of his log cabin and of the land that he has improved and made valuable.

I am not complaining particularly about the withdrawal of such of these lands as some day in the reasonable future may be needed for power purposes, but everyone knows that lands such as I have referred to can not be utilized by this generation, and possibly never will be utilized. You say to the people, under this section, "You can go in there among the mountain fastnesses and develop these lands; you can irrigate them at great labor and expense; you can live there until a power company comes along and orders you off, then they can take everything you have and everything you have made." It would be much better to have the section go out, and leave these tracts remain forever unused than to invite settlers in to make homes upon them and later divest those settlers of all they have in the world. A change has come over the spirit of these gentlemen's dreams recently. A few years ago I introduced and we passed a bill for limited entries of coal lands, and not more than a month ago we passed a similar bill for limited entries of oil and phosphate lands, and we provided that when a coal prospector or an oil prospector comes on those lands, held under limited patents, he shall pay all damage to crops or buildings or improvements, and if he takes the lands he shall pay the value of the lands. But when it comes to dealing with power companies we are tender. When we come to dealing with people who expend millions for the development of power, you say in effect, "Let them wipe the homesteader off the map. Who cares? It does not affect the East, anyway." But it does affect my State, and it does affect every State in the West where these withdrawals have been made, and where lands are reserved—some improperly, in my opinion, and others properly—in the belief that sometime the land will be utilized for power purposes. In the meantime the land ought to be utilized for home-making purposes, and when the home maker has established his little home along the stream, developed the property, and made improvements, he ought not be brushed aside and lose all he has at the hands of some wealthy power company.

Mr. TAYLOR of Colorado. Will the gentleman yield?

Mr. MONDELL. I yield to the gentleman.

Mr. TAYLOR of Colorado. I want to say, concerning the gentleman's amendment that we just voted upon, that I agreed with him and voted with him. I think the power companies ought to pay for the property they destroy. I do not mean the pending amendment, but the prior amendment. Now, why does not the gentleman offer another amendment leaving out the price of the land taken and make it applicable to the improvements, and let us see if we can not adopt that on the ground that that would be better than nothing? I think possibly we could carry that amendment.

Mr. MONDELL. Because I think if a man has made his land worth $10 or $20 or $30 an acre it is not going to break any power company to have to pay him for it. That is why I do not intend to modify my amendment.

My present amendment is to preserve the rights that men now have, the rights that have been guaranteed to them under the withdrawal act. Under the withdrawal act we provided that prior homesteaders and desert entrymen should not be affected in their rights by power-site withdrawals, if their rights were initiated and held in good faith, but by this legislation you are wiping out those rights. We have therefore protected and offered them only a limited right which may be entirely taken from them by a power company.

Mr. TAYLOR of Colorado. What do you think would be the effect if the committee should strike out all, beginning with the word "but," in line 9, page 9, down to the end of the section? I may say that that language of the bill is my own. I was trying to take care of and protect our mining and irrigation rights. In putting in those last three lines my thought was that they were of the utmost importance to the irrigation and the mining rights of the West, and I thought the homestead and desert-land entrymen were fairly well protected in the fore part of the section.

Mr. MONDELL. I object to striking it out, for this reason: You propose to leave in this section the proviso:

Provided, That locations, entries, selections, or filings heretofore allowed for lands reserved as water-power sites or in connection with water-power development or electrical transmission may proceed to approval or patent under and subject to the limitations and conditions in this section contained.

This refers only to those who had initiated their rights prior to withdrawal. We have expressly protected them if they were homesteaders or desert entrymen in former legislation. This refers to him who is already on the ground, who has his house there, and may have had his homestead years before the land was withdrawn for power purposes. You say, "Yes, you can stay, Bill Jones. You have been there a long time. We can not drive you away, but you do not get anything that a power company can not take away from you any day it takes a fancy to do so." The gentleman does not think the people of his section will justify that sort of thing. Nowhere on earth can there be anybody who will justify that sort of thing if familiar with the situation. Now, the gentleman suggests striking out language which while it does not fully protect the home maker does to a certain extent. I think the gentleman and I are not far apart in our view of these matters, and I do not think the gentleman would want to take from the section the little virtue it has.

Mr. TAYLOR of Colorado. The gentleman from Wyoming gets wrought up to too high a pitch. These people are not getting any title at all now. As far as that is concerned, nobody is getting any title anywhere under existing conditions, and I want to open up to settlement the lands that are now withdrawn for power sites.

Mr. MONDELL. The gentleman is entirely mistaken. They are getting title. There is a law that guarantees homesteaders and desert entrymen their title. Their title is guaranteed if you do not pass this law. The law expressly provides that withdrawals for power purposes shall not defeat prior homesteaders or desert entrymen of their rights.

Mr. TAYLOR of Colorado. Those who have gone on after the withdrawal are not getting any title of any kind now.

Mr. MONDELL. This applies to those who went there before.

Mr. TAYLOR of Colorado. Well, they are not getting any title, either.

Mr. MONDELL. This applies to those who may have been there 10 years before.

Mr. TAYLOR of Colorado. I have the same conditions in Colorado that you have in Wyoming. This section is not as complete or satisfactory as I would like, but it is the best I could get on the committee. Now, the question is whether mining and irrigation ought to remain in or come out; that is about the size of it. I think that provision ought to stay in, and I fear your amendment may destroy this provision.

Mr. MONDELL. It ought to stay in, and my amendment ought to go in, preserving the rights of the homesteader and the desert entryman, as the law now preserves his rights—the man who was there before the withdrawal.

Mr. TAYLOR of Colorado. If the law now preserves and protects his rights, he is safe.

Mr. MONDELL. The law can not preserve his rights if you pass this later act. My former amendment was intended to preserve the rights as to receiving the value of his property in case it is taken, who may go on these power-site lands and make entry under the invitation this section provides for; that was turned down. Now, I offer an amendment to save complete the rights of the homesteader or desert entryman who was on the ground before the power site was withdrawn.

Mr. RAKER. The gentleman from Wyoming would not strike out the provision for the right to use the land for irrigation and mining purposes?

Mr. MONDELL. I would not. The present law gives the prior homesteader the right to a fee title. I want to preserve that right.

Mr. RAKER. The gentleman does not contend that a man can go on a reservation and reserve any land for power purposes and get a patent for it now?

Mr. MONDELL. The gentleman from California knows, or should know, that there are scores and perhaps hundreds of homesteaders now on power-site withdrawals who were there before the withdrawal was made, and the withdrawal act expressly relieves them from the effects of the withdrawal; but if you adopt this provision the only title they can get is one under which a power company can divest them of all their rights and pay them nothing.

Mr. RAKER. I want to call the gentleman's attention to the fact that every man who has met his filing on a homestead or a desert entry, before he made his final proof and the land was withdrawn can be denied the patent if the Government wants to do it.

Mr. MONDELL. I do not agree with the gentleman as to the right of the Government to do that. Furthermore, we have done quite a different thing; the withdrawal act of August 24, 1912, provides as to the effect of all withdrawals:

And provided further, That there shall be excepted from the force and effect of any withdrawal made under the provisions of this act all lands which are, on the date of such withdrawal, embraced in any lawful homestead or desert-land entry theretofore made, or upon which any valid settlement has been made and is at said date being maintained and perfected pursuant to law.

Now, you propose to say to him, "If you have not in the meantime got your patent we will give you a limited right under which some high-brow power developer may come along and wipe you off the face of the earth and take your home and your land."

Mr. RAKER. Let me call the gentleman's attention to the fact that if it is right and proper that the land should be reserved for power purposes, and if it will develop a great enterprise of great advantage to the public, ought not it to be done?

Mr. MONDELL. If there is any enterprise worth its salt it is an enterprise that can afford to pay for the property it takes from the owner, be he a rich or a poor homesteader. If it can not afford to do that, it ought never to be developed. If it is not an enterprise that can afford to pay men for homes and farms taken from them, it is not an enterprise that ever should be considered by anybody.

Mr. RAKER. No man's homestead or desert claim ought to be taken from him by anybody.

Mr. MONDELL. That is just what you are proposing to do. You may not realize it, but you are.

The CHAIRMAN. The time of the gentleman from Wyoming has expired. The question is on the amendment offered by the gentleman from Wyoming.

The question was taken, and on a division (demanded by Mr. MONDELL) there were 16 ayes and 21 noes.

Mr. MONDELL. I demand tellers.

The CHAIRMAN. The gentleman from Wyoming demands tellers. All those in favor of tellers will rise. [After a pause.] Seven gentlemen have risen, not a sufficient number, and tellers are refused.

Mr. MONDELL. Mr. Chairman, I make the observation that there is not a quorum present.

The CHAIRMAN. The gentleman from Wyoming makes the point of order that there is no quorum present.

Mr. FERRIS. Will not the gentleman withhold his point of no quorum?

Mr. MONDELL. He will not. You can not take away the rights of the homestead settlers in my State without a quorum.

The CHAIRMAN. The gentleman from Wyoming makes the point of no quorum. The Chair will count. [After counting.] Forty-five Members present, not a quorum, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Aiken	Edmonds	Key, Ohio	Post
Ainey	Elder	Kiess, Pa.	Pou
Anthony	Esch	Kinkead, N. J.	Powers
Aswell	Estopinal	Kirkpatrick	Prouty
Austin	Fairchild	Kitchin	Ragsdale
Baltz	Faison	Knowland, J. R.	Rainey
Barchfeld	Fields	Konop	Rauch
Bartholdt	Finley	Kreider	Reilly, Conn.
Bartlett	Flood	Lafferty	Riordan
Beall, Tex.	Floyd	Langham	Roberts, Mass.
Bell, Ga.	Fordney	Langley	Rothermel
Brown, N. Y.	Foster	Lazaro	Rubey
Brown, W. Va.	Francis	Lee, Ga.	Rupley
Browne, Wis.	Frear	L'Engle	Sabath
Browning	Gard	Lenroot	Saunders
Bruckner	Gardner	Lesher	Scully
Brumbaugh	Garrett, Tex.	Lever	Sells
Buchanan, Ill.	George	Lewis, Pa.	Sherley
Bulkley	Gerry	Lindbergh	Sherwood
Burke, Pa.	Gill	Lindquist	Shreve
Butler	Gillett	Linthicum	Slayden
Byrnes, S. C.	Gittins	Lobeck	Slemp
Calder	Glass	Loft	Smith, Md.
Callaway	Godwin, N. C.	McAndrews	Smith, N. Y.
Campbell	Goeke	McGillicuddy	Stanley
Cantor	Goldfogle	McGuire, Okla.	Steenerson
Cantrill	Good	McKellar	Stephens, Miss.
Carew	Goulden	McKenzie	Stephens, Nebr.
Carlin	Graham, Ill.	Madden	Stephens, Tex.
Carter	Graham, Pa.	Mahan	Stout
Casey	Gregg	Maher	Stringer
Church	Griest	Manahan	Switzer
Clancy	Griffin	Martin	Talbott, Md.
Clark, Fla.	Guernsey	Merritt	Ten Eyck
Coady	Hamill	Mentague	Thacher
Collier	Hamilton, Mich.	Moore	Townsend
Connolly, Iowa	Hamilton, N. Y.	Morgan, La.	Treadway
Conry	Hardwick	Morin	Tribble
Covington	Hart	Morrison	Tuttle
Cramton	Hay	Mott	Underhill
Crisp	Hayes	Murray, Okla.	Vare
Crosser	Henry	Neeley, Kans.	Vaughan
Dale	Hensley	Nelson	Vollmer
Danforth	Hill	Oglesby	Walker
Davenport	Hobson	O'Leary	Wallin
Decker	Howard	O'Shaunessy	Walters
Dickinson	Hoxworth	Padgett	Watkins
Dies	Hughes, Ga.	Page, N. C.	Weaver
Difenderfer	Hughes, W. Va.	Palmer	Whaley
Dixon	Hulings	Parker	Whitacre
Dooling	Hull	Patten, N. Y.	White
Doremus	Humphreys, Miss.	Patton, Pa.	Willis
Driscoll	Johnson, S. C.	Payne	Wilson, N. Y.
Drukker	Jones	Peters	Winslow
Dunn	Kahn	Peterson	Woodruff
Dupré	Keister	Platt	Woods
Eagan	Kennedy, R. I.	Plumley	
Eagle	Kent	Porter	

The committee rose; and the Speaker having resumed the chair, Mr. FITZGERALD, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill H. R. 16673, had found itself without a quorum, that he had directed the roll to be called, and that 201 Members had answered to their names—a quorum—and he reported the names of the absentees.

The committee resumed its sitting.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wyoming.

Mr. FERRIS. Oh, Mr. Chairman, I think that question was settled before the point of order of no quorum was made.

Mr. MONDELL. Does the Chair rule that that vote was taken and concluded?

The CHAIRMAN. The Chair is under the impression that the vote has been taken, and that then the gentleman demanded tellers. Tellers were refused, and the gentleman then made the point of order of no quorum.

Mr. MONDELL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MONDELL. May I demand tellers on my amendment at this time?

The CHAIRMAN. Tellers were refused when the gentleman demanded tellers before.

Mr. MANN. But, Mr. Chairman, tellers were refused by a lack of a quorum. A Member can not be cut out from having a vote on his amendment by a quorum of the committee.

Mr. FERRIS. Mr. Chairman, the gentleman did not demand a quorum upon the vote upon the amendment, but did ask for tellers and tellers were refused, and the announcement was made; and then the gentleman demanded a quorum, and the question is not now at issue.

Mr. MANN. Yes; but the gentleman asked for tellers.

Mr. FERRIS. But tellers were refused.

Mr. MANN. Tellers were refused by what?

Mr. FERRIS. It had not developed at that time that there was no quorum present.

Mr. MANN. But the gentleman made the point of order of no quorum, and it then developed that there was not a quorum present to refuse tellers. If that side of the House wants to force us to make a point of no quorum before every vote is taken, very well, we will do it; but the gentleman sees how it would work. The gentleman asks for a division, we will say, and then asks for tellers. There is not a quorum of the committee present. If a majority of the House—and I do not mean that majority——

The CHAIRMAN. The Chair is prepared to rule. The Chair thinks the gentleman from Wyoming is entitled to have the question of whether the committee will order tellers determined at this time. As many as are in favor of ordering tellers will rise and stand until counted. [After counting.] Thirty Members have risen, a sufficient number, and tellers are ordered. The Chair appoints the gentleman from Oklahoma [Mr. FERRIS] and the gentleman from Wyoming [Mr. MONDELL] to act as tellers.

The committee again divided; and the tellers reported—ayes 39, noes 64.

So the amendment was rejected.

Mr. MANN. Mr. Chairman, I move to strike out, on page 8, line 22, the words "or grantees."

The CHAIRMAN. The gentleman from Illinois offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 8, line 22, strike out the words "or grantees."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. RAKER. Mr. Chairman, since the gentleman's amendment——

The CHAIRMAN. Debate on this section has closed.

Mr. RAKER. I rise for the purpose of offering an amendment, if the gentleman from Illinois thinks that it is necessary.

The CHAIRMAN. But debate is not in order at this time. The gentleman may offer an amendment, but he may not debate it.

Mr. MANN. It is the same thing, to move to strike out those words on page 9?

Mr. RAKER. I move to insert the word "or" between the words "United States" and the word "its," in line 2.

Mr. MANN. Mr. Chairman, I ask unanimous consent that the gentleman may have two minutes.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent that the gentleman from California may proceed for two minutes. Is there objection?

There was no objection.

Mr. RAKER. Mr. Chairman, I offer the following amendment, on page 9, line 2, to insert, after the words "United States," the word "or."

Mr. MANN. That is all right, but I have not yet moved to strike out the words "or grantees" on that page. I am just coming to that.

Mr. RAKER. Oh, I thought that was the place where the gentleman had moved to strike them out.

Mr. MANN. No; I moved to strike them out on page 8, line 22.

Mr. RAKER. Then, Mr. Chairman, I withdraw my amendment.

Mr. MANN. Mr. Chairman, I move to strike out, on page 9, line 3, the words "or grantees" and to insert, after the words "United States," in line 2, in place of the comma, the word "and."

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Illinois.

The Clerk read as follows:

Page 9, line 3, strike out the words "or grantees," and on line 2, page 9, strike out the comma and insert in lieu thereof the word "and."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Illinois.

The question was taken, and the amendment was agreed to.

Mr. MONDELL. Mr. Chairman, I offer the following amendment which I send to the desk and ask to have read.

The Clerk read as follows:

At the end of the section insert the following:
"And it shall be a condition of any lease made under this act, including lands entered and held under the provisions of this section, that the lessee shall pay the owner the value of any land taken or used other than its value for power purposes and of all improvements thereon."

Mr. FERRIS. Mr. Chairman, I make the point of order that we have already voted on that identical proposition.

The CHAIRMAN. The Chair overrules the point of order. The Chair would not attempt to dispose of an amendment in that fashion. The question is on the amendment of the gentleman from Wyoming.

The question was taken; and on a division (demanded by Mr. MONDELL) there were—ayes 26, noes 52.

Mr. MONDELL. Mr. Chairman, I ask for tellers.

The CHAIRMAN. The gentleman from Wyoming demands tellers. Those in favor of ordering tellers will rise and stand until counted. [After counting.] Thirty-one gentlemen have risen, a sufficient number, and tellers are ordered.

The committee again divided; and the tellers (Mr. MONDELL and Mr. FERRIS) reported that there were—ayes 33, noes 49.

So the amendment was rejected.

The Clerk read as follows:

SEC. 14. That nothing in this act shall be construed as affecting or intended to affect or to in any way interfere with the laws of any State relating to the control, appropriation, use, or distribution of water used in irrigation or for municipal or other uses, or any vested right acquired thereunder.

Mr. MANN. Mr. Chairman, I move to strike out the section.

Mr. FERRIS. What section is that?

Mr. MANN. Section 14. Mr. Chairman, this bill all the way through is intended to and does conserve the power of the United States over its water-power sites. It gives to the Secretary of the Interior the right to control rates, charges, and the issuance of stocks and bonds. It gives the Government the right to take this property and pay only for certain values and not for franchises or promotion values. Having done all this to protect the right of the General Government, it strips it all away by section 14. No man or set of men can tell by this bill in its present form what it means because of section 14, which is inserted in it. Section 14 is taken out of the Hetch Hetchy bill.

A number of our western friends who do not believe that the General Government has or ought to have or exercise any power over water rights did want to pass the Hetch Hetchy bill, and after they had agreed upon all of its terms, probably as a compromise in that particular case, they inserted what is section 14 in this bill. Nobody knows what that meant in the Hetch Hetchy bill, but in most cases in the Hetch Hetchy bill the powers of the Government were defined definitely. In this case, having conferred or reserved those powers to the General Government, section 14 of this bill says:

That nothing in this act shall be construed as affecting or intended to affect or to in any way interfere with the laws of any State relating to the control, appropriation, use, or distribution of water used in irrigation or for municipal or other uses or any vested right acquired thereunder.

Under the terms of this provision the Government may give the right to a company for a lease on a dam site to erect a power plant, and next year the State may take all the water rights away from the company. I am not in favor of giving to a State any such authority. Those rights which the States have which we can not constitutionally exercise we can not take away from them. They are reserved to the State notwithstanding any action that we take. I am not in favor of passing a bill by Congress and then determining upon its operation by laws heretofore or hereafter passed by a State. The provision says that any law that a State passes for any

use of water shall prevail over this law. We have the power, we own the land on each side of the river of the national forests or elsewhere where water power can be produced, and we provide for its use and development by this bill, and do it, I think, very well, indeed. Then we put in section 14 as a compromise or a sop to some of our distinguished friends and take away the whole power we have conferred and leave it in the hands of the State. I do not think we ought to do that. I think that the power the General Government has it ought to exercise; the powers that the State governments have we ought not and can not take away from them. [Applause.]

Mr. TAYLOR of Colorado. Mr. Chairman, if the gentleman from Illinois does not want to deliberately take away the vested rights of the Western States to the waters which our people own and are now using for irrigation of their growing crops, he would not offer this kind of an amendment. We know full well, and much better than he does, what it would mean to pass this bill without this section 14 in it. Practically every drop of the natural flow of the waters of every stream in every Western State to-day is appropriated and being beneficially used. It is appropriated by our citizens and under our State laws. It is appropriated under the Constitution of the United States and the constitution of our own States, and under the acts of Congress of 1866 and 1872. That water now by this bill is going to be hereafter allowed to be used by big and little power companies for power purposes.

We are not objecting to its being used for power purposes. It does not diminish the water as it falls down the mountain side and turns a wheel. But if you permit these power companies to take the water out of that stream and divert it from its use for irrigation and disregard the irrigators' rights, you simply destroy the vested rights of 40 years in the West. It would be a high-handed confiscation of our property rights. That is what it amounts to.

Take the reclamation law, to which the gentleman referred. When Congress passed it, on the 17th day of June, 1902, this provision in this language was put in that law. I took this language of section 14 from section 8 of the reclamation law and inserted it in this bill. That was put in there because it was necessary to protect the vested water rights of the West and nothing else, and nobody who respects the law or the vested rights of the settlers has ever from that day to this found any complaint with it; nobody has ever said the Government could not construct 32 reclamation projects in the West and operate them by virtue of that section being in there. It simply respects and protects the lawful rights of the farmers and miners and the inhabitants generally of the West.

When the forest reserves were set aside, when Congress passed the forest-reserve law, that same provision was put in to prevent strife and trouble. No honest man has ever found any fault with that. When we passed the Hetch Hetchy bill last year we put in this identical language to protect the vested water rights of the people of California, and nothing else. Water is used a great many times in the West. Many streams are 100 miles long. The irrigators will take the water out near the source of the stream and use it for irrigation and domestic purposes, and it will run back into the stream again and then be taken out again, and it will be used probably five or six times; but because the Government is going to turn a wheel with it some place, or give some corporation the right to do it, there is no reason why we should attempt in this act of Congress to legislate away the vested rights of those people that have been acquired under our Constitution and laws and the acts of Congress for years and years.

Mr. MANN. Will the gentleman yield?

Mr. TAYLOR of Colorado. Yes.

Mr. MANN. The gentleman has confined his talk to irrigation, and so forth. Is the gentleman willing to accept an amendment to strike out the words "and other," in line 17?

Mr. TAYLOR of Colorado. No; and I will tell you why. The waters under the constitutions of the Western States have three rights; the highest right is for domestic purposes, the second right is for irrigation purposes, and the third right is for manufacturing purposes. The first right includes municipal rights. I can not describe or go into all the different rights or uses of water in the West, but where they are appropriated on a stream for some beneficial use and are now being used, and the property and priority rights of the users are vested and recognized under the act of Congress and under our Constitution and State laws, Congress has no right to put in a provision here giving the Secretary of the Interior the right to go and interfere with and ruthlessly defy and destroy those rights. You would simply bring on interminable litigation if you try to trample upon those property rights. For the purpose of expressly declaring that Congress does not intend to give the power companies authority, as far as it can, if it can at all, to confiscate people's homes, this section was put in.

This section is all there is in this entire bill to protect the property rights of the western irrigators, and western domestic users, and western municipal users, and manufacturing users, or any other users we have in our public domain at the present time. And I certainly know we can not, without violating every right of decency, every vested constitutional and legal right of the Western States, cut out this section. It would be an infamous outrage to strike out this section 14, and I do not believe that Congress now, after all these years of legislation on water rights, is going to turn its back and brazenly pass a bill which means confiscation and nothing else. That is what this bill means without that section being in there. I want to again refer to the act of Congress of July 26, 1866 (Rev. Stat., 2339), as follows:

> Whenever, by priority of possession, rights to the use of water for mining, agricultural, manufacturing, or other purposes have vested and accrued, and the same are recognized and acknowledged by the local customs, laws, and the decisions of courts, the possessors and owners of such vested rights shall be maintained and protected in the same; and the right of way for the construction of ditches and canals for the purposes herein specified is acknowledged and confirmed; but whenever any person, in the construction of any ditch or canal, injures or damages the possession of any settler on the public domain, the party committing such injury or damage shall be liable to the party injured for such injury or damage.

For the purpose of further guaranteeing and protecting the western settlers in their property rights and rights of way for their ditches and water rights, on July 9, 1870, Congress passed the following act:

> All patents granted or preemptions or homesteads allowed shall be subject to any vested and accrued water rights, or rights to ditches and reservoirs used in connection with such water rights as may have been acquired under or recognized by the preceding section. (Rev. Stat., 2340.)

Neither one of those acts has ever been repealed from that day to this. They were the foundation upon which many billions of dollars worth of property was made by many years of toil and privation, and upon which that property has securely rested for nearly a half a century.

On the 3d day of March, 1875, Congress passed the enabling act, permitting the inhabitants of the Territory of Colorado to frame and submit its constitution for admission to the Union. Section 1 of the enabling act reads as follows:

> That the inhabitants of the Territory of Colorado included in the boundaries hereinafter designated be, and they are hereby, authorized to form for themselves, out of said Territory, a State government, with the name of the State of Colorado, which State, when formed, shall be admitted into the Union upon an equal footing with the original States in all respects whatsoever, as hereinafter provided.

In pursuance of that enabling act the inhabitants of the Territory of Colorado adopted a constitution on the 14th of March, 1876, and submitted it. Paragraphs 5 and 6 of article 16 of that constitution which was submitted to this Government are as follows:

> Water public property: The water of every natural stream not heretofore appropriated within the State of Colorado is hereby declared to be the property of the public, and the same is dedicated to the use of the people of the State, subject to appropriation as hereinafter provided.
>
> Right of appropriation: The right to divert unappropriated waters of any natural stream for beneficial uses shall never be denied. Priority of appropriation shall give the better right as between those using the water for the same purpose, but when the waters of any natural stream are not sufficient for the service of all those desiring the use of the same, those using the water for domestic purposes shall have the preference over those claiming for any other purpose, and those using the water for agricultural purposes shall have the preference over those using the same for manufacturing purposes.

That constitution, with those provisions therein, was formally approved, and President Grant, on August 1, 1876, signed and issued the proclamation making Colorado the centennial State of this Union. That enabling act and those two provisions within our constitution were an absolutely binding and forever inviolate contract between this Government and the State of Colorado. Probably one-half of the property value of our entire State has been built and based upon those provisions. You of the East have little conception of what water rights mean to us of the West.

The act of June 4, 1897, establishing the forest reserves, also contained the following provision:

> The jurisdiction, both civil and criminal, over persons within such reservations shall not be affected or changed by reason of the existence of such reservations, except so far as the punishment of offenses against the United States therein is concerned, the intent and meaning of this provision being that the State wherein any such reservation is situated shall not, by reason of the establishment thereof, lose its jurisdiction, nor the inhabitants thereof their rights and privileges as citizens, or be absolved from their duties as citizens of the State.

The Supreme Court of the United States, in the case of Kansas *v.* Colorado (206 U. S., 46-118), and all of the other deci-

sions of that court upon the subject during the past 40 years, have emphatically declared:

That the Government of the United States is one of enumerated powers; that it has no inherent powers of sovereignty; that the enumeration of the powers granted is to be found in the Constitution of the United States and in that alone; that all powers not granted are reserved to the people. While Congress has general legislative jurisdiction over the Territories and may control the flow of waters in their streams, it has no power to control a like flow within the limits of a State, except to preserve or improve the navigability of the stream; that the full control over those waters is vested in the State.

We have no navigable streams within the State of Colorado. The doctrine of riparian rights never did prevail in our country.

The language of section 8 of the reclamation act of June 17, 1902 (32 Stat., 388), referred to, is as follows:

SEC. 8. That nothing in this act shall be construed as affecting or intended to affect or to in any way interfere with the laws of any State or Territory relating to the control, appropriation, use, or distribution of water used in irrigation, or any vested right acquired thereunder, and the Secretary of the Interior, in carrying out the provisions of this act, shall proceed in conformity with such laws, and nothing herein shall in any way affect any right of any State or of the Federal Government or of any landowner, appropriator, or user of water in, to, or from any interstate stream or the waters thereof: *Provided*, That the right to the use of water required under the provisions of this act shall be appurtenant to the land irrigated, and beneficial use shall be the basis, the measure, and the limit of the right.

I am going to insert as part of my remarks a portion of the appendix of the hearings upon this bill before the Public Lands Committee, being a part of Exhibit A, appearing on page 499 and following, in support of my position in opposition to this amendment, as follows:

EXHIBIT A.

MEMORANDUM IN SUPPORT OF RESOLUTION OF WESTERN GOVERNORS AT DENVER CONFERENCE, APRIL 9, 1914, RE CONSERVATION AND WATER POWERS.

At their conference at Denver on April 9, 1914, the governors of the States of Utah, Nevada, Colorado, Washington, Oregon, Idaho, Wyoming, New Mexico, and North Dakota adopted the following resolution:

"Whereas Congress has declared the water of all lakes, rivers, and other sources of water supply upon the public lands, and not navigable, shall remain and be held free for the appropriation and use of the public for irrigation, mining, and manufacturing purposes, we insist the Federal Government has no authority to exercise control over the water of a State through ownership of public lands:

"*Resolved*, We maintain the waters of a State belong to the people of the State, and that the State should be left free to develop water-power possibilities and receive fully the revenues and other benefits derived from said developments.

"RESOLUTION ON CONSERVATION.

"We believe in conservation—in sane conservation. We believe the all-wise Creator placed the vast resources of this Nation here for the use and benefit of all the people, past, present, and future; and while we believe due consideration and protection should be given to the rights of those who come hereafter, we insist that the people of this day and age should be given every reasonable opportunity to develop our resources and put them to beneficial use."

There are pending before Congress two bills authorizing the development of water powers in the streams of the arid West—S. 4415, by Senator JONES, of Washington, and H. R. 14893, by Mr. FERRIS. Passing any general discussion of the merits of either of these bills in matters of detail, they present fundamentally antithetical divergence between State control of waters on the one hand and Federal control on the other, upon which the western governors so emphatically expressed themselves in the conference resolution above quoted, which may be concretely expressed in the question, Do the waters of the several States, or, more correctly, does the right to use those waters belong to the States or to the Federal Government?

This antithesis is expressed in the divergent provision of the two bills as to the compensatory tax to be imposed upon water-power developments. The Jones bill (sec. 2) provides for compensation to the Federal Government by a rental based upon the appraised value of the public lands required for the development. The Ferris bill (sec. 8) provides for rental based upon the power developed by the lessee at the site, regardless of the area of public lands occupied by him. In other words, the former asserts ownership of and exacts compensation for land taken, the latter of and for water independent of the land required for its use.

It is nowhere claimed that there is in the Federal Government any right to control the use of water within the States (except in aid of commerce and navigation and purposes incident to other governmental functions) except such as is given by the ownership of public lands.

This statement would seem to answer the question above stated, and to render the compensatory clause of the Ferris bill indefensible in principle. But it is claimed by the Federalists that the rights of the Government as a riparian owner of much of the land upon which hydroelectric developments must be made give it the riparian owner's right to the water or its use, and confer upon it a right to exact compensation for such use. In those few Western States in which a modified system of riparian rights is in force there would be merit in the contention were it not for the facts, first, that a riparian owner's usufructuary right to water is simply an incident of his riparian ownership of land—it may be severed by grant, reservation, or condemnation, or lost by prescription created by adverse user, but fundamentally and inherently it is appurtenant to his land, and if the land is rendered more valuable by its riparian character, it is compensated for in the increased cost of the land; second, the asserted right is not confined to riparian land, but is extended to nonriparian land which it for any reason becomes necessary to cross in the construction of development works—for example, a flume or pipe line may extend from a riparian lot in private ownership over nonriparian public land, and thence to a power house on private riparian land where it is returned to the stream; under the Ferris bill the Government may exact exactly the same tax or rental upon the same horsepower basis as though it were the owner of all the land, riparian or nonriparian, required for the development; third, the right is asserted as a sovereign, governmental right yielding a compensation to enable the Government to maintain a governmental bureau discharging governmental functions, and not a private proprietary right, constituting a thing of value and to be compensated for as such, upon its disposal, as other property is compensated for.

But in the great majority of Western States, where the doctrine of riparian rights has been rejected in toto, there is no basis either in sovereignty or riparian proprietorship for the assertion by the Federal Government of a right to the waters of streams, or their use, or to regulate their use by others, or to exact compensation for such use, but all of such claimed rights belong to the several States and their peoples, and are the subjects of property, distinct from any rights to land, riparian or otherwise, which may be used or required to make such water rights available. Furthermore, in no State can the Federal Government claim any rights to water except as incident to land ownership, and then only on the same terms and conditions as other owners of land in the State.

These propositions are elementary and part of the common knowledge of every citizen of the West, but seem to be so generally misunderstood by our eastern friends that this memorandum in support of the position so emphatically taken by the western governors is offered, citing, for brevity and conciseness, only the few leading and incontestable authorities on the proposition involved:

1. The Federal Government has, by reason of its ownership of public lands, no municipal right of sovereignty in the several States, but the rights of the public-land States over such lands, and the waters over the same, are in all respects equal to those of the original States over territory within their borders, save that they can not tax them or interfere with the primary disposal of the soil by the Federal Government.

This principle is established, and incidentally the whole argument here made, in the leading case of Pollard's Lessee *v.* Haggen (3 How., 212, 15 U. S., 391), where, among other things, the court said:

"We think a proper examination of this subject will show that the United States never held any municipal sovereignty, jurisdiction, or right of soil in and to the territory of which Alabama or any of the new States were formed, except for temporary purposes, and to execute the trusts created by the acts of the Virginia and Georgia Legislatures, and the deeds of cession executed by them to the United States, and the trust created by the treaty with the French Republic of the 30th of April, 1803, ceding Louisiana.

* * * * * * *

"And if an express stipulation had been inserted in the agreement granting the municipal right or sovereignty and eminent domain to the United States such stipulation would have been void and inoperative, because the United States have no constitutional capacity to exercise municipal jurisdiction, sovereignty, or eminent domain within the limits of a State, or elsewhere, except in the cases in which it is expressly granted.

* * * * * * *

"The right of Alabama and every other new State to exercise all the powers of government which belong to and may be exercised by the original States of the Union must be admitted and remain unquestioned, except so far as they are temporarily deprived of control over the public lands.

* * * * * * *

"We therefore think the United States hold the public lands within the new States by force of the deeds of cession and the statutes connected with them, and not by any municipal sovereignty which it may be supposed they possess or have reserved by compact with the new States for that particular purpose. The provision of the Constitution above referred to shows that no such power can be exercised by the United States within a State. Such a power is not only repugnant to the Constitution, but it is inconsistent with the spirit and intention of the deeds of cession.

* * * * * * *

"By the preceding course of reasoning we have arrived at these general conclusions: First, the shores of navigable waters and the soils under them were not granted by the Constitution to the United States but were reserved to the States respectively. Second, the new States have the same rights, sovereignty, and jurisdiction over this subject as the original States. Third, the right of the United States to the public lands, and the power of Congress to make all needful rules and regulations for the sale and disposition thereof, conferred no power to grant to the plaintiffs the land in controversy in this case."

The principle announced in this case has been affirmed and the case followed in cases in the Supreme Court of the United States and in the several States too numerous to mention. Among the more important cases of those most nearly in point here are: Withers *v.* Buckley (20 How., 84); Shively *v.* Bowlby (152 U. S., 1); Fort Leavenworth R. Co. *v.* Lowe (114 U. S., 525); Kansas *v.* Colorado (206 U. S., 46); Hudson Water Co. *v.* McCarter (209 U. S., 349).

In the Fort Leavenworth case it is said:

"The United States, therefore, retained, after the admission of the State, only the rights of an ordinary proprietor, except as an instrument for the execution of the powers of the General Government, that part of the tract which was actually used for a fort or military post was beyond such control of the State by taxation or otherwise as would defeat its use for those purposes. So far as the land constituting the reservation was not used for military purposes the possession of the United States was only that of an individual proprietor. The State could have exercised with reference to it the same authority and jurisdiction which she could have exercised over similar property held by private parties."

In Kansas *v.* Colorado (supra), which is now perhaps the leading case on this proposition as applied to the arid States, the following statement is made:

"As to those lands within the limits of the States, at least of the Western States, the National Government is the most considerable owner and has power to dispose of and make all needful rules and regulations respecting its propriety. We do not mean that its legislation can override State laws in respect to the general subject of reclamation. While arid lands are to be found mainly, if not only, in the Western and newer States, yet the powers of the National Government within the limits of those States are the same—no greater and no less—than those within the limits of the original 13, and it would be strange if, in the absence of a definite grant of power, the National Government could enter the territory of the States along the Atlantic and legislate in respect to improving by irrigation or otherwise the lands within their borders. Nor do we understand that hitherto Congress has acted in disregard to this limitation."

And in the Hudson Water case the court, through Mr. Justice Holmes, says:

"It appears to us that few public interests are more obviously indisputable and independent of particular theory than the interest of the public of a State to maintain the rivers that are wholly within it substantially undiminished except by such drafts upon them as the guardian of the public welfare may permit for the purpose of turning them to more perfect use."

And it is held that no agreement of riparian owners can sanction the diversion of an important stream outside the boundaries of the State. In this discussion the court expressly excludes irrigation problems.

II. The right of sovereignty over lands and waters being in the several States, each may determine for itself the law governing the right to the use of its waters and the manner of acquiring and conditions of continuing such use.

Whatever may have been the rule during the early formative period of irrigation and water-power law, the Supreme Court of the United States has consistently held since the decision of Kansas *v.* Colorado cited above, that the nature and extent of water rights within the several States is a question of local law in which the statutes and decisions of those States govern.

In the Kansas *v.* Colorado case it said—

"Each State has full jurisdiction over the lands within its borders, including the beds of streams and other waters."

And—

"It may determine for itself whether the common-law rule in respect to riparian rights or that doctrine which obtains in the arid regions of the West what appropriation of waters for the purposes of irrigation shall control. Congress can not enforce either rule upon any State."

This rule is substantially announced in the Hudson Water case, above cited, and in Boquillas Cattle Co. case (213 U. S., 339), an appropriation in Arizona is expressly sustained as against a claim of vested riparian rights claimed under a Territorial statute making the common law of England, so far as not repugnant to the Territorial laws adopted—the court, through Mr. Justice Holmes, merely saying trenchantly: "But we agree with the Territorial court that, considered with the rest of the code, it is far from meaning that the patentees of a ranch on the San Pedro are to have the same rights as the owners of an estate on the Thames." The proprietor's rights are sustained under the Arizona appropriation code.

The question is expressly decided again in Los Angeles Milling Co. *v.* Los Angeles (217 U. S., 217), where it is held that the decision of the California court as to the effect of rights of the Pueblo of Los Angeles to water, basing its decision on previous decisions of the court of California, presented no Federal question which the Supreme Court could review, citing, among other cases, Los Angeles *v.* Hooker (188 U. S., 314), where Chief Justice Fuller said:

"Obviously, the question as to the title or right of plaintiffs in error to the land and whatever appertained thereto was one of State law, on which the decision of the State court was final."

In Shodde *v.* Twin Falls Water Co. (224 U. S., 107) the Idaho law of appropriation is sustained against a claim of vested riparian rights, and the question is treated by the Supreme Court solely as one of local law under which the decisions of the State court are binding.

III. In the great majority of Western States water is declared the property of the State or of the public and the right to its use the subject of appropriation independent of land ownership; title to riparian land gives no title to water nor right to its use.

In the arid States the above statement is known as the Colorado doctrine, being first promulgated in the case of Coffin *v.* Lefthand Ditch Co. (6 Colo., 443). In this case the court, after reviewing the doctrines of prior appropriation and of riparian rights, said:

"We conclude, then, that the common-law doctrine giving the riparian owner a right to the flow of water in its natural channel upon and over his land, even though he makes no beneficial use thereof, is inapplicable to Colorado. The imperative necessity, unknown to the countries which gave it birth, compels the recognition of another doctrine in conflict therewith. And we hold that, in the absence of express statutes to the contrary, the first appropriator of water from a natural stream for a beneficial purpose has, with the qualifications contained in the Constitution, a prior right thereto to the extent of such appropriation."

This view of the law has been adopted, in addition to Colorado, in Wyoming, New Mexico, Arizona, Utah, Idaho, and Nevada, and as hereinbefore noted, is acquiesced in by the Supreme Court of the United States. The leading decisions in the various States are: Willey *v.* Decker (11 Wyo., 496), Clough *v.* Wayne (2 Ariz., 371), Stowell *v.* Johnson (7 Utah, 215), Drake *v.* Earhart (2 Idaho, 750), Reno Smelting Works *v.* Stevenson (20 Nev., 269).

There is not space to review these decisions in detail, but they all proceed upon the theory expounded in the Colorado case—that the law of riparian rights was not adapted to the situation existing in the arid States, and consequently never was a part of their law; that their law originated independently of the common-law doctrines out of the customs of miners and as a product of necessity, which, if not recognized, would have left those States a waste. Unlike the States which followed the California doctrine, next to be mentioned, they do not hold that rights to the use of water depend in any sense upon either acquiescence by or grant from the Federal Government as the owner of riparian lands, but that those rights are sui generis and of independent local origin, and as such are impressed upon the lands of the United States as well as upon lands which have passed into private ownership.

IV. In the balance of the Western States while riparian rights are recognized such recognition is of rights of land proprietorship and not of sovereignty, and it has not been extended to public lands because of any paramount governmental ownership as such, but because of the proprietary interest of the Government, which, as proprietor, is regarded simply as the source of title.

This doctrine, known as the California doctrine, prevails in the States of California, Washington, and Montana. Under it the ownership of riparian land is regarded as carrying with it, as at common law, the right to the use of water; but the Government, as the owner of such land, is held to have granted its rights to water by the now famous act of July 26, 1866, which, among other things, provides:

"SEC. 9. *And be it further enacted*, That whenever, by priority of possession, rights to the use of water for mining, agricultural manufacturing, or other purposes, have vested and accrued, and the same are recognized and acknowledged by the local customs, laws, and the decisions of courts, the possessors and owners of such vested rights shall be maintained and protected in the same."

This act was early held to be not only a recognition of rights previously acquired, but also as a grant by the Federal Government to future users of water, and it has been generally held under it when applied to this doctrine that so long as land was in public ownership of the United States water rights could be acquired by appropriation, because of the grant of the right so to do by the act of Congress, but as soon as they passed into a private ownership riparian rights, unless previously divested, attached.

The leading case in support of this doctrine is Lux *v.* Haggin (69 Cal., 255). The decision is a very long one. It is there held that the Government has the absolute title to its lands, and that consequently, unless preserved, running waters appurtenant thereto pass by grant or patent of the United States (p. 340). But it is further said:

"Upon the admission of California into the Union, this State became vested with all the rights of sovereignty and jurisdiction in and over navigable water and the soils under them which were possessed by the original States after the adoption of the Constitution of the United States. Since the admission of California into the Union the public lands of the United States (except such as have been reserved or purchased for forts, navy yards, public buildings, etc.) are held as are the lands of private persons, except that they can not be taxed by the State, nor can the primary disposition of them be interfered with" (p. 335).

Similarly the Federal court for California, in Woodruff *v.* North Bloomfield (18 Fed. Cas., 772; 9 Sawyer, 441), held that after the admission of California "the only interest of the United States in the public lands was that of a proprietor, like that of any other proprietor, except that a State, under the express terms upon which it was admitted, could pass no laws to interfere with their primary disposal, and they were not subject to taxation."

The doctrine of Lux *v.* Haggin (supra) has been adopted in Washington in Kendel *v.* Joyce (48 Wash., 489), and in Montana in Cottonwood *v.* Thom (39 Mont., 115).

It is clear that in these States, while a title to waters running through and over the public lands is recognized in the Federal Government, this title is merely one of proprietary ownership and not a right of sovereignty; that it does not give the Federal Government the right to regulate as a sovereign the development and use of its waters, but it, as the owner of riparian land, is looked to simply as the source of title to the waters as well as to the lands, which it is held by the act of 1866 it has parted with and dedicated to the people of the States.

A theory somewhat different from either of the others prevails in Oregon and should be briefly mentioned. Until 1909 it was generally accepted that a modified system of riparian rights prevailed in Oregon, but in that year in the exhaustive and learned decision in Hough *v.* Porter (51 Oreg., 882), (rehearing opinion) it is held that that provision of the desert-land act of March 3, 1877, that "all surplus water over and above such actual appropriation and use, together with the waters of all lakes, rivers, and other sources of water supply upon the public lands, and not navigable, shall remain and be held free for the appropriation and use of the public for irrigation, mining, and manufacturing purposes, subject to existing rights," constitutes a dedication to the public by the riparian owner, the Federal Government, of all rights to waters otherwise appurtenant to the public lands. This decision was said by Mr. Justice Holmes in Boquillas Cattle Co. *v.* Curtis (supra) to stand "on plausible grounds."

Thus it appears that of the distinctively arid States, seven deny absolutely any right in the Federal Government to their waters, three refer to the Federal Government as a source of title by virtue of its riparian ownership and the grant contained in the act of 1866, and one holds that the Federal Government, while originally the source of title, has irrevocably dedicated its waters to the public; and the Supreme Court of the United States has left the question to the States themselves as one of local law.

It should be noted before closing that all the right-of-way statutes grant rights of way over public lands. None of them since the act of 1866 have purported to grant, thus impliedly claiming title to, any right to use waters flowing over the lands, and the administration of the right-of-way acts has to this day related solely to land titles and permits and not to water rights. There has thus never been any claim by Congress of any right to waters.

CONCLUSION.

What has gone before is an abstract discussion of a purely legal question. As said at the outset, there is no purpose to consider in detail the proposed legislation or to differentiate the two measures before Congress. With a few changes in matter of detail there would not be a great practical difference between them. Either would go a long ways to further and encourage the development of water powers for all the people with adequate safeguards of their rights and protection against the exploitation of water powers for the benefit of private individuals.

But the States can not surrender the principle involved in the declaration of their governors. To do so would be to acknowledge their inequality with the original States in opposition to the equality guaranteed by the Constitution and by the acts of their admission; it would be to surrender without consideration one of their greatest resources; it would be to admit the right of the Federal Government to tax their resources and their people for the benefit of the whole Nation, when the people of other States are not likewise taxed; it would mean to admit the principle of Federal regulation of a matter of purely local concern; it would be a confession of inability to solve for themselves their own problems.

For the Federal Government to secure compensation either in the way of purchase price or annual rental for their lands, with all the value which such lands have, whether by reason of acknowledged riparian rights, strategic position, or otherwise, the people of the West will agree to. They will be just and even generous in this regard. But to surrender a vital principle of their sovereignty, to submit to a tax based on might and not on right, they will never agree.

Mr. FERRIS. Mr. Chairman, I ask unanimous consent that at the expiration of 30 minutes all debate on this amendment and amendments thereto be closed.

Mr. MANN. Reserving the right to object, I have no objection to running on, but I shall make a point of no quorum at 5 o'clock. It is a hot day, and I think we ought to make it a practice to quit at 5 o'clock when there is no special reason for running on.

Mr. FERRIS. I had hoped that we might get through to the one section that we passed over, so that we would have only that one thing remaining.

Mr. MANN. We can get through Saturday, and that is all we can do anyhow, probably. I do not object to the request.

The CHAIRMAN. The gentleman from Oklahoma [Mr. FERRIS] asks unanimous consent that all debate on the pending amendment be closed in 30 minutes. Is there objection?

There was no objection.

Mr. MONDELL. Mr. Chairman, the amendment which has been offered ought not to be adopted, and yet it is a perfectly logical amendment from the standpoint of the other provisions of the bill; and no man who has voted for the provisions of this bill right straight through can find any justification for voting against this amendment, because if this provision in the bill is effective the balance of the bill is not effective. If the balance of the bill is effective, then this provision is not effective. This is the position in which the gentlemen find themselves. They have voted and argued for a bill taking from the Western Commonwealths, or attempting to take from them, every right they have over the control of waters within their borders.

They have supported a bill which proposes to take from those Commonwealths the right to regulate the rates and the charges of power development from water which belongs to the people of the States and ought to be under their control; and yet when they come to the real test, of course they hesitate. They want to seem to preserve the rights of the States which they have thrown away—frittered away, cast aside, trampled upon, flaunted.

The only trouble about this provision is that it is not complete enough and far-reaching enough, and I shall offer an amendment to broaden its provisions. It is not as good a provision as that contained in the irrigation law, which, by the way, I had the honor of drawing. It is not as broad and all-embracing a provision, but with a slight amendment, including the word "power," it will do very well. But when gentlemen who are supporting the bill from regions other than the country in which it operates say this section ought to be taken out of the bill in order to make it logical and consistent, they are entirely right about it.

You have here a measure that in 11 sections makes all the Western States provinces, cantons, of the Federal Government, which takes or attempts to take from the people of those States all the rights they have under the Constitution over the waters that flow within their borders and over the development of local enterprise within their borders.

Mr. RAKER. Mr. Chairman, will the gentleman yield there?

The CHAIRMAN. Does the gentleman from Wyoming yield to the gentleman from California?

Mr. MONDELL. And it is entirely logical to carry the thing forward to its conclusion if you are in favor of the other provisions for which you voted. I yield to the gentleman from California.

Mr. RAKER. Is it not a fact that section 14 will obviate every possible conflict or trouble, for as a matter of fact the waters belong to the States anyhow?

Mr. MONDELL. Of course the waters belong to the States. I should say that the gentlemen who have accepted the provisions of the bill, surrendering all the rights of the States, so far as their acts can have that effect, seek to apply this soothing balm to their souls and consciences. Perhaps they hope that these federalistic provisions would not turn out as bad as they seem, and in any event that their constitutents will read only this particular section and thus think they were preserving their rights. I can not think of any other logical reason for putting the provision in such a bill.

Of course it ought to stay. It is one of the few provisions in the bill that ought to be enacted into law. If the other objectionable provisions were stricken out of the bill, however, this would not be entirely necessary. But this should stand, no matter what else falls. But gentlemen who have stood by the bill hard and fast will be voting logically if they vote to strike out this section, because they have given away all the rights of the States, and if they could be saved only by this declaration they would not be saved at all. [Applause.]

The CHAIRMAN. The time of the gentleman from Wyoming has expired.

Mr. RAKER. Mr. Chairman, I ask unanimous consent that I may proceed for 10 minutes.

The CHAIRMAN. The gentleman from California [Mr. RAKER] asks unanimous consent that he may proceed for 10 minutes. Is there objection?

There was no objection.

Mr. RAKER. Mr. Chairman, section 14 of this act does what is done in the original reclamation act, as referred to by the gentleman from Colorado [Mr. TAYLOR], of date July 17, 1902. Section 8 of that act provides as follows:

> That nothing in this act shall be construed as affecting or intending to affect or in any way interfere with the laws of any State or Territory relating to the control, appropriation, use, or disposition of water used in irrigation, or in any vested right acquired thereunder.

Now, that was put in there for a purpose, and it had its proper effect. In what is known as the Hetch Hetchy bill, which was approved on December 19, 1913, section 11 contained the following provision:

> That this act is a grant upon certain express conditions specially set forth herein, and nothing herein contained shall be construed as affecting or intending to affect or in any way to interfere with the laws of the State of California relating to the control, appropriation, use, or distribution of water used in irrigation or for municipal or other purposes, or any vested right acquired thereunder.

Now, this provision of the bill—section 14—is almost entirely in the language of the act known as the Hetch Hetchy act. It is generally conceded by all that the waters belong to the States. The National Government is not dealing in this bill with water or water rights that it does not control; and when Congress passed the reclamation law it put in this provision, so as to make it plain and clear that the National Government was not attempting or intending in any way to legislate upon water rights over which it did not pretend to have any control. It is the same way with respect to the Hetch Hetchy bill and the desert-land law. This Government gave unlimited right, gave away practically its right as a riparian owner. That is where we are confusing ourselves many times. The National Government wherein it has not waived its riparian rights to its private lands stands in the same position as a private individual owning and holding title in fee as to the riparian rights of his land in regard to the streams flowing through it or over it.

And in this bill where there is a riparian right and the Government deals with a tract of land, of course it will deal with it the same as a private individual deals with his. But the real purpose and object of the bill is a grant or a lease, upon condition that if you use Government land for certain purposes or lease it for certain purposes you must do certain things.

Now, this bill does not intend to legislate in regard to water rights. It does not intend to affect priority of the use of water or priority of use of the riparian rights of the stream, which may be a reasonable right, or use for domestic purposes and household purposes, or for irrigation and manufacturing, and other purposes if it becomes necessary; and the placing of this section in the bill, the same as in the Hetch Hetchy bill, and in the reclamation law, is to leave it plain and clear that there is to be no confusion, that there is to be no intermingling of rights, and that not one can contend that there is to be any intermingling or confusion of rights. The gentleman from Wyoming [Mr. MONDELL] has well stated that to strike out this provision of the bill is a sort of deathblow to the general arrangement of the bill. Of course, I take it for granted that he is opposed to the bill and would like to see it defeated, but he realizes that the bill is going to pass. He realizes that two-thirds or four-fifths of the membership of this House are in favor of some legislation upon this great subject. He realizes that his country and the West generally have been tied up for the last 10 years upon the question of reservations and that there has been no proper development of the water powers, such as there ought to be, when men have been ready and willing with their talents, with their brains, with their engineers, and their money to develop great enterprises, to the end that the surrounding country may be developed. He realizes that that has been the condition, and he realizes that there ought to be some law so that this condition may be changed. The gentleman believes it ought to be sale outright and not a lease.

Mr. STEVENS of New Hampshire. Will the gentleman yield?

Mr. RAKER. I yield to the gentleman.

Mr. STEVENS of New Hampshire. Suppose the State of Colorado has laws governing the use of water for the development of power, which laws vary materially from the rules and regulations set out in this act, which would govern, the State law or this law?

Mr. RAKER. In answer to the gentleman's question, as I view it, and as we are trying to arrange it, the State law in regard to water rights, in regard to acquisition, and in regard to use, ought to remain in the State, where it now is. And if there is any possibility of the Government having any control of it, it ought not to have any, because it is practically recognized by all that the water right and its control is a State function, the property of the State. You get your water right from the State.

Mr. STEVENS of New Hampshire. Let me understand. You answer that question, then, by saying that the State law would control?

Mr. RAKER. Yes.

Mr. STEVENS of New Hampshire. Then if the State has full power under this act to make all the conditions and all the laws it sees fit about the development of the water power and the use of the water on Government lands, I see no use for this law, under which the National Government undertakes to define the way in which it shall be used.

Mr. RAKER. We leave it without any question that the title, the handling, and the disposition shall remain in the State, and that there shall be no attempt to confuse the jurisdiction. I want to call the attention of the gentleman to this fact, that in the reclamation act that was passed on June 17, 1902, there is the same provision.

Mr. STEVENS of New Hampshire. Not the same provision. The gentleman read it. It referred merely to irrigation. But you have got in here "or other uses," which covers the use of water for the development of power. It seems to give the State the authority to make laws governing the development of water power on these Government lands. The words "or other uses" ought to be stricken from this section.

Mr. RAKER. The Hetch Hetchy act is almost word for word like this. The provision in the general reclamation act is a little different. But let me call the attention of the gentleman to the fact that this provision is in the reclamation act, and when the Government attempts to obtain a water right under the reclamation law for its reservoirs, for its dams, and for its irrigation projects it goes into the State and files its application for a water right, and commences the construction of the dam and ditches, just the same as a private individual, and its right is determined and disposed of under the same law as though the gentleman himself had gone into the State of California, or Oregon, or Nevada, and applied for a water right. There is no question about it; it is conceded by all; it is conceded by the Attorney General in voluminous opinions filed with the Secretary of the Interior that these water rights belong to the State.

Mr. STEVENS of New Hampshire. Can it be taken away constitutionally by the National Government?

Mr. TAYLOR of Colorado. No.

Mr. STEVENS of New Hampshire. I do not see, then, that there is any need of the provision if they belong to the State and can not be taken away.

[Mr. KINKAID of Nebraska addressed the committee. See Appendix.]

Mr. SELDOMRIDGE. Mr. Chairman, I hope the amendment offered by the gentleman from Illinois will not prevail. I am not a lawyer, and therefore I can not engage in a legal discussion of water-right powers acquired by the State from the Federal Government and belonging to its citizens, but we of the West recognize fully and forcibly the great damage that would come to the development of agricultural interests if these water rights were not respected, and if those who are already enjoying such rights were not protected to the fullest extent.

The character of many of our streams makes it necessary that reservoirs should be constructed in order that water may be stored at certain seasons of the year in order to provide a sufficient flow for power purposes. There are some streams along which, if this bill becomes a law, power plants will undoubtedly be constructed, where at certain seasons there will be a flow of as much as 2,000 cubic feet per second and at other seasons it may be reduced to 600 cubic feet per second or even less. I can conceive of a situation arising under which a power company might stop the flow of the stream entirely to the great injury of farmers in order to procure for itself sufficient power by storing the water in one or more of the numerous reservoirs connected with its system and necessary to its operation. There must be some limitation put upon the rights of the power corporation as far as the use of water is concerned. If this is not provided for in this bill, there will immediately arise an interminable conflict between the owners of water rights within these public-land States and the owners of these proposed power plants. The question presented in this section is simply this, that Congress here declares that the use of water for irrigation and domestic purposes and for any other purpose which has been lawfully granted by the State under its constitutional power shall supersede the rights granted in this bill. If we adopt the amendment now before us, we will create a condition that will produce a conflict of jurisdiction between the Federal Government and the States and give rise to an unending course of litigation.

Now, Mr. Chairman, if this law is to be of any force and effect, those who desire to avail themselves of its provisions can readily, through the purchase of water rights on streams and rivers where power plants are to be constructed and operated, satisfy the requirements of the State laws. They can readily prevent any conflict of authority and can secure for themselves a permanent source of power supply by purchasing sufficient water rights, and thus protect themselves from any damage that might arise to individuals, corporations, or municipalities. The amendment which the gentleman from Illinois has proposed, in my judgment, will inevitably prevent the successful operation of this law.

Mr. TAYLOR of Colorado. Will the gentleman yield?

Mr. SELDOMRIDGE. Yes.

Mr. TAYLOR of Colorado. Is it not true that what we of the West are trying to accomplish by this section is that when a power company comes into our State and establishes a power plant, it will find 95 per cent of all the water of the State already appropriated under State law, and it must not, because Uncle Sam is behind it, expect to ride roughshod over these people? A power company must come in and put itself on the same footing and equality with other appropriators of water and make an appropriation under our laws so that those that are ahead will be ahead of water-power companies authorized under this act; and those who are behind will be behind the new power company; in other words, they will have to come in on an equality with all other water users and acquire and use their water rights under our State water-right laws and under the acts of Congress and laws by which those rights were acquired.

Mr. SELDOMRIDGE. The gentleman is right. The power company will have to come in and conform to the laws of the State. You can come into the State of Colorado and find any number of power sites along our streams. I can take you through many of our canyons and you will find any number of sites available for water-power plants.

In order to develop your power scheme properly you would have to go up into the parks and valleys where settlers have been living for many years and construct reservoirs and provide the necessary storage facilities in order to have a constant and steady flow of water. The conditions are not the same in our State that exist in other States where they are traversed by large navigable rivers with an unending flow.

The passage of this amendment strikes a vital blow to the agricultural development of the great public-land States. If our water rights are all to be made subordinate to the power rights of corporations yet unorganized the value of nearly every acre of irrigable land will be affected, and the enlargement of present irrigation projects and the undertaking of new enterprises will be absolutely retarded and made impossible. There must be some clear and definite declaration made in this legislation that Congress does not intend to question the right of the State to control the waters of the State. The powers and privileges granted by this act must be subject to this recognition, and the presence of this section in the bill is necessary to inform all intending lessees of water-power sites under Federal jurisdiction that while they can operate under Federal law as far as the land is concerned, as far as securing rights of way are concerned, and in furnishing power to localities in one or more States, yet when they come to the use and appropriation of water that they must recognize the laws of the State as superior to any Federal grant.

We find in the provisions of this bill many points of conflict between Federal and State authority. We recognize the difficulty confronting its framers in attempting to work out a plan of Federal ownership and operation of power resources located within the boundaries of a sovereign State. We contend that the problem of protecting the rights of the Government and the people would be more readily and properly solved by giving to the States the power to regulate and control the development of power companies within their borders, thereby preventing any conflict whatever between the State and the Federal Government.

The operation of hydroelectric power companies does not present any complicated problem that can not be regulated by State law. The people are well informed in these days of the dangers and abuses of monopolies. They are protecting themselves by municipal, State, and national legislation. The Government with all of its national obligations can well afford to relieve itself of responsibilities and powers that can be more satisfactorily exercised by the States. This legislation is in line with the resistless tendency of the day to widen every sphere of national activity, to brush aside every prerogative of State sovereignty, and bring the individual in his private and corporate capacity into direct relationship with the Federal Government.

No better illustration of this tendency can be presented than this amendment proposed by the gentleman from Illinois [Mr. MANN]. He would disregard the vested rights of our farmers and municipalities to the use of water within the State in order to confer a prior right to a corporation on the public domain. There is enough danger in the proposed amendment as far as it affects future development of agriculture without taking into account the irreparable damage to interests already developed. We have a right to demand that the Government shall observe the rights which it has heretofore conferred upon the States. The Government is now embarking upon a program of leasing operations. We are to create a Federal landlord and we are bidding for tenants to furnish electric power, to open coal mines, to dig oil wells, and operate other natural resources. The advocates of this policy realize that their claim for popular approval largely depends in scaring the people into the belief that the Federal Government is the only bulwark that stands between the forces of monopoly and the interests of the people.

They forget that if there has been any waste of natural resources, if there has been any spoliation of national wealth on the public domain, that such waste and loss were brought about when the control of the Government over these resources was just as strong as it is to-day. I have a strong belief in the ability and power of the American people to protect themselves against monopoly wherever it appears to work out its baneful purpose. If the citizen is to be taught that the power of monopoly can only be overthrown through Federal agencies, will there not be a weakening of all the powers of local government that should be employed in protecting and defending his rights?

Should we not rather strengthen these powers than weaken them? We can not fortify them by taking from them by Federal legislation their proper powers and responsibilities. We should respect their rightful functions of government, and in the exercise of these there will come strength and efficiency of administration. The Government must be fortified at every point. Its local units must discharge the powers properly belonging to them; the city and the State must fulfill the obligations resting upon them, and in so doing the Nation will be given those large national undertakings that will develop the highest and most efficient qualities of statesmanship and contribute in every way to the happiness and welfare of the citizen.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. KEATING. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD on the bill.

The CHAIRMAN. The gentleman from Colorado [Mr. KEATING] asks unanimous consent to extend his remarks on the bill. Is there objection?

There was no objection.

Mr. FERRIS. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

The committee rose; and the Speaker having resumed the chair, Mr. FITZGERALD, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 16673, and had come to no resolution thereon.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. TOWNSEND, for five days, on account of illness.

To Mr. A. MITCHELL PALMER, for one week, on account of illness.

THE MERCHANT MARINE.

Mr. FESS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of the merchant marine.

The SPEAKER. Is there objection?

There was no objection.

ORDER OF BUSINESS.

Mr. FERRIS. Mr. Speaker, I desire to submit a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. FERRIS. Under the rule we do not go ahead with the power bill, do we?

The SPEAKER. That would be owing to whether or not the Committee on War Claims had business it desires to consider.

Mr. MANN. Mr. Speaker, to-morrow is war-claims day, and under the rule, under the ruling which the Speaker made a few days ago, this bill could not come up.

The SPEAKER. Suppose that committee had nothing to do?

Mr. MANN. That would not make any difference. This bill could not come up, because it is not given any privileged status on Friday under the ruling of the Speaker.

The SPEAKER. The Chair supposes that the Committee on War Claims will have business which it desires to consider.

ENROLLED BILLS PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. ASHBROOK, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States, for his approval, the following bills:

H. R. 92. An act to extend the general land laws to the former Fort Bridger Military Reservation in Wyoming; and

H. R. 11740. An act to amend an act entitled "An act creating a legislative assembly in the Territory of Alaska and conferring legislative power thereon, and for other purposes," approved August 24, 1912.

ADJOURNMENT.

Mr. FERRIS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 8 minutes p. m.) the House adjourned until to-morrow, Friday, August 21, 1914, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. MONTAGUE, from the Committee on Interstate and Foreign Commerce, to which was referred the bill (H. R. 18281) granting the consent of Congress to Norfolk-Berkley Bridge Corporation, of Virginia, to construct a bridge across the Eastern Branch of the Elizabeth River in Virginia, reported the same without amendment, accompanied by a report (No. 1098), which said bill and report were referred to the House Calendar.

Mr. TALCOTT of New York, from the Committee on Interstate and Foreign Commerce, to which was referred the bill (H. R. 18442) to authorize the establishment of a bureau of war-risk insurance in the Treasury Department, reported the same with amendment, accompanied by a report (No. 1099), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 15177) granting an increase of pension to Scott F. Wickwire; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 15843) granting an increase of pension to William F. McLean; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 5438) granting an increase of pension to Margaret J. Berry; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 18005) granting a pension to Louis Naegele; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 17351) granting a pension to Robert G. Phinney; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. TAYLOR of Colorado: A bill (H. R. 18457) to amend section 2, subdivision G (a) of an act entitled, "An act to reduce tariff duties and to provide revenue for the Government, and for other purposes," approved October 3, 1913; to the Committee on Ways and Means.

By Mr. LEVY: A bill (H. R. 18458) to provide for international notes, and for other purposes; to the Committee on Banking and Currency.

By Mr. JONES: A bill (H. R. 18459) to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands; to the Committee on Insular Affairs.

By Mr. DENT: A bill (H. R. 18460) to authorize the President, with the approval of the Federal Reserve Board, to suspend for a period of six months the act of February 8, 1875, levying a tax upon notes used for circulation by any person, firm, association (other than national bank associations), and corporations, State banks, or State banking associations, and for other purposes; to the Committtee on Banking and Currency.

Also, a bill (H. R. 18461) to suspend for a period of six months the act of February 8, 1875, levying a tax upon notes used for circulation by any person, firm, association (other than national bank associations), and corporations, State banks, or State banking associations, and for other purposes; to the Committee on Banking and Currency.

By Mr. MURDOCK: A bill (H. R. 18462) to grant relief to persons erroneously convicted in the courts of the United States; to the Committee on the Judiciary.

By Mr. KELLY of Pennsylvania: Resolution (H. Res. 597) directing the Secretary of State to inform the House of Representatives as to arrangements for transmitting relief funds from American Jews to their suffering relatives and friends in countries in Europe involved in war; to the Committee on Foreign Affairs.

By Mr. DIFENDERFER: Resolution (H. Res. 598) directing report made by Maj. Eli A. Helmick to the War Department relative to the purchase of supplies be furnished the House of Representatives; to the Committee on Military Affairs.

By Mr. PARK: Memorial from the Legislature of the State of Georgia, urging that Congress devise ways and means by which the cotton crop may be marketed consistent with national economy and safety; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANTHONY: A bill (H. R. 18463) granting an increase of pension to William A. Wallace; to the Committee on Invalid Pensions.

By Mr. BROUSSARD: A bill (H. R. 18464) granting a pension to Joseph Daley; to the Committee on Pensions.

By Mr. BURKE of Wisconsin: A bill (H. R. 18465) granting a pension to George Moore; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18466) granting an increase of pension to James W. Harnden; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18467) granting an increase of pension to George H. McIntyre; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18468) for the relief of Guy C. Pierce; to the Committee on War Claims.

By Mr. BYRNS of Tennessee: A bill (H. R. 18469) for the relief of the estate of Darling Allen, deceased; to the Committee on War Claims.

By Mr. CARY: A bill (H. R. 18470) authorizing the President to reinstate Francis Patrick Regan as a lieutenant in the United States Army; to the Committee on Military Affairs.

By Mr. DERSHEM: A bill (H. R. 18471) granting an increase of pension to George Houser; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18472) granting an increase of pension to William A. Myers; to the Committee on Invalid Pensions.

By Mr. HAMILL: A bill (H. R. 18473) granting a pension to Mary Davis; to the Committee on Invalid Pensions.

By Mr. HINDS: A bill (H. R. 18474) for the relief of William J. Blake; to the Committee on Claims.

Also, a bill (H. R. 18475) for the relief of Leonidas H. Sawyer; to the Committee on Claims.

By Mr. KENNEDY of Connecticut: A bill (H. R. 18476) granting a pension to Patrick Hayes; to the Committee on Invalid Pensions.

By Mr. MAPES: A bill (H. R. 18477) granting a pension to Annie C. Blauvelt; to the Committee on Invalid Pensions.

By Mr. TAYLOR of Arkansas: A bill (H. R. 18478) granting an increase of pension to Mary J. Utter; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. BALTZ: Petition of Local Union No. 705, United Mine Workers of America, of O'Fallon, Ill., relative to increase in price of necessities by speculation on account of European war; to the Committee on Interstate and Foreign Commerce.

By Mr. BYRNS of Tennessee: Papers to accompany a bill for relief of estate of Darling Allen, deceased; to the Committee on War Claims.

By Mr. CARY: Petition of Women's Home Missionary Society of Los Angeles and Pomona, Cal., relative to running railroad tracks in front of Sibley Hospital, Washington, D. C.; to the Committee on the District of Columbia.

By Mr. DOOLITTLE: Petition of sundry civil-service employees of Topeka, Kans., favoring Hamill civil-service retirement bill; to the Committee on Reform in the Civil Service.

By Mr. FESS: Petition of the Women's Home Missionary Society of Yellow Springs, Ohio, relative to running railroad tracks in front of Sibley Hospital, Washington, D. C.; to the Committee on the District of Columbia.

By Mr. GARNER: Petition of sundry citizens of Texas, favoring settlement of Polar controversy; to the Committee on Naval Affairs.

By Mr. HELGESEN: Petition of E. E. Stone, of Fargo, N. Dak., and 10 other citizens of the United States, favoring settlement of Polar controversy; to the Committee on Naval Affairs.

By Mr. HOWELL: Petition of the Utah Retail Jewelers' Association, favoring Owen-Goeke bill; to the Committee on Interstate and Foreign Commerce.

By Mr. HOXWORTH: Petition of various business men of the cities of Table Grove, Astoria, Vermont, Canton, Smithfield, Abingdon, and Ipava, all in the State of Illinois, in support of House bill 5308, to tax mail-order houses; to the Committee on Ways and Means.

Also, petition of S. W. Trafton Post, No. 239, Grand Army of the Republic, of Illinois, favoring abolishing office of pension examiner; to the Committee on Pensions.

By Mr. KENNEDY of Rhode Island: Petition of Jane A. Gilmore, of Pawtucket, R. I., favoring placing of replicas of the Hondon statues of Washington at West Point and Annapolis; to the Committee on the Library.

By Mr. McCLELLAN: Petition of T. Raensh and 23 residents of Tannersville, N. Y., approving "strict neutrality"; to the Committee on Foreign Affairs.

By Mr. NOLAN: Resolutions of the Forty-seventh Annual Encampment of the Department of California and Nevada, Grand Army of the Republic, protesting against legislation to change the arrangement of the stars and the addition of the Confederate bars on the American flag; to the Committee on the Judiciary.

By Mr. O'LEARY: Petition of sundry citizens of Chicago, Ill., favoring settlement of polar controversy; to the Committee on Naval Affairs.

By Mr. SAUNDERS: Petition of sundry citizens of Virginia favoring investigation of rural credits; to the Committee on Banking and Currency.

By Mr. TREADWAY: Petition of various German residents of Holyoke, Mass., favoring absolute neutrality for this country during European war; to the Committee on Foreign Affairs.

By Mr. WATSON: Petition of sundry citizens of Mecklenburg, Brunswick, Surry, Dinwiddie, and Prince Edward Counties, and Petersburg, all in the State of Virginia, favoring an investigation of rural credits, etc.; to the Committee on Banking and Currency.

SENATE.

FRIDAY, *August 21, 1914.*

The Senate met at 11 o'clock a. m.

Rev. J. L. Kibler, D. D., of the city of Washington, offered the following prayer:

Our heavenly Father, we thank Thee for all the instrumentalities that have been provided for the advancement of Thy cause. We thank Thee for the church and for all that it has accomplished for mankind. Grant to sanctify all its agencies for the consummation of Thy purposes in the earth. The passing of the head of a great Christian church, whose sympathetic heart rose to the point of grief for the turmoil of the nations, has brought a new sorrow to multitudes. We thank Thee for his charitable heart and for all the good influences that have gone out from his life. We pray for the divine consolation upon all those who mourn his departure. We ask it for Christ's sake. Amen.

The Secretary proceeded to read the Journal of the proceedings of the legislative day of Wednesday, August 19, 1914, when, on request of Mr. SMOOT and by unanimous consent, the further reading was dispensed with and the Journal was approved.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the Speaker of the House had signed the following enrolled bills and joint resolution, and they were thereupon signed by the Vice President:

S. 5673. An act to amend an act entitled "An act to protect the locators in good faith of oil and gas lands who shall have effected an actual discovery of oil or gas on the public lands of the United States, or their successors in interest," approved March 2, 1911;

S. 6315. An act to authorize the Great Western Land Co., of Missouri, to construct a bridge across Black River;

H. R. 14155. An act to amend an act of Congress approved March 28, 1900 (vol. 31, Stat. L., p. 52), entitled "An act granting to the State of Kansas the abandoned Fort Hays Military Reservation, in said State, for the purpose of establishing an experiment station of the Kansas State Agricultural College and a western branch of the State Normal School thereon, and for a public park; and

H. J. Res. 246. Joint resolution to authorize the Secretary of War to grant a revocable license for the use of lands adjoining the national cemetery near Nashville, Tenn., for public-road purposes.

MONTANA STATE CELEBRATION.

Mr. WALSH. Mr. President, at this season the people of Montana are having a celebration the national importance of which has attracted the attention of the press of the country. I send to the desk and ask to have read an editorial from one of the leading papers of New England.

There being no objection, the Secretary read as follows:

Montana is celebrating this week her 25 years of statehood and half century of existence since in the midst of her gold discoveries and frontier disorders she was set up as a Territory. The other States of the Union may well join in the felicitations. Not exactly unique, indeed typical of the States that have been carved out of the great region that was not so long ago rated a vast desert, the story of her growth has every charm of romance of the rugged sort which the former frontier of America developed for the world's entertainment. In the midst of her great hills and deep canyons, her wealth of mines and her once arid but now productive plains, her tumbling rivers and her climate of extremes, she has been built up into a Commonwealth with all the vigor of the western kind, writing the pioneership of her habit into the laws that work out experiments in democracy for mankind's instruction.

Nothing has been lacking in the development of the great State of the Northwest which picturesqueness could demand. The inrush of the miners in the period of the war for the Union, the battling with the elements, the upturning of the richest veins of metal, the contest with the Indians that gave her the battle field that will longest be remembered, where Custer led his little troop, the conquering of lands by the turning of the rivers into irrigation ditches, the encounters of primitive politics, and the emerging into a small empire, not so small, with all the equipment of modern progress, well-built towns, university, agriculture by machinery, and mining reduced to a well-ordered industry, all these aid in the occasion for her jubilee.

With hardly one man to a hundred square miles of territory when given its first government in 1864, and grown to only 39,000 population in 1880, Montana became a State 10 years later with 143,000, grew to 376,000 in 1910, and must be approaching the half million, which in turn is but a mark on the way to the great population she is capable of maintaining. More than $32,000,000 has been spent on irrigation of the million acres that are thus made fertile. The mining products have mounted to over $50,000,000 in a year. Resources are still in process of discovery, while the falls of her many streams are not yet in harness to do their possible work. The population, once largely foreign, is now native in as large a proportion as that of Massachusetts, and illiteracy has been reduced to less than 5 per cent of the people of 10 years and over in age. These are items in the list of achievements that mark the progress of an American State from the roughest of raw material to a greatness none may estimate. (Christian Science Monitor, Aug. 15, 1914.)

PETITIONS AND MEMORIALS.

Mr. WEEKS presented memorials of sundry citizens of Cambridge, Mass., remonstrating against any advance being made in the price of flour, which were referred to the Committee on Agriculture and Forestry.

Mr. CHAMBERLAIN presented petitions of sundry citizens of Cottage Grove and Halfway, in the State of Oregon, praying for national prohibition, which were referred to the Committee on the Judiciary.

Mr. PERKINS presented memorials of sundry citizens of Los Angeles and Pasadena, in the State of California, remonstrating against the passage of the Clayton antitrust bill, which were ordered to lie on the table.

Mr. THORNTON presented petitions of sundry citizens of Kentwood and Pine Ridge, in the State of Louisiana, praying for national prohibition, which were referred to the Committee on the Judiciary.

Mr. POINDEXTER presented petitions of sundry citizens of the United States, praying for the enactment of legislation providing for the recognition of Dr. Frederick A. Cook in his polar efforts, which were referred to the Committee on the Library.

Mr. GRONNA presented petitions of sundry citizens of Manfred, McClusky, Lincoln Valley, Hebron, Heaton, Mercer, Gackle, Streeter, Nome, Harvey, Jamestown, Goodrich, Skyeston, Merricourt, Bowdon, Carrington, Newhome, Denhoff, Kulm, Lehr, Willa, Cleveland, Portland, Cathay, Alsen, Zenith, Tower City, Ellendale, and Monango, all in the State of North Dakota, praying for the adoption of an amendment to the Constitution providing for national prohibition of the liquor traffic, which were referred to the Committee on the Judiciary.

Mr. BRADY presented sundry papers to accompany the bill (S. 5903) for the relief of Lawrence M. Larson, which were referred to the Committee on Claims.

REPORTS OF COMMITTEES.

Mr. FLETCHER, from the Committee on Military Affairs, to which was referred the bill (H. R. 7205) to correct the military record of H. S. Hathaway, reported it with amendments and submitted a report (No. 761) thereon.

Mr. STERLING, from the Committee on Public Lands, to which was referred the bill (H. R. 4318) to authorize the Secretary of the Interior to cause patent to issue to Erik J. Aanrud upon his homestead entry for the southeast quarter of the northeast quarter of section 15, township 159 north, range 73 west, in the Devils Lake land district, North Dakota, reported it without amendment and submitted a report (No. 762) thereon.

Mr. WALSH, from the Committee on Mines and Mining, to which was referred the bill (S. 5588) to provide for the establishment and maintenance of mining experiment and mine safety stations for making investigations and disseminating information among employees in the mining, quarrying, metallurgical, and other mineral industries, and for other purposes, reported it with an amendment and submitted a report (No. 763) thereon.

Mr. BRYAN, from the Committee on Claims, to which was referred the bill (H. R. 2696) for the relief of Thomas Haycock, reported it without amendment and submitted a report (No. 764) thereon.

Mr. SIMMONS, from the Committee on Finance, to which was referred the bill (H. R. 1781) providing for the refund of certain duties incorrectly collected on wild-celery seed, reported it without amendment and submitted a report (No. 765) thereon.

He also, from the same committee, to which was referred the joint resolution (S. J. Res. 177) to transfer to the custody and possession of the Attorney General sealskins, reported it without amendment and submitted a report (No. 766) thereon.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. JONES:

A bill (S. 6369) permitting magazines and periodicals to be carried through the mails free in certain cases; to the Committee on Post Offices and Post Roads.

By Mr. SMOOT:

A bill (S. 6370) granting an increase of pension to Edward E. Teter (with accompanying papers); to the Committee on Pensions.

By Mr. SHIVELY:

A bill (S. 6371) granting an increase of pension to Lewis Walker; and

A bill (S. 6372) granting an increase of pension to Orlando L. Dougherty (with accompanying papers); to the Committee on Pensions.

PROPOSED ANTITRUST LEGISLATION.

Mr. WALSH submitted an amendment intended to be proposed by him to the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes, which was ordered to lie on the table and be printed.

TERRITORIAL INTEGRITY OF CHINA.

Mr. GALLINGER. I submit a resolution with a memorandum attached. The memorandum need not be read, but I ask that the resolution be read and referred to the Committee on Foreign Relations.

The resolution (S. Res. 445) was read and, with the accompanying memorandum, referred to the Committee on Foreign Relations, as follows:

Whereas recent developments point to the extension into the regions of the Far East of the existing armed conflict of Europe: Therefore be it

Resolved, That the United States reaffirms its attitude as to the territorial integrity of China, and renews its adherence to the principle of the "open door" in that Republic; and be it further

Resolved, That the United States could not view with indifference any suggestion looking to the alteration of the existing territorial status quo of the islands of the Pacific and Oceania or to any change in the character of their present occupation and settlement.

PURCHASE OF SILVER BULLION.

Mr. SMOOT. From the Committee on Finance I report back favorably with an amendment the bill (S. 6261) authorizing the Secretary of the Treasury to purchase not exceeding 25,000,000 ounces of silver bullion, and for other purposes. As it is an emergency matter, I ask for the immediate consideration of the bill.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. McCUMBER. Mr. President, I was one of the subcommittee to which the bill was referred for consideration. I understand that there was no formal written report by the com-

mittee, and I therefore want to take this opportunity to voice my sentiment against the bill. While I have agreed not to oppose its present consideration, I shall ask for an explanation of it, and I may myself have something to say upon the bill.

Mr. SMOOT. Mr. President, I will simply say that the bill authorizes the Secretary of the Treasury to anticipate the requirements of the Treasury for silver bullion for the subsidiary coinage. The bill originally provided for the purchase of 25,000,000 ounces. It has been thought that 15,000,000 ounces would be ample to purchase to keep the mines of the West in operation. There are produced in the United States about sixty to sixty-five million ounces of silver each year. Under the present law there are some three or four million ounces of silver purchased by the United States and used in the coinage of subsidiary coin. That is purchased every year now by the Government in the open market.

The bill simply anticipates the requirements of the Government and authorizes the Secretary of the Treasury, in his discretion, to purchase up to 15,000,000 ounces within the coming six months.

Mr. BRISTOW. Mr. President——

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Kansas?

Mr. SMOOT. I do.

Mr. BRISTOW. I should like to inquire of the Senator from Utah why the Government should buy silver any more than it should buy wheat or any other product of the American people?

Mr. SMOOT. Silver is now and always has been used by our Government as a part of her monetary system. It is being used in all parts of the United States. I see a difference between purchasing silver and purchasing wheat, and if——

Mr. BRISTOW. It is all right to purchase silver if we need it; but why purchase a lot of silver because of the dull market for it now, any more than to purchase anything else that there is a dull market for?

Mr. SMOOT. The situation in Europe to-day, on account of the war, is such that there is not a present demand for silver, but there will be, I have no doubt, before very long. The Senator knows that in war times particularly there is a demand for silver by the different Governments; but at the present time the financial situation in the world is so upset and the transportation of it is so interfered with that there can not be the sale of silver bullion that ordinarily takes place in the regular course of business.

Mr. BRISTOW. Is not that true of every other American product where we have a surplus? Is it not true of wheat, and is it not true of everything else that we have to sell? Why should silver mining be selected as the special industry that we should go out and buy its product? Why not buy some cotton?

Mr. SMOOT. We have done and are doing everything in our power to pass laws, since the European war began, to facilitate the transportation of wheat and cotton and other products, and the Senator should not object to this bill, and I sincerely trust he will not do so.

Mr. BRISTOW. I think the bill ought to go over.

Mr. McCUMBER. Before the bill goes over I wish to ask——

Mr. SMOOT. I should like to ask the Senator from Kansas if he will not withdraw his objection?

Mr. BRISTOW. I will not. There is no reason why we should pass the bill post haste.

The VICE PRESIDENT. There is objection, and that ends it for the present. The bill will be placed on the calendar.

BLACK WARRIOR RIVER IMPROVEMENT.

Mr. BANKHEAD. From the Committee on Commerce I report back favorably without amendment the joint resolution (S. J. Res. 181) authorizing the Secretary of War to permit the contractor for building locks on Black Warrior River to proceed with the work without interruption to completion, and I ask for its present consideration.

Mr. BURTON. Reserving the right to object, I should like to ask that the joint resolution be read.

The VICE PRESIDENT. The Secretary will read the joint resolution.

The Secretary read the joint resolution, as follows:

Resolved, etc., That the Secretary of War may, in his discretion, on the recommendation of the Chief of Engineers, permit the contractor for building Locks and Dam No. 17, on Black Warrior River, to proceed with the work specified in the contract made in pursuance of the act of Congress approved August 22, 1911, and to carry the said work to completion without interruption on account of the exhaustion of available funds, it being understood that the contractor is to rely upon future appropriations for payment, and that no payment for said work will be made until funds shall have been provided and made available therefor by Congress.

Mr. BANKHEAD. I should like to have the permission of the Senate to explain the joint resolution. It will require only three minutes if I may get unanimous consent.

The VICE PRESIDENT. Is there objection?

Mr. BURTON. I shall object to that.

Mr. BANKHEAD. Am I to understand that the Senator from Ohio objects?

Mr. BURTON. I object. The Black Warrior River improvement is in just the same position with a number of other improvements. A provision of this kind is entirely without a precedent.

Mr. BANKHEAD. I object to the Senator making an explanation if he will not permit me to explain the joint resolution.

The VICE PRESIDENT. If it is asked that the joint resolution go over, it goes over.

Mr. BURTON. I have no objection to allowing the Senator from Alabama to make a statement.

The VICE PRESIDENT. If there is no objection, the Senator from Alabama has permission to proceed.

Mr. BURTON. But I shall object to the passage of the joint resolution.

Mr. BANKHEAD. Mr. President, the situation is this: The Government of the United States has expended up to this time more than $10,000,000 improving the Warrior, the Bigbee, and the Black Warrior Rivers in order that the coal fields of Alabama might be reached and the products transported to the Gulf. Lock 17 referred to in the joint resolution is the last lock of the system. The contract price is $2,500,000. It is a lock 62 feet high and creates a pool above it right through the heart of the coal fields for 50 miles. The lock is now practically completed. The contractor has 500 men employed; he has material on hand that has been accepted by the Government for its completion; he has a railroad for at least 16 miles, which was necessary to transport material for the building of the lock. He is under a $500,000 bond for the completion of the lock by the first of January next.

If the work is to be suspended it will necessarily delay the completion of this great work for practically 12 months. The contractor comes forward and says the appropriation is exhausted. We do not ask for a dollar of appropriation in this joint resolution. We would not come into the Senate and ask that an exception be made in this case, but we do come in here and permit the contractor at his own risk and his own expense with his own money to complete this lock. We say that he shall take all the risk and all the chances of being reimbursed at some time in the future when Congress shall make appropriation to pay the contract price for the lock.

If there are any other situations in this country similar to this, if there is any other case parallel to it, amend the joint resolution; I shall not object to it. You may include every project in this country that is nearing completion where the contractor himself comes forward and says, "I will do it at my own risk, at my own expense, and if you never make any appropriation to pay me it is my loss."

That is all there is in the joint resolution, and it seems to me that there ought not to be any objection to its passage.

Mr. WHITE. Will my colleague allow me just one moment?

Mr. BANKHEAD. Certainly.

Mr. WHITE. I wish to say, in addition to what my colleague has said, that any substantial delay of this work will cost the Government $250,000, as I am informed has been estimated by the Engineering Department. This is the season of the year above all other seasons when the work can best be done. This is the dry season, and if we allow this season to pass and the winter rains to come it necessitates waiting until about this time next year, or at least we take the chance of having that to contend with. The risk of high water during the winter, spring, and summer are not only to the disadvantage of the contractor but to the disadvantage of the Government as well, and the long delay of conveying our coal, iron, and steel to the Gulf will result.

As my colleague has said, this is the last step to be taken in bringing to final accomplishment a great Government enterprise. The money for that great enterprise has been already expended by the Government, and it only needs a small amount to vitalize this vast expenditure and give its benefit to the country.

I do hope and trust that Senators will not object to the present consideration and passage of this resolution.

Mr. BURTON. I should like to ask the Senator from Alabama what there is to prevent this contractor from going right on with his work without the passage of any such resolution?

Mr. BANKHEAD. I thought that could be done. The contractor and myself went to the Secretary of War and presented this question to him, and the Secretary of War said under the statute he can not authorize without the consent of Congress the continuance of a work for which an appropriation has not been made. The Secretary of War directed this joint resolution

to be drawn; it was drawn at the War Department, and they are exceedingly anxious for many reasons that this work should be completed.

Mr. President, we do not come here and ask for an appropriation to cover this exceptional case, but we simply come and beg the Senate to let us at our own expense and at our own risk go on and complete this great enterprise. I have a letter, received this morning, from the largest coal operator in Alabama, inquiring when he may expect this work to be completed. He says:

I am opening mines on the river on this great pool; I am building barges, I am building tows, I am getting ready to avail myself of this opportunity at the earliest time; but I can not afford to lock up a large amount of money with the uncertainty in front of me that it may be a long time before I can utilize it.

Mr. McCUMBER. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from North Dakota?

Mr. BANKHEAD. I do.

Mr. McCUMBER. I should like to ask the Senator from Alabama if this appropriation ought to be made, as it will have to be made if we act honorably in the matter after the work has been completed and we accept that work, why not introduce a bill making an appropriation to cover the expenses, instead of seeking action on this joint resolution allowing the contractor to go ahead with the work and appropriate for it afterwards?

Mr. BANKHEAD. Mr. President, there is a provision in the pending river and harbor bill that provides the appropriation necessary to complete this work; but the trouble is, as I have before stated, that the contractor employed on this work had 500 men whom he was compelled to lay off last Saturday because the appropriation had become exhausted.

Mr. McCUMBER. What I want to get at is, Is it not just as easy to put through a special appropriation bill for this particular purpose as it is to pass this special joint resolution authorizing the contractor to go on with his work for which it may be necessary afterwards to pass a special bill to pay him?

Mr. BANKHEAD. I do not think that is quite the situation. I had very grave doubt in my mind whether we could pass a special bill for this purpose; I had very grave doubt in my mind whether Senators would be willing to take this situation out of the ordinary, although it is out of the ordinary, and make an exception in its behalf and appropriate money directly for it. Therefore the contractor said, "I will furnish the money until the appropriation is made; some time or other the river and harbor bill will be passed." This emergency joint resolution, however, is designed to prevent a suspension of the work for an indefinite time, a disorganization and disintegration of this contractor's force, and the delay which will necessarily follow.

The amount involved is small and the contractor is willing to go down into his pocket and put up the money. He says, "I will wait until you appropriate; and if you never appropriate for the amount of this contract it is my loss, and I will stand it." It does seem to me, under those circumstances, that there ought not to be any objection to the passage of the joint resolution.

Mr. BURTON. Mr. President, explaining the course I am pursuing, I desire to say that there is a degree of hardship here, but there is an equal amount of hardship in similar situations in at least a dozen other cases in the country. It has always been true of our river and harbor legislation that special partiality has been shown to localities which insisted more strenuously and in a louder tone upon favor being done to them. The only correct rule to follow is to treat all alike; and I must object to this being treated as a separate case.

Representations have been made to me as to the discharge of men in other places. I take it that it is the intention to pass a river and harbor bill at this session. Opponents of the measure, who have fought it, consider the bill as reported to the Senate as faulty to the last degree; we are opposed to the passage of the bill in its present form, but we have no objection to the passage of a measure which shall be purged of objectionable items. We favor the passage of such a bill. It has been announced here that it is a part of the program to bring up the river and harbor bill and pass some such measure before Congress adjourns. We understand that to be the case and shall endeavor to shape our course accordingly.

Mr. SIMMONS. Mr. President, the Senator from Ohio says he is in favor of passing the river and harbor bill if it is purged. Who does he wish to do the purging? Does he expect the Congress of the United States to do the purging, or is he himself and the gentlemen who are cooperating with him insisting that they shall be permitted to do the purging?

Mr. BURTON. The opponents of the bill expect to argue the features of the bill and point out its objectionable features. I may say frankly here that every one understands the pressure under which Members of the Senate and the House are under as to particular items. What is the natural attitude of those who oppose the bill when we are told repeatedly by Senators that they must vote for this bill, although they consider it most objectionable and think it ought not to pass in its present form?

Mr. NELSON. Mr. President, will the Senator from Ohio yield to me?

Mr. BURTON. Certainly.

Mr. NELSON. I am somewhat familiar with the river and harbor appropriations, and I wish to say that there is not a single case that is so acute and so important and where the conditions are such as they are in this case. I sincerely trust that whatever objection the Senator from Ohio may have to the provisions of the river and harbor bill, in view of the emergency in connection with this improvement, he will withdraw his objection. That can not militate against his objections to the other features of the bill in the least. This case stands on its own peculiar conditions. It would be unfortunate, to my mind, to dismantle the whole work in its present stage and to send four or five hundred men home and suspend the improvement for another year. We ought to look at the welfare of the people in that community, and also at the welfare of the Government of the United States. If this work is suspended, it will entail a great loss, not only to the public in that locality, but also to the Government of the United States.

The Senator from Ohio is impressed with the idea that there are bad appropriations in the river and harbor bill, and for the sake of making a saving to the Government of the United States he is opposed to the entire bill; but here is an instance where, as a matter of fact, a quarter of a million dollars may be lost to the United States if no action is taken. I think, if the Senator from Ohio were consistent with his own gospel, he would let this measure go through.

Mr. BURTON. Mr. President, I do not think the Senator from Minnesota has considered all the projects where they are about to discharge their force, where there is an equal degree of urgency and in connection with which an equal degree of insistence has been brought to bear.

I want to say that if these contracts which are in an exceptional position can be marshaled together at a reasonable time from now, say in five days, and this joint resolution is again brought up I may not object, but I do object to its consideration to-day.

Mr. BANKHEAD. Then, I give notice that I shall call up this joint resolution to-morrow, and ask the Senate to consider it.

Mr. WHITE. Mr. President, I hope the Senator from Ohio will not object.

The VICE PRESIDENT. There being objection, the joint resolution goes over. Are there further reports of committees?

Mr. WHITE. Mr. President, I was appealing to the Senator from Ohio.

The VICE PRESIDENT. The Senator from Ohio has been appealed to three times, and has refused to consent to the present consideration of the joint resolution, which goes over.

Mr. WHITE. But, Mr. President, sometimes a man who has been appealed to the third time and refused may be induced to yield when the fourth appeal is made.

The VICE PRESIDENT. Are there further reports of committees?

Mr. WHITE. I hope the Senator from Ohio will not——

The VICE PRESIDENT. Are there further reports of committees?

MISSOURI STATE CONVENTION.

Mr. STONE. Mr. President, I desire to state that under the primary-election law of the State of Missouri candidates nominated for State offices, for Congress, and for the State legislature, together with the State committees of the respective political parties, are required to meet in convention for the purpose of formulating the party platform and to perform certain other duties. The convention is to be held on Tuesday of next week. Under the law, I am designated as a member of the convention, having been nominated for reelection to the Senate. I feel I ought to attend the convention, although I dislike to absent myself from the Senate at this time. I rise to make this explanation and to ask the consent of the Senate for leave of absence beginning to-morrow and for the greater part of the next week.

The VICE PRESIDENT. Is there any objection? The Chair hears none; and the Senator from Missouri is excused from attendance upon the Senate.

COAL SUPPLY FOR ALASKA.

Mr. CLARKE of Arkansas obtained the floor.

Mr. WALSH. Mr. President, before the Senator from Arkansas proceeds, I should like to ask unanimous consent to have read from the desk a telegram relating to another contingency precipitated by the war, which demands action.

Mr. CLARKE of Arkansas. I yield to the Senator for that purpose.

The VICE PRESIDENT. In the absence of objection, the Secretary will read as requested.

The Secretary read as follows:

CORDOVA, ALASKA, *August 12, 1914.*

Hon. THOMAS J. WALSH, *Washington, D. C.:*

British Columbia coal Alaska's only supply. Liable be withheld any day. Can't you give us legislative assistance opening our coal?

CORDOVA CHAMBER OF COMMERCE.

BUREAU OF WAR RISK INSURANCE.

Mr. CLARKE of Arkansas. I move that the Senate proceed to the consideration of Senate bill 6357, which is the war-risk insurance bill.

The VICE PRESIDENT. The question is on the motion of the Senator from Arkansas.

The motion was agreed to, and the Senate, as in Committee of the Whole, proceeded to consider the bill (S. 6357) to authorize the establishment of a bureau of war-risk insurance in the Treasury Department.

Mr. CLARKE of Arkansas. Mr. President, the bill which has just been called up for consideration by the Senate is known as the war-risk insurance bill. It is one of the emergency measures made necessary by the existence of the deplorable war in Europe. It has been discovered that because of its widespread effect and influence that this war has interfered with our commerce in more ways than wars ordinarily do with the commerce of a neutral, and that, therefore, there has been developed a necessity for some such measure as this. It has been formulated with the cooperative action of practical business men familiar with matters of this kind.

The bill provides that when adequate insurance can not be obtained from private companies upon reasonable rates the Government of the United States may assume that part of the marine risk known as the war risk; that is to say, it does not include the ordinary risks of navigation, but the risk which the Government is thereby authorized to assume is confined exclusively to those dangers known as war risks, such, for instance, as seizure and condemnation as a prize, possible assault by one or the other of the belligerents, contact with a mine, or some of the numerous dangers that are peculiarly inherent in war.

The amount appropriated is $5,000,000, and a bureau is created in the Treasury Department to take charge of the matter of administering the law along scientific lines, as they are understood in that particular branch of business.

The necessity for the bill at this time grows entirely out of existing conditions in Europe. The war has interfered with shipping to such an extent that the European nations interested in sea commerce have taken upon themselves this peculiar risk, because private companies seem undisposed to assume it in the usual form of issuing an insurance policy against it. That is distinctly true of England, France, and Germany. The rate of premium for insuring against the war risk, separately considered, has been as high as 10 per cent in this country during the prevalence of this war. The current rate here has now gone down almost to normal by reason of the announcement made by the British Admiralty that the sea path from this country to England is now open and under adequate protection from the fleets of that country.

Mr. GALLINGER. Mr. President——

Mr. CLARKE of Arkansas. I yield to the Senator.

Mr. GALLINGER. I assume that the necessity for this measure arises from the circumstance that in all human probability we will put foreign-built steamships into the commercial business of the United States.

Mr. CLARKE of Arkansas. That is one of the contingencies for which we seek to provide.

Mr. GALLINGER. There is another question I want to propound to the Senator. I notice—and that is the usual method, but I think sometimes it is an unnecessary thing to do—that a bureau is provided for, to be presided over by a $6,000 man, who is to have under him various other officers whose salaries will not exceed $5,000, and numerous employees apparently at $3,000 or less. The conduct of this work, it seems to me, will not be a very great task, and I inquire of the Senator, Could not the Treasury Department with its present force attend to this business?

Mr. CLARKE of Arkansas. Well, Mr. President, those who will be in charge of the administrative end of this matter seem to think that it will be necessary to establish a bureau consisting of persons who are familiar with the technical features of this particular business; that the ordinary employees of the Treasury Department do not have that technical knowledge of the business of insurance that will enable them to dispose of it as expeditiously and correctly as that business ought under existing emergencies to be attended to.

Mr. GALLINGER. I will ask the Senator, because I have not read the bill carefully, whether, this being an emergency measure, it provides that the bureau shall go out of existence when the emergency ceases, and, if not, ought not the bill to so provide?

Mr. CLARKE of Arkansas. Section 9 provides:

That the President is authorized to suspend the operation of this act whenever he shall find that the necessity for further war-risk insurance by the Government has ceased to exist.

Mr. GALLINGER. I think that is a wise provision.

Mr. CLARKE of Arkansas. The bill is well guarded. It was submitted to the Committee on Commerce, and at the meeting of that committee there was a very large attendance of its members, and such defects as were deemed to exist have been cured by amendment. The bill meets the unanimous approval of that committee. The text bill was originally worked out by a joint committee of business men, shippers, and insurance men, together with such experts as the Treasury Department could call to its aid.

Mr. GALLINGER. I have no doubt the bill has been very carefully examined and very carefully considered by the committee, and I am very strongly in favor of the proposed legislation, because unless the Government does in some way protect the shippers in these foreign-built vessels I am satisfied the rates of insurance would be prohibitive.

Mr. CLARKE of Arkansas. That has been indicated by the recent action of the insurance companies.

Mr. JONES. Mr. President——

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Washington?

Mr. CLARKE of Arkansas. I am very glad to yield to the Senator from Washington.

Mr. JONES. I want to do everything that is necessary and proper, of course, in the present emergency; but does not the Senator think that our situation is entirely different from that of England or France or any of the countries that are at war?

Mr. CLARKE of Arkansas. In many respects it is.

Mr. JONES. We are a neutral power, and our ships, flying our flag, will be neutral ships, and they are not subject to attack by these warring nations like the English or German ships are. We are not a belligerent nation; they are.

Mr. CLARKE of Arkansas. That is correct; but that is only one feature of the risk covered by the contracts of insurance authorized by this bill. Our ships might run on a mine. Our ships might have aboard something that one of the belligerents might deem contraband and be seized because of this. There are a great many vicissitudes of the sea not covered by ordinary marine insurance.

Mr. JONES. Suppose one of our ships does have on board something that is contraband. Is this Government going to protect and encourage the trade in contraband goods, and will not that be the result of this legislation?

Mr. CLARKE of Arkansas. That would depend altogether on the intent. If it were one of the well-known articles of absolute contraband, or if there were evidence otherwise that the ship was engaged in unlawful traffic, every contract growing out of that relationship would, of course, be deemed void.

Mr. JONES. It seems to me, from what the Senator says, that this is an invitation for these people to engage in contraband shipment, because it says——

Mr. CLARKE of Arkansas. No; the Senator misunderstood me. If I made any such impression on his mind, I did not intend to do so.

Mr. JONES. I thought not; and yet it seems to me this legislation would invite that very thing.

Mr. CLARKE of Arkansas. I assumed that the Senator from Washington was a better seaman than I am——

Mr. JONES. No.

Mr. CLARKE of Arkansas. And that he would understand what war risks are. They are not all confined to a seizure by a belligerent.

Mr. JONES. It seems to me very strange that a few days ago, when we were urging that we should have some legislation to let in foreign-built ships under our flag, there were such a great many of them that were anxious to get under it, and now they seem to hold off until the Government gets behind

them and protects them with an insurance system in carrying these cargoes.

Mr. CLARKE of Arkansas. No matter whether that necessity is real or not, the situation exists, and it is the duty of this Government to provide for it.

Mr. JONES. I doubt it very much.

Mr. CLARKE of Arkansas. It is deterring persons from buying foreign-built ships and entering them under American registry in accordance with the provisions of the act recently passed by the Congress.

Mr. JONES. Why should they be afraid to get under the American flag?

Mr. CLARKE of Arkansas. They have not called upon me, and I doubt if they have called upon the Senator from Washington, to say why they should be thus afraid. They have expressed that fear in the practical way of refusing to avail themselves of the provisions of that act. It is our duty to take notice of that situation, and provide against it.

Mr. JONES. Will the Government get behind any proposition that may be put up to the Government at this time of emergency? It seems to me that instead of letting the brakes entirely loose we ought to keep the brakes on a little. We must not get hysterical and accede to all the selfish demands made upon us.

Mr. CLARKE of Arkansas. The Senator must not understand that this insurance is to be free and indiscriminate. It is to be conducted on business principles, and for proper compensation.

Mr. McCUMBER. Mr. President——

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from North Dakota?

Mr. CLARKE of Arkansas. Certainly.

Mr. McCUMBER. Can the Senator tell me whether or not any other neutral nations of the world are making provisions of this kind?

Mr. CLARKE of Arkansas. I can not say to the Senator that that is true. My information is confined to the countries with which we in normal times have business relations, and which are now in a state of war.

Mr. McCUMBER. I confess that the matter is a little foggy to me.

Mr. CLARKE of Arkansas. I understand that Holland has such an arrangement for war-risk insurance by the Government. It is the only one I can call to mind that is not now actively engaged in warfare.

Mr. GALLINGER. Mr. President, if the Senator will permit me to answer the interrogatory of the Senator from North Dakota, almost every other neutral nation has ships of its own in which it can convey its products. It does not have to purchase ships from belligerents or anyone else.

Mr. CLARKE of Arkansas. The answer made by the Senator from New Hampshire seems to be a very complete one.

Mr. McCUMBER. If these ships are purchased, will not they be ships of our own?

Mr. GALLINGER. They will be whitewashed ships of our own, and nothing more than that. Let me make this suggestion: Suppose a ship of foreign build starts across the seas with a cargo of grain, and Germany declares grain contraband. That ship will be in great danger of seizure on the high seas.

Mr. McCUMBER. That is just what I am leading up to. Is it the purpose of this Government to declare in the first instance what shall be contraband, as against the declaration of the powers that are at war themselves? If she assumed such a right, then she might assume that she had a right to send any of these vessels into any foreign port with breadstuffs or anything else but war material, although these things might be as beneficial to the country receiving them as the very war material itself.

I had always supposed that the international rule was that the belligerent nations were generally unmolested as to what they should deem expedient as to the shipping that should go into the ports of the countries with which they were at war, and without any preventive measures being taken by themselves. If I understand this bill, however, while it is not in direct terms such as would grant the power, it is based upon the assumption that we will load these ships with any material we see fit, and, with the Government back of them, we will send them into any port we can get them into, and as we have to back the insurance we will see to it—if necessary, with the arms and power of the Government—that no other nation shall interfere with them.

Mr. CLARKE of Arkansas. The Senator takes an extreme view of it.

Mr. McCUMBER. I am looking for trouble in a bill of this kind.

Mr. CLARKE of Arkansas. There is no trouble in it. It is a mere commercial regulation or provision to make commerce freer and to relieve it of some of the very difficulties that the Senator so plainly indicates.

Mr. NELSON. Mr. President——

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Minnesota?

Mr. CLARKE of Arkansas. Yes.

Mr. NELSON. I desire to say to the Senator from North Dakota that manifestly such a policy would not include a risk covering the carrying of goods which were contraband of war. No marine policy, so far as I know, covers that point. There are a great many other war risks that are incident to a state of belligerency; but in any war-risk policy I do not think our Government, any more than any other Government, or any more than any private insurance company, would undertake to insure against the carrying of contraband goods.

Mr. CLARKE of Arkansas. That was the view I intended to present to the Senator—that every insurance contract stands upon its own facts and circumstances.

Mr. McCUMBER. Yes; but the whole question will arise here, What is contraband of war? Are we to take one position and the countries which are battling to destroy each other another position, and are we to back our position with the power of the Government?

Let us take flour, for instance. We tried to get the nations of the world to agree that flour should not be contraband of war. Now, we try to ship flour to Hamburg, we will say. Hamburg is so invested now with British men-of-war that Great Britain might reasonably say: "This is supporting my enemy"; or, if we shipped it to Liverpool, and the Germans were sufficiently powerful on the ocean, the Germans might say: "This is giving succor and support to my enemies, and I declare under these conditions that foodstuffs are contraband of war." With our insurance back of that cargo, we are forcing this Government into a position where it has to declare: "We have insured that this is not contraband, and you can not declare it to be contraband."

Mr. CLARKE of Arkansas. Mr. President, if the Senator will read the bill, a great many of the difficulties that now afflict his mind will be removed. In the first place, where the belligerents declare certain articles to be contraband, I take it for granted that neutrals will respect that declaration when notified of it. I also assume that this proposed governmental insurance will be written with the same degree of scrutiny and business judgment that would characterize the writing of a policy by a private company, and that if a boat were fitted out for the specific and direct purpose of violating the laws of neutrality it would not be insured.

Mr. McCUMBER. Then, Mr. President, this country, being a neutral country, has a right to ship its goods wherever it sees fit if they are not contraband of war, and the act is not in contravention of the rules of war declared by the belligerents. If it does that, where is the danger of our ships being seized and destroyed?

Mr. CLARKE of Arkansas. The fear of seizure, right or wrong, is only one of the risks insured against in this proposed policy. There are other risks incident to war which do not involve the violation of neutrality.

Mr. McCUMBER. I know the Senator has given one. The Senator has mentioned floating mines as one of the risks.

Mr. CLARKE of Arkansas. That is one of the dangers.

Mr. McCUMBER. There may be possibly something in this; but I anticipate that any Government that sets afloat upon the ocean, without control, mines that are liable to destroy the shipping of any nation, will in the end insure that shipping itself and will be compelled to pay for the damage.

Mr. CLARKE of Arkansas. This thing of compelling great Governments to do things they do not want to do is what has brought about some of the difficulties with which Europe is afflicted at this time.

Mr. WEEKS. Mr. President——

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Massachusetts?

Mr. CLARKE of Arkansas. I yield.

Mr. WEEKS. I will suggest to the Senator from North Dakota that floating mines are not necessarily capable of changing their location when they are planted. Mines are placed to defend certain waters, and they are anchored; but as a result of storms they frequently become detached from their anchors and then become floating mines and dangerous to general navigation. The setting adrift of mines indiscriminately, I think, has never been undertaken by any nation.

What I want to say to the Senator from Arkansas, however, is that I am confident everybody wants to do everything

that is necessary to protect our interests in this emergency; and what this bill purposes to do seems to be following a course that has been adopted by belligerents on the other side, generally speaking. What I want to call to his attention is that at such a time as this we are apt to do things which are unnecessary. I assume that this bill is simply an anchor to windward, to be used in case of emergency, but not to be used in doing a general insurance business; and its value will depend on the quality of the men who are to put it into operation and their knowledge of insurance matters. Therefore, men with the very best technical knowledge on those subjects should be put in charge of this insurance bureau, with power to discriminate between the character of risks, as would be done by any other insurance company.

I am not confident that there is not ample shipping available to take all of our products to their market. A New York paper this morning states, for example, that there are 130 British ships in Atlantic ports waiting for cargoes; and somebody who wanted to send abroad a cargo of coal from Norfolk asked for bids, and 40 ships offered for that purpose. The Lloyds' risks are now lower on English ships carrying English cargoes than the risks offered by the English Government. They are down pretty nearly to normal, not over 2 to 3 per cent. I do not think we ought to go into the insurance business under those circumstances, but only when the risks become exorbitant, as they were 10 days ago.

Mr. CLARKE of Arkansas. In making that observation, has not the Senator overlooked the plain provision of the bill, which says, starting on line 14, page 2:

> Whenever it shall appear to the Secretary that American vessels, shippers, or importers in American vessels are unable in any trade to secure adequate war-risk insurance on terms of substantial equality with the vessels or shippers of other countries.

This act is only to come into operation when adequate insurance on reasonable terms can not be otherwise obtained.

Mr. WEEKS. We have been able from the beginning of hostilities, and are able to-day, to obtain insurance on better terms than any other country on our own ships and our own cargoes.

Mr. CLARKE of Arkansas. If this happy condition continues, then there will be no Government insurance.

Mr. WEEKS. If that is the understanding, I see no objection to the passage of the bill.

Mr. CLARKE of Arkansas. That is the distinct understanding, because such are the plain provisions of the bill.

Mr. LANE. Mr. President, I should like to ask the Senator from Arkansas for a little information.

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Oregon?

Mr. CLARKE of Arkansas. Certainly.

Mr. LANE. I understood the Senator to say that these ships are liable to run over submarine mines, which will explode and destroy the ship and the cargo.

Mr. CLARKE of Arkansas. I did not say they were very liable to do it. They may do so.

Mr. LANE. Yes; they may do it. That is one of the risks of war. If that should happen, it would be very apt to destroy the ship, and probably destroy the lives of the members of the crew and the officers. Why not put in here a provision insuring their lives also? Why would not that be an important addition to it, and a humane one?

Mr. CLARKE of Arkansas. The ordinary life and accident insurance companies now take that risk.

Mr. LANE. Not the war risk, I think. I think they will find just as much difficulty in having their lives insured as the merchants who are endeavoring to ship their goods foreign will have in insuring their goods. Their lives are just as valuable to them as are the cargoes of these ships to their owners. It would be a humane move on the part of this Government—a little bit paternalistic, to be sure—if it would go further, and on a broader ground, and insert in the bill a provision which would allow just and reasonable insurance to the lives of the men who have to risk them in carrying this merchandise to foreign ports in dodging submarine mines and other sources of danger.

I should like to ask the Senator from Arkansas if he would be willing to put in an amendment to that effect, in addition to the other provisions of the bill?

Mr. CLARKE of Arkansas. It could not be put in this bill without delaying its passage, and probably jeopardizing it, for the reason that it would involve the introduction of a complete code of life and accident insurance laws. There is no demonstrated necessity for any such relief, because the ordinary insurance companies now take risks of that character.

Mr. LANE. Mr. President, I should like to say that the laws of life insurance are the best established of the laws of any line of insurance. There are none so well settled, none at all that have been worked out with the precision that those have. I think the Senator is mistaken there. I think it would give this bill a better appearance and add to its value to the people and make them have a great deal more respect for it than they will have for a bill which merely looks out for mercantile affairs and profits.

Mr. CLARKE of Arkansas. The Senator is entirely mistaken. In looking out for commerce we are looking out for the people. We are as much interested in having our surplus agricultural and manufactured products transported to countries where they can be sold as the people who are to buy them. We owe large balances in Europe which must be paid either in gold or in the products of this country, and it goes to the very foundation of this country's prosperity to have adequate shipping facilities at this time. The existing emergency has nothing whatever to do with the matter of life insurance.

Mr. WEEKS. Mr. President, I should like to ask the Senator one more question.

The VICE PRESIDENT. Does the Senator from Arkansas further yield to the Senator from Massachusetts?

Mr. CLARKE of Arkansas. Certainly.

Mr. WEEKS. Does the Senator think he can assure the Senate that this bill will not be put in operation—that is to say, that the risk will not be assumed—if the rates of insurance which American shippers, ships, and cargoes can obtain are reasonable and are lower than the rates imposed on other risks?

Mr. CLARKE of Arkansas. Certainly not, because the President is authorized to suspend the operation of the act whenever an adequate supply of war-risk insurance can be obtained. Section 9 is an absolute and specific direction on that point.

Mr. CLARK of Wyoming. Mr. President——

Mr. LANE. Mr. President, I should like to offer an amendment at this time.

The VICE PRESIDENT. Amendments are not yet in order.

Mr. LANE. All right. I will offer it when they are in order, then.

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Wyoming?

Mr. CLARKE of Arkansas. Certainly.

Mr. CLARK of Wyoming. The Senator expresses unlimited confidence in the assumed fact that if the law authorizes the suspension of the operation of an established bureau when the necessity fails for the bureau's work it will be suspended. I think the Senator is pretty optimistic. I have never known a bureau to be created in any of the executive departments that even confined itself to the original idea for which the bureau was created. It not only hangs on but it increases and adds to and magnifies its operations. We have had that time after time. I am afraid the Senator is too optimistic. I think he will find that this will be a permanent bureau.

The Senator in his reply to the Senator from Massachusetts said it was thought that this bureau ought to be established in the Treasury Department because the employees of the Treasury Department, the Assistant Secretary and heads of bureaus there now, are probably not qualified to carry on the technical part of this business. I think the Senator forgot in that reply that another section of the bill furnished us the technical information and knowledge and experience.

Mr. CLARKE of Arkansas. Experts are to be called for the purpose of establishing effective working rules and regulations.

Mr. CLARK of Wyoming. Yes; and generally in carrying out the purposes of this act. There is a board of experts to-day to act with this bureau that is created in the Treasury Department.

Mr. CLARKE of Arkansas. That is a matter of detail.

Mr. CLARK of Wyoming. But it is a board that is created the same as the bureau is created, on the assumption, I suppose, that the expert service which the Senator mentions is really required. Is it expected in that particular bureau of the Treasury Department that the expert service there is to be rendered by people called on from outside without limitation as to salary, and that the Secretary of the Treasury can pay as much for expert service as insurance companies pay?

I am afraid the Senator is building up here a bureau in the Treasury Department that is not only going to be permanent, but, like every other bureau of the Government in connection with the various activities of the Government, is going to increase and magnify itself until it will result in a tremendous expenditure, as some of the other bureaus have done.

Mr. CLARKE of Arkansas. That is simply an incident of administration, and one of the abuses inseparable from government.

Mr. CLARK of Wyoming. I think it is a matter to be considered. If the Senator will bear with me I might say that I agree with the Senator from Massachusetts. I can not see that

the emergency necessary for this measure really exists. In the first place, I do not believe that the Government——

Mr. CLARKE of Arkansas. Probably the Senator is not aware of the fact that within two weeks the rate has been 10 per cent between this country and England.

Mr. CLARK of Wyoming. The Senator is aware of the fact that now it is 5 per cent; that the rate has been cut in two.

Mr. CLARKE of Arkansas. That is true, but it is still high.

Mr. CLARK of Wyoming. I have no doubt that the risk may be something more than normal in time of war, but while the risk may be something more than normal in time of war, I can not see how the Government can, as a business proposition, and that is what this is, write insurance and give accommodation any cheaper or any better than an ordinary insurance company. The Government is not seeking to assume risks. The Government is assuming——

Mr. CLARKE of Arkansas. The private insurance companies are conducted for the purpose of making profit. This bill provides for one of the burdens growing out of the situation. The United States Government is disposed to take care of this not for profit, but will do so even if it should involve a loss.

Mr. CLARK of Wyoming. There is the question. Is this bill intended as a losing proposition for the Government?

Mr. CLARKE of Arkansas. Rather than see our commerce driven off the seas; yes.

Mr. CLARK of Wyoming. In other words, is it intended as an insurance or is it intended as a guaranty?

Mr. CLARKE of Arkansas. The Senator is familiar with the terms of the bill, and he can characterize them to suit himself.

Mr. CLARK of Wyoming. It is a fact that we have passed a law here providing for the admission of foreign ships to registry. This bill is urged as an inducement for that registration.

Mr. CLARKE of Arkansas. As a supplement to that bill.

Mr. CLARK of Wyoming. As a supplement to that bill, because of the fact that those ships can come into American registry, as I understand the Senator.

Mr. CLARKE of Arkansas. That is a correct statement of the case.

Mr. CLARK of Wyoming. No emergency, it seems to me, has arisen—it has not crystallized yet; but do I understand the Senator to say the Government will purchase ships to go into American registry?

Mr. CLARKE of Arkansas. That proposed measure is not related to this particular bill.

Mr. CLARK of Wyoming. I know; but all through we realize the fact that we would have our flags on the seas carrying our commerce. It seems to me that while, perhaps, this bill may be necessary I can not see that it is so necessary as the Senator from Arkansas indicates, nor do I see any necessity under an emergency of this sort to provide for a great bureau.

Mr. CLARKE of Arkansas. I agree with the Senator in any view he may hold about there being too many public offices, but we can not reform all such abuses in this little bill.

Mr. CLARK of Wyoming. No; but we can minimize them.

Mr. CLARKE of Arkansas. The chances are that this bureau will not be in existence for three months.

Mr. CLARK of Wyoming. There never has been a bureau created by Congress that has ever gone out of existence. We had a railroad commission, when for 20 years the commissioner sat in his office here and drew a high salary and never did a lick of work in or out of his office.

Mr. CLARKE of Arkansas. He was a Government director in a subsidized railroad. The Senator was here at that time. Why did he not change that law?

Mr. CLARK of Wyoming. Good heavens, you can not change a matter of that sort.

Mr. CLARKE of Arkansas. Then why impose on me the duty of doing it now?

Mr. CLARK of Wyoming. But we have these evils present with us. What is the necessity of adding other things unless very plainly a necessity does occur, and why not guard it in some shape? There is no limit placed on the size of this bureau. There is no limit placed on the salaries which shall be paid.

Mr. CLARKE of Arkansas. Except the common sense and patriotism of those who administer it.

Mr. CLARK of Wyoming. But we know very well how short a distance common sense and patriotism go in an administration.

Mr. CLARKE of Arkansas. Whenever we get to that point we will not need any ships.

Mr. CLARK of Wyoming. The Senator has not had experience the same as I have with some of the bureaus of the Government.

Mr. CLARKE of Arkansas. I have had a very limited personal experience with bureaus or their chiefs.

Mr. CLARK of Wyoming. The Senator is very fortunate in that respect. If he had had experience as some Senators have he would dread this formation of new bureaus in the Government, because he would know that they grow on their own work, and where they can not find things they ought to do they will find things that they want to do.

Mr. CLARKE of Arkansas. This bill has been safeguarded to a greater degree than any one ever before passed creating a bureau, because it makes it obligatory upon the conscience and honor of the President to terminate the whole business whenever the necessity has passed away; and that he will do so, I have not the slightest doubt.

Mr. CLARK of Wyoming. I am scared of it.

Mr. GRONNA. Mr. President, I simply wish to add to what the Senator from Arkansas has said that I have information that rates have been charged as high as 20 per cent.

Mr. CLARKE of Arkansas. I heard a statement of that kind made as coming from the senior Senator from Maryland [Mr. SMITH], that a ship sailed from Baltimore loaded with wheat and that the rate of insurance exacted was 20 per cent. Whether the Senator from Maryland actually made that statement or not I do not know, but I heard from an apparently reliable source that he did.

Mr. GRONNA. I believe that we should pass this bill, for unless some legislation is had so that the Government will take some risks these rates are prohibitive, and the bill which was recently passed authorizing the Government to allow foreign ships to take American registry will practically be of no value to the producer.

Mr. CLARK of Wyoming. Whatever they may be the rates are not prohibitive, because the people who have to have the wheat are going to pay for it, and tney are going to pay for it with insurance added. This insurance, whatever it may be, will not come against the shipper of the wheat; it will come against the people who buy the wheat.

Mr. GRONNA. It will come against the producer of the wheat.

Mr. CLARK of Wyoming. No; it will not come against the producer.

Mr. GRONNA. When a man buys a product, whatever it may be, every cost will be deducted from the price.

Mr. CLARK of Wyoming. The Senator has had that idea for many years.

Mr. WEST. Mr. President——

Mr. CLARKE of Arkansas. Mr. President, I will conclude what I have to say.

Mr. CLARK of Wyoming. I beg the Senator's pardon.

Mr. CLARKE of Arkansas. I will conclude in a very few words.

Mr. WALSH. Before the Senator concludes I should like to inquire of him whether his understanding is that the proposed insurance is to cover the ordinary risks of the sea?

Mr. CLARKE of Arkansas. It is not.

Mr. WALSH. That is to say, the ship will be obliged to carry two policies?

Mr. CLARKE of Arkansas. Yes; it will require two policies—the ordinary marine insurance, which covers the ordinary marine risks, and this war insurance, which covers the risks peculiar to the state of war, and distinct in character from the usual marine risks incident to sea transportation in times of peace.

Mr. WALSH. Is it the idea of the Senator that it will be possible to make this effort on the part of the Government under those circumstances self-supporting?

Mr. CLARKE of Arkansas. The belief is that except as to foreign-built ships which will come under American registry by the terms of the act recently passed the insurance afforded by private companies will be adequate. There is supposed to attach to such ships the disabilities of their former ownership that amounts to an appreciable element of danger, which is sufficient to somewhat deter proposed purchasers who would otherwise avail themselves of the liberal provisions of the act just recently passed by Congress.

Mr. WALSH. That was not my question.

Mr. CLARKE of Arkansas. Which particular element of war risk will not be promptly and generally assumed by existing insurance companies. It is a new character of risk in this country, and private insurance companies at the present time seem slow in assuming it.

Mr. WALSH. The question I asked the Senator was whether he believed that the ordinary marine insurance being excluded, and the insurance being only with reference to war risks, the business the Government now undertakes to go into will be self-supporting; that is to say, that the returns will be equal to the losses?

Mr. CLARKE of Arkansas. That is a matter of conjecture. The belief is that it will be self-sustaining. Generally speaking, those who are scientifically informed about insurance know that it is an exceedingly profitable business in all its branches.

Mr. GRONNA. If the Senator from Arkansas will further permit me, I wish to suggest that if this law does nothing more for the citizens of the Government, it will be the means of regulating the rate of insurance. If it does nothing more than that, I believe it will serve a good purpose.

Mr. JONES. Will the Senator from Arkansas allow me to ask him whether there would be any objection to adding to section 10 "to continue in force not to exceed two years"?

Mr. CLARKE of Arkansas. I do not think that is necessary. I am sure it will not endure for that length of time. We can not foretell what actual conditions may be during two years. There would be no occasion for continuing it two years if the war should be terminated in two months.

Mr. JONES. The President has the power under section 9 to fix the particular time; but would the Senator have any objection to put in some absolute limitation, say at the end of two years?

Mr. CLARKE of Arkansas. The Senator can not read the entire bill without reaching the conclusion that it is completely shown that this emergency bill is a temporary measure.

Mr. JONES. But I very much agree with the Senator from Wyoming that when you establish a bureau you can not get rid of it. The President may act, of course, honestly, but he has to act on the recommendation of the persons who are to be continued, and they never recommend either to do away with their salaries or to diminish their power or authority.

Mr. CLARK of Wyoming. Of course the Senator will bear in mind that the employees of this bureau at $3,000 a year are under the Government permanently, whether the bureau goes on or not, because they are in the civil service.

Mr. CLARKE of Arkansas. I presume they will be included in the civil service, or they are there now.

Mr. CLARK of Wyoming. No.

Mr. CLARKE of Arkansas. They would be chosen from the existing civil-service employees, I take it for granted, by promotion and transfer.

Mr. GALLINGER. They are on the waiting list now.

Mr. CLARKE of Arkansas. That feature of the matter I have not prepared myself to go into very largely. I do not know that I disagree with the Senator from Wyoming about it.

Mr. McCUMBER. Mr. President, I can see a good feature in the bill. The really good feature I can see is that suggested by my colleague [Mr. GRONNA]. I can see no reason why there should have been an exorbitant demand for rates of insurance on neutral goods. I think the insurance companies were taking advantage of a condition to raise their rates where there was absolutely no cause for raising them whatever. So far as the Government saying to these companies, "If you will not insure for a reasonable rate, if you propose to take advantage of the American people and raise the rate and compel them to pay exorbitant prices in this emergency, I will step in and see that you do not do it," I am inclined to think that just as soon as the Government puts itself in a position where it will go into the insurance business our insurance will be exactly as it has been in the past, and the war risks will not increase it to any appreciable extent.

I made this suggestion with the idea of calling the Senator's attention to an amendment which I think might well be adopted, and to ask him if he would have any opposition to it. Of course, the Senator says you can cease to go on with your insurance whenever conditions make it such that the President may think he ought not to continue it. But suppose the conditions for ceasing arise before you begin your insurance. Suppose there is no demand for it whatever by the time you get this board organized, then would the Senator object to inserting on page 3 to line 6 the words:

Provided, That no insurance shall be made hereunder unless reasonable insurance can not be otherwise obtained.

Mr. CLARKE of Arkansas. That is the very language of the bill at the present time. If the Senator will read section 2, he will discover that that is exactly the provision in the bill now.

Mr. McCUMBER. Will the Senator read me the section?

Mr. CLARKE of Arkansas. I will read the entire section:

SEC. 2. That the said bureau of war risk insurance, subject to the general direction of the Secretary of the Treasury, shall, as soon as practicable, make provisions for the insurance by the United States of American vessels, their freight and passage moneys, and cargoes shipped or to be shipped therein, against loss or damage by the risks of war, whenever it shall appear to the Secretary that American vessels, shippers, or importers in American vessels are unable in any trade to secure adequate war-risk insurance.

Mr. McCUMBER. I do not think that is the same, because I should naturally expect that the British Government, being a belligerent, or the German Government, being a belligerent, would have to have its risks very heavy, while the American Government, being neutral, its citizens are practically running no risk at all unless they disobey the ordinary rules of warfare and the conditions that affect the belligerents in war.

Mr. CLARKE of Arkansas. Those are matters of detail that can be taken care of by regulations. To determine what is reasonable in any given case involves the consideration of all relevant and connected things and situations.

Mr. McCUMBER. I know it can; but I want to prevent the Government from going into insurance unless it is necessary. It does seem to me if the Senator believes it ought not to go into it unless it is necessary he might consent to the amendment.

Mr. WEST. Does not section 9 cover the Senator's objection?

Mr. CLARKE of Arkansas. That has been read four or five times. If the Senator from North Dakota is not familiar with it now, reading it another time will not enlighten him.

Mr. GALLINGER. When the Senator from Arkansas read the section to the Senate he properly read it. In line 14 should it not be "whenever"? It is printed "wherever." I think it ought to be "whenever."

Mr. CLARKE of Arkansas. That is an obvious error. That correction should be made. In line 14 it should read "whenever it shall appear."

Mr. GALLINGER. The Senator read it right. That is correct.

Mr. CLARKE of Arkansas. It is an obvious error. That correction should be made.

This is not a matter that has been jumped up without due appreciation of its importance. It is the result of serious and exhaustive investigation and consideration by the representatives of those most directly interested in the many phases of the question, and no part of our people are more largely interested in it than those who want to sell our surplus to European consumers. The measure is proposed for the purpose of giving confidence in and vitality to the recent act which was passed authorizing the registry of foreign-built ships under our law, and to make out of it an effective system of navigation from which we can get practical and immediate results.

This insurance feature was not originally a part of the scheme to aid our export shipping in the present emergency, for the reason that the assumption was indulged that private enterprise would take care of the insurance risks, but a state of affairs has been developed which indicates that that will not be done in the case of newly acquired foreign bottoms, and that this measure is an absolute necessity. Therefore the administration feels that it would fall short of its duty if it did not present some such supplemental remedy as this, and I hope the bill will be passed.

Mr. WILLIAMS. Mr. President, I think we may well congratulate ourselves upon the careful manner in which the provisions of the bill meet a real existing emergency. I would not take up the time of the Senate five minutes this morning and delay its passage even that long but for a fact somewhat personal to myself.

I have expressed my opposition to what I understood from the newspapers to be the provisions of the proposed measure, and I expressed it upon the ground that the United States Government was taking all the risk and going to bear all the loss and secure none of the profits. This bill meets that objection fully, and therefore meets the objection which I had to the supposed measure. This bill gives the profit, if any, as well as the loss, if any, to the Government. I heartily indorse the bill. I think it is absolutely necessary. I have made these few remarks to explain an apparent though not a real change of front on my part.

It has been said by the Senator from Massachusetts [Mr. WEEKS] and, I believe, by the Senator from North Dakota [Mr. McCUMBER], that the present marine insurance rates are low enough. That is very true; but some time ago they were from 10 to 20 per cent; and the very same parties that have recently lowered the rates can raise them whenever they get ready. Perhaps one reason why the rates went down was the anticipation of the passage of some such legislation as this.

I think the chief benefit from this bill is not going to grow out of any actual insurance by the United States Government of ships and cargoes against war risks, but will come from the fact that the moral effect of the passage of the legislation will

be such as to prevent private companies from unjustifiably raising their rates again. So long as they are not forced to raise their rates by actual commercial necessity, with this bill upon the statute books they dare not do so, because if they do the United States Government will take the business which is a source of profit to them.

Mr. President, one part of the bill, section 9, the Senator from Arkansas [Mr. CLARKE] a moment ago declined to read because it had been read often enough; but I will read it, because it seems to me that some Senators have not fully caught it. Section 9 reads:

That the President is authorized to suspend the operation of this act whenever he shall find that the necessity for further war-risk insurance by the Government has ceased to exist.

I have absolute confidence in the present President of the United States. I know that he does not desire that this sort of legislation shall become a permanent feature of the governmental policy of the United States, and that he will welcome the very first opportunity to dispense with it. I have a great deal of sympathy with what was said by the Senator from Wyoming [Mr. CLARK]. It is very difficult to organize a commission which will ever cease to be a commission and the members of which will ever cease to draw salaries; but that grows out of the fact that hitherto commissions have been left to determine for themselves when they had finished their work, and, desiring to maintain their positions, to keep drawing their salaries, they have extended their work as long a time as they could. I once had a friend who served upon one of these commissions. I went to him and asked, "When do you think your commission will be through with its labors?" He said: "John, by skillful management I hope the commission will last as long as I do." [Laughter.] This bill, however, provides for the termination of the commission by the President, and in his discretion.

It has been suggested that we fix a definite period for its termination; two years was suggested. If we do, that would be taken as an excuse to continue this commission and its employees in operation for two years, even if the war ended in six months. It is like putting into a bill that a man shall receive "expenses not to exceed $10 a day," in which event the expenses never fall below that sum.

Mr. WEEKS. Mr. President——

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from Massachusetts?

Mr. WILLIAMS. I do.

Mr. WEEKS. I propose to offer an amendment that in any case the bureau shall be discontinued when the belligerent nations have made a treaty of peace. Does the Senator from Mississippi see any objection to that amendment?

Mr. WILLIAMS. Yes; I see this objection to that: There might be policies in operation and unadjusted at that time. I would see no objection to some period after the reestablishment of peace, but I see no necessity for either amendment. I am satisfied that the President of the United States will terminate this commission at the very first practicable moment. I am just as well satisfied of that as if I myself were President with my views upon matters of this sort. I substantially know from reading his past utterances those views to be his, and I know that a man as well equipped, as well experienced, and one who knows as much about the Government of the United States as does the President would be just as far removed as any Senator in this Chamber would be from desiring to continue as a permanent feature of the United States Government or for an unnecessarily long time legislation of this character.

Mr. CLARKE of Arkansas. I think we could meet the objection of the Senator from Massachusetts [Mr. WEEKS] by substituting the word "terminate" for the word "suspend," so as to make the section read:

SEC. 9. That the President is authorized to terminate the operation of this act whenever he shall find that the necessity for further war-risk insurance by the Government has ceased to exist.

Mr. OVERMAN. "Shall terminate."

Mr. CLARKE of Arkansas. Well, make it read—

That the President shall terminate.

Mr. WILLIAMS. That is better still.

Mr. POMERENE. What objection would there be to providing in the bill itself that no new policy of insurance shall be issued after a treaty of peace shall be signed?

Mr. CLARKE of Arkansas. The amendment I suggest will put an end to the whole business. I propose an amendment to section 9, so that it will read—

That the President shall terminate—

Not "may," but "shall"—

shall terminate the operation of this act whenever he shall find that the necessity for further war-risk insurance by the Government has ceased to exist.

Mr. THOMAS. Mr. President, I shall of course not oppose the amendment to the bill suggested by the chairman of the committee [Mr. CLARKE of Arkansas], as it seems to meet the views of a number of Senators. I want to say, before the vote is taken, however, that personally I approve of this measure as being the first step in the proper direction. I believe in Government insurance, and I believe that this is going to be so successful as demonstrating not only the exercise of the governmental power but also as a matter of revenue, that no one will want to see it abolished, but rather will prefer to see it extended so that marine insurance, as such, will come under the domain of governmental jurisdiction. I hope that that will be followed by its extension in other lines of insurance, so that the enormous profits which this business now directs and diverts into private channels will become a source of national revenue.

Mr. McCUMBER. Mr. President, the Senator having this bill in charge may slur over certain of its provisions, and say that if the Senator from North Dakota does not understand it he can not make it any clearer, but——

Mr. CLARKE of Arkansas. The Senator from Arkansas was not directing his remarks to the Senator from North Dakota. I said that section 9 had been read several times, and the Senator did not ask that it be again read. I assumed that he understood it.

Mr. McCUMBER. But there is one thing certain as to section 2.

Mr. CLARKE of Arkansas. What is that?

Mr. McCUMBER. It is this: You have authorized the Government to assume war risks upon the basis of a belligerent; in other words, we can fix our rates, but the basis of the rates to be fixed are those fixed by belligerents actually engaged in war. A German vessel may at any time be seized by a British man-of-war, a British vessel may at any time be seized by a German man-of-war, but neither German nor British has any right to seize our vessels in peaceful and lawful commerce, though they can seize the vessels of each other. Therefore, if the Government of Great Britain or the Government of Germany considers 10 per cent or 20 per cent as a proper war risk, then, if this Government, under the provisions of section 2 of the bill, will equalize its rates with those of the belligerents, we shall have complied with this proposed law.

Now I am going to call the Senator's attention, in all good faith, to that provision, under which I insist this country will be placed in the position of a belligerent in ascertaining the basis for the insurance provided for in the pending bill, because the bill provides:

SEC. 2. That the said bureau of war-risk insurance, subject to the general direction of the Secretary of the Treasury, shall, as soon as practicable, make provisions for the insurance by the United States of American vessels, their freight and passage moneys, and cargoes shipped or to be shipped therein, against loss or damage by the risks of war.

Now, listen to this:

Wherever it shall appear to the Secretary that American vessels, shippers, or importers in American vessels are unable in any trade to secure adequate war-risk insurance on terms of substantial equality with the vessels or shippers of other countries—

Not neutral countries, but "other countries"—

because of the protection given such vessels or shippers by their respective Governments through war-risk insurance.

In other words, if the insurance companies of this country say that they will not take insurance for less than 15 per cent, and it so happens that Great Britain, a party to the war, is willing to insure British vessels at 10 per cent, the Government will be authorized to equalize the British insurance by making the rate 10 per cent, when, as a matter of fact, it ought not to be 2 per cent, because there is substantially no risk which American vessels will undergo in the transportation of ordinary goods, as they will fly the flag of a neutral power.

Mr. CLARKE of Arkansas. All we propose to do is to put our ships on a footing of equality with other ships with which they have to compete. If the war rate of one of the belligerents is excessively high, the chances are that would be notice that there was some considerable risk in that particular trade, or if the risk did not exist in fact, then the insurance companies would accept the business and the Government would not be called upon to write the insurance. The measure is temporary in one sense, but it is alternative; it is rather a precautionary measure, so that there may be some place in which legitimate risks of this kind can be written, if private insurance companies will not take them.

Mr. McCUMBER. That is not what we want to secure, Mr. President. I insist that we want to secure reasonable insurance, not merely competitive insurance with British vessels. The Senator can not show that it is necessary to charge any more than ordinary rates at this time, or at least only a trifle more than ordinary rates, due possibly to the fact

that in some quarters of the world there may be mines that have broken away from their moorings and are afloat. Is there any reason on earth why an American maritime insurance company should charge any more for insuring an American cargo from New York to Buenos Aires to-day than at any other time?

Mr. CLARKE of Arkansas. I think not.

Mr. McCUMBER. Certainly not. There is no reason for its charging any more to insure a lawful cargo destined to a neutral port, other than the possibility of such minor risks as the Senator has mentioned; and yet if those companies should insist on maintaining an unreasonable rate, all the Government would have to do—and it would be justified in doing it under this bill—would be to make a rate that would equalize the German or the British rate upon cargoes which are subject to seizure at any time by the vessels of the other belligerent nation. That is not what I supposed I was to vote for in this bill; I supposed that we were to provide insurance at rates which would be reasonable.

Mr. CLARKE of Arkansas. The theory of the bill is to leave the business of insuring ships to private companies as long as they will take the risks.

Mr. McCUMBER. As long as they will take them at what rate?

Mr. CLARKE of Arkansas. At whatever seems to be a reasonable rate, in view of all the circumstances.

Mr. McCUMBER. That is not the way the bill reads; it says at whatever rates will equalize the rates which are fixed by the belligerents.

Mr. CLARKE of Arkansas. That is the dominating rate; that is the influence that will fix the rate; and we propose to do as much for our ships as the other Governments have done for theirs, with such changes in rates and stipulations as the circumstances will justify.

Mr. McCUMBER. Why should we not do more? Why should we not force a reasonable insurance rate? Why should not the Government charge according to the risk? If there is actually no more risk to-day than there was two months ago, but private companies will not insure at the same old rate, then the Government should insure at those rates, and should not take as its basis the insurance rates that are fixed by Germany and Great Britain upon British and German vessels.

Mr. LEWIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Illinois?

Mr. CLARKE of Arkansas. I yield to the Senator.

Mr. LEWIS. I thought the Senator had finished his response to the interrogations of the Senator from North Dakota. If the Senator from Arkansas has concluded his response to the Senator from North Dakota——

Mr. CLARKE of Arkansas. I have not finished as to that matter. I desire to submit merely one further observation. The theory upon which this bill is drafted is that the Government does not want to go into the insurance business unless it is absolutely necessary to accomplish the wiser purpose of promoting our commerce.

If private enterprise will not take up these risks on terms that the shippers can afford to pay, then the Government stands there ready to take them on such terms as will create an equality between our ships and the ships with which they have to compete on the seas.

Mr. LEWIS. Mr. President, may I ask the chairman of the committee, the Senator from Arkansas, a question for information?

Mr. CLARKE of Arkansas. Certainly.

Mr. LEWIS. My attention has been attracted to section 2, and I might say to the Senator from Arkansas that that provision being carried through the whole bill impresses me with the idea that the bill limits insurance to war risks.

Mr. CLARKE of Arkansas. Absolutely.

Mr. LEWIS. Then, I ask the learned Senator if a ship should seek to insure against fire, collision, or general marine disasters apart from the risks of war, it would still have to take out a policy from a private company?

Mr. CLARKE of Arkansas. That is true.

Mr. LEWIS. Then, would not the private companies still be in a position of exacting the same severe prices for that other necessary policy? If so, it seems to me that we have gotten no further than to provide insurance for half of a ship, or half of a voyage, or half of a cargo, the other half or the other half interest remaining still uninsured, leaving the ship in those respects still uninsured.

Mr. CLARKE of Arkansas. That is a business matter that competition will take care of. There is an adequate and more than sufficient insurance available at this time, and there is not any reason why they should not take that risk at fair rates now. If, however, a combination should be created, that would then constitute an evil that might be dealt with hereafter; but no such contingency as that exists at the present time.

Mr. LEWIS. So that, if I understand the chairman of the committee, it was within the mind of the committee that the object of this bill at present was to cover no other risks than those of war, leaving all the ordinary risks of the sea, apart from war risks, to be dealt with by private companies—private interests?

Mr. CLARKE of Arkansas. The Senator is right about that.

The VICE PRESIDENT. The Secretary will read the bill.

The Secretary proceeded to read the bill.

Mr. CLARKE of Arkansas. I ask that the formal reading of the bill may be dispensed with and that it be read for amendment, the amendments of the committee to be first considered.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Secretary will state the first amendment reported by the committee.

The first amendment was, in section 2, page 2, line 11, after the word "insurance," to insert "by the United States," and in the same line, after the word "vessels," to insert "their freight and passage moneys," so as to read:

That the said bureau of war-risk insurance, subject to the general direction of the Secretary of the Treasury, shall, as soon as practicable, make provisions for the insurance by the United States of American vessels, their freight and passage moneys, and cargoes, etc.

Mr. LANE. Mr. President, is this the proper time for me to offer my amendment?

The VICE PRESIDENT. The rule has always been in the Senate to read the bill first for committee amendments, and then afterwards it will be open to other amendments.

Mr. LANE. Very well.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. CLARKE of Arkansas. Mr. President, did the Secretary take notice of the amendment in line 14, page 2, where the word "wherever" should be made "whenever"?

The VICE PRESIDENT. We have not reached it yet.

The SECRETARY. In section 2, page 2, line 14, after the word "war," it is proposed to strike out "wherever" and insert "whenever."

The amendment was agreed to.

The next amendment was, in section 2, page 2, line 15, after the word "vessels," to strike out "or," and in the same line, after the word "shippers," to insert "or importers," so as to read:

Whenever it shall appear to the Secretary that American vessels, shippers or importers in American vessels are unable in any trade to secure adequate war-risk insurance on terms of substantial equality with the vessels or shippers of other countries because of the protection given such vessels or shippers by their respective Governments through war-risk insurance.

The amendment was agreed to.

The next amendment was, in section 3, page 2, line 25, after the word "vessels," to insert "their freight and passage moneys"; on page 3, line 3, before the word "cargoes," to strike out the word "their," and on the same page, line 2, after the word "each," to strike out "country" and insert "port," so as to make the section read:

SEC. 3. That the bureau of war-risk insurance, with the approval of the Secretary of the Treasury, is hereby authorized to adopt and publish a form of war-risk policy and to fix reasonable rates of premium for the insurance of American vessels, their freight and passage moneys and cargoes, against war risks, which rates shall be subject to such change, to each port and for each class, as the Secretary shall find may be required by the circumstances. The proceeds of the aforesaid premiums when received shall be covered into the Treasury of the United States.

The amendment was agreed to.

The next amendment was, in section 5, page 3, line 16, after the word "losses," to insert "and generally in carrying out the purposes of this act," so as to make the section read:

SEC. 5. That the Secretary of the Treasury is authorized to establish an advisory board, to consist of three members skilled in the practices of war-risk insurance, for the purpose of assisting the bureau of war-risk insurance in fixing rates of premium and in adjustment of claims for losses, and generally in carrying out the purposes of this act; the compensation of the members of said board to be determined by the Secretary of the Treasury. In the event of disagreement as to the claim for losses, or amount thereof, between the said bureau and the parties to such contract of insurance, an action on the claim may be brought against the United States in the district court of the United States, sitting in admiralty, in the district in which the claimant or his agent may reside.

The amendment was agreed to.

Mr. CLARKE of Arkansas. Mr. President, in line 19, page 4, I move to strike out the words "is authorized to suspend" and insert "shall terminate."

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. In section 9, page 4, line 19, after the word "President," it is proposed to strike out the words "is authorized to suspend" and insert the words "shall terminate."

The amendment was agreed to.

Mr. GALLINGER. Mr. President, I have no disposition to interfere at all with this bill, and if the Senator thinks this is an unwise suggestion it will be immediately dropped. I will ask the Senator, in view of the fact that these bureaus and commissions do dawdle along for years after their work is practically accomplished, if it might not be well to say:

The President shall terminate the operation of this act whenever he shall find that the necessity for further war-risk insurance by the Government has ceased to exist, and shall abolish the bureau as soon as its work has been completed.

Mr. CLARKE of Arkansas. That is entirely satisfactory.

Mr. GALLINGER. I offer that amendment.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. In section 9, page 4, line 22, after the word "exist," it is proposed to insert "and shall abolish the bureau as soon as its work has been completed," so as to make the section read:

SEC. 9. That the President shall terminate the operation of this act whenever he shall find that the necessity for further war-risk insurance by the Government has ceased to exist, and shall abolish the bureau as soon as its work has been completed.

The amendment was agreed to.

The VICE PRESIDENT. The bill is in Committee of the Whole and open to amendment.

Mr. LANE. Mr. President, I wish to offer at this time an amendment which will also insure the lives of the officers and crew against war risks. It is as easy to insure the life of a human being against war risks as it is to insure oil or wheat or cotton or mules or any other cargo. If the sailor or the officer loses his life, he leaves some one who is dependent upon him for livelihood. I know that is the case in every port I have ever been in. Why not insure his life against war risks? Why not? The average life term of a human being at every age is known. That question has been settled. It is one of the natural laws that is as easily ascertained as any other law known to science.

Mr. GALLINGER. Mr. President——

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from New Hampshire?

Mr. LANE. In just a moment. The working value of it is well known, and by paying to the Government a reasonable amount of insurance his life can be insured. It is as important to insure his life as it is to insure the cargo. Within the last few days I have noticed reports stating that merchantmen have been sunk in the North Sea and in the Baltic Sea and the vessels lost and the lives of the crew lost because the vessels ran upon these submerged mines.

I yield to the Senator from New Hampshire.

Mr. GALLINGER. Mr. President, inasmuch as these ships will carry passengers as well as officers and crew and cargo, I was about to ask the Senator if, according to his theory, the passengers ought not likewise to be insured?

Mr. LANE. Mr. President, I would say that that would not be a bad idea, and yet they are not compelled to go. You can not land one pound of the manufactured products of New England in a foreign country, nor can any other portion of this country land one pound of its products in European markets, without having a crew to take it there and work the ship. The passenger does not have to go unless he is hunting trouble, or going on business, or for pleasure; and I should think he could go and take out his own insurance; but you are forcing these men, or, rather, their necessity of gaining their livelihood compels them, to take this war risk about which we are so anxious when it comes to protecting of merchandise and produce. Why not give the member of the crew an opportunity to insure his life for the benefit of his dependent folk? After a while, if you do not do that, and these men lose their lives, the people of this country will have to take care of the dependents who are left without support. It is a perfectly wise and humane provision. It fits well into the scheme here. It entails but little additional trouble.

I am going to ask that that amendment be adopted, and that it apply to this bill, and I see no reason why it should not be adopted. This body represents the people of this country. We are not sent here to put forth our efforts merely in behalf of the business interests of the country or to protect them against loss. It is just as much our duty to look out for the health of the people of this country and their welfare and to protect their lives. In fact, it is more so, if you really reduce it to the last analysis.

Mr. SHAFROTH. Mr. President, I should like to ask the Senator a question, and that is whether or not in the ordinary life insurance policy the risk which is assumed therein does not cover the life of a person belonging to a government that is not a belligerent in a war?

Mr. LANE. Mr. President, I will say for the Senator's information that the insurance companies immediately decline to take any chances upon a man who travels out in unknown seas where there are submerged mines lying around. They forbid him to go without a special permit, if you please. If you want to go into Alaska with a dog team to engage in mining there, unless you give notice and get their consent, you are not insured. They forbid everything that involves great risk. There are many of the ordinary vocations of life in which many men are engaged, such as working in sawmills, handling saws, where they are not accepted by insurance companies; and a man who is going out upon a mission that puts him into seas where he has to dodge submerged mines will get no insurance, except at an exorbitant rate, if at all. Here is your opportunity to do good.

Mr. SHAFROTH. I will ask the Senator if he knows whether the insurance companies are refusing to insure people who travel upon the seas as citizens of the United States? I will say to the Senator that everywhere I have gone I have inquired particularly as to whether the life insurance policy which I hold was good, and invariably I have been given the answer that it was good.

Mr. LANE. I advise the Senator from Colorado to inform the company in which he is insured that he is going to take a trip to Europe at this time and see what they will tell him.

Mr. SHAFROTH. We ought to know whether they are doing it or not, it seems to me.

Mr. WHITE. I should like to suggest, with the Senator's permission, that that applies to passengers.

Mr. LANE. Yes.

Mr. WHITE. Not to men who are engaged in the business. Your life-insurance policy will cover you if you are traveling on a railroad.

Mr. LANE. Yes.

Mr. WHITE. But they generally except railroad employees.

Mr. LANE. They do. Railroad employees are excepted. It is extrahazardous work. Now, why not adopt this amendment?

I send the amendment to the desk, and ask to have it read.

The VICE PRESIDENT. The Secretary will state the amendment.

The SECRETARY. On page 2, after line 20, it is proposed to insert:

Provided, That the said bureau shall make provision to insure against war risks the lives of all officers and members of the crew of all vessels provided for in this bill.

The VICE PRESIDENT. The question is on agreeing to the amendment.

Mr. LANE. I ask for the yeas and nays on the amendment.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CHAMBERLAIN (when his name was called). I have a general pair with the junior Senator from Pennsylvania [Mr. OLIVER]. In his absence I withhold my vote. If at liberty to vote, I would vote "yea."

Mr. CHILTON (when his name was called). I have a general pair with the senior Senator from New Mexico [Mr. FALL]. In his absence I withhold my vote.

Mr. CULBERSON (when his name was called). I transfer my general pair with the senior Senator from Delaware [Mr. DU PONT] to the junior Senator from Arizona [Mr. SMITH] and will vote. I vote "nay."

Mr. GALLINGER (when his name was called). I have a general pair with the junior Senator from New York [Mr. O'GORMAN]. I transfer that pair to the junior Senator from Maine [Mr. BURLEIGH], who is unavoidably detained from the Chamber, and will vote. I vote "nay."

Mr. THORNTON (when Mr. O'GORMAN's name was called). I am requested to announce the necessary absence of the junior Senator from New York [Mr. O'GORMAN], and that he is paired with the senior Senator from New Hampshire [Mr. GALLINGER]. I ask that this announcement may stand for the day.

Mr. DILLINGHAM (when Mr. PAGE's name was called). I wish to announce the necessary absence from the city of my colleague [Mr. PAGE] on account of illness in his family. I will let this announcement stand for the day.

Mr. SMITH of Georgia (when his name was called). I have a general pair with the senior Senator from Massachusetts [Mr. LODGE]. Unless I can obtain a transfer, I will withhold my vote.

Mr. SMOOT (when Mr. SUTHERLAND'S name was called). I desire to announce the unavoidable absence of my colleague [Mr. SUTHERLAND]. He has a general pair with the senior Senator from Arkansas [Mr. CLARKE]. I will let this announcement stand for the day.

Mr. THOMAS (when his name was called). I have a general pair with the senior Senator from New York [Mr. ROOT]. I transfer that pair to the senior Senator from Nevada [Mr. NEWLANDS] and will vote. I vote "yea."

Mr. JONES (when Mr. TOWNSEND'S name was called). The junior Senator from Michigan [Mr. TOWNSEND] is necessarily absent. He is paired with the junior Senator frm Arkansas [Mr. ROBINSON]. I will let this announcement stand on all votes for the day.

Mr. WALSH (when his name was called). I have a general pair with the senior Senator from Rhode Island [Mr. LIPPITT]. I transfer that pair to the junior Senator from Kansas [Mr. THOMPSON] and will vote. I vote "nay."

I likewise announce that the senior Senator from Tennessee [Mr. LEA] was called from the city by reason of the serious illness of a member of his family. He is paired with the senior Senator from South Dakota [Mr. CRAWFORD].

I likewise announce that my colleague [Mr. MYERS] is absent from the Senate on official business. He is paired with the junior Senator from Connecticut [Mr. MCLEAN].

Mr. CLARK of Wyoming (when Mr. WARREN'S name was called). I desire to announce the unavoidable absence of my colleague [Mr. WARREN]. He is paired with the senior Senator from Florida [Mr. FLETCHER]. I ask that this announcement may stand for the day.

Mr. WILLIAMS (when his name was called). I transfer my pair with the senior Senator from Pennsylvania [Mr. PENROSE] to the junior Senator from South Carolina [Mr. SMITH] and will vote. I vote "nay."

The roll call was concluded.

Mr. GRONNA. I inquire whether the senior Senator from Maine [Mr. JOHNSON] has voted?

The VICE PRESIDENT. He has not.

Mr. GRONNA. I have a pair with that Senator. I transfer that pair to the junior Senator from Illinois [Mr. SHERMAN], and will vote. I vote "nay."

Mr. FLETCHER. I have a pair with the junior Senator from Wyoming [Mr. WARREN]. In his absence I withhold my vote.

Mr. GORE. I have a pair with the junior Senator from Wisconsin [Mr. STEPHENSON] and therefore withhold my vote. If at liberty to vote, I would vote "yea."

Mr. GALLINGER. I have been requested to announce the following pairs:

The junior Senator from New Mexico [Mr. CATRON] with the senior Senator from Oklahoma [Mr. OWEN].

The junior Senator from Rhode Island [Mr. COLT] with the junior Senator from Delaware [Mr. SAULSBURY].

The junior Senator from West Virginia [Mr. GOFF] with the senior Senator from South Carolina [Mr. TILLMAN].

The senior Senator from Michigan [Mr. SMITH] with the junior Senator from Missouri [Mr. REED].

Mr. KENYON. I desire to announce the necessary absence from the city of my colleague [Mr. CUMMINS], and also to announce the absence of the senior Senator from Wisconsin [Mr. LA FOLLETTE] on account of illness.

Mr. PITTMAN. I wish to announce the absence of the junior Senator from Delaware [Mr. SAULSBURY] on account of sickness, and that he is paired with the junior Senator from Rhode Island [Mr. COLT].

The result was announced—yeas 14, nays 39, as follows:

YEAS—14.

Ashurst	Jones	Norris	Vardaman
Bristow	Kenyon	Poindexter	Weeks
Hollis	Lane	Sheppard	
James	Martine, N. J.	Thomas	

NAYS—39.

Bankhead	Gallinger	Overman	Smoot
Brady	Gronna	Perkins	Sterling
Brandegee	Hitchcock	Pittman	Stone
Bryan	Hughes	Pomerene	Swanson
Burton	Kern	Ransdell	Thornton
Camden	Lee, Md.	Shafroth	Walsh
Clark, Wyo.	Lewis	Shields	West
Clarke, Ark.	McCumber	Shively	White
Culberson	Martin, Va.	Simmons	Williams
Dillingham	Nelson	Smith, Md.	

NOT VOTING—43.

Borah	Colt	Goff	Lodge
Burleigh	Crawford	Gore	McLean
Catron	Cummins	Johnson	Myers
Chamberlain	du Pont	La Follette	Newlands
Chilton	Fall	Lea, Tenn.	O'Gorman
Clapp	Fletcher	Lippitt	Oliver
Owen	Root	Smith, Mich.	Tillman
Page	Saulsbury	Smith, S. C.	Townsend
Penrose	Sherman	Stephenson	Warren
Reed	Smith, Ariz.	Sutherland	Works.
Robinson	Smith, Ga.	Thompson	

So Mr. LANE'S amendment was rejected.

Mr. MCCUMBER. Mr. President, I am not very socialistically inclined, nor do I believe in paternalism to any great extent. I intend to vote for this measure simply as an emergency measure. I had hoped that as an emergency measure it would be designed to meet the emergency, and I had hoped that Senators were not so tied to some particular proposition because it comes in that way from a committee, or in the original draft, that they would blind their eyes to all reason concerning the bill.

I want, in all good faith, to invite the attention of the Senators upon the other side to a little amendment that I am going to offer. Of course you can vote it down, if you feel that you want to vote it down, without using your judgment or reason upon it; but I want to put this proposition right up to the Senate, and that is that if Great Britain and Germany insure their cargoes against war risks at 40 per cent, and the insurance companies here will not insure for less than that, the Government is justified in giving an insurance of 35 per cent to compete with the insurance that is given by these nations that are engaged in war. I have understood that the purpose of this bill was to secure reasonable insurance and insurance that has some relation to the risk. If the risk is slight, there will, at most, be but a slight rise in the insurance.

I am going to move to strike out, in line 16, page 2, after the word "secure," all the words down to and including line 20. In other words, I move to strike out "adequate war-risk insurance on terms of substantial equality with the vessels or shippers of other countries because of the protection given such vessels or shippers by their respective Governments through war-risk insurance," and to insert in lieu thereof the words "just and fair terms of insurance against war risks," so that it will read that the Government will insure "whenever it shall appear to the Secretary that American vessels, shippers, or importers in American vessels are unable in any trade to secure just and fair terms of insurance against war risks."

The VICE PRESIDENT. The morning hour having expired, the Chair lays before the Senate the unfinished business, which will be stated.

The SECRETARY. A bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes.

Mr. CULBERSON. I ask unanimous consent that the unfinished business be temporarily laid aside.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the unfinished business is temporarily laid aside.

Mr. CLARKE of Arkansas. I ask that we may proceed with the bill which has been under discussion until it is disposed of.

The VICE PRESIDENT. The Chair hears no objection.

Mr. CLARKE of Arkansas. I feel disposed to say to the Senator from North Dakota, if he will propose to amend the bill by striking out all of section 2 after the word "insurance," in line 16, that I am inclined to accept his amendment. That is substantially what I understand to be the purpose of the act anyway. I never was entirely satisfied with that cumbersome qualification, which left too much discretion to the board to determine what was meant by "substantial equality." I have no idea that the board would conclude that the same rate was in every instance substantial equality with that charged for risks on the ships of other countries. I think they would weigh out in detail the different elements of the particular risk which was to be covered by the policy written by our Government and eliminate such things as were peculiar to foreign countries and did not appear to be a risk under our situation.

Mr. MCCUMBER. I think the suggestion made by the Senator from Arkansas will meet my objections, because then it will read:

> Shippers or importers in American vessels are unable in any trade to secure adequate war-risk insurance.

Mr. CLARKE of Arkansas. I accept that amendment.

Mr. MCCUMBER. I think that adequate. They would charge only reasonable rates. I therefore consent to withdraw my other amendment, and move to amend by striking out all of section 2 after the word "insurance," in line 16.

Mr. CLARKE of Arkansas. I accept that amendment, Mr. President.

Mr. BURTON. Let me understand that. Is it proposed to strike out of section 2, after the words "adequate war-risk insurance"?

Mr. McCUMBER. Yes; in line 16, commencing with the word "on."

Mr. BURTON. I think that retains the substance of the section. I do not think the objection stated by the Senator from North Dakota lies to this bill. It is not with a view to preventing the extortion of private insurance companies that the bill is to be passed, but because private capital is inadequate to cover the field. A new and extraordinary risk is imposed upon shipping, and a couple of foreign countries are giving war-risk insurance. It is desirable to place our ships on the same basis with theirs.

Mr. CLARKE of Arkansas. I think what is left in the section will retain, in substance, what we intend to do. The word "adequate," of course, is a rather comprehensive and elastic word and we leave something to the judgment of the board in determining the risk and other conditions that should enter into the contract. I accept the amendment.

Mr. WILLIAMS. Mr. President, if that amendment is accepted this law will read "to secure adequate war-risk insurance." I submit that will cover the question of amount, but it does not cover the question of the rate. If you can get under this bill, then, as amended, an "adequate insurance," regardless of the rate which is charged for it, the provisions of the bill will have been complied with. It seems to me it ought to read "adequate war-risk insurance at reasonable and just rates."

Mr. McCUMBER. I should prefer that myself, but I was willing to trust the board to do it.

Mr. WILLIAMS. Undoubtedly the word "adequate" refers only to the amount. It does not refer to the rate at all. It does not refer to the reasonableness or justness of the rate.

Mr. CLARKE of Arkansas. I see no necessity for the adoption of the amendment suggested by the Senator from Mississippi.

Mr. WILLIAMS. I have not offered it. I merely made the suggestion.

Mr. CLARKE of Arkansas. I see no necessity for its adoption, because of the feature of that amendment already contained in the bill beginning with line 24, on page 2—

and to fix reasonable rates of premium for the insurance of American vessels, their freight and passage moneys and cargoes against war risks, which rates shall be subject to such change, to each port and for each class, as the Secretary shall find may be required by the circumstances.

That would simply be duplicating a provision already contained in the bill.

Mr. WALSH. Mr. President, I have great respect for the opinion of the chairman of the committee with reference to this act, but with such study as I have given I am not able to agree about it. The act provides, according to the amendment suggested by the Senator from North Dakota, that the bureau is to become operative only when adequate war-risk insurance can not be obtained. The word "adequate" obviously refers to the amount. Adequate insurance has no reference to the rates to be paid.

It is true, as was said by the Senator from Arkansas, that by section 3 it is directed that only reasonable rates shall be charged, but if adequate insurance can be obtained at whatever rates, however exorbitant, the bureau can never be established under the provisions of section 2.

Accordingly, Mr. President, I think to remove all possible question the amendment of the Senator from North Dakota should commence after the word "terms" and the word "reasonable" should be inserted between the words "on" and "terms," so that it will read whenever American vessels "are unable in any trade to secure adequate war-risk insurance on reasonable terms."

Mr. CLARKE of Arkansas. The amendment suggested by the Senator from Montana is exactly what I have been insisting all the time the bill means. I have no objection to accepting it, so that it will read "to secure adequate war-risk insurance on reasonable terms."

Mr. McCUMBER. That is satisfactory, and I adopt that amendment. I was going to offer one that amounts to the same thing, but it will facilitate the matter by accepting the suggestion made by the Senator from Montana.

The VICE PRESIDENT. The amendment is, on line 17, to insert before the word "terms" the word "reasonable" and to strike out the remainder of the paragraph down to and including the word "insurance" in line 20. It will be agreed to without objection.

The bill was reported to the Senate as amended, and the amendments were concurred in.

Mr. LEWIS. Mr. President, I desire, if I may have it, the attention of the Senator from Arkansas. I hope the Senator from Arkansas will accept the following amendment:

That during the pendency of this measure the officers and crew of any vessel insured within this act shall be held entitled to all pensions as now permitted to officers and crews of the Navy of the United States. The sum of the said pensions shall be the same as to officers and crew of the vessels insured herein as is prescribed for officers and men engaged in the United States Navy assuming war risks and suffering death or injury therefrom.

Mr. CLARKE of Arkansas. I can not accept such an amendment as that. It is entirely foreign to the purpose of the bill. It deals with an entirely new subject matter, and might provoke all sorts of discussion, and require the development of an administrative system to make it operative that would delay us unduly. I can not accept the amendment.

Mr. LEWIS. I desire to say that it appears to me that if the Senator could accept the amendment of the Senator from Oregon [Mr. LANE] for the personal insurance of officers and members of the crew, the guaranty of indemnity that is extended now to the officers and the crews of the vessels of our Navy should be extended here. In this way we have an inducement to the crew to take these war risks with the same feeling that they are placed on the exact level as soldiers and sailors. Such is the object of my amendment.

Mr. SMOOT. The Senator does not understand that these ships are going into war, or that they are for war purposes, or to run a blockade, or to take any risk whatever other than the mere fact that they may be seized by some belligerent power? Certainly there is no risk, as far as war is concerned, to the ships that will take out insurance under this bill.

Mr. LEWIS. I answer the Senator from Utah by saying that I provide that the pension shall only arise whenever the war risk which is insured here produces death, or disaster, or accident, or damage to the crew or officers. They would not be permitted to enjoy this pension unless they were involved in some way in some matter which was a war risk. Such is my idea.

If the chairman of the committee feels that this amendment would embarrass the object of the bill, I am loath to have it offered. If he merely bases the objection on its merits without feeling that it embarrasses the policy of the bill because being foreign to the measure, then I would like to tender the amendment. I ask the Senator from Arkansas the ground of his objection? Does he regard the subject matter as foreign to the purpose of the bill?

Mr. CLARKE of Arkansas. I do, indeed. I am sure it would necessitate considerable debate, and it might require that the provisions of the bill should be amplified in order to extend equal terms to those who assume equal risks in other departments of over-sea commerce. Then it conflicts with another purpose which is the foundation of the bill. The bill simply offers the means of obtaining insurance covering war risks where private companies will not assume it. In those cases where the private companies will assume the war risk there would then be no pension nor bounty, such as is provided for in the amendment of the Senator from Illinois, held out to the crews of those particular ships. The effects of it might be that it would embarrass the shipping business, creating discrimination between two classes of ships, those insured under the terms of the bill and those insured by private companies. It is not assumed that the Government under this provision of the bill will do all the insuring, even as against war risks.

Of course, I do not desire in the slightest degree to curtail the right of the Senator from Illinois to offer any amendment his best judgment may approve. If, however, the Senator thinks it is the right amendment to offer, and if the amendment should meet with the approval of the Senate, it is his duty, and I am sure it would be his pleasure, to submit it.

Mr. LEWIS. I realize both my privilege and right in the matter, and I acknowledge the courtesy of the Senator in so affirming it. I am, however, anxious that I shall not retard the passage or embarrass the course of the measure, and if those in charge of it think the amendment is foreign to the purpose, I will withhold it and present it at another time, should the developments make it necessary. For that reason I will not now tender the amendment, because the chairman can not accept it.

Mr. JONES. Mr. President, I recognize that the administration is peculiarly responsible for measures to meet the emergencies that confront us, and I want to do everything I can to cooperate in every way possible to help the passage of proper measures. I think it is our patriotic duty to do that, and I know that there is no partisanship in connection with this measure or those of a similar character and for such a purpose.

I want to do everything possible and proper to put the American flag on the seas and to have our ships transport our products to the markets that need them. I want to assist in every proper way to get our products to market. But, Mr. President, in doing that I think we ought not to do it at the risk of involving us in the terrific struggle that now embraces every great civilized nation on the face of the earth except ours. I approve most heartily the admonition of the President to the people of the

country to maintain an absolutely neutral attitude with reference to this struggle and those engaged in it, and I hope all of our people will heed it most strictly.

The only fear I have in reference to these measures that we are passing is that they will have a tendency to involve us in these difficulties; that they are likely to create situations which may give to some of the belligerents an excuse to embroil us in this terrific struggle, and if that should happen, of course all realize that we will have passed these measures at a terrific price.

There are interests that care but little what happens so they accomplish their purposes and enrich themselves. In time of stress patriotism becomes the cloak of spoliation. I fear the "interests," so called, are most active in taking advantage of the serious and critical situation that now confronts us and the world. These "interests" care but little what embarrassing situations may be brought about if profit accrues to them and their capital.

I hope that nothing of that kind will happen, but I simply wanted to say that I can not help but fear that these measures are likely to involve us in complications and in situations that may bring us into the struggle. I hope not. I hope this measure will not do what I fear it may do, and with this statement I shall not vote against its passage.

Mr. WILLIAMS. I should like to ask the Senator a question for information. Does the Senator think that under the supervision of the Secretary of the Treasury the Government will insure a ship carrying a cargo contraband or an absolute contraband or a cargo of conditional contraband which a belligerent has declared that it would seize?

Mr. JONES. I do not think they would do it intentionally at all.

Mr. WILLIAMS. The very insurance policy itself would provide that ships must not carry contraband; and if the ship did carry it, it would be violating the contract of insurance, and then the United States would not have to pay a cent.

Mr. JONES. I am not going into details. I know this and the Senator from Mississippi knows it that war overrides almost everything. Contracts public are not regarded. We have seen already that treaties are not regarded at all when the exigency of war requires some course contrary to them. We know very well that if there is a desire upon the part of anybody to get somebody into trouble they may easily find excuses to do it. All I am afraid of is that some situation may come up by reason of these measures that may give an excuse, however unjustifiable it may be, that may lead us into trouble.

Mr. THOMAS. I should like to inquire of the Senator whether Gen. Sherman did not say something about war?

Mr. JONES. Yes; and he expressed it as concisely as anybody could express it; but even his expression would not adequately describe the terrors, destruction, and sufferings of the titanic struggle now on, and nothing is justified that might involve us in it.

Mr. WHITE. Mr. President, this legislation, in my judgment, can be justified only on the ground of its being necessary to meet an emergency. It can not be justified, in my mind, on any other ground. It is putting the Government in private business, and putting it in business in competition with legitimate business insurance. It is, furthermore, conferring special privileges, special advantages, that ought not ordinarily to be done. It is extending special privileges directly to the few at the expense of the many. The masses are told that they will be compensated by indirect advantages; they can not stand many more such; they have already nearly been ruined by them.

As I said, however, it may be justified as a war measure, and it may be supported on that ground, and that ground only. I am afraid, however, that it will have an effect not intended, and that it will increase the price of the ships that we are buying. We are by this legislation, I am afraid, adding new value to foreign ships that our citizens may have to pay when they go to buy them. That is a matter, however, of policy that no doubt the committee has considered before it brought in the bill.

I wanted to say this much, Mr. President, before I voted on the measure.

The bill was ordered to be engrossed for a third reading and was read the third time.

The VICE PRESIDENT. The question is, Shall the bill pass? The bill is passed.

Mr. KENYON. I should like to inquire if there was a vote taken? I simply want an opportunity to vote against it; that is all.

The VICE PRESIDENT. All in favor of the passage of the bill will say "aye." [Putting the question.] Contrary, "no." The ayes have it, and the bill is passed.

PROPOSED ANTITRUST LEGISLATION.

Mr. CULBERSON. I ask that the unfinished business be laid before the Senate and proceeded with.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes.

The VICE PRESIDENT. The pending question is on the amendment of the Senator from Iowa [Mr. KENYON] to the amendment of the committee. It will be stated.

The SECRETARY. On page 17, line 12, after the word "misapplies," insert the words "or intentionally or negligently permits or suffers to be misapplied."

Mr. KENYON. Mr. President, I will not discuss the amendment to the amendment, as it has been thoroughly discussed, but I ask for a yea-and-nay vote on it.

The yeas and nays were ordered.

Mr. SMOOT. I ask that the amendment to the amendment be read.

The amendment to the amendment was again read.

The VICE PRESIDENT. The Secretary will call the roll on agreeing to the amendment to the amendment.

The Secretary proceeded to call the roll.

Mr. CULBERSON (when his name was called). Again announcing my pair and its transfer, I vote "nay."

Mr. REED (when his name was called). I have a pair with the Senator from Michigan [Mr. SMITH]. In his absence I withhold my vote.

Mr. THOMAS (when his name was called). I have a general pair with the senior Senator from New York [Mr. ROOT]. In his absence I withhold my vote.

Mr. TILLMAN (when his name was called). I have a general pair with the Senator from West Virgina [Mr. GOFF]. In his absence I withhold my vote.

Mr. WALSH (when his name was called). I am paired with the Senator from Rhode Island [Mr. LIPPITT]. I will transfer that pair to the Senator from Kansas [Mr. THOMPSON] and vote. I vote "nay."

I announce likewise the necessary absence of my colleague [Mr. MYERS]. He is paired with the Senator from Connecticut [Mr. MCLEAN].

I will likewise announce that the Senator from Tennessee [Mr. LEA] is absent on account of illness. He is paired with the Senator from South Dakota [Mr. CRAWFORD].

The roll call was concluded.

Mr. GRONNA. Has the senior Senator from Maine [Mr. JOHNSON] voted?

The PRESIDING OFFICER (Mr. SWANSON in the chair). He has not.

Mr. GRONNA. I have a general pair with that Senator, which I transfer to the senior Senator from Iowa [Mr. CUMMINS]. I vote "yea."

Mr. GALLINGER. I have a general pair with the junior Senator from New York [Mr. O'GORMAN], which I transfer to the junior Senator from Maine [Mr. BURLEIGH] and vote "yea."

Mr. CHAMBERLAIN. In the absence of the junior Senator from Pennsylvania [Mr. OLIVER], with whom I am paired, I withhold my vote.

Mr. FLETCHER. I have a pair with the Senator from Wyoming [Mr. WARREN]. I transfer that pair to the Senator from New Jersey [Mr. MARTINE] and vote "nay."

Mr. THOMPSON entered the Chamber and voted "yea."

Mr. WALSH (after having voted in the negative). I transferred my pair to the Senator from Kansas [Mr. THOMPSON]. As he has entered the Chamber and voted, I withdraw my vote.

Mr. GORE. I desire to announce my pair with the junior Senator from Wisconsin [Mr. STEPHENSON]. I withhold my vote. I request that this announcement may stand for the day.

Mr. CHILTON. I wish to announce my pair with the Senator from New Mexico [Mr. FALL], who is necessarily absent. I understand that under the terms of it I have a right to vote on this question. I vote "nay."

Mr. MARTINE of New Jersey entered the Chamber and voted "yea."

Mr. FLETCHER (after having voted in the negative). The Senator from New Jersey [Mr. MARTINE] having appeared and voted, I transfer my pair to the Senator from Nevada [Mr. NEWLANDS] and let my vote stand.

Mr. KENYON. I desire to announce the absence of my colleague [Mr. CUMMINS], and that if he were present he would vote "yea." I think he is paired.

Mr. WILLIAMS. I transfer my pair with the senior Senator from Pennsylvania [Mr. PENROSE] to the junior Senator from South Carolina [Mr. SMITH] and vote "nay."

The result was announced—yeas 26, nays 26, as follows:

YEAS—26.

Borah	Gallinger	Lewis	Pomerene
Brady	Gronna	McCumber	Sheppard
Brandegee	Hollis	Martine, N. J.	Sterling
Bristow	James	Nelson	Thompson
Burton	Jones	Norris	Vardaman
Clark, Wyo.	Kenyon	Perkins	
Dillingham	Lane	Poindexter	

NAYS—26.

Bryan	Hughes	Shafroth	Thornton
Camden	Kern	Shields	Weeks
Chilton	Lee, Md.	Shively	West
Clarke, Ark.	Martin, Va.	Simmons	White
Culberson	Overman	Smith, Md.	Williams
Fletcher	Pittman	Stone	
Hitchcock	Ransdell	Swanson	

NOT VOTING—44.

Ashurst	Goff	Oliver	Smith, Mich.
Bankhead	Gore	Owen	Smith, S. C.
Burleigh	Johnson	Page	Smoot
Catron	La Follette	Penrose	Stephenson
Chamberlain	Lea, Tenn.	Reed	Sutherland
Clapp	Lippitt	Robinson	Thomas
Colt	Lodge	Root	Tillman
Crawford	McLean	Saulsbury	Townsend
Cummins	Myers	Sherman	Walsh
du Pont	Newlands	Smith, Ariz.	Warren
Fall	O'Gorman	Smith, Ga.	Works

So Mr. KENYON'S amendment to the amendment was rejected.

The PRESIDING OFFICER. The Secretary will state the next amendment.

The SECRETARY. The next amendment is that proposed by Mr. CULBERSON to the amendment of the committee, on page 17, line 14, after the word "corporation," to insert "arising or accruing from such commerce, in whole or in part."

The PRESIDING OFFICER. The question is on agreeing to the amendment to the amendment.

Mr. CHILTON. Mr. President, I do not desire to be put in the position of antagonizing an amendment offered by the chairman of the committee, but if we could have quiet in the Senate I should like to state——

The PRESIDING OFFICER. The Senate will be in order. Senators will please take their seats and cease conversation.

Mr. CHILTON. Mr. President——

Mr. WILLIAMS. Mr. President, while the Senate is in a state of hiatus, I ask unanimous consent to report favorably from the Committee to Audit and Control the Contingent Expenses of the Senate a resolution, a routine measure, and I ask unanimous consent for its present consideration.

The PRESIDING OFFICER. The Senator from Mississippi asks unanimous consent for the consideration of the resolution reported by him, which will be read.

Mr. CLARK of Wyoming. Mr. President, has the regular order of business been laid aside?

The PRESIDING OFFICER. It has not been.

Mr. WILLIAMS. The regular order has not been laid aside, but the resolution which I report is merely to pay an employee——

Mr. CLARK of Wyoming. My inquiry was as to whether the regular order of business had been laid aside?

The PRESIDING OFFICER. The Senator from Mississippi has asked unanimous consent for the consideration of a resolution.

Mr. CULBERSON. The regular order of business has not been laid aside.

Mr. WILLIAMS. I ask unanimous consent——

The PRESIDING OFFICER. Is there objection to the request of the Senator from Mississippi?

Mr. CLARK of Wyoming. I do not understand the Senator from Mississippi has asked unanimous consent that the regular order of business be laid aside.

Mr. WILLIAMS. I only ask unanimous consent for the present consideration of the resolution which I have reported.

Mr. CLARK of Wyoming. That can not be done without displacing the unfinished business.

Mr. WILLIAMS. Well, I ask unanimous consent that the regular order of business be temporarily laid aside. The matter I desire to have considered is a mere matter of routine.

Mr. CULBERSON. Is it an urgent matter?

Mr. WILLIAMS. It is an urgent matter. It provides for the payment of the messenger for the Senator from Oklahoma [Mr. GORE].

The PRESIDING OFFICER. Is there objection to the unfinished business being temporarily laid aside?

Mr. CULBERSON. I ask that the unfinished business be temporarily laid aside.

The PRESIDING OFFICER. In the absence of objection, it is so ordered.

MESSENGER TO SENATOR GORE.

Mr. WILLIAMS. I am directed by the Committee to Audit and Control the Contingent Expenses of the Senate to report back favorably Senate resolution 441, for which I ask immediate consideration.

The PRESIDING OFFICER. The resolution will be read.

The Secretary read the resolution (S. Res. 441) submitted by Mr. OVERMAN on the 17th instant, as follows:

Resolved, That Senator THOMAS P. GORE be, and he is hereby, authorized to employ a messenger at a salary of $1,200 per annum, to be paid from the contingent fund of the Senate.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered, by unanimous consent, and agreed to.

PROPOSED ANTITRUST LEGISLATION.

Mr. CULBERSON. I ask that the unfinished business be laid before the Senate.

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes.

Mr. CHILTON. Mr. President, I understand there is a feature of this bill as to which the two Senators from Missouri desire to be heard at this time, one of them because he has to be absent from the Senate, beginning probably to-morrow. So far as I am concerned, what I desire to say on the pending amendment may be said later in the day, and I am perfectly willing to yield the floor and let the Senator from Missouri take up that feature of the bill.

The PRESIDING OFFICER. To what section of the bill does the Senator from West Virginia refer?

Mr. OVERMAN. I call up my motion, made a few days ago, to reconsider the votes by which sections 2 and 4, as reported by the committee, were stricken out, for the purpose of allowing the Senator from Missouri to address himself to those sections.

Mr. CULBERSON. Mr. President, an amendment of the Senate committee, striking out sections 2 and 4, was adopted, and the Senator from North Carolina [Mr. OVERMAN] made a formal motion to reconsider that action of the Senate. He now calls up that motion to give the Senator from Missouri an opportunity to discuss the matter.

The PRESIDING OFFICER. The question is on reconsidering the action of the Senate as in Committee of the Whole in striking out sections 2 and 4 of the bill.

Mr. REED obtained the floor.

Mr. CHILTON. Will the Senator pardon me one moment?

Mr. REED. Certainly.

Mr. CHILTON. I offer an amendment to the pending section of the bill, and, in order that it may be printed in the RECORD, I send it to the Secretary's desk.

The PRESIDING OFFICER. If there is no objection, it will be so ordered.

The amendment referred to is as follows:

On page 17, section 9a, after line 21, insert the following:

"That nothing in this section shall be held to take away or impair the jurisdiction of the courts of the several States under the laws thereof; and a judgment of conviction or acquittal on the merits under the laws of any State shall be a bar to any prosecution hereunder for the same act or acts."

Mr. REED. Mr. President, I do not want to discuss this matter in the absence of the Senate.

Mr. OVERMAN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from North Carolina suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Gronna	Perkins	Stone
Bankhead	Hollis	Pomerene	Swanson
Brady	Hughes	Ransdell	Thomas
Brandegee	James	Reed	Thompson
Bryan	Jones	Shafroth	Thornton
Burton	Kenyon	Sheppard	Tillman
Camden	Kern	Shields	Walsh
Chamberlain	Lane	Shively	West
Chilton	Lee, Md.	Simmons	White
Culberson	Lewis	Smith, Ga.	Williams
Dillingham	Martin, Va.	Smith, Md.	
Fletcher	Norris	Smoot	
Gore	Overman	Sterling	

Mr. SMOOT. I desire to announce the unavoidable absence of the Senator from New Hampshire [Mr. GALLINGER], who has a general pair with the junior Senator from New York [Mr. O'GORMAN].

The PRESIDING OFFICER. Forty-nine Senators have answered to the roll call. A quorum of the Senate is present. The Senator from Missouri.

Mr. REED. Mr. President, sections 2 and 4 were stricken from the Clayton bill upon the theory that the matters therein contained were covered by the trade commission bill.

Mr. President, it is very embarrassing to argue a question of this kind in the absence of the Senate. I do not expect to be able to entertain the Senate. The roll has just been called, and 49 Senators have answered to their names, but there are now by actual count in the Senate just 12 Senators. The Senators who are present are the Senator from Maryland [Mr. LEE], the Senator from Texas [Mr. CULBERSON], the Senator from Oklahoma [Mr. GORE], the Senator from North Carolina [Mr. SIMMONS], the Senator from Colorado [Mr. THOMAS], the Senator from Missouri [Mr. STONE], the Senator from North Carolina [Mr. OVERMAN], the Senator from New Mexico [Mr. FALL], the Senator from Utah [Mr. SMOOT], the Senator from Georgia [Mr. WEST], and the Senator from Connecticut [Mr. BRANDEGEE]. Since I have been speaking the Senator from Iowa [Mr. KENYON] has just entered the Chamber, as has also the Senator from California [Mr. PERKINS]. I notice there is in addition——

Mr. KENYON. I learned the Senator from Missouri was speaking, so I came in.

Mr. BRYAN. I did not know the Senator from Missouri was speaking, or I should not have been absent.

Mr. LEWIS. Mr. President, I call the attention of the Senator from Missouri to the fact that I am present and am always on his applause committee.

Mr. REED. I am not looking for applause, Mr. President; I am asking that due consideration be given this important matter. I have seen it happen time and again—and I am not complaining of the manifest indifference of Senators on my own account. This bill is not more important to me than it is to all other Members of the Senate. Time and again in the last two weeks I have heard grave matters discussed in the absence of nine-tenths of the Senate. Then, when the vote is being taken, Senators come into the Chamber and casually inquire what is going on and proceed to vote.

The PRESIDING OFFICER (Mr. WALSH in the chair). The Senator from Missouri will suspend a moment. The Chair is advised that the Senator from Missouri has, in effect, suggested the absence of a quorum. The Secretary will call the roll.

Mr. STONE. Before the roll is begun, Mr. President, I make the point of order that the roll having been called a few moments ago, disclosing the presence of a quorum, and nothing having intervened since then except debate, under the ruling of the Vice President a few days ago, and following previous rulings of other presiding officers, the point of no quorum is not in order.

The PRESIDING OFFICER. The Chair believes the point of order raised by the senior Senator from Missouri is well taken. The junior Senator from Missouri will proceed.

Mr. REED. I had not intended to suggest the absence of a quorum, nor do I propose to complain; certainly I have no personal pride in this matter; I have no personal interest in it; and I have perhaps been guilty of the same acts of dereliction which I have just referred to; but the two sections of the bill now to be considered are, in my humble judgment, of a crucial character. If the Senate will listen long enough to permit the points to be briefly argued, I shall be content.

Sections 2 and 4 were stricken out at the suggestion of the chairman of the committee. On three different occasions the proposition to strike out these sections came before the committee. I am not certain, but I think at one time the vote was in the negative, and on the other two occasions the matter was laid over. Thereafter the chairman, as I understand, canvassed the members of the committee, and, of course, acting in accordance with what he understood to be the opinion of the majority of the committee, suggested as a committee amendment that these sections be eliminated from the bill. I do not make the slightest complaint, but I state the facts, simply that the Senate may understand that the question of striking these sections out was not one which had been solemnly considered in the committee and approved by a vote of the committee.

Mr. CULBERSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Texas?

Mr. REED. I do; certainly.

Mr. CULBERSON. As the Senator has brought up the matter of what transpired in the committee, I remind him that one of the first things done by the committee in the committee room was to strike out sections 2 and 4 and sections 8 and 9. Afterwards that action was reconsidered and those sections were left in.

Mr. REED. That is correct; they were left in, and debated after that for, I think I may say, weeks.

Mr. CULBERSON. Subsequently the report of the committee was made on the 22d of July. After it was made the trade commission bill was passed, and then, on a poll of the committee, in consequence of the passage of the trade commission bill, sections 2 and 4 of the pending bill were recommended to be stricken out by the committee, and the Senate concurred in that recommendation.

Mr. REED. Well, Mr. President, there is not any difference between that statement and the one I am making; at least, I hope there is none, and I do not think there is.

Mr. CULBERSON. I understood the Senator to say that there had been no affirmative action by the committee itself in committee with reference to these three or four sections. On the contrary, there was. In one instance sections 2 and 4 and sections 8 and 9, as shown by the minutes of the committee, were stricken out by the committee in its committee room.

Mr. REED. Well, Mr. President, that is true; but it does not change the effect of my statement. I am only trying to have the Senate understand that the committee did not meet, discuss, and finally, after discussion, take the action. It is true that in the early days of the consideration of this bill a suggestion was made to strike out not only these two sections, but the very sections we are now discussing, namely, sections 8 and 9, and they were stricken out, but afterwards, after full debate, they were all restored.

Now, I want to be understood; I am criticizing nobody; I am complaining of nothing. I merely want it to be known by the Senate that there was a poll taken of the committee, and that that is a different thing in its effect than if the matter had been discussed in the committee and then determined by a vote.

Mr. President, the first thing I want to remark is that the trade commission bill is not yet a law. It may become a law as it passed the Senate; it may become a law in a very altered shape; it may never become a law at all. The House of Representatives sent us a trade commission bill radically different in almost every real essential from the bill passed by the Senate. The House has refused to concur in the Senate amendment, and the matter has now gone to conference. No man can tell in what shape that bill will come out of the conference, neither can he tell what its ultimate fate may be; so that, as a preliminary observation, I suggest that to have stricken out of this bill any of its fundamental propositions upon the theory that the matter was taken care of in the trade commission bill was a mistake, because the trade commission bill is not yet a law; I simply mention the point and pass on.

There is a very great difference between the enactment of a substantive law which absolutely prohibits a certain practice and investing a board with authority to pass upon that practice and to condemn it or approve it as the board may see fit.

What have we done in the trade commission bill? An examination of that measure will disclose that, so far as substantive law is concerned, we have practically done nothing. The first two sections relate to the organization of the trade commission. Section 3 relates to the power of the commission to make investigations. It prohibits nothing and it legalizes nothing. The board is, by section 3, merely given power to investigate, and if it finds that any law of the United States has been violated it is empowered to report its findings, and so forth.

Section 6 relates to the filing of annual reports. Section 7 penalizes the destruction of records. Section 8 provides for compelling the attendance of witnesses. Section 9 provides for the issuance of orders and writs against a corporation failing to obey an order of the commission. Section 10 is immaterial to the matter now under discussion.

Coming back, then, to section 5—this is the point to which I challenge the attention of every lawyer, and also every layman in the Senate. Section 5 simply provides "that unfair competition in commerce is hereby declared unlawful"; it does not, as has been so often stated, define unfair competition. It does not prohibit any act or succession of acts as unfair competition. It simply condemns unfair competition.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Idaho?

Mr. REED. I do.

Mr. BORAH. I sympathize somewhat with the view which the Senator has with regard to sections 2 and 4; but I want to ask this question: Suppose that sections 2 and 4 were reinserted in this bill and that the bill should then be passed, and that the trade commission bill should also become a law,

would not the Senator regard sections 2 and 4 of the pending bill somewhat in conflict with section 5 of the trade commission bill?

Mr. REED. Not at all; I think the two will run absolutely together. It will be noticed that by the trade commission bill the commission is authorized to ascertain whether any law of the United States is being violated, and to report that violation to the Attorney General, and to take certain other action. The trade commission, as I understand, could investigate any violation of the Sherman Antitrust Act and any violation of any amendment to the Sherman Antitrust Act, and, of course, any violation of the amendments we are now about to enact, for we are simply adding more substantive law.

Mr. CULBERSON. Mr. President——

Mr. REED. I yield to the Senator from Texas.

Mr. CULBERSON. I do not understand how the provision which I am about to read of section 5 of the trade-commission bill as it passed the Senate can be reconciled with the last statement of the Senator from Missouri, that the trade commission shall have the right to investigate all matters affecting the violation of the Sherman antitrust law. It says:

Whenever it shall have reason—

That is, the commission—

Whenever it shall have reason to believe that any person, partnership, or corporation is violating the provisions of this section it shall issue and serve upon the defendant a complaint stating its charges in that behalf and at the same time a notice of hearing upon a day and at a place therein fixed—

And so forth.

Mr. REED. Well, Mr. President, that is not the only provision.

Mr. BORAH. Mr President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Idaho?

Mr. REED. Well, I do, but I can only answer one question at a time.

Mr. BORAH. The Senator has lost some of his ingenuity if he can only answer one question at a time.

Mr. REED. It is provided in section 3 that the commission shall have power, among others—

To investigate from time to time, and as often as the commission may deem advisable, the organization, business, financial condition, conduct, practices, and management of any corporation engaged in commerce and its relation to other corporations and to individuals, associations, and partnerships.

Now, that is pretty broad. It covers everything:

To require any corporation subject to the provisions of this act which the commission may designate to furnish to the commission from time to time information, statements—

And so forth.

Mr. BRANDEGEE. Mr. President, if the Senator will yield to me for a minute while he is looking up the matter, I will say that while I have not the bill before me I have a very distinct recollection that one of the duties of the trade commission is to investigate the alleged violation of any law regulating commerce among the States. I think that will be found in the bill.

Mr. CULBERSON. I should be glad if the Senator would point it out, for I have no recollection of its being in the bill.

Mr. BRANDEGEE. I will get a copy of the bill and see if I can find it. I certainly have that idea.

Mr. REED. Here it is. I read from paragraph (g) on page 19:

If the commission believes from its inquiries and investigations, instituted upon its own initiative or at the suggestion of the President, the Attorney General, or either House of Congress that any corporation, individual, association, or partnership has violated any law of the United States regulating commerce, it shall report its findings and the evidence in relation thereto to the Attorney General with its recommendations—

And so forth.

I also call attention to section 4, which provides:

The powers and jurisdiction herein conferred upon the commission shall extend over all trade associations, corporate combinations, and corporations as hereinbefore defined engaged in or affecting commerce, except banks and common carriers.

I think there is no doubt about the scope of the commission's activities. I pass on to state the main point I intend to discuss, because, if I am right on that point, I think the chairman of the committee and all of us will be agreed that section 4 should be restored. If it is not restored, then we will adjourn without any legislation remedying the evils at which section 4 was aimed, because, as I shall show, the matter is not covered by the trade commission bill.

As I was remarking, the trade commission finds its authority to act with reference to the practices referred to in section 4 of this bill, if it finds it anywhere, in section 5 of the trade commission bill. Section 5 simply provides "that unfair competition in commerce is hereby declared unlawful." There is no declaration that any particular practice, that any particular act, that any particular thing, is illegal. The whole matter is passed up to the board, and the board is required, after investigation, to declare what it regards as illegal. I am not going to argue the old question that I went over during the trade commission debate; I assert, however, that every man who has argued in favor of sustaining the term "unfair competition," without a single exception, bottomed his argument in favor of that clause upon the claim that the term "unfair competition" had been defined by decrees of courts, had been defined in opinions of courts, and had been defined by statutes of States, so that out of those decrees, out of those statutes, and out of those opinions, there could be found a guide to be followed by the courts, and the meaning ascertained.

It follows, if you were to go to the decisions of courts, if you are to go to the decrees of courts, if you are to go to the statutes of States for a definition of unfair competition, that if the practice you desire to condemn has been expressly upheld by the courts as legal, and if the courts have said that until the law is amended the practice must stand because it is legal, then clearly the trade commission, under the term "unfair competition," can not condemn that which the law has declared to be legal. In my opinion no man in this Chamber will have the temerity to stand upon his feet and say that the trade commission can declare to be illegal that which the Supreme Court of the United States has held is legal. No man, I think, will say that if the Supreme Court of the United States has expressly approved a practice as lawful, this commission can then declare that practice, which has been declared to be lawful, to be unfair competition, and thus overrule the Supreme Court of the United States. If the commission do any such thing as that, then we have created something which we did not intend to create.

I now yield to the Senator from Idaho.

Mr. BORAH. Mr. President, suppose the Supreme Court of the United States in their decrees should hold a certain practice to be unfair competition, because they have the right to pass upon that question, and it is naturally involved in the Sherman law. Suppose they should decree this thing as being unfair. Suppose the trade commission should hold that it was fair competition, and put their seal of approval upon it, because they have a right to say that it is fair as well as to say that it is unfair, and they must necessarily say that it is fair when they are passing upon the question or whether or not it is unfair. It is one of the things which they will determine to start with.

Mr. REED. Exactly; and then, when they went to enforce that decree and went to the Supreme Court of the United States, the Supreme Court of the United States would say, "Why, dear friends, we said it was unfair; you said that it was fair. Your decree comes to us now for us to pass upon, and we are going to follow ourselves and not you." That would inevitably follow.

I do not want to be diverted for an instant, however—even although the suggestion made by the Senator from Idaho was very pertinent—from this thought: If the Supreme Court of the United States has expressly said that a practice is legal, and that even that great court is without power to stop the practice unless legislative action shall be first taken, I want to know if there is any Senator here who will say that under the circumstances the commission, under this general power to condemn unfair competition, could condemn that very practice which the Supreme Court has said is legal? Can the commission set aside the law, and can the commission overrule the Supreme Court of the United States? Manifestly not.

Starting with that premise, let us see in just what position we are left with section 4 stricken from the bill. The Clayton bill as it came to us from the House of Representatives sought to strike directly two certain evil practices which have been most commonly employed by great combinations for the purpose of crushing their smaller rivals. One of those practices was local price cutting, a device that by the statutes of various States has been often condemned, not as unfair competition, but as unfair discrimination. The evil has been so well recognized and has been so long practiced that in some dozen States statutes of the nature defined have been passed.

The other evil, which I maintain is one of the chief weapons of monopoly to-day, may be described by illustration. A concern acquires a certain patented device. Of course, having acquired that patented device, it is entitled to a monopoly in its sale. As we have seen fit to grant that particular privilege, we can not complain, and we do not complain, if the patent is sold to one concern, and that concern has a monopoly in the manufacture and sale of the patented article. But, now, the concern enjoying the privilege of the patent is not content with the

monopoly the law has granted. Accordingly, we find that it proceeds to extend the field of its monopoly by a species of contract which requires everyone who uses the patented device also to buy all of the other machines which he may use in his business from it, so that the holder of the patent in that way not only acquires a monopoly in the trade of the patented article, but compels others to buy, and buy from it, a large number of articles not patented. By the scheme aforesaid, because it owns one important patent, it forces a great volume of trade to come to it. Thus it proceeds to employ its legal patent monopoly so as to create a monopoly or restraint of trade in articles not patented.

This scheme will at first strike us as being plainly a violation of the Sherman Antitrust Act. We are inclined to say: "This constitutes a restraint of trade, because A, being the manufacturer of the shuttle of a sewing machine and the owner of a patent upon that shuttle, is entitled only to a monopoly on the shuttle, and when he attaches as a condition of the sale or lease of the shuttle that the purchaser shall buy the entire sewing machine from him, and that he shall buy the thread that is used on the sewing machine from him, he is attempting to restrain the trade of others, and that he is, in fact, so restraining trade."

But it happens, Mr. President, that some years ago this question came before the courts. Some years ago the scheme was upheld in what is known as the Button Fastener case. Its title is "Heaton Peninsular Button Fastening Co. against Eureka Specialty Co.," decided in 1896, and reported in Seventy-seventh Federal Reporter, at page 288. The case was decided by Judges Lurton, Taft, and Hammond, sitting as a court of appeals for the sixth circuit.

The facts were that the complainant made and sold a patented machine that was designed to fasten buttons to shoes with metallic staples or fasteners. On each machine sold—and I wish Senators would notice this—there was a little label stating that the machine could be used only with fasteners obtained from the owner of the patent on the machine. The fasteners were unpatented. The defendants furnished staples to the user of the patented machine, and the plaintiff brought suit for contributory infringement of the patent.

The court held that because the little notice was attached to the patented article which was sold, the individual who sold the fastener to the man who had bought the fastening machine had violated the law. The defendant was enjoined from selling any more fasteners.

No sooner was that case decided than gentlemen engaged in restraining trade began to exploit the new discovery as a safe method by which the law in restraint of trade could be circumvented.

The case referred to was followed in Tubular Rivet & Stud Co. against O'Brien, decided in 1898, and reported in Ninety-third Federal Reporter, page 200. That was a patented riveting machine, and it was tied to unpatented rivets. That is to say, the man who bought the riveting machine was compelled to buy the unpatented rivets from the man who sold the patented machine. Thus he obtained a monopoly, or at least a partial monopoly, not only upon his machine, but was able to restrain trade in rivets.

In 1901 the case of Cortelyou against Lowe, reported in One hundred and eleventh Federal Reporter, was decided, as was also the case of Cortelyou against Carter's Ink Co., reported in One hundred and eighteenth Federal Reporter, at page 1022. The case of Brodrick Copygraph Co. against Roper, reported in One hundred and twenty-fourth Federal Reporter, at page 1019, was decided in 1903. In all of these cases the patented copying machine was tied to the unpatented accessories, such as ink, paper, and so forth.

The same point was decided afterwards in Crown Cork & Seal Co. *v.* Brooklyn Bottle Stopper Co. (172 Fed. Rep., 225). That case was decided in 1909. The patented machine in that case was designed to crimp metallic tops on bottles, whereupon the enterprising gentlemen owning or controlling that patent stipulated in all his contracts that persons who bought the machine must use the corks and crowns he furnished, although the corks and crowns were unpatented.

The case of Aeolian Co. *v.* Jueig Co. (155 Fed. Rep., 119), decided in 1907, held that by this scheme a patented pianola could be tied to the unpatented perforated rolls of music.

The question finally reached the Supreme Court of the United States, and to that case I earnestly invite the attention of the Senate. Especially do I invite the attention of the Senate to the reasoning of the court and to the express declaration of the court that this is a matter for legislative remedy. I read the first syllabus in the case of Henry *v.* A. B. Dick (224 U. S., 1):

Complainant sold his patented machine embodying the invention claimed and described in the patent and attached to the machine a license restriction that it only be used in connection with certain unpatented articles made by the vendor of the machine; with the knowledge of such license agreement and with the expectation that it would be used in connection with the said machine defendant sold to the vendee of the machine an unpatented article of the class described in the license restriction. Held that the act of defendant constituted contributory infringement of complainant's patent.

The facts, now, in the case were these:

This action was brought by the complainant, an Illinois corporation, for the infringement of two letters patent, owned by the complainant, covering a stencil-duplicating machine known as the rotary mimeograph. The defendants are doing business as copartners in the city of New York. The complainants sold to one Christina B. Skou, of New York, a rotary mimeograph embodying the invention described and claimed in said patent under license which was attached to said machine, as follows:

"LICENSE RESTRICTION.

"This machine is sold by the A. B. Dick Co. with the license restriction that it may be used only with the stencil paper, ink, and other supplies made by A. B. Dick Co., Chicago, United States of America.

"The defendant, Sidney Henry, sold to Miss Skou a can of ink suitable for use upon said mimeograph with knowledge of the said license agreement and with the expectation that it would be used in connection with said mimeograph. The ink sold to Miss Skou was not covered by the claims of said patent."

QUESTION CERTIFIED.

Upon the facts above set forth, the question concerning which this court desires the instruction of the Supreme Court is:

Did the acts of the defendants constitute contributory infringement of the complainant's patents?

One can hardly imagine a better illustration than is found in this case of the length to which these license agreements can be carried if the law remains unchanged. Here was an institution making a mimeograph machine, with which we are all reasonably familiar. It attached to the machine a notice that the owner or the user of that machine, whoever he might be, must buy his ink from the gentleman who made the machine. A stenographer using this machine, a young lady, bought a can of ink that was not made by this particular gentleman or institution, and thereupon the corporation proceeded to sue the man who sold the can of ink to the girl who used the ink on the mimeograph.

Manifestly, if that sort of a suit can be maintained, then as long as a man has an article any part of which is patented he can deprive the purchasing public of the advantages of its free use by compelling all purchasers of the patented article to obtain the goods used in connection with it from him. Thus he can destroy or greatly injure his trade rival.

Manifestly, if this is true, if this doctrine is maintained, a gentleman who makes a sewing machine upon any part of which, from the pedals to the needles, there is a patent can provide that the thread used by every woman who operates that machine must be purchased from his factory; and any factory making thread and selling it to any lady using one of these machines with knowledge that she is going to use it upon that machine can be mulcted in damages, and the gentleman who has the patent upon the needle or upon the shuttle can in this way, in whole or in part, control the trade in thread.

But just as manifestly, if this be the law, if this be the right under the law of a man holding a patent, then no trade commission can take away that legal right. Congress alone can take it away.

Now, Mr. President, what did the court say about this case, and what warning has the court given to Congress and to the country with reference to this practice? Seven justices sat in the case; Justice Harlan had just died; Justice Day was absent. Four of the justices, namely, Mr. Harlan, Mr. Lurton, Mr. McKenna, Mr. Holmes, and Mr. Van Devanter, sustained the doctrine that had previously been announced in the cases I have referred to, to wit, that a condition of that kind can be attached to any patented article. Three of the justices dissented, including Mr. Chief Justice White, the others being Justice Hughes and Justice Lamar. I desire to present to the Senate some excerpts from the opinion:

Without reading the opinion, which has been made a public document, I have this to say: The majority held that the use of the unpatented ink paper, and so forth, in conjunction with the patented mimeograph was in violation of the terms of the contract of sale and was therefore an infringement of the patent, and that the defendant who furnished the ink with knowledge of the restriction was a contributory infringer. The court in its opinion said:

For the purpose of testing the consequence of a ruling which will support the lawfulness of a sale of a patented machine for use only in connection with supplies necessary for its operation bought from the patentee, many fanciful suggestions of conditions which might be imposed by a patentee have been pressed upon us. Thus it is said

that a patentee of a coffee pot might sell on condition that it be used only with coffee bought from him, or, if the article be a circular saw, that it might be sold on condition that it be used only in sawing logs procured from him. These and other illustrations are used to indicate that this method of marketing a patented article may be carried to such an extent as to inconvenience the public and involve innocent people in unwitting infringements. But these illustrations all fail of their purpose, because the public is always free to take or refuse the patented article on the terms imposed.

That is what the court declares to be the law. I hesitate to express my opinion of that sort of reasoning. I proceed:

If they be too onerous or not in keeping with the benefits, the patented article will not find a market. The public, by permitting the invention to go unused, loses nothing which it had before, and when the patent expires will be free to use the invention without compensation or restriction. This was pointed out in the paper-bag case, where the inventor would neither use himself nor allow others to use, and yet was held entitled to restrain infringement, because he had the exclusive right to keep all others from using during the life of the patent. This larger right embraces the lesser of permitting others to use upon such terms as the patentee chooses to prescribe. It must not be forgotten, that we are dealing with a constitutional and statutory monopoly. An attack upon the rights under a patent because it secures a monopoly to make, to sell, and to use is an attack upon the whole patent system. We are not at liberty to say that the Constitution has unwisely provided for granting a monopolistic right to inventors or that Congress has unwisely failed to impose limitations upon the inventor's exclusive right of use. And if it be that the ingenuity of patentees in devising ways in which to reap the benefit of their discoveries requires to be restrained, Congress alone has the power to determine what restraints shall be imposed.

The court plainly states that it is our duty to provide a remedy.

As the law now stands it contains none, and the duty which rests upon this and upon every other court is to expound the law as it is written.

So, also, it will be the duty of the trade commission to expound the law as it is written; not to make the law. So, also, it is the duty of every executive or judicial tribunal that exists or may be created to expound the law as it is. All must act in accordance with the law as it is written; and whenever we cease to govern in this country by the law as it is written we will then cease to be a constitutional Republic. I am not saying that I accord with the reasoning of the court in reaching its conclusion upon the main point, but upon the question to which I have just referred the doctrine announced can not be questioned. I quote further:

As the law now stands it contains none, and the duty which rests upon this and upon every other court is to expound the law as it is written. Arguments based upon suggestions of public policy not recognized in the patent laws are not relevant. The field to which we are invited by such arguments is legislative, not judicial. The decisions of this court as we have construed them do not so limit the privilege of the patentee, and we could not so restrict a patent grant without overruling the long line of judicial decisions from circuit courts and circuit courts of appeal heretofore cited, thus inflicting disastrous results upon individuals who have made large investments in reliance upon them.

The conclusion we reach is that there is no difference in principle between a sale subject to specific restrictions as to the time, place, or purpose of use and restrictions requiring a use only with other things necessary to the use of the patented article purchased from the patentee. If the violation of the one kind is an infringement, the other is also.

And so the court proceeds and holds that if this evil which has now arisen, as I shall attempt to show, to monstrous proportions in this country, is not remedied by legislative act the evil will go on unchecked. There is not a monopolist in this country who does not own and control some article that is patented. Some part of his machinery, some part of his devices at least, are patented, and if this law as now declared by the Supreme Court of the United States is to remain unchanged, then the practice I have referred to will go unchecked, because, as I said before, clearly the trade commission can not declare that to be unfair trade which the Supreme Court of the United States has declared to be lawful trade because based upon a patent issued by the Government.

I am presenting these arguments to the thoughtful consideration of my fellow Senators. I am appealing to their judgment. I am trying to show them that when they refuse to reconsider the vote by which section 4 was stricken from the bill they leave the country without any remedy for these evils which have been declared lawful by the courts. The trade commission is powerless to grant relief against wrongs that have been held to have the sanction of law. Unless we change the law the evils will go unchecked.

Mr. KENYON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Iowa?

Mr. REED. I do.

Mr. KENYON. As I understand the Senator's position, if section 4 is stricken from the bill these owners of the patent monopolies, which is a great privilege that has been granted them, can go on under the decision of the Supreme Court in the Henry case just as they did before that time and as the law is established there, namely, they can go on creating these monopolies with the help of the patent. If the section is put back into the law—as I understand it has been defeated now—we will stop that.

Mr. REED. We will stop that particular method.

Mr. KENYON. That will help some in stopping monopolies.

Mr. REED. And I think I can show before I conclude it will help very materially with reference to certain lines of industry.

Mr. KENYON. I was not here at the time but I ask the Senator what was the vote on striking out the section?

Mr. REED. It was a viva voce vote, I think.

Mr. KENYON. I am heartily in accord with the Senator's position. I think the section should go back into the bill.

Mr. REED. Turning again to the opinion in the Dick case, three of the justices dissented. Mr. Justice White wrote a dissenting opinion which, if I read it aright, is a direct challenge to Congress to remedy this evil.

Mr. THOMAS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Colorado?

Mr. REED. I do.

Mr. THOMAS. My information some time ago was that a bill had been introduced in the House amending the patent laws of the country. Perhaps the Senator has some information as to the status of that bill, whether it was reported out from the committee or whether any active steps have been taken to perfect the legislation.

Mr. REED. I do not know the status of that bill, but I can say to the Senator from Colorado that the House did pass the Clayton bill and did put into the Clayton bill section 4, and that section 4 is aimed directly at the practice.

Mr. THOMAS. I quite agree with the Senator as to that; but I was curious to know what had become of the bill which was framed by the House Committee on Patents and introduced immediately after the decision of the Supreme Court to which the Senator has referred.

Mr. REED. I am sorry I can not answer.

Mr. GORE. I will say to the Senator that immediately following this decision of the Supreme Court the chairman of the Committee on Patents introduced a bill meeting this situation. I introduced the same bill in the Senate. The bill was reported favorably to the House in the Sixty-second Congress. It was not reported to the Senate in the Sixty-second Congress or in this Congress. I think that no action has been taken by that committee during the Sixty-third Congress upon the proposed legislation.

Mr. REED. Possibly the reason is to be found in the fact that having the trust bill before it, the House of Representatives concluded to put into the trust bill the necessary provision to arrest the evil. That provision is found in section 4, to which I shall refer in a moment. But I now desire to call attention to the reasoning and warning of Mr. Chief Justice White, in his dissenting opinion, which was concurred in by Justice Hughes and Justice Lamar:

My reluctance to dissent is overcome in this case: First, because the ruling now made has a much wider scope than the mere interest of the parties to this record, since, in my opinion, the effect of that ruling is to destroy, in a very large measure, the judicial authority of the States by unwarrantedly extending the Federal judicial power. Second, because the result just stated, by the inevitable development of the principle announced, may not be confined to sporadic or isolated cases, but will be as broad as society itself, affecting a multitude of people and capable of operation upon every conceivable subject of human contract, interest, or activity, however intensely local and exclusively within State authority they otherwise might be.

Mr. President, I repeat, it is rather discouraging to argue questions of this kind with five Senators upon the other side of the Chamber and not many more on this.

Mr. KENYON. Mr. President, I think that is true, and it should not apply to an argument of this character. I would be glad to make the point of no quorum if the Senator does not object. This is one of the most important matters in the bill, and I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. White in the chair.) The absence of a quorum is suggested by the Senator from Iowa. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	James	Myers	Stone
Borah	Jones	Norris	Thomas
Brady	Kenyon	Overman	Thompson
Bryan	Kern	Owen	Thornton
Chamberlain	Lane	Perkins	Tillman
Chilton	Lee, Md.	Poindexter	Vardaman
Clark, Wyo.	Lewis	Pomerene	Walsh
Culberson	McCumber	Reed	West
Fall	Martin, Va.	Shields	White
Gronna	Martine, N. J.	Smoot	Williams

The PRESIDING OFFICER. Forty Senators have answered to the roll call. There is not a quorum present. The Secretary will call the roll of absentees.

The Secretary called the names of absent Senators, and Mr. CAMDEN, Mr. GORE, Mr. SHAFROTH, and Mr. SHEPPARD answered to their names when called.

Mr. PITTMAN, Mr. RANSDELL, Mr. HOLLIS, Mr. SIMMONS, Mr. SHIVELY, and Mr. NELSON entered the Chamber and answered to their names.

The PRESIDING OFFICER. Fifty Senators having responded to their names. There is a quorum present. The Senator from Missouri has the floor.

Mr. REED. Mr. President, for the benefit of the three or four Senators who have remained in the Chamber since the roll was called and who were not here before the call, I will say that the point I am discussing is that the Supreme Court of the United States having held that what is known as a tying contract is valid, Congress must prohibit such contracts before the courts can declare them invalid. I am further arguing that when we struck out section 4 of this bill we struck out the only remedy provided, because the trade commission, under the general authority conferred upon them to declare what is unfair competition, certainly can not declare that to be unfair competition which the Supreme Court of the United States has expressly declared to be legal. Therefore, if we strike out section 4, we leave no remedy for the abuse now commonly practiced by manufacturing institutions of attaching to some one of their devices a notice or attaching to their contract of sale a provision that every person owning that machine must buy his supplies from the factory, making the machine. I was engaged when the roll was called in reading from the dissenting opinion of Mr. Justice White, and I will take time to read one paragraph again. He states as one of the reasons for willingly dissenting:

> Second, because the result just stated, by the inevitable development of the principle announced—

That is, the principle that you can tie to a patented article a compulsion to purchase exclusively certain other articles from the man who sold the patented device—

> may not be confined to sporadic or isolated cases, but will be as broad as society itself, affecting a multitude of people and capable of operation upon every conceivable subject of human contract, interest, or activity, however intensely local and exclusively within State authority they otherwise might be. Third, because the gravity of the consequences which would ordinarily arise from such a result is greatly aggravated by the ruling now made, since that ruling not only vastly extends the Federal judicial power, as above stated, but as to all the innumerable subjects to which the ruling may be made to apply, makes it the duty of the courts of the United States to test the rights and obligations of the parties, not by the general law of the land, in accord with the conformity act, but by the provisions of the patent law, even although the subjects considered may not be within the embrace of that law, thus disregarding the State law, overthrowing, it may be, a settled public policy of the State, and injuriously affecting a multitude of persons. Lastly, I am led to express the reasons which constrain me to dissent, because of the hope that if my forebodings as to the evil consequences to result from the application of the construction now given to the patent statute be well founded, the statement of my reasons may serve a twofold purpose: First, to suggest that the application in future cases of the construction now given be confined within the narrowest limits, and, second, to serve to make it clear that if evils arise their continuance will not be caused by the interpretation now given to the statute, but will result from the inaction of the legislative department in failing to amend the statute so as to avoid such evils.

There is a remarkable challenge by the Chief Justice of the Supreme Court of the United States. It is couched, as all his utterances are couched, in the most polite language, but it is as direct as though he had said to Congress: "This evil exists; you alone can remedy it. If it is not remedied, the fault and the responsibility are yours."

Even the majority of the court went almost to the same extent in challenging Congress to do its duty. I read:

> And if it be that the ingenuity of patentees in devising ways in which to reap the benefit of their discoveries requires to be restrained, Congress alone has the power to determine what restraints shall be imposed. As the law now stands it contains none, and the duty which rests upon this and upon every other court is to expound the law as it is written. Arguments based upon suggestions of public policy not recognized in the patent laws are not relevant. The field to which we are invited by such arguments is legislative, not judicial.

And so forth.

I refer again to the dissenting opinion of Mr. Justice White, concurred in by Justice Hughes and Justice Lamar, and I solemnly call your attention at this hour, when we are pretending to strengthen the Sherman Antitrust Act, to this language:

> I do not think it necessary to stop to point out the innumerable subjects which will be susceptible of being removed from the operation of State judicial power and the fundamental and radical character of the change which must come as a result of the principle decided. But, nevertheless, let me given a few illustrations:
>
> Take a patentee selling a patented engine. He will now have the right by contract to bring under the patent laws all contracts for coal or electrical energy used to afford power to work the machine or even the lubricants employed in its operation. Take a patented carpenter's plane. The power now exists in the patentee by contract to validly confine a carpenter purchasing one of the planes to the use of lumber sawed from trees grown on the land of a particular person or sawed by a particular mill.

If I were to use that language, it would be challenged as extravagant; but it is here employed by this great judge, who has never been known as a special enemy of monopoly, never charged with being an extremist or a crank along those lines, or, indeed, any other lines. It was written after he had heard the arguments of counsel, had examined the decisions of the courts, and after he with his great intellect had surveyed the field as it was left by this decision. Under such circumstances he solemnly adjures us to take action, and just as solemnly points out the evils which lie befofe us.

I continue to read:

> Take a patented cooking utensil. The power is now recognized in the patentee to bind by contract one who buys the utensil to use in connection with it no other food supply but that sold or made by the patentee. Take the invention of a patented window frame. It is now the law that the seller of the frame may stipulate that no other material shall be used in a house in which the window frames are placed except such as may be bought from the patentee and seller of the frame. Take an illustration which goes home to everyone—a patented sewing machine.
>
> It is now established that by putting on the machine, in addition to the notice of patent required by law, a notice called a license restriction, the right is acquired, as against the whole world, to control the purchase by users of the machine of thread, needles, and oil lubricants or other materials convenient or necessary for operation of the machine. The illustrations might be multiplied indefinitely.

I have the temerity at this point to inject one illustration. Take the so-called Steel Trust, and let it acquire, as it has acquired, a patented process for making some particular kind of steel. If Mr. Chief Justice White is right, the Steel Trust can stipulate with every man who buys that steel thus patented that he shall buy every other beam and girder going into a bridge or a building or a battleship he is building from the Steel Trust. Give it one upon some variety of steel necessary to be employed, and through the possession of that one patent it can compel every man who has to use some of that patented steel to buy his entire supply from it. It can thus vastly enlarge under the cloak of its patent its monopoly, and there is no power to stop it, for it acts in accordance with the law.

There is no power to stop it, I said. There is a power; it rests here in Congress, and the necessary amendment to the law is graven in section 4, which we have stricken out and which I fear, from the degree of interest being manifested, is likely to stay out, will stay out. I say, if it does stay out and nothing is put in its place, when this Congress adjourns we will hear the mocking laughter of every trust magnate in the United States. One and all they will agree that they have at last hit upon a plan to defeat the purposes of the antitrust laws of the country.

Mr. KENYON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Iowa?

Mr. REED. I do.

Mr. KENYON. I was absent from the city at the time this section was stricken from the bill, and I should like to ask the Senator if there was any discussion of this section and if so what were the reasons for striking out a section of this kind when we were trying to strengthen the antitrust act?

Mr. REED. Mr. President, I was absent from the Senate for something like an hour, having been called to one of the departments on some business. I had no thought that these sections would be stricken out, and it was done in my absence. What I know I know only by hearsay, but my information is that there was no discussion and no record vote.

Mr. KENYON. I think the Senator is entirely mistaken about one thing, and that is that there is no interest in this matter. I think there is a great deal of interest in it, and a strong desire to place this section back in this bill. The Senator has referred to the Steel Trust; he is familiar, I doubt not, with the United Shoe Machinery Co.

Mr. REED. I am going to discuss that.

Mr. KENYON. Then, I will not say anything about it, but that great monopoly has been built up by pursuing the course referred to by the Senator.

Mr. CULBERSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Texas?

Mr. REED. I do.

Mr. CULBERSON. In reply to the Senator from Iowa and also to the suggestion of the Senator from Missouri, I think I ought to say that these two sections were reached in their regular order when the bill was being read for the consideration of committee amendments, and they were stricken out on my motion, representing the committee, upon the broad ground, which the RECORD shows, that the Senate having passed a bill creating a trade commission which it was supposed would regulate un-

fair competition, jurisdiction should be given that commission over the subjects contained in sections 2 and 4, as well as others.

The Senator from Missouri happened to be absent, it is true; but there was nothing like snap judgment taken. As I have said, the sections were reached in their regular order, as the CONGRESSIONAL RECORD will show, and the amendments were presented and adopted practically by unanimous vote of the Senate at the time, although there was only a viva voce vote.

Mr. KENYON. I should like to ask the Senator if there was discussion or debate on the sections.

Mr. CULBERSON. None whatever. The record shows the satement I then made, however, which was to the same effect as the statement I made just a moment ago.

Mr. WALSH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Montana?

Mr. REED. I do.

Mr. WALSH. I should like to say a word at this stage of the discussion. The facts about the matter are as recited here by the Senator from Texas. The interrogation of the Senator from Iowa, however, would seem to suggest that there is something obscure about it and that it is difficult to understand how anyone could take the view that this provision ought to go ought in view of the argument now made by the Senator from Missouri and other considerations. Of course that would imply that the matter did not receive very serious consideration at the hands of the Judiciary Committee, and the Senator from Missouri now indicates that he is utterly unable, as I understand him, to suggest what considerations might possibly be advanced in support of the action taken.

Mr. REED. Oh, no; I did not say that.

Mr. WALSH. Now, the truth of the matter is that the matter was canvassed at very considerable length in the committee, but unfortunately the feature to which the Senator from Missouri now chiefly addresses his remarks—the Typewriter case—was not at all discussed or mentioned. The importance of that case was not especially considered. On the other hand, the significance of the shoe manufacturers' case was very carefully considered, and the Senator from Missouri, when he reaches that, will point out to you, I have no doubt in the world, the very essential difference between the two cases.

It was intended in a general way that the wrongs and the evils arising out of the shoe machinery case should be dealt with by the trade commission. The Senator has now pointed out that some of the troubles arising out of the conditions referred to in the Typewriter case can not possibly be met in that way, and that may call for consideration. Let me say, however, in this connection, that its retention was urged, and it will be borne in mind that the committee reported it to this body, signifying that they were in harmony with the spirit of the provision, but felt when it came before this body that the whole matter could be completely dealt with by the trade commission.

But, Mr. President, it was urged with great force before the committee that the provision as it stands in the bill will possibly contribute to the establishment of monopoly as well as to the destruction of monopoly. The Senator has, in his usual forceful way, set out how frequently it is resorted to by those who desire to build up monopoly; but, on the other hand, we were told—and there is much force in the suggestion which I submit to the consideration of the Senator from Iowa and the Senator from Missouri—that oftentimes a little struggling institution, competing in a feeble way against the great big monopolizing institution, will find itself utterly unable to meet that competition unless it can make a contract with some man to handle its line of goods and to handle no other line of goods. For instance, here is a man who has invented a harvesting machine, which he believes is superior to anything that is on the market.

He is struggling against the Harvester Trust. He gets Jones to handle his machine. Jones says. "Yes; I am handling the Osborne and I am handling the Plano and I am handling the Deering for the Harvester Trust, and I will be very glad to handle yours also." A man comes in to buy a harvester machine of him, and, of course, he wants the old standard line. He says, "I want a Deering," or "I want a Plano." The dealer says: "I have a new machine here that I think is a very excellent machine." "Oh, no; I don't want to look at that at all." He wants the other machine. It is just the same to the dealer. He makes as much money on one as he does on the other. If, however, the weak man can make a contract with a dealer to handle his machine, and no other, the dealer will labor as hard as he possibly can to catch the customer and get him to take that machine. So, Mr. President, this is not a one-sided proposition at all; neither was it passed upon by the Judiciary Committee without consideration.

Mr. REED. Mr. President, I am utterly at a loss to know what I have said that could in the slightest degree ruffle the sensibilities of any man. I have not charged the Judiciary Committee, of which I am a Member, with bad faith. I have not charged any member of it with bad faith. I entertain for every member of the Judiciary Committee the profoundest respect and for the chairman of the committee and for my friend the Senator from Montana [Mr. WALSH], who has just spoken, an affection. I know, speaking with reference to the two gentlemen I have just named, that there can not be found in the United States two men more earnestly desirous of relieving the public from every exaction of monopoly and of wiping out all restraint of trade. What I said was that I was absent from the Senate temporarily, and therefore could not answer the interrogatory of the Senator from Iowa, except by hearsay.

I did not claim that there was any irregularity in bringing up these matters. I was simply giving the information as best I could in answer to the interrogatory. There was no irregularity. More than that, there is no doubt in my mind but that those members of the committee who on the poll were willing to strike out section 4 did so in the best of faith, believing that the subject matter could be controlled by the trade commission. The purpose I have this afternoon is to demonstrate that that reason, which affected their judgment and caused their action, is erroneous because of the decision of the Supreme Court. So I am addressing myself to them as much as to others. The remark which seems to have stirred the Senate was the one in which, in substance, I said that the responsibility is now upon us to act, and if we do not act that the proprietor of every trust in the country will break into ironical laughter when Congress adjourns. That is a bit of imagination, but I will trust my imagination to be reasonably accurate this time.

Now, another observation——

Mr. CULBERSON. Mr. President, before the Senator passes to another subject I should like to address a general question to him.

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Texas?

Mr. REED. I do.

Mr. CULBERSON. The Supreme Court in the Dick case, from which the Senator has been reading, held in effect that so far as the contract which was under consideration was concerned the patent law of the United States was superior to the Sherman antitrust law. What I want to know from the Senator is whether it would not be more appropriate, and, in fact, absolutely necessary, in view of that decision, to amend the patent law rather than to cover the question by a supplement to the Sherman antitrust law?

Mr. REED. No, Mr. President; I can not agree with the Senator in regard to that. It is, of course, true, and no one will dispute it, that in the enactment of this antitrust bill we can by substantive provisions change any other law of the United States with reference to any subject. We do here, in section 4, expressly limit the patent law, because we insert the language—and it was put in in our committee at the time we intended to report this section favorably—"whether patented or unpatented," so that with that phrase here we at once cut off at the roots any claim based upon the patent laws.

Mr. CULBERSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri further yield to the Senator from Texas?

Mr. REED. I do.

Mr. CULBERSON. In that connection, I will ask the Senator if he thinks we can pass a law now which will limit the rights of patentees of patents already in existence, and before their expiration?

Mr. REED. I have not the slightest doubt but that the Congress of the United States can pass a law at this time providing that no man who has a patent shall attach to the sale of the patented article any condition whatsoever. I have no doubt on earth but that Congress can to-day repeal every patent law there is upon the books and end every patent at this moment; but I do not need to cross that bridge or take that position, and I have made that statement without examining the patent laws. Beyond all question, however, the right to make tying contracts is not embraced in a patent in such manner as to place it beyond the power of Congress. Congress did not give to these patentees the right to make certain kinds of contracts. It gave them a monopoly upon the use of their tool or instrument; but, as is suggested by the Chief Justice, and also by the entire court, Congress can remedy this evil by a statute, and section 4 does so remedy it.

I have been led far afield, however, from the decision I was reading.

Mr. LEWIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Illinois?

Mr. REED. I do.

Mr. LEWIS. I take the liberty of refreshing the minds of the able Senator from Texas, the chairman of the committee, and the able Senator from Missouri, who is making a very full presentation of his ideas, by recalling to the recollection of each, if I am not in error, the fact that the Supreme Court of the United States, touching George W. Westinghouse, in the matter of a patent, held, if I remember the words, that a patent was not a contract whereof it might be said that it was either impaired or violated, but it was a privilege granted by the Government, subject at all times to be treated by that Government in the way of curtailing or enlarging whenever the necessities of the public or its advantages or its welfare called for it.

Mr. CULBERSON. I was merely inquiring of the Senator from Missouri what his opinion was with reference to the matter.

Mr. REED. I take it the Senator's remark just now evidently implies that he did not doubt the law, but he wanted to know what I thought about it.

Mr. CULBERSON. Oh, no. I have not given the subject full consideration myself, and I desired the opinion of the Senator from Missouri to help me reach a conclusion.

Mr. REED. I was going to say, if the Senator will pardon me, that for the moment he reminded me of the case of the gentleman who asked a young lady, as he fondly held her hand, if she would marry him. She responded, with considerable asperity, "No; I would not even think of marrying a man like you." He replied: "Well, don't get mad about it; I don't want to marry you. I only asked for information." [Laughter.]

Mr. LEWIS. Mr. President, I merely wanted myself to give both distinguished Senators a suggestion as to where I thought they might find that the views of each had been sustained, and not to include myself in the argument.

Mr. REED. I thank the Senator; and my own view was and is just as the Senator from Illinois has stated his investigation leads him to conclude. I am not a patent lawyer myself. I do not mean to say the Senator is, either. I know he is a very great lawyer.

Mr. LEWIS. I may say that if there is any one thing that is patent about me it is that I am not a patent lawyer. [Laughter.]

Mr. REED. Now, coming back to this decision—I still want to take a little time to present it—Chief Justice White continues:

> The illustrations might be multiplied indefinitely. That they are not imaginary is now a matter of common knowledge, for, as the result of a case decided some years ago by one of the circuit courts of appeal, which has been followed by cases in other circuit courts of appeal, to which reference will hereafter be made, what prior to the first of those decisions on a sale of a patented article was designated a condition of sale, governed by the general principles of law, has come in practice to be denominated a license restriction, thus, by the change of form, under the doctrine announced in the cases referred to, bringing the matters covered by the restriction within the exclusive sway of the patent law.
>
> As the transformation has come about in practice since the decisions in question, the conclusion is that it is attributable as an effect caused by the doctrine of those cases. And, as I have previously stated, it is a matter of common knowledge that the change has been frequently resorted to for the purpose of bringing numerous articles of common use within the monopoly of a patent when otherwise they would not have been embraced therein, thereby tending to subject the whole of society to a widespread and irksome monopolistic control.

I will ask the page to shut the door back of me, for I want the 12 Senators who are here not to be disturbed in their ruminations. I might just as well say, Mr. President, that the Senate of the United States is going to hear this argument, either in extenso or in brief, before it votes on this question. The Members of the Senate are going to vote with their eyes open. The roll is going to be called if I can get enough Members to second the call. Then I shall be content, and not until then.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	James	Norris	Swanson
Bankhead	Jones	Overman	Thomas
Bryan	Kenyon	Perkins	Thompson
Burton	Kern	Pomerene	Thornton
Camden	Lane	Ransdell	Vardaman
Chamberlain	Lee, Md.	Reed	Walsh
Clark, Wyo.	Lewis	Shafroth	West
Culberson	McCumber	Sheppard	White
Dillingham	Martin, Va.	Shields	
Gore	Myers	Shively	
Hollis	Nelson	Smoot	

The PRESIDING OFFICER. Forty-one Senators have answered to the roll call. There is not a quorum present. The Secretary will call the names of absent Senators.

The Secretary called the names of absent Senators and Mr. CHILTON, Mr. OWEN, Mr. SMITH of Georgia, and Mr. TILLMAN answered to their names when called.

Mr. PITTMAN entered the Chamber and answered to his name.

The PRESIDING OFFICER. Forty-six Senators have answered to their names. There is not a quorum present.

Mr. KERN. I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The PRESIDING OFFICER. The Chair will state to the Senator that there is an existing order to that effect. The Sergeant at Arms is instructed to request the attendance of absent Senators under the existing order.

Mr. STONE, Mr. SIMMONS, and Mr. MARTINE of New Jersey entered the Chamber and answered to their names.

The PRESIDING OFFICER. Forty-nine Senators have answered to their names. A quorum is present. The Senator from Missouri will proceed.

Mr. REED. Mr. President, I continue reading from this opinion for a moment and then I shall be through with that branch of my remarks. I am reading at length from the opinion because anything said by the Chief Justice of the Supreme Court of the United States ought to challenge the thought of this body. Chief Justice White continued:

> What could more cogently serve to point to the reality and conclusiveness of these suggestions than do the facts of this case? It is admitted that the use of the ink to work the patented machine was not embraced in the patent, and yet it is now held that by contract the use of materials not acquired from a designated source has become an infringement of the patent, and exactly the same law is applied as though the patent in express terms covered the use of ink and other operative materials. If is not, as I understand it, denied; and if it were, in the face of the decision in the Miles Medical Co. case, supra, in reason it can not be denied that the particular contract which operates this result if tested by the general law would be void as against public policy. The contract, therefore, can only be maintained upon the assumption that the patent law and the issue of a patent is the generating source of an authority to contract to procure rights under the patent law not otherwise within that law, and which could not be enjoyed under the general law of the land.

Mr. President, that brings us to this: The Government of the United States may pass all the laws it desires to pass, all that can be conceived of by the ingenuity and patriotism of Congress, prohibiting monopolies, prohibiting restraint of trade, the several States of the Union may pass laws of similar kind and character, and yet if a man secures a patent he may cloak himself under the patent law, proceed to create a restraint of trade for his benefit upon subjects which are not at all included within the terms of his patent.

It follows that unless we strike down this evil by a substantive law limiting the operation of the patent laws it will be but a short time until this scheme, this legal legerdemain, will have proceeded to such a point that every kind of restraint of trade will be protected by a clause tying the article of trade in which it is desired to restrain to some patented article.

The evil, therefore, is one which ought to immediately demand the most serious thought of Congress. That it is a real and existing evil is shown by the fact that probably more cases have been brought by monopolists owning patents to prohibit those who have purchased or leased the patented device from buying in the open market, and probably more causes have been successfully maintained than have been brought and successfully maintained by the Government of the United States under the Sherman Act for the purpose of protecting the people of the country from monopoly.

We are now engaged in an attempt to strengthen the Sherman Act, to make that act more effective, to make it reach to practices which have hitherto not been thought to be covered by it. Weeks and months of the time of Congress has been devoted to that task. And yet, with the words of the Supreme Court ringing in our ears, with its express challenge of our attention, we proceed to allow this new scheme, concocted by monopolists for the purpose of defeating the antitrust acts, to go on and prosper and spread itself as a green bay tree. If Congress does that, it will, in my judgment, make a most serious mistake.

Mr. President, at this point I want to call the attention of the friends of the trade commission bill—and we are all friends of the trade commission bill, differing only in this, that some of us desiring a trade commission believed that the language of the act ought to be specifically framed, whereas others believed a general statement was sufficient. But addressing myself to the friends of the trade commission bill, to those who believe in its potentiality, I again ask them if there is one single man among them all who will claim under the general clause authorizing the prohibition of unfair trade practices that a right reserved under a statute of the United States can be stricken down by the trade commission or the opinion of the Supreme Court of the United States that a certain practice is legal can be annulled.

But I challenge their thought to another phase of the subject. It is this: The rights reserved in the Clayton bill to an injured party are radically different from the rights reserved in the trade-commission bill to an injured party. Under the trade-commission bill an injured party has but one method of procedure. He can file a complaint with the commission. It is not even provided that he can be there represented by counsel. The commission, proceeding upon the complaint, will make such investigation as to it seems fit and proper, and having made its investigation, will thereupon write its judgment. And then what happens? If the judgment is not obeyed, the trade commission goes into a Federal court and brings a suit to enforce its decree. That suit will be brought in some of the inferior Federal courts, and thereupon an appeal, of course, will lie to the Supreme Court of the United States.

Until the case has gone to the court no judgment of the commission, no injunction of the commission, is effective. If at the end of all the litigation the judgment of the commissiou be affirmed, there is not a single penalty attached for dereliction of duty or for having failed to obey the mandate of the commission in the first instance.

Now, what does that naturally mean? It presents itself to me in two views: First, the attitude of the injured party or the complaining party and the hardship he is placed under; second, the certainty that the wrongdoer, being subject to no penalty, will litigate to the end of the chapter.

Speaking of the first of these observations, no man can be heard save before the commission alone. He can not go into the courts of his vicinage. The man from Montana or the man from Arizona who feels himself injured and desires to be heard under the trade commission act must come to Washington or send his complaint here; and, if he personally looks after it, he must make the long trip across this country to appear before this single tribunal and pray for his remedy and present his evidence, if, indeed, he is permitted to present it, either in person or through an attorney, for the commission might take its own course and proceed in its own way. I assume, however, that it will be a commission of fair men and that it will permit an injured party to appear, but he must undergo the hardship of the trip and the delay which will inevitably ensue.

Speaking of it from the other side, and with reference now to the wrongdoer, the wrongdoer will of course be willing to test the law out until the last word has been said by the Supreme Court of the United States; and why should he not? There is no penalty for failing to obey the mandate in the first instance; there is no penalty for the original wrongful act. The Sherman law fixes penalties; it subjects the offender to the pains and penalties of imprisonment and fine, but the trade commission law places no such burden upon the offending party.

Therefore, when you strike section 4 from this bill and relegate this question to the trade commission you wipe out every penalty and every punishment save and except that at the end of the long story of litigation an injunction may finally be issued. Do you think you will arrest the efforts of those gentlemen who are making their thousands and hundreds of thousands and millions of dollars by these artful schemes? Do you think you will stop them until they have gone to the end of the road, until four or five or six or seven years after the proceedings are instituted the Supreme Court shall have written its decision?

During all those years they will continue their practices. Why should they not? Each day they so continue they put money in their purses; each day they fatten their bank account; and at the end the worst that can happen is that they shall be compelled to stop and pay the costs of an appeal to the court.

That sort of remedy may be justified in the realm of uncertainty and vagueness which it is claimed this board will be able to enter, and to which it is claimed the advice of the board may be essential, but certainly such a tender philosophy ought not to be indulged for the benefit of those who, having acquired a patent, proceed under that patent to build up a monopoly in defiance of the spirit of the Sherman law and in defiance of the laws of all of the States of this Union in which its operations may be carried on.

Therefore, and for this consideration, as well as for the one I first advanced, namely, that it having been decided that these practices are legal under the patent laws, they can not be declared illegal by any court or by any tribunal until Congress shall act—for both of these reasons I say that section 4 should be restored, and should be restored in that vigorous and splendid shape in which it came to us from the House of Representatives, where a violation is punished by fine and imprisonment. What, sir, has come of the slogan of our campaign? Where are now those oracles of the platform who told us that the Democratic Party intended to fill the jails and penitentiaries of this country with those who create monopolies? Are you to turn these great conspirators over to the tender mercies of a trade commission, without authority to enforce its decrees, or are you, as to the greater evils, the more vicious wrongs, the plainer violations of the principles of law, to hold them to a responsibility in courts of justice sitting within the States of the injured parties? Restore section 4, and you can invoke the power of the court in your own judicial district and obtain relief that is reasonably swift and is certain in its results.

Mr. President, at this point I desire to read two telegrams. One was handed to me by the Senator from Ohio [Mr. POMERENE] and is as follows:

PORTSMOUTH, OHIO, *August 20, 1914.*

Hon. ATLEE POMERENE,
Highlands Apartments, Washington, D. C.:

We are advised that the Senate's action striking out section 4 of the Clayton bill will materially affect the shoe industry in case the bill is passed. We have previously registered our opposition to the Clayton bill, that if the business interests of the country are to be burdened by the regularity provision of this bill, we believe section 4 should be restored.

THE EMPLOYERS' ASSOCIATION,
THE SELBY SHOE CO.,
IRVING DREW CO.,
EXCELSIOR SHOE CO.

I read a telegram addressed to myself from shoe manufacturers of St. Louis, Mo., as follows:

ST. LOUIS, MO., *August 20, 1914.*

Hon. JAMES B. REED,
Washington, D. C.:

We manufacture and sell shoes amounting to approximately $28,000,000 annually, but the Shoe Machinery Trust, controlling about 98 per cent of the essential machines, prevent competition in machinery by the most monopolistic control over every manufacturer of machine-made shoes. Section 4 of Clayton bill offers some relief. We earnestly urge restoration of section 4, thus enabling us to protect ourselves in court and gain commercial freedom. The present high toll demanded and collected by Machinery Trust is taken from consumers' pockets, for it must be figured on every pair of shoes. We want your help, and ask for positive legislation at this time.

INTERNATIONAL SHOE CO.

Mr. President, that brings me to the consideration of that particular phase of the question which may be referred to as the Shoe Machinery Trust. When the decision in the Dick case was decided the Government had pending, and still has pending, the case of the United States against the United Shoe Machinery Co. of New Jersey and other defendants. The Government is strennously trying to distinguish this case from the one to which I have just referred; but it is my opinion that the effort at distinguishing is a very difficult undertaking; and, without venturing an opinion as to what the courts may decide, it seems to me that the situation is so very doubtful that we ought at this time to remove that doubt, not only with reference to the class of cases to which I just referred, but to the Shoe Machinery case as well.

The Shoe Machinery Trust is probably one of the most exasperating illustrations of how these legal devices can be employed. Some years ago there were four or five concerns engaged in making shoe machinery. Some of them made one or more machines that performed certain functions in the manufacture of shoes; other concerns made machines that performed different functions. No one concern had a complete set of shoe machinery, as I understand. The point, however, is not very material at this moment. Thereupon, in much the same way that other trusts and combinations are formed, the United Shoe Machinery Co. was organized by combining all of the various companies to which I have referred. The United Shoe Machinery Co. has a capital stock of $25,000,000, of which two years or more ago there was some $20,850,000 issued.

In addition to that, a holding company known as the United Shoe Machinery Corporation was organized in 1905, with an authorized capital of $50,000,000, of which there has been issued $38,000,000. This combination thus brought within one control a complete set of the essential machines used in manufacturing the lower parts of the shoe; that is, all of the shoe except the uppers. Many of these machines are patented. I suppose it is a safe statement to make that some part of every one of these machines is patented, and under the doctrine of the decision that I have read you can tie an entire factory onto one patented handle or crank.

This concern, according to Poor's Manual of 1913, stood as follows:

The United Shoe Machinery Corporation, incorporated May 2, 1905, in New Jersey, to purchase all outstanding shares of the United Shoe Machinery Co. The corporation has now acquired practically all of the stock of the latter. For terms of exchange of stock, see Manual of Industrials for 1911, page 1376. The United Shoe Machinery Co. manufactures, sells, and leases shoe machinery, owning and controlling patents and inventions covering numerous types (over 300 kinds) of shoemaking machinery. In return for royalties and rentals

received the company assumes the whole cost of invention, experimental work, development, manufacture, and depreciation of machines. Company's plant at Beverly, Mass., has a floor space of 21 acres, employing about 4,200 hands. In September, 1910, it issued $1,500,000 of common stock to acquire the shoe-machinery and shoe-manufacturing interests of Thomas G. Plant—

And so forth.

Now, Mr. President, without reading more—and Senators can find more information in Poor's Manual, at page 1077—I proceed to say that this company, owning three hundred and odd kinds of machines, could nevertheless not dominate the market but for the device I am about to discuss. It does now dominate the market; it is the most complete monopoly I know of, unless it be the zinc-oxide monopoly. It controls 99 per cent of the shoe-machinery business of the United States, and it does it in this wise: It has certain machines of a superior kind which perform some function in the process of manufacturing a shoe. It is also able to outfit an entire factory. It is thus able to compel every shoe manufacturer of the country to patronize it to some extent. Accordingly, when the shoe manufacturer comes to buy one of its machines it forces him to sign a contract which contains this clause:

The leased machinery shall be used for no other purpose than for lasting boots, shoes, or other footwear made by or for the lessee. The leased machinery shall not, nor shall any part thereof, be used in the manufacture or preparation of any welted boots, shoes, or other footwear or portions thereof—

Now, notice—

which have been or shall be welted in whole or in part or the soles in whole or in part stitched by the aid of any welt-sewing or sole-stitching machinery not held by the lessee under lease from the lessor, or in the manufacture or preparation of any turned boots, shoes, or other footwear or portions thereof the soles of which have been or shall be in whole or in part attached to their uppers by the aid of any turned-sewing machinery not held by the lessee under lease from the lessor, or in the manufacture of any boots, shoes, or other footwear which have or shall be in whole or in part pulled over, slugged, heel seat nailed, or otherwise partly made by the aid of any pulling-over or "metallic" machinery not held by the lessee under lease from the lessor.

Mr. WALSH. Mr. President, before the Senator proceeds I should like to know if it is the idea of the Senator that that kind of a contract is justified by the decision in the case he has cited?

Mr. REED. I think it is. I say, however, that there has been an effort made, and the Government is making a most strenuous effort, to distinguish. Whether the Government will ever be able to distinguish is a question that we can answer accurately only when the courts have responded with their decisions.

Mr. WALSH. Can the Senator tell us now in what way the Government attempts to distinguish?

Mr. REED. I do not think I can at this moment with the accuracy and clearness with which I should like to make the statement.

Mr. WALSH. Will the Senator pardon me if I endeavor to state what it is?

Mr. REED. I shall be very glad to have the Senator do so.

Mr. WALSH. My understanding about the matter is that the court ruled in the Typewriter case that the typewriter being patented, or a patented invention being used in it, a contract could be made with the purchaser of the typewriter that all supplies to be used in connection with that typewriter must be bought of the manufacturer, and that contract was justified. In the Shoe-machinery case they go beyond that, and require not only that all supplies used in connection with the patented machine shall be bought of the company, but that all other machinery that they have in their factory, patented or unpatented, must be bought of that particular company.

Mr. REED. And it will take a mind that is capable of making very fine distinctions to draw a line between the two cases. In the one case a man having a patented article stipulates that certain materials used upon that article shall be purchased from an individual. In the other case the stipulation is that certain machinery to be used in connection with the patented machine shall be purchased from an individual. Without undertaking to say that the Government will lose this suit, I do say that if it wins the suit it will be upon some very narrow and technical ground.

Why should we, who have the power to act, and act now, wait for the uncertainty of such a decision? If there were no such thing as a machinery trust, if there were no such thing as a machinery trust contract, if the question rested alone upon the line of decisions, of which the Dick case is typical and which hold that you can attach to a patented article a condition compelling the owner of the article to use goods that are unpatented, but are sold by the owner of the patent upon the machine, even if that is the extent of the wrong, why should it be permitted to go on? What right have we to allow the continuance of a rule of that character when we can in a few moments of time wipe it out? Why should we leave it to the uncertainty of courts, to the refinements of judges and lawyers, when there is vested in our hands the power and the authority to remedy the wrong?

I call attention again to the language of Chief Justice White, because I want to impress upon the Senate the importance of the subject, even if we exclude the Shoe Machinery Trust. I call attention again to his language, in which he says that under the doctrine that is now established the patentees selling an engine may, under the patent laws, contract that all the coal used on the engine shall be purchased from a certain man; that a carpenter purchasing a plane might be held to be bound to use lumber furnished by the man who sold the plane, and so on through the long list of illustrations he has given. Then I call attention to his statement that he writes this opinion in part to make it clear that—and I quote—

If evils arise, their continuance will not be caused by the interpretation now given to the statute but will result from the inaction of the legislative department in failing to amend the statute so as to avoid such evils.

Mr. President, why not restore section 4? It puts no restriction upon fair and honest trade. It places the patentee of an article where it was originally intended that he should be placed, in a position where he can manufacture his article and sell it to whomsoever he pleases. It only says to him, "Because the Government has given you a patent entitling you alone to manufacture a certain article, you can not, under that generous grant of the Government, set up a scheme which, in effect, destroys the general law of the land."

I come back, however, to state once more the position I have so often stated. I come to those Senators who voted to strike out section 4, in the belief that section 5 of the trade commission bill would reach this evil, with the appeal that, in view of the decision of the Supreme Court of the United States, these particular practices are legal; in view of the fact that the Supreme Court bottoms the right to engage in these practices upon the statutes of the United States; in view of the fact that the Supreme Court of the United States has said there is but one place where a remedy can be had, and that is in Congress; in view of all this, I ask Senators to agree with me that section 4 must be restored, because a trade commission certainly can not declare to be illegal that which the Supreme Court of the United States has said is a legal right, bottomed upon a statute of the United States.

Mr. WALSH. Mr. President, the Senator from Missouri has made a very substantial and very valuable contribution to this debate in inviting the attention of the Senate to the importance of making some provision to meet the conditions which were presented to the Supreme Court in the Typewriter case to which he has adverted. I am not entirely certain that section 5 of the trade commission bill, which denounces as unlawful all forms of unfair competition, would not now make illegal that which was legal when the decision of the Supreme Court was rendered.

Mr. President, it is expected by those who believe there is efficacy in section 5 of the trade commission bill that many practices which can not now be denounced as illegal, but which are revolting to a refined public conscience, will be held to be denounced by that act. Of course I appreciate very well that in this view the Senator from Missouri does not concur; but upon that matter the Senate has evinced a conviction contrary to the opinion that was entertained by him. I address myself to those Senators who believe there is efficacy in the provisions of section 5 of the trade commission bill.

It happens that one of the many practices heretofore tolerated under the law came before the Supreme Court, which held that in the then state of the law that particular practice was not illegal. I apprehend that if the matter of local price cutting had ever come before the Supreme Court of the United States and one had been shown to have sold goods within a certain specified locality at considerably less than their actual cost, with the necessary and legitimate consequence of practically driving a weak competitor out of business, that particular act probably would be declared by the Supreme Court of the United States not in itself to be illegal. Take the matter, for instance, of espionage. You can very readily understand that many methods of espionage could not be denounced by any court before which they came as a violation of either the civil or the criminal law so as to subject the individual guilty of them either to damages or to punishment in the ordinary course of the law. Whether, then, it will be held that by virtue of section 5 of the trade commission act we have made unlawful that which at the time of the rendition of the decision to which the attention of

the Senate has been called was entirely legal I do not undertake to say.

I fully agree with the Senator from Missouri that we should take no chances whatever upon that matter, and that there should be a distinct provision in the bill now under consideration which will put contracts of that character under the ban of the law.

The Senator from Oklahoma [Mr. GORE] introduced a bill on this subject, as he has told us, during the last session of Congress, and with very few changes it will answer all the purposes of a section of this bill, which will take care of the features to which our attention is now addressed by the Senator from Missouri. I shall myself offer an amendment of that character, and hope to get for it the approbation of the committee. It will, however, be a simple declaration that just exactly the kind of contract which was considered by the Supreme Court in the case to which the Senator now calls our attention is unlawful. Thereafter there will be no question at all about it.

Mr. President, I want to say with reference to that subject that the more I have reflected upon this matter the more I am convinced that when that feature of the case is taken care of section 4 ought not to be restored to this bill. I instanced a while ago, in the course of a colloquy with the Senator from Missouri, the conditions which might arise in the case of what is known as exclusive agencies, where one struggling against a practical monopoly already established is met with the absolute necessity, in order to get his goods before the people at all, of establishing an exclusive agency, of putting the handling of those goods in the hands of a man who will contract not to sell the goods of any other manufacturer of the same character, in order that he may the more diligently press the adoption of those goods upon the trading public. But, Mr. President, in the report of the House committee we are assured—and that assurance seems to me a sound one—that the present bill does not denounce exclusive-agency contracts. It is said that the bill has nothing to do with agencies, but deals only with the case of commodities sold, leased, or contracted for sale. But, Mr. President, exactly the same conditions obtain under those circumstances that obtain in the case of the exclusive contract.

An instance was called to my attention by the junior Senator from the State of New Jersey [Mr. HUGHES], who has an intimate acquaintance with that feature of the case. He says, for instance, that Clark's and Coats's thread are the standards upon the market. Every housewife knows about those threads. We all understand that Clark and Coats are in a combination, which is now practically a trust, and to a very great extent a monopoly, if not a complete monopoly.

Some one, recognizing the disfavor into which those brands have fallen by reason of their control by this monopoly, goes to work and establishes a business and manufactures a thread in every way the equal of the thread put out by that institution, and he wants to get it before the public. A general dealer has Jones's thread, he has Clark's thread, and he has Coats's thread. The housewife goes there, and she wants a spool of thread. She is asked which she wants, and, of course, she wants either Clark's or Coats's. They say, "Try Jones's thread; it is just as good, madam; we would like to sell you that thread." She says, "Oh, no; I do not want anything just as good; I want the real thing." So she will not buy the new thread at all. Everyone must recognize that the new man seeking to get into business in opposition to a monopoly already established has to make some extra inducements to merchants to take his thread and to take no other kind of thread, and to press it upon the market and upon his customers with all the eloquence and skill as a salesman that he can command.

Therefore, Mr. President, I think it would be unwise in us to denounce under any and all circumstances that may possibly arise the sale of an article with a contract that the goods of no other manufacturer in the same line should be handled by him who buys. In other words, Mr. President, I believe we ought to leave to the trade commission the question as to whether, under the particular circumstances of the case, it is unfair competition or is not unfair competition; to enjoin and restrain it whenever it seems to promote monopoly and allow it to be exercised with perfect freedom when the effort is made to overcome the exactions of a monopoly. That, Mr. President, is the reason why I think the provision ought to be restored.

Now, let me speak for a moment about the other provision. I think the provision to which the attention of the Senate has been called needs to be taken care of. The feature to which your attention is invited, which is presented by the operations of the shoe machinery company, is being very properly taken care of. They have established a monopoly by the methods which have been indicated by the Senator. The original decision simply covered the ground that whenever one owns a patented machine he may by a contract require any purchaser of the machine to buy from him all the supplies necessary for the operation of that machine.

It never went so far as to provide that he must buy every other article of furniture in his store or in his office. For instance, here is a man who manufactures typewriters. It is a patented machine. He can require me as a lawyer, if I desire to buy his machine, to enter into an agreement with him that I will buy all my carbon paper from him, all my stationery used in connection with it, all the ink that I use in connection with it, but he can not compel me to agree, nor would such a contract made with me be lawful, that I must buy all my office furniture from him; that I must buy all my law books from him; that I must buy the coal from him that I burn in the stove in my office, nor the water that is supplied, nor the towels with which I wipe my hands. Those things he can not do, and no court will ever determine that a contract of that character is anything except a contract contrary to public policy.

Mr. REED. If I do not interrupt the Senator——

Mr. WALSH. Not at all.

Mr. REED. I should like to ask the Senator if he thinks we ought to sanction the very practice he last described; that is, a man selling a typewriter and then stipulating that the owner of the typewriter must buy the paper and supplies from the man who sold the typewriter?

Mr. WALSH. Certainly not. I agree with the Senator that that should be condemned.

Mr. REED. The Senator says that the doctrine has never been extended to anything except the supplies that are to be used on the particular machine. At the risk of being wearisome, I call the Senator's attention to the views of Chief Justice White.

Mr. WALSH. Oh, yes; I understand the Chief Justice held that many evil consequences would flow from it, and the fact that the decision was very much more ample than the majority of the court declared.

Mr. REED. I call attention to the language. I do not say that it is necessarily sound, I do not say it is necessarily controlling; but I do say that if, in the opinion of the great majority, these results would follow which he states, we ought as wise legislators to remove that danger. This is the language of the Chief Justice:

> I do not think it necessary to stop to point out the innumerable subjects which will be susceptible of being removed from the operation of State judicial power, and the fundamental and radical character of the change which must come as a result of the principle decided. But, nevertheless, let me give a few illustrations:
>
> Take a patentee selling a patented engine. He will now have the right by contract to bring under the patent laws all contracts for coal or electrical energy used to afford power to work the machine or even the lubricants employed in its operation. Take a patented carpenter's plane. The power now exists in the patentee by contract to validly confine a carpenter purchasing one of the planes to the use of lumber sawed from trees grown on the land of a particular person or sawed by a particular mill.

Mr. WALSH. Mr. President——

Mr. REED. I merely want to say I do not claim that the opinion of Chief Justice White upon that point stated particularly in the way of argument is any more controlling than the opinion of any Senator who has considered the subject, but it is potential. However, I should like to call the Senator's attention to this language in the majority opinion, at page 40:

> It does not matter how unreasonable or how absurd the conditions are. It does not matter what they are, if he says at the time when the purchaser proposes to buy or the person to take a license: "Mind, I only give you this license on this condition," and the purchaser is free to take it or leave it, as he likes. If he takes it, he must be bound by the condition. It seems to be common sense, and not to depend upon any patent law or any other particular law.

That is a quotation from the Cantelo case, what Mr. Justice Wills said, which the court seemed to approve.

Mr. WALSH. Mr. President, I have but little in addition to say. I agree with the Senator that that particular matter ought to be taken care of, and I read the bill offered by the Senator from Oklahoma [Mr. GORE] in the Sixty-second Congress, which, in my judgment, completely meets the situation. It is brief, and is as follows:

> *Be it enacted, etc.*, That it shall not be lawful to insert a condition in any contract relating to the sale, lease, or license to use any article or process protected by a patent or patents, the effect of which will be to prohibit or restrict the purchaser, lessee, or licensee from using any article or class of articles, whether patented or not, or any patented process, supplied or owned by any person other than the seller, lessor, or licensor, or his nominees, and any such seller, lessor, or licensor, or his nominees, who shall violate the provisions of this act shall be deemed guilty of a misdemeanor, and on conviction thereof shall be punished by fine not exceeding $5,000, or by imprisonment not exceeding one year, or by both said punishments, in the discretion of the court.
>
> SEC. 2. That it shall be unlawful to insert a condition in any contract relating to the sale, lease, or license to use any article or process protected by a patent or patents, the effect of which will be to require

the purchaser, lessee, or licensee to acquire from the seller, lessor, or licensor, or his nominees, any article or class of articles not protected by the patent, and any such condition shall be null and void as being in restraint of trade and contrary to public policy; and any such seller, lessor, or licensor, or his nominees, who shall violate the provisions of this act shall be deemed guilty of a misdemeanor, and on conviction thereof shall be punished by fine not exceeding $5,000, or by imprisonment not exceeding one year, or by both said punishments, in the discretion of the court.

I shall offer this bill with the penal provisions taken out of it as an amendment to the pending bill in order to meet, as I think it largely meets, the objection now urged by the Senator from Missouri. I will say in explanation that I shall ask the penal provisions to be excluded, because we have not attached any penal provision whatever to any form of unfair competition, and I do not want to subject the patentee to any harsher restrictions or limitations than the man who sells a machine which is not patented. The man who sells a machine which is not patented and couples with it a provision that all other machinery in the factory in which it goes be bought from him is simply subject to injunction by the trade commission, and we ought to put the patentee upon the same footing as the man who deals in the unpatented article with reference to that.

Mr. REED. Before the Senator takes his seat I should like to get his views a little further on one matter. He expressed a doubt as to whether section 5 of the trade commission bill might not have changed the laws as declared by the Supreme Court in the case we are referring to. That decision is based upon a statute of the United States. Does the Senator think that the general language of section 5 may repeal the law as declared by a court based upon that statute?

Mr. WALSH. The Senator read us a number of times the declaration of the court to the effect that the practice was not illegal, that if it was to be made so it must be by the act of Congress. I suggested the possibility, at least, of the construction of section 5, namely, that section 5 of the interstate-commerce act might be construed as thus supplying the legislation which the Supreme Court said was necessary in order to make that illegal.

Mr. REED. Mr. President, if it is true or if it is a matter that may be true in the opinion of the Senator, then it follows that if section 5 has repealed the law as declared by the Supreme Court and has changed the law of patents as it stands in the patent statutes, we may have repealed every trust act that has ever been put upon the statute books, and every trust decision, and taken away from the courts every authority and vested it all in this commission. If that is the case, we are certainly treading on very dangerous ground.

Mr. WALSH. I should not think the conclusion would follow at all, and for myself I have no apprehension.

Mr. CULBERSON. On the contrary, the provision of the trade commission bill expressly denies that that construction shall be placed upon the bill.

Mr. WALSH. The Senator has confined his remarks very largely to the provisions of section 4—in fact, as my recollection is, entirely to the provisions of section 4. But, Mr. President, the motion to reconsider embraces section 2 as well as section 4, and section 2 refers to that form of unfair competition generally denominated as local price cutting. The motion to reconsider, if it prevails, embraces section 2 as well as section 4.

Perhaps the most conspicuous offender in the matter of unfair competition by local price cutting has been the great Standard Oil Co. As illustrative of how very difficult it is to frame a statute which will reach what we desire to reach in these particular instances, let me call your attention to a criticism of section 2 as it stands in the bill that is made by some of the competitors and rivals left in the field of the Standard Oil Co. I read a letter recently received from the Independent Petroleum Marketers' Association of the United States. The writer says:

> As you perhaps have heard, the independent oil men of the country are directly interested in section 2 of the so-called Clayton bill, because that is what we have called the "antidiscrimination law," and which we have caused to be placed on the books of perhaps a score of States in the last 8 or 10 years.

The Senate has heretofore been advised that my own State is one of those which has enacted a statute of that character. He continues:

> Since the Clayton bill has been in the Judiciary Committee of the House we have been trying to get consideration for an amendment to section 2 which would define the word "transportation" in line 16, page 3, of the bill as reported out by the Senate Judiciary Committee on July 22, so that discrimination in prices between purchasers would be only to the extent of the difference in the cost of "common-carrier transportation." The Standard Oil Co. has tried to make out that the word "transportation" meant all carrying costs, and has endeavored to take advantage of their interpretation of the word and vary their prices to the extent of an alleged difference in their cartage cost, which difference we have maintained is purely fictitious and have shown that it exists only at points of greatest competition with our members.
>
> Now, I notice that the Senate Judiciary Committee, to whom this association addressed some letters on the subject of our proposed amendment some several weeks ago, has gone, in our opinion, even further than the Standard Oil Co.'s interpretation of the word "transportation" and permitted a difference to the extent of not only the "selling cost," but also to "meet competition." In our opinion, these two provisos are entirely too vague and undefinable, and we believe that they would permit such a company as the Standard Oil Co. to vary the prices very much at will and that it would be almost impossible to make a case against them.
>
> In fact, the last amendment, permitting "discrimination to meet competition" simply, in our opinion, legalizes what the Standard Oil Co. was noted for in the past and what it is doing, in a measure, to-day—that is, cut prices to meet competition. Not necessarily to meet the competitor's prices, because the amendment says nothing about the competitor's prices.
>
> Frankly, it is our opinion at the present time that that committee's amendment to section 2 makes it absolutely worthless, but undoubtedly there must have been some argument for the amendments or the majority would not have included them. I would be glad to go down to Washington and talk this over with you if you think it would be at all worth while.

I did not invite the gentleman to come. I call your attention to this merely for the purpose of showing that the very greatest kind of a controversy will arise at the very outset concerning what this statute which we have proposed means and likewise as to whether it meets the requirements of the case at all.

I believe that when we have dealt with the whole subject of unfair competition and allow the trade commission to take up each individual case and to inquire into the particular facts of that case, we have done wisely, and that we ought not now within the narrow terms of a statute attempt to define the particular varieties of unfair competition which we thus seek to prevent and suppress.

Mr. STONE. Mr. President, I said to the Senator from North Carolina [Mr. OVERMAN] this morning that I would be glad if he would call up the motion he had entered to reconsider the votes of the Senate striking out sections 2 and 4 of the pending bill so that the matter might be disposed of to-day before I should be obliged to leave the city. This he kindly did as soon as circumstances permitted, but as I shall have to leave the Senate within the next 10 minutes I fear that I can not be present when the vote is taken on the motion nor have any opportunity of expressing my views with respect to those sections.

I have believed, Mr. President, that the majority of the Committee on the Judiciary acted wisely in leaving these sections out of the bill, and I intended by my vote to support their action. The whole afternoon has been taken up in a very interesting and able debate devoted chiefly to a reargument of the trade commission bill. We went over all the questions involved here when that bill was up for consideration, when amendments were offered to it embodying substantially the more important features of the sections that have been dropped from the pending bill. The Senate declined to put them in that measure, and I think acted wisely in that behalf.

These sections were put into the pending bill before the trade commission bill had been acted upon, before it was known what might be done or even proposed in that measure. I think, with the Judiciary Committee, that every precaution has been taken that it is wise to attempt in the provisions of the trade commission bill.

I believe, Mr. President, that sections 2 and 4 would operate to the advantage of those great concerns that we are wont to denounce as monopolies, and would bring to them in the long run more benefit than it would to anybody else. It is possible that drastic provisions of the kind embodied in sections 2 and 4 might tend to remedy an evil, or what many people would regard as an evil, here and there. On the other hand, I think there can be no kind of doubt that it would result almost certainly in doing undeserved and unmerited harm, or at least that it might be used to that end in doing injury to younger, weaker, struggling industries that are striving to establish themselves. If I had the time, Mr. President, to do what I had intended if I had secured the opportunity, I believe I could demonstrate the truth of the statement I have just made. Now, I can not enter upon the discussion of the question, for within two minutes I am obliged to leave. I wish I could have an opportunity to register my vote in opposition to the motion to reconsider, but I can not have that privilege.

Mr. President, I think it the wise thing to do to follow the lead of the Judiciary Committee, which has given attentive and most thoughtful consideration to this whole subject, and not to venture, somewhat blindly, into experiments that may result in infinitely more harm to the public, to the people generally, than good.

That is all I have time to say, but since I can not vote on this motion, I have taken these four or five minutes, at least, to register my judgment against these provisions of the bill.

Mr. CULBERSON. Question!

The VICE PRESIDENT. The question is on the motion to reconsider the votes striking out sections 2 and 4 of the bill.

Mr. KENYON. Mr. President, there are a few Senators who desire to be heard on this motion. They are not ready to speak to-night; in fact, I think one of them is not present, and I ask the Senator in charge of the bill if he will not permit the vote to go over until to-morrow. Of course, I could proceed and occupy the floor until 6 o'clock, but I should prefer not to speak until to-morrow.

Mr. KERN. I move that the Senate adjourn until 11 o'clock to-morrow.

The motion was agreed to; and (at 5 o'clock and 30 minutes p. m.) the Senate adjourned until to-morrow, Saturday, August 22, 1914, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES.

FRIDAY, *August 21, 1914.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

O Lord God of hosts, look down from Thy throne of grace with patience upon Thine erring children, and have compassion upon them. Thou knowest us altogether, our weakness, our vanity, and the sins which doth so easily beset us. Rebuke the haughty, humble the arrogant, expose the hypocrite, undo the egotist, give strength for weakness, wisdom for foolishness, faith for doubt, hope for dispair, love for hate; for where faith is there is confidence, where hope is there is progress, where love is there is peace. Thus rule and overrule, that Thy will may be done to the glory and honor of Thy holy name. Amen.

The Journal of the proceedings of yesterday was read and approved.

CALL OF THE ROLL.

Mr. MANN. Mr. Speaker, I make the point of order there is no quorum present.

The SPEAKER. Evidently there is not a quorum present.

Mr. UNDERWOOD. Mr. Speaker, I move a call of the House.

The SPEAKER. The gentleman from Alabama moves a call of the House.

The question was taken, and the motion was agreed to.

The SPEAKER. The Doorkeeper will close the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Aiken	Driscoll	Hobson	Morgan, La.
Ainey	Drukker	Hoxworth	Morin
Ansberry	Dunn	Hughes, Ga.	Moss, W. Va.
Anthony	Dupré	Hughes, W. Va.	Mott
Aswell	Eagan	Hulings	Murdock
Austin	Eagle	Johnson, S. C.	Murray, Okla.
Baltz	Edmonds	Kahn	Neeley, Kans.
Barchfeld	Elder	Keister	Nelson
Bartholdt	Esch	Kelley, Mich.	O'Brien
Bartlett	Estopinal	Kelly, Pa.	Oglesby
Beall, Tex.	Fairchild	Kennedy, R. I.	O'Leary
Bell, Ga.	Faison	Kent	O'Shaunessy
Brodbeck	Farr	Key, Ohio	Padgett
Brown, N. Y.	Fields	Kiess, Pa.	Palmer
Brown, W. Va.	Finley	Kindel	Parker
Browne, Wis.	Fitzgerald	Kinkead, N. J.	Patten, N. Y.
Browning	Fordney	Kirkpatrick	Patton, Pa.
Bruckner	Foster	Knowland, J. R.	Peters
Brumbaugh	Francis	Konop	Peterson
Buchanan, Ill.	Frear	Kreider	Platt
Bulkley	Gard	Lafferty	Plumley
Burke, Pa.	Gardner	Langham	Porter
Butler	George	Langley	Post
Byrnes, S. C.	Gill	Lazaro	Powers
Calder	Gillett	Lee, Ga.	Ragsdale
Callaway	Glittins	L'Engle	Rainey
Campbell	Gilmore	Lenroot	Reed
Cantor	Goeke	Lesher	Reilly, Conn.
Carew	Goldfogle	Lever	Riordan
Casey	Glass	Lewis, Pa.	Rothermel
Church	Goulden	Lindbergh	Rubey
Clancy	Graham, Ill.	Lindquist	Rupley
Collier	Graham, Pa.	Linthicum	Sabath
Connolly, Iowa	Griest	Loft	Scully
Conry	Griffin	Logue	Sells
Covington	Guernsey	McAndrews	Sherley
Cramton	Hamill	McGillicuddy	Sherwood
Crisp	Hamilton, Mich.	McGuire, Okla.	Shreve
Crosser	Hamilton, N. Y.	McKenzie	Slemp
Dale	Hardwick	Madden	Smith, Md.
Decker	Hart	Mahan	Smith, Minn.
Dickinson	Haugen	Maher	Smith, N. Y.
Dies	Hayes	Manahan	Stafford
Difenderfer	Helm	Martin	Stanley
Dixon	Henry	Merritt	Steenerson
Dooling	Heasley	Mondell	Stephens, Miss.
Doremus	Hinds	Moore	Stephens, Nebr.
Stringer	Treadway	Walker	Whitacre
Sutherland	Tribble	Wallin	White
Switzer	Underhill	Walsh	Willis
Ten Eyck	Vare	Watkins	Wilson, N. Y.
Thompson, Okla.	Vollmer	Weaver	Winslow
Townsend	Volstead	Whaley	Woodruff

The SPEAKER. The Clerk will call my name.

The name of Mr. CLARK of Missouri was called, and he answered "Present."

The SPEAKER. On this roll call 220 Members have answered to their names—a quorum.

Mr. UNDERWOOD. Mr. Speaker, I move to dispense with further proceedings under the call.

The question was taken, and the motion was agreed to.

The SPEAKER. The Doorkeeper will open the doors. The Chair will state for the information of all concerned that the reason there was such a large number who did not answer to their names when called was because the bells were out of fix and we had to temporize and arrange so as to notify Members over in the House Office Building.

BILLS ON THE PRIVATE CALENDAR.

Mr. GREGG. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House for the consideration of bills on the Private Calendar.

The SPEAKER. The gentleman from Texas moves that the House resolve itself into the Committee of the Whole House for the consideration of bills on the Private Calendar.

The question was taken, and the Speaker announced the noes appeared to have it.

Mr. GREGG. Division, Mr. Speaker.

The House divided; and there were—ayes 107, noes none.

So the motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House for the consideration of bills on the Private Calendar in order to-day, with Mr. BARNHART in the chair.

The CHAIRMAN. The House is in the Committee of the Whole House for the consideration of bills on the Private Calendar. The Clerk will report the first bill.

The Clerk read as follows:

A bill (H. R. 6880) to carry out the findings of the Court of Claims in the case of Florine A. Albright.

Mr. GREGG. Mr. Chairman, on a previous day that bill passed the Committee of the Whole House and was laid aside with a favorable recommendation, and has never been reported to the House; so there is nothing more for the Committee of the Whole House to do with reference to that bill. The bill has been laid aside with a favorable recommendation.

Mr. MANN. Mr. Chairman, that bill was reported to the House.

Mr. GREGG. And it has never been acted upon by the House, and there is nothing before the committee.

Mr. MANN. It is not pending in the committee.

The CHAIRMAN. The Clerk will report the next bill.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED.

Mr. ASHBROOK, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bill and joint resolution of the following titles, when the Speaker signed the same:

H. R. 14155. An act to amend an act of Congress approved March 28, 1900 (vol. 31, Stat. L., p. 52), entitled "An act granting to the State of Kansas the abandoned Fort Hays Military Reservation, in said State, for the purpose of establishing an experiment station of the Kansas State Agricultural College, and a western branch of the State Normal School thereon, and for a public park."

H. J. Res. 246. Joint resolution to authorize the Secretary of War to grant a revocable license for the use of lands adjoining the national cemetery near Nashville, Tenn., for public-road purposes.

The SPEAKER announced his signature to enrolled bills of the following titles:

S. 6315. An act to authorize the Great Western Land Co., of Missouri, to construct a bridge across Black River; and

S. 5673. An act to amend an act entitled "An act to protect the locators in good faith of oil and gas lands who shall have effected an actual discovery of oil or gas on the public lands of the United States, or their successors in interest," approved March 2, 1911.

NATHANIEL F. CHEAIRS.

The next business in order on the Private Calendar was the bill (H. R. 8696) for the relief of Nathaniel F. Cheairs.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Nathaniel F. Cheairs, of Columbia, Maury County, Tenn., out of any money in the Treasury not otherwise appropriated, the sum of $12,319.47, in full compensation

for the net proceeds of cotton sold by the Government in 1864 and placed in the Treasury of the United States, and in accordance with the findings heretofore made by the Court of Claims.

Mr. GREGG. Mr. Chairman, I yield to the gentleman from Tennessee [Mr. HOUSTON].

Mr. HOUSTON. Mr. Chairman, this is a case in which Nathaniel F. Cheairs, a citizen of Columbia, Tenn., had 50 bales of cotton taken from him by the Federal Army. This cotton was sold by the Federal officers, and the proceeds, after deducting expenses, were paid into the Treasury of the United States. Now, we have the finding of the Court of Claims establishing the fact of the amount and the report of the Secretary of the Treasury. It appears, Mr. Chairman, that Nathaniel F. Cheairs was in the Confederate Army. It further appears that the President of the United States granted a pardon to the claimant, that he took the oath of amnesty according to the offer made in the proclamation made by the President of the United States, and that he complied with all of its terms. Now, under that state of facts there is no reason why this money, which is now in the Treasury, should not be paid over to Mr. Cheairs. I might say that this claim was filed after the holding of the United States Supreme Court that the taking of this oath under this pardon of the President was a full release from all offenses, and the party did not know his standing in court in time to file his claim within the time the statute of limitation would run. I believe that is all I have to say now. I reserve the balance of my time.

The CHAIRMAN. The question is, Shall the bill be laid aside with a favorable recommendation?

Mr. MANN. Not yet, Mr. Chairman.

Mr. HOUSTON. Mr. Chairman, I move that the bill be laid aside with a favorable recommendation.

Mr. MANN. Well, hardly. Mr. Chairman, will the gentleman yield the floor?

Mr. HOUSTON. Yes, sir; for the present. Does the gentleman desire to discuss the measure?

Mr. MANN. I expect to do so.

Mr. HOUSTON. I yield to the gentleman so much time as he may desire.

Mr. MANN. I do not ask the gentleman to yield any time to me.

The CHAIRMAN. For what purpose does the gentleman from Illinois [Mr. MANN] rise?

Mr. MANN. To ascertain whether the gentleman from Tennessee has yielded the floor or not.

Mr. HOUSTON. I reserve the balance of my time, Mr. Chairman.

The CHAIRMAN. The gentleman from Tennessee [Mr. HOUSTON] reserves the balance of his time. The gentleman from Illinois [Mr. MANN] is recognized.

Mr. MANN. Mr. Chairman, this is a bill directing the Secretary of the Treasury to pay to Nathaniel F. Cheairs the sum of $12,318.47, stated to be in full compensation for the net proceeds of cotton sold by the Government in 1864 and placed in the Treasury of the United States, and stated to be in accordance with the findings heretofore made by the Court of Claims. The case involves a proposition affecting hundreds of millions of dollars' worth of claims. It ought to be very carefully considered by Congress before it is enacted. The report shows that the claimant had 50 bales of cotton taken from him by the United States Army, which was sold by United States officers, and the proceeds, after deducting all expenses, were paid into the United States Treasury, and they have not been paid out. It is stated by the Secretary of the Treasury, and found by the Court of Claims, that the sum placed in the Treasury, after deducting expenses, and so forth, is the sum named in the bill—$12,318.47. Claimant was an officer, or, at least, was in the Confederate Army, but on application he received a special pardon from the President of the United States. He took the oath of allegiance required by the terms of the pardon, which is on file in the office of the Secretary of State, who acknowledged the receipt of the same. He notified the Secretary of State that he accepted the terms of said pardon in good faith. The committee finds that he has complied with the conditions of the pardon from the time he accepted it, and it is stated that he so testified in his deposition now on file in the Court of Claims, and the committee finds that, therefore, he was loyal and restored to all of his rights in his property. And the claim is made that anyone who was disloyal to the Government during the Rebellion, but who was afterwards pardoned, is thereby rendered innocuous from the disloyalty. As a matter of fact, while there was a special pardon granted in this case, there is a general pardon by statute as to all persons who served in the Confederate Army or who were otherwise disloyal. And the claim now, as made by the committee in this case, that an officer or other person whose property was taken and who was disloyal during the Rebellion has his disloyalty removed by a pardon, would go to the extent, if followed out logically, of removing the disloyalty in all claims against the Government for property taken during the Civil War.

Gentlemen can not fail to note, in the last few days in the newspaper reports of the war in Europe, that armies are not too particular when in an enemy's country about property they destroy or property which they take. Probably the Union Army was not any more particular than armies in civilized countries usually are. Hundreds of millions, if not thousands of millions, of property was taken or destroyed during the war. That is one of the inevitable effects of war. There are some people who have grown to imagine during the last few years of peace in the world that war is a kind of pink-tea affair, where combatants, at a convenient and safe distance from each other, only fire harmless bullets or balls at each other. But that is not the way war is conducted.

Now, it being one of the inevitable effects of war, it has universally been held that when property belonging to the enemy or belonging to those persons who had adhered to the enemy as a part of the conduct of the war is taken or destroyed, they had no claim for the payment of the damages or for the property taken. Yet we are told now that because this claimant, who was, as I recall, an officer, although I am not sure about that—I think the gentleman from Tennessee stated that he was an officer——

Mr. HOUSTON. I am not sure whether he was an officer or not.

Mr. MANN. He was in the Confederate Army, anyway. I am not sure whether he was an officer or not. It is claimed that because he was pardoned and restored to his civil rights—as everybody now is who took part in the War of the Rebellion—therefore he has a claim against the Government for property which was taken from him, which he would not have had if he had not received a pardon. Now, as a matter of fact, there is no distinction between his case and all the other cases. We provide in the statutes for reference of certain claims by the different Houses of Congress to the Court of Claims for findings of facts, and provide in the law that the claimant must assert and prove his loyalty.

Of course, we are not bound here, in passing upon a particular claim, by any statute which we may make in reference to the Court of Claims. We can pay anybody we please, out of the National Treasury, any sum we please on any excuse we please, or without any excuse at all. But if Congress undertakes to pay the claims of citizens in the South who had their property taken or destroyed by the armies of the North, they being in sympathy with the Confederate States, we will have to find ways of raising more than $100,000,000 a year, the sum it is suggested the European war will cause us to raise.

There was much more than $100,000,000 worth of property destroyed in the South each year. There were vast sums of value lost. The Southern States lay stricken at the end of the war, so far as their commercial and agricultural prosperity was involved. It might be generous for us to pay that all back; but generosity in the world has never yet gone to the extent of the army which succeeds, or the country which succeeds, paying to the losers all the damage which accrued. When the Franco-German War ended Germany required France to pay, I think, about $1,000,000,000—5,000,000,000 francs. That looked pretty harsh, but who would dream that at the end of the war Germany should be called upon to pay to France the damage which the German army had caused to French property and French citizenship?

The committee says:

In the case of Paddleford v. The United States the Supreme Court of the United States, in 9 Wallace, 540, and in the case of Kline v. The United States, and 92 United States, 653, 13 Wallace, 137, decided that said fund was a trust fund, and that the effect of a pardon and compliance with its terms rendered the offender as innocent as if he had never committed the offense; that it made no difference whether the property had been seized before or after the oath had been taken. (See H. Rept. No. 1203, 60th Cong., 1st sess., Hamiter claim.)

And the committee sets out the pardon which was granted by Andrew Johnson, President, dated September 30, 1865. That was after the war had ceased, practically ceased. It reads:

ANDREW JOHNSON, PRESIDENT OF THE UNITED STATES OF AMERICA.

To all to whom these presents shall come, greeting:

Whereas N. F. Cheairs, of Columbia, Tenn., by taking part in the late rebellion against the Government of the United States, has made himself liable to heavy pains and penalties;

And whereas the circumstances of his case render him a proper object of Executive clemency;

Now, therefore, be it known that I, Andrew Johnson, President of the United States of America, in consideration of the premises, divers other good and sufficient reasons me thereunto moving, do hereby grant to the said N. F. Cheairs a full pardon and amnesty for all offenses by him committed arising from participation, direct or implied, in the said rebellion, conditioned as follows:

First. This pardon to be of no effect until the said N. F. Chealrs shall take the oath prescribed in the proclamation of the President, dated May 29, 1865.

Second. To be void and of no effect if the said N. F. Chealrs shall hereafter, at any time, acquire any property whatever in slaves or make use of slave labor.

Third. That the said N. F. Chealrs first pay all costs which may have accrued in any proceedings instituted or pending against his person or property before the date of acceptance of this warrant.

Fourth. That the said N. F. Chealrs shall not by virtue of this warrant claim any property or the proceeds of any property that has been sold by order, judgment, or decree of any court under the confiscation laws of the United States.

Fifth. That the said N. F. Chealrs shall notify the Secretary of State, in writing, that he has received and accepted the foregoing pardon.

In testimony whereof I have hereunto signed my name and caused the seal of the United States to be affixed.

Done at the city of Washington, this 30th day of September, A. D. 1865, and of the independence of the United States the ninetieth.

[SEAL.] ANDREW JOHNSON.

By the President:

WILLIAM H. SEWARD,
Secretary of State.

The committee finds that because he was granted this pardon in September, 1865, N. F. Chealrs is not barred, by reason of his participation on the Confederate side, from making a claim for property which was seized by the Army of the United States and sold prior to that time. It may be that my ingenious friends from Tennessee or other portions of the South, or from Texas—I do not mean to say that Texas is not in the South—will find some method of differentiating between this case and all other cases where property was taken, where pardon has been granted by act of Congress instead of by act of the President.

Now, are we going to pay all these claims? It will not be long, if we pay a few claims like this, until we are asked to pay, with a great deal more justice in the claims, for the value of the slaves which were made free. A great deal can be said in favor of the proposition. The property in slaves was destroyed by the proclamation of President Lincoln and the amendments to the Constitution of the United States. At one stroke of the pen men were made penniless who before had thousands of dollars of property in the form of slaves.

We hold no feeling against them. They are in full citizenship, with all the rights of any citizen in any place in the United States. Although 50 years have elapsed, and the bitterness and passion of the Civil War have passed away, I do not believe that the Government of the United States is called upon to pay for the property destroyed, or the property seized and used, or the property seized and sold, belonging to those who were fighting on the other side. If they had won, the property in the North that was destroyed would never have been paid for by the Confederate States—properly not paid for. Therefore I am opposed to the passage of the bill.

Mr. Chairman, I reserve the balance of my time.

Mr. GREGG. Mr. Chairman and gentlemen, the gentleman from Illinois [Mr. MANN] stated in the opening part of his speech that this bill involved the payment of a character of claims covering hundreds of millions of dollars. The gentleman's statement on that was about as nearly accurate and correct as other statements that he made. The facts are that a statement made by the Treasury Department of the United States, prepared by officials who are supposed, at least, to be unfriendly, shows that it involves only $4,208,000. The gentleman only missed the truth by about $96,000,000; that is all.

Mr. MANN. Mr. Chairman, will the gentleman yield?

Mr. GREGG. Yes; I will yield.

Mr. MANN. The gentleman is speaking now only of the cotton claims.

Mr. GREGG. The gentleman from Illinois stated that this bill involved claims that amounted to hundreds of millions of dollars.

Mr. MANN. I am sorry the gentleman did not listen to me——

Mr. GREGG. I took it down at the time——

Mr. MANN. Because he would have received much enlightenment if he had. The gentleman will pardon me; he has the time. I stated that the allowance of claims based upon the granting of a pardon, and thereby the removal of disloyalty, would involve hundreds of millions of claims.

Mr. GREGG. I do not know where the gentleman got those figures.

Now, the gentleman speaks a great deal about property taken and property destroyed. There is no desire on the part of anybody to pay for property destroyed as an act of war. Bills of that character are not favorably reported.

Now, the gentleman says that, as to property taken, it has been universally construed that for property taken from the enemy the enemy has no claim. That is not true. For a hundred years the rule of civilized warfare has been that if you take from the enemy stores and supplies that are useful to the army and use them the Government taking them is liable to the enemy for their value. That has been the rule of civilized warfare for a hundred years.

When we invaded Mexico we followed that rule. We paid the Mexicans on their soil for all the supplies and provisions that we took for the use of our Army. Wellington observed the same rule when he participated in the great Napoleonic wars. It has been the rule of civilized warfare, I say, for a hundred years, and no one purporting or claiming to be familiar with such law will deny it.

Now, then, leaving all that aside, here is what this case involves, and I want you gentlemen to listen to me for a minute: In 1863 Congress passed what is called the captured and abandoned property act. That act provided for gathering up certain property in the South and capturing certain other property. After it was gathered up it was to be sold and the money deposited in the Treasury. That was done. That law, however, had this provision: It provided that the owner of the property would have the right to sue within two years after the close of the war. It also provided that the owner must prove the ownership and prove that "he had never given any aid or comfort to the present rebellion."

Now, then, a suit came up on that. A man whose property had been seized and sold and the money put into the Treasury brought a suit. The Government appealed on a question of fact. The upper court held that he was not loyal, but it held that notwithstanding the fact that he was not loyal, his propery having been sold and the money deposited in the Treasury and he having been pardoned by the President his property rights vested in him, and the Supreme Court of the United States gave him a judgment for the money in the Treasury which represented the property that had been taken from him.

Now, if the gentlemen on that side or on this side have any doubt about that they will find the first case deciding that question was the Kline case (13 Wall., 138). Then there is the Armstrong case (13 Wall., 154). Then there is the Barcue case (13 Wall., 156) and the Carlisle case (13 Wall., 647). Then there is the Young case (97 U. S., 39).

Now, then, in all of these cases the Supreme Court has held that this money in the Treasury was a trust fund and belonged to the parties whose property was sold and the proceeds deposited in the Treasury.

In this particular case it is shown that the property was seized. It was not destroyed, it was not consumed. It was sold, and the proceeds were put in the Treasury, and they are there now, and the Supreme Court of the United States has held that the proceeds belong to this man; that he is entitled to them; and the only question for us to decide is whether we can forget that the war is over and refuse to hold up this man, or whether we are willing to follow the highest court of this land and restore to this man his simple rights. That is all. It is not a question of benevolence. It is not a question of generosity. It is a question of right. Now, will you hold him up, or will you do right by him? That is all there is for you to decide. His property is there. You have possession of it. The courts have held repeatedly that it is his. Now, simply because you have the might, will you rob him of what belongs to him?

Mr. McLAUGHLIN. Will the gentleman yield?

Mr. GREGG. Yes.

Mr. McLAUGHLIN. What was the proceeding by which this property was taken and sold?

Mr. GREGG. Under the captured and abandoned property act of 1863 the agents of the Government took this property, and they sold it in different markets, deducted the expense of sale and collection and all expenses connected with it, and deposited the net amount in the Treasury of the United States.

Mr. McLAUGHLIN. And that proceeding was followed in this particular case, was it?

Mr. GREGG. Yes; that was followed in this case, and the money is now in the Treasury.

Mr. McLAUGHLIN. Does this fourth clause in the warrant of pardon, issued by the President, apply to this case? I presume the gentleman is familiar with it. It says:

Fourth. That the said N. F. Chealrs shall not by virtue of this warrant claim any property or the proceeds of any property that has been sold by order, judgment, or decree of any court under the confiscation laws of the United States.

Mr. GREGG. Will the gentleman from Tennessee [Mr. HOUSTON] answer that question?

Mr. HOUSTON. I will state to the gentleman that the findings of the court show that—

None of the property of N. F. Chealrs was ever sold by the order, judgment, or decree of court under the confiscation laws of the United States.

So it does not come within that clause.

Mr. McLAUGHLIN. That is what I was trying to get at. That is why I asked the gentleman what the proceeding was by which the property of this man was taken and disposed of.

Mr. GREGG. I know the general proceeding, but I do not know the details. The gentleman from Tennessee will have to answer that.

Mr. HOUSTON. I can not give the gentleman the particulars. We have the general facts established that this cotton was seized by the Federal Army and by its officers, as set out in the findings of the court; that it was sold; and after deducting all the expenses of the sale, transporting the cotton to Cincinnati, perhaps, or some other point, the net sum realized was $12,318.47, which sum was turned into the Treasury of the United States.

Mr. McLAUGHLIN. What was the procedure taken in the case? Can not the gentleman be more specific in describing the procedure?

Mr. HOUSTON. I can not give the gentleman the details of the proceeding. It was done in accordance with the act of Congress passed in 1863, authorizing the taking of captured and abandoned property and selling it, and turning the proceeds into the Treasury. Just the particular steps that were taken in this case I am not able to state, further than is shown by the findings of the Court of Claims.

Mr. McLAUGHLIN. The reading of this would lead one to think that the warrant of pardon, if that is the proper term to apply to it, was issued with the express understanding and upon the express condition that the one to whom it was issued should make no claims for property taken, and the warrant says that it shall be in force only in case the one to whom it is issued accepts all the conditions contained in it. And Mr. Cheairs wrote to the Secretary of State the following letter, in which he signifies his acceptance of the same, and all the conditions contained in it:

WASHINGTON, D. C., *October 1, 1865.*

Hon. WILLIAM H. SEWARD,
Secretary of State.

SIR: I have the honor to acknowledge the receipt of the President's warrant of pardon bearing date September 30, 1865, and hereby signify my acceptance of the same, with all the conditions therein specified.

I am, sir, your obedient servant,

N. F. CHEAIRS.

It would look very much to me as if he had waived any claim for property taken from him under the ordinary proceeding by which property was taken during the war.

Mr. GREGG. My understanding of that is, if the gentleman will pardon me, that there was a time when these conditional pardons were granted, but afterwards there was a general pardon granted to everyone without condition.

Mr. HOUSTON. The exemption is as set out in this fourth clause:

That the said N. F. Cheairs shall not by virtue of this warrant claim any property or the proceeds of any property that has been sold by order, judgment, or decree of any court under the confiscation laws of the United States.

That is the only condition that is made, and the fact is stated in the findings of the court that none of his property had been sold by order of the court.

Mr. McLAUGHLIN. But the gentleman admits that it was taken in such a way that those who took it were acting under the laws of the country.

Mr. HOUSTON. Certainly; but——

Mr. McLAUGHLIN. It was taken in accordance with law. It was legally taken under the law which controlled the action of the agents of the Government at that time.

Mr. HOUSTON. This was not for the purpose of allowing him to recover property to which he had lost title—for instance, property which he might have sold to somebody else or against which some judgment had been rendered. That is the case provided for in the oath, and it only applies to property sold under order of a court.

Mr. McLAUGHLIN. As the gentleman who has the floor [Mr. GREGG] says this pardon was issued some time after the close of the war, so the entire proceeding respecting the taking of this property and the sale of it must have taken place long before the pardon was issued.

Mr. GREGG. It was.

Mr. McLAUGHLIN. So the matter of the time of issuing the pardon would cut no figure whatever as to the rights of this claimant.

Mr. GREGG. If I understand the point made by the gentleman, it is that the property was taken prior to the issuance of the pardon. Now, the Supreme Court, in passing upon that, say:

The restoration of the proceeds became the absolute right of the person pardoned. It was, in fact, promised for an equivalent. Pardon and restoration of political rights were in return for the oath and its fulfillment. To refuse it would be a breach of faith no less cruel and astonishing than to abandon the free people whom the Executive has promised to maintain in their freedom.

One of the decisions uses this language:

We have decided that the pardon closes the eyes of the courts to the offending acts, or, perhaps, more properly, furnishes conclusive evidence that they never existed as against the Government.

It restores him as though he had never committed any act of disloyalty.

Mr. DAVIS. Will the gentleman yield?

Mr. GREGG. I will.

Mr. DAVIS. I am not familiar with the law of 1863, which seems to be the basis and foundation in this whole proceeding. I would like to inquire of the gentleman if that law, after setting out the method of procedure in taking this property and selling it and placing the proceeds in the Treasury, continued further to say what should become of the proceeds after they were gathered into the Treasury?

Mr. GREGG. I will read the act authorizing the collection by the Secretary of the Treasury of all abandoned and captured property.

That act authorized the collection by the Secretary of the Treasury of all abandoned or captured property in the insurrectionary States except materials of war, and directed that this should be sold and the proceeds placed in the Treasury. It gave a right to any person whose property was taken under its provisions to present a claim to the Court of Claims for the return of the proceeds of that property in the Treasury.

It also contained a clause that he should prove ownership and that he had been loyal. When that came up before the Supreme Court the court said that the pardon restored his loyalty, and if the property had been sold and the proceeds put in the Treasury it was his.

Mr. DAVIS. But the law did not state what should become of the proceeds—there was no direct statement in the law as to what should become of the proceeds.

Mr. GREGG. No.

Mr. HOUSTON. Here is a statement by the Supreme Court. The court says that the Government constituted itself a trustee for those who were entitled or whom it should thereafter recognize as entitled to the proceeds.

Mr. McLAUGHLIN. Will the gentleman yield?

Mr. GREGG. Certainly.

Mr. McLAUGHLIN. Reading the report of the committee in relation to this case, I do not find any date as to when the cotton belonging to this man was taken. It may have been long before the passage of the act. Certainly if the cotton was taken before that act was passed the act could not apply to the seizure of that cotton. I do not know whether the cotton was seized under such circumstances as to make this act apply to it. The report of the committee does not give us any information. We do not know when the cotton was taken; we do not know whether the law they read applies to the case; and we do not know whether the decisions of the court apply to a case of this kind. It is evident from all that has been said and all that has been read that this cotton was seized in pursuance of law, was sold in pursuance of law, but we have not been told that the decisions and laws that have been read apply to it in any respect whatever.

Mr. GREGG. If the gentleman will excuse me, it does apply to it.

Mr. McLAUGHLIN. When was the cotton seized?

Mr. GREGG. After 1863.

Mr. McLAUGHLIN. There is no date given in the report.

Mr. GREGG. There is the report of the Court of Claims, if the gentleman will read it.

Mr. McLAUGHLIN. I have read what the committee sets out in its report.

Mr. HOUSTON. The report sets out the claim. The cotton was taken about the 4th of January, 1864, and the court sustains the finding. There is no question about the date in the finding.

Mr. McLAUGHLIN. What was the date of the passage of the act?

Mr. HOUSTON. In 1863.

Mr. McLAUGHLIN. The cotton was seized pursuant to that act.

Mr. GREGG. The Court of Claims finds that it was.

Mr. GOOD. Will the gentleman yield?

Mr. McLAUGHLIN. I yield.

Mr. GOOD. I simply rose to ask a question of the chairman of the committee. I notice at the top of page 2 of the report there is this statement, that in the case of Padelford against the United States the Supreme Court decided that that fund was a trust fund, and the effect of a pardon in compliance with its terms rendered the offender as innocent as if he had never committed the offense. The question I want to ask is whether or

not in this case the terms of the pardon were identical with the terms of the pardon in the Padelford case, and did the pardon in the Padelford case contain the same or a similar provision set out in clause 4 in the case wherein the recipient of the pardon waived any claim he might have against the Government?

Mr. GREGG. No general pardon required a waiver of claim against the Government. Only conditional pardon required the waiver of claim where the property had been legally sold under order of the court.

Mr. GOOD. Was this a special pardon?

Mr. GREGG. Yes; and after the general pardon.

Mr. GOOD. In all cases mentioned in the report there was no especial pardon and no provision in the pardon that the man should waive whatever claim he might have?

Mr. GREGG. There is nothing to show what the terms of the pardon were; at least I have nothing.

Mr. GOOD. It seems to me that if the committee bases its claim on the decision of the Supreme Court the terms of the pardon in both cases ought to be somewhat similar. I would like to know what the facts are.

Mr. GREGG. I will answer the gentleman by asking him whether, if it was after the general pardon, it does not come under the conditions of the different decisions that I have alluded to.

Mr. GOOD. I can see quite a difference. If in this case where there was a general pardon containing the provisions that the person pardoned should waive any claim he might have against the Government, that would be entirely different from any case where the pardon that did not require that waiver.

Mr. GREGG. The gentleman has the Padelford case here and he may find it.

Mr. McLAUGHLIN. Mr. Chairman, I reserve the balance of my time.

Mr. QUIN. Mr. Chairman, I can not conceive how any man who understands the facts of this case and the law would vote against this claimant Mr. Cheairs receiving pay for his cotton.

Mr. REILLY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. QUIN. Certainly.

Mr. REILLY of Wisconsin. I would like to have the gentleman explain how it is that after 50 years this matter is still before Congress, if there is such a clear case of law and fact as is claimed?

Mr. QUIN. Mr. Chairman, I will explain that. In 1861 there was a war between the South and the North. That war lasted until 1865, when down here at Appomattox the South laid down its arms. The North was a brother, and a part of the South. This Union remained intact. The Southern States came back into the Union. During that war millions of dollars' worth of property, as my friend from Illinois [Mr. MANN] has said, was taken away from the people of the South. This Confederate soldier had back yonder on his plantation great droves of slaves that were as much his property under the law as his own money. He claims nothing for his slaves, and has never made any claim, but that same farmer had 50 bales of cotton lying back yonder and while that war was going on, on the 12th day of January, 1864, under an act passed by the Federal Government, that cotton was seized and sold. Deducting all of the expenses, the proceeds were placed over yonder in the Federal Treasury. That man, after the war, was pardoned for his offense against this Union when he took up arms for his native South and went out and fought for his fireside.

The Federal Government, through the greatest court in the world, said that this gentleman was entitled to be paid for his cotton, because of the fact that the President of the Federal Union had pardoned him for his disloyalty. On top of that we have the Court of Claims connected with this Government, that had passed on this identical claim, and all the facts, which says that this Confederate soldier, Mr. Cheairs, is entitled to the sum of $12,318.47, as the payment for his cotton, the net proceeds less the expense of selling it and transporting it to market, said net proceeds lying over here in the Federal Treasury of this Nation at this time. If this were in a court of equity, is there a chancellor in the United States that would say that this gentleman is not entitled to his pay? All civilized countries, even in the Orient, pay for the property that they confiscate during war. Is it possible that here in this Christian Republic, in the United States, where our Constitution has in it that we are entitled to liberty, freedom, and right, a Government will deprive its citizens of property, sell it, and then decline to pay the citizen for the actual net proceeds that the Government has to-day, holding without interest for 50 years? Is it possible that because this wrong has been perpetrating for 50 years, in this age of enlightenment, when it is presumed that we have no feeling against any section of the country, that we can not correct and right that wrong now? Is it possible that in this great Republic such a thing can be, when the tax is being borne by all of the people? Bear in mind that this Confederate soldier pays his taxes the same as any other citizen of this country, and he has the same right and is in duty bound by the same obligation as any other citizen to defend his country. This same man stood, after he was pardoned by the President of this Republic, in the same light as any Federal soldier stood. Is it honest and fair to say that because that man marched out under a banner and fought for his section of the country, and was then pardoned by the successful Army, by the Union itself, that he shall be deprived of his property, and for what? Who shall have that property? Can you take it and give it to John Smith or anyone else? It is yonder, according to the Court of Claims, in the Treasury, the property of Mr. Cheairs, and it is just as much his as any horse that he might have in his possession to-day.

Mr. McLAUGHLIN. Mr. Chairman, will the gentleman yield?

Mr. QUIN. Yes.

Mr. McLAUGHLIN. Will the gentleman explain why that condition contained in the soldier's pardon does not bar him now from making this claim?

Mr. QUIN. It does not bar him because the highest court in the land has decided in his favor, and the Court of Claims, a coordinate court of this Government, has decided that the Government owes this much to him, and a committee of Congress has brought in a report upon that verdict of the Court of Claims, a judgment, and has asked this body, the representatives of the people, to vote him his money. The judges of our country are presumed to be honest men. The Court of Claims is composed of men of discernment and honor. They passed on this man's case It is simply now a perfunctory matter of Congress to appropriate the money to pay the judgment of the Court of Claims; and now shall this honorable body say that this claimant, this Confederate soldier, being deprived of his money for 50 long years, shall go down in his grave with the Federal Government, the flag that floats over him, owing him that debt? Can we, as the representatives of the people, defend our position in denying the judgment of a court? Can we, as representatives of the people, say that the Federal Government shall not pay the judgment of the courts of this country? Can we possibly be that partisan? I want to say that I am a Democrat, and that I am from the far Southland. I have the honor to represent the district in which Jefferson Davis, the President of the Confederacy, was reared. In my district he trotted around as a barefooted boy. He went to school down yonder in Wilkinson County; but I want to say that the people of my State, Mississippi, are as loyal to this Union as any man from Illinois is. We love our country. There is not a single State in this Union that will give a better pro rata of troops to go out and fight for this country to-day than the State of Mississippi. We had more than 10,000 men volunteer for services when we thought there was going to be a war with Mexico this year. When the Spanish War was on, Mississippi sent its quota, and my old law partner, who was a major in the Confederate army, went out in that war as a colonel of the First Mississippi Regiment.

Our people are loyal to this flag, and why should they be held down and deprived even of the verdict of a court by the Congress upon a partisan idea? I would vote for an honest claim in Maine, in Illinois, in New Hampshire, in Vermont, in Massachusetts, or anywhere else. The question of partisan feeling should not enter into our vote. The question that should come to the mind of every man when he goes to cast his vote on these bills should be, Is it honest, is it right, and is it just? Why should we say what part of the Union this ought to come from? Does it come from my district, does it come from my State? If I had to cast my vote here upon that kind of an idea I would resign my seat in Congress. If I had to cast my vote here as a partisan to deprive any citizen of this Union out of his rights, I would retire in humiliation before I would stand here as a pretended representative of the people. The people of America are honest people; they are just; they do not want a wrong done to any people. They do not ask Congress to do an injustice to any man in this Republic.

Mr. NORTON. Will the gentleman yield?

Mr. QUIN. I will.

Mr. NORTON. Does the gentleman think it is unjust for the Government to show a disapproval of disloyalty, or does the gentleman think it is the proper thing to put a prize upon loyalty.

Mr. QUIN. I do not know what the gentleman means by the question, but upon the question of disloyalty I want to say

that in our country, bound together in States, there was a question, sir, whether or not they had the right to secede. That question was fought out. It was won by the force of arms; not by the force of law, not by the force of right, but by the force of might. Then those States that had seceded from the Union came back into this Union, and through the organized power of this Union those people who were fighting against the flag were pardoned for their offense, and they are to-day and since they accepted the conditions of the Government under the pardon have been as loyal to this Republic's flag as any other citizen of any State that remained in the Union. And it is not a question of whether or not we are approving or disapproving of disloyalty. It is a question of paying an honest debt. All civilized nations, as I have said, have paid for the property that they have taken from a country when they invaded it, and why should the United States Government decline to pay for the property that it took, not for the purpose of destruction, but which it took and sold and the proceeds were put into the Treasury?

Mr. NORTON. Will the gentleman yield there?

Mr. QUIN. I will.

Mr. NORTON. The gentleman has made the statement several times that all civilized nations to-day compensated the enemy for property taken. That statement has been made by other gentlemen on this floor. I do not believe that that is the fact, that civilized nations at war to-day pay the enemy for property used by them in time of warfare against a nation, and this cotton in this case was certainly one of the best properties the South had to maintain its cause against the North. The gentleman is arguing from a premise that is entirely wrong when he states that all civilized nations to-day in warfare pay the enemy for property taken.

Mr. QUIN. I have great respect for the judgment and learning of my friend, but I want to say that the gentleman ought to go and read up on that proposition. If he can state in this House a single country on the face of this globe, except the United States, that has failed to pay for the property it confiscated and sold, then he is entitled to a chromo. This Government itself, when we invaded Mexico—and if the gentleman will investigate the records, he will see it is true—paid for the property we took in Mexico.

Mr. SLOAN. Will the gentleman yield?

Mr. QUIN. I will.

Mr. SLOAN. Has the German Empire paid one dollar to a single Frenchman for the property they took, used, or destroyed on their trip from the border to the capital of France in 1870 and 1871?

Mr. QUIN. I give the gentleman as my authority the Hon. THOMAS U. SISSON, of Mississippi, who says that is the case, and I believe he knows what he is talking about. I want to say, my friends, in connection with this case we have before us now, it is one part of this Union taking private property of citizens of another part of it, not for war purposes, but they simply sold it. We all know that cotton is one of the best products of the world; that 50 bales of cotton would be good to-day if it had been left lying under the gin or under a shed down yonder in the State of Tennessee; but we find that the Government itself, under act of law, sold this man's cotton. It is a question of honesty and right for the Government to pay him. He is asking for no interest, he knows he could not get it, but the proceeds of the sale of this cotton to-day have been lying in the Treasury since January 12, 1864. He is entitled to it, and how any man could vote against Mr. Cheairs receiving that money I can not understand. The property was taken away from the man simply because he belonged to one of the contending armies of this country; it was sold; and to say that he should not receive pay for it is beyond comprehension, and that in the face of the Supreme Court of this Republic, that in the face of this very identical case of a judgment by the Court of Claims, and still men can rise up on this floor and say he should not be paid.

So far as the South is concerned, the war is a thing of the past. That part of this Union is able to stand for itself now. It is always going to do the clean and right thing, and why should any other section of this country want to perpetuate a wrong against any man who comes from that section I can not conceive. Why should this Government, through its Congress, decline to pay a judgment of the Court of Claims to Mr. Cheairs simply because he was a citizen of the South who went out to fight for his flag. I ask you, gentlemen, in the name of judgment and right, in the name of honesty and fair dealing, to lay aside partisanship and sectional feeling, and vote for this claim; and for all such claims for cotton or any other property from Mississippi or any other State.

Mr. MANN. Mr. Chairman, will the gentleman yield for a question?

The CHAIRMAN. Will the gentleman from Mississippi [Mr. QUIN] yield to the gentleman from Illinois?

Mr. QUIN. I will.

Mr. MANN. Does the gentleman understand that the Court of Claims rendered judgment in this matter?

Mr. QUIN. Yes, sir. It is equivalent to a judgment. It was the finding of facts.

Mr. MANN. The gentleman is very far off.

Mr. QUIN. Mr. Chairman, I reserve the balance of my time.

Mr. MILLER. Mr. Chairman, I ask unanimous consent that I may extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Minnesota asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. COX. Mr. Chairman, I want to get some information if I can get it, and I have no doubt I can, either from the chairman of the committee or the gentleman who has the bill in charge. Now, the report says this:

> None of the property of N. F. Cheairs was ever sold by the order, judgment, or decree of court under the confiscation laws of the United States.

I would like to know how that property was sold? Is there any record of it?

Mr. GREGG. It was sold under the captured and abandoned property act.

Mr. COX. What provision is made under the law for the sale of property taken under the abandoned and captured property act?

Mr. GREGG. I do not know all the details.

Mr. COX. Does the act set it down?

Mr. GREGG. The people abandoned the property. To keep that property and keep it from being stolen, Congress passed the act of 1863 which provided the Secretary of the Treasury should seize all of that property and sell it. There was no judgment of court or anything. He sold it, and the proceeds were turned into the Treasury.

Mr. COX. What was the mode of procedure of the sale of this property? Was it advertised? Was there any judgment or decree rendered by any court at all?

Mr. GREGG. No; there was no decree of court. He just sold it on the market. Whether he advertised it or not I do not know. But he sold it on the market.

Mr. COX. Then, as an illustration, if the Government under this act got possession of 100 bales of cotton down in Texas that had been abandoned—and I am now addressing myself to the property taken under that act—then, as the gentleman understands, the Secretary of the Treasury would simply put that on the market and sell it——

Mr. GREGG. At the market price.

Mr. COX. As though the Government was a producer of cotton?

Mr. GREGG. Yes, sir; that is the way it was done, as I understand.

Mr. COX. I presume that accounts, then, for the reason why this clause is inserted under the proclamation of Andrew Johnson, as follows:

> That the said N. F. Cheairs shall not by virtue of this warrant claim any property or the proceeds of any property that has been sold by order, judgment, or decree of any court under the confiscation laws of the United States.

Mr. GREGG. This was not a confiscation law.

Mr. COX. I understand. If it had been a confiscation act, then Mr. Cheairs, or any person occupying a similar position to his, could possibly get the benefit of this act.

Mr. GREGG. He waived that when he accepted the pardon. It would have been sold under the confiscation act, but he waived that, and then it was sold.

Mr. SLOAN. I would like to ask if this was not taken as abandoned property? I understand it has been so stated.

Mr. HOUSTON. I do not suppose anybody has made that statement. It was taken as captured property.

Mr. SLOAN. Not abandoned property?

Mr. HOUSTON. Oh, no. It was property belonging to Mr. Cheairs, left there in Tennessee, and the Federal Army came along and captured it and sold it under the laws as provided for by Congress.

Mr. SLOAN. It was seized as a military prize?

Mr. HOUSTON. I can not say about that. It was simply captured. The property was found there. The owner was away elsewhere, in the army, and they took charge of it, captured it, and sold it.

Mr. SLOAN. Why I ask the question is that the statute about which we are talking provides for taking abandoned property and also captured property.

Mr. HOUSTON. Yes, sir.

Mr. SLOAN. And I understand this was not taken from him as abandoned property?

Mr. HOUSTON. We have no way of knowing here just the details or facts concerning it, but I have no idea that this property was abandoned. It was on his premises there, and captured by the Federal authorities and sold.

Mr. SLOAN. Taken from him when and where found.

Mr. FOWLER. Will the gentleman yield to me a moment?

Mr. HOUSTON. Yes, sir.

Mr. FOWLER. I did not understand that the owner of the property lived in Mississippi at the time the property was taken. Is that true?

Mr. HOUSTON. I am not advised as to where his residence was.

Mr. FOWLER. I caught that from the speeches made on the floor, and I was asking for information.

Mr. HOUSTON. I have no knowledge that he was in Mississippi. In fact, I understand he was a resident of Tennessee.

Mr. FOWLER. Was the cotton grown in Tennessee?

Mr. HOUSTON. The cotton was grown, as I understand it, in Murray County, Tenn., on the farm of the claimant.

Mr. FOWLER. Was the claimant's cotton a portion of that cotton which was taken in 1863, 1864, and 1865, and held in common and sold and the fund reserved by the Government?

Mr. HOUSTON. It was cotton that was seized in 1864 under the captured-property act by the Federal Army. It was seized by the officers and sold in 1864 and the proceeds turned into the Treasury.

Mr. FOWLER. There is a case reported in the Ninety-second United States Reports regarding certain cotton that was captured during those three years that I have referred to, and after a portion of it was used for breastworks and things of that kind it was collected and held in common and sold, and the proceeds, as I understand from the reading of the decision, were probably held for the purpose of remunerating the owners after the Court of Claims had passed upon it.

The case went up to the Supreme Court. The Supreme Court affirmed that the findings of the lower court or the Court of Claims were correct. Now I am seeking information as to whether this particular case was on all fours with the case reported in the Sixty-second United States Reports, page 652.

Mr. HOUSTON. What is the name of that case?

Mr. FOWLER. It is the interningled-cotton case.

Mr. HOUSTON. I am not able to answer that question. I am not familiar with the facts in that case at all.

Mr. FOWLER. It is the case of the United States against Raymond, assignee, and several others. If your case comes under the same circumstances as the case reported in this Supreme Court report, I would be very glad to know it. I am not familiar with the circumstances of the case except as stated in the report of the committee; but if you are familiar with this case in the Supreme Court—Ninety-second Supreme Court Reports—I would be very glad if you will tell me if your case is on all fours with this.

Mr. HOUSTON. I stated to the gentleman that I am not acquainted with the facts in that case. This case is reported by my colleague from Tennessee [Mr. PADGETT]; and as to the facts of this case, I regret that I can not give you information.

Mr. SLOAN. Mr. Chairman, I would like to ask the gentleman from Tennessee [Mr. HOUSTON] if he knows whether or not any other property had been seized by the Government of the United States belonging to this claimant?

Mr. HOUSTON. I have no knowledge as to that.

Mr. SLOAN. The reason I ask this question is this: This pardon, issued by President Johnson, was virtually issued in pursuance of the act of July 2, 1862, which provides—

> That the President is hereby authorized, at any time hereafter, by proclamation, to extend to persons who may have participated in the existing rebellion in any State or part thereof, pardon and amnesty, with such exceptions and for such time and on such conditions as he may deem expedient for the public welfare.

I note here in the report which is filed that there is a rather interesting condition attached to the granting of the pardon and in the form followed in the acceptance of the pardon. I assume that all that is insisted upon here is good faith; and if it is a fact that this is the only claim that Mr. Chcairs or his agents or assigns had against the Government, then he must have referred in this pardon to this particular claim; and if he did, absolute good faith would bind him and his heirs and executors, who stand in his stead, not to press this claim. Hence I think it is a matter for consideration and investigation as to whether or not this man Chcairs ever had any other claim.

Mr. HOUSTON. What is the clause there?

Mr. SLOAN. It is the fourth, which has been liberally discussed here. I assume and would assume that if there was no other claim, that was the claim that Chcairs had in mind when that pardon was written and when he accepted it.

Mr. MANN. Mr Chairman, I desire to address the committee a little further in answer to some of the propositions which have been made. When I addressed the committee before I had a very good audience. For some reason gentlemen have left. I desire to have somebody to talk to, and I therefore make the point of order that there is no quorum present.

The CHAIRMAN. The gentleman from Illinois [Mr. MANN] makes the point of order that there is no quorum present. The Chair will count. [After counting.] Fifty-nine gentlemen are present—not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Aiken	Eagle	Key, Ohio	Plumley
Ainey	Edmonds	Kiess, Pa.	Porter
Anthony	Elder	Kindel	Post
Aswell	Esch	Kinkead, N. J.	Powers
Austin	Estopinal	Kirkpatrick	Ragsdale
Baltz	Fairchild	Kitchin	Rainey
Barchfeld	Faison	Knowland, J. R.	Reilly, Conn.
Bartholdt	Farr	Konop	Riordan
Bartlett	Fields	Kreider	Rothermel
Beall, Tex.	Finley	Lafferty	Rubey
Bell, Ga.	Floyd, Ark.	Langham	Rupley
Brodbeck	Fordney	Langley	Sabath
Brown, N. Y.	Foster	Lazaro	Saunders
Browne, Wis.	Francis	Lee, Ga.	Scully
Browning	Frear	L'Engle	Seldomridge
Bruckner	French	Lenroot	Sells
Brumbaugh	Gard	Lever	Sherley
Bryan	Gardner	Lewis, Pa.	Sherwood
Buchanan, Ill.	George	Lindbergh	Shreve
Bulkley	Gerry	Lindquist	Slemp
Burke, Pa.	Gill	Linthicum	Smith, Md.
Burnett	Gillett	Loft	Smith, Minn.
Butler	Gittins	Logue	Smith, N. Y.
Byrnes, S. C.	Glass	McAndrews	Stafford
Calder	Goldfogle	McGillicuddy	Stanley
Callaway	Gorman	McGuire, Okla.	Steenerson
Campbell	Goulden	McKenzie	Stephens, Miss.
Cantor	Graham, Ill.	Madden	Stephens, Nebr.
Cantrill	Graham, Pa.	Mahan	Stevens, N. H.
Carew	Griest	Maher	Stout
Carlin	Griffin	Manahan	Stringer
Church	Guernsey	Martin	Switzer
Clancy	Hamill	Merritt	Ten Eyck
Clark, Fla.	Hamilton, Mich.	Miller	Thacher
Claypool	Hamilton, N. Y.	Moore	Thompson, Okla.
Collier	Hardwick	Morgan, La.	Townsend
Connelly, Kans.	Hart	Morin	Treadway
Connolly, Iowa	Hayes	Moss, W. Va.	Tribble
Conry	Henry	Mott	Underhill
Covington	Hensley	Murdock	Vare
Cramton	Hinds	Murray, Okla.	Vollmer
Crisp	Hobson	Neeley, Kans.	Volstead
Cullop	Hoxworth	Nelson	Walker
Dale	Hughes, Ga.	O'Brien	Wallin
Decker	Hughes, W. Va.	Oglesby	Walsh
Dickinson	Hulings	O'Hair	Watkins
Dies	Humphreys, Miss.	O'Leary	Weaver
Difenderfer	Johnson, Ky.	O'Shaunessy	Whaley
Dixon	Johnson, S. C.	Padgett	Whitacre
Dooling	Jones	Palmer	White
Doremus	Kahn	Parker	Willis
Driscoll	Keister	Patten, N. Y.	Wilson, Fla.
Drukker	Kelly, Pa.	Patton, Pa.	Wilson, N. Y.
Dunn	Kennedy, Conn.	Peters	Winslow
Dupré	Kennedy, R. I.	Peterson	Woodruff
Eagan	Kent	Platt	Woods

The committee accordingly rose; and the Speaker having resumed the chair, Mr. BARNHART, Chairman of the Committee of the Whole House, reported that that committee, having under consideration bills on the Private Calendar, found itself without a quorum; whereupon he caused the roll to be called, when 205 Members, a quorum, responded to their names, and he reported the names of the absentees to be printed in the Journal and RECORD.

Mr. BRYAN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BRYAN. Is it possible to get my name stricken from that list of absentees?

The SPEAKER. It is not.

Mr. BRYAN. Well, I am here, Mr. Speaker.

The SPEAKER. That does not make any difference now, because the gentleman was not here in time. [Laughter.]

The committee will resume its session.

Accordingly the House resolved itself into the Committee of the Whole House, with Mr. BARNHART in the chair, for the further consideration of bills on the Private Calendar.

Mr. MANN. Mr. Chairman, how much time have I remaining?

The CHAIRMAN. The gentleman from Illinois has 40 minutes.

Mr. MANN. Mr. Chairman, I think the gentleman from Texas [Mr. GREGG] misapprehended the purport of the argument which I made in opening the debate. The captured and abandoned cotton claims are one thing. In the law providing for the capture of cotton there was a method also provided for making a claim for the money realized for the sale of the cotton. My recollection is that the claimants have to prove loyalty. Now, the question here involved is whether the special or general pardon given to those who participated in the Confederate Army gives them the same status as loyal citizens for the recovery for the value of property taken away from them. That is practically the only question involved. That is the whole purport of the report of the committee in the case—that the claimant here, who was in the Confederate Army, has had that fact removed in contemplation of law by the pardon which was extended to him by President Johnson. But the pardon extended to him by President Johnson is no broader, and in fact not so broad as the pardon which has since been extended by the Government to all of those who participated in the Confederate Army; and if the claimant in this case can make his claim properly because his disloyalty has been set aside by reason of the pardon, then any citizen of the South who participated in the Confederate Army is no longer barred from making a claim by reason of disloyalty. When I use the term "disloyalty" I use it in the legal sense. So far as I am concerned I have no criticism against those who participated on the southern side of the war. The time for feeling on that subject has long since passed by. My father was in the Union Army. He came from Kentucky. I had numerous relatives in the Confederate Army. They were divided, family against family, in Kentucky. All of the bitterness of the war has passed away as far as I am concerned, but I do not see any reason which permits the gentlemen from the South, like my friend from Mississippi, to say "Oh, we are all brothers again. We have forgiven on both sides, but open your pocketbook and let me take what I want."

The forgiveness goes, but that is no reason for emptying the Federal Treasury. If we had to buy the friendly feeling of the southerner, it would not be worth having. So far as the results of the war are concerned, in the conduct of the armies in the field, the matter must be tested by the ordinary rules of warfare and the results of war, not by the desire to be friends now. The spirit of friendship does not require us to pay the claims which are not based upon justice, according to the rules of warfare.

My friend from Texas [Mr. GREGG] said he was not in favor of paying for any property destroyed by the Union Army in the Confederate States, and he laid down a wrong rule of law as to the liability of an army in an enemy's country. I do not know that I am authorized to have or express in any way an expert opinion on that subject, but I think that ordinarily when an army in an enemy's country takes property from noncombatants for the use of the army it pays for it, though not always, but it is under no legal obligation to those who are on the other side to pay for property taken from them. This case is one where the Union Army seized property belonging to a man in the Confederate Army. It seized it as an act of war. It had no other right to seize it, and in the legislation which authorized the seizure the United States did not provide that this claimant could ever recover the value of the property. But my friend from Texas [Mr. GREGG], chairman of the great Committee on War Claims, when he says that he and his committee are not in favor of payment of anything for the destruction of property, is slightly in error, because upon this calendar, waiting to be reached this afternoon, is a resolution to have the Court of Claims make a finding upon a claim for $33,450, on account of property belonging to one Joshua Nichols, captured and destroyed by the United States soldiers.

Mr. GREGG. Will the gentleman excuse me for just a moment?

Mr. MANN. Certainly.

Mr. GREGG. It is my purpose when that bill is reached to ask that it be laid on the table. I have it marked for that purpose—to be laid on the table.

Mr. MANN. I am glad that the argument which I have made on this subject has had some effect.

Mr. GREGG. The gentleman's argument did not have any effect. I was of that opinion before.

Mr. MANN. I notice that the resolution was reported from the Committee on War Claims, and there was no indication made to this effect until I discussed the matter some time ago; and now I would like to know what is going to be done with this case: On the same calendar, to be reached this afternoon, is another resolution to refer to the Court of Claims a claim of the trustees of Davenport Female College for injuries done the buildings and destroying the property of said institution by the Federal soldiers at the close of the late Civil War. That was an act of war.

There were recently reported from the Committee on War Claims some 20, 30, 40, or 50—I do not remember the number—of similar bills, which came up in such a manner that the only way to pass an omnibus resolution was to eliminate those claims, and I insisted that they should be eliminated. The resolution was then passed.

Mr. GREGG. Will the gentleman excuse me for just a moment?

Mr. MANN. Certainly.

Mr. GREGG. Where is that Davenport College case? I do not see it on the calendar.

Mr. MANN. All right; I will help the gentleman out. It is Private Calendar No. 237, House resolution 524, reported May 23, 1914.

Mr. GREGG. It is not a resolution to pay, but it is to refer the claim to the Court of Claims. It is not a bill to pay that amount.

Mr. MANN. Did I say that it was?

Mr. GREGG. Anyone who was not paying strict attention might infer that that was what the gentleman meant.

Mr. MANN. Everybody else in the House, except the gentleman from Texas, was paying strict attention.

Mr. GREGG. If the gentleman is correct, there is nothing in his argument.

Mr. MANN. That is about as near as my friend from Texas comes in an argument.

Mr. GREGG. I said that our committee was not in favor of paying for property destroyed, and in answer the gentleman from Illinois said that there was a bill on the calendar already providing for the payment; but it is not so. It only provides for referring the claim to the Court of Claims and let them decide whether or not there is any obligation on the part of the Government to pay it. The gentleman may object to the claimant having his day in court; that is about in line with the argument that the gentleman usually makes on this character of a bill. If a man has a claim that he thinks ought to be paid, I think he should be permitted to go into court and let the court say whether or not it is a just claim. Therein I differ with the gentleman from Illinois. I think the claimant ought to have a right to go into a court and let the court say whether or not it is a just claim.

Mr. MANN. Mr. Chairman, I have been extremely courteous to the gentleman from Texas and allowed him to interject all this stuff into my speech. I stated in the beginning that the resolution on the calendar was to refer to the Court of Claims the claim in that case.

Mr. GREGG. Did not the gentleman ask what was going to be done with it?

Mr. MANN. I did not ask what was going to be done with it. If the gentleman will not listen or willfully will not understand me I can not help it. I use the English language as carefully as I know how, more carefully, I think, than does the gentleman from Texas. When I make a statement the gentleman need not be alarmed but that it will be a correct statement. The mere fact that he does not listen to what I say will not affect the correctness of the statement which I make.

There is no reason for referring to the Court of Claims a claim which, on its face, ought not to be paid. If we should not pay for the destruction of property by the Union Army, then we ought not to refer to the Court of Claims a claim for the destruction of property. Is not that perfectly patent to anyone?

The fact is I asked the gentleman from Mississippi a while ago if he thought the Court of Claims had rendered a judgment in this case, and he said, "Well, equivalent to a judgment," or something of that kind. The Court of Claims in this class of cases renders no judgment or anything equivalent to a judgment. The committee here reported, and I believe it is still on the calendar, a bill to pay a man where the Court of Claims had rendered a finding, and the finding was that there was no legal or equitable claim on his behalf against the Government; having reported it, I suppose, on the theory that we should carry out a finding of the Court of Claims because, forsooth, the Court of Claims has found the amount involved. Therefore, they find in this case the amount involved, but the Court of Claims has not recommended the payment.

I would be willing, as far as I am concerned, to pass a law, under proper guaranty, permitting the Court of Claims to enter a judgment in any case where it thought it was proper to enter a judgment. But we now go through the farce very often of having bills to pay findings of the Court of Claims, and my friend from Mississippi [Mr. QUIN] talked at some length, and

so that we could hear him, about this matter having been before the Court of Claims and the Court of Claims having disposed of it. The Court of Claims makes a finding. They do not find that the man was loyal; they find that he was disloyal.

Now, what is the law in reference to these findings of the Court of Claims? It is almost impossible for the average Member of Congress, with the multitudinous duties which fall to him, to understand what is meant by reference to the Court of Claims or by findings of the Court of Claims.

The Court of Claims was created a good many years ago. Some time ago Congress found that there were so many of these private bills introduced and referred to committees of the House and the Senate where questions of fact were presented only from the claimant's side of the case that the committee could not very well dispose of them. Congress decided that any committee of the House might refer a private bill to the Court of Claims for a finding of facts. Any committee of the House which has a private bill before it, except a pension bill, can refer it to the Court of Claims for finding of facts. But the power of the Court of Claims is not quite as good toward the claimant if referred by a committee as it is if referred by the House or the Senate. Usually, therefore, claimants want these bills referred either by the House or by the Senate.

We carried this into the Judicial Code, section 151, which provides:

Whenever any bill, except for a pension, is pending in either House of Congress providing for the payment of a claim against the United States, legal or equitable, or for a grant, gift, or bounty to any person, the House in which such bill is pending may, for the investigation and determination of facts, refer the same to the Court of Claims, which shall proceed with the same in accordance with such rules as it may adopt, and report to such House the facts in the case and the amount, where the same can be liquidated, including any facts bearing upon the question whether there has been delay or laches in presenting such claim or applying for such grant, gift, or bounty, and any facts bearing upon the question whether the bar of any statute of limitation should be removed or which shall be claimed to excuse the claimant for not having resorted to any established legal remedy, together with such conclusions as shall be sufficient to inform Congress of the nature and character of the demand, either as a claim, legal or equitable, or as a gratuity against the United States, and the amount, if any, legally or equitably due from the United States to the claimant.

With the proviso that if the man establishes a claim upon which the Court of Claims is entitled to render judgment, the court may proceed to render judgment. But if the court renders judgment, the case never comes back to the Committee on Claims. Every judgment rendered against the United States is paid as a matter of course, without question, without debate, without controversy, in the deficiency appropriation bill.

Section 159 of this same law provides:

The claimant shall in all cases fully set forth in his petition the claim, the action thereon in Congress, or by any of the departments, if such action has been had, what persons are owners thereof or interested therein, when and upon what consideration such persons became so interested; that no assignment or transfer of said claim or of any part thereof or interest therein has been made except as stated in the petition; that said claimant is justly entitled to the amount therein claimed from the United States after allowing all just credits and offsets; that the claimant, and, where the claim has been assigned, the original and every prior owner thereof, if a citizen, has at all times borne true allegiance to the Government of the United States, and whether a citizen or not has not in any way voluntarily aided, abetted, or given encouragement to rebellion against the said Government, and that he believes the facts as stated in the said petition to be true—

And so forth. Section 160 provides that the Government may traverse the allegation of loyalty.

Section 161 provides:

Whenever it is material in any claim to ascertain whether any person did or did not give any aid or comfort to forces or government of the late Confederate States during the Civil War, the claimant asserting the loyalty of any such person to the United States during such Civil War shall be required to prove affirmatively that such person did, during said Civil War, consistently adhere to the United States and did give no aid or comfort to persons engaged in said Confederate service in said Civil War.

Mr. Chairman, of course we are not bound by that provision. We have the power to pay any claim that we please, but if we refer it to the Court of Claims under the existing law, the claimant is required to prove loyalty. It is now proposed to have Congress say that the man who was disloyal has the disloyalty wiped out if he has a pardon, and everyone has a pardon. The proposition involved in this bill is: You will have to prove loyalty, and in order to prove loyalty you must prove that you were in the Confederate Army and that there has been a general pardon granted since then, and that will constitute proof that you were never disloyal. They say that because they claim that the pardon wipes out the offense. No one can be disloyal. What a farce it would be! This legislation that I have just read to you, while it has been carried on the statute books for a number of years, was enacted in its present form only in 1911, long after a pardon had been granted to everyone who served in the Confederate Army. Does Congress mean nothing by these provisions? Is it the intention to say that because a pardon has been granted, therefore we not only will not punish but we will credit you with everything that you lost and pay it back to you out of the National Treasury?

The pardon was granted for the purpose of doing away with the disabilities in respect to citizenship and removing the prosecutions for disloyalty. The pardon was not granted for the purpose of making a claim against the National Government for property which the disloyal claimant owned and lost on account of the war. We do not refer to our southern brothers any longer as disloyal. There is no feeling about that, but I do not think that they ought to use the plea that we are brothers again in the Union, pardoned, in order to extract money from the Treasury. Of course the committee in reporting a bill like this does not intend to have it spread wide and far, but the claim agents who are behind these bills get up one that is as good as they can find for the purpose of setting a precedent, and Congress can not say to John Jones that it will pay him and to Jim Smith that it will not under the same circumstances pay him.

When one of the bills of this character passes, it establishes a precedent. We passed in this House, during this Congress, an omnibus claims bill carrying a thousand or two thousand claims, I do not remember the number, without controversy, without debate. Many of them upon the particular facts in the case were objectionable, but we have set a precedent which we thought had covered every item in that bill by previous action of the House. Gentlemen know that while I make no claims to being a good fighter, there are times occasionally when I fight one of these claims; but when Congress has established its position by making a precedent, I accept that as the conclusion of Congress. There are many claims in the omnibus war claims bill that I would not have permitted to pass by unanimous consent, if they were original propositions. Many of them I considered vicious and wrong, but where Congress has acted upon these claims I do not feel disposed, and nobody else does, to pay one man his claim because his Member of Congress is active or popular and then not pay the other man his claim because, forsooth, he may not be on speaking terms with his Member of Congress. Government must deal justly by all. Government is not a matter of favoritism, and ought not to be. Therefore I am opposed to making the precedent of paying claims upon the theory that either a special or a general pardon wipes out the needed proof of loyalty. If the claims amounted to only a small number, we might waive that and pay them, as we do sometimes with other claims, but the destruction of property, the taking of property, ran into the hundreds of millions of dollars. We can not justify ourselves, and neither can a succeeding Congress, in the payment of one claim, where the man was disloyal and has been pardoned, and not pay the rest of the claims under similar conditions.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. MANN. Yes.

Mr. COX. For information, if I can make myself plain, under what is known as the captured and abandoned property act, has the Court of Claims power to render judgment, or under that act is it wholly confined to a finding of facts?

Mr. MANN. Under the captured and abandoned property act it has the power to render judgment.

Mr. COX. If it has the power to render judgment, did the law preclude the Court of Claims from rendering judgment in favor of one who had been disloyal to the Union?

Mr. MANN. Well, that is a matter of controversy, so much a matter of controversy I think it would. We have recently passed a law in the House to remove that claim as to property captured and abandoned after June 1, 1865.

Mr. COX. That is what is known as the Moon Act?

Mr. MANN. No; that is the Watkins bill. The statute in reference to captured and abandoned property is:

SEC. 162. The Court of Clams shall have jurisdiction to hear and determine the claims of those whose property was taken subsequent to June 1, 1865, under the provisions of the act of Congress approved March 12, 1863, entitled "An act to provide for the collection of abandoned property and for the prevention of frauds in insurrectionary districts within the United States," and acts amendatory thereof where the property so taken was sold and the net proceeds thereof were placed in the Treasury of the United States; and the Secretary of the Treasury shall return said net proceeds to the owners thereof, on the judgment of said court, and full jurisdiction is given to said court to adjudge said claims, any statutes of limitations to the contrary notwithstanding.

That does not apply in this case——

Mr. GREGG. Will the gentleman yield?

Mr. MANN. In just a minute—because this property was captured before June 1, 1865.

Mr. GREGG. I simply wanted to ask the gentleman what he read from at that moment, from the Judicial Code?

Mr. MANN. From section 162 of the judicial title. In the law, even in the general bill we passed some time ago gen-

tlemen did not make it go back of June 1, 1865. In the argument we had on that bill—and I opposed its passage—the claim was made that the war was practically though not officially over June 1, 1865, and hence any property taken after that date the Government ought to pay for, if it had sold the property and put the proceeds in the Treasury, and that it was not the intention to make that claim to property captured while the war was going on; but this one is not only to pay for property captured and sold while the war was in its most active operation, but it is an act to pay a man who was in the Confederate Army at the time the property was captured and sold.

Mr. COX. Let me see if I understand the gentleman. Does the gentleman say that the Watkins Act, passed by Congress some time ago——

Mr. MANN. The Watkins bill passed the House; it has not yet passed the Senate.

Mr. COX. What the House was endeavoring to do under the Watkins bill was only to make it apply to property taken after June 1, 1865.

Mr. MANN. It was to remove the disloyalty proposition on property taken after June 1, 1865.

Mr. COX. And this proposes to pay for property taken while the war was in progress?

Mr. MANN. It is to pay for property captured in 1864 at the very height of the war. Mr. Chairman, I reserve the balance of my time.

Mr. HOUSTON. Mr. Chairman, I call the attention of the committee to the point made by the gentleman from Michigan [Mr. McLAUGHLIN] in regard to the effect of this fourth clause of the pardon issued by President Johnson. The gentleman seems to entertain the idea that by this fourth clause the claimant in this case is estopped from claiming the money that was realized from the sale of these 50 bales of cotton. Now, if you will examine the clause, you will see that it says:

Fourth. That the said N. F. Cheairs shall not by virtue of this warrant claim any property or the proceeds of any property that has been sold by order, judgment, or decree of any court under the confiscation laws of the United States.

That is limited absolutely and alone to a judgment for property sold by an order or judgment of the court under the confiscation laws. There is no such thing as that in this case. The finding of the Court of Claims sets forth the fact that none of his property was sold under any such order of the court as that. Therefore that can not have any bearing on the case other than to show that the gentleman stands in court with all the rights that he had from the beginning because of the fact that by act of Congress the Government is made the trustee of the individual whose property was taken and sold under this captured and abandoned property act. It is insisted that this was for the benefit of loyal persons. Granted that is true and that loyalty must be established in order to realize and receive the benefits of that, yet we come upon this footing, that the claimant in this case stands before this Government to-day, stands before the public officials who held this money in trust for him, just in the attitude of a man who had been absolutely loyal to the Government from the beginning of his career practically until to-day. Congress saw proper in 1862 to authorize the President of the United States to grant a pardon upon certain conditions to certain persons, and the terms on which those pardons were to be granted were to be kept in good faith. The pardon was intended to accomplish a wise and salutary purpose; that is, that the President of the United States in the exercise of this beneficent power of pardon might reclaim citizens who had wandered into the fields of disloyalty; that by offering a pardon to them they should ground their arms of rebellion, so to speak, and come back into the Union, come back and accept the conditions that are offered by the terms of the pardon and become loyal and true citizens of the United States. Now, I say Congress did that, and it did it in good faith, and it expected when the President of the United States exercised that power he was acting in good faith with the people over whom he was exercising it.

It was not expected he would grant a pardon upon clear and specific terms and then that this Government should refuse to obey the terms of that pardon. That would be a breach of faith that would be disgraceful to this Government. It would be disgraceful to any Government to take advantage of a condition and thus break its own plighted words and the terms of its own plighted pardon.

Now, we have the language of the Supreme Court to show that by the act of the President of the United States this claimant was relieved of the disability of disloyalty. The terms of that pardon are full and specific, and for that very reason they mentioned the clause that is alluded to in the fourth section of the pardon, saying that this shall not apply to claims for which judgments have been rendered by a court in pursuance of the confiscation law. But the court goes on to say, further, this:

The act of March 12, 1863 (12 Stat. L., 820), to provide for the collection of abandoned and captured property in insurrectionary districts within the United States does not confiscate or in any case absolutely divest the property of the original owner, even though disloyal. By the seizure the Government constituted itself a trustee for those who were entitled or whom it should thereafter recognize as entitled.

Further:

By virtue of the act of 17th July, 1862, authorizing the President to offer pardon on such conditions as he might think advisable, and the proclamation of 8th December, 1863, which promised a restoration of all rights of property, except as to slaves, on condition that the prescribed oath be taken and kept inviolate, the persons who had faithfully accepted the conditions offered became entitled to the proceeds of their property thus paid into the Treasury on application within two years from the close of the war.

Now, Mr. Chairman, just a little further. I want to call your attention to the language of the opinion of the court, as follows:

And it is reasonable to infer that it was the purpose of Congress that the proceeds of the property for which the special provision of the act was made should go into the Treasury without change of ownership. Certainly such was the intention in respect to the property of loyal men. That the same intention prevailed in regard to the property of owners who, though then hostile, might subsequently become loyal appears probable from the circumstance that no provision is anywhere made for confiscation of it—

And so on.

Mr. NORTON. Will the gentleman yield there?

Mr. HOUSTON. I will.

Mr. NORTON. When, under the gentleman's theory, does the United States obtain title to property taken under the recapture act of March 12, 1863, belonging to men who were disloyal?

Mr. HOUSTON. Now, in this case I will say the act itself provided that these claims should be brought within two years.

Mr. NORTON. The claims of those who were disloyal?

Mr. HOUSTON. When the claim of loyalty should be set up, do you mean, or when the claim to the property should be set up?

Mr. NORTON. No. When does the United States obtain title to property taken under this act applying to disloyal parties?

Mr. HOUSTON. I am not prepared to answer that question.

Mr. NORTON. There is not any provision in the law, according to your theory, that the United States should ever obtain title.

Mr. HOUSTON. Well, this money is in the Public Treasury of the United States. The property has been sold and the money is placed there, and as representatives and trustees of the people and of this Government it is our duty, if a man makes out a case that justly entitles him to money in the Treasury, to do what is right by the man and by the people, and return that money to him.

Gentlemen say a good deal about the kindly feeling they have toward the South, and they deprecate any idea of a reference to any unkindness toward a man from the South for disloyalty. The talk beautifully upon that subject. This feeling of harmony, good fellowship, and good will is ever on their lips; but when it comes to putting it into practice it seems they halt and hesitate and do not make good the professions they claim with so much eloquence and fairness.

Now, this is a case that rests upon its merits. They do not come and ask for sympathy or anything of that kind, but they come and present to you a case here that, under the strict terms of the law and under the strict terms of the rulings of the Supreme Court, as we construe them, and, as we think, fairly and correctly, says the man is entitled to his money. We believe he is entitled to it according to the solemn dictum of the Supreme Court of the United States. The money is in the Treasury. It was taken from him. He has brought himself within the rules laid down by the law. He has complied with the terms, and I think he is entitled to this money. So I hope this House will pass the bill.

Mr. McLAUGHLIN. Mr. Chairman, the gentleman who has just spoken says that the fourth clause of the pardon issued to this claimant does not apply to this case and does not preclude him from making his claim, because it says that he "shall make no claim for the proceeds of property that has been sold by the order, judgment, or decree of any court under the confiscation law." He says that the finding of the Court of Claims expressly says that this property was not taken or sold under the confiscation laws. I have a copy of the findings of the Court of Claims. It is Senate Document No. 148, Fifty-ninth Congress, second session, and it contains no such statement. The Court of Claims makes no finding on that point. It expresses no opinion on it and no opinion upon any other question, as far as the merits of this claim are concerned. It is a finding of fact by the court, and, as we all know, the Court of Claims can only

make a finding of fact. It can not pass upon the merits. It can express no opinion as to whether or not a claimant is making a proper or meritorious claim. The finding is very brief. It simply says that "this man was in rebellion against the Government; that he was an officer in the rebel army; that he was taken prisoner at the surrender of Fort Donelson; was exchanged and is now within the rebel lines, and I am informed is now an agent of some kind for purchasing cattle for the use of the rebel army. Is reported to be again a prisoner."

It tells of the seizure of cotton belonging to this man and of its sale. It does not say under what proceedings, but evidently under proper proceedings recognized by law; that the law that controls such sales regulated the disposition to be made of the money arising from the sale.

In view of this finding by the Court of Claims I insist that this seizure and sale were as if made under the law providing for confiscation of the property. And I wish to call the attention of the committee to another matter, and that is, that this cotton was seized on January 4, 1864, as I remember the date, and a special pardon by the President was not issued until September, 1865, as I remember that date. It is not to be presumed that the President was not informed as to all the facts in this man's case. He was giving special consideration to this man's case. He found some special reasons for giving him a pardon, and a special pardon was issued to him.

And I repeat that it is not to be presumed that the President was not in possession of all the facts relating to this man's conduct, in relation to his property, and in relation to the seizure and sale of it, under the law regulating proceedings of that kind. Whatever other law was on the books relating to the confiscation of property and the disposition of it at that time, it does not appear from any record that this man was ever haled into court under that law, or that his property ever was seized under the law. But his property had been seized under some law. There had been a regular and orderly procedure by officers acting under the law. They had seized this property and sold it. The President knew of it, and on condition that the pardon should be issued, he stated, as set forth in the pardon, that this man should never make any claim against the Government for property sold under decree of court, under a confiscation law; practically saying that he should never make any claim against the Government on account of the property that theretofore had been taken from him and sold.

I insist, Mr. Chairman, that this fourth condition of the pardon does apply to him in this case, and it precludes him altogether from making a claim such as is made in this bill in his behalf.

This cotton was seized on the 4th of January, 1864. The finding of the Court of Claims says there was no claim of any kind made to this Government or to any of its officers by this man or on his behalf until the claimant appeared and filed his petition in the Court of Claims on May 20, 1904. Forty years after the cotton had been taken he appears or somebody else appears in his behalf. Very well might the gentleman from Wisconsin [Mr. REILLY] ask, "Why is it that after the lapse of 50 years this claim should now be brought to Congress in this way" when all the facts and circumstances relating to the case are so hazy and it is so difficult to get at the real status of the matter?

I want to call the attention of this committee to the fact that this claimant desires to be repaid for his cotton at the price of nearly 60 cents a pound—five times the price or value of cotton at the present time.

Mr. GREGG. Mr. Chairman, will the gentleman excuse me for a moment if I interrupt him?

Mr. McLAUGHLIN. In a minute. I will yield the floor altogether in a minute.

Mr. GREGG. Very well.

Mr. McLAUGHLIN. It seems to me, Mr. Chairman, that this claim is altogether without merit. I indorse heartily what the gentleman from Illinois [Mr. MANN] says, that it is impossible that the Supreme Court, in its decision, passing on the matter of pardons and the effect of them, could have intended to nullify the provisions of all these laws, which provide that a claimant, in order to establish a claim and lay a foundation for a bill for his relief, shall show that he was loyal to the Union at the time his property was taken.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. McLAUGHLIN. I say it is impossible that the Supreme Court should have intended any such construction.

Mr. COX. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Michigan yield to the gentleman from Indiana?

Mr. McLAUGHLIN. The gentleman from Texas [Mr. GREGG] asked me to yield first.

Mr. GREGG. The gentleman mentioned the fact that the claimant was asking for payment for his cotton at the rate of 60 cents a pound?

Mr. McLAUGHLIN. Yes; 60 cents a pound.

Mr. GREGG. The gentleman may not have noticed it, but what he is asking for is the amount that the Government got for it, after deducting all expenses, and that is the net amount that was paid into the Treasury.

Mr. McLAUGHLIN. That does not at all change or influence the statement I made a moment ago, that claimant, or some one in his behalf—his heirs, or his children, or his grandchildren, or some one possibly who has no interest whatever in him—is asking pay for the cotton taken at the rate of 60 cents a pound.

Now I yield to the gentleman from Indiana [Mr. COX].

Mr. COX. The gentleman from Texas [Mr. GREGG] asked the same question that I wanted to ask.

Mr. GREGG. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Michigan yield to the gentleman from Texas?

Mr. McLAUGHLIN. Yes; I yield.

Mr. GREGG. I thought the gentleman had given up the floor.

Mr. McLAUGHLIN. I reserve the balance of my time, Mr. Chairman.

Mr. GREGG. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. BARNHART, Chairman of the Committee of the Whole House, reported that that committee had had under consideration bills on the Private Calendar, and particularly the bill (H. R. 8696) for the relief of Nathaniel F. Cheairs, and had come to no resolution thereon.

Mr. GREGG. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House for the further consideration of the bill H. R. 8696, and that the debate be limited to two minutes.

Mr. MANN. Those are two separate motions. I make the point of order, Mr. Speaker, that a Member can not do that in one motion. I make the point of order that that motion as one motion is not in order.

The SPEAKER. The Chair thinks that the gentleman from Illinois is correct.

Mr. MANN. There is no doubt about that.

The SPEAKER. The gentleman from Texas [Mr. GREGG] moves in the first instance that the House resolve itself into Committee of the Whole House for the further consideration of the bill H. R. 8696, and, pending that, he moves that general debate be limited to two minutes.

Mr. MANN. I move to amend the last motion by making it two hours.

The SPEAKER. The gentleman from Illinois [Mr. MANN] moves to amend the last motion by making it two hours. The question is on agreeing to the motion to amend.

The question was taken, and the Speaker announced that the noes seemed to have it.

Mr. MANN. Mr. Speaker, I ask for a division.

The SPEAKER. A division is demanded. Those in favor of the motion of the gentleman from Illinois will rise and stand until they are counted. [After counting.] Eighteen gentlemen have risen in the affirmative. Those opposed will rise and stand until they are counted. [After counting.] Twenty-three gentlemen have risen in the negative.

Mr. MANN. I make the point of order, Mr. Speaker, that there is no quorum present on this vote.

The SPEAKER. On this vote the ayes are 18 and the noes are 23. The gentleman from Illinois makes the point of order that there is no quorum present on this vote.

Mr. GREGG. Mr. Speaker, I move a call of the House.

The SPEAKER. The gentleman does not have to do that. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll. Those who favor the motion to amend made by the gentleman from Illinois [Mr. MANN] will, when their names are called, answer "yea," those opposed will answer "nay."

The question was taken; and there were—yeas 58, nays 153, answered "present" 7, not voting 214, as follows:

YEAS—58.

Anderson	Danforth	Hawley	La Follette
Avis	Davis	Helgesen	McLaughlin
Barton	Dillon	Hinebaugh	MacDonald
Britten	Fess	Howell	Mann
Burke, S. Dak.	French	Humphrey, Wash.	Mapes
Cary	Good	Johnson, Utah	Miller
Chandler, N. Y.	Green, Iowa	Johnson, Wash.	Mondell
Cooper	Greene, Mass.	Kelley, Mich.	Morgan, Okla.
Copley	Greene, Vt.	Kennedy, Iowa	Norton
Curry	Haugen	Kinkaid, Nebr.	Paige, Mass.

Roberts, Nev.	Smith, Idaho	Stevens, Minn.	Volstead
Rogers	Smith, J. M. C.	Sutherland	Walters
Scott	Smith, Minn.	Temple	Young, N. Dak.
Sinnott	Smith, Saml. W.	Thomson, Ill.	
Sloan	Stephens, Cal.	Towner	

NAYS—153.

Abercrombie	Davenport	Hull	Rothermel
Adair	Deitrick	Humphreys, Miss.	Rouse
Adamson	Dent	Igoe	Rucker
Alexander	Dershem	Jacoway	Russell
Allen	Donovan	Johnson, Ky.	Saunders
Ansberry	Doolittle	Keating	Seldomridge
Ashbrook	Doughton	Kennedy, Conn.	Shackleford
Bailey	Edwards	Kettner	Sims
Baker	Evans	Korbly	Sisson
Barkley	Falconer	Lee, Pa.	Slayden
Barnhart	Fergusson	Lesher	Small
Bathrick	Ferris	Lever	Smith, Md.
Beakes	FitzHenry	Levy	Smith, Tex.
Bell, Cal.	Flood, Va.	Lewis, Md.	Sparkman
Blackmon	Floyd, Ark.	Lieb	Stedman
Booher	Fowler	Lloyd	Stevens, N. H.
Borchers	Gallagher	Lobeck	Stone
Borland	Garner	Lonergan	Stout
Bowdle	Garrett, Tenn.	McCoy	Sumners
Brodbeck	Gilmore	McKellar	Taggart
Buchanan, Tex.	Godwin, N. C.	Maguire, Nebr.	Talcott, N. Y.
Burgess	Goeke	Mitchell	Tavenner
Burke, Wis.	Goodwin, Ark.	Montague	Taylor, Ark.
Burnett	Gordon	Moon	Taylor, Colo.
Byrns, Tenn.	Gray	Morrison	Thomas
Candler, Miss.	Gregg	Moss, Ind.	Underwood
Cantrill	Gudger	Mulkey	Vaughan
Caraway	Hamlin	Neely, W. Va.	Watson
Carr	Hammond	Nolan, J. I.	Webb
Carter	Hardy	Oldfield	Whitacre
Casey	Harris	Page, N. C.	Williams
Clark, Fla.	Harrison	Park	Wilson, Fla.
Claypool	Hay	Phelan	Wingo
Cline	Hayden	Quin	Witherspoon
Condy	Heflin	Raker	Young, Tex.
Connelly, Kans.	Helm	Rauch	The Speaker
Cox	Hill	Rayburn	
Crosser	Holland	Reed	
Cullop	Houston	Reilly, Wis.	

ANSWERED "PRESENT"—7.

Barchfeld	Clancy	Payne	Taylor, Ala.
Bryan	McClellan	Stephens, Tex.	

NOT VOTING—214.

Aiken	Estopinal	Kindel	Plumley
Ainey	Fairchild	Kinkead, N. J.	Porter
Anthony	Faison	Kirkpatrick	Post
Aswell	Farr	Kitchin	Pou
Austin	Fields	Knowland, J. R.	Powers
Baltz	Finley	Konop	Prouty
Bartholdt	Fitzgerald	Kreider	Ragsdale
Bartlett	Fordney	Lafferty	Rainey
Beall, Tex.	Foster	Langham	Reilly, Conn.
Bell, Ga.	Francis	Langley	Riordan
Breckson	Frear	Lazaro	Roberts, Mass.
Broussard	Gallivan	Lee, Ga.	Rubey
Brown, N. Y.	Gard	L'Engle	Rupley
Brown, W. Va.	Gardner	Lenroot	Sabath
Browne, Wis.	Garrett, Tex.	Lewis, Pa.	Scully
Browning	George	Lindbergh	Sells
Bruckner	Gerry	Lindquist	Sherley
Brumbaugh	Gill	Linthicum	Sherwood
Buchanan, Ill.	Gillett	Loft	Shreve
Bulkley	Gittins	Logue	Slemp
Burke, Pa.	Glass	McAndrews	Smith, N. Y.
Butler	Goldfogle	McGillicuddy	Stafford
Byrnes, S. C.	Gorman	McGuire, Okla.	Stanley
Calder	Goulden	McKenzie	Steenerson
Callaway	Graham, Ill.	Madden	Stephens, Miss.
Campbell	Graham, Pa.	Mahan	Stephens, Nebr.
Cantor	Griest	Maher	Stringer
Carew	Griffin	Manahan	Switzer
Carlin	Guernsey	Martin	Talbott, Md.
Church	Hamill	Merritt	Taylor, N. Y.
Collier	Hamilton, Mich.	Metz	Ten Eyck
Connolly, Iowa	Hamilton, N. Y.	Moore	Thacher
Conry	Hardwick	Morgan, La.	Thompson, Okla.
Covington	Hart	Morin	Townsend
Cramton	Hayes	Moss, W. Va.	Treadway
Crisp	Helvering	Mott	Tribble
Dale	Henry	Murdock	Tuttle
Decker	Hensley	Murray, Mass.	Underhill
Dickinson	Hinds	Murray, Okla.	Vare
Dies	Hobson	Neeley, Kans.	Vollmer
Difenderfer	Howard	Nelson	Walker
Dixon	Hoxworth	O'Brien	Wallin
Donohoe	Hughes, Ga.	Oglesby	Walsh
Dooling	Hughes, W. Va.	O'Hair	Watkins
Doremus	Hullings	O'Leary	Weaver
Driscoll	Johnson, S. C.	O'Shaunessy	Whaley
Drukker	Jones	Padgett	White
Dunn	Kahn	Palmer	Willis
Dupré	Keister	Parker	Wilson, N. Y.
Eagan	Kelly, Pa.	Patten, N. Y.	Winslow
Eagle	Kennedy, R. I.	Patton, Pa.	Woodruff
Edmonds	Kent	Peters	Woods
Elder	Key, Ohio	Peterson	
Esch	Kiess, Pa.	Platt	

So the amendment of Mr. MANN was rejected.

The Clerk announced the following pairs:

For the session:

Mr. METZ with Mr. WALLIN.

Mr. GLASS with Mr. SLEMP.

Mr. SCULLY with Mr. BROWNING.

Mr. BARTLETT with Mr. BUTLER.

Mr. TAYLOR of Alabama with Mr. HUGHES of West Virginia.

Until further notice:

Mr. CLANCY with Mr. HAMILTON of New York.

Mr. STEPHENS of Texas with Mr. BARTHOLDT.

Mr. CHURCH with Mr. MCGUIRE of Oklahoma.

Mr. CALLAWAY with Mr. WILLIS.

Mr. CANTRILL with Mr. GRIEST.

Mr. GRAHAM of Illinois with Mr. PATTON of Pennsylvania.

Mr. LEE of Georgia with Mr. MADDEN.

Mr. STEPHENS of Mississippi with Mr. TREADWAY.

Mr. RIORDAN with Mr. POWERS.

Mr. SABATH with Mr. SWITZER.

Mr. MCGILLICUDDY with Mr. GUERNSEY.

Mr. UNDERHILL with Mr. STEENERSON.

Mr. HARDWICK with Mr. J. R. KNOWLAND.

Mr. BYRNS of Tennessee with Mr. BARCHFELD.

Mr. FIELDS with Mr. LANGLEY.

Mr. STEPHENS of Nebraska with Mr. LEWIS of Pennsylvania.

Mr. LAZARO with Mr. PARKER.

Mr. DALE with Mr. MARTIN.

Mr. MORGAN of Louisiana with Mr. LINDQUIST.

Mr. BELL of Georgia with Mr. CALDER.

Mr. ESTOPINAL with Mr. FREAR.

Mr. PADGETT with Mr. MORIN.

Mr. DUPRÉ with Mr. GILLETT.

Mr. FITZGERALD with Mr. MOORE.

Mr. WHALEY with Mr. WOODRUFF.

Mr. SHERLEY with Mr. PORTER.

Mr. WALKER with Mr. VARE.

Mr. ASWELL with Mr. AINEY.

Mr. ELDER with Mr. WINSLOW.

Mr. DICKINSON with Mr. GRAHAM of Pennsylvania.

Mr. PETERSON with Mr. PETERS.

Mr. SHERWOOD with Mr. MOTT.

Mr. HUGHES of Georgia with Mr. MERRITT.

Mr. AIKEN with Mr. ANTHONY.

Mr. BROUSSARD with Mr. AUSTIN.

Mr. BRUCKNER with Mr. BROWNE of Wisconsin.

Mr. BYRNES of South Carolina with Mr. CAMPBELL.

Mr. BUCHANAN of Illinois with Mr. BURKE of Pennsylvania.

Mr. CARLIN with Mr. CRAMTON.

Mr. COLLIER with Mr. DUNN.

Mr. DECKER with Mr. DRUKKER.

Mr. DIFENDERFER with Mr. EDMONDS.

Mr. DIXON with Mr. ESCH.

Mr. DOREMUS with Mr. FAIRCHILD.

Mr. FAISON with Mr. FARR.

Mr. FINLEY with Mr. HAMILTON of Michigan.

Mr. FOSTER with Mr. FORDNEY.

Mr. HENRY with Mr. HINDS.

Mr. HOWARD with Mr. HAYES.

Mr. JOHNSON of South Carolina with Mr. HULINGS.

Mr. KITCHIN with Mr. KAHN.

Mr. KINKEAD of New Jersey with Mr. KEISTER.

Mr. PALMER with Mr. LANGHAM.

Mr. POU with Mr. KENNEDY of Rhode Island.

Mr. RAGSDALE with Mr. KELLY of Pennsylvania.

Mr. RAINEY with Mr. KIESS of Pennsylvania.

Mr. RUBEY with Mr. KREIDER.

Mr. TALBOTT of Maryland with Mr. MCKENZIE.

Mr. THACHER with Mr. LAFFERTY.

Mr. TOWNSEND with Mr. MANAHAN.

Mr. TRIBBLE with Mr. MOSS of West Virginia.

Mr. TUTTLE with Mr. NELSON.

Mr. WATKINS with Mr. VARE.

Mr. GOULDEN with Mr. WOODS.

Mr. KEY of Ohio with Mr. PLATT.

Mr. BROWN of West Virginia with Mr. PLUMLEY.

Mr. PATTEN of New York with Mr. ROBERTS of Massachusetts.

Mr. WILSON of New York with Mr. RUPLEY.

Mr. BROWN of New York with Mr. SELLS.

Mr. HENSLEY with Mr. SHREVE.

Mr. SLOAN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore (Mr. RAKER). The gentleman will state it.

Mr. SLOAN. I understood that this was a call of the House. There seems to be a less number here now than when the call began. I would like to inquire if this procedure is what might be called "watchful waiting"?

The SPEAKER pro tempore. That is not a parliamentary inquiry.

The SPEAKER resumed the chair.

Mr. BARNHART. Mr. Speaker, would a motion to adjourn be in order?

The SPEAKER. It is in order if seconded by a majority of those present.

Mr. BARNHART. Mr. Speaker, I move that the House do now adjourn.

The SPEAKER. The gentleman from Indiana moves that the House do now adjourn. All those in favor of seconding the motion will rise. Twenty Members have risen. The Chair will count the number present. [After counting.] Forty-three Members present, and 20 is not sufficient to second the motion. The Clerk will call my name.

The Clerk called the name of Mr. Speaker CLARK, and he answered "no" as above recorded.

The result of the vote was then announced as above recorded.

The Doorkeeper was directed to open the doors.

Mr. GREGG. Mr. Speaker, I move the previous question on my motion.

The SPEAKER. The gentleman from Texas moves the previous question on his motion to limit debate to two minutes.

The question was taken; and on a division (demanded by Mr. MANN) there were 37 ayes and 15 noes.

Mr. MANN. I ask for the yeas and nays.

The SPEAKER. The gentleman from Illinois demands the yeas and nays. All those in favor of taking the yeas and nays will rise. [After counting.] Fourteen Members have risen. Those opposed will rise. [After counting.] Forty-four Members have risen in the negative, and the yeas and nays are ordered.

ACKNOWLEDGMENT BY THE PRESIDENT.

The SPEAKER laid before the House the following communication:

The President and the members of his family greatly appreciate your gift of flowers and wish to express their sincere gratitude for your sympathy.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Carr, one of its clerks, announced that the Senate had passed bill of the following title, in which the concurrence of the House of Representatives was requested:

S. 6357. An act to authorize the establishment of a bureau of war-risk insurance in the Treasury Department.

ADJOURNMENT.

Mr. GREGG. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 12 minutes p. m.) the House adjourned until to-morrow, Saturday, August 22, 1914, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. BARKLEY, from the Committee on Interstate and Foreign Commerce, to which was referred the bill (H. R. 17168) to authorize the North Alabama Traction Co., its successors and assigns, to construct, maintain, and operate a bridge across the Tennessee River at Decatur, Ala., reported the same without amendment, accompanied by a report (No. 1100), which said bill and report were referred to the House Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. FALCONER: A bill (H. R. 18479) to provide the Federal aid necessary to demonstrate the practical value of the amendments to the denatured-alcohol laws of the act of October 3, 1913; to the Committee on Agriculture.

By Mr. KENNEDY of Connecticut: Joint resolution (H. J. Res. 325) authorizing the Secretary of Commerce to investigate the cause or causes of the advances in the price of foodstuffs; to the Committee on Interstate and Foreign Commerce.

By Mr. NORTON: Joint resolution (H. J. Res. 326) authorizing the Secretary of the Treasury to make advances of currency upon notes secured by warehouse certificates issued upon wheat and corn, and for other purposes; to the Committee on Banking and Currency.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADAIR: A bill (H. R. 18480) granting an increase of pension to Jonathan R. Downing; to the Committee on Invalid Pensions.

By Mr. BURKE of South Dakota: A bill (H. R. 18481) for the relief of Zelma Rush; to the Committee on Claims.

By Mr. CANTRILL: A bill (H. R. 18482) for the relief of the legal representatives of John Dougherty; to the Committee on War Claims.

By Mr. GORDON: A bill (H. R. 18483) for the relief of Thomas Gallagher; to the Committee on Military Affairs.

By Mr. GRAY: A bill (H. R. 18484) granting an increase of pension to Sarah V. Howren; to the Committee on Invalid Pensions.

By Mr. KENNEDY of Connecticut: A bill (H. R. 18485) granting a pension to Ellen Dibble; to the Committee on Invalid Pensions.

By Mr. KEY of Ohio: A bill (H. R. 18486) granting a pension to Eliza Longacre; to the Committee on Invalid Pensions.

By Mr. MILLER: A bill (H. R. 18487) granting a pension to Marie Johnson; to the Committee on Invalid Pensions.

By Mr. PROUTY: A bill (H. R. 18488) granting an increase of pension to John W. Moon; to the Committee on Invalid Pensions.

By Mr. RAUCH: A bill (H. R. 18489) for the relief of Woodell A. Pickering; to the Committee on Naval Affairs.

By Mr. SLAYDEN: A bill (H. R. 18490) granting a pension to Jennie Webber; to the Committee on Invalid Pensions.

By Mr. KELLEY of Michigan: Joint resolution (H. J. Res. 327) to correct error in H. R. 12045; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Petition of Chamber of Commerce of Seattle, Wash., relative to building up United States merchant marine; to the Committee on the Merchant Marine and Fisheries.

Also (by request): Petition of Wharton Barker, of Philadelphia, Pa., relative to banking and currency law; to the Committee on Banking and Currency.

By Mr. BAILEY: Petition of Blair County National Bank, of Tyrone, Pa., relative to granting further advances to all railroads; to the Committee on Interstate and Foreign Commerce.

By Mr. BELL of California: Petitions of Mrs. S. E. Sigler and sundry citizens of Los Angeles, Cal., favoring national prohibition; to the Committee on Rules.

Also, petition of Women's Home Missionary Society of Pasadena and Los Angeles, Cal., relative to running railroad tracks in front of Sibley Hospital and Rust Hall, Washington, D. C.; to the Committee on the District of Columbia.

By Mr. GRAY: Petition of Arthur C. Johnson and Lucy A. Gilbert, clerks Dublin quarterly meeting of the Religious Society of Friends, of Wayne County, Ind., favoring national prohibition; to the Committee on Rules.

Also, petition of 39 citizens of Richmond, Ind., protesting against constitutional amendment for national prohibition; to the Committee on Rules.

Also, petition of Indiana Yearly Meeting Christian Endeavor Union, favoring national prohibition; to the Committee on Rules.

By Mr. GREEN of Iowa: Petition of 125 people of Fontanelle, Iowa, for national constitutional prohibition amendment; to the Committee on the Judiciary.

By Mr. MERRITT: Petition of B. B. Stoots, jr., Thomas De Gruchy, B. A. Hall, Frank K. Fish, Frank Stickney, S. W. Crommond, Mrs. S. W. Crommond, George A. Young, Jesse B. Snow, Mary S. Snow, Mary L. Wood, Florence B. Rickert, Leona M. Benedict, Mildred Sweat, Mildred E. Yale, Florence M. Ives, Emma H. Clark, Ata Pinchin, Mrs. R. E. Hill, Mrs. E. C. Benedict, Wayne B. Simpkin, Mrs. W. A. E. Cummings, Mrs. M. B. Abbott, May De Gruchy, Walter Smith, Mrs. A. B. Adkins, Daniel Lee, Sherry McCaughin, Nyles Eaton, Herbert Clark, Roland Blakely, Mrs. Roland Blakely, Mrs. C. F. Warner, J. F. McCaughin, C. G. West, and Mrs. A. G. Brockney, all of Ticonderoga, N. Y., favoring national prohibition; to the Committee on Rules.

By Mr. METZ: Petitions of sundry citizens of Kings County, N. Y., favoring strict neutrality; to the Committee on Foreign Affairs.

By Mr. MORRISON: Petitions of 140 citizens, mostly of Zionsville, Ind., relative to due credit to Dr. Cook for his polar efforts; to the Committee on Naval Affairs.

By Mr. RAUCH: Petitions of F. I. King, Sarah C. Haupt and others, of Wabash County; Harriet Houser, Mary Flanigan and others, of Logansport; J. W. Brown and Emma R. Halloway and others, of North Manchester; Florence Stevens, Bessie L. McKinney, and others, of Wabash County; Mary B. Cox, Lyda J. Wilhelm, and others, of Huntington, all in the State of Indiana, urging Federal legislation for woman suffrage; to the Committee on the Judiciary.

Also, petition of citizens of Huntington, Ind., relative to due credit to Dr. F. A. Cook for his polar efforts; to the Committee on Naval Affairs.

By Mr. SAUNDERS: Petitions of sundry citizens of the State of Virginia, relative to rural credits; to the Committee on Banking and Currency.

By Mr. WATSON: Petitions of sundry citizens of Dinwiddie, Lunenburg, Brunswick, Surry, Prince Edward, Mecklenburg, Nottoway Counties, Va., relative to rural credits; to the Committee on Banking and Currency.

SENATE.

SATURDAY, *August 22, 1914.*

The Senate met at 11 o'clock a. m.

Rev. J. L. Kibler, D. D., of the city of Washington, offered the following prayer:

O God our heavenly Father, we turn again to Thee for Thy guidance. We are entering upon a new and strange epoch in the world's history, and we can not see the end from the beginning. We need Thy guiding hand. We need Thy grace. We need wisdom from above to guide our doubtful footsteps aright. In the midst of all the confusion we have our tasks to perform and our problems to solve. May we still hold Thy hand and be guided by Thy principles. May we have grace and courage to walk by faith and to follow Thee until the day dawns and the shadows flee away. We ask it in Jesus' name. Amen.

The Journal of yesterday's proceedings was read and approved.

PETITIONS.

Mr. RANSDELL presented a petition of sundry citizens of Crowley, La., praying for national prohibition, which was referred to the Committee on the Judiciary.

Mr. FLETCHER presented a petition of the Marion County Board of Trade, of Ocala, Fla., praying for the passage of the river and harbor appropriation bill, which was referred to the Committee on Commerce.

JOSEPH GORMAN.

Mr. MYERS, from the Committee on Military Affairs, to which was referred the bill (S. 6152) for the relief of Joseph Gorman, reported it with an amendment and submitted a report (No. 767) thereon.

SURVEY OF YOSEMITE PARK BOUNDARY.

Mr. MYERS. I ask unanimous consent that the bill (H. R. 2763) for the relief of Drenzy A. Jones and John G. Hopper, joint contractors, for surveying Yosemite Park boundary, which was heretofore referred to the Committee on Public Lands be withdrawn from that committee and that it be referred to the Committee on Claims, it being a claims bill.

The VICE PRESIDENT. The Committee on Public Lands will be discharged and the bill will be referred to the Committee on Claims.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MYERS:

A bill (S. 6373) to provide for the payment for certain lands within the former Flathead Indian Reservation in the State of Montana; to the Committee on Public Lands.

By Mr. THOMAS:

A bill (S. 6374) providing for the suspension of the requirement of assessment work on mining claims for the year 1914; to the Committee on Mines and Mining.

By Mr. BURLEIGH:

A bill (S. 6375) granting an increase of pension to Isaac F. Kendall; to the Committee on Pensions.

PROPOSED ANTITRUST LEGISLATION.

Mr. STERLING submitted an amendment intended to be proposed by him to the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes, which was ordered to lie on the table and to be printed.

SECURITIES OF COMMON CARRIERS.

Mr. WHITE. I submit an amendment intended to be proposed by me to the bill (H. R. 16586) to amend section 20 of an act to regulate commerce, to prevent overissues of securities by carriers, and for other purposes, in lieu of the one I presented a few days ago, which I desire to withdraw. The one I submitted misnumbered a section and therefore was not quite intelligent. I ask the leave of the Senate to withdraw the former amendment and to submit this amendment in its stead.

The VICE PRESIDENT. The former amendment will be withdrawn, and the amendment now submitted will be printed, and ordered to lie on the table.

POSTAL SAVINGS SYSTEM.

The VICE PRESIDENT. The junior Senator from Virginia [Mr. SWANSON] was heretofore appointed as a Senate conferee on the bill (H. R. 7967) to amend the act approved June 25, 1910, authorizing a postal savings system, and he requests to be excused from further service. The Chair hears no objection, and he is excused. The Senator from Alabama [Mr. BANKHEAD] is appointed a conferee in his stead.

REPORT OF MASSACHUSETTS HOMESTEAD COMMISSION.

Mr. WEEKS. Mr. President, the Massachusetts Legislature of 1912–13 authorized the appointment of what is called the Homestead Commission of Massachusetts to consider the question of municipal or other furnishing of homesteads for citizens under certain conditions. This commission was appointed and has made a very voluminous report, much of the information having been obtained from foreign sources through our State Department and in other ways. I think it is an important matter for consideration, and I ask that the report be printed as a Senate document. But before that is done it seems to me proper that it should be examined by the Committee on Printing, both as to the feasibility of the printing and to obtain an estimate of the cost of so doing. If it is proper to do so, I should like to have it referred to the Committee on Printing for that purpose.

The VICE PRESIDENT. The report will be referred to the Committee on Printing.

ADDRESS BY A. L. MILLS ON FINANCIAL STATUS (S. DOC. NO. 567).

Mr. CHAMBERLAIN. Mr. President, last week there was held in the city of Portland, Oreg., a convention of the buyers of the jobbing territory tributary to that city. The convention was composed of the business men and women of the Pacific coast and of the Northwest, men and women influential in the financial and business world. On the evening of the 14th instant they were the guests of the Jobbers and Manufacturers' Association of Portland, and on that occasion an address was delivered by Mr. A. L. Mills, who is, and for many years has been, the president of the First National Bank of that city, one of the largest and most prosperous financial institutions of the West. Besides his prominence in financial affairs in the West, Mr. Mills has been prominent in Republican politics and was a few years ago Speaker of the House of Representatives of the State of Oregon. He understands the financial and business as well as the political situation in this country, and I ask unanimous consent that his address may be printed as a public document. It is peculiarly appropriate at this time, because it is a complete answer to those who seem to enjoy prophesying industrial, commercial, and financial disaster. He takes an optimistic view of the financial situation not only in the Northwest but in the whole country, and his opinions are all the more valuable because of his prominence in business as well as in political life. It is remarkable that he attributes the present splendid condition of our business life largely to measures which have been passed by the present Congress, and outlines with reference to the American merchant marine a line of action which is now being pursued by the present administration. I trust that the Senate may consent to the publication of this splendid address as a public document.

The VICE PRESIDENT. Is there objection? The Chair hears none.

PRESIDENTIAL APPROVALS.

A message from the President of the United States, by Mr. Latta, executive clerk, announced that the President had, on August 22, 1914, approved and signed the following acts:

S. 654. An act to accept the cession by the State of Montana of exclusive jurisdiction over the lands embraced within the Glacier National Park, and for other purposes;

S. 1644. An act for the relief of May Stanley;

S. 5574. An act to amend and reenact section 113 of chapter 5 of the Judicial Code of the United States;

S. 5977. An act to authorize Bryan Henry and Albert Henry to construct a bridge across a slough, which is a part of the Tennessee River, near Guntersville, Ala.; and

S. 6116. An act to amend section 195 of the act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911.

LAWS OF THE PHILIPPINES (S. DOC. NO. 568).

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was

read, and, with the accompanying papers, referred to the Committee on the Philippines and ordered to be printed:

To the Senate and House of Representatives:

As required by section 86 of an act of Congress approved July 1, 1902, entitled "An act temporarily to provide for the administration of the affairs of civil government in the Philippine Islands, and for other purposes," I transmit herewith a set of the laws enacted by the Third Philippine Legislature during its second session, from October 14, 1913, to February 3, 1914, inclusive, and its special session, from February 6 to 28, inclusive, together with certain laws enacted by the Philippine Commission.

None of these acts or resolutions has been printed.

WOODROW WILSON.

THE WHITE HOUSE, *August 22, 1914.*

PHILIPPINE PUBLIC-LAND LAWS (H. DOC. NO. 1148).

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read and, with the accompanying papers, referred to the Committee on the Philippines:

To the Senate and House of Representatives:

I submit herewith act No. 2325 of the Third Philippine Legislature, entitled:

An act amending section 13 of act No. 926, known as "the public-land act," by specifying the manner in which the publication of the notices of sale of lands shall be made.

I have approved the act, and submit it in accordance with the provisions of section 13 of the act of Congress approved July 1, 1902, entitled:

An act temporarily to provide for the administration of the affairs of civil government in the Philippine Islands, and for other purposes.

I also transmit herewith a letter of the Secretary of War explaining the scope of the act.

WOODROW WILSON.

THE WHITE HOUSE, *August 22, 1914.*

LAWS OF PORTO RICO (H. DOC. NO. 1149).

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read and, with the accompanying paper, referred to the Committee on Pacific Islands and Porto Rico.

To the Senate and House of Representatives:

As required by section 31 of the act of Congress approved April 12, 1900, entitled "An act temporarily to provide revenues and a civil government for Porto Rico, and for other purposes," I transmit herewith copies of the acts and resolutions enacted by the Seventh Legislative Assembly of Porto Rico during its extraordinary session (June 20 to August 19, 1913, inclusive), its second session (January 12 to March 12, 1914, inclusive), and its extraordinary session (March 14 to 29, 1914, inclusive).

These acts and resolutions are the same as those transmitted by messages of October 7, 1913 (S. Doc. 206, 63d Cong., 1st sess.), and May 16, 1914 (H. Doc. 979, 63d Cong., 2d sess.). None of them has been printed, as explained in footnote to S. Doc. 206, above cited.

WOODROW WILSON.

THE WHITE HOUSE, *August 22, 1914.*

PURCHASE OF SILVER BULLION.

The VICE PRESIDENT. The morning business is closed.

Mr. SMOOT. I move that the Senate proceed to the consideration of the bill (S. 6261) authorizing the Secretary of the Treasury to purchase not to exceed 15,000,000 ounces of silver bullion, and for other purposes.

Mr. SMITH of Georgia. I do not suppose the motion is debatable under the rule. I believe it is not at this time.

The VICE PRESIDENT. The question is on the motion of the Senator from Utah.

The motion was agreed to; and the Senate, as in Committee of the Whole, proceeded to consider the bill.

The VICE PRESIDENT. The bill was read yesterday. The question is on agreeing to the amendment of the Committee on Finance on page 1, line 6.

Mr. GRONNA. Mr. President, this is an important bill, and I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Camden	Fletcher	Martine, N. J.
Bankhead	Chamberlain	Gronna	Myers
Brady	Chilton	Hollis	Nelson
Brandegee	Culberson	James	Norris
Bryan	Cummins	Johnson	Overman
Burton	Dillingham	Lane	Perkins
Pittman	Sheppard	Thomas	White
Poindexter	Simmons	Thornton	Williams
Ransdell	Smith, Ga.	Tillman	
Reed	Smoot	Weeks	
Shafroth	Sterling	West	

Mr. THORNTON. I was requested to announce the necessary absence of the junior Senator from New York [Mr. O'GORMAN], and also that he is paired with the senior Senator from New Hampshire [Mr. GALLINGER]. I ask that this announcement may stand for the day.

Mr. CHAMBERLAIN. I was requested to announce that the junior Senator from Mississippi [Mr. VARDAMAN] has been unavoidably called from the city.

Mr. DILLINGHAM. I wish to announce the absence of my colleague [Mr. PAGE] on account of illness in his family.

Mr. MARTINE of New Jersey. I was requested to announce the absence of the Senator from Tennessee [Mr. LEA] on account of illness, and to state that he is paired with the Senator from South Dakota [Mr. CRAWFORD]. I make this announcement to stand for the day.

Mr. SMOOT. I desire to announce the unavoidable absence of the Senator from New Hampshire [Mr. GALLINGER], the Senator from West Virginia [Mr. GOFF], the Senator from Wyoming [Mr. CLARK], and the Senator from Utah [Mr. SUTHERLAND]. The Senator from New Hampshire has a pair with the Senator from New York [Mr. O'GORMAN], the Senator from West Virginia with the Senator from South Carolina [Mr. TILLMAN], the Senator from Wyoming with the Senator from Missouri [Mr. STONE], and the Senator from Utah with the Senator from Arkansas [Mr. CLARKE].

Mr. MYERS. I announce the necessary absence on official business of my colleague [Mr. WALSH].

The VICE PRESIDENT. Forty-one Senators have answered to the roll call. There is not a quorum present. The Secretary will call the roll of absentees.

The Secretary called the names of the absent Senators, and Mr. GORE, Mr. KENYON, Mr. KERN, Mr. OWEN, Mr. POMERENE, Mr. SAULSBURY, Mr. SHIELDS, Mr. THOMPSON, and Mr. WALSH answered to their names when called.

Mr. CLAPP, Mr. SWANSON, and Mr. LEE of Maryland entered the Chamber and answered to their names.

The VICE PRESIDENT. Fifty-three Senators have answered to the roll call. There is a quorum present. The amendment of the Committee on Finance will be stated.

The amendment of the Committee on Finance was, on page 1, line 6, before the word "million," to strike out "twenty-five" and insert "fifteen," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized to anticipate the requirements of the Treasury for silver bullion for the subsidiary coinage by purchase of bullion to an amount in the aggregate not exceeding 15,000,000 ounces, such purchases to be of the product of smelting works located within the United States, and to be made from time to time in his discretion, but limited to the period of six months from and after the passage of this act: *Provided*, That the price paid for such bullion shall not in any instance exceed the average price of silver bullion in the New York market for the six months beginning with the month of January, 1914, and ended with the month of June, 1914.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

Mr. GRONNA. Mr. President, I ask the Senator from Utah to explain why it is necessary to buy this large amount of silver at this time?

Mr. SMOOT. Mr. President, I will say to the Senator from North Dakota that under the present law the Secretary of the Treasury is authorized to purchase silver bullion for the coinage of subsidiary coin. There has been used for that purpose in the past between 3,000,000 and 4,000,000 ounces per year. This bill simply authorizes the Secretary of the Treasury to anticipate the purchase of silver for that purpose not to exceed in the aggregate 15,000,000 ounces.

Mr. WEST. Mr. President——

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Georgia?

Mr. SMOOT. Yes; I yield.

Mr. WEST. Will there be any unusual or abnormal quantity of silver coined or any more than is coined in the ordinary course of the business of the Government, or will it merely be held?

Mr. SMOOT. If the Senator will allow me to first answer the question of the Senator from North Dakota [Mr. GRONNA], then I shall answer the question propounded by the Senator from Georgia.

In further answer to the Senator from North Dakota, I wish to say that at this time, on account of conditions existing in the financial world, brought about by the war in Europe, the immediate demand for silver has ceased. There is no question that in a month or two there will not only be the usual demand for

silver by the countries of Europe, but I anticipate a larger demand for it than we have ever had. History has shown that during and following the conclusion of a great war the demand for silver has always increased. Under such conditions people prefer metallic to paper money.

Mr. President, many of our mines in the West are in such shape that they can not suspend operations without a great loss to the mining companies. In some of the mines we have to contend with water, and unless the mines are in operation all the time they become flooded and the machinery badly damaged.

The smelting companies claim that they can not purchase and carry all the silver produced, but say they are perfectly willing to carry half of it. There is a production in this country of some sixty-odd million ounces of silver per annum, and, with the anticipated purchase as provided in this bill—it may not amount to more than $3,000,000 or $4,000,000, all told—at this time it may have the effect, and no doubt will have the effect, of allowing the mines to continue operations.

Mr. President, I want to call attention——

Mr. GRONNA. Mr. President——

Mr. SMOOT. Just a moment. I want to call attention to the fact that for every ounce of silver produced in the ores of the West there is produced $2 in gold. Gold is what we, as well as the remainder of the world, want to-day. We are doing everything possible to maintain the amount of gold which we have; but if there is no sale for silver, and the silver mines are therefore closed, for every ounce of silver, which is worth about 58 cents, there will be $2 worth of gold that will remain in mother earth and not enter into the channels of trade.

Mr. GRONNA. Mr. President, I was going to ask the Senator from Utah if the real object of the pending bill is not to create a market for silver? There is no demand for silver, so far as the Treasury is concerned.

Mr. SMOOT. Mr. President, the Treasury Department purchased the other day 1,175,000 ounces of silver, and I expect within a few days, if it becomes necessary, it will make a further purchase.

Mr. GRONNA. If the Senator will permit me, as I understand, the Treasury Department is now authorized under the law to purchase all the silver that is necessary for subsidiary coin?

Mr. SMOOT. For immediate use, that is true; and the object of this bill is to anticipate the requirements of the Government for not to exceed two or three years. In doing that, Mr. President, we will be keeping in employment in the western country thousands of men. Not only that, but we shall be assisting in the production of gold, which this country, as well as all the rest of the world, is clamoring for at the present time.

Mr. President, we in the western country are not asking to take care of the product of the mine outside of silver which the Government uses. Take copper, for instance. I have a letter here from Hon. D. C. Jackling in relation to the copper situation in the West. I want to read what Mr. Jackling says, to show the Senate that if silver were but a mere commodity, such as wheat, cotton, or copper, the West would not be asking for this legislation. Mr. Jackling says in a letter to me, dated August 13, 1914:

> It has been necessary at our copper properties to reduce our operating capacity to 50 per cent of its normal rate, and in doing this we have been compelled, with deep regret, to dispense with employees at our various properties whose annual pay roll amounts, directly and indirectly from $8,000,000 to $10,000,000; that is to say, that the curtailment of our operations has made it necessary for us to dispense with services of men, either fully or by placing them on half time, which is equivalent to having entirely released from 8,000 to 10,000 men, directly and indirectly, supported by our copper-producing industry; and as a direct result of this the gross earnings of our operations have been reduced by more than $30,000,000 per annum. In other words, we are turning into circulation that much less new value, which in normal times is equivalent to new money. This is only an illustration, as other things are going at about the same rate.

Mr. WHITE. Mr. President——

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Alabama?

Mr. SMOOT. I yield.

Mr. WHITE. I desire to know if I correctly understood the Senator as stating that in the production or mining of one dollar of silver there is involved necessarily the production of two dollars of gold?

Mr. SMOOT. Not necessarily; but, as a matter of fact, that is the case.

Mr. WHITE. That is usually so?

Mr. SMOOT. It is usually so, Mr. President.

Mr. WHITE. Then, another question. As I understand, this bill, the passage of which the Senator is advocating, leaves it to the discretion of the Secretary of the Treasury as to whether this purchase shall be made?

Mr. SMOOT. Absolutely; it is left in his hands entirely. Not only that, Mr. President, but, as I said before, it simply anticipates the requirements of the Government for two or three years. It will anticipate that demand if the Secretary immediately purchases the amount authorized; but I am quite positive it will not be necessary for him to do so. The Secretary of the Treasury told me day before yesterday that there was an inquiry from Holland as to whether several million ounces of silver could be furnished in case an order should be given.

Mr. President, if conditions were normal, if we had the transportation facilities at hand, and the financial situation in the world were such that business and trade could be conducted in regular order, we would not be asking for the Government to anticipate the purchase of a single ounce of silver. We are not asking the Government to help the industry of copper mining; we are not asking the Government to help business of the West in any way I know of. I will state, however, that a few have asked for funds to help them out in the moving of crops; but that has been denied them. We can get along if we can only provide work for the men in our mines, for mining is one of the greatest, if not the greatest, industry in the intermountain country. In view of the fact that the Senate yesterday voted an appropriation of several million dollars to provide war-risk insurance, and it is expected to vote upon measures involving many millions more to enable the Government of the United States to enter the transportation business and assist other industries of the country, the request for the advancement of three or four million dollars, as provided in the pending bill is a mere bagatelle, Mr. President. If financial conditions right themselves within the next 10 days, there will be no more silver purchased than would ordinarily be purchased by the Secretary of the Treasury; and, for the life of me, I can not see why there should be the least objection to the bill now under consideration.

Mr. WEST. Mr. President——

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Georgia?

Mr. SMOOT. I yield to the Senator.

Mr. WEST. I asked the Senator a few moments ago if the proposed purchase of silver would result in any unusual or abnormal coinage of subsidiary silver, or would the silver be purchased merely to relieve an existing condition caused by the unusual depressed condition of certain lines of business in the country?

Mr. SMOOT. Mr. President, it is entirely with the Secretary of the Treasury to decide as to whether there is such a demand in the country for more subsidiary silver coin as to justify its coinage. I will say to the Senator frankly that I do not believe that there will be such a demand. I think there will be only an ordinary demand, such as there was last year or the year before. This bill only provides that if, in his judgment, it is wise, the Secretary of the Treasury can anticipate the requirements for the purchase of silver up to 15,000,000 ounces.

Mr. SHAFROTH. Mr. President, I should like to suggest to the Senator that this is not like an appropriation to help out any other industry, because silver is bought at 52 cents an ounce and the Government coins it and passes it off to the people at $1.29 an ounce. Consequently, every ounce of silver that may be bought under this appropriation will net to the Government Treasury two and one-half times what it cost.

Mr. SMOOT. That is, ultimately.

Mr. SHAFROTH. Yes.

Mr. SMOOT. That is absolutely true; but I did not desire to bring that question into the discussion, because I think, Mr. President, that the object of the bill is so plain upon its face and the results will be so beneficial that I can not see why anyone should object to it, especially as the cost will be nothing to the Government of the United States.

Mr. BURTON. Mr. President——

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Ohio?

Mr. SMOOT. I yield to the Senator from Ohio.

Mr. BURTON. Several questions suggest themselves. I do not understand that the Secretary of the Treasury contemplates selling to Holland any portion of the amount of silver which would be purchased?

Mr. SMOOT. No, Mr. President, he does not; and I want to say frankly to the Senator that he referred those who made the inquiry to the American Smelting & Refining Co., and I am positive that the American Smelting & Refining Co. gave the answer that they could furnish the silver.

Mr. BURTON. If this bill passes, what is contemplated? Will the silver bullion which is purchased be coined into subsidiary silver, or will it be retained as bullion in the Treasury?

Mr. SMOOT. It will be retained as bullion in the Treasury and coined as required.

Mr. BURTON. What are the limitations on the power of the Secretary of the Treasury now to purchase bullion for subsidiary coinage?

Mr. SMOOT. The law gives him the power to purchase bullion in the open market at the market price in sufficient quantity to coin subsidiary silver that may be required by the business of the country.

Mr. BURTON. That is, at any time he can purchase all the silver that is required in the ordinary course of trade to meet the requirements of users of subsidiary silver. He has full authority to do that now.

Mr. SMOOT. That is true, Mr. President, and, as I have already said, that has amounted in the past to about three or four million ounces per year.

Mr. THOMAS obtained the floor.

Mr. WALSH. Mr. President, will the Senator from Colorado yield to me for a moment, in order that I may make an inquiry of the Senator from Utah?

Mr. THOMAS. I yield.

Mr. WALSH. I should like to ask the Senator from Utah if he has information which he can give us as to the amount of the fund accumulated by reason of the increase in the value of the silver due to its coinage; that is to say, what amount is to the credit of the Treasury?

Mr. SMOOT. I have not looked that up, and I can not say offhand what the amount is, but I can say to the Senator that it is a very large amount.

Mr. WALSH. That is to say, that on purchases heretofore made so much money has come into the Treasury as would be ample to make the purchases contemplated by this bill?

Mr. SMOOT. Oh, not only that, but I should judge, speaking offhand, many times the amount.

Mr. THOMAS. Mr. President, it has occurred to me that the modesty of this proposed measure may have been the cause of some question as to its real purpose, and that behind it might lie some ulterior motive not apparent upon the face of the bill and requiring additional legislation to make it effective.

The Secretary of the Treasury has under existing laws and regulations the power to supply the Treasury from time to time with such amount of silver bullion as may be necessary for the purposes of subsidiary coinage. That amount is, of course, limited in its nature and seldom, if ever, exceeds 3,000,000 ounces per annum. Since the act of 1900 establishing the gold standard in the United States there have been, if I am correctly informed, no purchases of silver bullion by the Government for any other than purposes of subsidiary coinage. There was at that time on hand a good deal of bullion, a part of which from time to time has been coined into standard dollars and of which the people of the country have the benefit through the circulation of paper currency redeemable in silver. Our only purpose, I can assure the Senate, is to accomplish what has been so well stated by the Senator from Utah.

The silver industry has been carried on under extremely adverse circumstances ever since 1893, and under circumstances which were not at all propitious for a number of years prior to that time. The amounts of silver which are produced from the ores of the western mines are very small, relatively speaking; and it is equally true that the grades of ore as to other metallic contents are constantly decreasing and becoming more refractory as depth is gained. Hence, silver and gold in my State, at least, are largely by-products of ores containing baser metals in commercial quantities; but the prices for these baser metals are at times so near the point of cost of production that the by-product of gold and silver is largely relied upon for the profitable working of the mines. Hence, whatever disturbs the value of these by-products seriously disturbs the operation of the properties from which the ores are mined.

There have been times in the mining history of the West when great quantities of silver ore have been produced from bonanza deposits whose ores carried silver as their chief metallic ingredient, and perhaps the apprehension that the vast quantity of silver found in these bonanzas might produce a flood of silver had much to do with crystallizing the sentiment against the use of the metal which found ultimate expression in its demonetization. Those bonanza days are past and gone. I do not think they ever will return. A great many miners and prospectors indulge the hope that they will find and uncover other great deposits of gold and silver within the territory of the United States and that we will mine these metals, as we used to, without reference to the baser metals with which they go in combination. Whether that be so or not, however, is a matter of speculation. We must legislate now with conditions as they are. Now, it is, I think, perfectly obvious that the owners of mines producing a refractory ore—and they are nearly all refractory ores now, because they are mined away below the surface—which contains, we will say, 10 per cent of lead, two-tenths of an ounce of gold, and 3 ounces of silver to the ton, and who must depend for the prosperity of the business upon their ability to dispose of the small metallic content of the by-product of gold and silver, have ruin staring them in the face if the marketable possibilities of those two metals are very seriously disturbed.

I might instance Camp Creede, in my State, which in 1892, 1893, 1894, and 1895 was producing vast quantities of high silver grade ore, but which to-day is producing ores from the same veins at a lower level that carry only from 3 to 5 ounces of silver per ton and one-fifth of an ounce of gold per ton. These mines constitute, in the mountains of the West—and I speak of the mountains as distinguished from the agricultural sections of the State—the prime industry of those sections, in some instances their sole industry; and whole communities are therefore dependent entirely upon the constant operations of the mines for a livelihood. I can name half a dozen communities in my State, as the Senator from Utah can in his, in which the production of ores carrying lead, zinc, and by-products of gold and silver constitutes practically the sole occupation of the people. The dismay which present conditions have created in the minds of the men and women of such communities can be very easily imagined, and they feel, and feel very keenly, that they are justified as American citizens in calling upon the Government of the United States at this crisis to do something to relieve the tensity of the situation.

Mr. President, I am not going to hark back to the days of bimetallism, or when the bimetallic issue was acute, for the purpose of arousing any controversy. Nevertheless, I feel that this situation justifies recalling the fact that the position now occupied by the silver metal has been caused very largely by adverse legislation enacted by the Congress of the United States, and that because of the operation of that legislation, harmonizing with that of the other great nations of the world, the value of silver has been more than cut in two, and its use as a money metal has been largely decreased and would have been entirely done away with but for the fact that the metal persists as a money metal and discharges a part of the monetary functions with which it was originally endowed, in common with gold, in spite of adverse legislation, in spite of the ban which has been placed upon it by commercial opinion, and in spite of every adverse circumstance.

Gold and silver are the money metals of the Constitution, and, while customs and laws have changed, the provisions of the Federal Constitution concerning the subject are to-day what they were when that great instrument was adopted by the 13 original States. Not until the end of the Franco-Prussian War, when Germany stood with her heel upon the neck of crushed and prostrate France, levying upon her a war tribute of five thousand milliards of francs, to be paid before her territory would be evacuated, was there any serious disturbance in the monetary world between the operations of gold and silver as money, which were conjointly discharging the financial obligations of all peoples and were given equal credit in the markets and exchanges of every civilized nation of the world. It was under those circumstances that the German Diet deliberately demonetized one of the metals, the favorite metal of the people of France, the metal which its citizens hoarded in their savings, which always maintained its standard of equality at a fixed ratio among that great people and all its customers. For the purpose of doubling the burden upon that crushed and conquered people the monstrous crime of silver's demonetization was conceived and carried into execution, thus disturbing the financial equilibrum all over the world. This action was followed by the United States in 1873 by similar legislation, enacted at a time when silver bullion was intrinsically worth more than silver coin, notwithstanding the pretense that such legislation was essential to overcome an impending flood, a threatened overflow in overwhelming abundance of the white metal to the disturbance of all values and the probable disintegration of business.

Mr. President, after a long struggle the purpose of that policy was accomplished. Like others, I am bound to recognize the logic of events, although I shall never cease to protest against them. My purpose in referring to the subject is to emphasize in this connection the incontrovertible fact that, as a result of hostile legislation, the producers of the silver metal of the United States in the last 30 years have been deliberately robbed not only of millions but of hundreds of millions of dollars of value which they otherwise would have enjoyed and to which they were entitled by every rule of justice, which values have been absorbed partly by the United States through the coinage of silver and the emission of silver certificates against silver

bullion, but far more largely by Great Britain, then as now the greatest customer and consumer of silver in the world, by reason of its dependencies and its oriental trade.

When we consider the unjust, far-reaching, and appalling effect of this legislation upon the property rights and interests of a great section of the American people, is it too much in this crisis to ask of the Congress of the United States merely that the Secretary of the Treasury shall be given power in his discretion to anticipate necessary purchases under the law during the next six months, so that the tension may be relieved and these mines kept open? Why, Mr. President, a more modest request, in view of the arraignment that can be made of the manner in which this metal and its producers have been treated, could not very well be conceived.

Mr. GRONNA. Mr. President——

The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from North Dakota?

Mr. THOMAS. I yield to the Senator.

Mr. GRONNA. If the Senator will permit me, I desire to say that I do not wish to be understood as opposing this measure; but I thought the Senate should have the information which it has received, and the country was entitled to know why it is necessary for the Government of the United States to take seven or eight million dollars and buy silver bullion at a time when nearly all the nations of Europe are engaged in war.

I believe I can say that I would be the last one to oppose any measure that would be of benefit to the great West; but, looking at it from the standpoint of financiering, it seems to me we may just as well say that we should buy a few million dollars' worth of grain and store it as to take this amount of money and buy silver bullion, when, as has been admitted both by the Senator from Utah and by other Senators, under existing law the Secretary of the Treasury can now buy all the silver that is needed for the coinage of subsidiary coin.

Mr. THOMAS. Mr. President, I am certainly not complaining of any inquiry as to this measure, and certainly not of any inquiry directed to its purport and its object; and if I were I certainly could not complain of any inquiry made by the Senator from North Dakota, who is always fair, who always acts as his conscience suggests, and who, in whatever he does, is prompted by the highest motives. He is entitled to the information about which he made inquiry, as are other Senators concerning this or any other exigent measure of legislation.

But, Mr. President, there is a wide difference between the interference of the Government in an emergency of this kind and a bill for the purchase of wheat or of cotton. I want the Senate to understand, and I can not too greatly emphasize the fact, that notwithstanding adverse legislation silver is a money metal. It does the monetary work of more than one-half of the swarming millions upon this globe, and it does much of the monetary work of the people of those nations which have degraded and demonetized it.

Mr. OVERMAN. Mr. President, may I ask the Senator a question?

Mr. THOMAS. Certainly.

Mr. OVERMAN. I should like to inquire whether the purpose of this resolution is to help out the silver miners or to increase the amount of money put into circulation?

Mr. THOMAS. Mr. President, the primary purpose of it is to aid in an exigency with which the mining operators of our section of the country are now confronted, precisely as the proposed legislation to relieve the cotton farmers of the Senator's section is designed to meet a similar exigency.

Mr. OVERMAN. That is the reason I asked the question. Is there any reason why——

Mr. THOMAS. I was going to say—I have not yet finished my answer—that its effect, of course, will be to provide the Government with a material which will ultimately be added to the coin of the country.

Mr. OVERMAN. That is not the primary object of the bill, is it?

Mr. THOMAS. The primary object of the bill is, of course, to meet the emergency I have described.

Mr. OVERMAN. Is there any more reason why this bill should be passed than why Congress should pass a bill to provide that cotton should be bought by the Government at 10 cents per pound?

Mr. THOMAS. Yes; and I will come to that in a moment.

Mr. FALL. Mr. President——.

Mr. THOMAS. I yield to the Senator from New Mexico.

Mr. FALL. I just want to make a suggestion as to a portion of the question of the Senator. He asks if the object of this is to increase the circulating medium, as I understand. It is not, in any way, nor to increase the purchase of silver, but simply to anticipate the purchase of silver necessary for subsidiary coinage to the extent of 15,000,000 ounces in six months instead of scattering it over a longer time.

Mr. THOMAS. Of course, it is not to increase the circulation.

Mr. FALL. It does not increase the amount on hand.

Mr. THOMAS. The amount the Government purchases will be used as the requirements of the Treasury may be in the future to supply the people with additional fractional currency.

Mr. FALL. The object of the bill is not to increase the amount of silver circulation.

Mr. THOMAS. Certainly not.

Mr. WEST. Mr. President——

Mr. THOMAS. I will yield in just a moment. I can answer but one Senator at a time. It is designed to enable the Secretary of the Treasury to secure silver now instead of waiting six or eight months or a year from now to secure the same silver. I now yield to the Senator from Georgia with pleasure.

Mr. WEST. I desire to ask the Senator from Colorado if it would not be purely a speculative matter? Suppose silver should go down and the Government needed it, would not the Government have lost by this trade?

Mr. THOMAS. That depends on what the Senator would consider a loss.

Mr. WEST. Of course, if it increased in value, the Government would have gained?

Mr. THOMAS. It depends on what the Senator would consider a loss. A great many years ago, when I lived in Leadville, I had a client who one day bought 150 lots at $125 apiece. He sold them the next week at $300 apiece, and the week afterwards they were sold for $600 apiece. When he heard of it, he said he was losing money in the thousands, and would soon be in the poorhouse. The Government can not lose any money, because the Government coins this silver into fractional currency, and the citizen accepts it and pays it out for legitimate obligations at the rate of $1.29 per ounce. The Government, in other words, will make by it and the people will derive some benefit from it, with silver purchased at 52 cents an ounce and circulated at $1.29. Of course, if the silver should fall below 52, to 50 cents, the Government would lose 2 cents an ounce, and in that view it might be said to sustain a loss. But its enormous profit will be consequent upon the fact that the thing purchased assumes its coin and loses silver value as soon as it receives the stamp of the mint.

Mr. SMOOT. If it goes to 60 cents an ounce, the Government will make the difference.

Mr. THOMAS. Yes. As the Senator from Utah suggests, if silver goes to 60 cents an ounce, the Government, on the other hand, of course, makes the difference between what it must pay at this time and the higher market price it may command.

Mr. WEST. The Senator will admit that when it falls to 52 cents and the Government coins it on the basis of $1.29, that part of it is fiat money just like the issue of paper.

Mr. THOMAS. I am not going to get into a discussion of fiat money at the present time. I might easily establish the proposition that gold is fiat money, since its value in exchange comes from custom and legislation. But silver is not fiat money in the sense which the Senator's query would imply. It never was such fiat money, and human legislation is powerless as long as the present form of civilization exists to make it such.

Now, just one word in further answer to the suggestion of the Senator from North Dakota [Mr. GRONNA] and I am through. There is this distinction between the suggestion he made and that which the Senator from North Carolina [Mr. OVERMAN] made and the purpose of this bill. The Government ever since its foundation has been a coiner and purchaser of silver. For a part of the time its mints have been open to the free coinage of silver. For the remainder it has been a purchaser of silver, and it must, whether the bill passes or not, continue to be a purchaser of silver that it may supply the people with a portion, and a very essential portion, of their currency. That condition does not apply to cotton; it does not apply to wheat; it does not apply to any other commodity. Possibly it applies to copper in a modified form, as that is a part of the metallic currency of the country; but that situation is by no means an analogous one.

So the object of the bill being as was stated by the Senator from Utah [Mr. SMOOT], I certainly hope it will not meet with any serious opposition.

Mr. WEEKS. Mr. President, I do not wish this bill to pass without entering a protest against it. If I were going to consult only the interests of the industry which is involved, I should, of course, be very glad to have the bill passed, because it would furnish a market for a part of the product of the silver and lead mines and would keep a larger number of men em-

ployed temporarily than otherwise may be the case. If I were going to consult my own personal interests, I would be glad to have the bill passed, because it would subserve those interests. But, Mr. President, I think the bill is wrong in principle and is unwise from every sane business standpoint.

I am not going to be involved in a discussion of the money question, which has nothing of pertinency bearing on this particular bill. Almost everyone agrees that our solution of the monetary question has been wise and is final, and the producers of silver have accepted it and made their business arrangements accordingly.

The only possible theory on which this purchase can be made is that temporarily it will help out the producers of silver and lead, silver, of course, being the commodity covered in this act. I think it would help them out temporarily. I think it would furnish a market for some of their product. But if the conditions continue for any considerable time as they are to-day the reaction will come, when they will be in a worse condition than they are to-day, because three or four or five months from now the Government will not be able to buy any silver and may not be able to buy it for a considerable time thereafter. Therefore, while it might at once give additional employment to some men, a few months from now it might take away the employment which they would otherwise have, and during the winter season, when they will need the employment more than they do to-day.

Mr. THOMAS. Mr. President——

Mr. WEEKS. I yield to the Senator from Colorado.

Mr. THOMAS. I simply wish to say in reference to that, that of course we can take the chances of what the future will bring forth. We are confronted now with a condition——

Mr. WEEKS. I understand, Mr. President, and that is——

Mr. THOMAS. We may be wrong about it, but we believe that the exigencies of the next few months are going to create such a demand for silver, not only in the United States but everywhere, as that, the present situation being tided over, the industry will not have the slightest difficulty in taking care of itself.

Mr. SHAFROTH. If the Senator from Massachusetts will yield, I will say that the Bank of England has taken every ounce of silver on the London market at 53 cents. The nations of Europe are bound to have silver. There is not a single bank in all Europe that is now paying any gold. Consequently the demands of commerce and credit will have to be shifted to silver. That is going to make an increased demand for silver, and that will make an increased value for that metal.

I want to say that under the law in all the Governments of Europe at the present time silver can be coined, and each one of the countries at war can make $2.50 for every dollar they invest in silver. That is going to make a great increase in the value of silver. The European nations are in stress for money, and naturally they will have to go to silver. The result will be that when they buy an ounce of silver for 52 cents or 53 cents and coin it into a dollar at $1.29 or $1.32, you can readily see that it is something to their advantage, which they will seize upon in times of emergency.

Mr. WEEKS. Mr. President, the Senator from Colorado has just presented a better argument than I can against this bill. He says that the Bank of England has bought all the available silver bullion there is in that country, and that all the belligerents of Europe will need silver in order to carry on their military operations.

Mr. SHAFROTH. But the difficulty is now in getting it transported to London. That is the reason why we have not any market in this country.

Mr. WEEKS. There are liners leaving the port of New York for Europe every day. I stated yesterday that there are 130 British ships in Atlantic ports waiting for cargoes to take to Europe. There are ample transportation facilities for any product like silver, which does not take any considerable space; and if the demand exists abroad as the Senator suggests, it is a conclusive argument against our Government spending seven and a half or eight million dollars at this time to buy silver to be used for coinage which may not be required for months ahead.

Fifty-two cents an ounce for 15,000,000 ounces I figure would be something over seven and one-half million dollars; but in any case, the Government is asked to buy a product which in effect is a commercial product, and to hold that product until it needs to use it to be coined as subsidiary coin. The same principle is not quite applicable for the Government to buy wheat or to buy cotton or to buy corn, because the Government does not need those products in its own operations except in a limited way; but as far as the real question involved is concerned, it is exactly the same, because the whole purpose of the bill is to help the silver miner of the West.

Using that argument, why should not the Government help the cotton planter of the South, or the wheat raiser of the Northwest, or the corn producer of the Middle West, or the cotton manufacturers or the shoe manufacturers of New England, if you please, who, in order to keep their men employed, have manufactured more goods than they can sell and are holding them in storage, hoping that a market will develop?

I did not intend to say more than a word, Mr. President, but I want to emphasize my opinion that the principle involved in this legislation is unwise and may lead us into a course which will be extremely undesirable.

Mr. SIMMONS. Before the Senator from Massachusetts takes his seat——

Mr. WEEKS. I yield to the Senator from North Carolina.

Mr. SIMMONS. I wish to ask the Senator if he has not overlooked the fact that the bill does not require the Secretary of the Treasury to buy 15,000,000 ounces, but it only authorizes him to do it in case his judgment shall approve.

Mr. WEEKS. Then the bill has no value, if the Secretary does not buy the silver.

Mr. SIMMONS. Let me say to the Senator we have felt that this situation calls for a broadening of our currency. We have just passed legislation which will authorize the issue of additional paper currency which may amount, if the banks take out the full amount authorized, to a billion and three-quarters probably. Might there not be the same necessity in this situation for broadening our subsidiary coinage that there is for broadening our paper currency in denominations that are suitable to larger transactions? We have felt that the situation requires this broadening of our paper currency. Why not broaden at the same time our subsidiary coinage? Of course that is a question which would be determined by the Secretary of the Treasury under the discretion that is imposed upon him in the bill.

Mr. WEEKS. I am somewhat familiar with currency matters, and I never have heard a suggestion made that there is any requirement for a material increase in the subsidiary coinage. There may be some temporary demand from some particular locality, but, on the other hand, there is much more subsidiary coinage in many places than is desired, so it becomes a nuisance, and I notice that there is now in the Treasury, available for issue, more than $23,000,000 of such currency. Furthermore, let me call to the attention of the Senate the fact that even if the whole amount were purchased and coined at once, it would have no material effect on the total volume of our circulation outstanding. We authorized the issuing of $500,000,000 of emergency currency under the Aldrich-Vreeland Act. Very much of that is already in circulation, I think some two or three hundred millions of it. This seven and a half million dollars of silver which might be coined would not amount to anything compared with the total volume of circulation.

Mr. SIMMONS. Of course the increase in the volume of our currency would be inconsequential, but the increase in our subsidiary coinage would be very considerable.

The Senator says he has never heard the suggestion that there was any lack of subsidiary currency in this country. I think the Senator does not understand the needs of certain portions of the country or he would not make that statement.

Mr. WEEKS. Let me ask——

Mr. SIMMONS. There may be no necessity for it in the section of the country from which the Senator comes, but in the section of the country from which I come I know for years, even under normal conditions, during the crop-harvesting season, our farmers have experienced great inconvenience on account of the lack or inadequacy of our subsidiary coinage. For instance, in the South we are at this season of the year beginning to pick cotton. It is picked by men who can make about a dollar or a dollar and a half a day. They want their money every night. It takes an enormous amount of quarters and dollars and half dollars to pay them off. There has been felt in the South I know for years a need for more fractional currency.

Mr. WEEKS. Mr. President, I do not think there has ever been any testimony before any committee of Congress—at least not in recent years—which would bear out the Senator's statement. Quite likely there may be at some time in some place a demand for additional subsidiary coinage. I think I have heard personally during my service in Congress as many as two or three hundred men all versed in monetary matters discussing various phases of currency and banking, and I never heard a suggestion from one of them that the amount of subsidiary coinage should be increased. If there is such a demand, I think the Senator will find that the Treasury De-

partment has the coinage available on hand and can send it to the particular locality in case it is needed.

Mr. SHAFROTH. Mr. President——

Mr. NORRIS. Will the Senator yield for a question?

Mr. WEEKS. I will yield first to the Senator from Colorado.

Mr. SHAFROTH. The Senator said a short time ago there are now easy means of transportation from New York to London. Does not the Senator realize the fact that the exportation of gold from this country was checked by reason of the high rates of insurance that were imposed upon persons who desired to take it, and is it not a fact that if German cruisers found this contraband of war in shipment they would take it; to cover that risk do not the insurance companies naturally make a high rate upon it now?

Mr. WEEKS. There are no German steamers on the high seas to-day. The merchant ships on the high seas are those belonging to nations which control the naval situation abroad. There is ample transportation, I repeat, in British steamers or French steamers, Italian steamers or Norwegian steamers or Scandinavian steamers, and steamers of the smaller European nations.

Mr. SHAFROTH. Is it not a fact that insurance companies now charge an enormous premium by reason of the transportation of either gold or silver?

Mr. WEEKS. At the time the Senator has in mind the insurance rates were high, from 10 to 20 per cent, but they have been coming down as the situation has cleared itself until they are now quoted at from 2 to 3 per cent. Lloyds are insuring all kinds of products on English steamers at 3 per cent or less.

Mr. SHAFROTH. Even 3 per cent is an enormous rate.

Mr. WEEKS. Oh, no; it is not.

Mr. SHAFROTH. The ordinary rate on shipments of gold is one-quarter of 1 per cent.

Mr. WEEKS. I yield to the Senator from Nebraska.

Mr. NORRIS. I desire to make a suggestion in reference to the question asked by the Senator from Massachusetts. He seemed to imply by his question that there was a need in the country of more subsidiary silver coin and that this bill would bring about an increase. I wish to direct attention to the fact that regardless of whether there is a demand or not for more silver coin this bill does not even pretend to give any additional coin, and it would not result in the coinage of a single nickel in addition to that provided for by law.

Mr. WEEKS. I am greatly obliged to the Senator for calling that to my attention. In answering other questions I overlooked it, but the statement is entirely correct.

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from Nevada?

Mr. WEEKS. I was about to yield the floor. I will yield to the Senator if the Senator desires.

Mr. PITTMAN. I was waiting until the Senator yielded the floor.

The VICE PRESIDENT. The Senator from Nevada.

Mr. PITTMAN. Mr. President, as has been said by the Senator from Massachusetts [Mr. WEEKS], the amount of money here involved is insignificant; that is, it is insignificant so far as the inflation of our currency is concerned—it does not amount to anything. The total appropriation does not amount to much more than an appropriation for some little river carried in the river and harbor appropriation bill; but while the appropriation, so far as the Government is concerned, does not amount to anything, as has been said by the Senator, it does amount to a great deal to a great industry in this country that has been constantly neglected by the Congress of the United States by reason of an innate prejudice on the part of many Members of this body—a prejudice that prevents them from thinking favorably of silver, a prejudice that will not let them draw the distinction between free coinage of silver and a purchase of silver by the Government under existing laws. That is the trouble about this whole matter.

Here is the situation: Is there a Senator in this body who does not realize that it is to the interest of this Government to protect the production of gold and silver—not silver alone, but both of them? Is not that a question of interest to this country? Do not the Members of this Senate who have gone so thoroughly into the financial question and explained it to this body know that one of the most vital questions facing the country to-day is the production and supply of gold? Do they not know that the supply of gold is wrapped up in the supply of silver? If not, I want to now tell them about it.

Mr. SIMMONS. Is the Senator from Nevada referring to me?

Mr. PITTMAN. I was simply looking at the Senator from North Carolina because of his pleasant face.

Mr. SIMMONS. I want to say to the Senator from Nevada, if he was referring to the remark I made about the inconsequential increase in our circulation, that if he thought from that remark I was antagonistic to this measure he was badly mistaken.

Mr. PITTMAN. I realize that the Senator from North Carolina is in favor of the bill. I want to say that the expression used both by the Senator from North Carolina and by the Senator from Massachusetts, that this authorization for an advance purchase of silver, not a new purchase, but for the purpose of anticipating a purchase that the Government would have to make in a short time anyway, amounting in all not to exceed six million or seven million dollars, while it is inconsequential to the Government of the United States, so far as the money is concerned, while it is not an iota in comparison with the appropriations in the river and harbor bill, in the agricultural bill or in the Indian appropriation bill, or in any other appropriation bill, it is absolutely vital to a large part of the production of gold and silver in this country, for gold and silver are found together in the same ores. If you strike down the silver value at this time, you will strike down the production of gold with it.

The Senator from Massachusetts says that the argument that there is a market in England destroys the arguments for this bill. Let me tell you this: While there is a market in England, the man who has the little mill that is producing bullion which is part silver and part gold, but which has too much silver in it for him to go to the mint of the United States and get cash for it, does not know where that market is; he does not know where to go to sell his bullion, because the only people to whom he can apply to buy that bullion are the people who have heretofore been known as constituting the smelter trust. In a speech delivered on this floor once before, I charged that it appeared as though the smelting trust were trying to take advantage of this occasion; and I repeat that the evidence indicates that they were trying to take advantage of this occasion.

About two weeks ago the Treasury Department purchased 1,300,000 ounces of silver and announced that the Treasury Department intended to protect silver at 52 cents. What was the result? The day before that announcement was made silver was down to 50 cents; the minute the Government made that announcement silver went up to 56 cents. Why was that? It was not on account of the purchase of 1,300,000 ounces of silver; that was infinitesimal; it was because the buyers of bullion in this country knew that they would not be able to go to the little mill man and to the little smelter man and offer them any price they wanted to offer for their bullion. They knew that they had the Government of the United States standing between them and their victim and saying, "You will have to pay at least 52 cents an ounce for that bullion or you can not have it," and therefore they were compelled to cease their bear tactics. Does it not look like that? Does this Government mind authorizing the Secretary of the Treasury to make an advance purchase of bullion if it will protect against such a trust as that?

There is another thing. If you permit the bullion buyers in this country to bear down the price of silver, they will shut down the mines which produce your gold and your silver; and there is not a financier in this body to-day but knows that the production of these metals is essential to the prosperity of the country. It is a vital proposition.

I want to say to you now that even those of us who once favored a greater recognition of silver are not making such arguments now; we are not advocating that at all; but I want to say this—and I want to say it in all frankness—that western Senators have been very generous in their consideration of other portions of this country in their votes for enormous appropriations.

The United States has not bought cotton, but the Government of the United States to-day is offering to appropriate $30,000,000 for the transportation of cotton. The United States Government has not purchased any cotton, but the United States Government is appropriating millions every year, and has appropriated millions every year, for the building of levees on the Mississippi River, which, in my opinion, serve no other purpose than to protect the cotton planters in the bottoms of that valley. The Government of the United States is not buying corn and wheat and oats, but the Government of the United States is appropriating millions of dollars out of the Treasury of this country every year for the benefit of the agricultural products of this country, and no one is complaining about it if the farming industry needs and requires that help. We are all in favor of it, because the prosperity of one is the prosperity of all. If conditions are such in this country that cotton will be destroyed or that wheat or corn or any other natural product in this country will be destroyed without help, then we believe that it is time for the Government to step in and give its aid. We believe the same thing with regard to the

shipping of this country to-day, and I say to you on the same ground that it is now time that the Government step in in this emergency and say, "We will anticipate the needs of this Government for silver and buy silver bullion now instead of waiting for a year to buy." That is all this bill means.

If the price of silver is 53 cents in London, then under this bill there will not be an ounce of silver bought by the Government, because the Government is not permitted to buy at over 53 cents. If the price is 56 cents, as it now is, under this bill there will not be an ounce purchased. The only occasion for the Government to buy is when some artificial condition or some premeditated act drives the price down to below 53 cents an ounce. I do not believe that there will ever be any need to purchase an ounce of silver under this bill. I think the declaration of this body that the Government is willing to buy will stop the purchasers of bullion in this country from attempting to bear the price below 52 cents an ounce.

I therefore desire to offer an amendment to the bill. I wish to say that I agree with the Senator from Massachusetts [Mr. WEEKS] that this bill either means that the Treasury shall buy bullion when it goes below 52 or it does not mean anything. There is no use in authorizing the Secretary of the Treasury to do something that he already has the power to do. I believe in directing him to do what you want him to do, if it is the right thing. I offer the amendment which I send to the desk, and ask that it be stated.

The VICE PRESIDENT. The Secretary will state the amendment.

The SECRETARY. At the end of the bill it is proposed to add the following:

Provided further, That the Secretary of the Treasury shall purchase at least 2,500,000 ounces of silver each month for three months after the passage of this act, provided it can be obtained at the price limited in this act.

Mr. SMOOT. Mr. President, I sincerely trust that the amendment will not be adopted. I want the bill, if possible, to be passed in its original form. I want the power left entirely in the hands of the Secretary of the Treasury. I do not want the Government of the United States to purchase anything that is not absolutely required or the need for which is not anticipated, and I believe, Mr. President, that the bill in its original form is all that we want in the Western States. While of course under other circumstances, as a western man, I perhaps would vote for the amendment, I shall not ask the Senate to vote for it, and I shall not vote for it myself, because I think it is unnecessary and may be the means of bringing on a longer discussion and involving other questions in the other House than if we pass the bill just as it is. I hope the amendment will not be agreed to.

Mr. SHAFROTH. Mr. President, I hope that the Senator from Nevada will not insist upon his amendment. The Secretary of the Treasury has been very kind in relation to this matter. I went down to the Treasury Department about a week or ten days ago and told him the conditions, stating that the American Smelting & Refining Co. had stated that they would advance but 25 cents an ounce for silver at that time. The department stated that they felt that there ought to be something done to encourage the miners, and they further stated that purchases of silver would be made.

I also went to see the Director of the Mint, Mr. Roberts, who has occupied that position for years, and who is one of the best-informed men upon the subject in the country, and he told me that he would recommend the purchase of 1,175,000 ounces of silver a week for a number of weeks. That being the case, the Treasury Department being in sympathy with this movement, it seems to me that we ought to leave it to their discretion. I therefore hope the Senator from Nevada will not insist upon his amendment.

Mr. PITTMAN. Mr. President, I had the pleasure of also discussing the matter with the Treasury Department at about the time the Senator from Colorado had his discussion with the department, and was assured by the Director of the Mint that, in his opinion, they had complete authority to purchase at any time any amount of silver they saw fit for subsidiary coin; that they intended to use their judgment in the purchase of silver, and that they would purchase about 1,500,000 ounces of silver a week for such time as conditions required. In accordance with that, they commenced to purchase silver, and I was informed a few days ago by the Director of the Mint that they intended to continue those purchases.

In my opinion, this bill adds no authority to what the Treasury Department already has. If there is any reason at all for this bill, let us be sincere about it and require that some silver shall be purchased. What is the use of authorizing something that is already authorized? Is there a question as to whether or not you want the Secretary of the Treasury to purchase at least 7,500,000 ounces of silver in the next three months? That does not amount to a million and a half ounces a week. I am not placing the amount to be purchased beyond what the Director of the Mint said that he would purchase without this bill. I am placing the amount at exactly what he said he would purchase. I am only seeking to provide for the next three months, because there will be another session of Congress in that time, and if we wish to we can repeal this bill when there shall only have been expended enough money to purchase probably 7,500,000 ounces of silver.

Mr. FLETCHER. Would not such a requirement cause the price of silver to go up?

Mr. PITTMAN. The Senator from Florida says if we require the Secretary of the Treasury to purchase silver its price will go up right away. He is right, but if that be the case the Secretary will not be required under this bill to purchase it, but he will be prevented from purchasing it, because if it goes above 53 cents he can not purchase it under the bill.

Mr. PITTMAN subsequently said: I submit without reading the following telegrams, to be incorporated as a part of my remarks of Saturday last.

The VICE PRESIDENT. Without objection, it is so ordered.

The telegrams are as follows:

AUGUST 7, 1914.

JOHN G. KIRCHEN,
President Nevada Mine Operators' Association,
Tonopah, Nev.:

Your telegram of 6th relative to precarious condition of market for silver and the unfortunate effect on mines of the State, and requesting that action be taken to obtain purchase of 25,000,000 ounces by the Treasury was received to-day. Had the telegram read to the Senate, and, together with other western Senators, discussed existing emergency. We are assured will have active cooperation of Treasury Department. Will take matter up with McAdoo for definite action at earliest possible moment.

KEY PITTMAN.

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AUGUST 12, 1914.

JOHN G. KIRCHEN,
President Nevada Mine Operators' Association,
Tonopah, Nev.:

Had further interview with Treasury Department to-day. Was assured that Government would support market at 52 cents for reasonable length of time. Government cooperating with American buyers of silver bullion to sustain the market. Government proposes to take half of that purchased by American buyers from American mines at 52 cents. Director Roberts expects much better market and urges the mines to continue operations as long as possible. He states that there was a report to-day that 60 was bid in London for silver, but was uninformed as to the extent of the demand. Since interviews have received a telephone message from Director of Mint stating that he had ordered the purchase of 1,175,000 ounces of silver at 52 at San Francisco, Denver, and Philadelphia.

KEY PITTMAN.

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AUGUST 22, 1914.

JOHN G. KIRCHEN,
President Nevada Mine Operators' Association,
Tonopah, Nev.:

Committee amended bill by substituting "fifteen" for "twenty-five." Amendment offered by me requiring Treasurer to purchase at least 2,500,000 ounces per month defeated. So the question of purchase is still left to discretion of Treasurer, even if bill passes the House. Advise mine operators' association, miners' union and other unions, civic bodies, and people generally to strongly represent to department necessity for purchasing silver.

KEY PITTMAN.

Mr. THOMAS. Question!

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Nevada.

Mr. NORRIS. Mr. President, I am not going to go over the ground discussed by the Senator from Colorado [Mr. THOMAS] in regard to what happened to silver years ago and as to whether that action was just or unjust. It does not seem to me that that question is involved here.

I want to call attention, however, to the fact that the passage of this bill will not mean an increase in the coinage of silver. If this bill as it is now before the Senate becomes a law, it will not mean an increase in the coinage to the amount of one penny. It simply provides that we shall purchase within the next six months what under ordinary circumstances we would, perhaps, be several years in purchasing under the law. If the bill shall have any effect at all, it will be to increase the price of silver temporarily, and also the value of silver stocks and stock in silver-mining corporations; but after we have purchased the 15,000,000 ounces provided for in the bill there will be a long season when no silver will be purchased, and it seems to me that unless there shall be some other contributing cause elsewhere silver will then take a slump, which will be much worse than the one it has taken recently.

I believe, Mr. President, that we ought to hesitate somewhat in passing bills through this body simply on the cry that the war in Europe makes them necessary. Why, you could pass an elephant through this Chamber if you put a tag on it and labeled it "a war-emergency proposition."

We are now about to pass a bill which, if it has any effect whatever, means that the Secretary of the Treasury shall go out into the market and purchase silver. What reason is given for it? When the Senator from Utah [Mr. SMOOT] is asked to give a reason for the passage of this bill, he says that at present the silver mines are shut down, throwing men out of employment; that the price of silver has been declining; and that therefore the Government ought to go out and buy it in order to keep up the price and keep men in employment. Of course, it is a worthy object always to keep men in employment and to keep enterprises going, if we can, but I do not know why there is anything sacred about this one enterprise which should impel the Government, because it happens to be depressed, to go out and purchase its product in order to keep its price high in the market.

The reason given by the Senator from Utah and others who have advocated the passage of the bill has been that on account of the war now raging in Europe silver can not be shipped over to Europe, and therefore the market has been to that extent curtailed. Why, Mr. President, that applies to other things. Out in the West for some time—and the same condition exists to some extent still—the farmers have been holding their wheat and the railroads have been refusing to accept shipments of it. Why? Because they are unable to get vessels to take it across the ocean. Is there any proposition pending here to buy the farmers' wheat in order to keep the price of it up because it can not be shipped to Europe without great risk? Is there any more reason why we should not strive to bring about prosperity among the farming class than there is that we should among the silver miners of the West? Is there any reason why any other line of industry should not receive the financial assistance of the Government on occasions of this kind, if we are under obligations to render such assistance to the silver miners?

I have nothing, of course, against the silver miner or the silver-mine owner; but, as I said a while ago, I believe that while this would give an impetus now to stocks of that kind the slump would come afterwards when we ceased to buy. It does not mean an increase in the way of coinage.

One Senator has made an argument in favor of the bill that we need more subsidiary coinage. If it can be shown that that is true, I am certainly willing and ready to vote in favor of the increase of subsidiary coinage if we need it; but this bill does not pretend to do that. This bill will not increase the circulating medium.

The Senator from Colorado says, and gives that as an argument, that we can buy this silver for 52 or 53 cents an ounce, and more than double its value when we coin it into money. We can do that just the same when we buy it under the present law. It will not make a particle of difference. We will not coin any more under this bill than we will under the law that exists, so that the Government will not make any more money. If it is money that we want to make, then we ought to try to get the market for silver down, so that we can buy it still cheaper. If it is money that we want to make, if we wish to make a profit out of it, then we ought not to stop at 15,000,000 ounces. We ought to buy all the silver in the world and double its value by coining it into dollars.

Mr. SHAFROTH. Mr. President, I will state to the Senator that the statement I made was simply to demonstrate that there could be no loss whatever, because we buy the silver at 52 cents an ounce and coin it into something that we pass to the people, in full payment of our debts, to the extent of $1.29 an ounce.

Mr. NORRIS. I think that is correct.

Mr. SHAFROTH. Consequently, it is not like buying something that you take a hazard on.

Mr. NORRIS. I do not believe we are going to lose, unless the value of silver should go down and we could afterwards buy it cheaper; but I am not advocating that. I am not trying to have the Government make a profit out of the silver miner. I should like to have him make all possible legitimate profit out of his business. I have nothing against him; but I do not see any reason why we should select him out and have the Government buy his product rather than the product of any other industry.

Mr. SHAFROTH. Does not the Senator recognize that all nations in the world have bought silver?

Mr. NORRIS. Oh, yes.

Mr. SHAFROTH. And nations have never bought wheat or corn.

Mr. NORRIS. They all buy silver, and we are buying silver now. This bill does not provide that in the end we shall buy any more silver than we would buy if we did not pass this legislation. It simply provides that we shall buy it now instead of next year, not because we can get it cheaper, but in order to keep up the price so that it will not be cheaper.

If the fact that our Government buys silver and that all nations buy it is the reason for it, then let me suggest that the Government is a very large purchaser of shoes. It buys millions of shoes every year for its soldiers; and, like silver, all Governments buy shoes. All the nations of the world buy shoes. Then why not let the Government buy, within the next month or two, all the shoes that ordinarily we would buy during the next year?

Mr. FALL and Mr. SHAFROTH addressed the Chair.

The VICE PRESIDENT. Does the Senator from Nebraska yield, and to whom?

Mr. NORRIS. I yield first to the Senator from New Mexico. Then I will yield to the Senator from Colorado.

Mr. FALL. I think the Government of the United States has been protecting the shoe manufacturer, if I recollect aright, for a good many years, as well as the cotton manufacturer and other manufacturers of the East. It has been extending its aid and assistance to them by the protective tariff. I have not heard of anything of that kind in favor of the silver miner of the West.

Mr. NORRIS. It has protected silver by the very purchase of silver. It has furnished a market for the silver.

Mr. BURTON. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Ohio?

Mr. NORRIS. I yield.

Mr. BURTON. Will the Senator from New Mexico yield to me for a question?

Mr. FALL. I spoke only through the courtesy of the Senator from Nebraska.

Mr. NORRIS. I will yield to the Senator from Ohio.

Mr. BURTON. Is it not true that there is a very considerable duty on lead ore, and that that duty greatly stimulates the mining of silver?

Mr. FALL. The fact is that it does to some extent, yes; and but for the classification embraced in your bill it would stimulate it very much more. As a matter of fact, the protective tariff bills which you have been passing, the duties which you have been putting on lead under your schedule, have operated for the benefit of the American Smelting & Refining Co. and other smelting industries, rather than for the benefit of the American lead miner.

Mr. NORRIS. Probably a protective tariff on silver would work the same way. It seems to me, as far as the protective feature is concerned, that the Government has done a great deal for silver in the way of making purchases, and all the Governments have. If it were not for the fact that silver is purchased by all the civilized nations of the world, its value would not be one-tenth what it is now. It depends for its value now to a great extent upon the very fact that the Governments of the world have purchased it, and the same thing to a certain extent is true of shoes. Now, that is not my argument, but it can be deduced from those who favor this bill.

They say this ought to be done, that silver is different from wheat, because this Government purchases silver, and all Governments do. All Governments purchase shoes, and all Governments purchase flour, and flour is a product of wheat. It would not make any difference as to the benefit to the farmer who produces the wheat whether you bought the wheat or whether you bought the flour; it would be all the same in the end. If he was unable to ship his wheat abroad, and could not sell it on that account, and the Government should step in and buy 15,000,000 bushels and store it until it could be shipped, or use it for the purpose of feeding its vast armies and employees, the effect would be to increase the market price and to increase prosperity among those who produce the article. That is what you are asking for silver. You are making no other pretense about it.

The Senator from Colorado said, and I am not disputing but that he was correct—and, as I said a while ago, I am not going into a discussion of the demonetization of silver—that silver had been abused by legislation; that it had not been treated right by legislation.

If that is an argument, if that is the reason why we should favor it, then I repeat we ought to have the Government buy wheat. I do not think the farmer has been treated right in the production of wheat. The tariff bill took the tariff off of wheat and subjected him, practically, with certain limitations, to the markets of the world, where before he had been protected. Now, whether I am wrong or not may be a question open to dispute; but there are millions of men, and I am one of them, who believe that we did not treat the farmer right in the tariff bill in taking the tariff off of practically everything he produces. If, because we have not legislated fairly in regard to any product, we should now, because it is declining, go into the market and buy it, then we ought to go into the market and

buy wheat; then we ought to buy barley; then we ought to buy a great many other things that are produced and are manufactured by different classes of the American people.

It all reduces itself to the simple proposition that we are asked here to do something that I believe is like trying to lift ourselves over the fence by pulling on our boot straps. We are going to buy a lot of silver now. Then we will not buy it after a while. We are going to use the excuse that we can not ship it abroad. Now, I think that is exaggerated a great deal. I believe matters are almost in a normal condition as far as shipping abroad is concerned; at least, if they are not, they will be to that condition shortly. It is only temporary; and I understand from statements made here on the floor of the Senate, and from articles appearing in the newspapers, that there are now hundreds of ships ready to accept any product to be shipped to a great portion, at least, of Europe. If the Bank of England wants silver, and we have the silver to sell, she will have no difficulty in getting all the ships she needs to carry it across the Atlantic Ocean. I do not think there is any question about that.

We have, it seems to me, become excited on this proposition without just cause, not only on this particular bill but on various other bills. Our products here being temporarily unable to get shipment to Europe would cause a decline in the market; that is true; but a great portion of Europe, including England and France, particularly England, must have our products. We can get along without selling them, but she can not get along without buying them. Her people will starve without them. As for this talk about not being able to ship across the ocean—that great Government will owe her very existence to the supplying of her people with the products we have for sale; and she will guarantee and insure, if it does not come about in some other method very shortly, the shipment of all products that are necessary for her people; and to a great extent what applies to her applies to the other nations of Europe.

So it does seem to me that in this case we are unduly excited. The silver miner, if he has been interfered with in the shipment of his product to Europe within the last two or three weeks, will soon have the avenues of commerce opened widely to him. It can not be otherwise; and what applies to silver mining applies to those who have the products of the farm and the factory everywhere for sale.

Mr. CUMMINS. Mr. President, I should like to ask a question of the Senator from Nebraska.

Mr. NORRIS. I yield to the Senator from Iowa.

Mr. CUMMINS. Why does the Senator confine his observations to those cases in which exports have been interfered with? If one of our citizens is injured in any way by the war, why should not his needs be considered?

Mr. NORRIS. There is no reason on earth why they should not be, just the same as any other class.

Mr. CUMMINS. There is nothing peculiar in the fact that he may not be able to export his product.

Mr. NORRIS. No.

Mr. CUMMINS. If he is hurt in any other way he has just the same claim upon the Government.

Mr. NORRIS. Absolutely; just as good a claim on the Government as an exporter.

Mr. WALSH. Mr. President, some time ago I invited the attention of the Senate to the peril of the diminishing production of gold in the world. The production in our country during 1913 fell off $11,000,000. Similar conditions prevail in the Rand, in which they are even more aggravated this year. Everyone familiar with the mining industry must recognize that that condition will be intensified and aggravated by the shutting down of the silver mines.

Reference was made in the debate this morning to the fact that the two metals are ordinarily found in association, and that to close down the silver mines will be still further to reduce the gold supply. Those who are wedded to the gold standard can not look at this situation without the greatest concern, because just as surely as the supply continues to diminish there will again arise, beyond doubt, an agitation for the restoration of silver as one of the money metals.

Accordingly, this is a matter of as grave concern to the advocates of the gold standard as to those who give their adherence to the bimetallic standard; and in the interest of our whole system of currency steps ought to be taken, if possible, to prevent the suspension of these silver mines.

I deem the matter of the diminishing gold supply as so important that I send to the desk and ask to have incorporated in the RECORD, without reading, a late communication which I have received from the secretary of the American Mining Congress, giving the statistics and making some valuable suggestions in connection with the subject.

The VICE PRESIDENT. Is there any objection? The Chair hears none, and it is so ordered.

The matter referred to is as follows:

THE AMERICAN MINING CONGRESS,
Washington, D. C., August 17, 1914.

Hon. THOMAS J. WALSH,
Chairman Committee on Mines and Mining,
United States Senate, Washington, D. C.

MY DEAR SENATOR: Will you permit me to call your attention to a situation which I believe calls for special activity on the part of the Federal Government, looking to the stimulation of gold production?

This country is in a period of decreasing gold production, last year's product being $11,000,000 less than the product of the year 1909. During these years the world's production so increased as to almost keep pace with growth in commercial transactions. Last year the world's gold production entered a period of decline, the decrease from the year 1912 amounting to $11,000,000. Nearly one-half of this shortage was created in the South African fields, in which the gold production has increased from $67,000,000 in 1903 to $209,000,000 in 1912.

The radical falling off in African production in 1913 was in part accounted for by labor troubles during the early part of the year, although it is probable that this condition could have been prevented had not the decreasing average of the ores handled made it impossible to meet the demands of labor. Notwithstanding the settlement of the labor trouble, the first seven months of 1914, as compared with the corresponding period of 1913, show a decrease in gold production in the Transvaal of more than $10,000,000.

The Transvaal Chamber of Mines a few months ago, at the request of the Government Economic Commission, prepared a statement concerning the future production of gold in South Africa, in which it was stated that the decrease of last year was largely because of the inability to secure capital to continue the development of the unexplored portions of the Rand.

The value of the Transvaal ores is fairly well established, but the increasing cost of operation has not been so offset by improved methods as to make gold mining an attractive investment. The Chamber of Mines predicts that the tonnage of rock which may be crushed in the Rand during each of the current five years may be increased to 28,000,000 tons, and that unless additional capital is secured the following 10 years will undoubtedly show a decrease to an average of 14,000,000 tons annually.

The present estimated annual tonnage of 28,000,000 is somewhat in excess of the average production during the last five years, although the production therefrom will be less because of the lower grade of the ore.

If the falling off of gold production in South Africa shall be as rapid as that of last year, and as outlined by the Transvaal Chamber of Mines, the world will need to look to some other source to maintain anything like the present ratio between its gold reserves and the greatly increasing business transactions and attending credits.

A corresponding decrease during the next 10 years, coupled with the average decrease now taking place elsewhere, would reduce the world's gold production more than one-half, while the probable increased demand for gold because of industrial expansion will require that this production shall be doubled in order to maintain the present status.

In the United States the production from the larger mining centers—Cripple Creek, Goldfield, Deadwood, Juneau, and the mines of California—have been the chief sources of production, while the smaller districts have in almost every instance registered a decrease in production.

In 1913 the Cripple Creek district increased its production over 1912 by approximately $173,000, while the State at large registered a decrease of about $300,000.

The present enormous movement of gold to Europe calls attention to the fact that since the year 1870 our gold exports have exceeded our gold imports by the enormous total of $836,700,893, approximately one-half of the stock of gold coin now in the United States.

Gold exported for commercial reasons may find its way back as the result of an increased exchange rate, but that which becomes a part of a governmental reserve will not return. Last year more than one-half of the world's supply of gold was absorbed in the governmental monetary reserves of five European countries.

During the fiscal year 1912–13 India absorbed $266,537,773 of the world's gold supply, or approximately 28 per cent. The amount of gold used in art and industry approximates 30 per cent of the total production.

With the advancement of the industrial civilization of the Orient there will be a continually increasing demand for gold, and the very cause of its export will make less likely its probable return.

During the last two years, for which an approximate record has been made, the world's industrial consumption of gold was as follows:

1911	$164,272,700
1912	154,000,000

These influences are continually at work without the special demands created by war conditions, which at this time threaten to absorb a large part of our gold reserves. Our debit to foreign nations now involved in war is more than $6,000,000,000. Our gold reserves are less than two billions. True the balance of trade will be in our favor; true our probable export of 100,000,000 bushels of wheat may bring us $2 per bushel instead of $1, but how far will a paltry $100,000,000 or $200,000,000 go toward paying a debt of $6,000,000,000; and how soon will the war-impoverished nations be required to call for the liquidation of all outstanding investments. The belief is justified that favorable trade balances will quite largely meet this situation, although there can be no question that the present conditions are increasing the strain upon gold.

The present world situation as affected by gold supply seems to justify and strengthen the continuing appeal of the American Mining Congress for adequate Federal aid in this behalf.

While general prosperity induces an increased production of other minerals, through the increase in price which an active demand stimulates, it is unique that increased prosperity in other lines makes more difficult the production of gold.

Increases in the cost of labor, machinery, and supplies add to the cost of gold production, while its value remains unchanged. The incentive for increased production of commodities can only operate to stimulate gold production when gold goes to a premium, which means depreciation of our currency. More economic mining and treatment methods are necessary if gold production is to be kept normal while other lines are prospering.

Comparatively few new bodies of high-grade gold ore have been discovered for many years past, while those previously discovered are rapidly becoming exhausted of their reserves. This is one of the chief reasons for the decrease in gold production. When these reserves are exhausted, the enormous capital, the great amount of engineering and

metallurgical skill, and the labor which is now utilized in these mines will each be required to find employment elsewhere, unless in the meantime through some agency it is made economically possible to mine and treat at a profit the enormous bodies of low-grade ores which can not be economically treated at this time. The shifting of these enormous productive forces in itself would create a condition demanding governmental attention.

The world's strain upon gold is being rapidly increased. The world's gold production is decreasing. In the United States these conditions are being emphasized by the increasing demand for money resulting from our marvelous industrial development. To meet these conditions we must either produce gold ourselves or secure it through favorable trade balances from countries to some of which we are already greatly indebted. I believe that the very best we can hope from favorable trade balances will still leave a great necessity for an increased home production.

Let me epitomize my ideas on this subject:

(1) The need for gold to maintain a proper ratio between base and structure of credit is increasing with the great increase in our commerce.

(2) Increased costs of operation now and always will add to the burdens of gold production so long as our credit money is at par.

(3) The increased foreign demand for gold reserves is absorbing a great part of the world's production.

(4) The increased use of credit money, made possible by the new currency bill—that I may not be misunderstood, let me say that I consider this bill the most important, the most valuable, and that in effect it will be the most useful legislation of recent times—increases the burden upon an already overburdened gold supply by requiring it to support a greatly enlarged "superstructure of credit."

(5) The highly productive mines of the country are being rapidly exhausted and no comprehensive effort is being made to develop other mines to thereafter maintain continued production or to employ the labor, the skill, and the capital now so employed.

The importance of this subject was emphasized before the International Congress of Chambers of Commerce, recently held in Paris, by Mr. F. F. Begg, president of the London Chamber of Commerce. Mr. Begg advocated the internationalizing of the world's gold reserves through the establishment by the leading commercial nations of a joint metallic money reserve, to be available for the prevention of financial panics in any of the contributing countries.

Mr. Begg says: "It is on these stocks of gold that the enormous superstructure of credit, which is the leading feature of modern finance, rests. It is on the ebb and flow of these stocks of gold that the eyes of all business men are fixed, and as these stocks wax or wane at particular points, so credit, and consequently business under modern conditions, increases or decreases."

This plan anticipates a "first aid" to the financially injured, the necessity for which we should prevent by the development of our enormous low-grade gold resources. We should first do everything possible through scientific research and investigation, and should this fail we may well consider the importance and perhaps the necessity of offering a bounty for the product of low-grade refractory gold-bearing ores.

It must be remembered that any substantial increase in gold production must come as a result of years of development. Mines are made, not found. Substantial increase in production must come from the great bodies of low-grade refractory ores, the treatment of which to-day is practically impossible, because of the fact that much of the values are lost by present-day treatment methods.

The problems involved require the highest scientific investigation. Their solution will be of general advantage to the public as a whole, and are of such a character that the individual can not solve them for himself.

Results can hardly be expected, except as the result of long, tedious research. After the treatment problems find solution, years will be required to develop the ore bodies and build the necessary plants. This is not altogether a western problem. While it particularly concerns the industrial development of the West, its importance as a feeder to the exchange medium of commerce is of much greater concern to the financial centers of the Nation.

Purely from the standpoint of industrial development, this great Government can afford to lend a more helpful hand to her mining industry, for the same reasons that have induced her munificent and effective work in behalf of agriculture.

The Bureau of Mines has done some preliminary work in this behalf, but the appropriations thus far made for this branch of its work have been pitifully small and painfully inadequate. Surely this great Government can afford to make a better effort to stimulate the production of gold.

You will find attached production statistics to which reference is made.

Very sincerely, yours, J. F. CALLBREATH, *Secretary.*

GOLD-PRODUCTION STATISTICS.

World's gold production in 1912–13.

	1912	1913	Decrease (−) increase (+).
Africa	$209,750,450	$204,875,000	−$4,875,450
United States	93,451,500	88,301,023	− 5,150,477
Australia	60,175,250	59,225,000	− 950,250
Russia	23,135,000	23,275,150	+ 140,150
Mexico	19,875,000	17,150,200	− 2,724,800
India	12,250,000	12,450,000	+ 200,000
South America	9,725,000	10,325,000	+ 600,000
China	5,850,000	5,475,000	− 375,000
Japan	3,235,000	4,075,000	+ 840,000
Canada	13,518,525	15,965,000	+ 2,446,475
Central America	2,975,000	3,100,000	+ 125,000
Dutch East Indies	2,890,500	2,150,000	− 745,000
Korea	1,875,000	2,225,000	+ 350,000
Austria-Hungary	2,150,000	2,050,000	− 100,000
British East Indies	1,725,000	1,850,000	+ 125,000
France	1,450,000	1,325,000	− 125,000
Siam	275,000	315,000	+ 40,000
Indo-China	71,500	65,000	− 6,500
Germany	62,500	61,000	− 1,500
Great Britain	40,000	49,500	− 5,500
Sweden	17,000	13,250	− 3,750
Italy	15,500	16,100	+ 600
Turkey	5,125	2,100	− 3,025
Spain	4,850	7,100	+ 2,250
Total	466,512,700	455,345,423	−11,167,277

World's gold production.

[Ten-year period.]

1904	$347,377,000
1905	380,288,000
1906	402,503,000
1907	412,966,600
1908	442,477,000
1909	454,059,000
1910	454,703,900
1911	461,939,700
1912	466,512,700
1913 (estimated)	455,345,423

United States' gold production.

1905	86,337,700
1906	94,373,800
1907	90,435,700
1908	94,560,000
1909	99,673,400
1910	96,269,100
1911	96,890,600
1912	93,451,500
1913 (estimated)	88,301,023

Mr. BURTON. Mr. President, any student of public affairs must recognize the futility of opposing a measure intended for the benefit of a locality or a part of the country. The concentrated effort of a few who dwell in several States is far and away more potent when exerted for favorable legislation on their behalf than is a proper regard for the welfare of the whole people; and thus, more and more, citizens having business or other interests are coming here to Washington for the sake of obtaining special privileges. There is nothing in sight on the political horizon quite so demoralizing as this dispostion to put forward legislation which benefits a particular class or section of the Nation. Those who are to be benefited are insistent and eager, and any legislator who opposes them incurs hostility and obloquy very difficult to bear.

I do not believe the passage of this measure will have any special effect one way or the other. It does not involve any very great expenditure, but as a matter of principle I am constrained to stand here and oppose it. If, to aid the silver-mining interests, we are to buy a certain number of ounces of silver, why not help every other trade or industry in a time of depression?

The Government is a constructor of large buildings. It uses a great deal of building material. Why not buy structural steel and cement to help out where men are leaving their employment or whose profits are being reduced to a minimum?

The Senator from Nebraska anticipated one of the illustrations I intended to use. The Government, for its Army, buys large quantities of shoes. The shoe industry is depressed just now. Therefore, why not buy shoes?

Our soldiers wear clothes. Why not buy clothing to aid that industry? In these troublous times no doubt many other industries must suffer. Shall a paternal Government aid them all?

Mr. President, we have enough of these special privileges already. I have been glad to stand here, as I did in the House for years, against a storm of criticism, to oppose ship subsidy; but I am compelled to recognize that much of our legislation is permeated by subsidies. A certain class of publishers can send through the mails enormous quantities of literature at great expense to the Government, and we are prevented from reducing letter postage to 1 cent, and thereby conferring a boon on every letter writer in the country, by the fact that such a deficiency is created in handling second-class mail matter. The efficiency of a Representative or Senator is now more and more coming to be gauged, not by what he does for the whole country, but by what he does for his State or his district or for some particular element in our population.

Mr. President, it is time to call a halt; and I think this measure furnishes a place where the Congress should assert its disposition to avoid special favors to any interest or locality, and declare its intention to legislate only for the general weal. If there is any business or commercial interest in the country that has been favored, it is producers or miners of silver.

Mr. THOMAS. Mr. President——

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Colorado?

Mr. BURTON. I do.

Mr. THOMAS. Silver as a money metal was destroyed by national legislation in the interest of the creditor and bondholding classes of the country. Does not the Senator from Ohio think that under the circumstances we are entitled to a little assistance right now, where we are not introducing any innovation at all, but simply asking the Government to make purchases within the next six months which it would make anyway within the next two years?

Mr. BURTON. I can not at all agree with my friend the Senator from Colorado, with whom I am in accord in most things, that silver as a money metal was destroyed by the bondholders. Silver as a money entitled to unlimited coinage was destroyed by the logic of events, by inevitable tendencies.

The VICE PRESIDENT. The morning hour having expired, the Chair lays before the Senate the unfinished business, which will be stated.

The SECRETARY. A bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes.

Mr. SMOOT. I kindly ask the Senator from Texas [Mr. CULBERSON] if he will not temporarily lay the bill aside?

Mr. CULBERSON. I will be very glad to accommodate the Senator, but before doing that I should like to ask how long the bill which has been before the Senate will probably occupy the time of the Senate?

Mr. SMOOT. I know of but one or two other Senators who desire to speak. I do not think it will be very many minutes before we are through with it.

Mr. CULBERSON. I ask that the unfinished business be temporarily laid aside.

Mr. THOMAS. I will promise not to consume any more time, except to make one more interruption.

Mr. BURTON. Certainly; and I shall speak but a little while.

Mr. SMOOT. Let the unfinished business be temporarily laid aside.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the unfinished business is temporarily laid aside.

POSTAL SAVINGS SYSTEM.

Mr. BRYAN submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7967) to amend the act approved June 25, 1910, authorizing a postal savings system, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1 and 4, and agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: Insert, in lieu of the words "but the balance to the credit of any person, exclusive of accumulated interest, shall not exceed $1,000," the following: "but the balance to the credit of any person, upon which interest is payable, shall not exceed $500, exclusive of accumulated interest"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows: Insert, in lieu of the words "*Provided*, That no interest shall be paid on such part of the balance to the credit of any person as is in excess of $500," the following: "*Provided*, That the board of trustees may, in their discretion, and under such regulations as such board may promulgate, accept additional deposits, not to exceed in the aggregate $500 for each depositor, but upon which no interest shall be paid"; and the Senate agree to the same.

JOHN H. BANKHEAD,
N. P. BRYAN,
JOSEPH L. BRISTOW,
Managers on the part of the Senate.

JOHN A. MOON,
S. W. SMITH,
Managers on the part of the House.

Mr. BRYAN. I ask that the conference report be adopted.

Mr. BURTON. Were the Senate amendments adopted by the conference?

Mr. BRYAN. The Senate adopted an amendment providing that the maximum amount should be $1,000 and that interest should be paid on one-half that sum. Substantially that was agreed to by the conference. The only change made was to allow the board of trustees which administer the postal-savings fund to pay interest on one-half and keep as a separate fund that upon which they pay no interest.

Mr. BURTON. As a matter of accounting?

Mr. BRYAN. As a matter of accounting.

Mr. BURTON. Thus if a man deposits a thousand dollars under the Senate provision that would have remained as one deposit, but he would receive interest on but $50.

Mr. BRYAN. That is right.

Mr. BURTON. Under the provision as agreed upon that deposit of $1,000 is in two parts, one of which pays interest and the other does not.

Mr. BRYAN. That is right. Section 2 was agreed to exactly as it passed the Senate.

The VICE PRESIDENT. The question is on agreeing to the conference report.

The report was agreed to.

PURCHASE OF SILVER BULLION.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 6261) authorizing the Secretary of the Treasury to purchase not to exceed 15,000,000 ounces of silver bullion, and for other purposes.

Mr. BURTON. I shall be glad to yield to the Senator from Colorado.

Mr. THOMAS. I do not think that I said silver was demonetized by the bondholders of the country. What I said was that silver had been demonetized by a law in the interest of the bond holding and purchasing class.

The logic of events which led up to those conditions was, of course, first, the Franco-Prussian War, to which I referred this morning, and the necessity or the opportunity on the part of Germany to practically double the amount of indemnity burdened upon France, followed by legislation which would vastly increase the outstanding public and private credits of the world by cutting in two the basis on which they rested.

Mr. BURTON. Mr. President, again I am unable to agree with the Senator from Colorado. It seems to me it is a conclusive fact that it was not the creditor or bond-holding class that brought about the demonetization of silver; because at the time of our demonetization act, in 1873, and during the discussions preceding it in this and in the other House, the intrinsic value of a silver dollar was greater than that of a gold dollar. The decrease in the relative value of silver, which it is claimed operated to the disadvantage of the debtor, did not come until after the passage of the demonetization act and was for the most part traceable to entirely different causes.

What caused the demonetization of silver? Mr. President, it was the realization that with improvements in commerce and transportation and the close figuring in the markets, a condition developed under which when the intrinsic value of the metal in one dollar was greater than that in the other even by 1 per cent the less valuable prevailed in the monetary circulation and the more valuable went out of use. Silver and gold are commodities used in the arts, and of values quoted in the markets of the world. When the daily market quotations showed marked and increasing variations from the former comparative prices, we heard the death knell of bimetallism. It became apparent that the idea of tying together two metals of different intrinsic values and seeking to coin them on the same ratio of 16 to 1, or any fixed ratio, was a chimera. Thus bimetallism was abandoned by the leading nations of the earth.

I can find no other principal reason for the abandonment of bimetallism. All other causes were but partial and incident to it. When in 1878, on the 28th of February, Congress passed the act providing for the purchase of not less than $2,000,000 nor more than $4,000,000 worth of silver bullion per month to be coined into silver dollars of 412½ grains, making of them legal tender, the Treasury Department in the execution of that law, I believe, usually purchased the minimum, about $2,000,000 worth of bullion per month. Instead of raising the price of silver, it continued to fall. Silver mines were being opened all over the world—the Comstock was perhaps the beginner—and silver continued to fall in comparison with gold.

Mr. THOMAS. Mr. President——

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Colorado?

Mr. BURTON. Yes.

Mr. THOMAS. I am sure the Senator will recall that that was not a measure proposed except as a compromise for unlimited bimetallism.

Mr. BURTON. For free and unlimited coinage. It was a compromise, of course.

Mr. THOMAS. It was purely a measure which was offered and finally adopted through the agency of those who were opposed to bimetallism. Its operation was predicted by men like Senator Teller and Senator Jones, of Nevada, upon the floor of the Senate, and it turned out precisely as they predicted, and it proved to be one of the worst possible measures that could have been enacted in the interest of bimetallism.

Mr. BURTON. At the same time it greatly increased the demand for silver.

Again, in 1890, it was said we must do something for silver. Silver as a commodity was like a typical dependent person in a community. Frequently such persons are better able to take care of themselves than, at least, the general average of the community, but for some unaccountable reason everybody is saying, "We must do something for So-and-so." This de-

pendence is hurtful rather than helpful. In 1900 the law was passed providing for the purchase of 4,500,000 ounces per month, an amount almost exactly as great as all the silver production in the United States at that time, and the issuance of money against that according to the bullion value. The price was increased for a year or two, but that conferred no benefit. This was the history of all these efforts. Then we had regulations by which silver dollars were to be transferred from a Subtreasury to another place, in order to stimulate their circulation, and a multitude of similar regulations.

So I have come to believe that the fall of silver or the condition of that industry will not be greatly influenced by legislation, and I feel like raising my voice, with the utmost friendliness to those engaged in this and every other form of mining industry, against a law of this nature.

The Secretary of the Treasury has the right, if there is any deficiency in the quantity of subsidiary silver, to buy all he needs. This bill will not help in giving us a copious circulation. We do not need this legislation. It is merely a provision by which we shall anticipate the demands of the future and buy 15,000,000 ounces, costing perhaps about $7,800,000.

I pass by briefly the arguments which go to show that this will not do any good. Past experience will show that such legislation has not benefited silver mining. If you buy this total quantity and suspend silver purchases in the future, after a temporary stimulus the chances are that there may be an even worse depression in this industry.

But there is a more important question involved than the financial effect of this legislation.

Mr. President, can we not come to this higher ideal, that the American citizen, the American business man, all those engaged in the various activities and industries of American life, must depend upon themselves?

I do not think the tariff is an exception to that rule or ideal, because it throws the door wide open to the great multitude. It is an expression of an American or national policy to create an industrial empire within our own borders in order that we should be self-supporting; but even so, we ought to reduce tariff rates gradually, not, in my judgment, as hastily as in the bill of last year. Again, whenever monopoly results, whenever undue privileges are enjoyed by reason of it, I say, for one, that the tariff upon the commodity in question should be abolished.

We shall gain our greatest excellence in the economic life of the nations if, as far as possible, we give free play to those engaged in enterprise. Let us not subject them to hampering or arbitrary regulations, but at the same time say to them, You must take care of yourselves and work out your own destiny. The American citizen is ready to respond to that appeal and take a foremost place in all the industries and commerce of the world without special privileges, without the necessity of coming here to Washington to obtain some particular favor.

Mr. FALL. Mr. President, I am not proposing to take up much of the time of the Senate. I shall not go into a general theoretical discussion of the crime of 1873 or an economic discussion of the demonetization of silver and its causes and effects. I do not think that either argument, with due deference, has any application to the question at issue here. Neither do I think there is any analogy in the proposition submitted. I presume with sincerity, possibly with not very much thought, by some of the Senators with reference to the purchase of wheat and the purchase of shoes. The policy of the United States Government has not so far been to make wheat a legal tender even in the nature of a limited legal tender in amounts of $5 or less. Neither has the policy been to make shoes a portion of the circulating medium of the country as yet. The policy of the Government has been to coin silver into subsidiary coinage and to use it. The demand comes from the people themselves who want silver for a subsidiary coinage.

The policy of the Government is to purchase now approximately 3,000,000 to 4,000,000 ounces of silver annually and to coin it and circulate it as a subsidiary coinage of this country. This is the policy already established. This bill does not seek in any way to interfere with that policy, but simply allows the Secretary of the Treasury, in his discretion, to anticipate the annual purchase which he would make within the next six months if he desires to do so to the extent of 15,000,000 ounces. That is all under heaven there is to it. It is not an attempt to change the policy; it is following the policy established years and years ago and still continued.

I know whenever the word "silver" is uttered in the United States Congress there are some Senators who think highly of the products of their own localities, but when they are speaking about silver they ask us to lose sight of the fact that they think so highly of steel, for example—the manufacture of steel; structural steel—that I presume they would vote to possibly make it a legal tender. At any rate they would undoubtedly vote to protect it, as they have done in the past at the expense of all the citizens of the country. This has been the policy of gentlemen who now, as the Senator from Ohio [Mr. BURTON], for instance, appeal to us not to represent a special interest, that an interest which has produced over $5,000,000,000 of actual accumulated wealth shall not receive one moment of consideration at the hands of those who have asked for protection to the extent of almost as many billions from the people of the United States for the local industries situated within their own State. It is to me, Mr. President, rather a peculiar argument I admit.

As to the exact conditions, not only has the demand for silver decreased but the cost of producing silver as a manufactured product has increased. You do not get the coin and silver out of the bowels of the earth, nor do you get from the earth the bullion with which you make the silver. If you believe in protecting the manufactures of the United States, then extend your protective theory to silver as well as to iron ore and steel. Silver is the manufactured product of silver ore as steel is the manufactured product of iron ore.

But, Mr. President, silver is being produced to-day from ores which would not produce it a few years ago, and gold is being produced to-day from ores which would not produce it. It has been said here by several of the western Senators that silver and gold go along together. That is absolutely true in a great many instances. In by far the larger number of cases where the silver ores are gold bearing the silver metal predominates over the gold.

This is the condition we are confronting, and it is why the Senator from Utah [Mr. SMOOT] is supported by the West in asking for the passage of this bill. The miner, the small producer, carrying his carload of ore to the smelter or to the market, where he does not control capital enough to erect his own smelter, has been settled with upon the basis of the silver, lead, and copper contents of those ores. He has been settled with until recently on the basis of 53 cents for his silver, or 3.90 for his lead and 13 to 14½ for his copper. At present he is being settled with on the basis of 10 cents for copper, 25 cents for silver, and nothing for his lead, and both the cost of the production of silver and the cost of the production of gold has gone up within the last two or three months, and particularly since the German shipping has been wiped from the seas.

To-day by far the largest amount of bullion produced by individuals or by miners, aside from that produced through the great Smelting Trust, is produced by the cyanide of potassium process. Germany is the great cyanide of potassium producer. Deposits of cyanide of potassium have not been found in commercial quantities to any extent in any other country of the world.

The cost of cyanide of potassium is increasing day by day and has gone up with leaps and bounds. The cost of producing silver and the cost of producing gold, the cost of producing ores and of putting them in shape to be used to the man who is not a member of the Smelting Trust, has increased, and he is now settling on the basis of 25 cents for his ores of silver instead of 53 cents.

What is the consequence? In my State we are selfish. The Senator from Ohio appeals to us not to be selfish, but I know that the steel and iron people of Ohio have never made that appeal when their interests were at stake. We are selfish, and I admit it. In one county within the last 30 days 1,000 men, 50 per cent of the miners earning daily wages, have been discharged and the wages of the balance cut 10 per cent. In the great mining camp of Mogollon, on the line between Arizona and Mexico, in New Mexico, largely one of the greatest gold producers in the entire southwest, where gold formerly averaged about one-third the value and silver two-thirds, within the next 30 days, unless relief is furnished in some way, not only the whole product will be shut off and this multiplied wealth that goes out to the people, but thousands of miners will be turned loose without any opportunity to earn a living in that occupation. You are cutting them off entirely from their occupation, and they are asking a little measure of relief not to cost you one cent, simply to anticipate the purchase for the emergency now of that which you would purchase and pay for at any rate.

The VICE PRESIDENT. The question is on the amendment of the Senator from Nevada [Mr. PITTMAN].

The amendment was rejected.

The VICE PRESIDENT. If there be no further amendment the bill will be reported to the Senate.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, and was read the third time.

The VICE PRESIDENT. Shall the bill pass?

Mr. WEEKS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary proceeded to call the roll, and the following Senators answered to their names:

Brady	Hollis	Pittman	Swanson
Burton	James	Poindexter	Thomas
Camden	Lane	Ransdell	Thompson
Chilton	Lea, Tenn.	Reed	Tillman
Clarke, Ark.	Lee, Md.	Shafroth	Walsh
Culberson	Martin, Va.	Sheppard	Weeks
Dillingham	Martine, N. J.	Shields	West
Fall	Myers	Simmons	White
Fletcher	Nelson	Smith, Ga.	
Gore	Overman	Smith, Md.	
Gronna	Perkins	Smoot	

Mr. WHITE. I wish to announce the necessary absence of my colleague [Mr. BANKHEAD] and to state that he is paired. This announcement will stand for the day.

Mr. RANSDELL. I wish to announce the absence of my colleague [Mr. THORNTON]. I wish this announcement to stand for the day.

The VICE PRESIDENT. Forty Senators have answered to the roll call. There is not a quorum present. The Secretary will call the roll of absentees.

The Secretary called the names of the absent Senators, and Mr. BRISTOW, Mr. CUMMINS, Mr. HUGHES, Mr. NORRIS, and Mr. STERLING answered to their names when called.

Mr. KERN, Mr. OWEN, Mr. GRONNA, Mr. CHAMBERLAIN, Mr. ASHURST, Mr. BRYAN, and Mr. WILLIAMS entered the Chamber and answered to their names.

Mr. WALSH. The Senator from Tennessee [Mr. LEA] is absent on account of illness in his family.

Mr. CHAMBERLAIN. I desire again to announce, and to let the announcement stand for the day, that the junior Senator from Mississippi [Mr. VARDAMAN] has been called from the city on business.

The VICE PRESIDENT. Fifty-one Senators have answered to the roll call. There is a quorum present.

Mr. BRISTOW. Mr. President, I do not intend to detain the Senate long; but I see from the statement of the Treasury Department issued August 20 that we now have subsidiary silver coins aggregating $21,790,264.66 and that we have silver bullion available for coinage to the amount of $3,683,698.23. It is not proposed to coin this additional silver so as to put it in circulation, but to store it in warehouses. To me it seems surprising that we should draw on the Government to purchase the product of mining companies because the price of that product is low, unless we propose to treat other industries in the same way. Why we should discriminate in favor of one industry against another, to my mind, is beyond comprehension.

Mr. SHAFROTH. Mr. President, does not the Senator from Kansas recognize that the mere making of silver a money metal takes it out of the class of the ordinary commodity? Every nation in the world buys silver; every nation in the world will continue to buy silver. Does not the Senator recognize that the Government has an interest in not permitting silver to get too low, for this reason: Suppose it were to get to 1 cent an ounce, the counterfeiting of silver would be unlimited. Therefore silver dollars would cease to be a circulating medium. Consequently, the Government has a certain interest as to silver which does not attach to other commodities.

Mr. BRISTOW. I think the Senator from Colorado is entirely mistaken about counterfeiting. If silver were not of any value, there would be no occasion to counterfeit it.

Mr. SHAFROTH. If a man could make a silver dollar out of 1 cent's worth of silver, the Senator can readily see that many people would go into the counterfeiting business, and it would be almost impossible to detect the fact that the coin was a counterfeit.

Mr. BRISTOW. Mr. President, as I have said, it is not proposed to coin any more silver than would be coined in the normal operations of the Treasury Department. It is proposed to buy it and store it. Within 60 days the farmers of Kansas have sold millions of bushels of wheat for 60 cents a bushel. There is no more occasion for the Senators from the silver-mining States coming here now and asking the Government to buy silver in order to stimulate and to keep up the price of their product than there would have been for the farmers of Kansas and Nebraska 60 days ago to ask the Government to buy 10,000,000, 15,000,000, or 20,000,000 bushels of wheat in order that they might obtain a better price for their grain. It is true that wheat has gone up, and is now selling for from 75 to 80 cents a bushel where six weeks ago it sold for 60 cents a bushel.

If it is to be the policy of the Government when there are dull times in any industry to come in and purchase a quantity of the product of such industry in order to help that business, that is one proposition which we might consider; but when you undertake to single out silver mining alone and silver miners only I must object. These men are no more deserving than are the men who grow the wheat of this country. They can take care of themselves a great deal better than the farmers can take care of themselves when times are dull.

When cattle a few years ago were selling for from $15 to $25 a head and first-class horses from $40 to $60 a head was anybody proposing to appropriate money by the Government to buy horses and cattle to make them worth more, and to let the Government hold them until the price went up? Oh, no; it was not proposed to pursue that policy then; but now, because some silver miners are interested, it is proposed to draw on the Treasury of the people of the United States in order to help their business direct. The surprising thing to me is, that it is proposed to be done by men who stand here and in the most vociferous way denounce all kinds of special privilege. It depends a good deal on who is to profit by the privilege. The same Congress that passes a law that will destroy beet-sugar factories which are giving employment to thousands of men will turn around within a little over a year and propose to use the Treasury to buy the product of a mining company in order that that company may not lose money in its operations.

I think the bill is indefensible from any point of view, unless you are going to put the Government into regulating prices in trade by the stimulating of every industry when dull times prevail by purchasing the product. I did not want this bill to come to a vote without expressing my views as emphatically as I can against this discrimination.

It is not proposed, as I say, to coin this silver into money that the people may use it, but it is proposed to buy it and store it. A few years ago when farmers' organizations were asking that the Government erect warehouses in which to store their wheat when prices were down we heard those men denounced from one end of this country to the other as wild fanatics. This is exactly the same proposition, except that you are going to take the product of the silver mines instead of the product of the farm and store it until the price goes up.

There is just as much reason for buying wheat. The Government can use it; the Government can thereby help a great many worthy people. Such action would have saved the farmers in the Middle West millions this year. Last year they lost all their crop by drought, and this year their enormous crop was dumped on a market that was lower than it had been for years. They could not hold their wheat. Their debts were pressing them; their notes in bank were due, and they had to meet them; but no consideration was had for them. Oh, no. If some of us here representing that constituency had proposed that the Government buy the wheat, we would have been laughed out of the Chamber. Now, however, when silver miners are concerned, it is proposed that the Government shall help them to make a profit. I want to protest against this legislation as vigorously as I know how.

Mr. NEWLANDS. Mr. President, the purpose of this bill is not to subsidize the miners of the country but to steady the price of silver and, at the same time, to avail ourselves of the opportunity of securing silver bullion, which will be necessary in the future for subsidiary coin at the low price now prevailing. This low price has been occasioned by a dislocation in the transportation of the world, a dislocation which has thrown upon this country the absorption of the product of our silver mines, which has heretofore had a very wide market. The question before us is whether or not the policy of stabilizing the price of silver by enabling the Government to purchase the silver for monetary use at a low price serves such a public purpose as should be sustained by congressional legislation.

Mr. President, I do not propose to go into all of the intricacies of the money question, but I do wish to present in a few words the monetary situation of the world. In 1873 the movement for the demonetization of silver among the principal countries of the world culminated. The claim was made at that time that gold was the only stable measure of value; that the largely increased production of silver lessened the value of that metal as a money metal, and that the stable production of gold insured it as a stable standard of value. How futile events have proved that reasoning to be.

The world starved for the want of money from 1873 until 1896, during which period the production of gold did not materially increase, whilst the increased production of silver was largely unutilized for money. Then an increase in the production of gold took place, as a result of which the world had in 1913 an annual production 300 per cent greater than the pro-

duction of 1893. During that period the production of silver has increased only 30 per cent, proving that, so far as production is concerned, silver is a more stable metal than gold itself.

During this time we have not as yet found enough metallic money to satisfy the demands of the world for money, and there are in South America a thousand million dollars of paper money with almost no metal backing it, and we have in this country in our greenbacks and in our national-bank notes about a billion dollars more of uncovered paper money.

During this period for many years we have been utilizing silver simply for subsidiary coinage purposes. We have not enough subsidiary silver in the country. We should open a larger market for subsidiary silver by doing away with the issuance of $1 notes, $2 notes, and $5 notes and confining the issue of notes to the large denominations, as they do in England. Yet, notwithstanding that we have hardly sufficient subsidiary silver to meet the requirements of the country, in the West we find silver everywhere used in the small coinage, while in the East we find $1 and $2 bills used where silver ought to be used.

Therefore, without remonetizing silver, without reestablishing it as a part of a bimetallic standard of value, without opening the mints to silver for free and unlimited coinage, the production of silver has for 20 years been almost uniform year after year. It has maintained a comparatively stable price—somewhere about 55 cents an ounce—notwithstanding its general monetary use has been destroyed.

Now, here comes this dislocation in the transportation of the world, because of which the silver production of this country requires absorption by this country or else not only silver mining will diminish but also gold mining, for both of these metals are produced at the same time from the same mines, and if you diminish the value of one in the markets you diminish the value of the ore which contains both, and you diminish the number of producing mines in the country.

Now, Mr. President, as a result of the war now going on, you will find probably that large amounts of uncovered paper money will gradually be issued, and that the time will come when that paper will have to be covered by either gold or silver, or both, and that there will be a demand for both these metals, either upon a parity at a certain ratio or through a limited coinage, for the purpose of backing the uncovered paper money of the world, or by methods granting free and unlimited coinage to the one and limited coinage as subsidiary money to the other.

There is, therefore, no risk whatever in the suggestion that the United States should come to the front and accomplish the great public purpose of obtaining at a low price sufficient bullion for the subsidiary money requirements of the country and at the same time so stabilizing the price as to prevent the dislocation of an industry which will diminish the production of both gold and silver. It seems to me that there can be no objection to this bill and that it ought to be passed.

The PRESIDING OFFICER (Mr. CLAPP in the chair). The question is, Shall the bill pass?

Mr. BRISTOW. On that I ask for the yeas and nays.

The yeas and nays were ordered; and the Secretary proceeded to call the roll.

Mr. CHAMBERLAIN (when his name was called). I have a general pair with the junior Senator from Pennsylvania [Mr. OLIVER]. I transfer that pair to the junior Senator from Mississippi [Mr. VARDAMAN] and vote "yea."

Mr. FLETCHER (when his name was called). I have a pair with the Senator from Wyoming [Mr. WARREN]. I transfer that pair to the Senator from Alabama [Mr. BANKHEAD] and vote "yea."

Mr. GORE (when his name was called). I have a pair with the junior Senator from Wisconsin [Mr. STEPHENSON], and therefore withhold my vote.

Mr. MYERS (when his name was called). I transfer my pair with the junior Senator from Connecticut [Mr. MCLEAN] to the senior Senator from Nebraska [Mr. HITCHCOCK] and vote "yea."

Mr. REED (when his name was called). I have a pair with the senior Senator from Michigan [Mr. SMITH], and therefore withhold my vote. I desire to announce that my colleague [Mr. STONE] is necessarily absent and has been expressly excused from attendance by vote of the Senate. In his absence he is paired with the Senator from Wyoming [Mr. CLARK].

Mr. SMITH of Georgia (when his name was called). I have a general pair with the senior Senator from Massachusetts [Mr. LODGE], and therefore withhold my vote.

Mr. THOMAS (when his name was called). I have a pair with the senior Senator from New York [Mr. ROOT], which I transfer to the Senator from Indiana [Mr. SHIVELY], and vote "yea."

Mr. WALSH (when his name was called). I have a general pair with the Senator from Rhode Island [Mr. LIPPITT]. I transfer that pair to the Senator from Louisiana [Mr. THORNTON] and will vote. I vote "yea."

Mr. WILLIAMS (when his name was called). Transferring my pair with the senior Senator from Pennsylvania [Mr. PENROSE] to the junior Senator from South Carolina [Mr. SMITH], I vote "yea."

The roll call was concluded.

Mr. CULBERSON. Transfering my pair with the Senator from Delaware [Mr. DU PONT] to the Senator from Arizona [Mr. SMITH], I vote "yea."

Mr. SMITH of Georgia. Transfering my pair with the senior Senator from Massachusetts [Mr. LODGE] to the junior Senator from Florida [Mr. BRYAN], who has not voted, as I understand, I vote "yea."

Mr. POMERENE. I am requested to announce the unavoidable absence of the junior Senator from Delaware [Mr. SAULSBURY]. He is paired with the junior Senator from Rhode Island [Mr. COLT].

Mr. GRONNA. I inquire if the senior Senator from Maine [Mr. JOHNSON] has voted.

The PRESIDING OFFICER. The Chair is informed he has not.

Mr. GRONNA. I have a general pair with that Senator. Not knowing how he would vote, I withhold my vote. If I were at liberty to vote, I should vote "nay."

Mr. REED. The conditions of my pair are that when it is necessary to vote to make a quorum I can do so. I therefore will take the liberty of voting. I vote "yea."

Mr. SMOOT. I am requested to announce the following pairs:

The Senator from New Mexico [Mr. CATRON] with the Senator from Oklahoma [Mr. OWEN]; the Senator from South Dakota [Mr. CRAWFORD] with the Senator from Tennessee [Mr. LEA]; the Senator from New Hampshire [Mr. GALLINGER] with the Senator from New York [Mr. O'GORMAN]; the Senator from West Virginia [Mr. GOFF] with the Senator from South Carolina [Mr. TILLMAN]; the Senator from Utah [Mr. SUTHERLAND] with the Senator from Arkansas [Mr. CLARKE]; and the Senator from Michigan [Mr. TOWNSEND] with the Senator from Arkansas [Mr. ROBINSON].

Mr. SMITH of Georgia (after having voted in the affirmative). I made a transfer of my pair with the senior Senator from Massachusetts [Mr. LODGE] to the junior Senator from Florida [Mr. BRYAN] for the purpose of voting. Since then the Senator from Florida has come into the Chamber and voted. I still have the right to vote if it is necessary to make a quorum, and if my vote is needed to make a quorum I wish it to stand.

The PRESIDING OFFICER. The Chair will state that it is not necessary.

Mr. SMITH of Georgia. Then I withdraw my vote.

The result was announced—yeas 39, nays 11, as follows:

YEAS—39.

Ashurst	Hollis	Overman	Simmons
Brady	Hughes	Perkins	Smith, Md.
Bryan	James	Pittman	Smoot
Camden	Kern	Poindexter	Swanson
Chamberlain	Lee, Md.	Pomerene	Thomas
Chilton	Lewis	Ransdell	Thompson
Clarke, Ark.	Martin, Va.	Reed	Walsh
Culberson	Martine, N. J.	Shafroth	White
Fall	Myers	Sheppard	Williams
Fletcher	Newlands	Shields	

NAYS—11.

Bristow	Cummins	Lane	Weeks
Burton	Dillingham	Nelson	West
Clapp	Kenyon	Norris	

NOT VOTING—46.

Bankhead	Gronna	Owen	Stephenson
Borah	Hitchcock	Page	Sterling
Brandegee	Johnson	Penrose	Stone
Burleigh	Jones	Robinson	Sutherland
Catron	La Follette	Root	Thornton
Clark, Wyo.	Lea, Tenn.	Saulsbury	Tillman
Colt	Lippitt	Sherman	Townsend
Crawford	Lodge	Shively	Vardaman
du Pont	McCumber	Smith, Ariz.	Warren
Gallinger	McLean	Smith, Ga.	Works
Goff	O'Gorman	Smith, Mich.	
Gore	Oliver	Smith, S. C.	

So the bill was passed.

The title was amended so as to read: "A bill authorizing the Secretary of the Treasury to purchase not to exceed 15,000,000 ounces of silver bullion, and for other purposes."

COTTON WAREHOUSES.

Mr. SMITH of Georgia. Mr. President, the trust bill was temporarily laid aside to take up the bill just disposed of. I

wish to ask the Senator from Texas if he will not consent to have the bill further temporarily laid aside, in order that we may take up Senate bill 6266, to authorize the Secretary of Agriculture to license cotton warehouses, and for other purposes. I do not think it will take any considerable length of time.

Mr. BURTON. Mr. President, I take it that request refers exclusively and only to that bill?

Mr. SMITH of Georgia. Exclusively.

Mr. BURTON. And the request is not for a general laying aside of the unfinished business?

Mr. SMITH of Georgia. Not at all; no.

Mr. CULBERSON. Mr. President, in view of the emergency measure suggested by the Senator from Georgia, I ask unanimous consent to temporarily lay aside the unfinished business.

The PRESIDING OFFICER. It will be so ordered, unless objection is made. The Chair hears none, and it is so ordered.

Mr. BURTON. I again would like to understand: There is no question that the unfinished business is laid aside for the cotton-warehouse bill only?

The PRESIDING OFFICER. That is the understanding of the Chair.

Mr. SMITH of Georgia. Mr. President, I have already explained to the Senate the nature of this bill, and unless some Senator wishes me to do so I do not desire to discuss it further. It is a very simple measure. It permits certain cotton warehouses——

Mr. NELSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Minnesota?

Mr. SMITH of Georgia. I do.

Mr. NELSON. Is the bill before the Senate?

Mr. SMITH of Georgia. Yes.

Mr. NELSON. A motion to take it up has not been made and acted upon, nor has unanimous consent been granted.

Mr. SMITH of Georgia. Oh, I thought unanimous consent was given.

The PRESIDING OFFICER. Not up to this time. If the bill is before the Senate, it is because it has been placed before the Senate heretofore.

Mr. SMITH of Georgia. Then I move that we take up Senate bill 6266.

Mr. NELSON. I want to say to the Senator from Georgia that I am not opposed to his bill because of the conditions in the cotton country, but if it is proposed to add to it an amendment relating to the grading and inspection of wheat and other small grains I am utterly opposed to it and shall have to oppose the bill.

The PRESIDING OFFICER. The Chair desires to call the attention of the Senator from Georgia and also the Senator from Texas, at least in the form of a suggestion, to the fact that to lay this bill before the Senate now on a motion would probably displace the unfinished business. It can be done by unanimous consent.

Mr. SMITH of Georgia. No; I have already obtained unanimous consent to temporarily lay aside the unfinished business.

The PRESIDING OFFICER. The Chair simply makes that suggestion.

Mr. SMITH of Georgia. I understood that the Senator from Texas asked unanimous consent simply to temporarily lay aside the trust bill, which was done. That being done, I asked that the cotton-warehouse bill be taken up.

The PRESIDING OFFICER. In the form of a motion?

Mr. SMITH of Georgia. I really thought the unanimous consent carried with it consent to take up this bill.

The PRESIDING OFFICER. The Chair does not think so.

Mr. SMITH of Georgia. Then I ask unanimous consent to take up Senate bill 6266.

Mr. NELSON. Mr. President, I want to say to the Senator that I shall make no objection if it is understood that there is no grain inspection or wheat inspection attached to the bill.

Mr. SMITH of Georgia. I hope there will be no effort to have it done. I have no arrangement to attach it, and I hope no effort will be made to do it.

Mr. NELSON. I recognize the fact that conditions are different in the cotton country. You have no cotton warehouses. We have an abundance of grain warehouses in our country, and we do not want to complicate it with any legislation of that kind.

Mr. SMITH of Georgia. And the further difference exists that all the representatives from the cotton States agree on this bill, while the Senators from the grain States disagree. If the Senators from the grain States all agreed upon something they wished to ask, I should be glad to accept it; but with the Senators from the grain States disagreeing about it, I hope there will be no effort to add that measure to this one.

Mr. NELSON. I withdraw all objection.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 6266) to authorize the Secretary of Agriculture to license cotton warehouses, and for other purposes.

The Secretary read the bill, as follows:

Be it enacted, etc., That this act shall be known by the short title of "United States cotton warehouse act."

SEC. 2. That the term warehouse as used in this act shall be deemed to mean every building, compress, ginhouse, and other structure in which any cotton is, or may be, stored or held for, or in the course of, interstate or foreign commerce.

SEC. 3. That the Secretary of Agriculture is authorized to investigate the storage, warehousing, and certification of cotton; upon application to him, to inspect warehouses or cause them to be inspected; at any time, with or without application to him, to inspect, or cause to be inspected, all warehouses licensed under this act; to determine whether warehouses for which licenses are applied for, or have been issued, under this act are suitable for the proper storage or holding of cotton; to classify warehouses in accordance with their location, surroundings, capacity, condition, and other qualities, and the kinds of licenses issued, or that may be issued, to them pursuant to this act; and to prescribe the duties of warehouses licensed under this act with respect to the care of cotton stored or held therein.

SEC. 4. That the Secretary of Agriculture is authorized, upon application to him by the owner or operator of a warehouse, to issue a license for the conduct of the same, subject to this act and such rules and regulations as may be made hereunder. Each license shall specify the date upon which it is to terminate, and, upon showing satisfactory to the Secretary of Agriculture, may, from time to time, be renewed, or extended, by a written instrument which shall specify the date of its termination.

SEC. 5. That applications may be made to the Secretary of Agriculture by the owner or operator of any warehouse licensed under this act for permission to designate the same as bonded under this act. No warehouse shall be so designated, and no name or description, conveying the impression that it is so bonded, shall be used, until a bond, with such penalty, containing such conditions and with such security as the Secretary of Agriculture may require, shall have been given, and he shall have approved the same, nor unless the approval by the Secretary of such bond remains uncanceled and in full force and effect. Any person owning cotton stored in a warehouse bonded under this act, or owning a receipt for cotton therein issued under this act, shall be entitled, in an action upon the bond, brought in any court of the United States having jurisdiction of the same, to recover all damages he may have sustained in respect to such cotton or receipt by reason of either the negligence or the misconduct of the owner or operator of the warehouse, or of his agents or servants.

SEC. 6. That the Secretary of Agriculture may, upon presentation to him of satisfactory proof of competency, issue to any person a license to grade or classify cotton, and to certificate the grade or class thereof, under such rules and regulations as may be made pursuant to this act.

SEC. 7. That for all cotton stored or held by a warehouse licensed under this act original receipts, serially numbered, shall be issued by the owner or operator thereof, signed by himself or by his duly authorized agent. No such receipt shall be issued except for cotton actually stored or held in the warehouse at the time of the issuance thereof. No duplicate or copy of an original receipt shall be issued unless the same be plainly and conspicuously marked "duplicate" or "copy," as the case may be, upon the face thereof. While an original receipt, or any duplicate or copy thereof, issued under this act is outstanding, and uncanceled by the owner or operator of the warehouse issuing the same, no other or further receipt shall be issued for the cotton, except that in the case of lost or destroyed receipts new receipts may be issued upon the giving of satisfactory security in compliance with the rules and regulations made pursuant to this act. Any receipt issued in lieu of an original shall be upon the same terms and subject to such conditions as are prescribed by this act for such original receipt. Each original receipt shall include a true statement of the date and place of its issuance, its serial number, the location of the warehouse in which the cotton is stored or held, the weight of the cotton at the time of the issuance of the receipt, a description of the bales or packages by marks, numbers, or other means of identification, the amount or rate of storage charges, if any, which have accrued or are to accrue within six months from the date of issuance of the receipt, and constitute a lien on the cotton which has not been waived by the warehouseman, and when payable, and the amount and period of insurance, if any, on the cotton. Each such receipt shall include statements that it is issued subject to this act and that no other receipt for the cotton described therein or any part thereof is outstanding and, in addition to complying with this section, shall contain such terms and conditions, not inconsistent with the laws of the respective States in which issued, as the Secretary of Agriculture may require for carrying out the purposes of this act. Receipts may run to bearer, or to a specified holder, or to a specified holder or his assigns. The owner of an original receipt issued pursuant to this act shall be entitled, upon presentation thereof, to receive the identical cotton described therein.

SEC. 8. That each warehouse licensed under this act, whether bonded or not, shall keep correct records of all cotton stored or held therein and withdrawn therefrom, of all original warehouse receipts, and the duplicates or copies of the same, issued by the owner or operator of the warehouse, and of the receipts returned to and canceled by the owner or operator thereof, shall make reports to the Secretary of Agriculture, in such form and at such times as he may require, and shall be conducted and operated in all other respects in compliance with this act and the rules and regulations made hereunder.

SEC. 9. That any warehouse receipt or certificate of the grade or class of cotton issued under this act may specify the grade or class of the cotton covered thereby in accordance with the official cotton standards of the United States, as the same may be fixed and promulgated under authority of law from time to time by the Secretary of Agriculture, or in accordance with any other standard. If such receipts and certificates state the grade or class, they shall show the standard in accordance with which the cotton has been graded or classified.

SEC. 10. That the Secretary of Agriculture is authorized to cause inspections and examinations to be made of any cotton which, in any warehouse receipt or certificate issued pursuant to this act, has been certified or represented to conform to any grade or class established in the official cotton standards of the United States and to ascertain whether the cotton is in fact of the specified grade or class. Whenever, after opportunity for hearing has been afforded to the owner of

the cotton involved and the licensee concerned, it is determined by the Secretary that any such cotton has been incorrectly certified or represented to conform to a specified grade or class of the official cotton standards of the United States, he may publish his findings.

SEC. 11. That the Secretary of Agriculture may suspend or revoke any license issued, and may cancel his approval of any bond given, under this act for any violation of, or failure to comply with, any provision of this act or of the rules and regulations made hereunder. Any license may be suspended or revoked, after opportunity for hearing has been afforded to the licensee concerned, upon the ground that unreasonable or exorbitant charges have been made for services rendered.

SEC. 12. That the Secretary of Agriculture from time to time shall publish the results of investigations made under this act, the names and locations of warehouses licensed and bonded, and the names and addresses of persons licensed under this act, and lists of all licenses suspended or revoked, and of all bonds canceled hereunder.

SEC. 13. That the Secretary of Agriculture is authorized, through officials, employees, or agents of the Department of Agriculture designated by him, to examine all books, records, papers, and accounts of warehouses licensed under this act, and of the owners or operators of such warehouses relating thereto.

SEC. 14. That the Secretary of Agriculture shall from time to time make such rules and regulations as he may deem necessary for the efficient execution of the provisions of this act.

SEC. 15. That there is hereby appropriated, out of any moneys in the Treasury not otherwise appropriated, the sum of $50,000, available until expended, for the expenses of carrying into effect the provisions of this act, including the payment of such rent and the employment of such persons and means as the Secretary of Agriculture may deem necessary in the city of Washington and elsewhere. He is authorized, in his discretion, to call upon qualified persons not regularly in the service of the United States for temporary assistance in carrying out the purposes of this act and out of the moneys appropriated by this act to pay the salaries and expenses thereof.

The PRESIDING OFFICER. The bill is in Committee of the Whole and open to amendment.

Mr. FLETCHER. Mr. President, situated very much the same as cotton are the industries peculiar to the section of the country where cotton is grown, of tobacco and naval stores. After consultation with a number of Senators particularly concerned in tobacco, I offer this amendment:

I move to insert a new section between sections 14 and 15, which would read:

That all the provisions of this act are hereby extended to include warehouses for the storage of tobacco and naval stores, together with inspection, classification, and issuance of receipts and certificates, to the same extent, so far as applicable, as the same are specifically made applicable to warehouses for the storage and classification of cotton, under such rules and regulations as the Secretary of Agriculture may prescribe.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. It is proposed to insert between sections 14 and 15 the following, as section 15:

That all the provisions of this act are hereby extended to include warehouses for the storage of tobacco and naval stores, together with inspection, classification, and issuance of receipts and certificates, to the same extent, so far as applicable, as the same are specifically made applicable to warehouses for the storage and classification of cotton, under such rules and regulations as the Secretary of Agriculture may prescribe.

The amendment was agreed to.

The SECRETARY. It is also proposed to renumber section 15 as section 16.

The PRESIDING OFFICER. That will be done, without objection.

The bill was reported to the Senate as amended.

Mr. CUMMINS. Mr. President, I desire to ask a question of the Senator from Georgia before the bill passes from the Committee of the Whole. How many additional Government employees will the bill probably authorize?

Mr. SMITH of Georgia. The limit of the appropriation is $50,000.

Mr. CUMMINS. That, of course, is only for a limited time. How many Government employees will be required in operating the bill for the inspection of cotton and the other work that is incident to it?

Mr. SMITH of Georgia. I think the plan of the Secretary of Agriculture is simply to examine men as to their fitness to inspect cotton and to license men to do the work as cotton inspectors, not as Government officials. The pay for their work would not come from the Government. The cotton graders get their pay from the men whose cotton is graded, as a rule, or from the warehouses. I do not think the number will be very great. It is in a measure a new piece of work, and I am unable to say.

Mr. CUMMINS. I assume that there will have to be enough men appointed, outside of the office work, to inspect and grade nearly all the cotton in the country.

Mr. SMITH of Georgia. The view of the Secretary of Agriculture was that they would not be Government employees, but licensed inspectors or men not paid by the Government.

Mr. CUMMINS. Would it be the policy of the Government that they should act without any supervision of the Government over them?

Mr. SMITH of Georgia. There would be some supervision over them, of course; but the force in full would not be Government employees.

Mr. CUMMINS. How are they to be appointed—under the civil-service rules or otherwise?

Mr. SMITH of Georgia. The entire provision is subject to rules and regulations determined upon by the Secretary of Agriculture.

Mr. CUMMINS. The Senator from Georgia understands that that gives to the Secretary of Agriculture authority to appoint whatever number of employees may be appointed without recognizing the civil-service law. I assume that that is so, for I have looked in vain for anything to cover that subject.

Mr. SMITH of Georgia. I think it would be entirely impossible to make the selections through the civil service for the work of the next 60 days, and the next 90 days is the most important part of the work.

The Market Division of the Agricultural Department has a force of civil-service men, and I know that it is the purpose of the Secretary of Agriculture to do this work as far as possible through the Market Division, already organized.

Mr. CUMMINS. Is there any provision in the bill with regard to the pay of the employees?

Mr. SMITH of Georgia. No.

Mr. CUMMINS. How does the Senator from Georgia expect they will be paid?

Mr. SMITH of Georgia. Part of them will be paid from the $50,000 appropriated to carry out this work. That is the only way in which they will be paid by the Government. Part of the work will be done by the Division of Markets. It is in line with the work now being done by the Division of Markets. Indeed, they have cotton graders already. Wherever the cotton graders now engaged in that work can do the work, they, of course, will do so.

Mr. CUMMINS. Are the cotton graders who are provided for employees of the United States?

Mr. SMITH of Georgia. Yes; and they are employed under the civil-service rules.

Mr. CUMMINS. They will be paid by the United States?

Mr. SMITH of Georgia. Yes.

Mr. CUMMINS. Is there any provision here that the warehousemen shall bear the expense of the inspection and grading?

Mr. SMITH of Georgia. No; but the limited appropriation leaves the bulk of the work necessarily to be borne by them.

Mr. CUMMINS. It seemed to me the bill was rather inadequate in that respect. I do not offer an amendment to it, because it would involve rewriting the bill; but I think we are opening up the way to the appointment of an indefinite number of employees at indefinite salaries, with no provision whatever as to their compensation. I assume that under the section which gives to the Secretary the right to prescribe rules and regulations in the execution of the bill he can determine whatever salaries he thinks ought to be paid.

Mr. SMITH of Georgia. He certainly will not be allowed to fix any salaries beyond the appropriation, and he must administer the entire work under the appropriation. I know that the view of the Secretary is, and, asking for this appropriation, the view of the head of the Division of Markets was, that the bulk of the expense, practically all of the expense, would fall on the warehousemen and the owners themselves.

Mr. CUMMINS. But the Senator from Georgia does not expect that during the next decade $50,000 will cover the expense of administering this bill.

Mr. SMITH of Georgia. This is really an emergency bill.

Mr. CUMMINS. There is no limitation upon it.

Mr. SMITH of Georgia. No; there is no limitation, but there is a limitation on this appropriation, and the real object of the bill is to meet the emergency that now confronts us.

Mr. CUMMINS. Does not the Senator think the policy is a good one for permanent adoption?

Mr. SMITH of Georgia. I am not prepared to say. I know it is essential now, and it may be that it will prove beneficial permanently; but the appropriation is made for only one year, and the special value of the bill was considered for the coming year.

Mr. CUMMINS. No; the appropriation is indefinite. It simply appropriates $50,000 to be available until expended.

Mr. SMITH of Georgia. Yes.

Mr. CUMMINS. And of course, if the department should be in the midst of its work when it had expended its appropriation, I assume Congress would replenish the treasury and continue the work. Now, I am not objecting to the proposal in the bill. I do not know enough about it to know whether it is required or not. I would not question the judgment of the

Senator from Georgia with regard to its necessity and policy; but I rose to register my protest against providing another department of the Government that may employ a great number of people without any provision with respect to the manner of their employment or the compensation which they shall be paid.

Personally I think the warehousemen or the owners of the cotton ought to pay the expenses of grading, inspection, and other expenses of that kind. There is no such provision here; but if the Government is to assume this duty and is to pay the expense involved Congress ought to determine how many persons shall be employed and how much they shall be paid before they shall enter the service. We are falling into the habit of referring everything to a department and allowing it to cover all the real essentials of a subject by rules and regulations. We are abdicating our legislative power and passing it over in this instance to the Department of Agriculture.

The PRESIDING OFFICER. The question is on concurring in the amendment made as in Committee of the Whole.

Mr. LEE of Maryland. Mr. President——

Mr. GRONNA. Mr. President, I wish to have the amendment read.

The PRESIDING OFFICER. The amendment that was agreed to as in Committee of the Whole?

Mr. GRONNA. The amendment that is to be voted on.

The PRESIDING OFFICER. The Senate, as in Committee of the Whole, adopted an amendment; and the bill now being in the Senate, the question is whether the amendment made in Committee of the Whole shall be concurred in. If the Senator desires, it will be again read for his information.

Mr. GRONNA. Yes; I do.

The Secretary again read the amendment.

Mr. GRONNA. Mr. President, may I ask if that amendment has been adopted?

The PRESIDING OFFICER. That amendment was adopted as in Committee of the Whole. Now the question is, the bill having come into the Senate, Shall the amendment adopted as in Committee of the Whole be concurred in? That is the question now before the Senate.

Mr. GRONNA. Mr. President, I did not know that this bill was coming up just at this moment. I am very anxious that the bill shall be amended so as to include grain, and I can see no good reason why grain should not be included as well as tobacco. The Senator from Oklahoma [Mr. GORE] has introduced a bill the provisions of which are practically the same as those of the bill now pending before the Senate; and if it is in order I am going to offer an amendment, or several amendments, so that it will include grain and flaxseed.

The PRESIDING OFFICER. The Chair desires to state to the Senator that the question now is, Shall the amendment made as in Committee of the Whole be concurred in by the Senate? After that is disposed of, the bill will still be in the Senate and still open to amendment.

Mr. GRONNA. I might just as well address myself to the bill, I suppose, while the amendment is pending.

The PRESIDING OFFICER. Yes, of course; but the Chair was suggesting that the amendment suggested by the Senator would hardly be in order until the Senate disposes of the amendment made as in Committee of the Whole. Of course the Senator is in order in addressing the Chair.

Mr. GRONNA. Then I will wait until this amendment is disposed of.

The PRESIDING OFFICER. The question is on concurring in the amendment made as in Committee of the Whole.

The amendment was concurred in.

The PRESIDING OFFICER. The bill is in the Senate and still open to amendment.

Mr. GRONNA and Mr. LEE of Maryland addressed the Chair.

The PRESIDING OFFICER. The Chair will say to the Senator from North Dakota that the Senator from Maryland had sought recognition before the Senator from North Dakota addressed the Chair, and there will be time for the Senator from North Dakota to be recognized later.

Mr. LEE of Maryland. Mr. President, I wish to offer an amendment which adds a new section to the bill, which I will explain when it is read.

The PRESIDING OFFICER. The Secretary will read the amendment.

The SECRETARY. It is proposed to add a new section, after the amendment just agreed to, to read as follows:

That wherever in any State there may exist a State warehouse system or State warehouses operated under State laws for the receipt, sampling, or grading of cotton or tobacco or naval stores the Secretary of Agriculture may appoint a Federal warehouse agent for that State, who shall give bond and be subject to all the regulations of this act as the custodian of the cotton or tobacco or naval stores which may be stored through his agency or be under his supervision or control; and such State agent shall, under such regulations as the Secretary of Agriculture may prescribe, and subject to the general provisions and purposes of this act, be authorized to receive and thereafter deposit cotton, tobacco, or naval stores as a trustee into the custody of the State warehouse or warehouse system, and which said system of warehouses he may use as though an owner or operator or warehouseman, subject to the provisions of his bond; and receipts issued to such State agent as trustee may be transferred by him to the owners of the tobacco or cotton or naval stores represented, as provided for with reference to other receipts issued under the provisions of this act.

Mr. LEE of Maryland. Mr. President, I should like to have the Senators especially interested in this bill understand the purport of this amendment.

We have in Maryland a very large and comprehensive system of tobacco warehouses, which are controlled and operated by the State through the agency of certain tobacco inspectors, who are bonded officers. This is a system of storage and a system of sampling. It would be impossible for this tobacco system to be operated under the provisions of this act without the addition of a new section. This new section simply gives discretion to the Secretary of Agriculture to appoint an agent for the State who shall operate as a trustee and make the deposits in the State warehouses, so that our Maryland system of tobacco warehouses can get the benefit of this act and all the good that will flow from its provisions.

Of course, this act, as the Senators will realize, provides for inspection. It provides for the Secretary's prescribing the duties of the warehouse people and taking bonds. It authorizes the issuing of a license. Now, of course you can not issue a Federal license to a State warehouse and require the State warehouse to bond itself to the Federal Government. There is a complication in the procedure as to this State, but it is perfectly feasible to appoint a State agent or trustee who shall represent the tobacco growers and owners of a particular State, or the owners of cotton, if there is any such warehouse system in other States, or for naval stores, and to act in their behalf, and make the deposits in the State system of warehouses as an individual would in this system that is provided to be under national control.

So what I suggest as an additional section is entirely optional with the Secretary of Agriculture and enables him to act, if need be. There is need to permit the operation of this national warehouse system with reference to the Maryland State system, which is now practically in use by the great majority of the tobacco growers of our State.

As I look upon the situation, unless this provision is adopted our State warehouse system will not be able to get the benefit of this bill, and one or two corporate-owned warehouses will have the benefit and control under the provisions of this act.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Maryland.

Mr. SMITH of Georgia. The amendment offered by the Senator from Maryland indicates what I have really thought all the time, that Senators interested in a tobacco warehousing system would probably handle their subject better if they prepared a bill applicable to that exact subject, instead of adding tobacco, with the provisions required for handling tobacco, to our cotton warehousing bill, as those provisions do not adjust themselves well to the provisions of the cotton warehouse bill.

Mr. LEE of Maryland. Will the Senator yield for a question?

Mr. SMITH of Georgia. Certainly.

Mr. LEE of Maryland. Is there any provision in the amendment that does not adjust itself entirely to this system and is not subject to the entire control and discretion and regulation of the Secretary of Agriculture?

Mr. SMITH of Georgia. The amendment involves lines of work that I scarcely grasp, because I am entirely unfamiliar with the local situation with reference to the State bonded warehouses. I do not understand the system. We have nothing of that kind with reference to cotton, so far as I know, in a single cotton State. A system of warehousing has been built up for tobacco that is entirely foreign to any system of warehousing for cotton.

Mr. SMITH of Maryland. I will say to the Senator that I can not see that this will affect detrimentally the bill. It strikes me that it is the object of the bill to give licenses by the General Government, and we who have State warehouses for tobacco would like to have that stamp put upon our tobacco. We ask you to give us the opportunity and allow us to protect our people who put their tobacco in our warehouses.

It does seem to me that there can be no objection to this, because it is merely licensing men to investigate the State warehouse as well as the private warehouse. I can see no reason why it would be detrimental in any way to the object of the bill which the Senator from Georgia has in charge.

Mr. LEE of Maryland. I should like to ask the Senator from Georgia another question.

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Maryland?

Mr. SMITH of Georgia. Yes.

Mr. LEE of Maryland. On reflection, does not the Senator think that it would be really unfair to our elaborate system of tobacco warehouses to provide a system that would enable individuals or corporations to come in and destroy this application of State energy and State money which is so satisfactory to the tobacco growers of our State?

Mr. SMITH of Georgia. I am not prepared to say that tobacco ought to have been put into the bill at all. I did not desire tobacco warehouses to be put into it. We really had worked out the bill solely with a view of reaching a most extreme condition that confronted the cotton situation in the South. In preparing the bill we had no thought of making it applicable to anything except cotton. We felt justified in preparing the bill with reference to cotton alone when we had in mind the fact that it is our greatest export crop for the entire country, and the one great money crop of 12 States, and that practically no preparation has been made to meet the war status that now confronts the marketing of the crop.

Mr. SMITH of Maryland. I will ask the Senator from Georgia if he does not think, in view of the fact that $50,000,000 worth of tobacco is exported from this country, and 16 States involved in it, it is proper and right to those States that their interests should be protected, as well as the interests in the cotton States and other States?

Mr. SMITH of Georgia. Certainly.

Mr. SMITH of Maryland. At this time the tobacco business is absolutely at a standstill. The people who have their money in tobacco can not realize a dollar upon it. If there is not some provision made by which they will be protected and financed, in a way they will have to sacrifice their crop. I can see no reason why this interest should not be taken care of.

I admit that this is the bill of the Senator from Georgia, but at the same time if you can add something else, as it has been added here for naval stores and tobacco, I do not see what objection there can be to making the same rule which applies to cotton apply to tobacco and naval stores. It seems to me that it will strengthen the Senator's bill to bring in statements of products of this kind that are in the same boat as cotton. I can see no reason why there should be any objection on the part of anyone to including in the bill tobacco and naval stores. The principle is the same, the object to be secured is the same, and I do hope the Senator will not find any objection to including this product, which is equally in the same trouble as cotton. Certainly it will not hurt his bill, but will help more people.

Mr. SWANSON. I wish to make a suggestion to the Senator from Georgia. As I understand the object sought to be accomplished by the Senator from Maryland, it is on account of the condition in connection with tobacco in Maryland. An amendment has gone on the bill including tobacco, and the amendment was concurred in by all the representatives of the tobacco States. An amendment including naval stores was offered by the Senator from Florida at the request of those interested in that industry. It would seem to me that if the Senator from Maryland would strike out "cotton" and "naval stores" in the amendment he offered and confine it to tobacco there would be no objection to it and it would not interfere with the bill at all.

Mr. LEE of Maryland. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Maryland?

Mr. SMITH of Georgia. Yes.

Mr. LEE of Maryland. If the Senator will permit me, I should be very glad to strike out "naval stores and cotton," because I only meant it to apply to the Maryland State system of warehouses, and I do not want to complicate any condition existing elsewhere. But in view of the fact that the tobacco growers of this country and the tobacco growers of Maryland especially, whose tobacco is largely sold in France, Belgium, and England, are just as much entitled to consideration in this bill as are the cotton growers in whom the Senator from Georgia is so properly and naturally and legitimately interested, and I submit that the same generosity and breadth of view that the Senate is called upon to extend to the cotton growers of the country is equally and properly applicable to tobacco as a crop. It is a crop that does not spoil in keeping, and it is handled in definite packages capable of being made the basis of this receipt system. I sincerely hope the Senator from Georgia will not object to protecting us in a proper way, so that we can take part in the benefits of this bill.

Mr. SMITH of Maryland. I should like to say to the Senator from Georgia that in talking with the officials of the Treasury Department in regard to taking care of these various interests it is in entire accord with their views that tobacco shall be included in any protection that is proposed to be given to the cotton product; and I can see no reason why it should apply to cotton and not apply to other products that are equally as valuable and which need attention as much as cotton.

Mr. SWANSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield further to the Senator from Virginia?

Mr. SMITH of Georgia. I yield.

Mr. SWANSON. The Senator from Georgia said if unanimous consent was given he would accept the amendment as to tobacco, and he has accepted it. There is as great necessity, if not more, for providing for tobacco than there is for providing for cotton, if a greater necessity could exist. Take Austria, take Italy, and take Germany, where the tobacco is sold, it is a Government monopoly in many of those countries, and it is absolutely impossible to obtain a market there. The cotton planters can not be in a condition any more distressful than are the tobacco raisers on account of present conditions. The Austrian Government buys millions of pounds of tobacco, and there is really no market for it at all. There is very little market now in Italy. Consequently there is need for relief when a large portion of the tobacco is absolutely without a market at all now. The tobacco raisers are entitled to be treated with the same consideration as the cotton planters, and the same benefits ought to be extended to them.

The amendment offered by the Senator from Florida was accepted by the Senator from Georgia as a part of the bill, and the amendment has been adopted. Now, the Senator from Maryland offers an amendment which provides for appointing an agent to represent the State tobacco warehouses. The amendment includes also naval stores. The only desire is to take care of the situation where there are State warehouses for tobacco. Consequently I suggest that it will not interfere with the bill which the Senator from Georgia has in charge if the amendment offered by the Senator from Maryland shall be confined to tobacco alone. I am satisfied the Senator from Georgia will have no objection to its being incorporated in the bill in that form.

Mr. SMITH of Maryland. That has been agreed to.

Mr. LEE of Maryland. If that is acceptable to the Senator from Georgia, of course I am willing to do it. I simply want to make my amendment as broad as the unanimous-consent agreement which was to take care of all these three commodities. I do not think the unanimous-consent agreement would be carried out if the bill was passed in such a shape that it would do no good to the tobacco people of Maryland, who have their tobacco in the State warehouse system.

Mr. SMITH of Georgia. Mr. President, my attitude upon the subject is simply this: The greatest interest involved by far is cotton. The cotton interest is the greatest interest to all the people of the entire country. I called the attention of the Senate to the fact several days ago that last year the cotton exported to foreign countries brought back to the United States $610,000,000 in gold and that the entire crop was worth over a billion dollars. The crop, including the seed, to-day with a normal market would sell for a billion dollars.

So, Mr. President, the great agricultural interest in the United States that has been affected by the European war is the cotton interest. Over 60 per cent of our cotton is exported, and that export trade has been suddenly suspended as a consequence of the war.

I took occasion to bring to the attention of the Senate the fact that the intrinsic value of the cotton still remains and that within a period of two years the selling price will be as high as if the war had not taken place, because the lint cotton will be required for consumption, and the clothing made of it will be needed to be worn. While finer fabrics as a result of the war may be less used, coarser fabrics will be more used and the coarser fabrics and cheaper fabrics will require by far more raw material of cotton than the finer fabrics.

The people who have produced this cotton are confronted with a serious condition. They have practically no market, because nearly two-thirds of their product should go abroad. It is the object of the bill to facilitate their use of warehouse receipts for the purpose of obtaining advances, for the purpose of making loans, or for the purpose of selling their cotton itself to small investors. Those of us who have studied this question are sure that it is of vast importance to the owners who will soon have ready for market this immense crop.

I feel, Mr. President, that I have the right to appeal to Senators not to seek to load this bill down with anything that will stop it.

Mr. SMITH of Maryland rose.

Mr. SMITH of Georgia. I do not yield just now to the Senator from Maryland. I do not think any Senator ought to be willing to load the bill down. My view of it is this: If the Senators representing any commodity could unite and say that we, representing all the States producing the commodity, want a certain amendment, I would yield to it.

Mr. LANE. I wish to call the Senator's attention to one industry that I think is in the same distressed condition, and that is the canned-salmon industry. I wish to include that.

Mr. SMOOT. Will the Senator from Georgia yield to me?

Mr. SMITH of Georgia. Yes.

Mr. SMOOT. As I read the provisions of the bill it simply gives a greater security and a greater confidence to the cotton certificates that may be issued, and those who may advance money on them or purchase them outright will feel that by doing so there would be no question as to the cotton being on hand in the warehouses under Government supervision at any time they may want it.

Mr. SMITH of Georgia. That is just as far as the bill goes.

Mr. SMOOT. That is as I understand it; it is as I read it.

Mr. SMITH of Georgia. And it does not require them to take out a license. It is simply a privilege to anyone who has a warehouse to take out a license. He is not required to take it out. It is just an opportunity given to those who wish to use it.

Mr. SMOOT. And to-day there are certificates issued on deposits of cotton in private warehouses.

Mr. SMITH of Georgia. Entirely so.

Mr. SMOOT. And those are accepted many times in communities by the banks, for they know that the cotton is there.

Mr. SMITH of Georgia. There are some very large cotton warehouses in the South that will not think of taking out a license. They are already established. They already have their standing and are known. Already their certificates could be floated in New York or in Boston. They will not in all probability ask for a license.

This bill is expected to broaden the opportunity to hold or dispose of cotton so much needed on account of the great emergency that confronts the farmer who raised it. The great value which by this bill I believe will be given to our people will be acquired within the next 90 days; certainly within the next four months.

Mr. GRONNA. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from North Dakota?

Mr. SMITH of Georgia. I do.

Mr. GRONNA. While it is true, as the Senator from Georgia has said, that individuals or corporations now issue warehouse receipts, is it not true that under the bill a planter may keep the cotton in his own warehouse and the Government will inspect it and the planter or farmer can then use this certificate?

Mr. SMITH of Georgia. No; I do not think so. I do not think a man can retain possession of his own personal property and get the benefit of a warehouse certificate against it. The warehouse certificate is the evidence of ownership by one person of property held in custody by another person.

Mr. GRONNA. Section 2 provides—

That the term "warehouse" as used in this act shall be deemed to mean every building, compress, ginhouse, and other structure in which any cotton is, or may be, stored or held for, or in the course of, interstate or foreign commerce.

Mr. SMITH of Georgia. Yes; but I do not think the benefit of a warehouse certificate could be obtained except where the owner of the cotton does not own the warehouse.

Mr. GRONNA. Would it not be possible for the owner of cotton to call for an inspection and secure a certificate just as well if the cotton is in his own warehouse?

Mr. SMITH of Georgia. No; I do not think so, because there the man still has possession of his own property. The benefit of a warehouse certificate is the fact that A, the owner, has deposited with B, the warehouseman, and B issues his certificate to A, recognizing the fact that A has deposited cotton in B's warehouse. If the man should retain possession of the cotton there would be no security at all.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from North Carolina?

Mr. SMITH of Georgia. I do.

Mr. SIMMONS. Do I understand that the Senator from Georgia accepted the amendment of the Senator from Florida admitting tobacco and naval stores to the privileges of this act?

Mr. SMITH of Georgia. I did accept it, and it is a part of the bill.

Mr. SIMMONS. I understand the Senator to be arguing against it.

Mr. SMITH of Georgia. No; the Senator misunderstood me. I was doing nothing of the sort.

Mr. SIMMONS. Will the Senator permit me to inject a remark in his statement in answer to the suggestion that there is any greater emergency in the present conditions with respect to cotton than with respect to tobacco?

Mr. SMITH of Georgia. I was really replying to a speech on that subject by other Senators who had been discussing the interest of tobacco.

Mr. SIMMONS. The Senator, after accepting the amendment, was intimating, if not saying, that there is a greater emergency with reference to cotton than tobacco. Now, I want to say to the Senator, if he will permit me very briefly, that while of course——

Mr. SMITH of Georgia. Mr. President——

Mr. SIMMONS. I understood the Senator to yield to me.

Mr. SMITH of Georgia. If the Senator just wished to make a statement of a word or two, yes; but if it is to make a speech, I would rather wait and let him make it in his own time.

Mr. SIMMONS. I do not want to make a speech, Mr. President, but in view of what the Senator has said I think he ought to permit me now to state the reason why there is the same situation with reference to tobacco that there is with reference to cotton, and also to correct an error which he has made, I think, in the assumption he has indulged in that there are any difficulties with respect to warehousing tobacco that do not exist with respect to warehousing cotton.

Mr. SMITH of Georgia. Mr. President——

Mr. SIMMONS. If the Senator does not wish me to make that statement by way of an interruption I will wait until he finishes.

Mr. SMITH of Georgia. I did not say there are greater difficulties with reference to warehousing tobacco than cotton. The Senator misunderstood me.

Mr. SIMMONS. I thought the Senator did so intimate.

Mr. SMITH of Georgia. No; that was not my statement.

Mr. SIMMONS. Does the Senator object to my making a statement?

Mr. SMITH of Georgia. I do not object at all to the Senator making a speech at any time he sees fit and I yield to him now.

Mr. SIMMONS. I do not wish to make a speech. I simply want to correct what I think is an error in the conclusions of the Senator from Georgia.

Mr. WEST. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to his colleague.

Mr. SIMMONS. I am speaking in the time of the Senator from Georgia.

Mr. WEST. I did not understand the Senator from Georgia to say that cotton was any more entitled to this relief than tobacco, but merely that there was a different way in which each was handled.

Mr. SIMMONS. I do not think there is any different way, and that is what I wish to point out.

Mr. WEST. Have not a number of States already their own warehouses for handling tobacco?

Mr. SIMMONS. One, I understand, the State of Maryland, and it is a very easy matter by a simple amendment to provide for the exceptional conditions which exist in Maryland.

If the Senator will permit me, I wish to say to the Senate, because I do not wish any misunderstanding about this matter, that we raise in my State both cotton and tobacco, and I think I understand the situation of the cotton farmer and the tobacco farmer. I believe they are to-day, with respect to the conditions that have been brought about by the war, exactly in the same boat, confronted with exactly the same difficulties. The difficulty of the cotton man is that there is no foreign demand for his surplus cotton, which he has heretofore been selling abroad. The difficulty of the tobacco producer is that there is no demand for the part of the tobacco crop which he has heretofore been selling abroad. The only difference is that the cotton planters sell two-thirds of their cotton abroad, while the tobacco planters sell about one-third of their tobacco abroad. There is a difference in the amount which they market abroad, but there are no buyers of tobacco or of cotton for foreign consumption.

Now, there are buyers, or will be buyers, of cotton for domestic consumption, but there may be no buyers of tobacco for domestic consumption for the reason that there is a custom which has grown up, and which obtains in the tobacco trade in this country, by which the tobacco manufacturers carry in their warehouses a sufficient supply to answer their needs for from one to two years. That makes the tobacco situation a little worse than

the cotton situation at present. Now let me say to the Senator——

Mr. SMITH of Georgia. One moment. The Senator understands that I accepted the tobacco amendment.

Mr. SIMMONS. I understood that.

Mr. SMITH of Georgia. It has been adopted and it is a part of the bill.

Mr. SIMMONS. I understood that, and I understood the Senator to be making a speech which I thought was unfriendly to the amendment he had accepted.

Mr. SMITH of Georgia. Not at all. I called attention to the peculiar conditions in Maryland, and I was just appealing to the Senator from Maryland not to load the bill down with anything that would produce a condition of affairs where it might be impossible to pass it.

Mr. SIMMONS. If the Senator accepts the amendment, I have nothing more to say.

Mr. SMITH of Georgia. I do not know whether I will have anything more to say or not; but I have accepted the amendment. If the Senator had been here all the time, probably he would have understood that our real trouble comes from a different source.

Mr. SIMMONS. I have been here all the time and I heard everything the Senator said.

Mr. WHITE. Mr. President——

Mr. SIMMONS. Let me finish the statement. I have the floor, if the Senator please.

Mr. WHITE. I wish to ask a question of the Senator from Georgia before he takes his seat. I understood the Senator from Georgia had the floor.

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Alabama?

Mr. SMITH of Georgia. Let the Senator from North Carolina finish his statement.

Mr. WHITE. Very well; I will wait until the Senator from North Carolina concludes.

Mr. SIMMONS. All I wish to say in addition, Mr. President, is that there is really less trouble about warehousing tobacco to-day than there is about warehousing cotton. At present, under the rules which obtain in selling tobacco, tobacco is sampled and graded before it goes into the warehouse. There are already warehouses amply sufficient to accommodate the domestic demand—that is to say, the part of the crop that is bought for domestic consumption. There are not warehouses sufficient to accommodate the part of the crop that is bought for exportation. That is exported very quickly and is not warehoused. That part of it which is warehoused is graded before it goes into the warehouses, and it will be a very simple process; there will be none of the complications that probably will exist with reference to inspecting cotton, because it is already inspected, already graded, and in warehouses. All the tobacco men want is the same Government certificates that that tobacco is stored in a certain warehouse in certain quantities of certain grades so that the owner may take the certificate and go to the bank and get money readily upon it just exactly as the cotton man wants the certificate of the Government as to the storage of his product in a warehouse that it may facilitate the process of getting money upon a receipt.

Mr. SMITH of Maryland. I understood the Senator from Georgia has agreed to this amendment to the provision that naval stores and cotton be stricken out, and therefore I take it for granted the matter is settled.

Mr. WHITE. I wish to interrupt the Senator from Georgia for just a moment. I want to say I am heartily in favor of this amendment, and I believe it is a necessity. But I wish to inquire, in the absence of any revenue or commerce transportation feature, where we find a warrant for it under the Constitution, or whether it is purely a matter of privilege?

Mr. SMITH of Georgia. It is drawn as a matter of privilege. No one is required to obtain a license. It also declares that it applies to cotton held for or in course of interstate or foreign commerce. This language will be found in paragraph 2, section 2, as drawn.

Mr. LANE. Mr. President, is the bill now open to amendment?

The PRESIDING OFFICER. No; there is an amendment pending. The question is on the adoption of the amendment offered by the Senator from Maryland. The Chair understands the Senator has modified the amendment.

Mr. SMITH of Maryland. I have.

The PRESIDING OFFICER. The Secretary will read the amendment as modified.

The Secretary read as follows:

That wherever in any State there may exist a State warehouse system or State warehouses operated under State laws for the receipt, sampling, or grading of tobacco, the Secretary of Agriculture may appoint a Federal warehouse agent for that State, who shall give bond and be subject to all the regulations of this act as the custodian of the tobacco which may be stored through his agency or be under his supervision or control; and such State agent shall, under such regulations as the Secretary of Agriculture may prescribe and subject to the general provisions and purposes of this act, be authorized to receive and thereafter deposit as a trustee into the custody of the State warehouse or warehouse system, and which said system of warehouses he may use as though an owner or operator or warehouseman, subject to the provisions of his bond, and receipts issued to such State agent as trustee may be transferred by him to the owners of the tobacco represented, as provided for with reference to other receipts issued under the provisions of this act.

The PRESIDING OFFICER. Without objection the amendment will be agreed to. The Chair hears none and the amendment is agreed to.

Mr. LANE. Mr. President, I wish to have included in this bill as an amendment to it the words "canned salmon," following the word "cotton" with the proper punctuation.

There is an article which is in the same condition and the people who produce it are as distressed as are the people who produce cotton. They have fished the waters and caught the salmon, cooked them, and canned them, and they will keep for years. They are an excellent article of food. The Secretary of Commerce reports that pound for pound they are one of the most nutritious foods. He made that statement in one of his recent reports.

The people who are engaged in this business have expended their own money and have also borrowed capital from banks. They have stored this salmon in warehouses, in cans properly sealed and protected it from the weather, waiting to send it to Europe to the market. The market is mostly a foreign market. Those engaged in this industry are just as much entitled to these privileges as are any other class of citizens. Their predicament is just as urgent; their case is as emergent. Salmon is as useful for food as is cotton for clothing. Cotton is all right, and I have no objection to aiding those who raise it in the emergency that now exists.

I am asking of the Senator from Georgia, in justice to the people on the Pacific coast, who have not objected to the storing of cotton and warehouse certificates being issued for it, that he allow those people to include their salmon. It will mean the introduction of but two words, and then every provision of the bill will apply to canned salmon without change in the measure.

I offer, then, as an amendment to insert the words "canned salmon," following the word "cotton" throughout the bill. I ask the Senator from Georgia if he will not accept it; and if not, why he will not accept it?

Mr. SMITH of Georgia. No.

The PRESIDING OFFICER. The Secretary will first state the amendment.

The SECRETARY. Wherever the word "cotton" appears in the bill it is proposed to insert the words "or canned salmon."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oregon [Mr. LANE].

Mr. SMITH of Georgia. Mr. President, I hope this amendment will be rejected. I only want to say a word about it. This bill was really intended to cover a great commodity—cotton—involving a billion dollars. I did not wish to extend its provisions even to tobacco and to naval stores, but I finally yielded. I can not consent to extend it any further. If Senators desire legislation of this sort with reference to salmon, I think they ought to prepare it and put it on its own basis.

Mr. LANE. Mr. President, I will say that here is a bill which carries relief for the producers of cotton. That is right and commendable. In addition to that, it takes care of tar, pitch, turpentine, and oakum. Those are the naval stores which were used in the days when we first built ships; we calked the old wooden ship with oakum. There may be some stores additional to those since, but under the common acceptation of the phrase——

Mr. SWANSON. Let me ask the Senator a question.

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Virginia?

Mr. LANE. Yes.

Mr. SWANSON. The main purpose of this bill now is to take care of an emergency respecting cotton and tobacco. There are different grades of tobacco and different grades of cotton. Until you get a certificate as to a certain class of cotton you can not prove whether it is worth 8 or 12 cents a pound. As to tobacco, without a certificate you can not prove whether it is worth 8 cents or 15 cents.

This bill is simply designed to permit a grading, so that the producers can go to a bank with a certificate as to its value. Do the same conditions apply as to salmon? Is it graded?

Mr. LANE. It is all graded.

Mr. SWANSON. Is it your purpose to have it graded like different grades of cotton or tobacco?

Mr. LANE. It is.

Mr. SWANSON. And deposited in warehouses?

Mr. LANE. It is.

Mr. SWANSON. And certificates issued on it?

Mr. LANE. Yes; every purpose is the same as with reference to cotton and tobacco. This bill also provides for tobacco; it takes care of tobacco.

Mr. CUMMINS. When do you grade salmon—before they are killed or after they are put into the cans?

Mr. LANE. The salmon are graded according to the variety of salmon which are caught. In the Columbia River they catch and can the celebrated Chinook salmon; then later in the season they catch and can what is called steel-head salmon; on Puget Sound they catch the silver side; in Alaska they catch and can the king salmon, the Quinault, and a number of others. They are all known generically and specifically; there is just as much difference between them as there is between the names and the personal appearance of Senators in this Chamber. Under the provisions of the pure-food act every can is branded with exactly what it contains. We want to get them inspected by the Government and to be allowed the privilege of issuing certificates upon them.

This bill provides for the care of tobacco, which is not a necessity of life. It is necessary for the people who raise tobacco, perhaps, to have this relief; and I am glad to see them get it. I think the men who raise wheat and who raise corn and who saw lumber, perhaps, ought also to be taken care of. We would then have a nice rural credit system, for which the people are anxious; but inasmuch as we are going to extend paternalism and the wing of the Government and its aid over this land, they who need the help and are entitled to it should have it. We need it; and I appeal to the Senator, to his sense of justice, to accept the amendment. Salmon is an article upon exactly the same basis as the articles which he favors, and these people needing the help and having an article which can be graded just as surely as can cotton, why not give it to them? Why not allow these people, who go out and breast the storm and gather in this good food product, this relief? I am going to insist on it.

Mr. CUMMINS. Mr. President, I desire to ask the Senator another question.

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Iowa?

Mr. LANE. I yield.

Mr. CUMMINS. My first question was purely preliminary, because I assumed that the fish had to be caught before being graded. How many additional employees would be required to grade the salmon of the country?

Mr. LANE. There would be required merely a nominal number. The salmon is already graded and easily identified. It would only be necessary to certify to the grade and would require very few employees.

Mr. CUMMINS. It would not be necessary for an inspector to accompany every fishing boat?

Mr. LANE. No. The salmon are packed away on the shelves, where one inspector could grade thousands of them. He could grade hundreds of tons of them in a day.

Mr. CUMMINS. But he could not look into the cans and see what was in the cans.

Mr. LANE. There is usually but one kind canned at a cannery at a certain season of the year. On the Columbia River there are several kinds, but they are easily identified; they are easily graded, and an inspector can be there when they are being canned, and even after they are canned.

Mr. CUMMINS. What would you do with the certificates after you got them?

Mr. LANE. The same thing that my friends will do with cotton certificates, I presume.

Mr. CUMMINS. I do not know what they will do with them, but I should like to know what is to become of these warehouse receipts.

Mr. LANE. They are certificates showing that some one has so much canned salmon on hand of a certain certified grade and quality, and he might be able to go out and borrow money upon it.

Mr. CUMMINS. Does the Senator from Oregon understand that a warehouse receipt of that character is a paper upon which additional currency could be issued?

Mr. LANE. No; but I had an idea perhaps that you could go to a Federal reserve bank and secure a little advance upon them. They do secure advances from banks in ordinary times, but they are now deprived of their market. I think I know they could borrow money upon the certificates to tide them over.

Mr. CUMMINS. They might borrow money upon the certificates; but I will ask the Senator from Georgia for information, whether in his opinion the Federal reserve act embraces paper of this kind as one of the securities upon which additional currency could be based?

Mr. LANE. I do not know whether it does or not. I have an idea that perhaps such paper can be used in securing money from the reserve banks, and perhaps an additional issue may be based upon such securities. I presume it is intended as one of the types of securities upon which money may be issued by such banks. That is my assumption.

Mr. CUMMINS. We would finally reach the situation in which all the property of the country would become the foundation for our paper money. That would be a general asset system with a vengeance.

Mr. LANE. I am not attempting to secure that; I am attempting now to secure relief for an industry which needs relief and which is just as much entitled to it on merit as is any other industry and against which there should be no prejudice. I am going to appeal to the Senators from the South to assist me in securing this relief.

My colleague [Mr. CHAMBERLAIN], I think, will indorse what I have said as to the plight in which these men are. They have written to us complaining of their unfortunate condition, for the reason that their market, like the market for cotton, is a foreign market; and Senators know in what condition foreign trade now is. I will ask for the yeas and nays on the amendment.

Mr. SMITH of Georgia. I merely desire to say one word further against the amendment of the Senator from Oregon, pointing out the difference between the policy of this bill and what he seems seriously desirous of adding to it. At first I was not sure but he meant his amendment as a piece of sarcasm against the entire bill, but later on I concluded that he was entirely serious about it.

Mr. LANE. Absolutely.

Mr. SMITH of Georgia. Now, the difficulty about adding such promiscuous products is that they have no staple value; they have no recognized value all over the world. Lint cotton has a uniform value in normal times all over the world; it is just like a bar of gold in its value all over the world; you can take a bale of cotton in normal times and get gold on it in London or anywhere else.

The benefit to be derived from the proposed legislation as it affects cotton is a benefit which is far-reaching, one which applies to the entire country, which is national in its scope. The size of the crop, its commercial relation to 12 States producing it and to the entire country place it in a class entirely distinct. Nothing of the kind can be claimed for Boston baked beans, perhaps, although they are frequently used, or for Oregon salmon; and if you intend to carry the principle that far, in all seriousness, then perhaps it should be extended to canned tomatoes, or, as the Senator from Kansas suggests, to canned corn.

I really did not think Senators ought to have sought to add naval stores and tobacco. I think those products are hardly in a class to justify their inclusion; but on the insistence of Senators, and with a great deal of hesitation, I yielded. Cotton is the chief export agricultural product of the United States, and the conditions affecting it reach to 12 States. It is almost the one money crop of 12 entire States, and the commerce of those States rests upon it; and the desirability of facilitating its use as a basis for all the business of those States is involved. The immense sum derived from the export of cotton—$610,000,000 last year—affects the prosperity of the entire country and justifies this legislation to handle not a local but a great national problem.

Mr. LANE. Mr. President, I wish to say, in answer to the Senator from Georgia, that the value of canned salmon according to grade is just as certain and varies as little as does that of cotton. It has an absolute standard fixed value; you can take it into the European markets and secure gold upon it; and that is exactly what is done with it. It is not in class with Boston baked beans, for the reason that there is merely a local demand for that article, whereas canned salmon is used largely in foreign countries, especially in England, France, and Germany.

We raise no cotton on the Pacific coast, but Alaska, Washington, Oregon, and California produce shiploads of canned salmon, and it ought to be included in the bill.

Mr. WHITE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Alabama?

Mr. LANE. I do.

Mr. WHITE. I hope the Senator will not further reflect on the products of New England when there is no representative on the floor of the Senate from that section.

Mr. LANE. I will not.

Mr. MARTINE of New Jersey. Mr. President, I am very free to say I can not see any reason why Oregon salmon should not stand in quite as favorable a light as North Carolina tobacco. It is certainly quite as much an article of necessity and of general diet as that product. I would not use the stuff for my life, but I do use salmon; and it seems to me we must admit the same sort of argument that would apply to the naval stores of North Carolina might apply to Oregon salmon.

As I think of it, I become wonderfully interested in this product. If the products of other Senators are going to be protected or if they are to have the benefit of Government certificates, I want to know what, in the name of heaven, the products of my State are going to have? We have a little product in New Jersey which is of world-wide renown, and which no man, woman, or child can touch without being revivified and brought into new life and carried into the realm of glorious things. It does seem to me that there ought to be some method of having the Government certify that the product to which I refer is of the proper standard.

Of course I need not mention to you what that product is, for we are known as the Garden State; we raise fruit ad libitum, and among other fruits one of our greatest is apples. In God's wisdom he made that fruit so that it decays quite rapidly; and the genius of Jerseymen, early in the history of our land, conceived the plan of expressing the juice, distilling it, bottling it, and sending it forth to the world. That product they called applejack. Why should not that product also be protected?

But, seriously, I do not know why Oregon salmon should not just as well be covered by this bill as tobacco. Personally, I think tobacco is a good deal of a nuisance. I see men chew it, and it is an abomination to me. I see them smoke it and fill God's free, pure air with stifling fumes, and to me it is most obnoxious. Almost every doctor in the land tells us to pass laws against its use; in fact, many of the States have barred the youth of our land from the use of cigarettes. Tobacco is the foundation of cigarettes, so that my friend from North Carolina, and I presume my friend from Georgia—and there is some of the stuff raised in Connecticut—when they safeguard and protect tobacco are really doing that which does not add to the welfare of man, but does stifle him and make him dull and prosy.

I think salmon is pretty good, and, while I will not press my New Jersey product, for I am afraid the bill would be utterly loaded down if I did, I say seriously that my friend from Oregon is about right.

Mr. WEST. Mr. President——

Mr. MARTINE of New Jersey. I yield to the Senator.

Mr. WEST. Does applejack add to the welfare of the country?

Mr. MARTINE of New Jersey. Well, it depends upon the view of the man who takes it, and it depends entirely upon the equilibrium that the God of the universe has put in the man. I have seen some men take applejack and go up like a skyrocket, and I know some others who have taken it and lived to ripe old years to glorify their country and add to its history and to the general reputation of their families.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oregon.

Mr. GRONNA. Mr. President, I had hoped that the Senator from Georgia would agree to include in his bill the amendment which I had intended to offer, so that the bill would cover all kinds of grain. I shall not take up the time of the Senate this afternoon to go into that question; but we know that there is as much money involved in various kinds of grain in the United States as there is in cotton.

Mr. SMITH of Georgia. Mr. President, will the Senator allow me to interrupt him?

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Georgia?

Mr. GRONNA. I yield.

Mr. SMITH of Georgia. The only reason I did not agree to it is that I was notified by certain Senators from the grain States that if I did so they would fight the bill indefinitely. I am embarrassed by what seems to be a disagreement among Senators from the grain States. It is not my own action; it is the division which existed between them which embarrasses me. I had hoped to be in a position to accept the amendment.

Mr. GRONNA. Mr. President, I am very glad to know that. I was quite sure the Senator from Georgia would have no objection to having it incorporated in the pending bill. The question of licensing bonded warehouses for grain has received consideration, and the Senator from Oklahoma [Mr. GORE] has introduced a bill covering grain, which is practically along the lines of the pending bill.

As I said a moment ago, there is as much money involved in the crop of grain; in fact, there is more money involved in the grain crops in the United States than there is in the cotton crops. This year alone it is estimated that we will have 930,000,000 bushels of wheat. I believe that estimate is too high; but, at any rate, we will possibly have about 800,000,000 bushels of wheat, to say nothing of oats, barley, rye, flaxseed, and corn.

Of course, I do not wish to defeat the measure proposed by the Senator from Georgia; I have assured him that I would support it, and I feel like supporting it; but I believe that it would only be fair to include all kinds of grain and flaxseed in the bill.

The Senator from Oklahoma [Mr. GORE], as I have said, has already introduced a bill relating to grain, which has been referred to the Committee on Agriculture. I want to ask the Senator from Oklahoma, who I see is present, wherein his bill differs from the pending bill?

Mr. GORE. Mr. President, I will say to the Senator from North Dakota that the end contemplated by the two bills is the same. The different methods of handling the two crops require a difference of detail in the two measures. The grain measure is adapted to the particular methods of handling that crop, whereas the cotton bill is, of course, adapted to the peculiar methods of handling that crop, and the customs attending the business; but the main objects and purposes of the two bills are identical, and I hope that at an early date we shall be able to follow the cotton bill, if it passes, with the passage of the grain bill.

I have no disposition to discriminate between the two. Whatever advantages or benefits will accrue to the cotton growers of the South by the passage of the pending measure ought, if possible, to be made available to the grain growers of the West and the North. I doubt either the propriety or the necessity of encumbering the pending measure by various other amendments such as have been proposed. If this legislation is meritorious, each staple crop that calls for such legislation ought to receive it at our hands. I believe there will be no disposition on the part of the Senate to defeat either measure if in the wisdom of the Senate it will be found desirable to pass either one.

Mr. GRONNA. Mr. President, may I ask the Senator a further question? If the two bills are practically alike, can there be any other reason for not incorporating them into one bill than the possibility of the grain bill being defeated?

Mr. GORE. Mr. President, I wish it were so that the two measures could be incorporated into one so as to avoid suggestions that have been made here that one section or that one crop was receiving attention while others were being neglected. I should like to have averted even a momentary suggestion of that sort. I think, however, that the grain bill will encounter some opposition that does not exist toward the cotton bill. The Senator will doubtless apprehend what I have in mind.

Mr. GRONNA. Yes. I will ask the Senator if it is proposed to establish two different bureaus in the Department of Agriculture, one for cotton and tobacco and another one for wheat or grain?

Mr. GORE. I do not think that either bill contemplates the establishment of a separate and independent bureau. Doubtless there would be a bureau or division——

Mr. SMITH of Georgia. The matter will be taken care of by the marketing division.

Mr. GORE. To take charge of this matter, which would come under the general supervision of the marketing division, which I assume would have direction and control over both measures in case of their passage. I am as heartily in favor of the one measure as the other, and I believe that both will be fraught with benefits for the producers of the two crops, cotton and grain. My State is deeply interested in both, and I shall certainly cooperate with the Senator from North Dakota and all who share his views in pressing that measure to passage.

Mr. GRONNA. Mr. President, I want to thank the Senator for the information, as well as for his assurance of support. I am deeply interested not only in the producers of grain but in the producers of cotton, and since it has developed that there is opposition in the grain States to including the grain bill in the bill of the Senator from Georgia, I shall not ask for it, because I do not wish to defeat this measure. I believe it is

meritorious, and if we can not accomplish for the grain growers what we should accomplish, I do not want to be the cause of defeating legislation which will be of substantial benefit, as I believe it will be, to the cotton growers of the South.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Nebraska?

Mr. GRONNA. I yield.

Mr. NORRIS. I should like to ask the Senator if he has made up his mind that he will not offer the amendment he contemplated offering?

Mr. GRONNA. Mr. President, the statement made by the Senator from Oklahoma, chairman of the Committee on Agriculture, a moment ago leads me to believe that if the amendment is offered, and if wheat and other grain should be included in this bill, there is danger of defeating it.

Mr. NORRIS. It would seem to me that that question would be determined by the vote upon the Senator's amendment. I had very much hoped that the Senator would offer his amendment including grain, and if it is voted down he can still support the pending bill; but I do not believe that he ought to desist just because some Senator says he is going to oppose the bill if such a provision is added to it.

Mr. GRONNA. In accordance with the suggestion of the Senator from Nebraska, I will submit the matter to the Senate with the understanding, of course, that if the amendment is voted down I shall support the measure as it is now framed.

Mr. SMOOT. A parliamentary inquiry. As I understand, this bill was taken up by unanimous consent?

The PRESIDING OFFICER. Yes.

Mr. SMOOT. And with the understanding on the part of the senior Senator from Minnesota [Mr. NELSON] that the grain bill should not be considered in connection with this bill. Am I right in that?

The PRESIDING OFFICER. The Chair would not state, without recourse to the record, as to whether or not that was made a part of the unanimous-consent agreement.

Mr. SMOOT. I think it was.

The PRESIDING OFFICER. It was the understanding, undoubtedly, between the Senator from Georgia and the Senator from Minnesota that the grain question would not be taken up.

Mr. BRISTOW. Well, Mr. President, unless the record is to the contrary, I distinctly remember that there was no agreement that it should not be taken up. The Senator from Georgia stated that he hoped it would not be taken up.

If the Senator from North Dakota will yield, I should like to inquire if his proposition is that the Government shall establish warehouses for grain similar to those proposed for cotton, so that the farmers can store their grain and get certificates and use them in exactly the same way that it is proposed to use certificates as to cotton?

Mr. GRONNA. Mr. President, my amendment would be to simply add, after the word "cotton," the words "grain and flaxseed," and then to add the words "elevators and warehouses" where necessary.

Mr. BRISTOW. Mr. President, there can be nothing more desirable. We passed a bill here this afternoon providing for the purchase of the products of the silver miners. Now, the proposition which the Senator from North Dakota suggests is that the Government, in connection with the cotton warehouses, which I am perfectly willing shall be established, shall establish warehouses for grain, so that the farmer will not have to put it on the market and sell it at 60 cents when it is worth 75 cents, but can put it in a warehouse and not let some speculator get it and make a profit of 15 or 20 cents a bushel on it within 90 days, as was done within the last 90 days. If the American Congress wants to do something that will be of some benefit to the great farming masses west of the Mississippi River, they can not do anything better than to attach the amendment suggested by the Senator from North Dakota to this bill.

Mr. GRONNA. The Senator from Kansas is right. My proposition is to place grain on an equality with cotton and tobacco, and that is all I ask. Of course——

Mr. SMOOT. Mr. President, my only object was to keep the record of the Senate straight. I have not said a word as to whether or not I will oppose this bill.

Mr. GRONNA. If the Senator will pardon me, as to the unanimous-consent agreement, I will say to the Senator that I was absent for about 5 or 10 minutes—not to exceed 10 minutes—getting my lunch. I doubt if there was a quorum present, and there was no question of a quorum raised; so that if unanimous consent was given I do not consider it valid. I do not think the Senator should raise that question.

Mr. SMITH of Georgia. I did not understand that the unanimous-consent agreement was to cut off the Senator from North Dakota from offering his amendment.

Mr. GRONNA. I do not propose to be shut out by any technical rule.

Mr. SMITH of Georgia. I did not understand that I was asking any unanimous consent that would shut off the Senator from North Dakota.

Mr. SMOOT. Mr. President, what I am trying to do is to find out what the unanimous consent was. I am not trying to shut off the Senator at all. I ask that the record may be read.

The PRESIDING OFFICER. Very well. The Reporter will read the record. Then there will not be any question as to what occurred.

Mr. SMOOT. There will be no misunderstanding. I know that the question came up, and I really do not know how it was finally decided.

The PRESIDING OFFICER. The record will be read, including the entire matter leading up to the unanimous-consent agreement.

The Reporter read as follows:

Mr. SMITH of Georgia. Then I move that we take up Senate bill 6266.

Mr. NELSON. I want to say to the Senator from Georgia that I am not opposed to his bill, because of the conditions in the cotton country; but if it is proposed to add to it an amendment relating to the grading and inspection of wheat and other small grains, I am utterly opposed to it, and shall have to oppose the bill.

The PRESIDING OFFICER. The Chair desires to call the attention of the Senator from Georgia and also the Senator from Texas, at least in the form of a suggestion, to the fact that to lay this bill before the Senate now on a motion would probably displace the unfinished business. It can be done by unanimous consent.

Mr. SMITH of Georgia. No; I have already obtained unanimous consent to temporarily lay aside the unfinished business.

The PRESIDING OFFICER. The Chair simply makes that suggestion.

Mr. SMITH of Georgia. I understood that the Senator from Texas asked unanimous consent simply to temporarily lay aside the trust bill, which was done. That being done, I asked that the cotton-warehouse bill be taken up.

The PRESIDING OFFICER. In the form of a motion?

Mr. SMITH of Georgia. I really thought the unanimous consent carried with it the taking up of this bill.

The PRESIDING OFFICER. The Chair does not think so.

Mr. SMITH of Georgia. Then I ask unanimous consent to take up Senate bill 6266.

Mr. NELSON. Mr. President, I want to say to the Senator that I shall make no objection if it is understood that there is no grain inspection or wheat inspection attached to the bill.

Mr. SMITH of Georgia. I hope there will be no effort to have it done. I have no arrangement to attach it, and I hope no effort will be made to do it.

Mr. NELSON. I recognize the fact that conditions are different in the cotton country. You have no cotton warehouses. We have an abundance of grain warehouses in our country, and we do not want to complicate it with any legislation of that kind.

Mr. SMITH of Georgia. And the further difference exists that all the representatives from the cotton States agree on this bill, while the Senators from the grain States disagree. If the Senators from the grain States all agreed upon something they wished to ask, I should be glad to accept it; but with the Senators from the grain States disagreeing about it, I hope there will be no effort to add that measure to this one.

Mr. NELSON. I withdraw all objection.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (S. 6266) to authorize the Secretary of Agriculture to license cotton warehouses, and for other purposes.

Mr. GRONNA. Mr. President, I do not think that is an agreement. The Senator from Minnesota had a perfect right to be opposed to the grain bill, just as much as I have a right to be for it. The Senator from Georgia has made no unanimous-consent agreement nor asked anyone to make it, according to the record.

Mr. SMITH of Georgia. I sought to let it be understood that there was no agreement; that I hoped it would not be done, but there was no condition to prevent it from being done.

Mr. GRONNA. Mr. President, as I said a moment ago, I do not wish either to displace or to defeat this measure, because it is a meritorious one; but I do believe the millions of farmers all through the United States, who are engaged in raising grain, should have the benefit of this measure, if any benefit there be, and I believe it would be a benefit to them.

It is true, as the Senator from Minnesota has said, that we have a warehouse system now, in the West especially. We have public elevators, where our grain may be taken and either sold or stored; but I want to call the attention of the Senate to the fact that when the grain is taken to an elevator and stored it means that it is disposed of; that unless you make a contract with the elevator to keep it in a special bin, that grain will be sold. It immediately becomes an article of commerce. You can readily see the disadvantage to the farmer. In case of a large crop all the grain will be immediately placed upon the market, which always has a tendency to reduce prices.

If we could have the benefit of this measure, and let the grain be stored, the same as you are now proposing to store cotton, I believe it would be a commendable idea. I believe it is the right kind of idea, to help the man who is unable to help him-

self. We can always sell grain at some price, but we very often have to sell it for much less than it costs to produce it; and that is the reason why I want this law to apply to grain as well as to other products.

I know that in 9 years out of 10 the farmer who produces nothing but grain makes no profit unless he can do the work himself, unless he has his own labor. If he were to hire the labor to be done on his farm, he would not farm for very many years. There are many of us in the Western States who have farmed on a large scale, and we have kept books, and we know that it is not a profitable industry where you have to hire all the labor.

Why should we not take the precaution to protect the grain farmer as well as the cotton farmer and the tobacco farmer? The only men who have made the grain industry profitable for the last 50 years are the middlemen who are handling the crop. There is no time when a farmer can not take his grain to an elevator, either to be stored or to be sold, but he can not sell it at prices that are profitable to him. Under the provisions of the bill of the Senator from Georgia it would be possible to store this grain and not place it on the market, as we do now when we take it to the elevator. Under existing conditions and under the present system you might just as well sell as to store, because I make the statement here that as soon as the grain is stored in a public elevator that grain is resold and shipped out of that elevator.

I want to say that as soon as the pending amendment is disposed of I shall offer my amendment, in order to get it before the Senate. If it is voted down I shall still be glad to support the measure as it is offered by the Senator from Georgia.

Mr. KERN. Mr. President, I ask unanimous consent to make a motion at this time with reference to a recess. I move that not later than 5.30 p. m. to-day the Senate take a recess until 11 o'clock on Monday morning.

The motion was agreed to.

Mr. LANE. Mr. President, I wish to say just a few words in closing.

This bill takes care of turpentine and tobacco, which are not necessities of life, whereas canned salmon is a food; and there are $50,000,000 worth of it produced by hard-working men and people who are absolutely without a market at this time. It is a meritorious proposition. I want that understood.

I ask for the yeas and nays on the amendment.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CHAMBERLAIN (when his name was called). I transfer my pair with the junior Senator from Pennsylvania [Mr. OLIVER] to the junior Senator from Mississippi [Mr. VARDAMAN] and will vote. I vote "yea."

Mr. CULBERSON (when his name was called). Again announcing my pair and its transfer, I vote "nay."

Mr. FLETCHER (when his name was called). Again announcing my pair with the junior Senator from Wyoming [Mr. WARREN] and its transfer to the senior Senator from Alabama [Mr. BANKHEAD], I vote "nay."

Mr. GORE (when his name was called). I transfer my pair with the junior Senator from Wisconsin [Mr. STEPHENSON] to the senior Senator from Louisiana [Mr. THORNTON] and will vote. I vote "nay."

Mr. MYERS (when his name was called). I transfer my pair with the junior Senator from Connecticut [Mr. MCLEAN] to the junior Senator from Nevada [Mr. PITTMAN] and will vote. I vote "nay."

Mr. SMITH of Georgia (when his name was called). I transfer my pair with the senior Senator from Massachusetts [Mr. LODGE] to the senior Senator from Nevada [Mr. NEWLANDS] and will vote. I vote "nay."

Mr. THOMAS (when his name was called). I have a general pair with the senior Senator from New York [Mr. ROOT]. I transfer that pair to the senior Senator from Indiana [Mr. SHIVELY] and will vote. I vote "yea."

The roll call was concluded.

Mr. SMOOT. Mr. President, I have been requested to announce the following pairs:

The junior Senator from New Mexico [Mr. CATRON] with the senior Senator from Oklahoma [Mr. OWEN].

The senior Senator from Wyoming [Mr. CLARK] with the senior Senator from Missouri [Mr. STONE].

The senior Senator from South Dakota [Mr. CRAWFORD] with the senior Senator from Tennessee [Mr. LEA].

The senior Senator from Delaware [Mr. DU PONT] with the senior Senator from Texas [Mr. CULBERSON].

The senior Senator from New Hampshire [Mr. GALLINGER] with the junior Senator from New York [Mr. O'GORMAN].

The junior Senator from West Virginia [Mr. GOFF] with the senior Senator from South Carolina [Mr. TILLMAN].

The senior Senator from Rhode Island [Mr. LIPPITT] with the junior Senator from Montana [Mr. WALSH].

The senior Senator from Pennsylvania [Mr. PENROSE] with the senior Senator from Mississippi [Mr. WILLIAMS].

The senior Senator from Michigan [Mr. SMITH] with the junior Senator from Missouri [Mr. REED].

The junior Senator from Utah [Mr. SUTHERLAND] with the senior Senator from Arkansas [Mr. CLARKE].

The junior Senator from Michigan [Mr. TOWNSEND] with the junior Senator from Arkansas [Mr. ROBINSON].

Mr. MYERS. I announce the absence of my colleague [Mr. WALSH]. He is paired with the senior Senator from Rhode Island [Mr. LIPPITT], who is absent; so if my colleague were present he could not vote.

Mr. WILLIAMS. I transfer my pair with the senior Senator from Pennsylvania [Mr. PENROSE] to the junior Senator from South Carolina [Mr. SMITH] and will vote. I vote "nay."

Mr. SHEPPARD. I announce the unavoidable absence of the junior Senator from Florida [Mr. BRYAN] and that he is paired. This announcement may stand for the day.

The result was announced—yeas 17, nays 27, as follows:

YEAS—17.

Brady	Clapp	Kern	Smoot
Bristow	Cummins	Lane	Thomas
Burton	Gronna	Martine, N. J.	
Chamberlain	Hollis	Norris	
Chilton	Kenyon	Simmons	

NAYS—27.

Camden	James	Pomerene	Swanson
Culberson	Johnson	Ransdell	Thompson
Dillingham	Lee, Md.	Shafroth	Weeks
Fall	Myers	Sheppard	West
Fletcher	Nelson	Smith, Ga.	White
Gore	Overman	Smith, Md.	Williams
Hitchcock	Perkins	Sterling	

NOT VOTING—52.

Ashurst	Goff	Oliver	Smith, Ariz.
Bankhead	Hughes	Owen	Smith, Mich.
Borah	Jones	Page	Smith, S. C.
Brandegee	La Follette	Penrose	Stephenson
Bryan	Lea, Tenn.	Pittman	Stone
Burleigh	Lewis	Poindexter	Sutherland
Catron	Lippitt	Reed	Thornton
Clark, Wyo.	Lodge	Robinson	Tillman
Clarke, Ark.	McCumber	Root	Townsend
Colt	McLean	Saulsbury	Vardaman
Crawford	Martin, Va.	Sherman	Walsh
du Pont	Newlands	Shields	Warren
Gallinger	O'Gorman	Shively	Works

The PRESIDING OFFICER. A quorum has not voted, nor does it appear that there are those present who could not vote, on account of pairs, sufficient to make a quorum, in which event, of course, the Chair, under the ruling of the Vice President, would count them. There is not a quorum present. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Brady	Fletcher	Nelson	Smith, Md.
Bristow	Gronna	Newlands	Smoot
Burton	Hitchcock	Norris	Sterling
Camden	Hollis	Overman	Swanson
Chamberlain	James	Perkins	Thomas
Chilton	Johnson	Pomerene	Thompson
Clapp	Kern	Ransdell	Weeks
Culberson	Lane	Shafroth	West
Cummins	Lee, Md.	Sheppard	White
Dillingham	Martine, N. J.	Simmons	Williams
Fall	Myers	Smith, Ga.	

The VICE PRESIDENT. Forty-three Senators have answered to the roll call. There is not a quorum present. The Secretary will call the names of absent Senators.

The Secretary called the names of absent Senators, and Mr. SHIELDS answered to his name when called.

The VICE PRESIDENT. Forty-four Senators have answered to the roll call. There is not a quorum present. The Sergeant at Arms will carry out the order of the Senate heretofore made and request the attendance of absent Senators.

Mr. SMOOT. I desire to announce the unavoidable absence of the senior Senator from New Hampshire [Mr. GALLINGER], the senior Senator from Wyoming [Mr. CLARK], and the junior Senator from Utah [Mr. SUTHERLAND].

Mr. KENYON, Mr. GORE, Mr. TILLMAN, Mr. BURLEIGH, and Mr. SHIVELY entered the Chamber and answered to their names.

The VICE PRESIDENT. Forty-nine Senators have answered to the roll call. There is a quorum present. The question recurs on the amendment of the Senator from Oregon [Mr. LANE], on which the yeas and nays have been ordered. The Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. CULBERSON (when his name was called). Again announcing my pair and its transfer, I vote "nay."

Mr. FLETCHER (when his name was called). I announce the transfer of my pair as before and vote "nay."

Mr. MYERS (when his name was called). I transfer my pair with the junior Senator from Connecticut [Mr. MCLEAN] to the junior Senator from Nevada [Mr. PITTMAN] and vote "nay."

Mr. SMITH of Georgia (when his name was called). I am at liberty to vote for the purpose of making a quorum. I vote "nay."

Mr. TILLMAN (when his name was called). I transfer my pair with the Senator from West Virginia [Mr. GOFF] to the Senator from New Jersey [Mr. HUGHES] and vote "yea."

Mr. WILLIAMS (when his name was called). Repeating the announcement made upon the last roll call, I vote "nay."

The roll call was concluded.

Mr. CHAMBERLAIN. I make the same transfer as heretofore and vote "yea."

Mr. GORE. I again announce my pair with the junior Senator from Wisconsin [Mr. STEPHENSON] and its transfer to the Senator from Louisiana [Mr. THORNTON]. I vote "nay."

The result was announced—yeas 20, nays 25, as follows:

YEAS—20.

Brady	Clapp	Kenyon	Norris
Bristow	Cummins	Kern	Simmons
Burton	Gronna	Lane	Smoot
Chamberlain	Hollis	Martine, N. J.	Thompson
Chilton	Johnson	Newlands	Tillman

NAYS—25.

Camden	Lee, Md.	Shafroth	Weeks
Culberson	Martin, Va.	Sheppard	West
Dillingham	Myers	Shields	White
Fall	Nelson	Shively	Williams
Fletcher	Overman	Smith, Ga.	
Gore	Pomerene	Smith, Md.	
James	Ransdell	Swanson	

NOT VOTING—51.

Ashurst	Goff	Owen	Smith, S. C.
Bankhead	Hitchcock	Page	Stephenson
Borah	Hughes	Penrose	Sterling
Brandegee	Jones	Perkins	Stone
Bryan	La Follette	Pittman	Sutherland
Burleigh	Lea, Tenn.	Poindexter	Thomas
Catron	Lewis	Reed	Thornton
Clark, Wyo.	Lippitt	Robinson	Townsend
Clarke, Ark.	Lodge	Root	Vardaman
Colt	McCumber	Saulsbury	Walsh
Crawford	McLean	Sherman	Warren
du Pont	O'Gorman	Smith, Ariz.	Works
Gallinger	Oliver	Smith, Mich.	

The VICE PRESIDENT. A quorum not having voted, the Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Brady	Fletcher	Nelson	Smith, Md.
Bristow	Gore	Newlands	Smoot
Burton	Gronna	Overman	Sterling
Camden	Kenyon	Pomerene	Swanson
Chamberlain	Kern	Shafroth	Thomas
Chilton	Lane	Sheppard	Thompson
Clapp	Lee, Md.	Shields	Weeks
Culberson	Martin, Va.	Shively	West
Cummins	Martine, N. J.	Simmons	White
Fall	Myers	Smith, Ga.	Williams

The VICE PRESIDENT. Forty Senators have answered to the roll call. There is not a quorum present. The Secretary will call the names of absent Senators.

The Secretary called the names of absent Senators, and Mr. RANSDELL responded to his name when called.

Mr. HOLLIS, Mr. JAMES, and Mr. JOHNSON entered the Chamber and answered to their names.

The VICE PRESIDENT. Forty-four Senators have answered to the roll call. There is not a quorum present. The Sergeant at Arms will carry out the instructions of the Senate heretofore given.

Mr. TILLMAN entered the Chamber and answered to his name.

RECESS.

The VICE PRESIDENT. The Senate of the United States having heretofore entered an order that not later than 5.30 o'clock p. m. to-day it would take a recess until 11 o'clock a. m. on Monday, and it appearing to the satisfaction of the presiding officer that the Sergeant at Arms is unable to obtain a quorum, the presiding officer declares the Senate in recess until 11 o'clock a. m. on Monday.

The Senate thereupon (at 4 o'clock and 40 minutes p. m.) took a recess until Monday, August 24, 1914, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES.

SATURDAY, *August 22, 1914.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

O Thou who art supremely great and glorious, pure and holy, just and merciful, pour out upon us abundantly the riches of Thy grace that our minds and hearts may be fully prepared to meet the duties and obligations of this day, that we may have at its close the consciousness of Thine approval, and to Thee we shall give all praise, through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

LEAVE OF ABSENCE.

Mr. RUSSELL. Mr. Speaker, I ask unanimous consent to address the House for one minute.

The SPEAKER. The gentleman from Missouri asks unanimous consent to address the House for one minute. Is there objection?

There was no objection.

Mr. RUSSELL. Mr. Speaker, I have been in attendance at this session of Congress every day. I have missed but one roll call, and that was because of being a pallbearer at the funeral of Gen. SHERWOOD'S wife. On next Tuesday the Democratic State convention will meet in Missouri, and it is made the duty of the nominees in that State to attend the convention and make a platform. At this time it is impossible for the Speaker of this House or Mr. ALEXANDER and several others from Missouri, because of important duties, to attend that convention. I believe they all feel, and have so expressed themselves to me, that I should attend. I desire to do so, if this House will grant me permission to be absent on Monday, Tuesday, and Wednesday of next week. I therefore ask unanimous consent for leave of absence during that time.

The SPEAKER. The gentleman from Missouri asks unanimous consent for leave of absence for three days of next week. Is there objection?

There was no objection.

BUREAU OF WAR-RISK INSURANCE.

Mr. ADAMSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table for present consideration the bill (S. 6857) to authorize the establishment of a bureau of war-risk insurance in the Treasury Department, an identical House bill being on the calendar of the House.

Mr. MANN. Mr. Speaker, I object.

The SPEAKER. The gentleman from Illinois objects.

Mr. MANN. It is a Union Calendar bill and is not in order.

Mr. ADAMSON. That is the reason that I asked unanimous consent for its present consideration.

Mr. MANN. I object.

WATER POWER ON THE PUBLIC DOMAIN.

The SPEAKER. Under the special rule the House will automatically resolve itself into the Committee of the Whole House on the state of the Union for the further consideraton of the bill (H. R. 16673) to provide for the development of water power and the use of public lands in relation thereto, and for other purposes.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 16673, with Mr. FITZGERALD in the chair.

Mr. FERRIS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. FERRIS. Mr. Chairman, debate upon this section was closed by unanimous consent at the expiration of a certain time, and I desire to know the status of that time.

The CHAIRMAN. The gentleman from Oklahoma has 10 minutes remaining.

Mr. FERRIS. Is that all the time that is left?

The CHAIRMAN. Yes.

Mr. FERRIS. Mr. Chairman, I yield five minutes to the gentleman from Colorado [Mr. TAYLOR].

Mr. TAYLOR of Colorado. Mr. Chairman, I would like to ask the gentleman from Illinois [Mr. MANN] a question. Just before the close of the debate on this section the other day the gentleman asked me if I would not consent to strike out of line 17 on page 10 of this bill the words "or other uses," and I objected to doing so.

Mr. MANN. Yes.

Mr. TAYLOR of Colorado. My thought was at that time that, by striking out those words and leaving the others in,

the legal maxim of the expression of one thing is the exclusion of the other would apply, and that it would very greatly limit and restrict the meaning intended. I want to ask the gentleman if his thought and my idea in the matter would not be better served if we should strike out all of the section after the word "water," in line 16? That is, strike out the words "used in irrigation or for municipal or other uses, or any vested right acquired thereunder."

That would leave the first four lines of that section, down to the word "water." I understand that the gentleman does not object to the expression in this section of a recognition of our water rights under the State law and does not deny our right to the control of waters as to appropriation and use and distribution under our State laws; but he objects to the specifying of "other uses," in addition to municipal and irrigation. "Other uses" would include domestic use, and any vested rights acquired might possibly be construed as applying only to heretofore, and would give a prior right to all appropriations under the Federal law hereafter. I thought that, unless the gentleman was intending by this bill to supersede our rights out there, by striking out all after the word "water" it would accomplish what he wants, if I correctly understand him, and at the same time accomplish what we of the West want to retain in the measure—that is, an express, safeguarding provision in the act that will obviate any question on this subject. That will eliminate those specifications in respect to municipal and irrigation and other uses, and let it read as follows:

SEC. 14. That nothing in this act shall be construed as affecting or intended to affect or to in any way interfere with the laws of any State relating to the control, appropriation, use, or distribution of water.

If that would satisfy the gentleman, so far as I am concerned, as the author of this section in the bill, I do not see that it would materially weaken the bill, and yet it would be an express recognition of and specifically preserve our State water-rights laws under our constitution, and would make the Government and these water-power companies come in and acquire their water rights under our State laws the same as other people. In other words, the gentleman certainly does not want to give a monopoly of our waters to the water-power companies.

Mr. MANN. Not at all.

Mr. TAYLOR of Colorado. And if the gentleman does not want to do that, we of the West feel that that whole section ought to remain in the bill, but it looks to me as though, if we cut out all after the word "water," it would effectually prevent the water-power companies going out there and trying to ignore our local State laws and superior rights by virtue of a Federal act, and assert a priority that they have no right to, and endeavor to acquire a monopoly.

Nobody in this House wants to knowingly give the water-power companies provided for in this bill a monopoly of our waters, or let them come in there and violate vested rights. I feel that if we do not have a saving clause of that kind in this bill they will do, or try to do, that. Because they are prone to accord too much power and authority to a Federal law, and we must have a safeguarding provision in the bill to prevent big power companies from riding over us. I do not want them to have the power to go into the Federal courts and harass and defeat our own little or big users of water or irrigation companies. Our water users are not all large companies. Ninety-nine per cent of them are small companies or associations of farmers or individuals. I want to protect those little fellows against these great, enormous, big eastern power companies that will come in there and try to gobble up our water if we do not head them off by the language I have inserted in the bill. We are very much in earnest about this matter in that country, and we want to make sure that this will protect the little fellows as against the big ones. We want to safeguard them. That is all there is to it.

Mr. MANN. Now, so far as the State control of water, authorized control, of course we can not interfere with that anyhow.

Mr. TAYLOR of Colorado. Well, if we do not put in the bill something by way of an express disclaimer by Congress of what these power corporations may do, they will make us trouble. We feel that you ought not to give them a permit in any language which might be construed to supersede the vested rights of the people of that country; and if we put in that kind of a disclaimer it will save and protect our rights out there. If we do not, I fear it will make interminable trouble. I will never agree to jeopardize or undermine the birthright of the West to the use of our waters in our nonnavigable streams. It seems to me the gentleman ought not to want to give that power or the possibility of that power to the power companies. They are big enough to take care of themselves, without legislating specially in their behalf. I am willing to accept the above modification, but the section 14, as so modified, must stay in the bill.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MANN. Did not we have some time on this side?

Mr. FERRIS. I yield to the gentleman two minutes more.

Mr. MANN. I thought we had some time over here and we did not use all the time.

Mr. TAYLOR of Colorado. The Chairman says not. Go ahead in my two minutes.

Mr. MANN. I was going to yield to the gentleman; that is all.

Mr. TAYLOR of Colorado. I trust the gentleman will consent to make that modification of his amendment. I think that that would do nothing more than the gentleman is willing to do, as I understand it.

Mr. FERRIS. If the gentleman will permit, after the colloquy on the last day we ran, I took the debate and talked to the Interior Department, and they feel a good deal as if the disclaimer does not do so much one way or the other.

They called attention to the fact that on page 5 of the reclamation act and on page 11 of the Hetch Hetchy act we struck at the same proposition, and they thought—and I have a letter to that effect—that if we struck out, as suggested by the gentleman from Colorado [Mr. TAYLOR], all after the word "water," it would accomplish all the gentleman seeks to accomplish and still guard against that which some fear.

Mr. MANN. That may be correct. I have no desire, as far as I am concerned, to interfere with the ordinary control of the water in the States. On the other hand, I do not desire that the State shall have the power in subsequent legislation to interfere with the authority which we grant under this bill. It may be aimed absolutely at the lessees of the General Government——

Mr. TAYLOR of Colorado. The lessees under this bill will have every power they are entitled to, they can come in on the same footing as the other water-right appropriators. Their rights will be both acquired and protected under the State law.

Mr. MANN. If the gentleman wishes to offer an amendment striking out all of the section after the word "water," I will withdraw my amendment.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FERRIS. I yield the gentleman two minutes more.

Mr. MANN. I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent to withdraw his amendment. Is there objection? [After a pause.] The Chair hears none.

Mr. TAYLOR of Colorado. Mr. Chairman, I move to amend section 14 by striking out all thereof after the word "water," in line 16, and insert a period after the word "water."

The CHAIRMAN. The gentleman from Colorado offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amend, page 10, by striking out all of section 14 after the word "water," in line 16.

Mr. MONDELL. Mr. Chairman, will the gentleman from Colorado yield to me?

Mr. TAYLOR of Colorado. Yes, sir.

Mr. MONDELL. I think the gentleman from Colorado strikes out too much. I think the words at the end of that section, "or any vested right acquired thereunder," should remain in the bill. I think it is highly important.

Mr. TAYLOR of Colorado. My thought, I will say to the gentleman from Wyoming, is that this will leave the section much broader than it now is. If you leave in "or any vested right acquired thereunder" I am afraid you are limiting and narrowing the meaning of the fore part of the section.

Mr. MONDELL. On the contrary, I will call the attention of the gentleman to the fact that the first part of the section is a simple disclaimer. The words at the end of the section, which I think should remain in, are a saving clause. I doubt if we can take away a vested right, and yet there are provisions in this act as it stands which, if they could be enforced as they are written, would interfere with vested rights.

I think the repealing clause of the bill would jeopardize vested rights. Therefore, it strikes me you ought not to take from the bill a provision now in which it is intended to protect vested rights, that should be in addition to the general disclaimer with regard to the State jurisdiction over water.

Mr. TAYLOR of Colorado. I will state to the gentleman that the attorneys in the Interior Department ran the question down for the committee, and they state that, if we put in a disclaimer affecting or of any intention to affect or to in any way interfere with the laws of the State relating to the control, appropria-

tion, use, or distribution of the waters of our streams, it would be enough and even more than is necessary to protect our rights.

Mr. MONDELL. Is the gentleman of the opinion that some one down at the department knows more about it than he does?

Mr. TAYLOR of Colorado. No; I think the gentleman knows I do not rely upon the department officials any more than he does. At the same time I am often glad to have their judgment, whether I follow it or not.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. TAYLOR of Colorado. Mr. Chairman, I ask for a vote.

Mr. MONDELL. Mr. Chairman, I move to amend the amendment. I offer the following amendment, to strike out in lines 16 and 17 the words "used in irrigation or for municipal or other uses."

Mr. TAYLOR of Colorado. I have not any objection if that is satisfactory to let it go in, but it seems to me that it is not in order——

The CHAIRMAN. The amendment offered by the gentleman from Wyoming is not in order as an amendment to the amendment of the gentleman from Colorado.

Mr. MONDELL. Mr. Chairman, the gentleman from Colorado offered an amendment to strike out two provisions of the bill.

The CHAIRMAN. The gentleman from Colorado moves to strike out all of section 10, after the word "water," in line 16.

Mr. MONDELL. Now, I move to amend that by only striking out after the word "water" the words "used in irrigation or for municipal or other uses." In other words, I only strike out half of what the gentleman strikes out.

Mr. MANN. While I am not in favor of the amendment, the amendment of the gentleman from Wyoming is merely to perfect the text of the provision which the gentleman from Colorado proposes to strike out, and hence would be in order.

The CHAIRMAN. The gentleman from Wyoming moves to strike out from the amendment offered by the gentleman from Colorado the words which the Clerk will report.

The Clerk read as follows:

Amend the amendment by striking out the words, in lines 16 and 17, "used in irrigation or for municipal or other uses."

The CHAIRMAN. The question is on the amendment to the amendment offered by the gentleman from Wyoming [Mr. MONDELL].

The question was taken, and the Chair announced that the noes seemed to have it.

Mr. MONDELL. Mr. Chairman, I would like to be heard on my amendment.

The CHAIRMAN. All debate on this section has been closed by unanimous consent. The noes had it.

Mr. MONDELL. I do not think the ayes had an opportunity to vote.

Mr. TAYLOR of Colorado. I will ask the Chairman to state that over again.

The CHAIRMAN. The Chair put the question.

Mr. MONDELL. I was endeavoring to get the attention of the Chair.

The CHAIRMAN. The Chair does not think the gentleman was endeavoring to get the Chair's attention. The question now is on the amendment of the gentleman from Colorado [Mr. TAYLOR].

Mr. MONDELL. Mr. Chairman, I suggest the absence of a quorum.

The CHAIRMAN. The gentleman from Wyoming [Mr. MONDELL] makes the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and one Members are present, a quorum. The question is on the amendment of the gentleman from Colorado [Mr. TAYLOR].

The question was taken, and the amendment was agreed to.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES.

The committee informally rose; and Mr. ADAMSON having taken the chair as Speaker pro tempore, sundry messages, in writing, from the President of the United States were communicated to the House of Representatives, by Mr. Latta, one of his secretaries, who also informed the House that the President had approved and signed bills and joint resolutions of the following titles:

On August 3, 1914:

H. J. Res. 312. Joint resolution for the relief, protection, and transportation of American citizens in Europe, and for other purposes.

On August 5, 1914:

H. J. Res. 314. Joint resolution for the relief, protection, and transportation of American citizens in Europe, and for other purposes.

On August 8, 1914:

H. R. 11822. An act to acquire, by purchase, condemnation, or otherwise, additional land for the post office, courthouse, and customhouse in the city of Richmond, Va.

On July 30, 1914:

H. R. 16294. An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war.

On August 10, 1914:

H. R. 15959. An act granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors;

H. R. 16345. An act granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors; and

H. R. 17482. An act granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors.

On August 13, 1914:

H. J. Res. 288. Joint resolution to amend an act entitled "An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war," approved May 2, 1914.

On August 18, 1914:

H. R. 18202. An act to provide for the admission of foreign-built ships to American registry for the foreign trade, and for other purposes.

On August 20, 1914:

H. J. Res. 295. Joint resolution authorizing the Secretary of War to return to the State of Louisiana the original ordinance of secession adopted by said State;

H. R. 816. An act for the relief of Abraham Hoover;

H. R. 13415. An act to increase the limit of cost of public building at Shelbyville, Tenn.; and

H. R. 14679. An act for the relief of Clarence L. George.

On August 21, 1914:

H. J. Res. 249. Joint resolution for the appointment of George Frederick Kunz as a member of the North American Indian Memorial Commission;

H. R. 6609. An act for the relief of Arthur E. Rump;

H. R. 3920. An act for the relief of William E. Murray;

H. R. 10460. An act for the relief of Mary Cornick; and

H. R. 14685. An act to satisfy certain claims against the Government arising under the Navy Department.

On August 22, 1914:

H. R. 1516. An act for the relief of Thomas F. Howell;

H. R. 1528. An act for the relief of T. A. Roseberry;

H. R. 6420. An act for the relief of Ella M. Ewart;

H. R. 9829. An act authorizing the Secretary of the Interior to sell certain unused remnant lands to the Board of County Commissioners of Caddo County, Okla., for fairground and park purposes;

H. R. 10765. An act granting a patent to George M. Van Leuven for the northeast quarter of section 18, township 17 north, range 19 east, Black Hills meridian, South Dakota;

H. R. 11765. An act to perfect the title to land belonging to the M. Forster Real Estate Co., of St. Louis, Mo.;

H. R. 12463. An act to authorize the withdrawal of lands on the Quinaielt Reservation, in the State of Washington, for lighthouse purposes;

H. R. 12844. An act for the relief of Spencer Roberts, a member of the Metropolitan police force of the District of Columbia;

H. R. 13717. An act to provide for leave of absence for homestead entrymen in one or two periods;

H. R. 17045. An act for the relief of William L. Wallis;

H. R. 13965. An act to refund to the Sparrow Gravely Tobacco Co. the sum of $176.99, the same having been erroneously paid by them to the Government of the United States;

H. R. 14404. An act for the relief of E. F. Anderson;

H. R. 14405. An act for the relief of C. F. Jackson;

H. R. 16205. An act for the relief of Davis Smith;

H. R. 16431. An act to validate the homestead entry of William H. Miller; and

H. R. 16476. An act authorizing the Secretary of the Interior to issue patent to the city of Susanville, in Lassen County, Cal., for certain lands, and for other purposes.

DEVELOPMENT OF WATER POWER.

The committee resumed its session.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 15. That all acts or parts of acts providing for the use of the lands of the United States for any of the purposes to which this act is applicable are hereby repealed to the extent only of any conflict with this act: *Provided, however*, That the provisions of the act of February 15, 1901 (31 Stat. L., 790), shall continue in full force and effect as to lands within the Yosemite, Sequoia, and General Grant National Parks in the State of California: *And provided further*, That the provisions of this act shall not be construed as revoking or affecting any permits or valid existing rights of way heretofore given or granted pursuant to law, but at the option of the permittee any permit heretofore given for the development, generation, transmission, or utilization of hydroelectric power may be surrendered and the permittee given a lease for the same premises under the provisions of this act.

Mr. MONDELL. Mr. Chairman, I move to strike out the last word.

This section repeals a considerable number of statutes; just how many no one knows. It became very clear during the hearings that no one knew just what the effect of this repeal of conflicting statutes would be. It is certain that it repeals the provision of the act of February 1, 1905—I think it is—under which are obtained rights of way within forest reserves for mining and municipal purposes. It also repeals the act of May 11, 1898, supplemental to the act of 1891, under which water power may be developed subsidiary to development for purposes of irrigation. It will also repeal the act of March 4, 1911, so far as it affects rights of way for the transmission and distribution of electrical power, and the repeal of that act, in view of the provisions of this act, would be a very serious matter. For instance, a going enterprise, one already built, in the State of California, for instance, now under control of the public-service commission of the State and paying 4 per cent to the State, might desire to extend a transmission line over a strip of public land. That could be done now under the act of March 4, 1911, under a 50-year franchise and without changing the status of the enterprise; but when you repeal that statute by this enactment, and such a company should seek such a right of way, its entire plant and all of its operations would be brought under the provisions of the act before us. It might be taken out of the control of the State; it certainly would if it had a line running into another State. It might, under the terms of this bill, and probably would, have a horsepower charge laid on the entire project and enterprise. I do not pretend to say whether the State could still continue to levy its charge or not. If it did, the enterprise would be paying a double tax on its water-power development simply because it was compelled to cross a strip of public land with a pole line. I think the astute gentlemen from the department who had so much to do with the preparation of this bill understand what its effect would be under the circumstances I have mentioned. No doubt they would be glad to get projects already built under their complete control in that way, as they evidently desire to control the power development supplemental and subsidiary to irrigation enterprises. They have evidently put a joker over on the committee.

The acts referred to should remain on the statute books. Just how it affects other acts no one knows. I am sure there is not a member of the committee—and I credit the gentlemen with knowing a good deal about their bill—who has any clear idea concerning it.

Mr. RAKER. Will the gentleman yield?

Mr. MONDELL. Yes.

Mr. RAKER. How can the gentleman figure out that this repeals the irrigation act referred to?

Mr. MONDELL. Why, during the hearing some one suggested it would repeal that supplemental irrigation act, and the gentleman who was appearing before the committee for the department, Mr. Wells, I think it was, said that is what they wanted to do. Of course, that repeals those two acts, and I do not know how many more.

Mr. RAKER. The original bill contained a repeal of all acts. That was entirely eliminated, and this proviso now is intended to leave in full force and effect all the acts referred to by the gentleman, and it only repeals any law that relates to the generation of electric energy.

Mr. MONDELL. It repeals unquestionably——

Mr. RAKER. The attorney for the department——

Mr. MONDELL. The gentleman has taken most of my time. If I can get more time I will be glad to yield.

Mr. RAKER. I am satisfied we can get more time for the gentleman. The first clause says:

That all acts or parts of acts providing for the use of the lands of the United States for any of the purposes for which this act is applicable are hereby repealed to the extent only of any conflict with this act.

That was gone over by the committee and the law officers of the department, so as to leave in full force and effect all the acts that the gentleman refers to, and it only affects the act of 1901 in regard to the question of reservoir rights, and so forth, for the purpose of preparing to generate electric energy.

Mr. MONDELL. The gentleman, if he will listen to me for a moment——

Mr. RAKER. Surely I will.

Mr. MONDELL (continuing). I think will have to agree with me that it unquestionably repeals the provision of law which provides for the development of power supplemental and subsidiary to irrigation development, because it repeals everything that has to do with the development of hydroelectric power, and that is precisely what that act does, and it does nothing else. So it clearly repeals that, and your committee had before it an official of the department who said that that was their object and intent.

Now, as to the act of 1905, which was a part of the law which transferred the forest reserves—that is, the water and power portion of it—there may be some question as to whether or no the provisions of that act, the power and water provisions, are repealed, but it is doubtful at best, and the probability is that it is modified. But there can be no question——

The CHAIRMAN. The time of the gentleman from Wyoming [Mr. MONDELL] has expired.

Mr. MONDELL. Mr. Chairman, I ask unanimous consent that I may have two minutes more.

The CHAIRMAN. The gentleman from Wyoming ask unanimous consent to proceed for two minutes. Is there objection?

Mr. DONOVAN. I object, Mr. Chairman.

Mr. RAKER. Mr. Chairman, I move to strike out the last two words.

The CHAIRMAN. The gentleman from California moves to strike out the last two words.

Mr. RAKER. The gentleman can make a statement of two minutes in my time and ask a question.

Mr. MONDELL. I thank the gentleman. I do not wish to take the gentleman's time. I think the gentleman from California has the same view of this matter as I have. I do not believe he wants to repeal the particular act to which I have referred; that is, the act which provides for power development in connection with plants having a right of way under the act of 1891. But I think that the act clearly does that. And let me say further to the gentleman that had the committee supported my amendment to the amendment of the gentleman from Colorado [Mr. TAYLOR] there would not have been any question about this, because there would then have been a provision in the bill expressly protecting vested rights. But the committee insisted on refusing to protect vested rights. The committee had protected vested rights in the bill as it reported it. Then a member of the committee comes on the floor and offers an amendment which takes away all protection from every vested right that has been acquired. So far as those vested rights can be affected by this bill, they are swept aside. They have no standing. I do not know to what extent they can be affected, but so far as this bill can affect them, by your action, by your refusal to perfect that amendment, you have swept away whatever protection you had in the vested rights.

Mr. STEPHENS of Texas. Mr. Chairman, will the gentleman yield?

Mr. MONDELL. Yes.

Mr. STEPHENS of Texas. Has the gentleman read the last section of the bill?

Mr. MONDELL. Yes.

Mr. STEPHENS of Texas. It provides that it "shall not be construed as revoking or affecting any permits or valid existing rights of way heretofore given or granted pursuant to law," and so forth.

Mr. MONDELL. That has nothing to do, as the gentleman from Texas should know, with the first proposition I referred to, and that is the repeal of, the law. While that might save certain classes of rights, the repeal of the laws will prevent the granting in the future of certain classes of rights, such as are needed for power purposes on irrigation projects. I do not think the committee wants to make the irrigationists come under the provisions of this bill.

Mr. RAKER. Mr. Chairman, I want to call the attention of the committee to the fact that the original draft of the bill and also some amendments that were presented did in substance repeal, or attempt to repeal, all laws relating to the water situation—irrigation, mining, and so forth. The committee was unanimous upon that question, that none of the laws in relation to irrigation, none of the laws relating to the development of water in the national forests or on the public domain, should be repealed. They wanted them all to remain in force and effect, and the matter was taken up with the Department of the Interior, with the attorney for the Department of the Interior, and

also with the officers of the Forest Service, and was thoroughly thrashed out.

Now, I am just as strong in favor of keeping upon the statute books the present law in relation to the development of water, ditches, the right of irrigation, the right of the miner for his mill and any other development that he might make, as the gentleman from Wyoming is, and this was drawn with the express purpose that it would apply only to hydroelectric development, and all other laws should remain in full force and effect.

Now, what the gentleman refers to is this: There is an act which permits a man to have ditches and reservoirs for agricultural work and other purposes, and incidentally it may permit the development of these water plants for hydroelectric purposes. The two departments—the Department of the Interior and the Department of Agriculture—have held up a great many applications upon the ground that they could not tell which one was the more important, and that, so far as the law related to joint action, they ought to be separated. In other words, they say this statute ought to apply solely and exclusively to the development of hydroelectric energy, and for that purpose only, but all other laws on the statute book and any others that might be necessary should be in full force and effect.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. MANN. Mr. Chairman, I ask unanimous consent that the gentleman may have five minutes more.

Mr. DONOVAN rose.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent that the gentleman from California may proceed for five minutes more. Is there objection?

Mr. DONOVAN. I object, Mr. Chairman.

Mr. MANN. Mr. Chairman, I would like to ask the gentleman from California a question in reference to the provision in the bill continuing in full force the law relating to certain parks in California. I have examined the act of February 15, 1901. What are the provisions of that act which it is contended shall remain in full force and effect and which conflict with the provisions of this act?

Mr. RAKER. The provisions of that act are as follows:

Be it enacted, etc., That the Secretary of the Interior be, and hereby is, authorized and empowered, under general regulations to be fixed by him, to permit the use of rights of way through the public lands, forest and other reservations of the United States, and the Yosemite, Sequoia, and General Grant National Parks, Cal., for electrical plants, poles, and lines for the generation and distribution of electrical power, and for telephone and telegraph purposes, and for canals, ditches, pipes and pipe lines, flumes, tunnels, or other water conduits, and for water plants, dams, and reservoirs used to promote irrigation or mining or quarrying, or the manufacturing or cutting of timber or lumber, or the supplying of water for domestic, public, or any other beneficial uses to the extent of the ground occupied by such canals, ditches, flumes, tunnels, reservoirs, or other water conduits or water plants, or electrical or other works permitted hereunder, and not to exceed 50 feet on each side of the marginal limits thereof, or not to exceed 50 feet on each side of the center line of such pipes and pipe lines, electrical, telegraph, and telephone lines and poles, by any citizen, association, or corporation of the United States, where it is intended by such to exercise the use permitted hereunder, or any one or more of the purposes herein named: *Provided*, That such permits shall be allowed within or through any of said parks, or any forest, military, Indian, or other reservation only upon the approval of the chief officer of the department under whose supervision such park or reservation falls, and upon a finding by him that the same is not incompatible with the public interest: *Provided further*, That all permits given hereunder for telegraph and telephone purposes shall be subject to the provision of title 65 of the Revised Statutes of the United States, and amendments thereto, regulating rights of way for telegraph companies over the public domain: *And provided further*, That any permission given by the Secretary of the Interior under the provisions of this act may be revoked by him or his successor, in his discretion, and shall not be held to confer any right or easement, or interest in, to, or over any public land, reservation, or park.

The committee view is that that act ought to remain as it is, and there ought to be a revocable permit, as there is now.

Mr. MANN. That law does not conflict in any way with this, does it?

Mr. RAKER. Not in any way.

Mr. MANN. Then this is put in out of excess of caution?

Mr. RAKER. Yes; this is put in out of excess of caution, as a precaution. We did not want to interfere with the parks. If anybody gets a right to a park, he must get it by special act of Congress.

Mr. MANN. Is there not a similar provision with relation to other parks?

Mr. RAKER. No; there is no similar provision which relates to those parks. Those are the only ones, with the exception of Mount Rainier. There is no right given to the Secretary of the Interior or to the Secretary of Agriculture such as is given in the case of the Yosemite and the three parks named here—the Yosemite, the Sequoia, and the General Grant.

Mr. FERRIS. Mr. Chairman, I offer the following amendment as a new section at the end of the bill.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Oklahoma [Mr. FERRIS].

The Clerk read as follows:

Add as a new section, to be known as section 16:

"That this act shall not apply to navigation dams or structures under the jurisdiction of the Secretary of War or the Chief of Engineers, or to lands purchased or acquired by condemnation by the United States or withdrawn by the President under the act approved June 25, 1910, entitled 'An act to authorize the President of the United States to make withdrawals of public lands in certain cases where such lands were purchased or acquired by condemnation or withdrawn by the President for the sole purpose of promoting navigation.'"

Mr. FERRIS. Mr. Chairman, I presume that the committee can determine what the amendment is by hearing it read. But in a word it is an agreement between the Secretary of the Interior and the Secretary of War, and in a word it is a disclaimer in this bill, so to speak, of any intention by the provisions of this bill to in any way invade the jurisdiction that comes under the Adamson bill in the War Department or of the Chief of Engineers. As is known, dams of all kinds in navigable waters come under the jurisdiction of the War Department. The House has recently passed a bill on that subject, and the amendment offered here is in consequence of an agreement made between the Secretaries that we shall not invade either jurisdiction. I hope the House will adopt the amendment.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Oklahoma [Mr. FERRIS].

The amendment was agreed to.

The CHAIRMAN. The Clerk will report section 8.

MESSAGE FROM THE SENATE.

The committee informally rose; and Mr. HAY having taken the chair as Speaker pro tempore, a message from the Senate, by Mr. Platt, one of its clerks, announced that the Senate had excused Mr. SWANSON from further service as a conferee on the bill (H. R. 7967) to amend the act approved June 25, 1910, authorizing a postal savings system, and had appointed Mr. BANKHEAD in his place.

The message also announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7967) to amend the act approved June 25, 1910, authorizing a postal savings system.

The message also announced that the President of the United States had approved bills and joint resolution of the following titles:

On August 15, 1914:

S. 4966. An act proposing an amendment as to section 19 of the Federal reserve act relating to reserves, and for other purposes;

S. 5313. An act to regulate the taking or catching of sponges in the waters of the Gulf of Mexico and the Straits of Florida outside of State jurisdiction; the landing, delivering, curing, selling, or possession of the same; providing means of enforcement of the same, and for other purposes; and

S. 6031. An act authorizing the Board of Trade of Texarkana, Ark.-Tex., to construct a bridge across Sulphur River at or near Pace's ferry, between the counties of Bowie and Cass, in the State of Texas.

On August 16, 1914:

S. 110. An act to tax the privilege of dealing on exchanges, boards of trade, and similar places in contracts of sale of cotton for future delivery, and for other purposes.

On August 20, 1914:

S. J. Res. 178. Joint resolution granting authority to the American Red Cross to charter a ship or ships of foreign register for the transportation of nurses and supplies and for all uses in connection with the work of that society.

DEVELOPMENT OF WATER POWER.

The committee resumed its session.

The Clerk read as follows:

SEC. 8. That for the occupancy and use of lands and other property of the United States permitted under this act the Secretary of the Interior is authorized to specify in the lease and to collect charges or rentals for all power developed and sold or used by the lessee for any purpose other than the operation of the plant, and the proceeds shall be paid into, reserved, and appropriated as a part of the reclamation fund created by the act of Congress approved June 17, 1902, known as the reclamation act, and after use thereof in the construction of reclamation works and upon return to the reclamation fund of any such moneys in the manner provided by the reclamation act and acts amendatory thereof and supplemental thereto, 50 per cent of the amounts so utilized in and returned to the reclamation fund shall be paid by the Secretary of the Treasury after the expiration of each fiscal year to the State within the boundaries of which the hydroelectric power or energy is generated and developed, said moneys to be used by such State for the support of public schools or other educational institutions or for the construction of public improvements, or both, as the legislature of the State may direct: *Provided*, That leases for the development of power by municipal corporations solely for municipal use shall be issued without rental charge, and that leases for development of power not in excess of 25 horsepower

may be issued to individuals or associations for domestic, mining, or irrigation use without such charge.

Mr. PAGE of North Carolina. Mr. Chairman, I offer the following amendment.

Mr. MONDELL. I offer the following amendment.

The CHAIRMAN. The gentleman from North Carolina [Mr. PAGE] offers an amendment which the Clerk will report.

The Clerk read as follows:

After the word "into," in line 4, on page 7, strike out the remainder of the section and insert in lieu thereof the following: "the Treasury of the United States as miscellaneous receipts."

Mr. MONDELL. Mr. Chairman, will the gentleman yield to me?

The CHAIRMAN. The gentleman from North Carolina has the floor.

Mr. PAGE of North Carolina. I yield to the gentleman for a question.

Mr. MONDELL. I want to ask the gentleman if he has any objection to the discussion of an amendment which naturally comes before his amendment, as it has to do with the general question of the amount of the rentals?

Mr. PAGE of North Carolina. No; I have no objection if my amendment is pending.

Mr. MONDELL. I have an amendment changing the amount and character of the rentals.

Mr. PAGE of North Carolina. If the gentleman's amendment is to the part of the section which is not stricken out by my amendment, then the gentleman's amendment might be offered afterwards.

Mr. MONDELL. I think the logical way would be to offer the amendment to the first part of the section first; but of course I do not insist if the gentleman has any objection to it. It occurred to me that if we could first discuss the amount and character of these rentals, we could then discuss the disposition of the proceeds more intelligently.

Mr. PAGE of North Carolina. If the gentleman will allow me, I do not think the amount of the charge will affect the disposition of it at all. The principle is not affected by the amount of money that may be involved in the charge.

Mr. FERRIS. Will the gentleman yield?

Mr. PAGE of North Carolina. I yield to the gentleman.

Mr. FERRIS. How much time does the gentleman think we should consume on this section?

Mr. PAGE of North Carolina. Personally I have no information as to how much time. I will want to occupy probably 10 minutes, not exceeding that, myself.

Mr. FERRIS. Has the gentleman any intimation as to others who may want time?

Mr. PAGE of North Carolina. Yes; I think there are several other gentlemen who may likely want some time on it.

Mr. FERRIS. Would it be the judgment of the gentleman that 30 minutes on a side would be sufficient?

Mr. PAGE of North Carolina. So far as I am personally concerned.

Mr. FERRIS. Mr. Chairman, I ask unanimous consent that at the end of one hour debate be closed on this amendment and all amendments thereto, and that one-half of the time be controlled by the gentleman from North Carolina [Mr. PAGE] and one-half by myself for the committee.

Mr. MONDELL. Mr. Chairman, I offer a preferential motion.

Mr. FERRIS. Will not the gentleman wait until we get this unanimous-consent agreement?

Mr. MANN. I think we will probably want more time than the gentleman indicates.

Mr. FERRIS. What is the gentleman's suggestion?

Mr. MANN. I think we ought to let the debate run a little while, in order to find out how much time may be desired. We probably will not do anything else to-day.

Mr. FERRIS. I have no disposition to cut off debate.

Mr. MANN. I understand.

Mr. FERRIS. But the gentleman knows that the debate gets very far afield sometimes, unless we have some control of it. Would the gentleman indicate how much time—an hour and a half?

Mr. MANN. I think we will get along better if we do not make any agreement in advance. Several gentlemen have indicated a desire to be heard on this proposition.

Mr. FERRIS. I withhold the request.

Mr. MANN. I think it is well to withhold it for a while. If there is any trouble, we can reach an agreement later.

Mr. MONDELL. Mr. Chairman, I have an amendment to the section, a portion of which the gentleman from North Carolina proposes to strike out.

The CHAIRMAN. The Chair will see that the rights of the gentleman from Wyoming with reference to his amendment are protected.

Mr. PAGE of North Carolina. Mr. Chairman, this section of the bill provides that of the proceeds arising from the rental of these water powers on the public domain, 50 per cent of the amount shall be paid into the reclamation fund and the remaining 50 per cent shall be turned over to the State in which the improvement is made, for appropriation by that State under the direction of its legislature, either for educational purposes or for public improvements.

We have recently passed through this House and through the Congress a general water-power act applying to the navigable streams of the country. Of course these navigable streams are located in the various States, and there was no suggestion made by any gentleman upon this floor that any part of the rental received by the Government from the construction of these hydroelectric plants on navigable streams should be diverted either to the necessary work of the improvement of rivers and harbors or to the State in which the development was made. That proposition would have been on all fours with the proposition laid down in this bill to turn over to the reclamation fund 50 per cent of the rentals in the public-land States and the other 50 per cent to the States in which these improvements are made.

My amendment strikes out this provision and declares that the rentals derived from the construction of hydroelectric plants on the public domain shall be turned into the Treasury as "miscellaneous receipts." I am sometimes impressed that certain gentlemen representing that great country in the West have persuaded themselves that the public domain lying within the bounds of the States that they represent belongs to them and not to the people of the whole country. The public lands are the property of the whole people of the United States, and not the property of the States in which they are located.

Mr. SMITH of Texas. Will the gentleman yield?

Mr. PAGE of North Carolina. I yield to the gentleman for a question.

Mr. SMITH of Texas. Does the gentleman know that the public lands in these Western States to which this act applies have already been appropriated to the reclamation fund?

Mr. PAGE of North Carolina. Yes; I know that the proceeds from the sale of the lands have been appropriated, and I was going to say that we have already, under the reclamation act of 1892 and amendments thereto, appropriated to the reclamation projects in the West a sum of money two and a half times as great as anybody prophesied would be received from the sale of public lands at the time of the passage of the act, reaching now approximately $80,000,000 without interest, to the people who come in under reclamation projects.

We have recently passed through this House a bill extending the time of these loans under the reclamation projects for 10 years—possibly 20 years—to these people without interest. That is only an argument in favor of my proposition, and whatever obligation we may have been under to turn the proceeds of the public lands over for local purposes, we have not only met in legislation in the past and in the amount of money turned into this channel, but we have far exceeded any obligation resting upon the people as a whole.

Mr. COX. Will the gentleman yield?

Mr. PAGE of North Carolina. Certainly.

Mr. COX. Is it not true that in most of the Western States, where reservations are made, from 25 to 50 per cent of the money derived from the sale of timber goes to educational purposes?

Mr. PAGE of North Carolina. Yes; instead of going into the Treasury of the United States as "miscellaneous receipts," as proceeds from the sale of property, 35 to 50 per cent of the money is diverted and appropriated to the State in which the reservation may lie for the benefit of that State; of course, upon the theory that these lands have been withdrawn and are not subject to taxation within the State. But I am not ready, for one, to commit myself to this policy as being a good one. I think we have gone not only far enough but too far in this direction.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. PAGE of North Carolina. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. The gentleman from North Carolina asks unanimous consent that his time be extended five minutes. Is there objection?

There was no objection.

Mr. PAGE of North Carolina. We might as well, it seems to me, have provided in the general dam act, which we passed recently, that 50 per cent of the rentals of the water powers on navigable streams should be placed in a fund for the improvement of the river on which the power was generated, and that the other 50 per cent should go into a fund for the State

in which the plant was located for the uses of the State for educational purposes. I think it would be just as logical if I was to come here and ask the Congress of the United States to pass a law to the effect that 50 per cent of the income tax collected from the citizens in my State should be placed to the credit and control of my State for educational purposes, or that half the customs receipts received in the port of New York might be diverted to State purposes.

We have gone absolutely wild in the appropriation of public money to local purposes, but it is time, it seems to me, that we should divert this money and turn it back into the Treasury of all the people for the uses of all the people. I am not unfriendly to that great section of the country known as the West. I have voted for measures peculiarly beneficial to that section, and I am ready yet to do it, but I think these gentlemen should not come here and ask those of us who come from every other section of this great country to surrender all our rights in the great domain that is the common property of us all in this western empire.

Mr. STEPHENS of Texas. Will the gentleman yield?

Mr. PAGE of North Carolina. Yes.

Mr. STEPHENS of Texas. Does not the gentleman concede that North Carolina got every foot of public land in his State in the beginning?

Mr. PAGE of North Carolina. North Carolina was one of the original thirteen States, and there was never much public land in it.

Mr. STEPHENS of Texas. But your people got the entire benefit of the public lands that were in North Carolina.

Mr. PAGE of North Carolina. Such as there was, which was very small; a very limited area.

Mr. STEPHENS of Texas. That is only what these gentlemen of the West are asking for.

Mr. PAGE of North Carolina. Rather than that the State should take all these lands by piecemeal I would support a measure that would turn over to them every foot of public land within their State borders. [Applause.] I do not believe in taking it in this way, and I had rather go the whole length than to admit by our legislation here the right of the States in the West to have the benefit that accrues from the location of the public domain within the borders of those States.

Mr. FERRIS. Will the gentleman yield?

Mr. PAGE of North Carolina. Yes.

Mr. FERRIS. I know that the gentleman from North Carolina would do nothing to array the West against the East or the East against the West.

Mr. PAGE of North Carolina. I have no purpose of doing any such thing.

Mr. FERRIS. But does not the gentleman think that when Congress has appropriated for rivers and harbors, and so forth, for the East $753,916,446.61 that they never expect to get back, and also an appropriation in a bill that carries $5,000,000—does he not think that the equities are not so bad as compared with the total amount given to reclamation of $70,000,000, every cent of which is to come back?

Mr. PAGE of North Carolina. Oh, I am not going to differentiate between a tax and a pork barrel. The gentleman knows that the appropriations for rivers and harbors have been made to aid commerce, to bring a benefit not only to the people of the East but to the country at large.

Mr. TAYLOR of Colorado. Does not the gentleman realize that every acre of land that is made habitable in the West simply benefits the whole country; that we buy everything we use out there from people in the East and the South, and that every home established there benefits the whole country?

The CHAIRMAN. The time of the gentleman from North Carolina has again expired.

Mr. PAGE of North Carolina. Mr. Chairman, I do not often ask for time, but I would like five minutes more.

The CHAIRMAN. The gentleman from North Carolina asks that his time be extended five minutes. Is there objection?

There was no objection.

Mr. PAGE of North Carolina. Mr. Chairman, in reply to my friend, I am rather surprised that the gentleman from Colorado should have injected that proposition into my speech. I would like to ask him if this bill, making a contribution of 50 per cent, is going to make another homestead in his State?

Mr. TAYLOR of Colorado. It is going to make a great many hundreds of them.

Mr. PAGE of North Carolina. No. The building of these water powers may do it, but where the proceeds go will not affect in the slightest degree the number of people who settle there.

Mr. TAYLOR of Colorado. It helps to complete these reclamation projects, it helps to reclaim the arid lands, and it makes homes for the people and schools for the people.

Mr. PAGE of North Carolina. Mr. Chairman, I yielded to the gentleman for a question—not for a speech.

Mr. TAYLOR of Colorado. I was just trying to answer the gentleman's question.

Mr. PAGE of North Carolina. Mr. Chairman, there might be some criticism made if I were disposed to make criticism of the West, but I want to deny any such intention upon my part. I am not here in an effort to arraign one section of the country against another, nor am I here to arraign one interest against another; but there ought to be some equity in legislation here as between the different sections of this country and the different representatives of the different sections. A great many of us are going to be confronted—in fact, all of us are likely to be confronted in the near future, and we are confronted now—with a demand for legislation along the line of rural credits. The great agricultural classes of this country are asking that they be placed on a par with the commercial interests in their ability to secure money for the financing of their business. That is up to most of us. I am here personally representing a great agricultural district, with nearly 300,000 people in it, with a territory large enough to be made a State, and larger than some States in the American Union. Those people are agricultural people, and they are clamoring, and constantly clamoring, for some relief from the condition in which they find themselves. I think they ought to have it; but when they come to me as their Representative and we offer them in a rural credit bill opportunity to secure money from the National Treasury, in some way, at an interest rate of 3 or 4 or 5 per cent, they immediately say to us, "You have placed in the great West, for the development of land in that country and agricultural interests, $80,000,000 without interest." Tell me how I am going to answer that, some of you gentlemen, when you take the floor. It simply can not be answered, and I believe—I know—that many of us must very soon answer that question. If I were disposed to, I might criticize the expenditures of the money under the Reclamation Service for the things for which they have spent it and the returns they have gotten; but I have not the time now, and at some future time, possibly, I may enter into that.

Mr. SELDOMRIDGE. Mr. Chairman, will the gentleman yield?

Mr. PAGE of North Carolina. For a question.

Mr. SELDOMRIDGE. Do I understand the gentleman to favor a proposition that would allow the Federal Government to construct a power plant in the State of North Carolina and take the receipts of that plant from the people of that State and put a portion of them into the Federal Treasury?

Mr. PAGE of North Carolina. The gentleman understands me exactly, if that plant be constructed on lands of the Government in the State of North Carolina, and the Federal Government has recently acquired land there.

Mr. SELDOMRIDGE. No matter whether the land had been improved or not, but simply because it possesses certain natural advantages for that particular purpose?

Mr. PAGE of North Carolina. If it belongs to the National Government and it has acquired it and it improves it by the construction of a water-power plant under this bill, I believe the proceeds from that plant should go into the Treasury.

Mr. SELDOMRIDGE. I am surprised that a statement of that kind should come from a gentleman from North Carolina.

Mr. PAGE of North Carolina. It has come; and I want to say that there is now a proposition at another place in that State of North Carolina, and the people ask that a certain part of the proceeds that may be derived from it shall go into the treasury of that State; but I stand here and now to say that I am opposed to it and will oppose it if it comes to this body. It belongs to the National Government, and the National Government has paid for it, and it is its right to have any revenues that may be derived from that land located in my State. I believe the same as to the land that belongs to the Government in the State of California, in the State of New Mexico, or in any other State in the West where there are public lands.

Mr. BURKE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. PAGE of North Carolina. Yes.

Mr. BURKE of South Dakota. How does the gentleman justify the fact that there are $1,433,757.39 held by the State of North Carolina, money of the United States, since 1836, upon which it has paid no interest?

Mr. PAGE of North Carolina. I justify that because by an act of Congress this money was paid back to those States, and

to all of the States then in the Union, and that is justification enough to satisfy me, whether it pleases the gentleman or not.

Mr. BURKE of South Dakota. But it was to be repaid?

Mr. PAGE of North Carolina. Has the United States Government ever taken any action to recover this fund?

Mr. BURKE of South Dakota. But the money is due.

Mr. PAGE of North Carolina. Certainly it is due, but the United States Government has never seriously expected it to be refunded, and it has never tried to have it refunded.

Mr. BURKE of South Dakota. And the State of North Carolina is not paying any interest on it.

Mr. PAGE of North Carolina. Certainly not. It was turned over to the State——

The CHAIRMAN. The time of the gentleman from North Carolina has again expired.

Mr. PAGE of North Carolina. Mr. Chairman, I shall not at this time ask for further time, but I hope that this amendment will be adopted.

Mr. HAYDEN. Mr. Chairman, there are two extreme views in this House and over the country in regard to water-power legislation. There are those, like the gentleman who has just preceded me, who believe that the public lands of the United States are to be considered solely as an asset of the Government; that we should treat them as a private proprietor would and obtain the utmost possible revenue out of them for the benefit of the Federal Treasury. If we follow that theory, of course the gentleman from North Carolina is correct. Fortunately we have adopted a different policy in all the history of our public-land legislation since the beginning of this Government. We have given away 140,000,000 acres of the public domain under the homestead law merely on condition that the entryman go upon the land and make a home. We have acted upon the theory that freeholders make better citizens than tenants. We have treated the public domain as a trust estate held for the benefit of those entitled to enter it, and that it should be so disposed of as to carry the greatest comfort and the maximum happiness to the greatest number of people.

As a consequence of this wise policy we have the most stable government in the world to-day. If there had been a homestead law in Mexico there would be no landless peons to engage in revolutions. Thomas H. Benton, of Missouri, stated the true doctrine when he said:

> The freeholder is the natural supporter of a free government. We are a Republic, and we wish to continue so; then multiply the class of freeholders, pass the public lands cheaply and easily into the hands of the people, sell for a reasonable price to those who are able to pay, and give without price to those who are not.

We have not only given away these millions of acres under the homestead laws, but we have donated other millions of acres to railroad companies to promote the construction of transcontinental lines.

If we can dispose of public land without price on behalf of the general welfare, then we can use the proceeds from the sale of such land in the same way; that is to say, we can consider all money obtained in this manner as the private purse of the Nation and use it for the public good.

For years we have devoted a part of the receipts from the sale of public lands to the support of agricultural colleges in the different States. Since 1902 the remainder of this money has been set aside as a reclamation fund to develop the arid West. If the money received from the sales of public lands now goes into the reclamation fund, certainly we can not logically refuse to place in the same fund moneys received from the rentals of public lands. The theory is the same in both cases and the use of the money in this way can be amply justified.

Why did we create the reclamation fund? In order that large areas of the public lands in the West might be irrigated, thereby making homes for thousands of our citizens. The reclamation law is based on the same theory as the homestead law and merits our support for the same reasons.

Now, let us look at the other extreme view on this question.

At their conference at Denver on April 9, 1914, the governors of the States of Utah, Nevada, Colorado, Washington, Oregon, Idaho, Wyoming, New Mexico, and North Dakota adopted the following resolution:

> Whereas Congress has declared the water of all lakes, rivers, and other sources of water supply upon the public lands, and not navigable, shall remain and be held free for the appropriation and use of the public for irrigation, mining, and manufacturing purposes, we insist the Federal Government has no authority to exercise control over the water of a State through ownership of public lands:
>
> *Resolved*, We maintain the waters of a State belong to the people of the State, and that the State should be left free to develop water-power possibilities and receive fully the revenues and other benefits derived from said developments.

In a memorandum submitted by the western governors to the Committee on the Public Lands this statement is made:

> But the States can not surrender the principle involved in the declaration of their governors. To do so would be to acknowledge their inequality with the original States in opposition to the equality guaranteed by the Constitution and by the acts of their admission; it would be to surrender without consideration one of their greatest resources; it would be to admit the right of the Federal Government to tax their resources and their people for the benefit of the whole Nation, when the people of other States are not likewise taxed.

The western governors insist that since the States own the water which the United States proposes to use to generate electric power Congress should let this land pass into private ownership, in order that the States may tax these power plants and obtain revenue for the maintenance of the State governments. By State control of the use of the water they have the ability to regulate the charges made for hydroelectric power

With such divergent views a compromise is absolutely necessary. In discussing the attitude of the western governors, the Secretary of the Interior said at the hearings:

> Then they said: "You want to exploit the West on behalf of the East, and make the West support the East. Here we have an internal State, without any seaboard, paying for a large Navy and for the support of the Army, and carrying on large expenditures in which we have no direct interest. Yet you come right into our State, where we have water power, or coal, or oil, and want to take that wealth away from the State and lodge it in the United States Treasury. Those are the things we will not stand for; we will not stand for the enriching of the East at the expense of the West."
>
> We have met that. We have met that by allowing all of the money to be used for the development of the West, and when it is returned from the reclamation fund one-half is to go directly into the treasury of the State.

And so we have agreed upon this section, which is satisfactory to all concerned.

The conservationists who are interested in this legislation are satisfied, because the question of regulation appeals to them. This bill provides for Federal or State regulation of the use of all water power on the public domain. That is the big thing that they are concerned about. They consider the revenue that may be received to be a minor matter. The people of the West will be satisfied because we propose to follow the precedent established in dividing the money received from the national forests.

The forest reserves being Federal property, the States can not levy taxes on the lands or the timber. The law now provides that 35 per cent of the net receipts from the forests shall go to the State in lieu of taxes for the support of public schools and public roads. We have new and growing communities which require money. If we let the title to these power sites remain forever in the Federal Government and the States are not permitted to tax the values that will be created, how can you expect us to have great States as you have here in the East? The Western States are entitled to some revenue from these lands to support their governments. Remember that all money received from rentals does not go to the States. For 20 years it is to be used in the reclamation of arid lands, and after that the money is divided—one half to the State for school and road purposes and the other half to remain permanently in the reclamation fund. Thus we have compromised this question between these two radical schools of thought, and unless we do agree to this compromise I am confident we will never obtain any water-power development on the public domain. Those who have stood on both sides of the question have agreed upon this legislation. It is fair and just to all concerned, and I sincerely hope that the amendment offered by the gentleman from North Carolina will not prevail.

Mr. MONDELL. Mr. Chairman, I hope the amendment offered by the gentleman from North Carolina [Mr. PAGE] will not prevail; but nevertheless the provisions of the bill will be a little difficult for men from the public-land States to defend. I had hoped, before the amendment of the gentleman from North Carolina was offered, to get an opportunity to offer an amendment relating to the character of these charges to be laid on these enterprises, but that opportunity was denied me. If the amendment offered by the gentleman from North Carolina does not carry, I propose to offer an amendment to this particular provision relating to the distribution of the funds, as well as one relating to the character of the charges. The gentleman from North Carolina argues from a curious and exceedingly old-fashioned standpoint. There has not been a time since we made the distribution of public-land funds, to which the gentleman from South Dakota [Mr. BURKE] called attention, that we have not considered proceeds from the sale of public lands other than as a general improvement fund, and in 1902 we dedicated all the proceeds from the sale of public lands into the reclamation fund.

Mr. PAYNE. Will the gentleman allow me?

Mr. MONDELL. Certainly.

Mr. PAYNE. The gentleman has not lost sight of the fact that it is all to come back from the sale of public lands, from the reclamation of the lands, has he?

Mr. MONDELL. Oh, no; I have not.

Mr. PAYNE. That was the agreement at the time.

Mr. MONDELL. I have not lost sight of that, and I do not think anyone else has—that it has to be returned in the long run. They are not like river and harbor funds, a large portion of which are sunk in bogs and quagmires along the coast that never can be utilized for commerce, and some of them spent on rivers in Texas that ought to be macadamized rather than dredged.

Mr. PAGE of North Carolina. Will the gentleman permit?

Mr. MONDELL. I will.

Mr. PAGE of North Carolina. Is it not possible, from the gentleman's point of view, that any part of this reclamation fund has been sunk in bogs and quagmires that will not get back into the National Treasury?

Mr. MONDELL. I do not think so to any appreciable extent. As far as they have been spent a greater proportion of it will be paid back beyond question, and it is entirely proper. It is in accordance with the time-honored policy of all parties, let me say to my friend, to utilize the proceeds of the sale of public lands, not as a general fund in the Treasury, but as a fund to be dedicated for development purposes, or to be returned, a part of it, to the State, as ought to be done in this case, in lieu of the taxes which they would otherwise receive.

Mr. PAGE of North Carolina. The gentleman does not overlook the fact that in all of these public-land States of the West a certain number of sections of public lands were donated to the States in former times. Is not that true?

Mr. MONDELL. Oh, that is true, and very properly so. We are simply following now the policy which was laid down a good many years ago, and never departed from by anybody of any party, so far as the proceeds of public lands were concerned, by dedicating them, except the 5 per cent which goes to the State in lieu of taxes, to great works of improvement. In 1902 we dedicated them for the purpose of increasing the cultivated area of the country, and thus the output of agricultural products, and thus reducing the high cost of living.

The gentleman's party claims to be anxious to reduce the cost of living, and yet the gentleman offers an amendment which takes away from the fund which more than any other fund under the flag has to do with the reduction of the cost of living by increasing the amount of foodstuffs in the country. The gentleman is not logical. He is a member of the Committee on Appropriations, of which I am also a member, and he is getting the Appropriation Committee view of things to an extent that has somewhat, it seems to me, drawn him away from his former reasonable and proper moorings as a Democrat and led him to insist that we shall take the proceeds of these lands out in the Western States and utilize them in far-distant portions of the country.

Mr. PAGE of North Carolina. Will the gentleman permit?

Mr. MONDELL. I will.

Mr. PAGE of North Carolina. "The gentleman from North Carolina" may, in the mind of the gentleman from Wyoming, be illogical in the position he has taken, but "the gentleman from North Carolina" can address himself to a subject of this kind without injecting into it partisan politics, while the gentleman from Wyoming seems unable to discuss any question without the injection of politics.

Mr. MONDELL. Quite the contrary. I have injected no partisan politics. I have called attention to the fact that there is no partisan politics in it. I have called attention to the fact that it has been the policy of all parties, Republican and Democratic alike, to utilize these proceeds from the sale and disposition of public lands for purposes for which this bill proposes to utilize them. The gentleman has departed from the policy of his party. It is not partisan on my part to chide the gentleman for departing from the pure principles of Democracy; that is not partisan.

Mr. PAGE of North Carolina. I would rather be chided by other gentlemen than the gentleman from Wyoming.

The CHAIRMAN. The time of the gentleman from Wyoming has expired.

Mr. BRYAN. Mr. Chairman, the proposition suggested by the gentleman from North Carolina [Mr. PAGE] is one of a good deal of interest, it is true; but the unfairness of the suggestion, I believe, can be illustrated from some of the remarks of the gentleman from North Carolina. He suggested that most of these rivers were within the States which were involved in the recent Adamson dam bill that we passed and that we had provided for a charge there. Now, most of the rivers involved in that case formed State lines and are boundaries between States, and there is the difficulty as to charge involved. But while we were discussing that bill the gentleman from Alabama [Mr. UNDERWOOD] especially referred to North Carolina. He stated that a body of French capitalists, as I remember, had gone into that State and had established a dam site on one of the streams, which was temporarily nonnavigable, for the manufacture of aluminum, and that they had been told to go within the State and take those rights, because they would avoid the paying of any sum whatever into the National Treasury, as they might have to do in some other river over which the National Government had jurisdiction. So the matter of charge within the State of North Carolina is eliminated. They get nothing from the development of a stream there or a power plant put upon a stream within the State lines of North Carolina, and the Government gets nothing, and yet we of the West have to contribute and pay large sums of money, as has already been illustrated, for the building up and improving of the streams of North Carolina.

It was suggested all through the debate on the Adamson dam bill, and as to the charge which we succeeded in putting into the bill, that the money was to be used right there on the stream in the improving of navigation, and the navigation of this country is taken care of from the General Treasury, whereas these reclamation projects are taken care of from that particular reclamation fund. And I think the condition is analogous. I think the situation is practically the same on that particular point. I remember down in Louisiana, where the public domain was going and going, until it was all taken up by gentlemen from Michigan and gentlemen from Louisiana and gentlemen from other States. It was taken and absorbed, and now the Federal Government has nothing down there. But the State of Louisiana collects taxes from the lands.

In the State of North Carolina we have no interest whatever—that is, the Federal Government has not, except where we bought some public lands, as I understand—and the gentleman from North Carolina [Mr. PAGE] very graciously suggests that when we go into North Carolina and buy land, that then we acquire all these rights and we can do what we please with the revenues from the land that we buy. But that is a different situation from this public land to-day in the great West that has been heretofore given over to a great extent to the States when the States were admitted to the Union. And I think that from the standpoint of development, or from the standpoint of proper use of the money, the revenue produced under this bill ought to be used locally, and that the amendment ought not to prevail.

The gentleman said that he would rather give all of it to the State than to allow a portion of it to be taken. He thought it would be better policy to give it all over, and some one applauded the proposition. But we have not followed that kind of a policy. In other States all of it has gone. The Federal Government has nothing, but out there vast interests are held by the Government and these revenues ought to be spent locally as near as possible. The public has an interest in the coal lands of Pennsylvania to the extent of the right to tax those lands, but where does this public asset go? To the State as every one knows, and so in North Carolina and in every other State. This money that goes into the reclamation fund is only loaned. It will all come back, but it will be used to make agricultural lands out of arid lands. We are willing to submit to Federal control and ownership. We like it out West better than private ownership, but it is a narrow policy that begrudges us the use of a part of the money collected from the lands within our own States. No such policy ought to be suggested here or considered by this House.

Mr. FERRIS. Mr. Chairman, I ask unanimous consent that debate on this amendment and all amendments thereto close at 2.30 p. m., so that it will give us about an hour and seven minutes from now, one half of the time to be controlled by the gentleman from North Carolina [Mr. PAGE], the father of the amendment, and the other half by myself for the committee.

The CHAIRMAN. The gentleman from Oklahoma asks unanimous consent that all debate on the pending amendment and all amendments thereto close at half past 2 o'clock, one-half of the time to be controlled by himself and one-half by the gentleman from North Carolina. Is there objection?

Mr. CLINE. Mr. Chairman, reserving the right to object, I have no objection to closing debate if I can have five minutes.

Mr. PAGE of North Carolina. I will yield to the gentleman if a portion of the time is placed at my hands.

Mr. MONDELL. Reserving the right to object, the gentleman makes his request with regard to this amendment and all amendments thereto. I sent an amendment to the Clerk's desk.

Mr. FERRIS. I was not trying to cut the gentleman out. I understood the gentleman had an amendment to the section.

Mr. MONDELL. I have an amendment to this particular part of the section. It is necessarily an amendment to this amendment, but if the Chair will not permit me to offer it that way, I want to offer it later.

Mr. FERRIS. I thought the gentleman had an amendment which came to the earlier part of this section, so that it is not an amendment to the amendment, but the gentleman is not precluded at all.

The CHAIRMAN. Is there objection?

Mr. MANN. Make it a little less, and have more time on the other.

Mr. FERRIS. It is suggested that we make it 2 o'clock instead of 2.30.

Mr. PAGE of North Carolina. That would not give enough time.

Mr. FERRIS. Well, 2.15. I ask unanimous consent to modify the request to close the debate at 2.15.

The CHAIRMAN. The gentleman from Oklahoma asks unanimous consent that all debate on the pending amendment and amendments thereto close at 2.15 p. m., one-half the time to be controlled by the gentleman from Oklahoma and one-half by the gentleman from North Carolina [Mr. PAGE]. Is there objection?

There was no objection.

Mr. FERRIS. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. RAKER].

The CHAIRMAN. The gentleman from California [Mr. RAKER] is recognized for 10 minutes.

Mr. FERRIS. Mr. Chairman, I ask leave to modify that and yield seven minutes to the gentleman.

The CHAIRMAN. Without objection, the gentleman from California will be recognized for seven minutes.

Mr. RAKER. Mr. Chairman, as has been said many times by other committees in the House, the Committee on the Public Lands has given this matter full consideration, and it ought not to be amended. Every member of the Committee on the Public Lands, irrespective of his political faith, after going over this matter, believes that it ought to go as is provided in the bill.

There seems to be some difference of opinion as to the disposition of the public lands. In other words, some Members view them as an asset of the Government solely to make money upon, and some men believe—and I do not believe that they have gone into the matter fully, because otherwise they would not take it that way—that they are really doing something for their districts or their States and accomplishing something in Congress if they can reach out to the public-land States and say they have turned over or compelled those communities to turn over their life and existence to the General Government to be generally distributed.

We ought to recognize that practically all of this domain in the West was obtained by acquisition long after the adoption of the Constitution, and it was practically never thought of at that time that we should get such a domain as this. We have added repeatedly new States, and we have defined their territorial boundaries, and we have practically said that they should be developed. We have continued the homestead law and the desert-land law, and it was never intended that there should be a fund made out of the public lands for the sole purpose of accumulating funds for the National Treasury with which to keep up its expenses. There can not be any idea that could be arranged from any viewpoint, if we look at the intention of building up separate and independent sovereign States, that they might have the benefit of the soil of those communities and those States and that their country might be properly built up. Take every Eastern State. With every acre you develop you advance your State; and if you place in private ownership the public lands of the West, so as not to be monopolistic, you are going to advance each State and in turn advance the General Government.

The question now comes up, how best to do it. For the past 40 years we have been giving homesteads, preemptions, timber-culture claims, desert-land claims, and other kinds of claims, to the end that this country in the West might be developed. It has been developing very rapidly; but there has been a changed policy now, and many have said that we are going to reserve great territories for future generations. They have said that we are not going to use it now. We want to close it up from use and reserve it.

It was never the intention to do that originally, I believe, and now the purpose is to relieve these reserves and throw them open in proper shape, so that they may be utilized to the fullest extent—the land, the minerals, and the water power. There is a demand that a law should be passed to make it possible that every acre of land and every particle of mineral and every drop of water shall be utilized, and that there shall be no monopoly while that is being done.

The question now arises, What are you going to do with the value of these water powers and the minerals and the land? Why, every tract of land reserved prevents the State and the county from accumulating and raising taxes to build up the rest of the community. The many roads that have to be built, the schoolhouses, the general improvements, are to be built with funds which come from the exercise of the taxing power of the State and county, from privately owned lands, to the end that that community and that State may be developed. But you reserve half of it, and sometimes two-thirds of it, and thereby reduce the taxing power that much. This bill provides and the purpose of it is that, instead of a sale, there is to be a lease. We want development.

The CHAIRMAN (Mr. HAY). The time of the gentleman from California has expired.

Mr. PAGE of North Carolina. Mr. Chairman, I yield five minutes to the gentleman from Indiana [Mr. CLINE].

The CHAIRMAN. The gentleman from Indiana [Mr. CLINE] is recognized for five minutes.

Mr. CLINE. Mr. Chairman, I am opposed to the scheme of distribution of revenue derived from taxation imposed upon the development of water power in this section of the bill. I am opposed to it on broad, economic grounds. Every dollar of revenue derived from rates imposed upon corporations to develop hydroelectricity should go directly to the Federal Treasury. I am unable to understand why the machinery of the Government should be set in motion to collect taxes for local benefits to a single State.

Mr. MONDELL. Mr. Chairman, will the gentleman yield there?

Mr. CLINE. I regret I can not. I have only five minutes. In the discussion of this bill and in the one that preceded it, much contention was had over the relative rights of the Federal and State Government under the Constitution. Much of this discussion was restricted and narrowed to the right of the Federal Government in navigable streams and their producing power possibilities, as though the subject of navigation was comprehensive of the whole power of the Federal Government. Navigation is but an incident of its power under the commerce clause of the Constitution, and the question ought to be examined not with reference to the question of the rights of the State and Federal Government in the waters of the State from a navigable or unnavigable standpoint; but in the generation of power that affects the industries of the State and find their way into interstate commerce. Viewed from that standpoint the power the Federal Government over hydroelectro force assumes almost mammoth proportions and the power of a State loses its importance as a factor in dealing with the question. Gentlemen ask where the authority lies for the Federal Government to go into a stream and develop water power where the stream lies within the State. So long as the stream does not become a means of interstate commerce, it probably has no power. But when the rapids in a mountain stream, wholly intrastate, becomes a means to produce trade and commerce in other States, then the management of that power merges into the realm of Federal control, and the States as such lose their significance.

I am not concerned in the location of the streams. Nor am I concerned with the proposition whether it is a navigable or nonnavigable stream. I am concerned only with this proposition: How far will the water in these rapids affect commerce? The United States does not presume to own the waters nor deprive the States of their use for navigation, irrigation, or other purposes. But the Federal Government does say that when you turn the water through the flumes and into the penstocks of great corporations that create power, then the power of the Federal Government intervenes and becomes supreme.

When the water power is developed so that it affects interstate commerce, then it becomes absolutely and unconditionally a matter of Federal jurisdiction, and the right to assess the parties who develop these natural resources is such a right as makes it necessary that the revenues derived therefrom ought to go into the Federal Treasury.

Mr. RAKER. Mr. Chairman, will the gentleman yield?

Mr. CLINE. I am sorry I have not the time. Otherwise I would be glad to yield.

The whole problem rises out of the narrow boundaries of a State into the broad sphere of Federal control. Men discuss this subject as though the Federal Government was subordinate in power to that of a State. The sovereignty of the Federal Government is as ample, complete, and plenary within its constitutional sphere as the individual State is in its. When the State came into the union it surrendered to the Federal Government

its sovereignty absolutely over interstate commerce. Gentlemen of the committee say the Federal Government is one of delegated powers, and it is to be inferred from that expression that they mean one of restricted and limited powers. It is admitted that the Federal Government is one of expressed powers, not one of expressly defined and limited powers, but one sufficiently elastic to meet the growing demands of an expanding commerce.

The Federal Government is one of expressed powers in which are resident all those involved powers necessary to make the expressed powers effective for the accomplishment of the purposes for which they were delegated. Gentlemen ask where the power of the Federal Government is designated in the Constitution that authorizes it to invade the limits of the State and take charge of the development of its local water power. Chief Justice Marshall said, in Fourth Wheaton, page 316, speaking of the Constitution:

> Its nature, therefore, requires that only the great outline be marked, its important objects be designated, and the minor ingredients which compose these objects be deduced from the nature of the objects themselves.

Justice Harlan, in One hundred and eighty-eighth United States Reports, page 356, said, in amplifying the statement of Justice Marshall that the objects must be deduced from the ingredients which compose them, in reference to the commerce clause:

> The power which Congress possesses to regulate commerce among the States is plenary, is complete in itself, and is subject to no limitations except such as may be found in the Constitution.

And, further, in Levoy *v.* United States (177 U. S., 621):

> The power of Congress to regulate the navigable waters of the United States is an incidental power to the expressed power to regulate commerce.

When that question arises the States are precluded from exercising concurrent or independent jurisdiction where the problem of interstate commerce is involved.

Judge Shiras said, in the One hundred and thirty-fifth United States Reports, page 109, that there "were three conditions under which the authority of the Federal Government is supreme":

> First, when the power is lodged exclusively in the Constitution.
> Second, when the power is given to the United States and prohibited to the State.
> Third, when from the very nature and subject of the power it must necessarily be exercised by the National Government exclusively.

The Federal Government will not open its door to the vexatious complications that are bound to arise in a divided empire of its jurisdiction. It would be the means of destroying its own sovereignty if it did, and it will not be shorn of any of those auxiliary agencies that make for the complete manifestation of its power. Much of this discussion has proceeded on the assumption that the power of the Federal Government and the State government were coordinated in the development of power. Viewed from the standpoint of the commerce clause, there is no possibility of such coordination, and when the Federal Government assumed authority under that clause, whether it is a navigable stream or nonnavigable one, a water-power site that turns the wheels of industry that makes for commerce is relieved of all restrictions sought to be imposed by State regulation. It was said in the Kansas-Colorado case that even in a nonnavigable stream had the Federal Government sought to intervene in the interest of navigation it would not have been demurred out of court. That was upon the principle that its jurisdiction to promote and protect navigation extended to the very source of such stream. What does the jurisdiction of the Federal Government mean if it may not actually possess itself of those physical agencies to protect and promote navigation? If that right extends to navigation, a mere subordinate item or element in the vast field of interstate commerce, what can be said of the whole comprehensive subject when its ramifications are as numerous as the industries of the people? Gradually we are discovering the sweeping extent of the doctrine of rational conservation. My friend from Minnesota [Mr. MILLER] said that the doctrine declared in the noted Chandler-Dunbar case (220 U. S.) was an announcement when the United States saw fit to take a river or stream possible of improvement for navigable purposes and oust the State as a riparian owner it could do so.

But that was not the doctrine that was declared in that case. That doctrine had been announced for nearly a hundred years, in Gibbons against Ogden, upon which the whole superstructure of Federal authority has since been builded. What the court did say in the Chandler-Dunbar case was that no corporation or man who owned the fast land bordering upon a rapids in an undeveloped stream had any property rights in its potentiality that the Government was bound to pay for when it sought to improve the stream for navigation purposes. That was the new doctrine, and the old feudalistic doctrine of riparian ownership was completely exploded. That decision, which, by the way, was unanimous, speaks the sentiment created by the evolution of national conservation; that the potential power hidden in the rapids of the St. Marys River belonged to the whole people and not to the man who merely chanced to locate upon the fast land which bordered it. It was in response to the evolution of the new doctrine of economics that there is no private, personal interest that ought to be recognized as exclusive in the great natural resources that can subordinate the rights of all the people. It is a rational doctrine that nature's bounties, deposited and created to ameliorate the conditions of all the people, should not become the wealth of one man or set of men to be exploited for their personal, private benefit. Every element of natural wealth which this twentieth-century civilization has made valuable, and which was unquestionably designed to belong to the whole people, ought to be contributing either a tax or a bounty to the Federal Government. Had we known 25 years ago what we know now, would not the great ore belt, containing, in many instances, 98 per cent pure iron; the fields of copper in the Heckley and Calumet region; the anthracite mountains in Pennsylvania; and the lakes of oil and gas hidden under the earth be contributing their portion to the maintenance of the Federal Government? In this war of conflagration involving the whole Caucasian race except ourselves we are casting about for new sources of revenue to meet a depleted Treasury caused by invasion of foreign commerce.

The Morgans, the Carnegies, and the Rogerses gather into their personal possession and to their private ownership the coal and oil and copper and iron that nature has scattered in its limitless abundance for the benefit of all the people. These great sources of revenue have slipped out of our possession as the trustees of the people and left Congress to rebuke itself for its folly. I may pause long enough here to say that the chief merit in the expenditure of $35,000,000 in the development of agricultural Alaska will lie in the proposition that we propose to tax the men who dig the coal in that Territory to pay a revenue to the Federal Government. This bill proposes to engraft upon the country a new system, one that shall set the Federal forces at work to develop commerce; that shall create an officeholding class at the expense of the Federal Government and then turn the profit back into the coffers of the State in which the enterprise is located. Whether there is any constitutional authority for it or not, there can be no question but what it is an inequitable and unjust system. It is not only questioned now, but it always will be doubted whether the Federal power can take money out of the pockets of every citizen to develop in Colorado or Montana any enterprise purely local and turn the proceeds thereof back to its treasury without rendering to the general public any compensation. Gentlemen say that when this fund, in the far-off future sometime, is returned to the reclamation fund, 50 per cent of it shall go back to the Federal Treasury. But the practical results of such a scheme are as visionary as a dream. In the development, protection, and promotion of the Nation's business the expenses are leaping up yearly by the millions. Not only must we have new sources of revenue, but we should apply those material sources of wealth in which a great nationality, with its high purposes, its great civilization, has invested with immense unearned increments of wealth. The Chandler-Dunbar case is a guide now for the future. It recognizes that large and more complete ownership of natural wealth be vested in the people themselves.

Mr. TAYLOR of Colorado. Mr. Chairman, I yield five minutes to the gentleman from New Mexico [Mr. FERGUSSON].

Mr. FERGUSSON. Mr. Chairman and gentlemen, I doubt the wisdom of legislating too far ahead as to the disposition of taxes. This proposition should not be confused. The gentleman from North Carolina [Mr. PAGE] did not so state, but I am afraid the impression is made on the minds of the Members of this House that it is proposed by this bill that from the beginning half the proceeds derived from the leasing of these water powers are to be paid into the treasury of the State in which the plant is located. As a matter of fact, it is provided that for 20 years all the proceeds shall be devoted to the extension, wider and wider, of this reclamation of land that is now reserved from all entry at all, and that is bound to stay so, because be recognize that the principle of conservation has come to stay. Such land is withdrawn from local taxation for all time. This merely proposes that for 20 years the proceeds from the leases by the Government shall be used by the Government for further extension of the same system of reclaiming land now withdrawn by the Government and at present absolutely useless for the settlement of our States in the West. The gentleman from North Carolina is a Member of experience and ability, and he is held in high esteem by all, and I fear that he has created an erroneous impression in the minds

of Members. I feel that a member who has as much ability and influence as the gentleman has should consider the justice of leaving this as it is for 20 years. The bill provides that at the end of that time one-half the proceeds shall be paid into the treasuries of the respective States. I suggest to him that that is just and right, because under this policy of conservation all of this immense domain, or a large part of it, is withdrawn forever from local taxation, and for that reason can not help to support the State. There can be no doubt about that. So that it is just that the States 20 years from now may have half the proceeds of these rentals in lieu of the right of taxation they would have had if it were possible to settle up the great arid West as the other parts of the United States were settled up, where everything is subject to State taxation.

In the semiarid West we are to be deprived of that for all time. So that it is the intention of this bill to use these proceeds for 20 years to provide the possibility of getting homes for hungry people from the gentleman's State and from other States. Under this expenditure they can come West and make homes. Good, honest American citizens who are not rich but, on the contrary, many of them very poor, are looking for homes. It can only be done with the help of the Government in properly using this great area now reserved from such entry.

In conclusion, Mr. Chairman, stating it very briefly, I urge you to consider the fact that we are not asking anything as a gratuity when we ask that, after 20 years have elapsed from the starting of these hydroelectric power projects, half the proceeds shall then begin to be paid to the States in lieu of the loss of taxation which nonarid States have on all the property within their borders. It is only just that we should have something in lieu of the loss of the taxes on property within their respective borders. Under the gentleman's amendment we shall suffer the hardship of having the development of these lands cut off.

I respectfully submit to the House that if we are driven to that necessity, it is no more than just to leave it as it is now, and let future Congresses 20 years from now determine the question of how the proceeds derived from these sources shall be used. There will be statesmen then and there will be new conditions to be met. Why legislate 20 years ahead? [Applause.]

The CHAIRMAN. The gentleman's time has expired.

Mr. PAGE of North Carolina. Will the gentleman from Oklahoma use some of his time now?

Mr. FERRIS. I yield two minutes to the gentleman from Colorado [Mr. SELDOMRIDGE].

Mr. SELDOMRIDGE. Mr. Chairman, in the very limited time given me I can only say that the amendment which has been proposed, to place in the Federal Treasury the proceeds of royalties from water-power projects, would seriously interfere with their development and arouse antagonism to their operations. Something has been said in the debate about the feeling of hostility that has been created in the public-land States against the encroachments of Federal power and that the minds of the people have been prejudiced against the Government by reason of their contact with bureaucratic officials. Mr. Chairman, I believe that the officials of the Government should develop a sympathetic relationship with the people of the Western States. They can do so by assisting in every way all means used to develop our public lands and bring them into a state of production. It seems to me the Government should manifest a friendly disposition toward our people, and this can be demonstrated by its willingness to turn back into the treasuries of the respective States the proceeds which it derives from their efforts, and thus encourage them to further industry and further development.

The success of the leasing policy proposed in this and other bills now before the House in a large measure depends upon the hearty cooperation of the people living in the respective States and the Federal Government. If the people believe that the natural resources of their States are to be exploited by the Government and the fruits of such exploitation are to be shared by States whose resources are absolutely divorced from Federal control and regulation, there will naturally arise a feeling of enmity toward the Government and against other sections of the country, which would be generally deplored. The Government is merely providing an undeveloped power site by the provisions of this bill. The other elements of value are to be supplied by the State by the use of its water and by the people in creating a market for the power. Why should the Government assume the right to take all the proceeds from royalties and allow no portion to other sources of value such as I have mentioned? There should be the heartiest association of interest and effort in this legislation if it is to become a fixed policy. This can only be brought about by assuring the people who are to be directly affected of the intention of the Government to assist them in every way to develop and conserve their local resources and not to exploit them for the benefit of other sections and States. No better assurance can be given of this purpose by the Government than to put into law the provision of this bill which sets aside the proceeds from rentals and royalties to be used as a part of the great reclamation fund, which has become one of the most productive agencies of the Government.

The CHAIRMAN. The time of the gentleman has expired.

Mr. PAGE of North Carolina. I yield five minutes to the gentleman from Mississippi [Mr. SISSON].

Mr. SISSON. Mr. Chairman, it seems to me this matter is a simple one, provided we keep in mind always the distinction between that which belongs to the States and that which belongs to the Federal Government. Unquestionably, all the moneys coming from the proceeds of the sale of public lands ought to go into the Public Treasury. That proposition will not be denied. Another proposition equally true is that where the improvement has been made by money paid out of the Federal Treasury for the development of water power, which is an incident to the development of navigation, all of the proceeds of the money paid for the power thus developed, being derived from the investment of Federal money, is Federal revenue and should go into the Federal Treasury. It is our duty to see that the Federal Government gets that which belongs to the Federal Government and that it be not deflected from the Federal Treasury into another source.

As to what the Federal Government may do with money paid into the Treasury as miscellaneous receipts is a question for Congress, and should at all times be under the immediate control of Congress; and if Congress sees fit to spend the money for the further development of these projects in the great West, then Congress can easily do it. By putting it into the Federal Treasury at this time under this amendment would leave it absolutely within the control of Congress to dispose of the revenue as it sees fit and proper. Under this bill as written you fix a policy for 20 years, irrespective of how it may operate 5 or 6 or 7 or 8 years from now. You will have incurred obligations under the bill which it might not be proper for Congress to change, although it might be best for the country that the change should be made. Now, in order that it may not be complicated in some manner which we can not foresee it is infinitely better to adopt this amendment offered by the gentleman from North Carolina and have the money put into the Treasury to the credit of miscellaneous receipts. We thereby keep a check on what is going on.

I believe the conservation of the public domain ought to have begun many years ago. I think the West to-day is suffering more from the great land monopoly, more from the great land grants under a policy adopted when they believed that land would always be plentiful, than from any other source. The speculation in land and the ruthless manner in which the public domain has been taken up by a few men is to-day shackling the development of that country.

It will not be contended here successfully nor will Congress ever adopt the policy that these lands and property of the West may not, at the proper time, be taken up by honest, bona fide citizens who expect to make a livelihood off their land. And these men who have speculated and extorted millions from the men who came from the East—these men, under the policy being enforced now, will be compelled to show some bona fide citizenship, some good intention, before they can get a part of the public domain. For this reason, Mr. Chairman, I believe that this amendment should be adopted, because Congress is in a position to better control the funds than if we adopt the bill as written. [Applause.]

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. FERRIS. Mr. Chairman, I yield to the gentleman from Washington [Mr. JOHNSON].

Mr. JOHNSON of Washington. Mr. Chairman, I sincerely hope the Members from the East and the South will not delude themselves with dreams as to the possibility of great revenue flowing into the United States Treasury as the result of any amendment which is proposed. I hope, also, that the western Members who have come finally to believe that this bill, without the Page amendment, will bring great sums to the reclamation funds may not be disappointed. But for this clause I believe they would all be against this bill. It will create more bureaus, more overhead charges, and more governmental agents and employees. Some ardent supporters of this bill seem to think that, once it is passed, all the Government will have to do will be to sign some leases and that thousands upon thousands of unused electrical energy will begin to turn wheels and make things hum out West. If in the State of Washington a 10 per cent revenue from the sale of timber permits the Government to

build roads in the reserves of that State at the rate of 1 mile for every 1,000,000 acres, you may rest assured that the profits that will be developed for the United States from water power on the public domain in 11 Western States will not be enough to pay for the paper upon which the books are kept. [Laughter and applause.] The amendment of the gentleman from North Carolina [Mr. PAGE], if adopted, would simply make a bad proposition worse.

Mr. FERRIS. Mr. Chairman, I yield to the gentleman from Montana.

Mr. EVANS. Mr. Chairman, I sincerely hope that the amendment offered by the gentleman from North Carolina [Mr. PAGE] will not prevail. The bill as it came from the committee and as it now stands provides that the rentals derived from leases of the public domain on which is generated hydroelectric power shall be paid to the reclamation fund for a period of 20 years, there to be used in the reclamation of lands in the great arid West. At the expiration of the said 20 years this bill provides that one-half of the proceeds derived from such leases shall be paid to the various States in which the power is generated, to be used for school funds or other State improvements, as directed by the several legislatures thereof. The amendment under consideration provides that the revenue derived from the lease of these lands shall be paid direct to the Federal Treasury.

Personally I think it makes but little difference where these revenues go, because, in my judgment, the amount will be very small. But I do believe that revenue derived from power generated exclusively in a State should be used for the benefit of that State.

There are in this House and in this country two distinct schools of thought on this question, one of them maintaining that every power site should go into private ownership, so that private capital may develop it; the other is that no power site should be owned by a private individual, but should be retained by the Federal Government and leased to the individual for a term of years. In my opinion, many who maintain this latter view have attempted to make the term of years so short in this bill as to practically nullify its operation.

There is no doubt that the people of this country believe in conservation, but they do not believe in a system of conservation which means tying up the resources of all that great western country. They believe in conservation that will allow the natural resources to be developed, so that homes may be built for a land-hungry people and that we may produce our quota of the food supply of the world.

This is not a partisan question. The principle incorporated in this bill is advocated by ex-Secretary of the Interior Fisher and ex-Secretary of the Interior Garfield—one a Republican, the other a Progressive—and by the present Secretary Lane, a Democrat. I regret to note that nearly everyone who has advocated this amendment has adverted to the fact that a few days ago this House passed a bill extending the payments on reclamation projects for a period of 10 years, and have commented rather caustically that this extension was made without demanding from the settlers interest on such deferred payments. And that is used as an argument to prove that the money now derived from power plants should be turned into the Federal Treasury. I recall very distinctly with what tenacity the gentleman from Illinois [Mr. MANN] and his colleague [Mr. MADDEN] clung to and fought for that policy. They argued that the moneys derived from the public lands belonged to the Federal Treasury; and that if the same was to be used by a portion of the people for the improvement of their lands, they should pay interest on the same. I believed then and I believe now these gentlemen were mistaken. A considerable portion of the money appropriated in the rivers and harbors bill is used for the protection of lands along the rivers of the country. Nobody has suggested that because these people derived a benefit from these moneys that they should pay interest on the same.

The suggestion has repeatedly been made upon this floor during this discussion that the great arid West is asking too much from this Congress. It is true that about $80,000,000 have been appropriated to date for the reclamation of arid lands. But let us compare that for a moment with the amount appropriated for rivers and harbors. The bill as passed this House last February for the latter purpose carried more than $45,000,000, and as reported to the Senate now carries $55,000,000. Though I have not the figures before me, I venture the statement that in the last 40 years ten times as much money has been appropriated for rivers and harbors as has been appropriated for the reclamation of the arid lands of the West.

We of the West are not looking for charity. We think the Federal Government has the right to do as it pleases with its own, so far as the public domain is concerned We do not believe, however, that this Congress should be so shortsighted as to cripple those States by taking from them the revenues of any of their resources, as provided for in this bill, to be used somewhere else by the Government. I think you men from the East and South do not realize that a large percentage of our lands are now withdrawn from public entry or disposal of any kind. These lands are not permitted to bear their share of the taxes of the several States in which they are located. Coal lands, phosphate lands, oil lands, timberlands, water-power sites—all withdrawn. It is therefore no wonder that the people of the West have from time to time resented the methods pursued in the administration of the remaining public lands.

This bill and all the other conservation bills now before Congress should be promptly passed that these great States may go on with reasonable development. Surely no one can doubt the patriotism of the present Secretary of the Interior. He is an ardent advocate of this bill in its present form; he is a tireless worker for the development of the western country. He knows that in its development he is working not alone for that section of the country, but for all the country. The West has great resources and far-reaching possibilities, but it is as yet undeveloped, and must remain undeveloped so long as its natural resources are withdrawn and no legislation enacted to permit the development thereof.

There is no more interesting question now confronting the American people, no question that demands the best thought of the most profound statesmen of the country, than the question of increasing the food supply of the Nation, and thereby beating down the price of the necessities of life. To adopt this amendment would of necessity tend to retard the development of arid lands that require irrigation. A very large proportion of the lands of the country susceptible of cultivation without irrigation is now being utilized. The increase in new food-producing lands must largely come from irrigated lands situated in the 11 Western States; and we who know that country believe that you gentlemen who are pursuing a course which would tend to retard that work are adopting a short-sighted policy.

No conflict should arise between the Federal and State Governments on this question, but only the heartiest cooperation and concord. Likewise, there should be no sectionalism. The western men have voted for your appropriations for rivers and harbors, and yet they do not use a dollar of the money. They believe it is a great national problem that is to be met, and we think that you in turn should give us your support ungrudgingly for a fair and equitable treatment of the great, bounding West.

Let me cite just one instance in an effort to vindicate my views for the urgent necessity for the passage of this bill. Fifty miles from where I live lies the great Flathead Lake, the largest body of fresh water west of the Great Lakes. At the foot of this lake are many falls. Engineers have estimated that when the power is developed along these falls it will produce anywhere from 100,000 to 200,000 horsepower. It is said to be the finest undeveloped water-power site in America. And it lies idle and the water continues to run to the sea unused. The Government of the United States expended $80,000 initiating the development of power here. They then ascertained that they had no law under which to proceed with the development. They likewise found they had no authority to allow private individuals to proceed. And thus the matter stands. Only a distance of 2 or 3 miles separates these falls from the beautiful, progressive town of Polson, with a score of other thriving towns in a radius of 40 or 50 miles, with two transcontinental railroads which, no doubt, would use current for transporting their trains through the mountains. The power is there, and all it needs is the opportunity to develop it. It is therefore imperative that this or some similar bill be passed, not, of course, for this particular project, but for many projects lying undeveloped on the public domain of the great Rocky Mountain States. And we earnestly insist that when the bill is passed it be passed in such form as to do justice to the States whose resources are to such a large extent now withdrawn from development, devoid of the opportunity to bear their just share of taxation.

Mr. PAGE of North Carolina. Mr. Chairman, how much time is remaining?

The CHAIRMAN. The gentleman from North Carolina has consumed 11 minutes and the gentleman from Oklahoma 15 minutes.

Mr. PAGE of North Carolina. Mr. Chairman, I yield five minutes to the gentleman from Indiana [Mr. CULLOP].

Mr. CULLOP. Mr. Chairman, I am in favor of the Page amendment. The measure proposed by this committee is the inauguration, in my judgment, of a very dangerous policy. If

the policy proposed in this measure be inaugurated, it will not stop at water-power projects in devoting one-half of the proceeds to the use of the State. The next will be the coal, and next will be the oil, and nobody can approximate the amount that will be derived from these sources. Then will come timber, and so on down the line. Now, if we inaugurate the policy in this proposition, it will come back to confront and vex us in other propositions. New York, after a while, will claim one-half of the revenues collected at her port. Then Pennsylvania will claim her part. Then Massachusetts will want her part; and when you have once entered on a policy of that kind, these States have just as much right to make these claims as the States in the water-power belt. The result of it will be that other States will be claiming the same benefit from legislation for revenues collected from things within their States as these States are now seeking in this measure; and who is there that would attempt to predict where it will end and what the ultimate result will be? It may cause strife between States, and break up existing harmony.

This policy, if once inaugurated and started throughout the Union, will work injury instead of benefit to the States of the West, as well as the States in the central portion of the Union. This money should be paid into the Treasury, as is proposed by the Page amendment. Congress has always been liberal in dealing with Western States in the different improvements they have desired, and it will continue that liberality, but when these States come to Congress and claim that one-half of all the moneys derived from the water powers should be paid for reclamation purposes, for schools, or any other purpose, in their States, they are attempting to foist on the Government a policy that will be injurious to them in the end. Consequently I hope that the Page amendment will be adopted. If one-half of the coal in the public lands, if one-half of the oil or the timber is paid into the reclamation fund or other fund for the use of the State from which the fund is derived, the same privilege and same benefits will be claimed by other States from the public revenue derived from sources within their borders.

So the proposition as contained in this bill is a policy which, if inaugurated, will become a dangerous policy instead of a beneficial one. I hope the Page amendment will be adopted. [Applause.]

It is the duty of Congress to assist in the promotion of worthy objects of public advantage in the Western States, and it has, as every man well knows, responded to their requirements liberally. I am glad it has, because great possibilities are in the West, and the development of that great territory will solve some of the questions which now are requiring the best thought of the ablest minds in our country. In the near future vast arid regions now barren in that section will be producing grain in larger quantities than in any other part of the country. In making the plains productive the entire country is interested and ready to lend assistance, but adopting the policy proposed in this bill may arouse sectionalism, and if it should injury would result and this proposed development might be retarded. Better proceed as heretofore. This is the property of all the people, not of the people of the States alone in which they are located, and whatever is derived therefrom should be paid into the Public Treasury for the use of the entire country. [Applause.]

Mr. PAGE of North Carolina. Mr. Chairman, I yield the remainder of the time on this side to the gentleman from New York [Mr. FITZGERALD].

Mr. FITZGERALD. Mr. Chairman, I hope this amendment will prevail. This bill provides that the rentals obtained from leases of the public domain for the generation of hydroelectric power shall be paid into the reclamation fund and thereafter one-half of the proceeds shall be paid over to the various States in which the power is generated for the school funds. Under the act creating the Reclamation Service the proceeds of the sales of public lands in the arid and semiarid States were dedicated to the reclamation fund. The provision in this bill, however, goes much further. It not only turns over half of the proceeds from the rentals after they have been used in the reclamation fund to the States for public-school systems in the arid and semiarid States, but it appropriates this money for the public-school systems of any public-land State, provided the power is generated in that State. All of the public-land States when admitted into the Union were granted sections 16 and 32 in every township to provide a public-school fund. The State of Oklahoma practically had no public lands and so in the organic act an appropriation of $5,000,000 was made to provide a school fund. The State of Texas when it was admitted into the Union kept all of its public lands itself. The Federal Government did not get the public lands in Texas, and yet that State would not be precluded under this provision from receiving the benefits of these rentals. The Congress at this session is providing for the development of water power or hydroelectric power by the utilization of water under two acts. One is this bill, by which hydroelectric power is to be developed by leases upon the public land, and it is proposed that the proceeds from such leases shall be disposed of in such a manner that one-half of them shall be permanently for the specific benefit of the public-land States.

In the other act, the general dam act, an entirely different policy is proposed. The House voted into that act a provision that where authority is given by the Federal Government for the erection of a dam on a navigable river so as to provide for the development of hydroelectric power the Federal Government shall charge for the permit given, and all of the proceeds obtained in that way shall go into the Federal Treasury as miscellaneous receipts. Take, for instance, what may happen in the State of New York. Suppose it was proposed to erect a dam on the Hudson River for the purpose of developing power so as to generate hydroelectric power. The Federal Government has certain control or rights in the Hudson River, because it is a navigable stream. The water in that river belongs to the State of New York. The only control the Federal Government has over it is to so regulate its use that the interests of navigation shall not be affected, and yet under the bill which passed the House if application be made to the Federal Government for authority to construct a dam, the purpose of which is to utilize the water to develop hydroelectric power, although the only right the Federal Government has is to see to it that the works erected will not in any way interfere with navigation, the Congress has provided that the consent of the Federal Government shall not be given unless there be fixed a charge, which is to be paid by those making application, and paid to the Federal Government, and that money turned into the Federal Treasury. Under this bill, however, if we grant a lease of any part of the public domain for the purpose of developing power, the proceeds are to be turned into the reclamation fund, and after having been used one-half is permanently appropriated for the support of the public-school system in that State.

This entire policy of making permanent appropriations of public funds is absolutely indefensible. All of the trouble, all of the wickedness that has developed in connection with the Reclamation Service, in my opinion, has come from the fact that Congress turned over the entire proceeds of the sales of the public lands in the arid and semiarid States to administrative officials, to be expended without any direct control or supervision by Congress. Seventy million dollars have already been expended and twenty million more are authorized to be advanced from the Treasury on certificates of indebtedness. We have passed legislation to extend for 10 years, without interest, the time within which payments should be made by settlers, but more vicious than all, more far-reaching in its effects than anything else, is the fact that the cost of putting water on the lands, which must eventually be paid by the settlers, has been increased probably from $20 to $40 per acre more than it would have been if the appropriations for reclamation projects had been kept under the control and supervision of Congress. The estimate of the Army and other engineers is that it will take from $150,000,000 to $200,000,000 to complete the reclamation projects already authorized and in the course of construction. More than $70,000,000 have already been expended, and all there is in sight to meet this expenditure is $8,000,000 or $9,000,000 annually that will go into the reclamation fund. The result is that in order to complete these projects Congress will be compelled—there is no escape from it—to appropriate from the General Treasury annually additional moneys to those now obtained in the reclamation fund. They must be completed. That is inevitable. Anyone who has examined into the Reclamation Service and what it has been doing knows that it is absolutely necessary to call upon the General Treasury to supplement the proceeds of the reclamation fund. I regret my time is limited. I wish I could point out some unanswerable arguments against the policy proposed. The gentleman from North Carolina [Mr. PAGE] has covered some of the ground. This amendment should prevail.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. FERRIS. Mr. Chairman, my State has never had one dollar of irrigation money spent within its borders, so I can speak entirely dispassionately upon this amendment. The gentleman from New York [Mr. FITZGERALD], the chairman of the Committee on Appropriations, would, if he could have his way, have every penny of Government expenditures brought in under his thumb and through his committee. That is natural. It is natural that he should want it, and it is natural that he should

try to acquire it and exact it. But there are other committees and other localities and other parts of the House that are entitled to a little consideration, and against the efforts of the gentleman to break down irrigation in this country, a thing that I do not think this Congress should do. I feel sure the House will go against his wishes to make this bill one of filching from the Western States—a burden, an onerous condition, almost more, I fear, than they can stand in their present sparsely settled condition. As against the views of the gentleman just expressed I will call to my aid a few authorities on the subject. Secretary Lane appeared before the Committee on the Public Lands when the hearings were had, and he was consulted on this proposition. Among other things, he said:

The money returned to the Federal Government is a matter of minor importance, so long as the maximum development of a given site at the lowest possible rates to consumers and the prevention of monopoly is obtained.

Does anyone doubt the patriotism of Secretary Lane? Does anyone doubt his efforts in the public interest? He has been a tireless worker for the western development, and in so doing he is working in the interest of all of us. This talk about doing too much for the West is not well said; in fact, it is poorly said. The West has great possibilities, but they are yet poor and are not able to support the whole Union. Now, just stop and think for a moment. There are two well-defined views in this House. One is that every power site ought to go into private ownership at once and let capital develop it, and let there go with it the onerous, hard, oppressive conditions that go with the development of power in the West, where it is already too greatly monopolized. The other view is to retain Federal control, to lease the water power for a term of years at reasonable rates, subject to careful regulation, as provided for in this bill. Now, that brings us to the third question, of what shall we do with the money, and that is this amendment. We passed the river and harbor bill, which as it passed the House carried $45,000,000, and as reported from the Senate it carries $55,000,000, to improve the rivers and harbors of the East, and the western Members all voted with you, and it passed practically by unanimous consent.

That is not all. That expenditure will never come back to the Federal Treasury. It was an outright appropriation, not a loan, as the irrigation fund is. All this bill asks to do is to let the West develop itself. All this bill asks to do is to let the water-power receipts for the present go on and irrigate the West. There is no more burning question in this country to-day than the increased production of food products and thereby beating down the price of food, and if gentlemen take it upon themselves to break down irrigation and break down the development of the West, they do a thing that will be heavy and hard for their party and the country. They ought not to do it. [Applause.] If it was right to pass the reclamation law in 1902, giving the proceeds from the sale of public lands to the West where we part with the fee, surely it is only an act of justice to give the proceeds from a lease and retain the fee in the Federal Government for the development of the West. The gentleman from South Dakota [Mr. BURKE], who is a clear-headed man, says that we do not give it to the West, but merely loan it as a mortgage, and every cent of it will be returned. He is right about it. It costs the Treasury nothing and is to be repaid.

Mr. FITZGERALD. Will the gentleman yield?

Mr. FERRIS. I have only a few moments.

Mr. FITZGERALD. Every cent goes ultimately into the school system.

Mr. FERRIS. I hope the gentleman will not interrupt me, for I have only saved a very short time for the committee. Let me go a little further. Let us see what ex-Secretary of the Interior Fisher says about it. He was before our committee. His head is usually as clear as any of ours here. He has given great attention to this subject and is in favor of conservation. He does not want to make this bill unpopular; does not want to break down our irrigation in the West. Let us see what he says about it. On page 21 of the hearings Mr. Fisher says:

Now, my own notion of it is it ought to start with very nominal charges; that the charge ought to be small at the start, and it ought to be purposely small, so as to encourage development and to give time to build the plant and get into operation. The charge can be put on a nominal basis and then periodically, say periods of 10 years, that matter ought to be readjusted.

I call attention to the fact that the leasing contract would provide for a readjustment of these provisions as often as the leasing contract desires to have it done in the public interest. He has the right view. There can be little doubt about it. I call attention to the fact that after the development proceeds for, say, 10, 20, or 30 years, then Congress in its wisdom may step in and say this fund shall not longer be used in the West and the development of the West, but shall go into the Federal Treasury. I call attention to the fact that only 6,000,000 horsepower of a possible 200,000,000 horsepower is now in use.

Why on earth does anybody want to make this law unpopular? Why should they want to break down these conservation bills? Why should they want to break down the irrigation law? Why should they want to undo all the good that this bill does, when the present Secretary, the ex-Secretary, the head of the Geological Survey, and every man who has given clear-headed attention to this question does not agree with the chairman of the Committee on Appropriations, does not agree with the amendment or anything like it offered by the gentleman from North Carolina [Mr. PAGE], and does not agree with this constant assault upon irrigation and the development of the West? I repeat, if it was wise to pass a reclamation law giving the proceeds of the sale of the fee to the West, it is wise to let them use this lease money temporarily in the West. If it was wise to legislate $35,000,000 for the development of Alaska, surely it is wise to let the West develop itself without one penny coming out of the Federal Treasury. It is the undoubted right of the gentleman from New York, chairman of the Committee on Appropriations—he is right about it—to guard well the Federal Treasury. It is right to look with careful scrutiny at every proposition to take money from the Federal Treasury, but I fear he goes a little outside of his jurisdiction when he seeks to regulate and take full control of the development of the West. I feel sure he reaches out a little further than he should in reference to this matter concerning the West, a matter with which he can not from the nature of things be very familiar. This bill carries not one cent of appropriation. This bill asks not one cent from the Treasury. It merely asks for the present to let the West develop the West from its own resources. It is too much, Mr. Chairman, in the Western States that have but a handful of men to try to succeed on a sagebrush, mesquite-grass flat where it seldom rains. Oh, it is easy for the advocates of this amendment to say we will reach out and get money from those Western States and enrich the Federal Treasury. I call attention to the somber fact that the entire reclamation act, including the $20,000,000 loan, which must be repaid, is only $79,000,000; only $79,000,000 has been raised in 12 years, and every cent will come back to the Treasury. In the river and harbor bill we appropriated $55,000,000 in a single year, which practically passed the House by unanimous consent, and I voted for it, and my colleagues from the West about me voted for it; we all voted for it, and yet men say it is too much to say that the West shall not develop itself. Let us take pride in the West. Let us develop the West. Let us work together about it. It is a task worthy of our time. It will be a monument that will endure for all of us. Let us do so now. Let us work at it together. Let us accomplish it together. Let us do it not for the West, but for the country. [Applause.]

I ask for a vote, Mr. Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina [Mr. PAGE].

The question was taken, and the Chair announced that the noes seemed to have it.

Mr. PAGE of North Carolina. I ask for a division, Mr. Chairman.

The committee divided; and there were—ayes 15, noes 68.

So the amendment was rejected.

Mr. MONDELL. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The gentleman from Wyoming offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 7, line 1, after the word "rentals," insert the following:
"As follows: First, 5 per cent per annum of the value of the lands leased.
"Second, such sum per annum as shall measure the benefits to the lessee of all expenditures by the United States on the drainage area of the stream from which the lessee obtains water for power, which payments shall in no case exceed in the aggregate the total sum expended by the United States for the protection of the watershed and not more than 5 per cent per annum of the cost of works erected by the United States which may be beneficial to lessees."

Mr. MONDELL. Mr. Chairman, the gentleman from Indiana [Mr. CLINE], a few moments ago in the discussion, properly characterized the charges provided for in this section. He said they were a tax. He did not say to us on what authority the Federal Government levies a tax on an enterprise within a State, a tax not uniform throughout the States. The bill provides that the Secretary of the Interior shall lease certain lands belonging to the Government, and then it proceeds to provide that by reason of that lease of lands the Secretary of the Interior may make a charge for horsepower on all the power developed by the enterprise. In other words, the Secretary

could make as great a charge or a greater charge for the use of an acre as was made for the use of 100,000 acres. An enterprise using 1,000 acres of public land might be charged but 10 per cent of the amount charged another enterprise using one-tenth or less than one-tenth of the amount of land.

As the gentleman from Indiana [Mr. CLINE] says, this is an excise tax. The Constitution of the United States says that excise taxes shall be uniform throughout the Union. It is not intended that these shall be uniform. They can not be uniform, because they only apply to certain States. It is not intended that they shall be uniform within the States affected. They could not be under the provisions of this bill. It is not intended that they shall be uniform with regard to the projects developed under this act. The Secretary may make them high in one case and low in another. Gentlemen pass over this as though it were a very ordinary piece of legislation, as though it was a very common thing in Congress to introduce and pass bills under which we levy excise taxes on certain industries of certain States of the Union. It is entirely proper, if we are to lease the lands of the Government for this or any other purpose, that we should obtain proper revenue from the lease. It is also proper, if an enterprise is situated on public lands and there are expenditures on other public lands that benefit the enterprise, that the enterprise should pay for the benefits. Some of these projects, some of these water powers, will be on forest reserves, and a large portion of the drainage area above the water power will be controlled by the Federal Government, and it is hoped that the protection of the reserve will increase the flow of water. It is possible that the Government may erect dams and build reservoirs on forest reserves that may benefit water powers lower down. It is entirely proper that the power so benefited shall pay for the benefit. And that is what my amendment does. It provides, first, that the National Government shall demand of the lessee a sum not to exceed 5 per cent per annum of the reasonable value of the land used by him; second, that he shall pay the cost of whatever expenditure is made by the Federal Government on his watershed so far as it shall benefit him; that he, and others situated as he is, lessees of the Government, shall pay 5 per cent per annum of the actual capital cost of any improvements made by the Federal Government which may benefit the enterprise. That is all that the Federal Government as a proprietor can properly charge. It is all that the Federal Government should attempt to charge. To do any more than that is to attempt to do an unconstitutional thing. It is an attempt to lay heavy burdens on certain selected enterprises in certain States that are not laid on other like enterprises in the same States and are not laid on any enterprise in other States. The effect of it will be to take from the States large sources of revenue. The effect of it will be, if any considerable burden shall be laid upon these enterprises, to give an advantage to the powers already developed and to make it difficult to develop under this act.

The House passed a few days ago what is known as the Adamson bill, or dam act, relating to the development of water power on navigable streams. A number of rather curious and questionable provisions were inserted in that bill, but the House refused to place in it any provision for a tax on the power development. It was realized that such a tax would have been unconstitutional as well as inequitable and a burden which ultimately must fall on the consumer; but there would have been at least some excuse for a provision of that kind where the Government controls the water utilized. What a howl such a provision, applied to the East and South, would have brought forth! Yet it is coolly proposed to levy such an excise tax on development in the public-land States, where the only interest or control the Government has arises out of the ownership of some lands that may be utilized, possibly only for a transmission line, and where the people of the State themselves own the one essential element, to wit, the water. These enterprises should pay for any rights and benefits they receive from the Federal Government in the use of its lands, for any increase or protection a forest reserve, or expenditures on it, may produce in stream flow; but beyond that the Federal Government has neither a legal nor equitable right to lay heavy burdens on industries which the consumers must pay, and which may be so heavy as to deprive communities of the opportunity of collecting revenues or compelling them to collect them on top of charges already too heavy.

Under this bill one man, the Secretary of the Interior, whoever he may be, is given full control over the taxing power. We assume the right to levy an excise tax lacking in the constitutional requirement of uniformity, and then we assume authority to delegate this unconstitutional power to the Secretary of the Interior to fix as he sees fit. He may make the rate prohibitive or he may make it high in one case and low in another. Never was such unlimited power to lay burdens or to grant favors extended to anyone under a republican form of government. The States and their people, you would imagine, had no rights which Congress is bound to respect and which may not be handed over to a Federal official. Of course I do not anticipate that these provisions will ever become a law. They are being railroaded through the committee here, without anyone making a serious argument in their defense. About the only answer one receives to arguments against them is that those who do not like them and complain of them do not love their country. Fortunately these questions will be really considered in another body where there is opportunity for debate and some consideration for the rights of the people in their various States and communities.

The CHAIRMAN. The time of the gentleman from Wyoming has expired.

Mr. FERRIS. Mr. Chairman, I call attention to the fact that the present value of the land might not be worth more than one dollar and a quarter an acre and the dam site might in the future be worth $1,000,000. So there must be few here who would want to put a positive prohibition in the law that the Secretary could not go beyond 5 per cent of the present value. This amendment may have good in it, but I fail to observe it. It certainly is not what the House would desire to do. It certainly is not what they should do. It could not be in the interest of the Government. It is sure to hinder and work against our interests. It ought to be disagreed to.

The CHAIRMAN. The question is on the amendment of the gentleman from Wyoming.

The question was taken, and the amendment was rejected.

Mr. MONDELL. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The gentleman from Wyoming offers an amendment, which the Clerk will report.

The Clerk read the amendment, as follows:

Page 7, line 3, after the word "and," insert "50 per cent of"; and on page 7, line 7, after the word "act," strike out the remainder of the line and all of lines 8, 9, 10, 11, and 12 down to and including the word "found" and insert in lieu thereof the following: "and 50 per cent of the proceeds."

Mr. MONDELL. Mr. Chairman, we voted a few moments ago on an amendment offered by the gentleman from North Carolina [Mr. PAGE], the purpose of which was to strike out the provision of the bill which places in the reclamation fund the sums received from leases under this act. I voted against the amendment of the gentleman from North Carolina, and I am very glad that it was defeated by so large a majority. And yet the provision which we thus retained in the bill is not a fair, a just, or an equitable one. If the provision now in the bill shall remain and it becomes a law as it is, with regard to the basis and nature of the charges, we shall have levied under the Constitution, prohibiting it, an excise tax on and limited to certain enterprises in certain States, and we shall have taken from the States to the extent that we have so levied the power of the State to collect revenue.

Now, we propose to take those receipts and place them in the reclamation fund, and we think that we are doing a very generous thing when we do that. I can not see it. If there is any considerable development under this bill, it will result in vast enterprises that, in some localities at least, would constitute the main source of revenue for schools and for roads and other local purposes, and yet we do not propose to give to the States or the communities any part of all these vast sums so collected. We might raise under this bill $1,000,000 or $2,000,000 or $5,000,000 a year in the State of California, for instance, and all of it might be used for the purpose of building irrigation works in Texas. We might have under it great enterprises in Wyoming, and all the receipts from those enterprises might be used for building irrigation works in Montana, California, or Idaho. We are taking from the people locally the power of taxation, taking it over and proposing to return to them nothing. No part of the moneys which we thus take from them—moneys that otherwise would be obtained by the communities and by the States through the ordinary channels of taxation—is to be paid them.

My proposition is to divide the receipts, to provide that 50 per cent of them shall be paid to the States, to be used for the maintenance of the schools and roads, and that the other 50 per cent shall go into the reclamation fund instead of placing it all in the reclamation fund, as the bill now provides.

It is true that there is a provision in the bill that at the end of 20 years or 25 years the half which goes into the reclamation fund in the first instance shall return to the State, but the States will have starved for revenues before that time shall have arrived. And, furthermore, I can not understand, and I have not found anyone else who could understand, how you could tag a

dollar going into the reclamation fund, along with millions of other dollars, and determine where it went and when it was paid back. I do not believe the provision for turning half of it back to the States after it has been paid into the reclamation fund and paid back is workable.

The CHAIRMAN. The time of the gentleman from Wyoming has expired.

Mr. FERRIS. Mr. Chairman, the committee hopes that no one will support that amendment. It is not digested. It has not been looked up. It has not been considered, and it changes the whole policy of the bill. I hope the committee will not adopt it.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Wyoming [Mr. MONDELL].

The question was taken, and the amendment was rejected.

Mr. FERRIS. Mr. Chairman, I move that the committee do now rise and report the bill favorably with amendments.

The CHAIRMAN. The gentleman from Oklahoma [Mr. FERRIS] moves that the committee do now rise and report the bill back to the House, with sundry amendments, with the recommendation that the amendments be adopted and that the bill as amended do pass. The question is on agreeing to that motion.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. FITZGERALD, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having under consideration the bill (H. R. 16673) to provide for the development of water power and the use of public lands in relation thereto, and for other purposes, had directed him to report back the bill with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

Mr. WINGO. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. WINGO. Will it be in order now to have the amendments read that were adopted in Committee of the Whole?

The SPEAKER. It is not usual; but, still——

Mr. WINGO. I will ask unanimous consent, Mr. Speaker, that they be read for information.

The SPEAKER. Without objection, the Clerk will report the amendments.

Mr. GARNER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. GARNER. Does it not take unanimous consent to have these amendments reported?

Mr. WINGO. Mr. Speaker, I will withdraw my request.

The SPEAKER. The gentleman from Arkansas withdraws his request. The question is on agreeing to the amendments reported from the Committee of the Whole House on the state of the Union.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

Mr. FERRIS. Under the rule, the previous question is ordered, is it not?

The SPEAKER. Yes.

Mr. FERRIS. Then, Mr. Speaker, I move that the House do now adjourn. It is apparent that we can not get a quorum here to-day.

The SPEAKER. Will the gentleman withhold that motion for a moment?

Mr. FERRIS. Certainly.

PHILIPPINE LEGISLATION (S. DOC. NO. 565).

The SPEAKER laid before the House the following message from the President:

To the Senate and House of Representatives:

As required by section 86 of the act of Congress approved July 1, 1902, entitled "An act temporarily to provide for the administration of the affairs of civil government in the Philippine Islands, and for other purposes," I transmit herewith a set of the laws enacted by the Third Philippine Legislature during its second session, from October 16, 1913, to February 3, 1914, inclusive, and its special session, from February 6 to 28, 1914, inclusive, together with certain laws enacted by the Philippine Commission.

None of these acts or resolutions have been printed.

WOODROW WILSON.

THE WHITE HOUSE, *August 22, 1914.*

The SPEAKER. There is a large bundle of accompanying documents. The message will be printed, but the accompanying documents will not be printed for the present, unless the House orders the printing. The message and accompanying documents will be referred to the Committee on Insular Affairs.

PHILIPPINE PUBLIC LAND ACT (H. DOC. NO. 1148).

The SPEAKER laid before the House the following message from the President, which was read and, with the accompanying letter, referred to the Committee on Insular Affairs and ordered to be printed:

To the Senate and House of Representatives:

I submit herewith act No. 2325 of the Third Philippine Legislature, entitled:

An act amending section 13 of act No. 926, known as "the public-land act," by specifying the manner in which the publication of the notices of sale of lands shall be made.

I have approved the act and submit it in accordance with the provisions of section 13 of the act of Congress approved July 1, 1902, entitled:

An act temporarily to provide for the administration of the affairs of civil government in the Philippine Islands, and for other purposes.

I also transmit herewith a letter of the Secretary of War explaining the scope of the act.

WOODROW WILSON.

THE WHITE HOUSE, *August 22, 1914.*

PORTO RICO (H. DOC. NO. 1149).

The SPEAKER laid before the House the following message from the President, which, with the accompanying documents, was referred to the Committee on Insular Affairs:

To the Senate and House of Representatives:

As required by section 31 of the act of Congress approved April 12, 1900, entitled "An act temporarily to provide revenues and a civil government for Porto Rico, and for other purposes," I transmit herewith copies of the acts and resolutions enacted by the Seventh Legislative Assembly of Porto Rico during its extraordinary session (June 20 to August 19, 1913, inclusive), its second session (January 12 to March 12, 1914, inclusive), and its extraordinary session (March 14 to 28, 1914, inclusive).

These acts and resolutions are the same as those transmitted by messages of October 7, 1913 (S. Doc. 206, 63d Cong., 1st sess.), and May 16, 1914 (H. Doc. 979, 63d Cong., 2d sess.). None of them has been printed, as explained in footnote to Senate Document No. 206, above cited.

WOODROW WILSON.

THE WHITE HOUSE, *August 22, 1914.*

The SPEAKER. This message will be printed, but not the documents.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. ADAIR, for 10 days, on account of illness.

To Mr. MONTAGUE, for 1 day, on account of illness.

LEAVE TO EXTEND REMARKS.

Mr. LEVY. Mr. Speaker, I ask unanimous consent to extend my remarks on the railroad postal pay bill.

The SPEAKER. The gentleman from New York asks unanimous consent to extend his remarks on the railroad postal pay bill. Is there objection?

There was no objection.

ENROLLED BILL AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. ASHBROOK, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States, for his approval, the following bill and joint resolution:

H. J. Res. 246. Joint resolution to authorize the Secretary of War to grant a revocable license for the use of lands adjoining the national cemetery near Nashville, Tenn., for public-road purposes.

H. R. 14155. An act to amend an act of Congress approved March 28, 1900 (vol. 31, Stat. L., p. 52), entitled "An act granting to the State of Kansas the abandoned Fort Hays Military Reservation, in said State, for the purpose of establishing an experiment station of the Kansas State Agricultural College, and a western branch of the State Normal School thereon, and for a public park."

ADJOURNMENT.

Mr. FERRIS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 40 minutes p. m.) the House adjourned until Monday, August 24, 1914, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. FLOYD of Arkansas, from the Committee on the Judiciary, to which was referred the bill (H. R. 5155) to provide for a district judge in the northern and southern districts of the State of Mississippi, and for other purposes, reported the same without amendment, accompanied by a report (No. 1101), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. CULLOP, from the Committee on Interstate and Foreign Commerce, to which was referred the bill (H. R. 2496) to amend section 15 of the act to regulate commerce, as amended June 29, 1906, and June 18, 1910, reported the same without amendment, accompanied by a report (No. 1102), which said bill and report were referred to the House Calendar.

Mr. HOUSTON, from the Committee on War Claims, to which was referred the joint resolution (S. J. Res. 65) to amend Senate joint resolution 34, approved May 12, 1898, entitled "Joint resolution providing for the adjustment of certain claims of the United States against the State of Tennessee and certain claims against the United States," reported the same without amendment, accompanied by a report (No. 1103), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. BLACKMON: A bill (H. R. 18491) forbidding diversion of funds deposited by United States Treasury for aiding in movement of cotton, grain, or other farm products, etc.; to the Committee on Banking and Currency.

By Mr. LEVER: A bill (H. R. 18492) to authorize the Secretary of Agriculture to establish uniform standards of classification for cotton; to provide for the application, enforcement, and use of such standards in transactions in interstate and foreign commerce; to prevent deception therein; and for other purposes; to the Committee on Agriculture.

By Mr. CURRY: A bill (H. R. 18493) placing certain positions in the Post Office Department in the competitive classified service; to the Committee on the Post Office and Post Roads.

Also, a bill (H. R. 18494) placing certain positions in the Post Office Department in the competitive classified service; to the Committee on the Post Office and Post Roads.

By Mr. KINKEAD of New Jersey: Joint resolution (H. J. Res. 328) for the purchase of the vessels of the North German Lloyd and Hamburg-American Line Steamship Cos.; to the Committee on the Merchant Marine and Fisheries.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BURGESS: A bill (H. R. 18495) granting an increase of pension to C. A. Detrick; to the Committee on Invalid Pensions.

By Mr. JOHNSON of Kentucky (by request): A bill (H. R. 18496) for the relief of the estate of Juliet Cotton; to the Committee on War Claims.

Also, a bill (H. R. 18497) for the relief of Lewis Anderson; to the Committee on War Claims.

By Mr. MONDELL: A bill (H. R. 18498) for the relief of the owners of property injured or destroyed by overflow of the Shoshone River near Kane, State of Wyoming; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Memorial of the Washington Central Labor Union, urging Congress to increase the income tax rate to secure additional revenue for the Government; to the Committee on Ways and Means.

Also (by request), memorial of the Women's Home Missionary Society of Wheeling, W. Va., protesting against the practice of polygamy in the United States; to the Committee on the Judiciary.

By Mr. BURKE of South Dakota: Petition of various druggists of Aberdeen, S. Dak., favoring the passage of House bill 13305, the Stevens bill; to the Committee on Interstate and Foreign Commerce.

By Mr. RAKER: Petitions of the Shipowners' Association of the Pacific Coast, the Pollard Steamship Co., and others, and the Casper Lumber Co., protesting against coastwise clause in the shipping bill admitting foreign ships to American registry; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Forty-seventh Annual Encampment of the California and Nevada Grand Army of the Republic, at San Diego, Cal., protesting against any change in the flag; to the Committee on the Judiciary.

Also, petition of the Shipowners' Association of the Pacific Coast, withdrawing opposition to the emergency shipping bill; to the Committee on Interstate and Foreign Commerce.

By Mr. TEMPLE: Memorial of George Green, of New Castle, Pa., relative to increase in rates charged by the railroads; to the Committee on Interstate and Foreign Commerce.

Also, petition of the Glasgow Presbyterian Church, of Smiths Ferry, Pa., favoring antipolygamy amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. WATSON: Petitions of sundry citizens of Surry and Mecklenburg Counties, Va., relative to rural credits; to the Committee on Banking and Currency.

By Mr. WILLIAMS: Petitions of 363 citizens, principally of Mount Vernon, Ill., relative to due credit to Dr. Cook for his polar efforts; to the Committee on Naval Affairs.

SENATE.

MONDAY, *August 24, 1914.*

(*Legislative day of Saturday, August 22, 1914.*)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

Mr. THOMAS. I ask unanimous consent to submit a resolution and have it lie over.

The VICE PRESIDENT. When the Senate recessed on Saturday there was no quorum present and the Chair is of the opinion that the first thing to do is to get a quorum of the Senate of the United States. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Gallinger	McCumber	Smith, Ga.
Brady	Gronna	Martin, Va.	Smoot
Bristow	Hitchcock	Martine, N. J.	Swanson
Bryan	Hollis	Nelson	Thomas
Burton	Jones	Perkins	Weeks
Camden	Kern	Shafroth	
Chamberlain	Lane	Sheppard	
Dillingham	Lea, Tenn.	Simmons	

Mr. KERN. I desire to state that the Senator from Louisiana [Mr. THORNTON] is unavoidably detained on account of sickness.

Mr. JONES. I wish to state that the junior Senator from Utah [Mr. SUTHERLAND] is necessarily absent. He is paired with the Senator from Arkansas [Mr. CLARKE].

Mr. MARTINE of New Jersey. I was requested to announce that the Senator from Alabama [Mr. WHITE] is absent on official business.

Mr. KERN. I desire to announce the absence of the senior Senator from South Carolina [Mr. TILLMAN]. He will be absent for several days. He is paired with the junior Senator from West Virginia [Mr. GOFF]. This announcement may stand for the day.

Mr. DILLINGHAM. I desire to announce the continued absence of my colleague [Mr. PAGE] on account of illness in his family.

Mr. SMOOT. I wish to announce the unavoidable absence of my colleague [Mr. SUTHERLAND].

The VICE PRESIDENT. Twenty-nine Senators have answered to the roll call. There is not a quorum present. The Secretary will call the roll of absentees.

The Secretary called the names of the absent Senators, and Mr. KENYON, Mr. PITTMAN, Mr. SAULSBURY, and Mr. THOMPSON answered to their names when called.

Mr. CHAMBERLAIN. I desire to announce that the junior Senator from Mississippi [Mr. VARDAMAN] is unavoidably detained from the Senate.

Mr. JOHNSON entered the Chamber and answered to his name.

The VICE PRESIDENT. Thirty-four Senators have answered to the roll call. There is not a quorum present. The Sergeant at Arms will carry out the instructions of the Senate heretofore given and request the attendance of absent Senators.

Mr. STERLING and Mr. POMERENE entered the Chamber and answered to their names.

Mr. CHILTON entered the Chamber and answered to his name.

Mr. CHILTON. I desire to state that those of us who are coming in now have been attending a meeting of the Judiciary Committee and were necessarily detained.

Mr. OVERMAN, Mr. CUMMINS, Mr. SHIELDS, Mr. FLETCHER, and Mr. WALSH entered the Chamber and answered to their names.

Mr. KENYON. I desire to announce that the junior Senator from Nebraska [Mr. NORRIS] is unable to be present on account of illness.

Mr. REED, Mr. CULBERSON, Mr. LEE of Maryland, Mr. MYERS, Mr. FALL, Mr. WHITE, and Mr. SMITH of Maryland entered the Chamber and answered to their names.

The VICE PRESIDENT. Forty-nine Senators have answered to the roll call. There is a quorum present.

SALT LAKE AND OGDEN GATEWAYS.

Mr. THOMAS. I ask unanimous consent, out of order, to submit a resolution and ask that it may lie over under the rule.

The VICE PRESIDENT. Without objection, it will be so ordered.

Mr. THOMAS. I also ask to have the Secretary read the resolution.

The resolution (S. Res. 446) was read, as follows:

Whereas the Union Pacific Railroad Co. is said to have issued an order closing the Salt Lake and Ogden gateways after October 1 to all passenger traffic from eastern and southern points originating on the Denver & Rio Grande Railway, or other Gould railroads, so called, the effect whereof will be to inflict a very large and unjust loss upon said railroads, for which there is no justification; and

Whereas the enforcement of said order will deprive the States of Colorado and Utah of a very large percentage of tourist business and divert an enormous passenger traffic from said States, to their great injury; and

Whereas said order is said to have been made to deter and intimidate capital from the reorganization and equipment of the Western Pacific Railroad, a competitor of the Union Pacific Road for the traffic of the Pacific coast, and thereby accomplish its undoing: Therefore be it

Resolved by the Senate of the United States, That the Interstate Commerce Commission be, and it is hereby, directed to inquire into and investigate the reasons for making said order; the necessity, if any, for shutting the passenger traffic of the Denver & Rio Grande and other southern and southeastern railroads out of the gateways of Salt Lake and Ogden and the Union Pacific lines leading therefrom; the effect of the enforcement of said order upon tourist and other passenger traffic to and through Colorado and Utah; the effect thereof upon the Western Pacific Railroad; and report the result of its investigation to the Senate as early as may be consistent with the making thereof.

The VICE PRESIDENT. The resolution will lie on the table and be printed.

COTTON WAREHOUSES.

The Senate resumed the consideration of the bill (S. 6266) to authorize the Secretary of Agriculture to license cotton warehouses, and for other purposes.

The VICE PRESIDENT. The question is on the amendment of the Senator from Oregon [Mr. LANE], on which the yeas and nays have been ordered. The Secretary will call the roll.

Mr. GALLINGER. Mr. President, may I ask what the amendment is? I should like to have it stated.

The VICE PRESIDENT. The Secretary will state the amendment.

The SECRETARY. It is proposed to insert, after the word "cotton," wherever it appears in the bill, the words "or canned salmon."

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. CHAMBERLAIN (when his name was called). I have a general pair with the junior Senator from Pennsylvania [Mr. OLIVER], which I transfer to the junior Senator from Mississippi [Mr. VARDAMAN], and will vote. I vote "yea."

Mr. FLETCHER (when his name was called). I have a pair with the junior Senator from Wyoming [Mr. WARREN]. I transfer that pair to the junior Senator from Georgia [Mr. WEST] and will vote. I vote "nay."

Mr. GALLINGER (when his name was called). I announce my general pair with the junior Senator from New York [Mr. O'GORMAN]. I transfer that pair to the junior Senator from Maine [Mr. BURLEIGH] and will vote. I vote "yea."

Mr. LEA of Tennessee (when his name was called). I transfer my general pair with the senior Senator from South Dakota [Mr. CRAWFORD] to the senior Senator from Illinois [Mr. LEWIS] and will vote. I vote "nay."

Mr. MYERS (when his name was called). I transfer my pair with the junior Senator from Connecticut [Mr. MCLEAN] to the senior Senator from Nevada [Mr. NEWLANDS] and will vote. I vote "nay."

Mr. REED (when his name was called). I am paired with the senior Senator from Michigan [Mr. SMITH]. In his absence I withhold my vote.

Mr. SMITH of Georgia (when his name was called). I have a general pair with the senior Senator from Massachusetts [Mr. LODGE]. I transfer that pair to the senior Senator from Indiana [Mr. SHIVELY] and will vote. I vote "nay."

Mr. THOMAS (when his name was called). I have a general pair with the senior Senator from New York [Mr. ROOT]. In his absence I withhold my vote. If at liberty to vote, I should vote "yea."

Mr. WALSH (when his name was called). I transfer my pair with the senior Senator from Rhode Island [Mr. LIPPITT] to the junior Senator from South Carolina [Mr. SMITH] and will vote. I vote "nay."

Mr. WEEKS (when his name was called). I have a general pair with the senior Senator from Kentucky [Mr. JAMES]. I transfer that pair to the junior Senator from Illinois [Mr. SHERMAN] and will vote. I vote "nay."

The roll call was concluded.

Mr. CULBERSON. I have a general pair with the senior Senator from Delaware [Mr. DU PONT], which I transfer to the junior Senator from Arizona [Mr. SMITH], and will vote. I vote "nay."

Mr. SIMMONS (after having voted in the affirmative). I transfer my pair with the junior Senator from Minnesota [Mr. CLAPP] to the senior Senator from Alabama [Mr. BANKHEAD] and will allow my vote to stand.

Mr. OWEN. I am paired with the junior Senator from New Mexico [Mr. CATRON]. If necessary to make a quorum, I have the right to vote.

The VICE PRESIDENT. Does the Senator desire to vote?

Mr. OWEN. I do.

The Secretary called the name of Mr. OWEN, and he voted "yea."

Mr. THOMAS. I desire to be counted present for the purpose of making a quorum, if necessary.

The VICE PRESIDENT. A quorum is present.

Mr. GALLINGER. I have been requested to announce the following pairs:

The senior Senator from Wyoming [Mr. CLARK] with the senior Senator from Missouri [Mr. STONE].

The junior Senator from Rhode Island [Mr. COLT] with the junior Senator from Delaware [Mr. SAULSBURY].

The junior Senator from West Virginia [Mr. GOFF] with the senior Senator from South Carolina [Mr. TILLMAN].

The senior Senator from Pennsylvania [Mr. PENROSE] with the senior Senator from Mississippi [Mr. WILLIAMS].

The junior Senator from Wisconsin [Mr. STEPHENSON] with the senior Senator from Oklahoma [Mr. GORE].

The junior Senator from Utah [Mr. SUTHERLAND] with the senior Senator from Arkansas [Mr. CLARKE].

The result was announced—yeas 25, nays 24, as follows:

YEAS—25.

Ashurst	Gallinger	Kern	Poindexter
Brady	Gronna	Lane	Simmons
Bristow	Hollis	McCumber	Smoot
Burton	Hughes	Martine, N. J.	Thompson
Chamberlain	Johnson	Owen	
Chilton	Jones	Perkins	
Cummins	Kenyon	Pittman	

NAYS—24.

Bryan	Lea, Tenn.	Pomerene	Sterling
Camden	Lee, Md.	Ransdell	Swanson
Culberson	Martin, Va.	Shafroth	Thornton
Dillingham	Myers	Sheppard	Walsh
Fall	Nelson	Smith, Ga.	Weeks
Fletcher	Overman	Smith, Md.	White

NOT VOTING—47.

Bankhead	Gore	Page	Stephenson
Borah	Hitchcock	Penrose	Stone
Brandegee	James	Reed	Sutherland
Burleigh	La Follette	Robinson	Thomas
Catron	Lewis	Root	Tillman
Clapp	Lippitt	Saulsbury	Townsend
Clark, Wyo.	Lodge	Sherman	Vardaman
Clarke, Ark.	McLean	Shields	Warren
Colt	Newlands	Shively	West
Crawford	Norris	Smith, Ariz.	Williams
du Pont	O'Gorman	Smith, Mich.	Works
Goff	Oliver	Smith, S. C.	

So Mr. LANE's amendment was adopted.

Mr. GRONNA. I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. It is proposed to add a new section, to be numbered section 17, and to read as follows:

SEC. 17. That all the provisions of this act are hereby extended to include elevators and warehouses for the storage of grain and flaxseed, together with inspection, classification, and issuance of receipts and certificates, to the same extent, so far as applicable, as the same are specifically made applicable to warehouses for the storage and classification of cotton, under such rules and regulations as the Secretary of Agriculture may prescribe.

Mr. REED. Mr. President, I make the point of order that the amendment is not germane to the bill, that there has been

no estimate for the expenses, that the amendment has not been before any committee; that there has been no estimate by any department or by any committee, and that it involves the expenditure of money.

The VICE PRESIDENT. The point of order as made by the Senator from Missouri is only applicable to amendments made to general appropriation bills and to no other bills. The point of order is overruled.

Mr. GRONNA. Mr. President, this amendment adds nothing new to the bill. It simply places all kinds of grain and flaxseed on an equality with cotton. It calls for no appropriation whatever.

I shall not take the time of the Senate to discuss it further just now. I hope, however, that we can have a vote on it and that the amendment will be adopted.

Mr. WILLIAMS. Mr. President, there is a meeting to-day down at the Pan American Building of various representatives from the cotton States. It is a matter of very great importance to my constituents and to the entire country, and I ask the consent of the Senate to absent myself during the day to attend that meeting. At the same time I announce my pair with the senior Senator from Pennsylvania [Mr. PENROSE].

The VICE PRESIDENT. The question is on the amendment proposed by the junior Senator from North Dakota [Mr. GRONNA].

Mr. REED. Mr. President, I make the further point of order that the subject matter contained in this proposed amendment has been twice before the Senate at this session and has been twice defeated, and that it is in fact bringing up matter that has been twice voted upon finally.

The VICE PRESIDENT. The Chair has a recollection that the bill of the Senator from North Dakota [Mr. MCCUMBER], which the Chair assumes is the bill referred to by the Senator from Missouri, was a bill which provided for a uniform system of grain inspection throughout the United States of America. The amendment is not identical in terms and it does not appear to the Chair to be identical in substance with the bill of the Senator from North Dakota. The Chair overrules the point of order.

Mr. REED. I was going to ask the Chair to hear me on the question of identity, but, of course, if my point of order is ruled upon I do not want to argue it.

The VICE PRESIDENT. The Chair paid a great deal of attention to that discussion and the Chair thinks that the bill of the Senator from North Dakota was practically a measure dispensing with State grain inspection. This amendment is not of that character.

Mr. MCCUMBER. Mr. President, I think it was last Thursday when this bill was before the Senate I suggested the following amendment to the Senator from Georgia [Mr. SMITH], who stated that it was satisfactory to him, and I especially called my colleague's attention to it. The amendment which I then suggested read as follows:

That all the provisions of this act shall apply as far as practicable to warehouses for and inspection of wheat, oats, barley, corn, flaxseed, and rye, and the further sum of $50,000, or so much thereof as may be required, is hereby appropriated to pay salaries and expenses relative to grain warehouses for and inspecting of said grain.

I was not here Saturday. I want to ask my colleague if the amendment which he now offers differs in any respect other than the appropriation from that which I suggested, and if so, will he kindly explain to me wherein is the difference?

Mr. GRONNA. I do not think my amendment differs from the amendment of my colleague except in the language appropriating $50,000. Of course, that would make it subject to the point of order made by the Senator from Missouri. I have no pride of opinion about the amendment, and if the Senator prefers it to mine I shall be very glad to withdraw my amendment.

Mr. MCCUMBER. No; my colleague and myself are working toward one general end.

Mr. GRONNA. That is true.

Mr. MCCUMBER. All I am desirous of knowing is whether the amendment of my colleague is substantially the same as mine with the exception that no appropriation is made in his amendment.

Mr. GRONNA. It is substantially the same. It is practically the same.

The VICE PRESIDENT. The Chair will inquire of the senior Senator from North Dakota, if, by the statement that he and his colleague are working toward the same general end, he means to imply that the amendment is in effect the same as the bill that was introduced by him and defeated?

Mr. MCCUMBER. I wish it was, Mr. President; but it is not. It is simply one little brick in the superstructure of a foundation on which my colleague and myself hope at some time to build the general structure of Federal inspection. It does not give us the Federal inspection that we ask for and which we have been fighting for, but it is along that general idea of Federal supervision and the issuance of a certificate that will give some confidence to purchasers.

But, Mr. President, I am a little fearful that the amendment as suggested by my colleague with nothing further would be a sort of a dead letter. I call my colleague's attention to section 15:

SEC. 15. That there is hereby appropriated, out of any moneys in the Treasury not otherwise appropriated, the sum of $50,000, available until expended, for the expenses of carrying into effect the provisions of this act, including the payment of such rent and the employment of such persons and means as the Secretary of Agriculture may deem necessary in the city of Washington and elsewhere.

I presume with this amendment which has been suggested the entire $50,000, if any work was done in the agricultural line in reference to the inspection of grain, and so forth, would be somewhat divided, and it certainly would be a very meager sum. I was going to suggest that my colleague ought to add to his amendment—

and the further sum of $50,000, or so much thereof as may be required, is hereby appropriated to pay salaries and expenses relative to grain warehouses for and inspecting of said grain.

So that the entire $50,000 appropriated in the bill for cotton may be used for that, and the other sum of $50,000 may be used to cover the expenses of the amendment offered by my colleague. I am going to offer that as an amendment to the amendment which my colleague has offered.

Mr. President, it was with a degree of pleasure that I observed that Senators who have persistently voted against any character of inspection or grading for grain, which together with cotton constitutes the great wealth and production of the United States and which makes all our food and makes all our clothing, emphasized their consistency in this matter by voting for the Federal inspection and grading and certification of canned salmon. It indicates that the big things sometimes escape while the little things we pass on very easily.

I have not anything further to say, Mr. President, but I wish to have read into the RECORD at this time a letter which was received by me a short time ago from Nebraska, which will explain itself.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Secretary will read as requested.

The Secretary read as follows:

EWART GRAIN CO., GRAIN AND ELEVATORS,
Lincoln, Nebr., August 6, 1914.

Hon. PORTER MCCUMBER,
United States Senate, Washington, D. C.

DEAR SIR: The public has been somewhat interested in your effort to put through legislation that will relieve the shippers of the rural districts from the unjust grading and handling of their grain in terminal markets. This injustice has never been more rank than it has been this summer. If you will confer with Senator NORRIS, you will find with him considerable correspondence from Nebraska on this subject. The shipper is subject to discounts of 4 cents and 5 cents per bushel on wheat, much of which should not be discounted at all.

Since the war scare these discounts in Chicago and Minneapolis have been unprecedented. The only relief that the public will have from this injustice is the supervision and inspection of grain by the Government. Some of the grain dealers of Lincoln are in conference this afternoon, going to the governor to see if something can not be done jointly with the governor of Minnesota to get relief from this confiscation of part of the value of the grain.

We believe that when you have again entered the fray for the desired legislation you will find that you have a large amount of support from people who had not been so much interested before.

It is common knowledge, and has been for years, that the ingrades and outgrades from terminal markets were not at all uniform, and grades that are put out from these markets as No. 2, for instance, were graded as No. 3 when they came in.

Pardon my intrusion on your valuable time, but the imposition is becoming more and more galling.

Yours, truly,
S. EWART.

Mr. GRONNA. Mr. President, I simply want to say a word. The amendment which I offer simply provides that the Secretary of Agriculture may license grain warehouses. It places grain on an equality with cotton. It is entirely different from the bill which my colleague has had before the Senate for many years. I favor his bill, as he knows. I wish it were possible for us to pass my colleague's bill, but that is an entirely different proposition, as the Chair has ruled, and, as I think, rightly so.

Mr. President, I do not believe it is wise to ask for an appropriation in my amendment. I believe that that can be taken care of in conference, in case there is any necessity for an increase in the appropriation.

Mr. REED. Mr. President, I have been given to understand until recently that we were being held here during the sweltering months of summer for the purpose of taking care of certain great legislative problems, which it was felt ought to be disposed of before this session of Congress adjourned. Coming upon the heels of that were certain emergency matters made

necessary by virtue of the unfortunate conditions existing abroad and the interference with our own domestic affairs naturally resulting from those European conditions.

Mr. GALLINGER. Mr. President, will it interrupt the Senator if I ask him a question concerning a matter not directly relevant to the one under discussion?

Mr. REED. It would not interrupt me.

Mr. GALLINGER. Some months ago, when I chanced to have the honor for a brief time conferred upon me of acting as President pro tempore of the Senate, the Senator from Missouri offered a resolution providing for the appointment of a committee of Senators to take into consideration the better ventilation of the Senate Chamber. Acting in my capacity I appointed a committee, of which the Senator was made chairman. I have been wondering ever since if the Senator, or the other Senators, have given any serious consideration to the question as to whether or not, if we are to be kept here during the torrid months, we might not have some better ventilation in this Chamber, so as to make us a little more comfortable.

I feared I might forget to ask the question later on, when, perhaps, it would have been more appropriate, but I thought the Senator would not object to my asking it now, and I thank him for giving me that privilege.

Mr. REED. Mr. President, the question is a very proper one. The committee met on two or three occasions and had some consultations with the Architect of the Capitol. The Architect of the Capitol was of the opinion that in order to make any change which would be effective it would be necessary to take the matter up when Congress would not be in session and when there would be considerable time permitted to make the changes. He suggested two general plans, one of which he was asked to work out. He did work out that plan, in part at least, and brought the result of his labors to me. I say "he brought the result"; he brought it in part at least. I then endeavored to get meetings of the committee, but from that day to this the Senate has been so driven with work that I have not been able to find it possible to get the committee together. However, I have not made a strenuous effort, because it has been perfectly manifest that the Senate would be in session for a considerable time, and until the Senate adjourns we can not, of course, carry on any work of improvement. The matter, however, has not been forgotten, and I am glad the Senator called my attention and the Senate's attention to it.

Mr. GALLINGER. Mr. President, I am gratified to know that the committee has the matter still in mind. I realize that the improvements, whatever they might be, could not be made while Congress is in session, but I want to emphasize the fact that if we are to be kept here during the summer months—and I am making no complaint about that—if it is possible to improve the air of this Chamber it ought to be done; that is all.

Mr. REED. Mr. President, I agree with that; but as near as I am able to make out we are hereafter to be in perpetual session. I know of no better illustration than this amendment. We had something like a six weeks' battle in the Senate at this session over the question of grain inspection. The proposition then before the Senate was essentially the proposition now brought forward. It came before the Senate in two forms and was debated at great length. The Senator from North Dakota [Mr. MCCUMBER] himself occupied the floor the greater part of 10 days, as nearly as I can recall, and after the bill was defeated I think he occupied about 3 days lecturing the Senate for having voted as it did. After all that, if my recollection serves me aright, he brought in another and different amendment, which was practically the same old Trojan horse with a different coat of paint, and now it is here before us again in all its essentials. It differs from the bill which we voted upon twice, exactly as two grains of calomel differ from a grain and a quarter. It is exactly the same kind of medicine; the dose is administered in a little smaller degree. I claim that a proper application of the rules of the Senate will exclude this amendment from consideration, or else it is true that a Senator can continue to bring forward by amendments the same essential proposition as many times as he desires to bring it forward, provided he changes the phraseology to some slight extent. I insist that it is not permissible under the rules of the Senate.

Let me illustrate that and endeavor to show how necessary it is that there should be some limitation and that that limitation should be a broad and practical one and not merely a technical one. Suppose that the Senate were now to vote upon this cotton-inspection bill, and, after full debate, were to defeat it; suppose that immediately there should be introduced another bill exactly—if I knew just how far the Chair had followed my statement when I was interrupted, for I am making this argument to the Chair——

The VICE PRESIDENT. The Chair will state to the Senator from Missouri that the Chair has ruled; but if there is an appeal from the Chair, he will gladly put the appeal to the Senate.

Mr. REED. I was hoping to enlist the attention of the Chair because of the interest of the matter I am discussing.

The VICE PRESIDENT. The Chair listened, he thinks, about 17 or 18 days to debate on the grain bill, and the Chair has not any doubt that the amendment is not the same as that bill.

Mr. REED. Very well. I insist—and I shall take my own time to insist, whether it be pleasing or displeasing—that this amendment can not now be properly considered. I was proceeding to illustrate: Suppose that this cotton bill were now defeated; suppose, immediately, some Member of the Senate were to introduce another cotton-inspection bill, changing the amount of the appropriation from $50,000 to $55,000, and were then to ask the Senate to proceed to the consideration of the bill which had been once before voted upon and determined at this session, it would not be the same bill; it would be a different bill.

The VICE PRESIDENT. Well, the Chair does not want the Senator from Missouri to get into any attitude of mind like that, because, under what the Chair thinks is well settled parliamentary procedure, the Chair would be compelled to sustain the point of order on the part of the Senator from Missouri on a bill of that kind. The Chair does not want to be put in that attitude. The changing of amount and the changing of phraseology or the changing of anything else would not lead the Chair to decide the point of order was not well taken; but the Chair, after listening week after week, thinking the discussion would never end on the grain-inspection bill, has a distinct recollection that the purpose of the bill of the Senator from North Dakota was to take away from the States and to put into the control of the Federal Government the inspection of the grain of this country, and to provide for a uniform inspection of grain throughout the United States of America. The Chair can not be mistaken in that view of the bill.

The Chair does not understand that such is the purpose of the amendment. It seems to be the whole purpose of the original bill here and of the amendment to enable the owners of various products of America to procure certificates relative thereto by the Government of the United States, and that they may use such certificates for the purpose of obtaining money. It is therein the Chair thinks, with deference to the opinion of the Senator from Missouri, the difference between the two bills consists.

Mr. REED. Mr. President, I undertake to say that we should apply the broad rule that when a subject matter has been disposed of that same subject matter can not be brought forward in a bill for the purpose of accomplishing substantially the same results at the same session. I am not entering into a controversy with the Chair about this matter; I am addressing myself as I discuss these questions to the Senate as well as to the Chair, because the Senate ought to protect itself against a performance of this kind; it ought to protect itself against it upon the broad ground that it does not intend to be harassed with the same subject matter simply because of the pertinacity of Senators who bring it forward in a slightly different way.

What was the bill upon which we voted? It provided that the Secretary of Agriculture should be authorized and required, as soon as may be, "to determine and fix, according to such standards as he may provide, such classifications and grading of wheat, flax, corn, rye, oats, barley, and other grains as in his judgment the usages of trade may warrant and permit."

It provided further:

SEC. 6. That when such standards are fixed and the classification and grades determined upon the same shall be made matter of permanent record in the Agricultural Department, and public notice thereof shall be given.

Then it provided that the inspector should give certain certificates, and so forth. That was about all there was in the bill, except that it provided that all grain should be inspected that crossed from one State to another. It was afterwards amended so that it only included grain that should pass through terminal points. Subsequent to that there was an amendment offered by the Senator of a much narrower nature, which I trust I shall have here in a few moments. It was an amendment offered by the Senator from North Dakota at a later time in the session after the bill to which I have been referring was defeated.

The kernel, however, of those measures, the thing that was in those measures, was the proposition of a Federal inspection of grain instead of a State inspection of grain. The details as to just how it was to be worked out were not of the essentials of the bill. That bill finds its chief distinction from the present

bill in the fact that that bill was compulsory, while this bill is voluntary, so far as elevator men are concerned.

The principal objection to that bill was that it destroyed State grain inspection; and the same objection exactly lies to this amendment. This amendment, in my opinion, will just as effectively destroy State grain inspection as the original bill would have done, and if this amendment is put on this bill, I think it will be some weeks before the bill comes to a vote.

A contest was made before, the whole question was argued out, the facts and figures were massed, and the Senate, by a decisive vote, settled it. Now, we are asked to lay aside trust legislation, which, we are told, is most important, to lay aside appropriation bills, which are important, and to take up and thrash out this same old question. I have no great interest in it except as it affects my State; and if the Senator who offers the amendment will put at the end of his amendment a clause providing that it shall not apply to States having State inspection, I shall not resist the measure; but if he does not do that, I shall be compelled to offer such an amendment. I wish to ask the Senator if he will do that?

Mr. GRONNA. Mr. President, I can not at this time accept such an amendment. We have no State grain inspection at all in the State of North Dakota, and neither do we dispose of our grain in North Dakota. Our grain is disposed of either at Minneapolis, Duluth, or some other grain terminal. I can not understand how the Senator from Missouri can construe this amendment to be an inspection provision. I want to ask the Senator from Missouri, if he will permit me, if he believes that the elevator men of his State are in favor of Federal inspection; and if they are not, how can he construe this amendment to provide for Federal inspection? It is only upon the application of the elevator men that inspection can be had.

Mr. REED. Mr. President, the Senator has asked me a question, which I apprehend he thinks goes to the merits of this matter, but I do not agree with him. In every State there are proprietors of elevators and men engaged in the grain business who are not satisfied with the State inspection. They would like very much to have an inspection which they could dictate, and of course the more honest the State inspection and the more careful and competent such inspection the more will men of that kind object to it.

If you pass this bill, the authority of the State grain-inspection departments will be destroyed, and for this reason: Any man who is dissatisfied with the State grain inspection can ask for Federal inspection and take himself out from under the authority of the State board. Now I desire to ask the Senator a question. His question implies that all of the State grain elevators will want to stay under State inspection.

Mr. GRONNA. Mr. President, will the Senator yield to me?

Mr. REED. I will.

Mr. GRONNA. The Senator perhaps knows more about State inspection than I do, but he also knows, and I know, that State inspection is compulsory. This amendment does not provide for a compulsory inspection; nor do I believe any inspection can be had under it except for the purpose of licensing an elevator or a warehouse.

Mr. REED. Mr. President, answering one thing at a time, the Senator's position is that this will not interfere with State grain inspection, because the elevators will prefer the State grain inspection to the national inspection. If that is true, then why not add the clause which I have suggested and which exempts from the operation of this law States where there is State inspection and public inspection by public authorities? If, on the other hand, it will make a difference, as I maintain it will make a difference, then I have cause to complain.

Now, Mr. President, it will make a difference. There are in every community men who do not want their grain inspected by the State authorities and who have constantly endeavored to prevent a thorough and honest inspection. If you adopt this amendment, all those men have to do to get out from under the State authority is to bring themselves under the national authority, and when the national authority has stepped in, as we all know, the State steps out. If this is a proper subject for Congressional action, then the moment an elevator asks to be licensed by the Federal Government, and is licensed, the State authorities lose control over that elevator. All elevators in States where they have grain inspection can immediately come under national inspection.

An examination of this bill will make that plain. I read now from the cotton bill, section 3:

> That the Secretary of Agriculture is authorized to investigate the storage, warehousing, and certification of cotton; upon application to him, to inspect warehouses or cause them to be inspected; at any time, with or without application to him, to inspect or cause to be inspected all warehouses licensed under this act—
>
> Upon application he can inspect any warehouse, and with or without application he can inspect a warehouse licensed under this act. He is authorized—
>
> to determine whether warehouses for which licenses are applied for, or have been issued, under this act are suitable for the proper storage or holding of cotton; to classify warehouses in accordance with their location, surroundings, capacity, condition, and other qualities, and the kinds of licenses issued, or that may be issued, to them pursuant to this act; and to prescribe the duties of warehouses licensed under this act with respect to the care of cotton stored or held therein.

Then the remainder of the bill proceeds to give very broad powers, and section 6 provides—

> That the Secretary of Agriculture may, upon presentation to him of satisfactory proof of competency, issue to any person a license to grade or classify cotton, and to certificate the grade or class thereof, under such rules and regulations as may be made pursuant to this act.

That is not limited to a licensed warehouse; that is not limited to cotton that is put in a warehouse; that is as broad as the cotton fields of the South; it has no limitation at all. I have no objection to it as applied to cotton. I am perfectly willing that this cotton bill shall go through, but now comes the Senator from North Dakota and offers an amendment which provides—

> That all the provisions of this act are hereby extended to include elevators and warehouses for the storage of grain and flaxseed, together with inspection, classification, and issuance of receipts and certificates, to the same extent, so far as applicable, as the same are specifically made applicable to warehouses for the storage and classification of cotton, under such rules and regulations as the Secretary of Agriculture may prescribe.

The Secretary of Agriculture is authorized under section 6 to appoint any number of men to inspect cotton anywhere in the country. He is authorized to license any number of elevators anywhere to store cotton. He is authorized to inspect the cotton in the elevator and to inspect the cotton outside of the elevator. It is now proposed to extend those powers to grain elevators. Accordingly, we are authorizing the Secretary of Agriculture to appoint any number of men to inspect grain. We are authorizing them to inspect that grain anywhere, at any place, and we are authorizing the licensing of warehouses when application is made. Adopt that system——

Mr. GRONNA. Mr. President——

Mr. REED. Just one moment, until I finish the sentence. Adopt that system, and you will have destroyed the State grain-inspection departments of this country. You will have made it so that any rebel displeased with a ruling can immediately say, "Well, I will take a change of venue from you to the Government."

When the Government has come in to license these departments and the Government has taken over this business, it is my opinion that the mere fact that the Government does take it over wipes out the State grain-inspection departments altogether, so far as interstate commerce is concerned.

I do not believe you can have two authorities running side by side and each of them controlling interstate commerce. When once the Government has entered upon the field of regulation and inspection of grains, and so forth, going through interstate commerce, the two authorities are not consistent with each other; and, under the cases that have been so often referred to here, when any matter pertaining to interstate commerce is once taken hold of by the Federal Government, the States lose their jurisdiction and authority. When you set up a system of national inspection and provide that every elevator in the United States can come under it, and provide further that wheat and other grain can be inspected anywhere, and that the Secretary of Agriculture may appoint any number of men he may see fit to inspect that grain, in my opinion, the State grain inspection ends the minute you pass that kind of bill, unless you put in a qualifying clause excepting the States that have grain inspection.

I am speaking upon this matter without preparation and without examination of the authorities, but I give that as my judgment. At least, it is clear to me that a very dangerous question is opened up.

Mr. GRONNA. Mr. President——

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from North Dakota?

Mr. REED. I yield.

Mr. GRONNA. I hardly think the fears of the Senator from Missouri are well founded in that respect. This bill nowhere authorizes the Secretary of Agriculture to standardize grain. It is very reasonable to suppose that the Secretary of Agriculture would make use of State grain inspection, and that he would accept that inspection. It simply gives the farmer who produces grain or who produces flaxseed the same privilege that the cotton farmer will have. It places him on an equality with the cotton farmer to say that if he has grain in an elevator or a warehouse the Secretary of Agriculture permits the issu-

ance of a receipt for it, and the farmer can take that receipt and use it as he sees fit—borrow money upon it or sell it, as he may desire.

Mr. REED. No; the cotton bill goes very much further than the Senator states. This is not a case of the Government inspecting wheat when it is requested. This is a case of the Government licensing a warehouse, licensing an elevator, and making it a Government agency.

Mr. GRONNA. But the Senator must not overlook the fact that the Secretary of Agriculture is not permitted under this bill to standardize grain or to fix grades. That will be left to the State.

Mr. REED. Oh, yes; he is permitted to standardize grain and fix grades, because you have provided in the cotton bill that he shall standardize and fix grades, and you have provided in your amendment that all of the provisions of the cotton bill shall, so far as applicable, be applied to grain. Surely you have brought in the standardization and fixing of grades. If the Senator has not done that, his amendment is a meaningless thing; and I am sure the Senator did not intend to draw that sort of an amendment. He is not accustomed to doing it.

I read from the bill:

SEC. 6. That the Secretary of Agriculture may, upon presentation to him of satisfactory proof of competency, issue to any person a license to grade or classify cotton, and to certificate the grade or class thereof, under such rules and regulations as may be made pursuant to this act.

Now, applying that to grain, this is the way it would read:

That the Secretary of Agriculture may, upon presentation to him of satisfactory proof of competency, issue to any person a license to grade or classify grain, and to certificate the grade or class thereof, under such rules and regulations as may be made pursuant to this act.

There is no escaping the proposition that this amendment proposes to grade and classify grain.

Mr. STERLING. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from South Dakota?

Mr. REED. I do.

Mr. STERLING. Does the Senator think section 6 is to be construed so as to apply generally to the grading or classifying of cotton, or only to those warehouses that have applied for the Government license?

Mr. REED. I think it applies generally.

Mr. STERLING. I will say to the Senator that I think section 6 must be read in connection with the other provisions of the bill; that the authorization pertains only to those warehouses that apply for the license. There are so many of those provisions that I think section 6 can be read only with these in view. The bill does not give the Secretary authority to provide for the grading and classification of cotton generally. The same principle would apply to grain. It is purely optional with any warehouse or any elevator to apply for this Government license. It becomes, under the provisions of the bill, a bonded warehouse, whereas, with reference to the McCumber bill, it provided for a general Federal inspection of all grain in interstate commerce, and made it compulsory. I think there is a radical difference between the two measures, and a radical difference between the McCumber bill and the amendment now proposed by the Senator from North Dakota.

Mr. REED. Mr. President, I do not agree with the Senator at all. I will come back to that question in a moment. I am talking now about the right to fix Government grades. I read section 9:

That any warehouse receipt or certificate of the grade or class of cotton issued under this act may specify the grade or class of the cotton covered thereby in accordance with the official cotton standards of the United States, as the same may be fixed and promulgated under authority of law from time to time by the Secretary of Agriculture, or in accordance with any other standard.

Now, substitute the word "grains" for the word "cotton," and you will observe at once that it is contemplated to fix Government standards of grain, and it was clearly the purpose of the Senator in offering his amendment to carry that provision over to the grain business, just as it is now carried to the cotton business.

Mr. GRONNA. Mr. President——

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from North Dakota?

Mr. REED. Yes.

Mr. GRONNA. It is hardly necessary for me to suggest to the Senator from Missouri that the Secretary of Agriculture now has the right to standardize grain. We have a law now which authorizes the United States Department of Agriculture to fix standards of grain.

Mr. REED. He can fix grades, but he has no authority to enforce those grades.

Mr. GRONNA. None whatever.

Mr. REED. That is the very matter we battled over here for about 17 weeks, and that the Senator from North Dakota is now bringing up again.

Mr. GRONNA. But not for the purpose of selling, nor does this give him the authority to standardize grain for the purpose of selling.

Mr. REED. No; but you standardize it, and then you sell it. You have simply brought in the same old horse, only you have shaved his tail and cut off his mane and painted him; but he is the same horse, and you have got him back on the track, only in this instance you have a different rider.

Mr. GRONNA. I will say frankly to the Senator from Missouri that I wish it were the same horse, but it is not.

Mr. REED. Well, he is a little spavined now.

Mr. GRONNA. I will say further that the Senator from Missouri will find that the so-called McCumber grain bill will again come before the Senate, regardless of whether this bill is passed or not.

Mr. REED. I have no doubt of it; but what I object to is having it brought here every day. I think there ought to be a period of rest allowed. I think when you beat a thing at one session of Congress, and the right to move to reconsider has been exhausted, it ought not to be brought up again at that session of Congress. It ought to be allowed to rest until there are at least some new men here, and thus the result might be changed. I understand the Senator means to bring it up. I have no doubt he intends to bring it up, and I know from the warlike glitter in the eyes of his colleague that he intends to bring it up, and that we will have it with us, like the poor, always, until nature shall solve the problem by the removal of the contestants, or until success shall crown the efforts of these very persistent gentlemen.

Mr. GRONNA. Mr. President, the Senator from Missouri is always fair, and I am sure he will admit that under the provisions of this bill not a single bushel of grain could be standardized by the Government of the United States where there is State inspection.

Mr. REED. I simply can not admit it, because it is my judgment that the Government of the United States has the power, if it sees fit to exercise it, to require every bushel of grain shipped from one State to another to be inspected by a Government agent, and that when it enters upon the exercise of that power it is very likely the courts will say that the Government having started to exercise that power, the jurisdiction of the States over interstate grain is thereby ended. I do not give that as a final conclusion, but it is the way the matter strikes me this morning. Of course I did not know that the amendment of the Senators would be offered until a few minutes ago, when it was offered.

Mr. McCUMBER. Mr. President——

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from North Dakota?

Mr. REED. I do.

Mr. McCUMBER. Let me ask the Senator how grain in a warehouse, until something is being done toward its transportation to another State, can be called in any way interstate grain? And how could the Government official get hold of it, under the theory that it was interstate grain, and inspect it while it was still lying idle in a warehouse?

Mr. REED. Mr. President, the very thing the Senator for days argued here was that if the bill which he had before the Senate at that time was enacted into law the Government could take hold of each of these great elevators and stop what he claimed was the practice of grading in the grain at one grade and grading it out at another. The very purpose of his whole legislation was to do the very thing the Senator now says could not be done.

Mr. McCUMBER. I think the Senator will not do me the injustice to assume that I do not understand the general rules relating to interstate commerce and when an article begins to be an article of interstate commerce. He will find, I think, by a closer inspection of the bill, that it covered only that which was shipped from one State to another or was being transported from one State to another after it had been once purchased in a State. I admitted all the way through that we could not touch grain in a State that was raised there. I admitted that we could not touch it unless it came from a foreign State, and we could only reach it as it applied to grain which had become a matter of interstate traffic, and we could not touch it again until it had become interstate traffic again.

Mr. REED. Then the Senator argues too much. If grain going into an elevator can not be touched by the Government as a matter of right, because it is not then in interstate traffic, the Government has no business to have anything whatever to

do with that elevator; it has no right to inspect anything with relation to it. You can not have both sides of this question. Either the Government has the right to inspect or it has not. If it has the right and power to inspect and exercise it, it does it to the exclusion of the State. If it does not have the power to inspect, then we have no right to provide for a voluntary inspection, because the Government is engaged in a business that does not concern it.

Mr. McCUMBER. Mr. President, if the Senator will allow me, the Government has no right to inspect a farmer's hog on his place to see whether he has cholera or not, and the moment that the Government official does inspect it he is going outside the governmental authority. But we gave the authority to do that when the farmer presents his pig to be inspected by the Government.

Mr. REED. Exactly.

Mr. McCUMBER. It does not prevent the right of the Government to inspect if the party owning the article is willing to have it inspected.

Mr. REED. The Government inspects hogs in the exercise of its police power upon the theory that it wants to prevent the spread of contagious disease among animals that are constantly being shipped in interstate commerce. Consequently it has very broad rights along that line. But I do not understand the position taken by the Senators who ask this amendment. I want to state their position fairly. They seem to take the position that the Government has the right to inspect all grain if it see fit to do so, provided that grain is in interstate commerce in any way. They seem, then, to take the position that the Government has not the right to inspect any grain at all lying in an elevator, although the bill they have heretofore had before Congress for the inspection and handling of grain provided specifically, if I remember correctly, for taking charge practically of the elevators.

Mr. McCUMBER. I wish to correct the Senator, if he will allow me. The bill which I introduced nowhere provides for inspection in the elevators. It proposes to inspect the grain while it is still in interstate commerce in the car, before it is delivered to the elevator. It proposes to inspect the grain when it passes out of the elevator and takes its first step into interstate trade again.

Mr. REED. Mr. President, the bill very plainly provided for the inspection of all grain that reached terminals, and the bill as originally before the Senate provided for the inspection of all grain going from one State to another. That, of course, implies the inspection of grain in elevators. There can not be any question about that proposition.

I am not going to take the time of the Senate now to argue this question. I simply say this to the few Senators who are here: This amendment is not offered for the same reason that the bill is brought forward. The bill is brought forward as an emergency measure to cover the case of the cotton planters of the South, and as amended to cover the tobacco raisers of the country, in order that those men who appear to have no satisfactory system of inspection may have an inspection and may have a Government certificate which will enable them to realize—I take it this is the purpose—upon those certificates some money until the highways of the ocean can be opened and until their production may find——

Mr. SMITH of Georgia. Until foreign trade may be once more in operation.

Mr. REED. Yes; and until the factories are once more in operation in European and other countries. That may be a very good and sound proposition for those products, because, first, there is some interference with the commerce across the ocean, although I think in 30 days that will be practically a thing of the past.

Mr. SMITH of Georgia. Mr. President——

Mr. REED. If the Senator will allow me to proceed.

Mr. SMITH of Georgia. Certainly.

Mr. REED. But I think there is more interference in the matter of manufacturing abroad, and that applies particularly to cotton. There will be a time, probably, during which it will be necessary to hold the cotton in order that the mills may turn it into cloth. But that does not apply at all to wheat.

Mr. GRONNA. Mr. President——

Mr. REED. It does not apply to wheat, and I am about to give the reason.

Mr. GRONNA. I simply wanted to ask the Senator if he is aware of the fact that the Senator from Oklahoma [Mr. GORE] introduced a bill exactly along the line of my amendment, which applies to grain? I sent the bill over to the Senator, and it is on his desk. The Senator stated on Saturday that he hoped that the two could be embodied together and passed.

Mr. REED. The Senator from Oklahoma said that, but I might not agree with the Senator from Oklahoma. I am discussing the question of emergency. There is no such emergency applying to the wheat business at all.

Mr. SMITH of Georgia. Will the Senator allow me to interrupt him? Suppose we should add a paragraph to the bill providing that it should cease to be operative six months after the conclusion of war between Great Britain and Germany, or that it should have a duration of not longer than two years; would that remove the Senator's objection?

Mr. REED. I would just want to add that it shall not apply to a State having efficient State inspection, because we have better inspection in the State of Missouri to-day than the Government of the United States will ever set up.

Mr. SMITH of Georgia. I was simply trying to avoid the issue between the Senators interested in grain. So far as I am concerned, I would be perfectly willing to add a paragraph limiting the operation of the bill to the present emergency condition that confronts the country, growing out of the European war. Indeed, I am disposed to offer such an amendment myself, in any event, a provision limiting the duration of the bill to 18 months, or 6 months after the conclusion of peace between Great Britain and Germany. The Senator is right in supposing that what I was seeking in this bill is not general legislation, to be effective at all times, but it is to meet a great emergency caused by the unfortunate condition of war which exists in foreign countries.

Mr. REED. I am sorry, Mr. President, that I did not object to the consideration of this bill when I had the right to object. I thought, however, it could come in here as a measure that would affect in the cotton-growing States that great staple, which we all want to protect and which is under a special hardship at this time. But as soon as it comes in we begin to load it down with everything else we can conceive of, whether there is an emergency or not. There is an absolute interference, of course, with the cotton business. The carrying business is interfered with, but I think that will speedily be out of the way. I have not any doubt that the commercial lanes will be opened and kept open within a very short time so that commerce will flow almost unobstructed to certain European ports. But there is an interference growing out of the fact that undoubtedly for the time being the great mills of Europe will be totally or partially paralyzed. But that is not true of the grain business, and I will tell you why it is not true.

In the first place, every human being has to eat, war or no war, and the one thing that he can not do without is the product of the grains of the world. We can grind practically all our grains in this country, so that the manufacturing would not cease at all even if the mills of Europe were stopped. The last thing in the world that will be stopped are the mills that grind flour. But even if they were stopped abroad the mills in this country can handle substantially all the grains of the country. But the mills of Europe will not stop. They would take the soldiers out of their armies before they would stop making breadstuffs. There is therefore no emergency with reference to grain.

The enactment of this bill may not be necessary for the cotton men, but the enactment of the bill is not necessary to the grain business. We might as well discuss this matter frankly. Having been twice defeated at this session of Congress in their attempt to have Government inspection of grain, our friends with a courage and persistence that is almost commendable, which would be commendable I think at any other season of the year or in any other temperature than this, have simply brought forward their hobbyhorse and say, "Now hook him up in this team that is being sent out on an emergency; and we propose to have him dragged through by the sheer force of the power that is back of an emergency measure."

Mr. President, we have put everything into the bill that can be thought of thus far, and I presume Senators think they ought to be able to put in corn and wheat. We have got tobacco in now, we have the salmon from the western coast in, and if this is going to be kept up I think we ought to extend it so that it will cover the products of all States. As I sat here and witnessed the action of the Senate in putting in the canned salmon of the Pacific coast I wondered if I was not neglecting my duty when I did not insist on putting in Missouri River cat. Mr. President, I could tell a very plaintive story about that much-abused fish. He is born absolutely without the slightest governmental protection or aid. There is no Government agent even overlooking the hatcheries in which the spawn of that delectable and edible saurian is cast upon the waters.

Mr. SMITH of Georgia. Will the Senator allow me to interrupt him for a moment? I am going to offer an amendment, and I want to read it while he is on the floor.

Mr. REED. I hope the Senator will not interrupt my dissertation on catfish.

Mr. SMITH of Georgia. Excuse me; I thought the Senator had finished on the cat.

Mr. REED. I had a beautiful vision before my mind that I was about to lay before the Senate of the wrongs of the Missouri River catfish, but it is disturbed now by this inharmonious note, and I will permit the Senator to offer his amendment or to read it.

Mr. SMITH of Georgia. I regret that I disturbed the Senator in discussing one of the great commodities of Missouri.

Mr. REED. The country has lost something.

Mr. SMITH of Georgia. This is what I have drawn:

That the provisions of this bill shall only remain in force for nine months after peace is made between Great Britain and Germany, and in no event longer than two years.

Mr. GALLINGER. It should read "the provisions of this act," I suggest to the Senator.

Mr. SMITH of Georgia. Yes; "the provisions of this act."

Mr. GALLINGER. At the proper time I shall want to be heard on the proposed amendment.

Mr. SMITH of Georgia. On this amendment?

Mr. GALLINGER. Yes; and on several others.

Mr. SMITH of Georgia. I will offer it a little later. I just suggest it. I do not formally offer it now.

Mr. REED. Abandoning the poetic theme of the Missouri River catfish and coming to the sordid things of this earth, I call the Senator's attention to the fact that his amendment ought to be changed perhaps so that it would read, "and in no event longer than two years from and after the passage of this act." That, of course, is a proper amendment to the main bill. I think it, perhaps, ought to go on it. I am not concerned in the question of cotton except as I find men from that section of the country say that an emergency exists. No emergency exists in regard to grain. We voted for it twice, I think thrice, at this session and I insist that the amendment ought to be voted down. If it is not voted down it will be necessary to debate this question for some time.

Mr. STERLING. Mr. President, just one word with reference to the view of the Senator from Missouri [Mr. REED]. I can not help but think that he takes the extreme view in regard to these two measures, the McCumber bill and the amendment proposed by the junior Senator from North Dakota [Mr. GRONNA] to the pending bill.

The Senator himself discloses in his statement as to what is not contained in the bill the difference, and the radical difference, between the two measures. After perusing or appearing to peruse the original McCumber bill for some time the Senator said he was satisfied that it provided for the inspection of grain in elevators. I want to call the attention of the Senator to section 9 of the McCumber bill.

Mr. REED. Which bill is it?

Mr. STERLING. Page 5.

Mr. REED. Of what date? There are two bills.

Mr. STERLING. The bill of May 20, 1914.

Mr. REED. That is the second bill, is it not?

Mr. STERLING. I am not sure as to that, but I think the same provision is in the amendment.

Mr. McCUMBER. I will say to the Senator that the provision is the same in Senate bill 120.

Mr. STERLING. I thought the provisions were the same in the two bills.

SEC. 9. That it shall be the duty of said inspectors to inspect and grade all grain arriving or collected at any of the aforesaid grain centers and which at the time of inspecting and grading of the same has been shipped from any other State, Territory, or country than the State, Territory, or country in which the same is inspected, or is intended for shipment into any other State, Territory, or foreign country before the same is unloaded from the car, vessel, or other vehicle in which the same was or is being transported—

And so forth.

So it excludes altogether the idea of inspection in the warehouse or in the elevator.

The Senator from Missouri is willing to support the original bill on the ground that a necessity exists with reference to the one product—cotton. He says no necessity whatever exists in regard to grain. I wonder if the Senator can state how many millions of bushels of wheat will be for export this year in the United States. I can not state it exactly, but I ought. From what I know of the production there will not be less this year than 100,000,000 bushels of wheat for exportation.

Mr. REED. Mr. President——

The VICE PRESIDENT. Does the Senator from South Dakota yield to the Senator from Missouri?

Mr. STERLING. I yield.

Mr. REED. The Senator did not read all the section he referred to. On page 6, in the copy I have, he will find the following proviso:

Provided, however, That such inspector, upon request of the owner or agent of any grain at the point or place where an inspector may be located, whether or not the grain has entered into interstate commerce, shall inspect the same and deliver his certificate therefor in the same manner as other inspections are made and for the same charge; and whenever the owner of grain at such place shall request and furnish facilities therefor, said inspector shall also weigh such grain and deliver to the owner or his agent his certificate showing the gross and net weight of such grain, under such rules and regulations as may be prescribed by the Secretary of Agriculture.

Does the Senator not understand that under that a man having an elevator may have his grain inspected?

Mr. STERLING. I do not understand any such thing from the reading of that proviso, but that is covered by the original provision that it shall be inspected before it is unloaded from the car. Nothing in the portion of the bill read by the Senator excludes that idea.

As I was about to say, I think perhaps there will be a hundred million bushels of wheat for export this year. Why may not the same emergency——

Mr. SIMMONS. Mr. President——

Mr. STERLING. If the Senator will excuse me, why may not the same emergency exist with reference to the exportation of wheat and in getting it to a foreign market as there will be for southern cotton, not to the same extent, because I understand you export 60 per cent of the total product of cotton, and we will export this year, say, 100,000,000 bushels of wheat?

Mr. McCUMBER. Let me correct the Senator there. If the crop is such as it is estimated, we will export in flour and wheat the equivalent of over 300,000,000 bushels.

Mr. STERLING. That may be. I was speaking of wheat alone, without reference to flour.

Mr. SIMMONS. That is what I wished to say to the Senator.

Mr. STERLING. So the market for wheat and all other grain may be depressed because of the lack of facilities for transportation, just as the market for cotton would be depressed, and the farmer and producer would suffer loss on that account. So I think, Mr. President, perhaps not to the same great degree as in the case of cotton, but he may suffer to a great extent, and the amendment proposed by the Senator from North Dakota is surely reasonable in the light of our conditions.

Mr. REED. Before the Senator takes his seat, he construes the language which I read on page 6 as being governed by the language which preceded it, which was that the grain should be inspected before it is unloaded. I do not think that construction is correct, but in order to show the Senator that the purview of the bill is not at all limited to the inspection of grain before it is unloaded from the cars, but that there is a provision governing the grain after it leaves the cars, I call his attention to sections 12 and 13:

SEC. 12. That when any grain which having been inspected and certificate of inspection issued hereunder is mixed with any other grain not inspected or with grain which has been inspected and certified at a different grade, at such terminals, the same shall not be shipped out of the State where such mixing is done without being reinspected and graded.

The very term "mixing" implies going into an elevator. It implies that grain has been unloaded and has gone into an elevator, and before you can take it out to ship it anywhere you must have it inspected.

And so also section 13:

SEC. 13. That the shipment or consignment of any grain aforesaid from any of the places mentioned herein to another State or foreign country without the same being inspected and graded as herein provided is hereby prohibited; but where grain has been once inspected hereunder, and remains unmixed with other grain, the same need not be reinspected at the place from which it is exported.

The two taken together clearly imply and clearly were intended to govern the idea of grains being inspected in elevators after they had been unloaded, taken into the elevator, and there mixed with other grain.

Mr. STERLING. As I read the section referred to by the Senator it applies to a special case and it is outside of the general rule. Section 12:

That when any grain which having been inspected and certificate of inspection issued hereunder is mixed with any other grain not inspected or with grain which has been inspected and certified at a different grade, at such terminals, the same shall not be shipped out of the State where such mixing is done without being reinspected and graded.

And that does not say that it shall be inspected in the elevator at all or while in the elevator.

Mr. REED. But that is just where it would be inspected, as it came from the elevator. Now, the Senator wants to be fair about this, I know.

Mr. STERLING. Certainly.

Mr. REED. And he understands perfectly well that the Senator from North Dakota stood here on his feet for days con-

plaining that grain went into the elevator graded one way and came out the other, and he insisted that what he did want was a grading of the grain that would be a permanent grading by the Government.

Mr. President, when grain goes into the elevator everybody knows that it may justly go in as one grade and justly come out as another, because in the meantime the grade may have been improved. Accordingly, it follows that the whole of this legislation was intended to cover the grain not only in the cars but the grain in the elevators and the grain in place. But if the Senator can show me that there is a necessity for the issuance of warehouse receipts against grain under Government inspection at this time, that there is an emergency of that kind existing, I shall be perfectly willing to see a bill passed that will cover that question.

So far as my State is concerned, where we have State grain inspection, it has been the custom for years, when the grain has been graded and put in an elevator and the warehouse certificate issued against it, that warehouse certificate is as good bankable paper as you want. We have no difficulty whatever about it. I do not want that system interfered with or broken up.

There is no necessity in my State whatever—there may be in the Senator's—for any Government brand in order to enable our grain dealers to get money upon their grain. State grain inspection and a warehouse certificate are all that are necessary, and upon that certificate you can borrow almost 100 cents on the dollar.

Mr. STERLING. Mr. President, wherein will this bill injure the grain-inspection business in the Senator's State? It is the purpose of the bill to afford relief to those who can not and do not wish to sell now at the depressed price of grain due to war conditions, because of the difficulties in exportation; but if the certificate of the warehouse or elevator in his State is such a certificate as will enable him to procure money upon it, the Senator does not want anything better, and it will only be in a rare case, perhaps, when under the terms of this bill an elevator or warehouse man may, at his option, seek to have the Government license. Perhaps none will seek to have such license. Then it will not hurt the Senator's State, but will apply to those States where they have no State grain-inspection system, and perhaps to some rare case where they do have such a system but where somebody or some company feels they would like to have the Government's certificate as to the grade of the grain.

Mr. REED. I call the Senator's attention to the fact that I have already stated two reasons. One is that when the State inspectors proceed about their business in the proper way there is always some man ready to dispute their authority, and the adoption of this provision would afford him a chance to say, "Well, I will not have any State inspection; I will get a Government inspection and will disregard your board."

I also called attention to the graver question, that if the Government starts upon the matter of inspecting grain in interstate traffic, that right, having been exercised by the Government, will be exclusive of the rights of the States, and, in my opinion, will wipe out every State inspection board there is unless they are excepted. Why do the Senators object to excepting them?

Mr. STERLING. Mr. President, as to the first objection made by the Senator from Missouri, to the effect that somebody in his State would find fault with the State grain-inspection system and take advantage of this legislation, I say it would be a very trifling matter, as it seems to me, and the disadvantages that would arise in the Senator's own State would be so few and inconsequential compared to the greater advantages that would accrue to the people of other States and to the country at large that they could easily submit to any such disadvantages in order that we might have this general system.

Mr. President, as to the second objection made by the Senator, it seems to me, under the statement made by the Senator from Georgia [Mr. SMITH] and under the amendment which he proposes to introduce, and which will be supported by those who are advocating the amendment of the Senator from North Dakota, that there can be nothing in his second objection. The amendment of the Senator from North Dakota does not contemplate in any sense a general Federal grain-inspection system; it is limited, first, by the particular emergency of war and the lack of transportation facilities, and, second, by the time limit put upon it in the proposed amendment.

Mr. REED. But in the meantime the State grain-inspection system is wiped out for two years or for whatever length of time the war lasts.

Mr. STERLING. Mr. President, I do not agree with the Senator that his State inspection system will be wiped out or interfered with under this proposed system. You can not put any such construction upon the amendment.

Mr. REED. I think that follows, although I say frankly I have not had the opportunity since this debate began this morning to examine the cases upon that to see how far they have gone; but I think it very dangerous.

Now, as to its effect in my own State, I trust the Senator who lives in the State of South Dakota will not undertake to tell me what the effect will be in my State, because we have there a State grain-inspection system, with which I am somewhat familiar, and I understand that in his State they do not have any inspection system at all.

Mr. President, the annoying thing about all this is that we are being harassed here by two States that do not have enough interest in the matter to establish a State inspection system of their own. They produce vast quantities of grain; they are splendid States; they have wide-awake citizens. Why do they not provide for an inspection of their own grain? Other States do it. The great State of Minnesota does it; Missouri does it; Kansas does it; and I might name a large number of other States which do it; but here sit the Dakotas, serene and silent, until they get down here to Congress, and then they want Congress to inspect their grain for them. Those States have a perfect right to establish a State grain-inspection system. Why do they not do so?

Mr. STERLING. Mr. President, I will say to the Senator——

Mr. SMITH of Georgia. Let me ask the Senator if he would object to this——

Mr. STERLING. Just a moment. I have but a word further to say. We have a right to establish a State grain-inspection system, but, Mr. President, as has been indicated here already in the long debate which ensued on the McCumber grain-inspection bill, we are expecting and hoping for something better than a State grain-inspection system ultimately, and that will be a uniform Federal grain-inspection system, something for which we are not asking in this bill at all.

Mr. President, just this word: I disclaim any particular knowledge in regard to conditions in Missouri. I agree that the Senator from Missouri knows the situation in his own State, and knows it thoroughly. It is because I think his State grain-inspection system will not be injured or imperiled in any way by this system that I speak as I do and urge the adoption of this amendment. I hope that the Senator will see that no injury is threatened to his own State.

Mr. SMITH of Georgia. Mr. President, I wanted to ask if what I am about to suggest would be objectionable to Senators. I am seeking, if possible, to heal the differences between the Senators from the grain States, and to avoid the consequences from their differences to that part of the bill which is not resisted. I suggest the following amendment:

SEC. 18. That none of the provisions of this act shall interfere with any system of inspection provided for in any State.

I merely suggest that to Senators to see if it is acceptable to them; if it would not relieve them from the differences that now separate them. I shall offer an amendment when I have an opportunity to do so, providing:

SEC. 19. That the provisions of this act shall remain of force for only nine months after a treaty of peace has been ratified between Great Britain and Germany, and in no event shall they remain of force longer than two years.

I shall offer that amendment; and if Senators agree to it, I suggest, as a means of saving the bill from the controversy that exists between them, the other amendment which I have indicated, as follows:

That none of the provisions of this act shall interfere with any system of inspection provided for in any State.

I understand that will avoid what the Senator from Missouri fears; and I understand also that the Senator from North Dakota does not desire that this legislation should interfere with any State inspection system. If that is what the Senator from Missouri fears, and that is not what the Senators from the Dakotas desire, then we might put this in express terms and remove the objection of both Senators and save the measure in which I am so much interested from the cross-fire to which it is subjected through there not being perfect agreement between the Senators from the grain States.

Mr. REED. What says the Senator from South Dakota?

Mr. STERLING. Mr. President, I do not want to be misunderstood in regard to my position in this matter. I say now, as I previously said, that I fully believe the situation to be that this proposed legislation will not interfere with State grain-inspection system, but that it will simply permit anyone who is desirous of doing so, under the bill, to apply for a Government license; that is all.

Mr. REED. Well, if that is what the Senator believes will result, does the Senator accept the suggestion made by the Senator from Georgia?

Mr. STERLING. I do not like to say that I accept that suggestion without conferring with or without hearing from the Senator from North Dakota, who originally introduced the amendment here.

Mr. GRONNA. Mr. President, if the State inspection is as good as the Senator from Missouri [Mr. REED] has portrayed it to be, I can see no reason why we should place a limitation upon this language such as that proposed. I have said all the time that I believe—and I say it again—that this amendment will in no way create a Federal inspection system. The Secretary of Agriculture will not have the authority to establish a Federal inspection bureau, under this bill. As the Senator from Georgia has indicated he will introduce an amendment limiting the time to two years, and I have no objection to that amendment, I can see no reason why we should further place restrictions upon the amendment which I have proposed.

Mr. SMITH of Georgia. Allow me to make this suggestion to the Senator: As this bill to be passed is to last only for two years, does he think it would be wise that we should by any possible construction of the measure interfere with established State systems that are to continue after this bill ceases to be of effect? I do not think it would; I do not understand that the bill is intended to apply except where the parties request a license; but as a question of doubt has arisen, does the Senator not really think that it would be wise to say that we do not intend to interfere with State inspection? We let that go on, but enact this bill as a supplemental matter.

Mr. GRONNA. I have implicit confidence in the Secretary of Agriculture; I do not believe that the great Secretary of Agriculture will make any mistake along that line. For that reason I can not see why this restriction should be incorporated in the bill.

Mr. REED. Mr. President, in other words, the Senators stand here and say that absolutely it will not interfere with the State system, but the minute it is proposed to put that in writing then they refuse to accept it.

Mr. SMITH of Georgia. Mr. President, I think if Senators will consider it they will not resist this amendment. This legislation does not interfere with the State inspection; we agree that it does not do so. If this legislation is to last for but two years, it ought not to interfere with systems of State inspection, and I do hope that Senators will not resist the amendment. I hope, therefore, Senators will accept the amendment.

Mr. GRONNA. Mr. President, I want to say that I am in favor of Federal grain inspection, so far as I am personally concerned, and to accept an amendment of that kind would be an indication that in everything that I have said heretofore I have been inconsistent. While, as I have said, I do not believe that the amendment I have offered could in any way be construed to mean Federal inspection of grain, I can not accept the amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from North Dakota.

Mr. SMITH of Georgia. Would the Senator from North Dakota be willing before his amendment is voted upon for me first to test the sense of the Senate on the two amendments that I wish to offer from the committee? If they are adopted, I think there will be no opposition to his amendment; but if they are not adopted then we will have to continue the fight. The Senator from Missouri says that if the two amendments I have suggested are adopted he will make no further fight upon the amendment of the Senator from North Dakota. Therefore, if the Senator from North Dakota would withdraw temporarily his amendment and let me see whether or not the Senate will adopt the amendments I have indicated it will possibly facilitate action on his amendment.

Mr. GRONNA. Mr. President, I can not withdraw my amendment. As I understand, I have no right to withdraw it. I shall be glad, however, to accept the amendment of the Senator from Georgia placing a limitation upon the time during which the measure is to be in force; I am sure there will be no objection to that amendment; but I do not care to withdraw the amendment I have offered.

The VICE PRESIDENT. The Senator from North Dakota can withdraw his amendment and reoffer it, if he chooses to do so. That is within his power.

Mr. GRONNA. I will ask the Chair if I would lose any rights by so doing?

The VICE PRESIDENT. The Senator would lose no rights whatever.

Mr. GRONNA. I agree, then, Mr. President, to withdraw the amendment which I offered, in order to allow the Senator from Georgia to offer the amendment which he has suggested, placing a limitation upon the time during which the measure is to be effective.

The VICE PRESIDENT. The Chair will stay here to see that the Senator from North Dakota is accorded his rights.

Mr. SMITH of Georgia. I tender first the amendment which I send to the desk.

The SECRETARY. At the appropriate place in the bill it is proposed to insert:

SEC. 19. That the provisions of this act shall remain of force for only nine months after a treaty of peace has been ratified between Great Britain and Germany, and in no event shall they remain of force longer than two years.

Mr. REED. From the date of the passage of the bill.

Mr. SMITH of Georgia. From the date of the passage of the bill. I accept that suggestion, and ask that my amendment be so modified.

The VICE PRESIDENT. The amendment will be so modified.

Mr. GALLINGER. Mr. President, I will ask the Senator why it is necessary that the measure should remain in force nine months after peace has been declared?

Mr. SMITH of Georgia. Well, the warehouses would be in operation, and it would probably take from six to nine months after peace is declared to dispose of the products and to terminate the then existing situation. Probably six months would be long enough, for as soon as trade becomes normal again the supervision would entirely cease. That was my original view; I first put it "six months," and then I thought possibly it would not be practicable to complete the work and to close out the certificates growing out of the Government action for nine months. Therefore I made it nine.

Mr. GALLINGER. Perhaps that is so, and I will not oppose the amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. SMITH of Georgia. Now, Mr. President, I offer the other amendment to which I have referred.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. At the proper place in the bill it is proposed to insert:

SEC. 18. That none of the provisions of this act shall interfere with any system of inspection provided for in any State.

The VICE PRESIDENT. The question is on agreeing to the amendment.

Mr. GRONNA. Mr. President, I hope that that amendment will not be adopted. I do not feel disposed to consume the time of the Senate and further delay the passage of the bill by discussing it, but I sincerely hope that it will be voted down. I can see no reason why we should not trust the Secretary of Agriculture with carrying out the provisions of this bill. The amendment first offered by the Senator from Georgia, and which has now been adopted, providing that in no event shall this measure remain in force for longer than two years, ought to be sufficient. I am not going to say anything more about this amendment, but I sincerely hope that it will be voted down.

Mr. GALLINGER. Mr. President, I was not privileged to attend the sessions of the Senate on Saturday last, when this matter was discussed, and I have had little opportunity even to glance over the RECORD to see exactly what was proposed and what was accomplished. To my mind this is very extraordinary legislation.

Three weeks ago—and I am not about to divulge any secret, because a statement to the same effect was given out at the White House and published by the press of the country—three Members on this side of the Chamber were honored with an invitation to confer with the President. In that conference the President distinctly stated to us that he was interested in the bills which he named—the trade commission bill, the so-called Clayton bill, and the bill regulating the issuance of stocks and bonds by railroads. He made no suggestion that he would in any way undertake to keep the Congress in session beyond the time necessary for consideration of those bills. We came away from the conference, Mr. President, with the purpose of doing what we assured the President we would do, and that was not to obstruct, except by legitimate debate, the consideration of those important measures which the Chief Executive considered to be important. Since then one of those bills has been passed; a second one has been under consideration to a greater or lesser extent, but during that time we have been bombarded with so-called emergency measures. Pretty nearly everything that is offered now is an emergency bill, and I suppose we will continue to have emergency bills ad infinitum.

I do not pretend, Mr. President, to fully understand the emergency which exists for the passage of the bill now under consideration. I do know that we all would like to have our

financial affairs taken charge of by the Government sufficiently to enable us to realize on our investments, whatever they may be. The men who have lost millions through investments in stocks and bonds I have no doubt would like to have the Government get behind those securities and enable them to recoup their losses, or at least to get their money out of the investments which they have made and which in many instances have been very unfortunate. Our manufacturers, who are now running as best they can, piling up textiles, boots and shoes, and other commodities, the trade being greatly interrupted because of the war, would doubtless like to have the Government authorize them to build sheds and warehouses in which to put their goods and to have certificates issued against them, so as to be able to realize money on the manufactured article. I shall probably offer an amendment touching that point. If cotton is to have this privilege, why not grain? Why not, indeed, naval stores, as the Senate has already voted? Why not, indeed, canned salmon, which went on the bill to-day? Why not, indeed, other products of the farm and the sea and the factory and the mill?

I am old-fashioned enough, Mr. President, to believe that this is vicious legislation. If every time an industry in the United States gets into trouble to a greater or less extent the Government is to be asked to get back of it and validate it and make the investment profitable and enable men to get their money out of it, whatever the venture may be in which they are engaged, while I may be wrong about it, I do not see where the end is to be.

Again, Mr. President, I confess I do not see where or when the end of the session is to be. The President gave us some hope of a little respite from the toil and torridity of this Chamber. He did not tell us when, in his judgment, the time would arrive, but it was to arrive at the end of the consideration of three important administration measures, no one of which in its entirety commended itself to me, but yet I was ready to cooperate and to have them voted on. If, however, those measures are to be halted and all conceivable kinds of bills are to be thrust in here on the plea that there is an emergency existing somewhere, and we are to be kept here debating them day in and day out, when is the end to come? I say this very modestly, because I have only 1 vote out of 49—that is about the most we can muster here now—and my vote will not count for very much if the 48 are against me, but I am serious about this matter; I am troubled about it, and I hope that if this bill does go through it will at least be the last emergency bill, unless there is a real emergency, we will be asked to vote upon.

I apprehend that the emergency scheme that the Government should buy ships from a belligerent nation and engage in commerce on the seas is about exploded, and if it is not exploded I am going to take considerable time to discuss it when it is before the Senate; but that has been held up to the country as an emergency measure, and it has been said that we must do extraordinary things and risk trouble on the ocean with contending nations because of the fact that European countries are at war.

Coming down to the amendment offered by the Senator from North Dakota [Mr. GRONNA], and not particularly addressing myself to the amendment that is now pending, because I know very little about it, I can not see why, if cotton is to have advantages by special legislation, the grain of the great West should not have equal advantage. I assume that the exportation of wheat and other agricultural commodities is halted to some extent—perhaps not to the same extent that is true of cotton, but to some extent—and I know of no reason why they should not be protected to the extent that trade is interrupted.

Mr. President, I want to see this session get along; I should like very much to be able, looking into the future, to see the end come in about two weeks from the present time, because I am willing to sacrifice myself and be a martyr that length of time in addition to what I have already endured, but I am afraid it will not come if the great measures which the President told us must be acted upon, and that no suggestion would be entertained of an adjournment of this session until they were acted upon, are delayed indefinitely by other matters. If they are to be held up for the consideration of measures of all kinds, labeled "emergency measures," then, Mr. President, I am fearful that I will have to wend my way to my home and leave Congress still in session, with possibly less than a quorum, and being forced to adjourn because of the fact that a sufficient number of votes can not be mustered to do business.

It was a very deplorable spectacle this morning that a few of us, gathering here in answer to the command of the Senate given on Saturday last that we should meet at 11 o'clock, had to waste an hour of time in getting 49 out of the 96 Senators to answer to their names. If that is to continue—and we all know that it will grow worse instead of better—we will not only be wasting our time here, but we will be wasting our energies and lowering our vitality for the purpose of passing legislation by a bare quorum of the Senate while Senators better able to remain here than some of the rest of us are enjoying themselves somewhere else.

Mr. President, I shall not oppose the amendment just offered by the distinguished Senator from Georgia [Mr. SMITH] because, as I have said, I know very little about this matter of inspection, and when the amendment submitted by the Senator from North Dakota [Mr. GRONNA] is again submitted to the Senate I certainly shall vote for it, and later on I propose to offer an amendment looking to the protection of the manufacturing interests of the section of the country which I in part represent.

Mr. SMITH of Georgia. Mr. President, I shall not reply to the general remarks of the Senator from New Hampshire. I have no doubt the conference with the President to which he refers took place before the war in Europe began, and it had reference to the condition of legislation as it then presented itself.

With reference to the amendment I have just offered, I hope it will be adopted, because if it is it will simply carry out in plain language what I conceive to be the spirit and purpose of this bill. I do not think the bill was intended to interfere with State systems of inspection. I do not think it would interfere with them, but it would seem to be most desirable to make it clear and thereby relieve the bill from the opposition of Senators who fear that it might interfere with State inspection.

Again, we have adopted an amendment which limits the operation of this bill at most to a duration of two years. I think it would be most unfortunate to interfere with any State system of inspection by a bill that itself is not to last longer than two years. So it would seem that for every reason it is wise to adopt this brief amendment, which carries out the construction of the bill already entertained by the Senator from North Dakota, and will relieve us from further strife if we adopt it. We will then, I hope, be able to adopt without opposition the amendment offered by the Senator from North Dakota.

Mr. GALLINGER. Mr. President, the observations I made would lose much of their potency if I did not make the point of no quorum, so that we might have at least one-half of the Senate present to consider this important measure. I make that point.

The PRESIDING OFFICER (Mr. KERN in the chair). The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Gallinger	McCumber	Sheppard
Brady	Gore	Martin, Va.	Shields
Bristow	Gronna	Martine, N. J.	Shively
Burton	Hollis	Myers	Smith, Ga.
Camden	Hughes	Nelson	Smith, Md.
Chamberlain	Johnson	Overman	Smoot
Chilton	Jones	Perkins	Sterling
Culberson	Kenyon	Pittman	Thomas
Cummins	Kern	Poindexter	Thompson
Dillingham	Lane	Pomerene	Thornton
Fall	Lea, Tenn.	Reed	Walsh
Fletcher	Lee, Md.	Shafroth	White

Mr. PITTMAN. I wish to announce that the junior Senator from Delaware [Mr. SAULSBURY] has been compelled to leave the Senate on account of sickness. He is paired with the junior Senator from Rhode Island [Mr. COLT].

The PRESIDING OFFICER. Forty-nine Senators have answered to their names. A quorum is present. The question is on the amendment offered by the senior Senator from Georgia [Mr. SMITH].

Mr. McCUMBER. I should like to hear the amendment read.

The PRESIDING OFFICER. Let the amendment be stated.

The SECRETARY. It is proposed to add as section 18 the following:

SEC. 18. That none of the provisions of this act shall interfere with any system of inspection provided for in any State.

Mr. McCUMBER. Mr. President, I certainly can see no objection whatever to that amendment. While I shall not vote for it upon general principles, because I am against all kinds of State inspection, and desire Federal inspection, we could not abolish State inspection if we wanted to. The Government would have no authority whatever to prevent any State inspecting any grain within its borders, or any cotton within its borders, and the bill which I introduced, and which was defeated here by the Senate some time ago, did not in any way, shape, or manner attempt to interfere with State inspection. The only danger to State inspection that would result from the passage of that bill would be that it would give us such a reliable system of inspection that the States probably would

not continue their inspection very long, because no one would demand it when they could get a better system.

So while, as I say, I will not vote for this amendment, I am perfectly willing to admit that the amendment can certainly do no harm, because we can not prevent State inspection anyway.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Georgia.

The amendment was agreed to.

Mr. GRONNA. I ask that my amendment may be stated.

The PRESIDING OFFICER. The junior Senator from North Dakota reintroduces an amendment, which will be stated.

The SECRETARY. The junior Senator from North Dakota introduces the following amendment:

Add, as a new section, the following:

SEC. 17. That all the provisions of this act are hereby extended to include elevators and warehouses for the storage of grain and flaxseed, together with inspection, classification, and issuance of receipts and certificates, to the same extent, so far as applicable, as the same are specifically made applicable to warehouses for the storage and classification of cotton, under such rules and regulations as the Secretary of Agriculture may prescribe.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the junior Senator from North Dakota.

The amendment was agreed to.

The PRESIDING OFFICER. The amendment offered by the senior Senator from North Dakota will be stated.

The SECRETARY. The senior Senator from North Dakota offers the following amendment, to follow the amendment just agreed to:

That all the provisions of this act shall apply, as far as practicable, to warehouses for, and inspection of, wheat, oats, barley, corn flaxseed, and rye, and the further sum of $50,000, or so much thereof——

Mr. McCUMBER. Mr. President, the amendment that was offered by my colleague was substantially the same as that, with the exception of the provision relating to an appropriation of $50,000. Therefore I withdraw my amendment, with the exception of the portion which relates to the appropriation. If the Secretary will just read that, I will move it, not as an amendment to the amendment of my colleague, which has been adopted, but as an addition to follow the amendment just adopted by the Senate.

The PRESIDING OFFICER. The Secretary will state the amendment as modified.

The SECRETARY. After the amendment just agreed to, it is proposed to add a new paragraph, to read as follows:

And the sum of $50,000, or so much thereof as may be required, is hereby appropriated to pay salaries and expenses relative to grain warehouses for and inspecting of the said grain.

Mr. SMOOT. Mr. President, I simply wish to call the Senator's attention to the fact that that does not take care of flaxseed.

Mr. McCUMBER. Flaxseed is inserted there, if the Secretary read it correctly.

Mr. SMOOT. I will ask to have the amendment again read.

The Secretary read as follows:

That all the provisions of this act——

Mr. SMOOT. I do not mean that; I mean the last amendment offered by the senior Senator from North Dakota, referring to the appropriation.

Mr. McCUMBER. I will ask to insert the word "flaxseed." It is regarded as a grain in the market, and it is really not necessary for that reason.

Mr. SMOOT. It is not regarded as a grain under the law.

Mr. McCUMBER. Very well.

Mr. SMOOT. If the Senator wants the $50,000 to cover both grain and flaxseed, it should be so stated.

The PRESIDING OFFICER. The word "flaxseed" is in the amendment offered by the junior Senator from North Dakota.

Mr. McCUMBER. Yes; the word "flaxseed" appears in the amendment offered by my colleague, so I do not think it is necessary here.

The PRESIDING OFFICER. The question is on the amendment offered by the senior Senator from North Dakota.

Mr. CHILTON. What is the amendment?

The PRESIDING OFFICER. The amendment will be stated.

The Secretary again read the amendment.

Mr. CHILTON. Do I understand that the amendment including grain has been adopted?

Mr. McCUMBER. It has been adopted; and as $50,000 was regarded as necessary for cotton, it seems hardly just to cut that in two and give only about $25,000 for cotton. Therefore, as we have adopted an amendment making it cover grain, flaxseed, and so forth, it seems quite proper that we should increase the appropriation another $50,000 to cover that.

Mr. CHILTON. Mr. President, there is an amendment I desire to offer to the amendment offered by the Senator from North Dakota; and I should like very much to have him move to reconsider that vote, so that I can offer the amendment.

The situation is simply this: I am very much in favor of this kind of legislation, but I was not here when the amendment was adopted, and I desire to bring the situation in West Virginia to the attention of the Senate. The States of Ohio, Indiana, Illinois, Kentucky, and West Virginia are largely interested in the production of petroleum oil. The situation in those States at this time is really pitiable. A market has been built up for the sale of petroleum, and it must be transported by pipe line. Whether that be conducted by a trust or not makes no difference here, and I make no charges one way or the other; but the fact remains that the people who produce oil in those States have learned to rely upon the pipe lines as the transportation agency to deliver the oil to the market. As a matter of fact, the oil is turned in from the oil wells to the pipe line and it is sold in the pipe line upon certificates.

Oil has been selling for about a year for $2.50 a barrel. I do not speak accurately; perhaps I should say for several months; but within the last 30 or 60 days the price of that oil has dropped from $2.50 to $1.50 a barrel, and within the last 10 days the pipe lines and the purchasers of oil have notified the oil companies and the oil producers that they will purchase no more oil whatever. Now, that does not mean that it will affect a few people. It means that it will affect thousands and tens of thousands. In my State there are over 20 counties where this is one of the chief products. Banks rely upon the little stipend that comes to the farmer and comes to the oil producer to keep their bank deposits in proper shape. The oil drillers rely upon this business. The timber people rely upon the building of the rigs, and the pipe business depends upon it. In fact, the whole business of a great section of my State, covering 20 or 25 counties, relies largely upon the production of oil.

Mr. NELSON. Will the Senator from West Virginia yield to me for a moment?

The PRESIDING OFFICER. Does the Senator from West Virginia yield to the Senator from Minnesota?

Mr. CHILTON. With pleasure.

Mr. NELSON. I think the only way to reach the evil of which the Senator complains is to restore section 3 in the trade commission bill. That was a section that exactly fitted the case in hand. As I understand, the Senator's aim is to compel the Standard Oil Co. to acquire more oil.

Mr. CHILTON. No, sir; not at all. That is not the idea at all. That would not do it; and that section never would accomplish anything for anybody, for the reason that coal, oil, and the different products of mines which it was intended to relieve never have more than a day's product, or at most two or three days' product, on hand, and you can not compel a man to sell his future product. As a matter of fact, when you speak of coal and oil, he never has any product on hand when a man comes to purchase. There was nothing in that amendment that would ever relieve any situation; and it was stricken out by the Senate committee partly for the reason that it was probably ill-advised legislation in principle, but mainly for the reason that in its practical workings it could not bring any benefit to the people it was intended to relieve.

Mr. President, so serious has the situation become in the States of Pennsylvania, West Virginia, Ohio, Indiana, Illinois, and Kentucky, in these great regions which produce the white-sand oil, the finest grade of oil there is, that public meetings have been called, and the whole business of those sections has been paralyzed. The emergency is probably larger in extent and more severe and far-reaching in its consequences than in the case of any of the other products which have been mentioned.

I want an amendment put on the bill that will reach that situation. Then, Mr. President, there is another situation in my State that ought to be reached. One of the greatest crops in this country is the apple crop of Virginia and West Virginia. The Senators smile, as they did the other day when the Senator from New Jersey mentioned applejack. We do not make any applejack. I live in a dry State. It is dry by 93,000 majority out of a vote of 270,000, and we are enforcing the law. But, Mr. President, the apple crop of West Virginia and Virginia is sold principally in Europe, and it is sold along in the fall of the year. Along about September and October is the time when the apple buyers come in there, and it is an immense product. There are no buyers at all for that product now. These countries are at war. There is no chance for us to sell that product; and if the growers could store their apples in warehouses in some way, it might bring relief to them.

Therefore, without going further into the matter, except to say to the Senate that this is a most serious situation—just as serious to my people and to the States named as could possibly be the cotton situation or the tobacco situation or the canned-salmon situation or the grain situation—I want to offer an amendment providing that the storage of oil and the warehousing of apples may be included in the amendment; and I will ask the Senator whether he would object to my moving to reconsider the vote whereby his amendment was adopted, for that purpose alone?

Mr. McCUMBER. Mr. President, that is not at all necessary, because it is a different subject matter, the same as grain is a different subject matter from cotton. All the Senator has to do is simply to make his motion to add another provision, which he can formulate in the same way. I would not want to jeopardize the other amendment, which, as I counted the yeas and nays, was carried by only one vote.

Mr. CHILTON. The Senator understands that I voted for his provision, and I did not want to move to reconsider without his permission.

The PRESIDING OFFICER. The bill will be still open to amendment after this amendment has been disposed of.

Mr. CHILTON. I will endeavor to prepare an amendment.

The PRESIDING OFFICER. The question is on the amendment of the senior Senator from North Dakota.

Mr. JONES. Mr. President, I wish to make a suggestion to the Senator. Would it not be better simply to raise the amount provided in the bill to $100,000, and let that amount be used for carrying out the provisions of the act? The bill, in reference to the $50,000, reads as follows:

That there is hereby appropriated, out of any moneys in the Treasury not otherwise appropriated, the sum of $50,000, available until expended, for the expenses of carrying into effect the provisions of this act

Mr. McCUMBER. If that is the way it reads, I think it is better to make it $100,000, instead of adding another provision. I was laboring under the idea, not having the bill before me, that that related simply to cotton.

Mr. JONES. It is a general provision. I simply make the suggestion to the Senator.

Mr. McCUMBER. If it is a general provision, I will, then, withdraw the other amendment I offered, and in lieu of it move to strike out "$50,000" and insert "$100,000."

Mr. SMITH of Georgia. Mr. President, I shall be glad to accept the amendment, so far as I am authorized to speak for the committee.

Mr. WEEKS. Mr. President, I desire to suggest to the Senator from North Dakota that while he is amending the bill by appropriating additional money to carry out its provisions he ought to endeavor to make the amount sufficient to really put the bill into operation. With naval stores, tobacco, cotton, wool—which, I believe, is to be added to the bill—grain, manufactured goods, canned salmon, and other products, the slightest examination of the powers which are to be given the Secretary of Agriculture will indicate that if the bill is put into operation it will cost a million dollars rather than $100,000. Therefore I suggest to the Senator that he increase his amendment to an amount sufficient to really put the bill into operation. I am an economist, and I do not wish to spend the money, so I will not offer an amendment to the amendment, but I hope the Senator will do so.

Mr. McCUMBER. I will say that I am satisfied with the $100,000 at the present time.

The PRESIDING OFFICER. The amendment has been accepted, as the Chair understands. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. GALLINGER. Mr. President, I understand the Senator from West Virginia is preparing an amendment.

Mr. CHILTON. Yes; I am.

Mr. GALLINGER. I have been meditating a little on this bill. I am rather too tired to meditate much, but I have been meditating a little. I have been wondering where the Senators from the State of Washington are.

Mr. JONES. Here is one of them.

Mr. GALLINGER. There is a lot of beautiful lumber up on Puget Sound that the Senator from Washington told us the other day they can not get shipped to market. Do they not want the Government to get back of it and issue certificates on it?

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Idaho?

Mr. GALLINGER. I yield, with pleasure.

Mr. BORAH. I have not thought much about lumber, but I should be glad to have the Senator use his influence to get wool in.

Mr. GALLINGER. I will vote for wool, of course. I am going to vote for every proper amendment that is proposed, because I think this ought to be an omnibus bill. It is getting to be that now, very rapidly; and I confess this lumber matter troubles me.

Mr. POINDEXTER. Mr. President——

Mr. JONES. Mr. President, I want to suggest that both Senators from Washington are here, and that it is not too late yet to include lumber. I suggested the other day that we should have lumber.

Mr. GALLINGER. Why not?

Mr. JONES. One provision of the amendment referred to by the Senator from West Virginia was with regard to apples. That affects us, too.

Mr. GALLINGER. That affects my little State—the apple provision. Why not include apples?

Mr. JONES. Ours, too.

Mr. MARTINE of New Jersey. Now, your friend from New Jersey has something to say about that. [Laughter.]

Mr. POINDEXTER. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the junior Senator from Washington?

Mr. GALLINGER. I yield to the Senator from Washington, because I know he has overlooked a very important matter which affects his own State; and as he will be a candidate for reelection later on, he does not want to omit it, of course.

Mr. POINDEXTER. That is quite a long way off yet, Mr. President, and many events may occur in the meantime. There are so many products of the State of Washington, such a great variety of them, that I am sure the Senator from New Hampshire, who is so friendly toward the West always——

Mr. GALLINGER. Always.

Mr. POINDEXTER. Will forgive us for not including in this bill everything that we produce. We have been fortunate enough already to have two of our great products included, one of which is salmon. I noticed, by the way—and I was very much surprised to notice it—that some Senators who voted here the other day against Government storage of silver voted with great alacrity in favor of Government storage of salmon; but, of course, I have no objection. It was merely a curious observation. We also have grain included in the bill now, and we are soon to have an opportunity to vote upon apples; and while the Senator is calling attention to the products of Washington and the Senators from Washington—in view of the fact that we have gotten salmon into the bill—I am very much surprised that the Senator has not gotten codfish in. It is one of the great New England products.

Mr. GALLINGER. I will leave that to the Senators from Massachusetts. The sacred codfish is under their special care.

Mr. OVERMAN. Irish potatoes ought to be in, too. Do not the Senators think so?

Mr. POINDEXTER. I might suggest, also, that one of the favorite New England commodities is beans.

Mr. GALLINGER. Yes.

Mr. President, my meditations led me a little beyond the lumber of Puget Sound, but I really am somewhat distressed about that omission, and I hope it will be provided against. The Senators from California are not here, but it is a well-known fact that when you ask a bright young California girl what they do with all their fruit, she says: "We eat what we can, and we can what we can't." I do not see why the California Senators are not getting in their canned fruits; they are exported, and the Government ought to protect them. They can not send them abroad now, and they will spoil. They may have lead poisoning as a result of keeping them in cans too long, and this ought not to be permitted.

Then there is Heinz's 57 varieties. What are you going to do with that important industry of the United States? Are you going to have it stopped because the European Governments are at war? Why not let Heinz build some great warehouses and fill them up with his catsup and his piccalilli and his other toothsome preparations and have the Government issue certificates against them until the war blows over and normal conditions return, and have the certificates in the meantime to purchase labor and tinware and all that sort of thing, and go along successfully?

I am glad that apples have been mentioned, because we raise a good many apples in New England, and we are improving our varieties and our output. We send them mostly to Europe, but they will not go there this year, and I am afraid we can not warehouse them and keep them many years, yet I think we

ought at least to have the privilege of doing it during the life of this bill, which is to be two years at most.

But more serious than all that to a New England man is the fact that our textile manufacturers are straining every nerve to keep their help employed. One concern in my own State, employing 15,000 people, is hanging on by the finger tips, hoping that conditions will improve, determined to continue the employment of their working men and working women. There is danger that after a while they will have a surplus of their products, and they ought to have the privilege of warehousing them and having certificates issued against them, and getting money so that they may get along as well at least as the cotton men of the South.

There is a still further great industry of New England. I noticed somewhere that the feet of the soldiers of the German army are clad in such wretched boots that they are hampered in their operations on the battlefield. We can not get the splendid shoes that we make in New England into Germany now or into France or into England, but we are making them.

Our great factories are at work. They are having a hard time of it just now, and we would like very much to have the benefit of this bill. I may offer an amendment on that point, and, of course, I expect it will be agreed to, because everything else is being agreed to.

We would like very much to have the Government get back of our shoe shops and take care of the products of our shoe factories for the term of a couple of years and issue certificates against the boots and shoes that we make—the finest in the world—so that when the war is over the poor soldiers who survive may be supplied with New Hampshire boots and shoes.

Mr. President, I am more serious about this matter than perhaps I appear to be. I do not believe in this kind of legislation at all. As I said a moment ago, I think it is vicious in its tendencies. Everything is going to be brought in here during the course of the next few weeks on the ground that it is an emergency measure, because the armies of Europe are slaughtering each other by the hundreds of thousands in the most wicked war which the world has ever known or perhaps ever will know, and we are casting an anchor to windward to make money for our own people. Perhaps it is legitimate, but I do not think the Government ought to be dragged into this matter of taking care of the industries of any part of the country.

As suggested by the Senator from Washington, if the salmon of the waters in Washington, which produce, I believe, the finest salmon in the world, except those produced in Maine, are to be cared for, why should not the codfish of the New England waters be taken care of? I believe, however, that under our bad legislation Canada is getting most of them now, but those that are left to us ought to be looked after. If the Senators from Massachusetts neglect to offer an amendment taking care of the fish that has its effigy over the speaker's desk in the statehouse at Boston, they will be neglecting an opportunity that I think they will regret.

Mr. POINDEXTER. Mr. President——

Mr. GALLINGER. I yield to the Senator from Washington.

Mr. POINDEXTER. In this connection I call the Senator's attention to a circumstance in order to refresh his memory. He has no doubt noticed it already. The great French fishing fleet on the Newfoundland Banks has been called home as a part of the army reserve. So there will be a greater supply of codfish on account of the war than there has been heretofore.

Mr. GALLINGER. I am very glad to know that. It is important.

Mr. OVERMAN. Will the Senator yield to me?

Mr. GALLINGER. I always yield to the Senator from North Carolina.

Mr. OVERMAN. I wish to know if the money issued upon a certificate of storage of codfish would not be tainted.

Mr. GALLINGER. I do not see why more tainted than other issues from this administration.

Mr. President, I am more serious than I pretend to be. I may, at the proper time, offer the amendment I have suggested, that textile manufactures and boots and shoes shall be included in this long list of specialties that we are dealing in to-day, and that will help to put this omnibus bill in a better shape than it is.

Mr. CHILTON. I was going to ask the Senator, before he did that, to let me have a vote upon my amendment.

Mr. GALLINGER. If it is oil, whether it is Standard oil or any other kind, if there is an emergency——

Mr. CHILTON. No doubt there is.

Mr. MARTINE of New Jersey. Before the Senator presses that to a vote, will he permit me a word or two?

Mr. CHILTON. I yield to the Senator from New Jersey.

Mr. MARTINE of New Jersey. Mr. President, I feel very sadly over this matter. I felt that I had a monopoly as to apples, and that was largely my prerogative, but here I find the distinguished Senator from West Virginia and then the Senator from New Hampshire both put in a claim. I am the original and real genuine apple man, and I think it is very ungenerous that you should interfere with our apple industry and the products that come from our apples.

Mr. GALLINGER. Evidently the Senator forgets Adam.

Mr. MARTINE of New Jersey. But I have even seen that story questioned.

Mr. CHILTON. I never heard the Senator make that claim for the apple. I heard him make the claim about applejack.

Mr. MARTINE of New Jersey. Occasionally we eat apples, but every sensible man knows that the best of applejack is made from good apples. I feel that the gentlemen are trenching on my prerogative and my privilege. I do not think tar from North Carolina and various other products are in the same category or in the same class with salmon. My friend from Oregon [Mr. LANE] pressed salmon and I voted for salmon. I felt there was just as much reason for that as for other things that were being pressed by my friend from Georgia. Of course salmon is good food, and as I said is in an entirely different class, as I understand. Fish are rich in phosphorus and supply the brain. If I believed one-tenth part or one-hundredth part of what our Republicans have been telling me for the last 25 or 30 years, God knows we need brains, for the Republican party arrogates to itself all the brains. They said they had all the brains and hence we are in a miserable dilemma just now with a great demand for brains and all the problems arising from the war on our hands and all the questions confronting our administration. I know they never would say anything they did not believe for they are not that kind.

I feel that salmon is all right, and I favored salmon. I would like to add some things: Speer's Grape Juice, The Rising Sun, and Hinchcliffe's Beer. These are all products of the little State of New Jersey, and it does seem to me utterly cruel to leave them out.

Just now the question of salmon brings to my mind the question that was asked here Saturday, I think, by the distinguished Senator from Iowa. He asked the Senator from Oregon how he would know the grade of salmon in order to properly classify it. If the Senator had thought for a moment, with just one of the five senses that God has left us with you can easily detect whether salmon is first class or last class, or of no class at all.

This reminds me of a fish story that I must tell. It may be a little undignified, but we have heard nothing but fish for two or three days. Let me say I am in favor, now that the price of beef is going up, of making more than one fish day. Friday is not enough. Let us have two fish days each week, at least, and change the calendar so that we may have two Fridays on which to eat fish.

Now, let me tell the story: A man who lived on the coast of New Jersey had made a very great success as a fisherman. He used to go out and breast the tide and come back with his bark full of fish, and he would sell them. Finally, as years grew on him and he was burdened with age, more or less, and crippled, he could not row and pull the oar as he did. So he opened a nice little shop in a thrifty little town near the coast. He painted it up nicely and made it very respectable, and put up a glorious sign, "Fresh fish for sale here." Trade was slow. Finally he appealed to a friend in whom he had great confidence. He said, "Look at my stuff." The friend was a kind of an oracle to him. He said, "Come out and look at the front." He walked out into the middle of the street. He said, "Look at my sign." He had a 16-foot board with elegant, gilded letters, "Fresh fish for sale here." He asked, "What do you think of that?" His friend looked at him and said, "Joe, I hate to criticize, but you have too much in it." He asked, "How would you correct it?" "If I were you, I would just paint out 'fresh.' Fish is really the thing, anyway. You are not selling stale fish." So he crossed out "fresh." Then he came back the next day and fish were not selling any better, and he said, "What do you think of it now?" Said he, "I would cut out those words 'for sale.' Everybody knows you are selling fish. You do not give them away." He crossed those words out and it stood "Fish here." Finally, when he came to the last, he said to his friend, with a good deal of misgiving, "Now, what do you think of it?" "Lord, Joe," he said, "you have too much of those letters. I would cross out the word 'here.'" "What do you mean? I mean business. I am selling fish, and here is where I sell them, and how in the name of heaven will they know?" He said, "Everybody could tell that from the smell." [Laughter.] So I think my friend will be able to gauge salmon in the same way.

Mr. WEEKS. Mr. President, in the days of old Rameses that story had paresis.

Mr. MARTINE of New Jersey. The Senator ought to know, for he comes from a fish town.

Mr. WEEKS. I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The pending question is on the amendment offered by the Senator from West Virginia [Mr. CHILTON]. It will be read.

The SECRETARY. It is proposed to add as a new section:

SEC. —. That all the provisions hereof are extended to include warehouses for the storage of apples and peaches, and for tanks, tankage, and pipe lines for the storage of oil, together with the inspection, classification, and the issuance of receipts and certificates therefor to the same extent, so far as applicable, as the same are made applicable to warehouses for the storage and classification of cotton under such rules and regulations as the Secretary of Agriculture may prescribe.

Mr. SMITH of Georgia. Mr. President, with a good deal of care and labor a Representative from the House and I, together with the Secretary of Agriculture and experts from that department, prepared this bill. The bill, I believed when we prepared it, and believe now, has great merit.

I confess that it has been with more than ordinary pain that I have heard Senators present amendments intended to be trivial and make speeches intended to be humorous. All we ask from the Government is an appropriation of $50,000. That is the entire burden put upon the Government by this bill. Mr. President, there are 12 States which produce practically but one moneyed crop. The industries of those States depend largely upon the annual sale in the fall of that crop. The great bulk of the population—certainly those engaged in agriculture—depend upon that crop. Among them there are 2,000,000 negroes, who do not know how to do much else but to raise cotton.

That crop last year sold for a billion dollars. The portion of it which went abroad in the shape of lint cotton sold for $610,000,000, and saved our international trade balance. This large sum took care of our international balance and gave vigor and power to the entire commerce of the United States. But for the war in Europe the crop would be worth now a billion dollars.

Mr. President, is it entirely worthy of Senators when such a subject is presented to seek to treat it in a ludicrous manner? I confess that it has not been amusing to me, because I know it is a serious problem. The men who raise this crop work 8 months in the year to produce it, and then sell, according to the custom, in 60 days. They borrow nearly $500,000,000 in connection with the production of the crop, and 12 States rely upon this crop going upon the market at this period of the year to make the settlements for their liabilities built up during the year.

Now, what has happened? The greatest calamity that has come to these people in 40 years has been brought about in three weeks by the foreign war. You can not eat cotton. It is worthless to the man who produces it except to sell it. It is not like nearly all other agricultural products. It is not like foodstuffs. It is a remarkable crop in that you can store it for years and it is uninjured. It is not consumed by any animal after it is gathered. It is not injured by moths. It has a quality suited to storage and suited to continued preservation unequalled by any other agricultural product. Now, what has happened? Instead of being able to sell their 13,000,000 bales of cotton in the latter part of August, in September, October, and November, when their liabilities are maturing, they bring their cotton to the market and there is no market. Why? Two-thirds of this crop goes abroad. In Germany, in Belgium, in France, in England the mills consume it annually. War has closed them, and cotton, which to-day would be selling at 13 cents a pound, is practically without a market, and $500,000,000 of debt rests on the men who have produced the crop and stares them in the face and threatens them with ruin.

I say, Mr. President, I can not find language with which to praise a Senator who takes the floor to treat such a measure in a trivial manner. I consider that the course of Senators must have been due to thoughtlessness and the lack of appreciation of real conditions.

Now, what do we ask in this bill? There is no system through the South of universal or general classification of cotton. There has been no system of warehousing throughout the South. It has not been necessary. Never before in the history of this crop have those who produced it been confronted with over 8,000,000 bales of cotton, with no American market for it, and no mills that probably can spin for months.

All we ask is an appropriation of $50,000 from the Government to allow the Department of Agriculture, through its market division, through experts that it already has, the balance of the expense going as a charge to the people benefited, to inaugurate a system of cotton warehouses. Those men who have warehouses they desired licensed by the Secretary of Agriculture will receive from the Secretary a license and then be subject to the regulations of the Secretary of Agriculture, which, when complied with, would carry to the world a knowledge of the kind of cotton deposited and kind of warehousing used. This would give a value to the warehouse receipts which otherwise they would not have. That is all we ask.

The Senator from New Hampshire talks about taking care of New England. Mr. President, we have been buying protected products of New England for half a century, and the Government has taken care of New England. It has added to the price of the manufactured product by protecting it from foreign competition.

I shall not discuss that proposition now. I do not intend to be provoked into a debate upon that with the Senator from New Hampshire.

Mr. GALLINGER. Mr. President——

Mr. SMITH of Georgia. But I do wish to say I expected the modest request we make to appeal to the generous disposition of the Senator from New Hampshire.

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from New Hampshire?

Mr. SMITH of Georgia. Yes.

Mr. GALLINGER. I have no disposition to debate it with the Senator either. I did not raise the question. The Senator might well add that the mills of New England are doing something to take care of the cotton from the South.

Mr. SMITH of Georgia. Yes; the New England mills are buying and using some of the cotton, and the cotton is taking care of the mills of New England. If we did not raise the cotton they would never have erected their mills or made their fortunes out of cotton. I am glad they have made them. I have no criticism upon that, and I am not complaining about the past system of taxation which enabled them to prosper. I desire to see them prosper.

But I submit to the Senator that the modest request of this bill has not been treated with the generosity that I think we had a right to expect. I do not believe that the speeches some of the Senators have made or the course some of the Senators have taken would have been pursued if they had really understood the situation.

I do not think any amendment ought to have been added to this bill. I think it ought to have been allowed to go through as it was, applicable to cotton alone. I wish to say to the Senator from Iowa that I offered an amendment providing that this act should not remain in force longer than nine months after the conclusion of a treaty of peace between Great Britain and Germany, and in no event longer than two years. It came as a suggestion from the Senator from Iowa in his remarks made last Saturday. So make this bill a temporary measure, and the entire sum that we ask or wish from the National Government is $50,000 that we may better classify our product when put in our own warehouses.

Mr. President, a large part of this money owed for raising the cotton crop is due outside the South. The merchants of New York, of Boston, and the Middle West hold much of the indebtedness. The foodstuffs used to make it were bought from the Middle West. The manufactured products were bought from the East and the West. The object of this bill is to furnish a more systematic plan of classifying cotton in warehouses and classifying the warehouses; that is all. The bulk of the expense must be carried by the people who receive the benefit. The plan of the bill looked toward the principal work of inspection being made by licensed inspectors, who obtain their fees not from the Government for doing the work but from the warehouse owners. Only a general supervision was left to the National Government. Yet when this small request is made on behalf of the people of 12 States, whose great product, upon which they absolutely depend, has been stricken down by a foreign war, Senators come in facetiously and load the bill down with amendments that do not in any sense stand in the same class with cotton and make it ludicrous. Is this generous, I wish to ask?

If Senators wish to kill the bill, let them vote to kill it. If they are not willing to concede this much to a people who are suffering as those people are suffering, let them vote against the bill. I do not deny their right to do so, but I do, Mr. President, enter my earnest request that they treat the subject seriously.

Mr. WHITE. Mr. President, I can add nothing to what the Senator from Georgia has said in his appeal to the broader view—the patriotic view—on this subject, but I want Senators for a moment to consider this matter from a selfish standpoint.

I ask them if they think it will benefit the Nation to see the South in bankruptcy? That is what it means. Unless this situation is taken care of the South will be in bankruptcy. Her people will be in want. I appeal to Senators and ask them if they think they will advance the general welfare by defeating this bill—by denying the South the relief this legislation will afford? Do you think for a moment, when the people of the South are impoverished and stricken down, it will advance the sale of your manufactured goods?

If the cotton of the South is not taken care of in this emergency, many of the negroes and the poorer white people of the South will have to go barefooted during the coming winter. Will that help your shoe market? If the South is stricken down for the want of the enactment of this legislation, her poor must go half clad through the winter. Will that help the New England mills? Consider that.

Now, I appeal to Senators from the West. You want a market for your grain, for your flour, for your meat. Do you expect to find it in the South, with the South lying stricken and prostrate in bankruptcy? Remember that we are your greatest customer; we are the customer at your very doors. You do not need to ship your grain and meat and flour across the sea in order to place these great products in our hands. We want them; we need them; but, Mr. President, in order that we may buy them we must have legislation to aid us in the present crisis to prevent bankruptcy in the South. I will appeal to the Senator from West Virginia and admonish him that the ore and apples of his State will find a market in the South if we have the money with which to purchase them; his coal will find a place for sale there; but the market for these products depends upon the question of whether we can save the South in this hour of her peril and her need.

Cotton is a great national crop, different from any other crop that is raised in the world. It stands alone; it can be treated and should be treated by itself, apart from all other agricultural productions. Its injury or destruction affects the prosperity of the entire Nation. No agricultural production sustains such intimate relation to all other interests of the country as it does. I again appeal to Senators, on selfish grounds, to help us in this hour of our need.

Mr. CHILTON. Mr. President, I confess I was more than surprised to hear the Senator from Georgia [Mr. SMITH] lecture the Senate, and especially those of us who from the start have shown so much interest in his plan for the relief of his section of the country. I have never uttered, except in the greatest candor and seriousness, a word upon this subject. I made no fun of his bill; I made no fun of the amendment of any Senator. I am in good faith in sympathy with the Senator's bill. I appreciate that it is something that is needed in the southern section of the country, and if I had not known the facts I would have taken the statements made by the Senators from that section as conveying the truth and as portraying absolutely the situation. It is very strange when we treat those Senators in that way that the Senator from Georgia is not willing, as are other Senators, who are serving here with the same desire to do right and under the same conscientious regard for their duties as Senators, to take my word about the situation in my State as we take their word about the situation in the South. It is strange that the Senator should make an address in the Senate and lecture me because of an amendment which I choose to offer to a pending measure—a bill for which I intend to vote, a bill for which I shall vote if my amendment is not put on it, a bill about which I will help him in any way, and stay here night or day to help him pass, whether he agrees with me as to the wisdom of my amendment or not—I say it is very strange that the Senator should lecture me about that, and in doing so make the statement that the situation as to oil is different from that of cotton.

It simply shows that the Senator from Georgia has not gone to the trouble of studying the oil question, as I have gone to the trouble of studying the cotton question. He does not know that there is not a dollar's worth of oil sold as oil in a barrel or in bulk; it is sold by certificate, and the storage device is a tank or a pipe line.

In considering the purposes of this bill, can anybody tell me the distinction between oil and cotton? Oil does not deteriorate much; and if it should, there is an easy way to estimate the amount of its deterioration. Oil is turned into a pipe line or into a tank, and you sell it on the certificate from the common carrier. Wherein, therefore, does the Senator's situation differ from mine? How shall he complain of me when it is raining and I shall say, "Stretch the umbrella just a little over on my side"?

Mr. President, I do not know whether or not the oil people of West Virginia will take advantage of this privilege if it shall be extended to them by Congress; I have not had time to consult with them. I noted, however, that the Senator from Georgia, without objection, allowed amendments to be adopted, including flaxseed, corn, wheat, oats, barley, and all such products. He did not accuse the Senator presenting that amendment of lack of seriousness in presenting that situation to the Senate. Certainly the oil situation more nearly resembles the cotton situation than does the situation of flaxseed, corn, wheat, and other grains.

Mr. President, talking a little more to the point, I wish to say to the Senator that if he desires this matter to rest upon his statement, all right; I can stand for it. I want to repeat to him, however, that I am for his bill; I am for it because I think it is right; I am for it because I recognize a necessity for it; but I wish also to say to him that, standing absolutely upon all fours with his situation, except that it is probably worse and affects more people, is the oil situation in the States of West Virginia, Ohio, Pennsylvania, Indiana, Illinois, and Kentucky.

I am as much surprised as is the Senator from Georgia that Senators will rise here and make a comparison between the lumber business and the manufacturing business, of boots and shoes, for instance, and Heinz's pickles, or anything of that kind, as standing upon all fours with the serious situation that affects the farmers and the producers of oil and products of that kind. If a man is a manufacturer of shoes he can get credit upon them; if he has lumber he can get credit upon it in bulk; but in the oil States a farmer has, perhaps, leased out his farm to an oil company which is probably producing 100 barrels of oil a day; the farmer gets one-eighth of it as his return. All he gets for that is a certificate of how much oil he has in a pipe line, which is the only way there is for transporting it. Probably there will be 50 men who will get certificates for the other seven-eighths.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from West Virginia yield to the Senator from Idaho?

Mr. CHILTON. Let me finish this statement. That is true as to hundreds and thousands of little leases and of hundreds and thousands of small producers of oil. Now I yield to the Senator from Idaho.

Mr. BORAH. I want to ask the Senator from West Virginia what is the cause of the oil crises? Is it superinduced by the war situation in Europe, or is it by reason of an industrial condition in this country?

Mr. CHILTON. It is produced by the conditions growing out of the European war. That is, to a great——

Mr. BORAH. How does that bring it about?

Mr. CHILTON. I will answer the Senator from Idaho in this way—and I answer the Senator the way I do, because that is the information given to me by the pipe-line people as I see it in the public prints: All oil producers understand that what is known as the white-sand oil of the east is almost entirely a foreign shipment oil, and that owing to the fact that European countries are at war and that the transportation facilities have been so interfered with, the pipe lines can not dispose of this oil. There is a limit to the capacity of their tanks, and there is also a limit to the capacity of the pipe lines. That situation probably will not be relieved by this bill, but I can imagine a way in which they could build tanks so that this oil could be stored in such tanks and the certificates would be salable. I do not know that that will be practicable, but there is a possibility that it may be.

Mr. BORAH. Has the price of oil gone down as has the price of cotton, of which the Senator from Georgia [Mr. SMITH] has spoken?

Mr. CHILTON. The price of oil, as I said to the Senate, began to go down probably 60 days ago. This oil was then selling at $2.50 a barrel, and it has now gone down to $1.50 a barrel. It is stated that the reason for that is the great production of oil in Oklahoma. It is claimed that they have a process now by which the same amount of gasoline can be extracted from the Oklahoma oil as can be extracted from the eastern oil. I doubt this claim, but I want to be fair and do not desire nor is there need to go beyond the facts and the claims of both sides.

Mr. BORAH. I had understood that the oil situation was one arising out of conditions not wholly incident to the unfortunate conditions in Europe; but I want to ask the Senator a question. I sympathize entirely with the situation as presented by the Senator from Georgia with reference to the condition of cotton; I think I see quite a distinction between the situation with reference to the South and the production of cotton and many of the other products which Senators are seeking to fasten upon this bill; but I presume neither the Senator from Georgia nor the Senator from West Virginia is oblivious of the

fact that we are establishing a precedent which will be applicable in any industrial crisis or situation which may hereafter arise in this country with reference to any industry.

In the West even now we are unable to get rid of our lumber by reason of conditions which we tried, although, unfortunately, we did not succeed very well, to present to the Senate the other day; it sometimes happens with reference to our wheat and our wool that the market is such that the price will not pay for the shipping of it. There is no difference in that situation and this situation except as to the cause which produces it. The principle, however, which we are establishing here is one which will be of just as much importance after the war in Europe has ceased as it is now. I presume the Senator is not oblivious of that fact?

Mr. CHILTON. I do not agree with the Senator from Idaho in his conclusions. What the Senator says, so far as the States affected are concerned, is no doubt a fact. But the world is now at war. The present situation is one due to war. War excuses almost any expedient.

Mr. BORAH. We are doing a great many things, and perhaps necessarily doing them, by reason of the war situation; but the result of our action and of that which is to flow from our action will be felt in this country long after the war has closed.

Mr. CHILTON. Mr. President, I was about to say, when interrupted a moment ago, that I want the Senate to understand that the amendment I have offered affects thousands and ten of thousands of small holders and small producers of oil, and extends over a great area, as I have said, throughout a great part of the States of Pennsylvania, West Virginia, Ohio, Indiana, Illinois, and a good part of Kentucky. This is a unique product, one which is affected, if our information is correct, peculiarly by the war conditions. I do not agree with the Senator that we should not do things in time of war that we do not countenance in times of peace; but this situation never before occurred in the history of the world. Most of the civilized world is now at war. The nations at war have been our customers.

Therefore I say we have the foreign trade of the United States absolutely stopped without notice, and any situation growing out of that condition, such as the piling up in this country of a large surplus of goods or commodities ordinarily sold in foreign markets, we as a people should meet, just as we would in times of war meet a lack of currency by issuing greenbacks; or as in time of war we would meet any other emergency. We should be liberal enough and broad enough to devise ways and means to meet that kind of a situation. The President is doing his work nobly. Congress should be eager to provide effective means to lessen the severity of the terrible blow to commerce.

Mr. BORAH. Mr. President——

The VICE PRESIDENT. Does the Senator from West Virginia yield to the Senator from Idaho?

Mr. CHILTON. I do.

Mr. BORAH. Mr. President, is it not a fact that the combination controlling the production and refining of oil has much to do with the price of the oil to the small producers, in whom the Senator is justly interested?

Mr. CHILTON. I will say to the Senator that as to that a great many people in West Virginia have the same opinion as has the public generally, to wit, that finally all oil, or practically all of it, goes to one place in the United States. On the other hand, others claim that there really is competition. The latter maintain that there are a lot of independent concerns engaged in the oil business, and that the percentage of oil which goes to the combination has been materially reduced since the decision of the Supreme Court. However, as to that I have no facts; but I want to say for the Standard Oil Co. that in ordinary times it handles the oil expeditiously; it handles it conveniently; and many of the producers are satisfied with it if they are paid a sufficient price. I do not know anything about the inside workings of the Standard; I have no information about it; but I have introduced a resolution here for the purpose of securing the facts.

Mr. WEEKS. Mr. President——

The VICE PRESIDENT. Does the Senator from West Virginia yield to the Senator from Massachusetts?

Mr. CHILTON. I yield to the Senator.

Mr. WEEKS. I wish to suggest to the Senator from West Virginia that the delay in foreign shipments has been quite as much due to the question of foreign exchange as it has to shipping facilities. It is true, of course, that during the first few weeks in August there was practical stagnation in shipments. We passed a bill here the other day to purchase silver bullion. The reason we passed it was because the smelter men were loaded down with the products of the smelter. They had been advancing 50 cents an ounce on silver and were shipping the bullion abroad, but the bills which they drew against it came back unpaid, and, therefore, having ten or twelve million dollars invested in that kind of a product, they did not have available resources to continue to advance 50 cents an ounce, and notified the producers that they would only advance 25 cents an ounce for silver. The Senator from West Virginia admits that additional pipe lines and additional containers of oil must be constructed, if his amendment should be adopted.

Mr. CHILTON. No.

Mr. WEEKS. Well, the Senator suggested it; at any rate I will say he suggested it.

Mr. CHILTON. I say that may be the fact; I do not know.

Mr. WEEKS. Let me say to the Senator that, in my judgment, inside of 60 days the price of oil will be as high as it has been in recent times, because the great competitive oil-producing country is Russia, and we will obtain some of the markets of Russia, as well as holding our own.

It is not true that to-day we are not shipping products abroad. We shipped abroad 7,000,000 bushels of grain last week. There are now 18 steamers carrying passengers bound for our Atlantic ports from European ports. The trans-Atlantic trade has been practically restored, so far as most conditions are concerned, and I think the Senator will find that inside of 30 days normal conditions will obtain in the oil industry.

Mr. CHILTON. The bearer of good news is always welcome; I welcome what the Senator has said, and it will be a great consolation to take it back to my people. I feel reasonably sure that the Senator is correct in the main.

As I have said, Mr. President, I do not know that the oil producers will take advantage of the provision which I have proposed as an amendment to this bill, but it is a suggestion which has come to me from some people interested in the oil industry, who have asked that we do something for them in a great emergency.

Bear in mind that the only way a man can produce oil is by pumping it from the ground into a tank and turning it into a pipe line. He can only hold in the tank next to his well two or three hundred barrels, speaking generally. I believe the average tank holds about 250 barrels. The pipe-line people will now only take 25 per cent of it. The result is that the oil wells are likely to be destroyed in a very short while because the paraffin that is in the oil is likely to cake in the interstices in the rock through which the oil comes, and may absolutely destroy the well.

Mr. BORAH. Mr. President, I will ask the Senator who owns the main pipe lines?

Mr. CHILTON. I do not know.

Mr. BORAH. Does not the Standard Oil Co. own them?

Mr. CHILTON. I understand one of them belongs to the Eureka Pipe Line Co., and that in some sections the pipe lines belong to the Pure Oil Co., of Philadelphia. I understand that is an independent company; but its pipe line does come immediately into my section of the State of West Virginia, although other fields have the benefit of it. In some oil fields—I think, in Indiana, Ohio, and Illinois—they have the benefit of the Eureka pipe lines and also of the Pure Oil Co.'s lines. That is my information. In West Virginia we have only one, which is the one that formerly belonged to the Standard Oil Co., and which the oil people suppose yet belongs to somebody connected with that company.

Mr. BORAH. Is that one of the lines which belonged to the Standard Oil Co. before the dissolution decree?

Mr. CHILTON. Oh, yes.

Mr. BORAH. Does anyone suppose that it does not belong to them yet? Does not the Senator believe from his investigations that, as a matter of fact, it is still under their control?

Mr. CHILTON. Mr. President, I have not investigated the matter, but I believe it is; I believe the same people who own the Standard Oil Co. own the pipe-line company. I believe that, and I think the facts will justify that belief; but I am not prepared to say that it is the same company. What I might prove in a lawsuit and what I might think as a private citizen might be different. I only know that it is claimed that they have dissolved in accordance with the decree of the Supreme Court. I do not think they have actually dissolved in the way in which the people think a dissolution should be accomplished, because there is still the vice of common ownership of stock. But my resolution for an investigation ought to develop the facts, and until the facts are known it does not become me to say that the Supreme Court was wrong. Besides, my people want relief, and do not care to take any roundabout way to get it. This is not the time and place to make charges, but it is the time to help those entitled to help.

Mr. POINDEXTER. Mr. President——

The VICE PRESIDENT. Does the Senator from West Virginia yield to the Senator from Washington?

Mr. CHILTON. I yield to the Senator.

Mr. POINDEXTER. The Senator has made a very clear explanation of the situation in regard to oil. What I should like to know is the relation between oil and peaches.

Mr. CHILTON. Of course, Mr. President, I can not make as clear a case for peaches and apples as I can for oil, for the reason that the plan of storing oil and issuing certificates thereon has been tried; but it has not been tried as to apples and peaches. I can say, however, that I can make as good a case for peaches and apples as can be made for canned salmon, and I can make as good a case for them as can be made for wheat and corn and anything else of that character.

The great apple and peach crop in my State, Mr. President, is in pretty much the same condition that the oil business is in. The apples and peaches are owned largely by small farmers and their principal market is in Europe. Now they find no buyers, even at this time of the year, and they do not know whether to pack their crop in one kind of a basket for a certain market or put in into barrels for another market or box it for another market. They have been relying upon the European market. The war makes the situation the same with respect to those products as it does with respect to other products.

There is this to be said about my amendment. If we adopt such a provision as I seek to have incorporated in this bill it can not hurt the Government; it can not hurt anybody else; and it might be the means in a great emergency of saving from disaster a lot of people who can not afford to lose their crops. If they can warehouse their crops and have certificates issued against them in the warehouse, these certificates might be used as a basis of credit.

Mr. BRISTOW. Mr. President——

Mr. CHILTON. I yield to the Senator.

Mr. BRISTOW. I do not think that upon reflection the Senator will say that the question of storing peaches in warehouses and issuing certificates as to their value will stand upon the same basis as a similar operation in connection with wheat.

Mr. CHILTON. It stands on the same basis; there is only a difference of degree. Of course, you might not rely upon a peach certificate as you would on a wheat certificate, because the former is more perishable.

Mr. BRISTOW. The Senator knows that peaches are perishable and that it is not practical to handle them as it is to handle wheat or cotton.

Mr. CHILTON. I know that wheat is perishable, and I know that corn is perishable.

Mr. BRISTOW. The Senator knows that wheat is one of the staples of life, that there is always a market for it at some price, that it can be put on the market any day and command cash, that it does not spoil, that it will last for centuries, and that it is one of the great products of the American people. We export millions of bushels of wheat. I feel a good deal like the Senator from Georgia feels when it comes to asking that peaches, which may not last probably for longer than 10 days, shall be put on the same basis in a bill like this with wheat and cotton and great staples which are exported and bring to the people of the United States their great wealth.

Mr. CHILTON. I knew that before the discussion was over the Senator from Kansas would lecture somebody. I do not mind his lecturing me, if he wants to do so, but I still have the same idea about the matter. He can proceed with his lecture now or at any other time, as he sees fit, but I shall still entertain my own opinion about it.

Mr. POINDEXTER. Mr. President——

Mr. CHILTON. I yield to the Senator from Washington.

Mr. POINDEXTER. In view of the fact that we will be called to vote on the proposition of including peaches and apples in this bill, and in view of the further fact that the State which I in part represent is interested in both peaches and apples, I should like to inquire of the Senator from West Virginia what sort of a standard the Government would fix as to peaches and apples in issuing certificates? As to cotton, I think that that commodity stands in a situation different from that of any other product, for various reasons which it is not necessary to discuss here.

Mr. CHILTON. There are about 17 different grades of cotton, are there not?

Mr. POINDEXTER. I am not particularly informed as to that; but I understand that the grading of cotton is a very intricate matter, calling for expert knowledge, and that the bill is very vague as to the basis on which cotton shall be graded. It leaves it, in fact, to the Secretary of Agriculture to establish standards and rules and regulations and to appoint so-called experts, who, under the rules and regulations, shall fix grades of cotton. If the Senators representing the great cotton-producing States are satisfied with that arrangement, I am willing to accept their judgment upon it.

Even though we should include in this bill apples—and apples occupy quite a different situation from that occupied by peaches—and should also include peaches, I would not be willing to leave to the Secretary of Agriculture the matter of grading, of establishing a first grade, a second grade, and a third grade, and of prescribing the kind of boxes in which they shall be packed, or whether they shall be packed in boxes or in barrels.

If the Senator will permit me, I want to say in this connection that there has been quite a controversy before several committees of the House and the Senate in connection with bills which have been pending for several years as to standard apple boxes and as to the grades of apples. One of the objections which the apple growers of the Pacific Northwest have had to some of those bills was, in the first place, that the No. 1 grade as proposed to be established by the law was a No. 3 grade under the standards to which we are accustomed in the Northwest, and an injury would be worked upon us in that regard if any such standard should be established under this bill. If it should be passed, it will be subject to the same objection that our apple growers had to the other bills to which I have referred.

The same objection applies as to the receptacles in which apples are packed. In New York and probably in West Virginia the ordinary receptacle is a barrel. We do not use barrels on the Pacific coast. In Colorado they use a box of a certain size which they have adopted, while on the Pacific coast they use a box of another size. All such matters would be subject to regulation by an unknown authority without any limitation in the statute if these commodities should be included in this bill under the Senator's amendment and would constitute objections to the amendment.

Mr. CHILTON. Mr. President, I wish to say to the Senator, as to the peach crop, he probably does not realize that we have one peach orchard in West Virginia where the peaches are loaded right out of the orchard into the cars, the railroad tracks being laid into the orchard. It is an immense orchard, probably one of the largest peach orchards, if not the largest peach orchard, in this country. The peach business is an extensive one.

I do not want to go into the details of grading and inspecting fruit, but there is nothing in the bill which would compel anybody to take a certificate of cotton, and there is nothing in the amendment I have offered requiring anybody to take the Government's certificate of apples and peaches. There is no provision in the bill to prevent forging a certificate or duplicating it. There is simply a way here by which I thought it would be possible to let these people get credit upon an article which may not be salable on account of war. Now, when a man buys a cotton certificate, he knows that he is getting a cotton certificate, and he takes that chance. He knows it with an apple certificate or a wheat certificate or anything else he may get. We know that the oil certificate is absolutely reliable, and that the principal part of the oil business is conducted upon the storage of oil in tanks or in pipe lines, and the sale of it made by certificates of oil in the possession of the common carrier, the pipe lines.

As I say, just as strong a case can be made here for apples and peaches as can be made for some of these other things. I want to say again that I resent the insinuation or the charge that I am trifling with the Senate. I want to reiterate my statement that I am heartily in favor of the bill offered by the Senator from Georgia, and I want to relieve the cotton people. I am surprised that he does not feel the same generous spirit toward West Virginia that she feels toward the South. I wish the Senator could go with me to the apple and peach orchards of West Virginia and see there the intelligent, painstaking horticulturists demonstrating that the home of the apple and the peach is in West Virginia. It takes years to bring in an orchard. During these long tedious years the producer must make large expenditures for fertilizers and disinfectants. There is no return till the tree matures and bears, but the work on the young orchard must be done every year. It is now about the time of year when the fruit buyers come to my State, but owing to the fact that so much of our fruit, and especially that produced in the eastern Panhandle, is shipped to Europe, our orchard people fear that this war will fall heavily upon them. My plan may be impractical. No apple or peach raiser has asked me to do this. But I can see no reason why the opportunity to store apples and peaches and issue certificates thereon should shock anyone who has voted to do the same thing for flax, oats, wheat, and other grain.

Mr. BRISTOW. Mr. President, I should like to suggest to the Senator from West Virginia that I can see a great deal of force in the Senator's argument as far as oil is concerned, but I can not vote for his amendment if it includes peaches and apples, because I believe it is utterly impracticable. If he will cut out the peaches and apples and will stand on the oil, I should be disposed to support his amendment.

Mr. MARTINE of New Jersey. Mr. President, I wish here and now to disavow any part of unkindness or ungenerous sentiment toward the people of the South or toward my friend the distinguished Senator from Georgia. I realize that I, perhaps more or as much as anyone else, was the one to whom the shafts of his eloquence were directed. I did make some jest and possibly apology for satire on the bill proposed by the Senator.

So far as desiring to aid the South is concerned, great God! there is no man in this universe who feels more kindly, more sympathetic, and more generous toward the South than do I. Some of my brightest and happiest days were spent in the sunny South. I was a leaner to your cause. I say to you men of the South—the glorious, beautiful, sunny South—I love it. I love the stalwart men; I love the generous hearts and the impulses that prompt your action; I love and admire, as a man can, your glorious and beautiful women. I say to you, far be it from me to say unjust or unpleasant things of the South. I was not contending against the people of the South, but I was contending against a policy which I think dangerous and disastrous.

That is all there was in my jest or ridicule; and, after all, I do not think it is susceptible to such severe criticism when I suggest a product that is a benefit to mankind, in contrast to your tobacco, which was put in the bill with no particular objection from the distinguished Senator. But if this thing can be carried out this far, why may it not be carried farther? Why may it not, as I say, extend to corn and wheat? As a Senator from New Jersey, whose life since early boyhood, until the past few years, has been that of a farmer, why should not I stand and press on the protection of my products with the same earnestness that the Senator from Georgia presses his tobacco or his cotton?

I was only questioning your policy. I feel that my heart is as big and as generous and as prompt in kindly impulses toward my fellow men as that of any other man in this Chamber or elsewhere; but why may not I adopt the same course?

We are rich in other things beyond those of which I spoke. We have a clay marvelous in character, clay that is shipped abroad to enter into the china and pottery ware of the world. Trenton, Woodbridge, and other parts of my State are manufacturing pottery from that clay. We, with you, are stifled to-day. Our workmen are idle. They say it is because of the war and the fact that they can not ship their product. I have received letters and telegrams from men saying:

> In heaven's name, what shall we do? What can you do for us?

We have in Orange, N. J., a veritable hive of hat making. We make hats almost for the world. Myriads of them are turned out to-day, or have been in the past. Men who worked at the boiler, and women at the finer work of trimming hats, are idle to-day. I received a letter from a woman who is the head of the Young Women's Christian Association over there, saying:

> Senator, we appeal to you to use your generous efforts to aid us.

So I ask, Mr. President, why may not I, with the same lofty patriotism, with the same hope, aim, and ambition to advance the well-being of my fellow men, press for the hat industry and the clay industry of New Jersey?

My fear is, sir—and I say it kindly—that if this policy is carried out to its finis it will prove a dangerous and disastrous policy, not only to our Commonwealth but to our country. Hence I shall vote against it. I voted for these various amendments because I felt there was as much reason for the amendment of the Senator from Oregon as there was for that of the Senator from Georgia, and as much reason for the amendment of the Senator from West Virginia as there was for that of the Senator from Alabama. But because I hope for the well-being, the blessing, and the general perpetuity of this glorious land, and love liberty and this splendid Government, I oppose your plan—not for spite, not for selfish glory, but for the well-being of the country.

Mr. GALLINGER. Mr. President, I have been somewhat surprised that the amiable and charming Senator from New Jersey, and the equally amiable Senator from West Virginia, got the impression that the Senator from Georgia had any reference to them in his caustic discussion of this question. I perfectly understood whom the Senator from Georgia meant, and particularly when he, as I think inadvertently and unfortunately, made allusion to legislation on another important matter which affected the section of the country from which I come. I am not laboring under any misapprehension as to whom the Senator meant.

Mr. SMITH of Georgia. Mr. President, I wish to say to the Senator that I certainly was not thinking of him any more than anyone else. He is mistaken about that. If I was caustic or if I was extreme, it was entirely unintentional, and due to the very deep feeling I have about this measure, and the intense conviction that so small a thing might do so much good where so much danger is threatening.

Mr. CHILTON. Mr. President, I want to say to the Senator further, if he will permit me, that I did not say what I did until I knew perfectly well that the Senator meant me as much as he did the Senator from New Hampshire.

Mr. SMITH of Georgia. I did not think the Senator from West Virginia was serious about his amendment until he said he was.

Mr. GALLINGER. Then, I am ready to have the other two Senators included in the list; and we three will bear the odium, whatever it may be, of the criticisms of the Senator from Georgia, who I know is always kind, and who is earnest in the advocacy of any cause in which he believes.

Mr. CHILTON. I could have said that about half an hour ago. I do not believe I can say it now.

Mr. GALLINGER. Mr. President, I am not a humorist. A great many times during the past four months I have wished that I had the humor of the late Sunset Cox, or Adam Bede, or the late Member of the other House, Mr. Cushman, of Washington. When we have been laboring here, perspiring and worrying and wondering and calling the roll, occupying an hour to get a quorum, I have wished that I might be able to make a humorous speech after the quorum had been secured. As I say, I am not a humorist, and I do not intend to undertake to enter that field, because I know I would make a sorry failure of it if I did; and yet it is an old maxim, and one that we can all accept, that—

> A little nonsense now and then
> Is relished by the wisest men.

If I uttered any nonsense, I am sorry the Senator from Georgia was not wise enough to appreciate the significance of it, or the meaning that I intended.

In speaking of the lumber of Puget Sound, I was entirely serious; and, if the representations that have been made here are accurate, I really think the Senators from that State might well ask for the same kind of relief that is being asked for the cotton of the South. It is not, of course, in such an alarming condition, but it is a condition that nevertheless must give some anxiety to the people of that part of the country.

I may have descended to levity, perhaps unintentionally, in suggesting certain other things. I do not indulge in levity when I say that I believe the manufacturers of this country have just as good a right, when their industries are prostrate and their products not marketable in the other nations of the world, to ask that the Government shall get back of them and help them out by permitting them to have certificates issued against the products of their mills and factories as the cotton growers of the South or the farmers of any other section of the country. I may be wrong about that; but I will assure my friend the Senator from Georgia that I always endeavor to treat seriously every question that is before this body. I have been hoping that these emergency measures would end sometime, because I expect some of these days to have a Senator introduce a bill or call up a report to remove the charge of desertion from some soldier, and say it is an emergency measure. It is becoming common for us to say that. I have heard it said about some measures not much more important than a measure of the kind I have suggested.

I trust that the bill, if passed, will bring the desired relief.

Mr. SMITH of Georgia. Mr. President, I do not believe it will bring relief at all. It will help, though, in the very serious situation that confronts us, and I think it will help substantially, and much beyond the nominal cost involved.

Mr. GALLINGER. I was about to say that in the case of a section of the country that has made such marvelous progress in recovering from the disasters of a terrible war—and some of us have a recollection of what that meant—I certainly should not feel like standing in the way of any reasonable relief that can be secured. At the same time I feel we are getting too much into the habit of feeling that it does not make much difference what happens to the American people; the Government of the United States will take care of them. It is getting to be a habit that if there is financial trouble, or transportation trouble, or manufacturing trouble, or almost any other type of

trouble that overtakes a section of our country, we ought to appeal to the Federal Government to come to our relief and help us out, destroying, as I think it is calculated to do, individual enterprise, ambition, and initiative.

So, as a general thing, I do not take kindly to that sort of legislation; but I have said all I care to say. I wish to assure my good friend the Senator from Georgia, whose amiability and good nature and courtesy largely come from the fact that he can trace his lineage back to New Hampshire, that I did not mean in any way to ridicule this matter, or to undertake to defeat it by any methods that are not creditable.

Mr. NELSON. Mr. President, in order to promote the passage of this bill I have so far avoided saying anything; and I would not now take up the time of the Senate except to express my views on this question.

I am not here either to pass compliments or to make apologies. To me this cotton bill in its original form seemed a true emergency measure. What were the conditions? The southern people have raised an enormous cotton crop. A large share of that crop has to be marketed abroad. The chief markets are in the countries where war is now prevailing—Germany, Belgium, France, Holland, and some of the neutral countries. There is no market for that cotton at present, and the cotton farmers who have raised it need money in order to subsist. They can get the money only by borrowing it on their cotton; and it is necessary to make some provision whereby cotton paper, so to speak—certificates relating to cotton—shall have a bankable value, so that the people can raise money.

The exigency was so great that it seemed to me there was much more necessity for passing a bill of that sort than the war-risk insurance bill; but I was very sorry to see these other matters injected into it. I do not think either tobacco or naval stores should go in the same bill, nor wheat, nor canned salmon, nor any of these products.

Wheat, corn, oats, canned salmon, apples, and peaches are food products. Europe has to have them, and there will be an instant demand, war or no war. All that remains to find an avenue and a market for our goods is to open transportation across the Atlantic. Fortunately, the embargo that existed immediately following the declaration of war has been to a large extent removed, and to-day there are being shipped abroad from this country millions of bushels of wheat, corn, and other products.

There is this difference between grain and cotton: A grain farmer in my part of the country—and it is so to-day—could always, if he wanted money, put a load of wheat in his wagon and go to the elevator and get cash for it. A cotton farmer in this contingency can not do it, unless he can borrow on his bale of cotton. The men can not furnish the capital necessary for it.

Now, I made no objection to the amendment relating to grain inspection. I made no objection for this reason: In the first place I regarded it as of no practical value. In the next place it did not interfere with our grain-inspection system. We have in the grain States what you men in the cotton States have not—a system of elevators and warehouses controlled by the State. We have such a system in Minnesota. Those elevators and warehouses are licensed. They are controlled by the State. They are under bond, and they are required to insure the contents of the warehouses and elevators for the benefit of the holders of the tickets. During the last 25 years there never has been a time when our people—farmers, merchants, and everybody else—could not go to any bank and borrow money on those wheat receipts and wheat certificates. In fact, they have been regarded as the very best of security, and men could borrow at a lower rate of interest on that kind of paper than on almost any other kind of paper.

There will be no trouble with us in the Northwest. Our wheat will be in demand. The wheat crop in the Northwest this year is a light crop, not much more than half a crop, on account of the black rust and the blight and the hot weather. We will have a market for it, and there will be no trouble about raising money.

It is not so with the people of the South. Therefore, while I have made no opposition to these several amendments, except that I did vote against the canned-salmon amendment, and I intend to vote against the amendment of the Senator from West Virginia [Mr. CHILTON], and I made no objection to the amendment relating to grain, because I deemed it entirely unnecessary, yet I think in all reason, if we want to enact a pure, naked emergency measure, we ought to confine it to cotton, and cotton alone, because it is only intended to live for nine months after the declaration of peace, or, at the utmost, for two years.

However that may be, I trust the bill will pass, even with these bad amendments attached to it. I shall vote for it, because I realize that the cotton planters of the South need this above everything else. I hope some of these objectionable matters may be eliminated from it in conference; but whether they are eliminated or not, in view of the great importance of relief for the cotton planters, I feel it to be my duty to take the poison together with the good things in the bill.

Mr. WEEKS. Mr. President, will the Senator yield for a question?

Mr. NELSON. Certainly.

Mr. WEEKS. The Senator suggests that the passage of this bill is vitally needed. I noticed in the papers yesterday a statement made by Mr. Festus J. Wade, president of a large trust company in St. Louis, speaking for the bankers of St. Louis, to the effect that it was unnecessary for the Government to make any provision for financing the cotton crop, because the bankers of St. Louis, through their associates, had made ample provision for it. I desire to ask the Senator if he knows anything about that and if that is true?

Mr. NELSON. I know nothing about it. I saw the statement in the newspapers, but to my mind it is utterly impossible. I do not think all the banks in St. Louis or in the regional reserve bank at St. Louis could command money enough to finance the cotton crop of the South. It would take over a billion dollars to handle that crop at the present time. When bankers come in and say that, they say it in a spirit of selfishness, because they do not like to have the Government interfere with their banking arrangements. We all know, when it comes to that matter, that the bankers are as selfish a lot of people as there are anywhere in the community, and, of course, they realize that if the Government turns in and helps part of their mission will be gone.

Mr. WEEKS. Of course the Senator will recognize the fact that the issuance of certificates does not obviate the necessity for the banks to advance money. It is simply advancing it on a different form of paper. The Government does not advance any money.

Mr. NELSON. I want to say to the Senator that it depends a good deal on the form and the character of the certificate as to whether or not money can be obtained on it. The object of this legislation is to give the certificate for cotton such a value that good banks all over the country will be ready to utilize it and give credit on it.

There is one feature of the bill that I think it would strengthen it to amend so as to make it analogous to our grain-inspection law in Minnesota, and that is to require these warehouses that obtain licenses and act under this law, in addition to giving bonds, to insure the cotton for the benefit of the holders of the receipts. I should be very glad to see that provision inserted in the bill, and I think it would greatly strengthen the certificates.

Mr. President, while it is all very well in normal times to stand upon high constitutional principles and say that we ought not to aid private parties, in all great emergencies we have to come to the relief of people. War and the exigencies of war bring to us duties and burdens that are not incident to peace. For years I have heard the banks criticize the greenback dollar and claim that it was only a paper dollar, a promissory note, and that we ought to get it out of circulation as soon as we could and get on a gold basis. Yet in an emergency who are the quickest to come here and ask us to allow them to issue millions of dollars of emergency currency under the Aldrich-Vreeland bill? These worshipers of gold in times of peace, who warn us against using any other basis for our circulation than gold, when an emergency arises are as ready to drop gold as a child is to drop a live coal that it has in its hand.

We passed the other day an emergency measure to increase our shipping—a most beneficent law. It is an entering wedge, and I hope it will lead to the acquisition by the United States of a merchant marine that will plow the seas and control our commerce in war and in peace as it did in the days before the Civil War and as the New England clipper ships did in the olden times.

Mr. GALLINGER. But, Mr. President, if the Senator will permit me, does the Senator seriously believe that the legislation we have passed is going to do very much in that direction?

Mr. NELSON. I do. I have faith in that legislation. I know how the Senator feels. He feels that no ship is fit to navigate the ocean with the American flag on it unless it is built in a New England shipyard.

Mr. GALLINGER. Oh, no, Mr. President. That is not my attitude at all. I have no interest in the New England shipyards. There is not one in my State.

Mr. NELSON. I did not refer to the Senator's State. I said in a New England shipyard.

Mr. GALLINGER. It is a rather ungenerous suggestion. That is not my attitude at all. I voted for that emergency legislation——

Mr. NELSON. I know the Senator did.

Mr. GALLINGER. And I hope some good will come out of it; but that it will be the basis for a real rehabilitation of the American merchant marine I confess I can not and do not believe.

Mr. NELSON. We have made a beginning. We have to learn our A B C's before we do anything else. That is a beginning.

Mr. GALLINGER. Yes; but sometimes when a child learns its A B C's you never can teach it anything beyond that. I have seen such instances.

Mr. NELSON. Well, those children are so saturated with certain isms that they never can get further under any circumstances.

We supplemented that legislation by war-risk insurance. Some criticized that as being of a paternalistic character. We did that, however. In doing that we followed in the footsteps of other nations. England has issued its war-risk insurance. France has issued its war-risk insurance, and the other countries have done the same thing. Even little Norway, with its merchant marine, the fourth in the merchant marines of the world, has issued its war-risk insurance. They are all doing just what we have been doing; and in time of war we can not go back and stand upon the high and lofty principles that we do in time of peace. We must meet the emergency, because our Government is established for the welfare of the American people and not for mere academic principles.

Mr. FALL. Mr. President, I have been in favor of this bill because I believe, as has been said by the Senator from Minnesota [Mr. NELSON], that it was practically necessary emergency legislation. I believe that the small cotton man, the individual farmer, the 8-bale man, would derive great benefit from it. He is the man who has to borrow money from the local merchant generally, or from the little local bank, and with a $60 bale of cotton has borrowed up to this time, I suppose, $30 or more. There is no market now for his cotton. The small merchant needs his money; the small local banker needs his money. The proposition is simply to put his cotton in a shape where certificates representing the ownership can be presented in New York or in any other portion of the United States. In that way, I believe, at least some help would be extended to the small cotton man in the South.

I can not vote for this bill with the amendments which have been placed upon it. An entirely different proposition presents itself, Mr. President, when the foodstuffs, the necessaries of life of the 90,000,000 people of this country are concerned. The object of the bill as amended if it has any effect is simply to enable the wheat grower to reap a benefit, and I say as to the wheat grower, Mr. President, that is a mistake. It is not the wheat grower, because the wheat has gone already out of the hands of the wheat grower into the hands of the speculator and the elevator man, and these two practically now own the wheat and will hold it until the time when they will get the price which suits them for the wheat.

There has been legislation in the history of the Government in matters of foodstuffs in time of emergency, and the legislation heretofore has been in the interests of the man who bought and ate the bread. The object has been to control the prices so that no one might forestall or take advantage of opportunities to demand high prices for the foodstuffs for the people to live on. It has surprised me during this debate here that not one word has been said by those who have spoken upon this matter, and some have spoken several times, of the man who has to eat, the man who has to feed his family of little children, to whom we should look to some extent, at any rate.

I am against any such amendments as would allow the salmon factory to place its food products in a warehouse and enable the factory to bank that stuff and to secure money with which to carry it for the purpose of oppressing the people who must eat the product. I am against the proposition, as it is submitted here in this amendment, to issue certificates on grain, for the same reason. Canada already, we understand from the press, is attempting to regulate the prices for the benefit of the consumers, for the benefit of those who must eat the product of the wheat; and here we are simply proposing by legislation to enable the man who now holds the wheat—not the man who raises it, not the man who has parted with it, but when he has sold it to the elevator or sold it to the speculator—to control the food products upon which the people of this country must rely and to hold it until he can get what he pleases for it or export it. Why? They may wait until the price in Europe rises above what it is to-day and enable them to handle not only the European portion of the crop that would naturally go to Europe, but we are passing legislation of this kind without any provision to prevent it, which has been prohibited by the laws of all civilized countries ever since laws were first made. Without any attempt to throw restrictions around the warehousing, the holding, and the speculation in the foodstuffs, we, by this amendatory legislation, put them in the same class as the cotton of the South.

I was in favor of the bill as it stood. I am absolutely opposed to it with the various amendments that have been placed upon it, unless there is some provision with those amendments in the bill for the protection of the consumers of the United States.

Mr. BRISTOW. Mr. President, the Senator from New Mexico [Mr. FALL] has indicated that so far as the amendment relating to grain is concerned it is in the interest of speculators in grain. The truth is that the speculators in grain took advantage of the situation that existed when transportation was stopped and the necessities of the farmers who produced the grain, and the price was put down very low. As I said the other day, in the section of the country from which I come millions of bushels of wheat were sold for 60 cents a bushel, which was exceedingly low. That wheat now is in the possession of the elevators, and I might say the speculators, the millers, and jobbers, and exporters, and the price has gone up, so that in the same section of the country it is now selling for 75 and 80 cents.

If we had had legislation similar to this, or if we had had laws that would accomplish what this purports to accomplish, it would not have been necessary for the farmer to have sold his wheat to the speculator. He could have placed it in storage, and with his certificate he could have handled his business and met his obligations. It is to relieve him from such opportunities of oppression from those who deal in his products that makes me favor this kind of legislation.

There is no difference in principle between the situation which confronts the cotton farmer of the South and the wheat farmer of the West. Wheat and cotton are staple products, and the farmer is not interested in any combination or trust to force up the price and to extort from the people of the United States more than he is entitled to for his product. The price of flour has been advancing not because the cost of producing flour is any greater, but flour made from wheat that was purchased for 60 cents a bushel has been advanced, not flour from wheat that was purchased for 80 or 90 cents.

This legislation is not in the interest of the speculator in wheat any more than it is in the interest of the speculator in cotton, and to draw a distinction is unfair to the wheat producers of the West and the Senators who are attempting to help them and to protect them from the disaster that has been visited upon them. While millions of bushels of wheat have already been marketed, there are still millions of bushels to market.

I do not care to style this as emergency legislation. I am not for amendments that limit its operation. I think we ought to have well-considered legislation of a permanent character, so as to meet any emergency that might come upon the producing class of our country, the farmer, who can not combine and reap the greatest reward from the production.

We have bills here pending which seek to relieve farmers from the operations of the antitrust laws. To my mind they are ridiculous, unnecessary, and impracticable. The farmers can not organize a trust. They do not want to be permitted to organize trusts. What they are asking is protection from trusts that are organized to deal in the products which come from their toil and not permission to organize a trust themselves. They do not organize and extort from the people unreasonable prices for what they have to sell. If they were disposed to do it, it would be impossible for them to do it; there are too many of them, and competition is too widespread and universal among them.

Any permanent legislation that will bring about opportunities for the farmer to store products that can be stored with safety, so that he may utilize the value which he owns in those products, products that will command cash on the market, is not unwise legislation. It is safe, sane, and beneficial legislation. I regret, sir, that limitations of any kind have been placed upon it.

Mr. FALL. May I ask the Senator from Kansas a question?

Mr. BRISTOW. Certainly.

Mr. FALL. I join the Senator in the hope that such legislation may be enacted at some time for the benefit of the farmer; but along with such legislation does not the Senator join with me in the belief that there should be such restrictions as will protect the consumer?

Mr. BRISTOW. Certainly; I am in favor of that, and I thought we were going to try to have legislation here that would protect the consumer from combinations and trusts.

Mr. FALL. We are undertaking to protect the farmer—that is, the food owner, the man who holds to-day the people's food—but we are undertaking to protect him by simple amendments to a bill which does in no way prevent forestalling or the holding of the people's foodstuffs to their detriment or injury.

Mr. BRISTOW. Any legislation that is for the purpose of breaking up any combination such as Mr. Patton and a few others entered into to force the prices, of course, the Senator knows I am heartily in favor of. I think a lot of those fellows ought to be in the penitentiary. They are a curse to humanity just the same as are the Wall Street speculators, who ought to be in the penitentiary instead of being put in places of high authority in the affairs of the Government.

Mr. GRONNA. Mr. President——

The VICE PRESIDENT. Does the Senator from Kansas yield to the Senator from North Dakota?

Mr. BRISTOW. I do.

Mr. GRONNA. I wish to suggest to the Senator from Kansas that the men of whom he speaks do not deal in wheat. They deal in what we call "wind wheat."

Mr. BRISTOW. Yes; imaginary, future wheat.

Mr. GRONNA. I want to say for the benefit of my friend the Senator from New Mexico that, so far as the West is concerned, not a bushel of this year's crop is in the hands of the speculators. It is all in the hands of the farmers.

Mr. FALL. I want to answer the Senator from North Dakota to this extent: The Senator is one of the great farmers of this country. I am one of the small farmers of the country. I know something, in my small way, about farming, as well as the Senator does in his much larger way. I am dependent upon farming entirely, aside from the salary which I receive here for my very brilliant labors in this body. I know something about wheat. I raise wheat to some small extent. I know something about hay. While the Senator is speaking of the wheat crop, why has he not said something about the hay crop, which bears the relation of 8 to 5 to wheat in total value? There is $800,000,000 worth of hay and $500,000,000 worth of wheat, on an average, in a year. Hay is the one great product of my part of the country. Alfalfa hay alone in New Mexico is worth more than the entire mineral output of the great mineral State of Arizona, which I believe stands first to-day in copper production, for instance. It is one of the great crops which we raise. The price for it is fixed not by the local market, but is fixed by an interstate relationship, because we ship to Louisiana, Georgia, and other Southern States.

I am not here asking, sir, for protection for hay, although my hay product might amount to almost as much, possibly, as the total value of the wheat of some individual wheat farmers in the Northwest. I bale my hay. Hay can be kept for years. But I am not asking any special legislation to help in getting some money for the hay product.

Mr. GRONNA. Mr. President——

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from North Dakota?

Mr. FALL. I do.

Mr. GRONNA. I wish to remind my good friend from New Mexico that, so far as I am personally concerned, I shall not take advantage of the new law. I do not expect to receive a single certificate or ask the Secretary to issue me a certificate, so far as I am concerned. I make this statement in order to relieve the mind of the Senator from New Mexico.

Mr. FALL. My mind, so far as the Senator who has just spoken is concerned, needs no relief, except from the burden, possibly, of admiration for that Senator's sincerity and honesty. But I do not think that the Senator has looked upon the other side of the wheat proposition. If we raise the price of hay, Mr. President, it might not affect the foreign market a great deal, but it would affect the price of every pound of meat that the people of the United States eat. The price of every pound of mutton, every pound of pork, and every pound of beef would be affected by the increase in the price of hay, because not only the corn which the Senators have spoken of, but hay, are absolutely necessary for the making of meat.

But, Mr. President, as I said, when the Senator from Kansas can join me in working out some scheme by which we can help the farmer and keep him out of the hands of the speculator, help him to get a good price for his products, I will vote for it, provided that at the same time there are restrictions thrown around the disposition of that product, so that advantage will not be taken of those who must have foodstuffs to sustain life and who do not raise them on the farm.

The VICE PRESIDENT. The question is on the amendment of the Senator from West Virginia [Mr. CHILTON].

Mr. POINDEXTER. The Senator from West Virginia [Mr. CHILTON] seems to be under the impression, in speaking upon the amendment, that if it were adopted the Government would have no authority to grade and certify the grade of peaches and apples. His amendment provides that all the provisions of the bill relating to cotton shall apply to peaches and apples in so far as they are applicable. The bill, in section 9, provides:

> That any warehouse receipt or certificate of the grade or class of cotton issued under this act may specify the grade or class of the cotton covered thereby in accordance with the official cotton standards of the United States, as the same may be fixed and promulgated under authority of law from time to time by the Secretary of Agriculture, or in accordance with any other standard. If such receipts and certificates state the grade or class, they shall show the standard in accordance with which the cotton has been graded or classified.

If the Senator's amendment should be adopted, the same provision will be applied to the products which his amendment specifies. It was mainly for that reason I thought I ought to state I would be compelled to vote against the amendment. I think that if the Government should be authorized to fix a standard of grades of apples and peaches, if that should be deemed wise legislation, there ought to be some consideration given by Congress before conferring that authority upon the Secretary of Agriculture as to the standard which he is to fix or the rules by which he shall be guided in fixing the standard.

There are different standards in different parts of the country. One section of the country will insist upon a certain standard, another section of the country upon another standard. It does not apply only to the quality of the fruit, but there may be included under the very general provisions of the bill, all of which I have not read, the fixing of the manner of packing, the size and character of the packing boxes, and, as I have stated before, what is satisfactory to one part of the country in that respect is not satisfactory to another part. The standard should be discussed and fixed by statute and not left to the unlimited discretion of the Secretary.

This bill has for its sole purpose the grading and certifying of the grades of cotton and the licensing of the warehouses in which it is stored, the establishment of what may be called bonded warehouses. If it is considered advisable to establish standards for warehouses for the storing of fruit, of course if peaches and apples are included there is no reason why other kinds of fruit should not be included also. That is a matter which should be thoroughly discussed and the interested parties heard from before a law is enacted.

Mr. McCUMBER. Mr. President——

Mr. POINDEXTER. I yield to the Senator from North Dakota.

Mr. McCUMBER. Suppose that peaches were inspected and put into a warehouse as of a certain grade, how long would those peaches retain that grade? Are they not so perishable that any rule of this kind could not be applied to them? Would it not be ridiculous to attempt to apply it to any perishable fresh fruit?

Mr. POINDEXTER. It certainly would be so far as peaches are concerned, in my judgment. How long a peach would retain its quality in storage would depend somewhat upon the variety of the peach; but a certificate would be issued under this bill that a peach was stored of a certain grade. As the Senator has very well suggested, no information would be given by that certificate as to whether or not at any certain time the peach was a marketable commodity or retained the standard which had been fixed by the Government at the time the certificate was issued.

Mr. McCUMBER. The Senator from Washington knows, if he will excuse me, that cotton can be kept for years without deteriorating. Wheat is really better the second year than it is the year that it is raised; it brings a higher market price when it is a year old than it does directly from the farm. I assume that wheat would be good for 5 or 6 years if kept in a good dry place, and I do not know but that it might be good for 30 years if kept in a proper place. This bill would apply to those products which we can store and can keep. When we include the ordinary grains and cotton, I think we have covered the ground unless we go into canned goods.

Mr. POINDEXTER. To appreciate the difficulty the Government would be confronted with if the bill should be extended to include perishable fruit it is only necessary to read section 10, which provides for inspection and reinspection and reexamination, at such time as the Secretary of Agriculture may see fit, of cotton which is proposed to be stored under the bill. A system of inspection of peaches from time to time to ascertain whether or not the certificate which had been issued for them was still a good certificate would be manifestly impracticable.

I do not think any such authority ought to be conferred upon the Secretary of Agriculture or that any such service is necessary.

I think it ought to appear while we are discussing this amendment just what it does provide, so I will read a few lines of the bill:

SEC. 10. That the Secretary of Agriculture is authorized to cause inspections and examinations to be made of any cotton which, in any warehouse receipt or certificate issued pursuant to this act, has been certified or represented to conform to any grade or class established in the official cotton standards of the United States and to ascertain whether the cotton—

"Or the peaches or apples," I may interpolate—

is in fact of the specified grade or class. Whenever, after opportunity for hearing has been afforded to the owner of the cotton involved and the licensee concerned, it is determined by the Secretary that any such cotton has been incorrectly certified or represented to conform to a specified grade or class of the official cotton standards of the United States, he may publish his findings.

Section 9 provides:

That any warehouse receipt or certificate of the grade or class of cotton issued under this act may specify the grade or class of the cotton covered thereby, etc.

I have read that. Very general authority is given to the Secretary of Agriculture under section 14 of the bill, which provides:

SEC. 14. That the Secretary of Agriculture shall, from time to time, make such rules and regulations as he may deem necessary for the efficient execution of the provisions of this act.

It is difficult to tell what the Secretary of Agriculture would not be allowed to do under that general authority; and whether or not such rules or regulations could be framed by him as would be satisfactory to the different sections of the country interested in these products is a matter which would require some conference between them. There ought to be some understanding in advance of the principles by which the Secretary would be guided before he is clothed with this comprehensive and unlimited power to make rules and regulations.

Mr. CHILTON. Mr. President——

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from West Virginia?

Mr. POINDEXTER. I yield.

Mr. CHILTON. I merely want to ask the Senator how he thinks the Secretary of Agriculture will grade canned salmon, an amendment as to which was inserted for the benefit of his section of the country?

Mr. POINDEXTER. He would grade them a good deal in the same way that meat is graded. I will say, however, that I did not propose the amendment to which the Senator from West Virginia refers.

Mr. CHILTON. Salmon are packed in cans. How can they be graded in the cans? I voted with the Senator to include canned salmon. I took the word of Senators from that section that such an amendment was needed. I recognize that a war emergency exists; and I suppose that we should have faith in the Secretary of Agriculture that he would not do a foolish or a vain thing; and that he would certainly not injure any section of the country.

Apples are raised in the section of country from which the Senator from Washington comes; they are raised in West Virginia; they are raised throughout the Valley of Virginia. Certainly in a great emergency like this, when the foreign market is taken from us, we ought to get together. Instead of dwelling on grades, we ought to have in mind preserving the interests of the tens of thousands of people who are engaged in the industry; and we ought to recollect that the great thing is to get something out of this legislation for our people, and not have a contention as to how these articles are to be graded. I am perfectly willing that all the apples shall come up to the Washington apple grade, if it is so desired. I do not care whether the department grades them on the basis of Washington apples or West Virginia apples, the Roman Beauty, the Ben Davis, the Grimes Golden, or what not. I want something to preserve the product of these people.

Is not the Senator surprised that anyone should make the objection here that there has any trust entered into this matter? As a rule, we can not go out and sell 1 barrel of apples, or 2 barrels of apples, or 10 barrels of apples. The object of the amendment is to save them for a particular time when there is a market; when they can be handled in quantities, and to put them in warehouses or cold storage where they can remain.

I am not interested in the grade of apples, but I am interested in the fact that there is an emergency, and tens of thousands of people in the Senator's State and in my own State will be greatly injured if we do not very soon do something to help them. I think this is not a time to bring up technical questions.

Mr. POINDEXTER. Mr. President, I call the attention of the Senator from West Virginia to the fact that the further authority is conferred upon the Secretary of Agriculture, under this comprehensive bill, of issuing licenses to inspectors. Whether or not that is feasible as to peaches certainly, or as to apples, in my opinion, is extremely doubtful, and it is of doubtful advisability whether there ought to be Government inspection of peaches. Section 6 of the bill provides as follows:

SEC. 6. That the Secretary of Agriculture may, upon presentation to him of satisfactory proof of competency, issue to any person a license to grade or classify cotton, and to certificate the grade or class thereof, under such rules and regulations as may be made pursuant to this act.

I am not in favor at this time of voting for a measure conferring that authority upon the Secretary of Agriculture as to peaches and apples.

In conclusion, I wish to call attention to the recent law which was passed in the Agricultural appropriation bill appropriating $91,000 to be used by the Secretary of Agriculture in the establishment of standards for grades of cotton. So that the emergency, if there is an emergency—and I think that the relief which would be obtained from this bill is very largely exaggerated—has been already partly covered by this Congress in the appropriation of that considerable sum of money. The act provides:

For investigating the ginning, handling, grading, baling, gin compressing, and wrapping of cotton, and the establishment and demonstration of standards for the different grades thereof, and for carrying into effect the provisions of law relating thereto, $91,000.

All of the work covered by that appropriation of $91,000 is in direct line of the work provided for in this bill. So far as examination of the cotton itself is concerned, the bill simply provides for an extension of the work, so that the entire expense of what is necessary to be done in carrying out the purposes of this bill will not have to be paid for by the appropriation contained in the bill itself.

Mr. SMITH of Georgia. In other words, the Senator points out that, so far as cotton is concerned, Congress has already provided for a considerable portion of this work.

Mr. POINDEXTER. Yes.

Mr. SMITH of Georgia. Now, this bill simply means that the department may classify and designate or arrange to classify and designate it.

Mr. POINDEXTER. Exactly; and I think it involves no new principle whatever from that which was accepted and recognized by Congress in the Agricultural appropriation bill.

Mr. McCUMBER. And I want to say that if the Senator had read on a little further he would have found $76,320 appropriated for investigating the handling and grading of grain; so that the Senator's remark will apply equally to grain.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from West Virginia. [Putting the question.] By the sound the noes seem to have it.

Mr. CHILTON. I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. CHILTON. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Fletcher	Lee, Md.	Sheppard
Bankhead	Gallinger	Lewis	Shields
Bristow	Gore	McCumber	Simmons
Bryan	Gronna	Martin, Va.	Smith, Ga.
Burton	Hollis	Martine, N. J.	Smoot
Chamberlain	Hughes	Myers	Swanson
Chilton	Johnson	Nelson	Thomas
Culberson	Jones	Overman	Thompson
Cummins	Kern	Perkins	Thornton
Dillingham	Lane	Pittman	Weeks
Fall	Lea, Tenn.	Poindexter	White

The VICE PRESIDENT. Forty-four Senators have answered to the roll call. There is not a quorum present. The Secretary will call the names of absent Senators.

The Secretary called the names of absent Senators, and Mr. HITCHCOCK, Mr. REED, Mr. SHAFROTH, Mr. SHIVELY, and Mr. WEST answered to their names when called.

Mr. BRADY entered the Chamber and answered to his name.

The VICE PRESIDENT. Fifty Senators have answered to the roll call; there is a quorum present.

Mr. CHILTON. Mr. President, I renew my request for the yeas and nays upon my amendment. I wish to say to the proponents of this bill that it might be well for them to give us all a fair chance.

The VICE PRESIDENT. The Senator from West Virginia requests the yeas and nays on his amendment. Is the request seconded?

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. FLETCHER (when his name was called). I am paired with the junior Senator from Wyoming [Mr. WARREN]. I transfer that pair to the junior Senator from Ohio [Mr. POMERENE] and will vote. I vote "nay."

Mr. GALLINGER (when his name was called). Transferring my pair with the junior Senator from New York [Mr. O'GORMAN] to the junior Senator from Vermont [Mr. PAGE], I vote "yea."

Mr. GORE (when his name was called). I have a general pair with the junior Senator from Wisconsin [Mr. STEPHENSON], and therefore withhold my vote.

Mr. HOLLIS (when his name was called). I am paired with the junior Senator from Maine [Mr. BURLEIGH], and withhold my vote.

Mr. LEA of Tennessee (when his name was called). I transfer my pair with the senior Senator from South Dakota [Mr. CRAWFORD] to the junior Senator from South Carolina [Mr. SMITH] and will vote. I vote "nay."

Mr. MYERS (when his name was called). I transfer my pair with the junior Senator from Connecticut [Mr. MCLEAN] to the senior Senator from Nevada [Mr. NEWLANDS] and will vote. I vote "nay."

Mr. REED (when his name was called). I transfer my pair with the senior Senator from Michigan [Mr. SMITH] to the junior Senator from Louisiana [Mr. RANSDELL] and will vote. I vote "yea." I take this occasion to announce that my colleague [Mr. STONE] is necessarily absent from the Senate, and has been excused by the vote of the Senate. In his absence he is paired with the senior Senator from Wyoming [Mr. CLARK].

Mr. SIMMONS (when his name was called). I have a general pair with the junior Senator from Minnesota [Mr. CLAPP]. As I can not secure a transfer, I withhold my vote.

Mr. SMITH of Georgia (when his name was called). I have a general pair with the senior Senator from Massachusetts [Mr. LODGE]. I am, however, at liberty to vote for the purpose of making a quorum. I vote "nay"; but I shall withdraw my vote if it is not necessary to make a quorum.

Mr. THOMAS (when his name was called). I have a general pair with the senior Senator from New York [Mr. ROOT]. In his absence I withhold my vote.

Mr. WALSH (when his name was called). I have a general pair with the senior Senator from Rhode Island [Mr. LIPPITT]. Under the terms of that pair I am at liberty to vote in case my vote is necessary to make a quorum. I shall withhold my vote for the present, until I ascertain whether or not it will be necessary to make a quorum.

Mr. WEEKS (when his name was called). I have a general pair with the senior Senator from Kentucky [Mr. JAMES], which I transfer to the senior Senator from Illinois [Mr. SHERMAN], and will vote. I vote "nay."

The roll call was concluded.

Mr. CHAMBERLAIN (after having voted in the affirmative). I transfer my pair with the junior Senator from Pennsylvania [Mr. OLIVER] to the junior Senator from Mississippi [Mr. VARDAMAN], and will allow my vote to stand.

Mr. CULBERSON. Again announcing my pair and its transfer, I vote "nay."

Mr. SIMMONS. If my vote is necessary to make a quorum, under the terms of my pair I am at liberty to vote. I vote "nay."

Mr. WALSH. I am advised that less than a majority has voted, and I accordingly vote. I vote "nay."

Mr. THOMAS. I desire to be counted as present.

The result was—yeas 12, nays 36, as follows:

YEAS—12.

Camden	Gallinger	Jones	Pittman
Chamberlain	Hughes	Lane	Reed
Chilton	Johnson	Martine, N. J.	Swanson

NAYS—36.

Ashurst	Fall	Myers	Simmons
Bankhead	Fletcher	Nelson	Smith, Ga.
Brady	Gronna	Overman	Smoot
Bristow	Hitchcock	Perkins	Thompson
Bryan	Kern	Poindexter	Thornton
Burton	Lea, Tenn.	Shafroth	Walsh
Culberson	Lee, Md.	Sheppard	Weeks
Cummins	McCumber	Shields	West
Dillingham	Martin, Va.	Shively	White

NOT VOTING—48.

Borah	Hollis	Owen	Smith, S. C.
Brandegee	James	Page	Stephenson
Burleigh	Kenyon	Penrose	Sterling
Catron	La Follette	Pomerene	Stone
Clapp	Lewis	Ransdell	Sutherland
Clark, Wyo.	Lippitt	Robinson	Thomas
Clarke, Ark.	Lodge	Root	Tillman
Colt	McLean	Saulsbury	Townsend
Crawford	Newlands	Sherman	Vardaman
du Pont	Norris	Smith, Ariz.	Warren
Goff	O'Gorman	Smith, Md.	Williams
Gore	Oliver	Smith, Mich.	Works

The VICE PRESIDENT. On the amendment of the Senator from West Virginia [Mr. CHILTON] the yeas are 12 and the nays 36, Senators GORE, HOLLIS, and THOMAS being in the Chamber and having announced their pairs, and not voting. The Chair declares the amendment rejected.

Mr. CHILTON. Mr. President, I now offer the same amendment with the words "appies" and "peaches" stricken out, so that it will apply to oil alone. I will test the good faith of the critics of the amendment. I ask that the Secretary may state the amendment with those words stricken out.

The VICE PRESIDENT. The Secretary will state the amendment as modified.

The Secretary read as follows:

That all the provisions hereof are extended to include tanks, tankage, and pipe lines for the storage of oil, together with the inspection, classification, and the issuance of receipts and certificates therefor, to the same extent, so far as applicable, as the same are made applicable to the warehouses for the storage and classification of cotton, under such rules and regulations as the Secretary of Agriculture may prescribe.

Mr. SMITH of Georgia. I move to lay the amendment on the table.

Mr. CHILTON. On that motion I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. NELSON. Mr. President, what is the motion—to lay on the table?

The VICE PRESIDENT. To lay the amendment on the table.

Mr. CHAMBERLAIN (when his name was called). I transfer my general pair with the junior Senator from Pennsylvania [Mr. OLIVER] to the junior Senator from Mississippi [Mr. VARDAMAN] and will vote. I vote "nay."

Mr. DILLINGHAM (when his name was called). In the absence of the senior Senator from Maryland [Mr. SMITH], with whom I have a pair, I withhold my vote.

Mr. FLETCHER (when his name was called). I announce my pair and its transfer as before and will vote. I vote "yea."

Mr. GALLINGER (when his name was called). Announcing the same transfer as on the previous roll call, I vote "nay."

Mr. GORE (when his name was called). I again announce my pair with the junior Senator from Wisconsin [Mr. STEPHENSON] and withhold my vote. I desire to be counted as present.

Mr. HOLLIS (when his name was called). I announce my pair and withhold my vote.

Mr. LEA of Tennessee (when his name was called). Repeating the same announcement as on the previous roll call as to the transfer of my pair, I vote "yea."

Mr. MYERS (when his name was called). I again announce the transfer of my pair with the junior Senator from Connecticut [Mr. MCLEAN] to the senior Senator from Nevada [Mr. NEWLANDS] and will vote. I vote "yea."

Mr. REED (when his name was called). I make the same transfer as on the previous roll call and vote "nay."

Mr. THOMAS (when his name was called). I again announce my pair and withhold my vote. I ask to be counted as present.

Mr. WALSH (when his name was called). I again announce my pair with the senior Senator from Rhode Island [Mr. LIPPITT]. It being obvious that my vote is necessary in order to help make a quorum, I vote "yea."

Mr. WEEKS (when his name was called). I transfer my pair with the senior Senator from Kentucky [Mr. JAMES] to the senior Senator from Illinois [Mr. SHERMAN] and will vote. I vote "yea."

The roll call was concluded.

Mr. SIMMONS. If necessary to make a quorum, I will vote. I vote "yea."

Mr. LEWIS. If it is necessary to make a quorum, I will vote. I vote "nay."

The result was—yeas 25, nays 23, as follows:

YEAS—25.

Bankhead	Kern	Shafroth	Walsh
Brady	Lea, Tenn.	Sheppard	Weeks
Bryan	Martin, Va.	Shields	West
Fall	Myers	Shively	White
Fletcher	Nelson	Simmons	
Hitchcock	Perkins	Smith, Ga.	
Johnson	Poindexter	Thornton	

NAYS—23.

Ashurst	Cummins	Lane	Pittman
Bristow	Gallinger	Lee, Md.	Reed
Burton	Gronna	Lewis	Smoot
Camden	Hughes	McCumber	Swanson
Chamberlain	Jones	Martine, N. J.	Thompson
Chilton	Kenyon	Overman	

NOT VOTING—48.

Borah	Clarke, Ark.	Goff	Lodge
Brandegee	Colt	Gore	McLean
Burleigh	Crawford	Hollis	Newlands
Catron	Culberson	James	Norris
Clapp	Dillingham	La Follette	O'Gorman
Clark, Wyo.	du Pont	Lippitt	Oliver

Owen	Root	Smith, S. C.	Tillman
Page	Saulsbury	Stephenson	Townsend
Penrose	Sherman	Sterling	Vardaman
Pomerene	Smith, Ariz.	Stone	Warren
Ransdell	Smith, Md.	Sutherland	Williams
Robinson	Smith, Mich.	Thomas	Works

The VICE PRESIDENT. On the motion to lay on the table the amendment proposed by the Senator from West Virginia [Mr. CHILTON] the yeas are 25 and the nays are 23, and 2 Senators have requested that they be counted as present. That discloses the presence of a quorum, and the motion to lay on the table is agreed to.

Mr. GALLINGER. Mr. President, I have intimated two or three times that I would, perhaps, offer an amendment including textile manufacturing and the manufacture of boots and shoes, but I have concluded not to do so. I shall content myself by saying that if the conditions should overtake our manufacturing industries that we encountered in the years 1893 and 1894 in New England I think we would have quite as strong a case as the cotton raisers have at the present time. That does not exist to-day, however; and while there is a good deal of disturbance, I think our manufacturers can get along without Government aid. For that reason I shall refrain from offering the amendment that I suggested I might offer.

Mr. WEEKS. Mr. President, I have sent to the desk an amendment, which I wish to offer and have read.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 8, line 3, it is proposed to strike out the words "to call upon qualified persons not regularly in the service of the United States" and to insert "to appoint qualified persons, after examination to be held under his direction to determine their competency," so that, if amended, it will read as follows:

He is authorsed, in his discretion, to appoint qualified persons, after examination to be held under his direction to determine their competency, for temporary assistance in carrying out the purposes of this act, and out of the moneys appropriated by this act to pay the salaries and expenses thereof.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Massachusetts.

Mr. WEEKS. The only purpose of the amendment which I have offered is that an examination shall be given under the direction of the Secretary of Agriculture for the employees who are to be taken into the service under the provisions of this act.

Mr. SMITH of Georgia. So far as I am concerned I do not object to the amendment, because I know the Secretary contemplates having an examination and testing the proficiency before he makes any appointments.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

HOUR OF MEETING TO-MORROW.

Mr. KERN. I move that when the Senate adjourns to-day it adjourn until to-morrow at 11 o'clock a. m.

The motion was agreed to.

PETITIONS AND MEMORIALS.

Mr. PERKINS presented a petition of the Board of Trustees of Monrovia, Cal., praying for the enactment of legislation to provide pensions for civil-service employees, which was referred to the Committee on Civil Service and Retrenchment.

He also presented memorials of sundry citizens of San Diego and San Francisco, in the State of California, remonstrating against the passage of the so-called Clayton antitrust bill, which were ordered to lie on the table.

Mr. NELSON presented memorials of sundry citizens of Proctor, Minn., remonstrating against national prohibition, which were referred to the Committee on the Judiciary.

He also presented a petition of the Chautauqua Assembly of Austin, Minn., praying for the adoption of an amendment to the Constitution to prohibit polygamy, which was referred to the Committee on the Judiciary.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MARTINE of New Jersey:

A bill (S. 6376) for erecting a suitable monument to Commodore Uriah P. Levy, in the city of Washington, D. C.; to the Committee on the Library.

By Mr. SHIVELY:

A bill (S. 6377) granting an increase of pension to Eli Reese;

A bill (S. 6378) granting an increase of pension to John H. Tyson;

A bill (S. 6379) granting an increase of pension to Joseph McKinsey; and

A bill (S. 6380) granting an increase of pension to John W. Covey (with accompanying papers); to the Committee on Pensions.

By Mr. BURLEIGH:

A bill (S. 6381) granting an increase of pension to General John Harper; to the Committee on Pensions.

By Mr. CHILTON:

A bill (S. 6382) for the relief of Ida V. Stephens; to the Committee on Claims.

PROPOSED ANTITRUST LEGISLATION.

Mr. WALSH submitted an amendment intended to be proposed by him to the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes, which was ordered to lie on the table and be printed.

DONATION OF CONDEMNED CANNON.

Mr. GALLINGER submitted an amendment intended to be proposed by him to the bill (S. 5495) authorizing the Secretary of War to make certain donations of condemned cannon and cannon balls, which was ordered to lie on the table and be printed.

PRESIDENTIAL APPROVAL.

A message from the President of the United States, by Mr. Latta, executive clerk, announced that the President had, on August 24, 1914, approved and signed the following act:

S. 5198. An act to reserve certain lands and to incorporate the same and make them a part of the Pike National Forest.

EXECUTIVE SESSION.

Mr. KERN. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After six minutes spent in executive session the doors were reopened, and (at 5 o'clock and 8 minutes p. m.) the Senate adjourned until to-morrow, Tuesday, August 25, 1914, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate August 24 (legislative day of August 22), 1914.

UNITED STATES ATTORNEY.

John E. Laskey, of Washington, D. C., to be United States attorney for the District of Columbia, vice Clarence R. Wilson, whose term has expired.

SUPERINTENDENT UNITED STATES ASSAY OFFICE.

Verne M. Bovie, of New Rochelle, N. Y., to be superintendent of the United States assay office at New York, N. Y., in place of Daniel P. Kingsford, resigned.

ADJUTANT GENERAL'S DEPARTMENT.

Col. Henry P. McCain, adjutant general, to be The Adjutant General, with the rank of brigadier general, for the period of four years beginning August 27, 1914, vice Brig. Gen. George Andrews, to be retired from active service August 26, 1914.

POSTMASTERS.

CALIFORNIA.

Margaret C. Hamilton to be postmaster at San Anselmo, Cal., in place of Frank D. Burrows. Incumbent's commission expired June 14, 1913.

W. E. Hyatt to be postmaster at Cloverdale, Cal., in place of Thomas B. Wilson. Incumbent's commission expired January 23, 1912.

George W. Mallory to be postmaster at Nordhoff, Cal., in place of Samuel L. Smith. Incumbent's commission expired December 21, 1913.

George E. Meekins to be postmaster at Stanford University, Cal., in place of Helen C. Thompson, name changed by marriage.

Silas T. Merrill to be postmaster at Galt, Cal., in place of John J. Campbell. Incumbent's commission expired January 20, 1913.

F. N. Paxton to be postmaster at Oroville, Cal., in place of William L. Leonard. Incumbent's commission expired May 2, 1914.

GEORGIA.

James O. Varnedoe to be postmaster at Valdosta, Ga., in place of James O. Varnedoe. Incumbent's commission expired March 28, 1914.

HAWAII.

Moses D. K. Keohokaloie to be postmaster at Lahaina, Hawaii, in place of John M. Bright, declined.

IDAHO.

P. H. Blake to be postmaster at Orofino, Idaho, in place of James A. Parker, resigned.

ILLINOIS.

Mabel J. Nafziger to be postmaster at Danvers, Ill., in place of Calvin F. Randolph. Incumbent's commission expired December 21, 1913.

Frank I. Peterson to be postmaster at Granville, Ill., in place of Winfield S. Hopkins, removed.

Wilbur Whitney to be postmaster at Byron, Ill., in place of William H. Mix. Incumbent's commission expired March 17, 1914.

KANSAS.

Samuel S. Graybill to be postmaster at Hutchinson, Kans., in place of Henry M. Stewart. Incumbent's commission expired April 15, 1914.

Frederick M. Murphy to be postmaster at Clyde, Kans., in place of Sidney H. Knapp. Incumbent's commission expired June 14, 1914.

MASSACHUSETTS.

Michael O. Haggerty to be postmaster at North Adams, Mass., in place of William F. Darby. Incumbent's commission expired February 22, 1914.

Frank I. Pierson to be postmaster at Leominster, Mass., in place of Thomas A. Hills. Incumbent's commission expired April 15, 1914.

NEW YORK.

John F. Donovan to be postmaster at Mount Morris, N. Y., in place of John Van Dorn. Incumbent's commission expired June 10, 1914.

NORTH DAKOTA.

R. J. Moore to be postmaster at Drayton, N. Dak., in place of Robert A. Long, resigned.

OHIO.

Peter J. Beucler to be postmaster at Louisville, Ohio, in place of John B. Kagey, resigned.

Harry A. Flinn to be postmaster at Orrville, Ohio, in place of Gilbert D. McIntyre. Incumbent's commission expired June 6, 1914.

Adam E. Schaffer to be postmaster at Wapakoneta, Ohio, in place of W. B. Morey. Incumbent's commission expired June 24, 1914.

PENNSYLVANIA.

Stephen B. Ryder to be postmaster at Renova, Pa., in place of David Russell. Incumbent's commission expired March 8, 1914.

VIRGINIA.

John W. Anderson to be postmaster at Pennington Gap, Va., in place of S. L. Cecil, removed.

CONFIRMATIONS.

Executive nominations confirmed by the Senate August 24 (legislative day of August 22), 1914.

UNITED STATES ATTORNEY.

Earl M. Donalson to be United States attorney for the southern district of Georgia.

COMMISSIONER OF IMMIGRATION.

Frederic C. Howe to be commissioner of immigration at the port of New York, N. Y.

ASSAYER.

John W. Phillips to be assayer in charge of the United States assay office at Seattle, Wash.

POSTMASTERS.

MISSOURI.

Frederick Blattner, Wellsville.

NEW MEXICO.

G. U. McCrary, Artesia.
William D. Wasson, Estancia.

OHIO.

Val Lee, Sidney.
Frank Miller, Paulding.
Emil Weber, Wauseon.

REJECTION.

Executive nomination rejected by the Senate August 24 (legislative day of August 22), 1914.

John H. Bloom to be postmaster at Devils Lake, N. Dak.

WITHDRAWAL.

Executive nomination withdrawn August 24 (legislative day of August 22), 1914.

Herbert P. Stearns to be postmaster at Byron, Ill.

HOUSE OF REPRESENTATIVES.

MONDAY, *August 24, 1914.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

O Lord God, gracious and merciful, wise and just, our heavenly Father, renew our faith in Thee and our confidence in human nature in spite of the terrible spectacle presented to the world by the awful conflict now raging in the nations round about us. Grant, O most merciful Father, that out of it may come a clearer vision, a broader conception of right and truth and justice, which will teach us the art of living together in peace; that brotherly love become the ruling passion of men and of nations under the spiritual leadership of the Prince of Peace. Amen.

The Journal of the proceedings of Saturday last was read and approved.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. SELDOMRIDGE, for two days, to attend the funeral of a relative.

To Mr. Moss of Indiana, one week, on account of the death and burial of Hon. John E. Lamb.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Platt, one of its clerks, announced that the Senate had passed bill of the following title, in which the concurrence of the House of Representatives was requested:

S. 6261. An act authorizing the Secretary of the Treasury to purchase not to exceed 15,000,000 ounces of silver bullion, and for other purposes.

SENATE BILL REFERRED.

Under clause 2 of Rule XXIV, Senate bill of the following title was taken from the Speaker's table and referred to its appropriate committee, as indicated below:

S. 6261. An act authorizing the Secretary of the Treasury to purchase not to exceed 15,000,000 ounces of silver bullion, and for other purposes; to the Committee on Ways and Means.

THE SEAMEN'S BILL.

Mr. ALEXANDER. Mr. Speaker, on behalf of the Committee on the Merchant Marine and Fisheries, I ask unanimous consent that immediately after the approval of the Journal to-morrow it shall be in order to move to suspend the rules and pass the bill S. 136, known as the seamen's bill, with certain committee amendments, and if a second is demanded it shall be considered as ordered; that two hours of debate on the bill shall be in order, one-half of the time to be controlled by myself and one-half by the gentleman from Massachusetts [Mr. GREENE], the ranking minority member of the committee.

Mr. BARNHART. Reserving the right to object, Mr. Speaker, the Committee on Printing has half a dozen little printing bills that have been hanging fire for four or six weeks, some very important, as they pertain to existing conditions abroad. I have tried several times to get permission to bring them up, but something has been in the way. I am going to ask the gentleman from Missouri if he will concede me the right to present these little bills before taking up his matter to-morrow, immediately after the approval of the Journal. If he will do it, I will not object.

Mr. MANN. Will the gentleman allow a suggestion?

Mr. BARNHART. Certainly.

Mr. MANN. I think the bills mentioned by the gentleman from Indiana will not be in order to-morrow except by unanimous consent.

Mr. BARNHART. What is to-morrow?

Mr. MANN. Tuesday; and the special order agreed to by the House did not exempt reports from the Committee on Printing. Very likely there would be no objection, if unanimous consent is asked after the other matter is disposed of.

The SPEAKER. The gentleman from Missouri asks unanimous consent that to-morrow, immediately after the approval of the Journal, it shall be in order to move to suspend the rules upon the bill S. 136, the seamen's bill, with certain committee amendments, and if a second is demanded, that the second shall be considered as ordered, and that two hours of debate on the bill shall be in order, one half of the time to be controlled by the gentleman from Missouri [Mr. ALEXANDER] and the other half by the gentleman from Massachusetts [Mr. GREENE]. Is there objection?

Mr. HUMPHREY of Washington. Reserving the right to object, I want to ask the gentleman from Missouri a question. Have these proposed amendments been printed?

Mr. ALEXANDER. I had the bill printed with the amendments shown in brackets, and the bill will be available for distribution this afternoon for the Members, and they can see at once what the amendments are.

Mr. HUMPHREY of Washington. I would like to ask the gentleman what is the substance of these amendments, or of the main amendments?

Mr. ALEXANDER. There are no amendments that change the principles of the bill. They make plain some provisions that were thought to be ambiguous and some other amendments nullify some of the provisions with reference to lifeboat equipment and in other regards.

Mr. HUMPHREY of Washington. I want to ask the gentleman about the requirements as to able seamen. As the bill is now amended, does it provide that a man placed in a lifeboat must know something about handling a boat?

Mr. ALEXANDER. Section 14 of the bill conforms to the London convention. It provides that a lifeboat shall be in charge of a licensed officer or able seaman, and that the other men in charge of lifeboats shall be known as lifeboat men and be qualified to handle lifeboats and shall receive certificates as such.

Mr. HUMPHREY of Washington. Does it limit the crew of the lifeboats to the deck crew?

Mr. ALEXANDER. It does not.

Mr. HUMPHREY of Washington. That has been changed?

Mr. ALEXANDER. Materially changed, I think.

Mr. HUMPHREY of Washington. Is there any amendment with reference to what is required to make an able seaman?

Mr. ALEXANDER. A service of three years on deck at sea or two years on the Great Lakes or other inland waters to be rated an able seaman.

Mr. HUMPHREY of Washington. One other question I would like to ask the gentleman. Does the bill as amended still attempt to prescribe to foreign nations the character of the crew they shall carry on their vessels?

Mr. ALEXANDER. There is not any limitation in the bill to vessels of the United States.

Mr. HUMPHREY of Washington. What I want to know is whether the bill still prescribes for a vessel coming into our port how that foreign vessel shall pay its sailors? Does it still prescribe the qualifications for sailors?

Mr. ALEXANDER. The bill is the same as it was when it passed the House and Senate in the last Congress in that regard. The requirements are the same as in the bill when it passed the Senate on the 23d of October last.

The SPEAKER. Is there objection?

Mr. STAFFORD. Reserving the right to object, I would like to inquire whether any change has been made in the Senate provision as to the excursion steamers on the Great Lakes? It was represented and strongly protested by lake-traffic men that under the provisions of the bill when it passed the Senate it would be impossible for a lake coast steamer to operate.

Mr. ALEXANDER. The bill has been materially modified in that regard to avoid that very hardship.

Mr. STAFFORD. In that particular does the bill at present mollify the objections of the lake-traffic men and the owners of excursion steamers generally?

Mr. ALEXANDER. I think so; very materially.

The SPEAKER. Is there objection?

There was no objection, and it was so ordered.

WATER POWER ON THE PUBLIC DOMAIN.

The SPEAKER. The unfinished business is the bill (H. R. 16673) to provide for the development of water power and the use of public lands in relation thereto, and for other purposes, which comes over from Saturday with the previous question ordered. The Clerk will report the bill.

The Clerk reported the bill by title.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. PAGE of North Carolina. Mr. Speaker, I offer the following motion to recommit, which I send to the desk and ask to have read.

The Clerk read as follows:

Mr. PAGE of North Carolina moves to recommit the bill to the Committee on the Public Lands with instructions to strike out, on page 7, all after the word "into," in line 4, and insert in lieu thereof the following: "the Treasury of the United States as miscellaneous receipts."

Mr. MONDELL. Mr. Speaker, I offer the following substitute for the motion of the gentleman from North Carolina, which I send to the desk and ask to have read.

The Clerk read as follows:

Page 7, line 3, strike out all after the word "plant" and the remainder of the section down to the word "provided," in line 19, and insert the following: "one-half the proceeds of all charges or rentals shall be paid to the State within the boundaries of which the hydroelectric energy is generated, for the support of schools and the construction of roads, as the State legislature may direct; and one-half shall be paid into the reclamation fund; and any lessee under this act of lands entered or owned in accordance with the terms of section 10 of this act shall pay to said entryman or owner the value of the lands so taken, other than for power purposes, and for the improvements thereon. And nothing contained in this act shall affect the rights of homesteaders or desert entrymen initiated prior to the inclusion of their lands in a power-site withdrawal."

Mr. FERRIS. Mr. Speaker, I move the previous question on the motion and all amendments thereto.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the Mondell substitute.

The question was taken; and on a division (demanded by Mr. MONDELL) there were—ayes 20, noes 67.

Mr. MONDELL. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. Evidently there is not a quorum present. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll.

The Clerk called the roll; and there were—yeas 47, nays 160, answered "present" 12, not voting 213, as follows:

YEAS—47.

Avis	Hinebaugh	Mann	Smith, Saml. W.
Barton	Howell	Mapes	Smith, Minn.
Britten	Humphrey, Wash.	Mondell	Stephens, Cal.
Burke, S. Dak.	Johnson, Utah	Norton	Stephens, Nebr.
Cary	Johnson, Wash.	Paige, Mass.	Stevens, Minn.
Curry	Kahn	Platt	Sutherland
Frear	Keating	Roberts, Nev.	Temple
French	Kennedy, Iowa	Scott	Towner
Greene, Mass.	Kinkaid, Nebr.	Sinnott	Volstead
Greene, Vt.	Lobeck	Sloan	Woods
Hawley	McLaughlin	Smith, Idaho	Young, N. Dak.
Helgesen	Manahan	Smith, J. M. C.	

NAYS—160.

Abercrombie	Dershem	Humphreys, Miss.	Rauch
Adamson	Donohoe	Jacoway	Rayburn
Alexander	Donovan	Johnson, Ky.	Reed
Allen	Doughton	Jones	Reilly, Conn.
Anderson	Dupré	Kelly, Pa.	Reilly, Wis.
Ashbrook	Edwards	Kettner	Rogers
Bailey	Evans	Kindel	Rouse
Barnhart	Falconer	Kitchin	Rucker
Beakes	Fergusson	Korbly	Sims
Bell, Cal.	Ferris	Lee, Ga.	Sisson
Blackmon	FitzHenry	Lee, Pa.	Slayden
Booher	Floyd, Ark.	Lesher	Small
Borchers	Fowler	Lewis, Md.	Smith, Md.
Borland	Gallagher	Lieb	Smith, Tex.
Bowdle	Garner	Lloyd	Sparkman
Broussard	Garrett, Tenn.	Logue	Stafford
Brown, W. Va.	Garrett, Tex.	Lonergan	Stedman
Bryan	Godwin, N. C.	McClellan	Stevens, N. H.
Buchanan, Ill.	Goeke	McCoy	Stone
Buchanan, Tex.	Good	McKellar	Taggart
Burgess	Gordon	MacDonald	Talcott, N. Y.
Burke, Wis.	Goulden	Maguire, Nebr.	Tavenner
Burnett	Gray	Mitchell	Taylor, Ark.
Byrns, Tenn.	Gregg	Moon	Taylor, N. Y.
Cantrill	Gudger	Morgan, Okla.	Thomas
Carr	Hamlin	Morrison	Thompson, Okla.
Carter	Hammond	Moss, Ind.	Thomson, Ill.
Casey	Hardy	Mulkey	Tribble
Clark, Fla.	Harris	Neely, W. Va.	Tuttle
Claypool	Harrison	Oglesby	Underwood
Cline	Hay	O'Hair	Vaughan
Coady	Hayden	Oldfield	Watson
Connelly, Kans.	Heflin	Page, N. C.	Weaver
Cox	Helm	Park	Webb
Crosser	Helvering	Payne	Williams
Cullop	Hill	Post	Wilson, Fla.
Danforth	Houston	Pou	Wingo
Davenport	Howard	Prouty	Witherspoon
Deitrick	Hughes, Ga.	Quin	Young, Tex.
Dent	Hull	Raker	The Speaker

ANSWERED "PRESENT"—12.

Bartlett	Haugen	Rupley	Talbott, Md.
Fields	Henry	Slemp	Taylor, Ala.
Hardwick	Moss, W. Va.	Stephens, Tex.	Taylor, Colo.

NOT VOTING—213.

Adair	Browning	Connolly, Iowa	Drukker
Aiken	Bruckner	Conry	Dunn
Ainey	Brumbaugh	Cooper	Eagan
Ansberry	Bulkley	Copley	Eagle
Anthony	Burke, Pa.	Covington	Edmonds
Aswell	Butler	Cramton	Elder
Austin	Byrnes, S. C.	Crisp	Esch
Baker	Calder	Dale	Estopinal
Baltz	Callaway	Davis	Fairchild
Barchfeld	Campbell	Decker	Faison
Barkley	Candler, Miss.	Dickinson	Farr
Bartholdt	Cantor	Dies	Fess
Bathrick	Caraway	Difenderfer	Finley
Beall, Tex.	Carew	Dillon	Fitzgerald
Bell, Ga.	Carlin	Dixon	Flood, Va.
Brockson	Chandler, N. Y.	Dooling	Fordney
Brodbeck	Church	Doolittle	Foster
Brown, N. Y.	Clancy	Doremus	Francis
Browne, Wis.	Collier	Driscoll	Gallivan

Gard	Kennedy, R. I.	Moore	Sells
Gardner	Kent	Morgan, La.	Shackleford
George	Key, Ohio	Morin	Sherley
Gerry	Kiess, Pa.	Mott	Sherwood
Gill	Kinkead, N. J.	Murdock	Shreve
Gillett	Kirkpatrick	Murray, Mass.	Smith, N. Y.
Gilmore	Knowland, J. R.	Murray, Okla.	Stanley
Gittins	Konop	Neeley, Kans.	Steenerson
Glass	Kreider	Nelson	Stephens, Miss.
Goldfogle	Lafferty	Nolan, J. I.	Stout
Goodwin, Ark.	La Follette	O'Brien	Stringer
Gorman	Langham	O'Leary	Sumners
Graham, Ill.	Langley	O'Shaunessy	Switzer
Graham, Pa.	Lazaro	Padgett	Ten Eyck
Green, Iowa	L'Engle	Palmer	Thacher
Griest	Lenroot	Parker	Townsend
Griffin	Lever	Patten, N. Y.	Treadway
Guernsey	Levy	Patton, Pa.	Underhill
Hamill	Lewis, Pa.	Peters	Vare
Hamilton, Mich.	Lindbergh	Peterson	Vollmer
Hamilton, N. Y.	Lindquist	Phelan	Walker
Hart	Linthicum	Plumley	Wallin
Hayes	Loft	Porter	Walsh
Hensley	McAndrews	Powers	Walters
Hinds	McGillicuddy	Ragsdale	Watkins
Hobson	McGuire, Okla.	Rainey	Whaley
Holland	McKenzie	Riordan	Whitacre
Hoxworth	Madden	Roberts, Mass.	White
Hughes, W. Va.	Mahan	Rothermel	Willis
Hulings	Maher	Rubey	Wilson, N. Y.
Igoe	Martin	Russell	Winslow
Johnson, S. C.	Merritt	Sabath	Woodruff
Keister	Metz	Saunders	
Kelley, Mich.	Miller	Scully	
Kennedy, Conn.	Montague	Seldomridge	

So the substitute was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. KENNEDY of Rhode Island (for Mondell substitute) with Mr. COPLEY (against).

Until further notice:

Mr. CALLAWAY with Mr. WILLIS.

Mr. CHURCH with Mr. MCGUIRE of Oklahoma.

Mr. CLANCY with Mr. HAMILTON of New York.

Mr. LEVER with Mr. MERRITT.

Mr. ESTOPINAL with Mr. MADDEN.

Mr. BARKLEY with Mr. BURKE of Pennsylvania.

Mr. GRAHAM of Illinois with Mr. PATTON of Pennsylvania.

Mr. STEPHENS of Mississippi with Mr. TREADWAY.

Mr. RIORDAN with Mr. POWERS.

Mr. SABATH with Mr. SWITZER.

Mr. MCGILLICUDDY with Mr. GUERNSEY.

Mr. UNDERHILL with Mr. STEENERSON.

Mr. FIELDS with Mr. LANGLEY.

Mr. STEPHENS of Nebraska with Mr. LEWIS of Pennsylvania.

Mr. LAZARO with Mr. PARKER.

Mr. DALE with Mr. MARTIN.

Mr. MORGAN of Louisiana with Mr. LINDQUIST.

Mr. BELL of Georgia with Mr. CALDER

Mr. PADGETT with Mr. MORIN.

Mr. ADAIR with Mr. GILLETT.

Mr. FITZGERALD with Mr. MOORE.

Mr. WHALEY with Mr. WOODRUFF.

Mr. SHERLEY with Mr. PORTER.

Mr. WALKER with Mr. VARE.

Mr. ASWELL with Mr. AINEY.

Mr. ELDER with Mr. WINSLOW.

Mr. DICKINSON with Mr. GRAHAM of Pennsylvania.

Mr. PETERSON with Mr. PETERS.

Mr. SHERWOOD with Mr. MOTT.

Mr. AIKEN with Mr. ANTHONY.

Mr. JOHNSON of South Carolina with Mr. HULINGS.

Mr. TALBOTT of Maryland with Mr. MCKENZIE.

Mr. HARDWICK with Mr. J. R. KNOWLAND.

Mr. BYRNES of South Carolina with Mr. HAUGEN.

Mr. GOODWIN of Arkansas with Mr. AUSTIN.

Mr. CARAWAY with Mr. BARCHFELD.

Mr. BALTZ with Mr. BROWNE of Wisconsin.

Mr. BATHRICK with Mr. CAMPBELL.

Mr. CANDLER of Mississippi with Mr. COOPER.

Mr. CARLIN with Mr. CHANDLER of New York.

Mr. COLLIER with Mr. CRAMTON.

Mr. CONRY with Mr. DAVIS.

Mr. DIXON with Mr. DILLON.

Mr. DOREMUS with Mr. DUNN.

Mr. FINLEY with Mr. DRUKKER.

Mr. FLOOD of Virginia with Mr. EDMONDS.

Mr. FOSTER with Mr. FORDNEY.

Mr. FRANCIS with Mr. FESS.

Mr. GOLDFOGLE with Mr. FAIRCHILD.

Mr. HENSLEY with Mr. FARR.

Mr. HOLLAND with Mr. GREEN of Iowa.

Mr. IGOE with Mr. GRIEST.

Mr. KONOP with Mr. HAMILTON of Michigan.

Mr. LEVY with Mr. HAYES.

Mr. MCANDREWS with Mr. KIESTER.

Mr. MONTAGUE with Mr. KELLEY of Michigan.

Mr. PHELAN with Mr. KIESS of Pennsylvania.

Mr. GALLIVAN with Mr. KREIDER.

Mr. PATTEN of New York with Mr. LAFFERTY.

Mr. RAINEY with Mr. LA FOLLETTE.

Mr. RUBEY with Mr. LANGHAM.

Mr. RUSSELL with Mr. NELSON.

Mr. SAUNDERS with Mr. MILLER.

Mr. SHACKLEFORD with Mr. PLUMLEY.

Mr. BRUCKNER with Mr. ROBERTS of Massachusetts.

Mr. WATKINS with Mr. SELLS.

Mr. WILSON of New York with Mr. WALTERS.

Mr. HENRY with Mr. HINDS.

Mr. STEPHENS of Texas with Mr. BARTHOLDT.

For the session:

Mr. GLASS with Mr. SLEMP.

Mr. TAYLOR of Alabama with Mr. HUGHES of West Virginia.

Mr. SCULLY with Mr. BROWNING.

Mr. BARTLETT with Mr. BUTLER.

Mr. METZ with Mr. WALLIN.

The SPEAKER. The Chair will state to the House that he has issued writs for the arrest of Members who are not here who can be found to make a quorum. [Applause.]

Mr. TALBOTT of Maryland. Mr. Speaker, I am paired with Mr. MCKENZIE, and I wish to withdraw my vote of "no" and answer "present."

The name of Mr. TALBOTT of Maryland was called, and he answered "Present."

The SPEAKER. The Clerk will call my name.

The name of Mr. CLARK of Missouri was called, and he voted "no."

The result of the vote was announced as above recorded.

The SPEAKER. A quorum is present; the Doorkeeper will open the doors; and the question is on the motion of the gentleman from North Carolina [Mr. PAGE] to recommit.

The question was taken, and the Speaker announced the noes seemed to have it.

Mr. PAGE of North Carolina. Division, Mr. Speaker.

The House divided; and there were—ayes 30, noes 53.

Mr. PAGE of North Carolina. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from North Carolina makes the point of order that there is no quorum; evidently there is not; the Doorkeeper will close the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll.

The question was taken; and there were—yeas 72, nays 140, answered "present" 8, not voting 212, as follows:

YEAS—72.

Anderson	Doughton	Jones	Rauch
Ashbrook	Edwards	Kitchin	Rogers
Avis	FitzHenry	Korbly	Rouse
Bailey	Fowler	Lewis, Md.	Sims
Beakes	Frear	Linthicum	Sisson
Blackmon	Garrett, Tenn.	McClellan	Slayden
Borland	Godwin, N. C.	McCoy	Smith, J. M. C.
Bowdle	Gordon	Mann	Stafford
Buchanan, Ill.	Gray	Montague	Stedman
Burnett	Gudger	Moon	Stevens, N. H.
Byrns, Tenn.	Harrison	Morrison	Talcott, N. Y.
Carr	Hay	Moss, Ind.	Tribble
Clark, Fla.	Helm	Oglesby	Tuttle
Cline	Hill	Page, N. C.	Underwood
Cox	Houston	Park	Watson
Crosser	Howard	Payne	Webb
Cullop	Hull	Pou	Witherspoon
Danforth	Johnson, Ky.	Quin	Woods

NAYS—140.

Abercrombie	Deitrick	Hammond	Lloyd
Adamson	Dent	Hardy	Lobeck
Alexander	Dershem	Hawley	Logue
Allen	Donohoe	Hayden	Lonergan
Barnhart	Donovan	Heflin	McKellar
Barton	Drukker	Helvering	McLaughlin
Bell, Cal.	Dupré	Hinebaugh	MacDonald
Booher	Evans	Howell	Maguire, Nebr.
Borchers	Falconer	Hughes, Ga.	Manahan
Britten	Fergusson	Humphrey, Wash.	Mapes
Broussard	Ferris	Humphreys, Miss.	Mitchell
Brown, W. Va.	Floyd, Ark.	Jacoway	Mondell
Bryan	French	Johnson, Utah	Morgan, Okla.
Buchanan, Tex.	Gallagher	Johnson, Wash.	Moss, W. Va.
Burgess	Garner	Kahn	Mulkey
Burke, S. Dak.	Garrett, Tex.	Keating	Murray, Okla.
Burke, Wis.	Gilmore	Kelly, Pa.	Neely, W. Va.
Caraway	Goeke	Kennedy, Iowa	Norton
Cary	Good	Kettner	Oldfield
Casey	Goodwin, Ark.	Kindel	Paige, Mass.
Claypool	Goulden	Kinkaid, Nebr.	Platt
Coady	Greene, Mass.	Lee, Ga.	Post
Connelly, Kans.	Greene, Vt.	Lee, Pa.	Prouty
Curry	Gregg	Lesher	Raker
Davenport	Hamlin	Lieb	Rayburn

Reed	Small	Sumners	Thomson, Ill.
Reilly, Conn.	Smith, Idaho	Sutherland	Towner
Reilly, Wis.	Smith, Saml. W.	Taggart	Vaughan
Roberts, Mass.	Smith, Minn.	Tavenner	Volstead
Roberts, Nev.	Smith, Tex.	Taylor, Ark.	Weaver
Rucker	Sparkman	Taylor, Colo.	Williams
Rupley	Stephens, Cal.	Taylor, N. Y.	Wilson, Fla.
Scott	Stephens, Nebr.	Temple	Wingo
Sinnott	Stephens, Tex.	Thomas	Young, N. Dak.
Sloan	Stone	Thompson, Okla.	The Speaker

ANSWERED "PRESENT"—8.

Driscoll	Hardwick	Henry	Talbott, Md.
Fields	Haugen	La Follette	Taylor, Ala.

NOT VOTING—212.

Adair	Dillon	Igoe	Patten, N. Y.
Aiken	Dixon	Johnson, S. C.	Patton, Pa.
Ainey	Dooling	Keister	Peters
Ansberry	Doolittle	Kelley, Mich.	Peterson
Anthony	Doremus	Kennedy, Conn.	Phelan
Aswell	Dunn	Kennedy, R. I.	Plumley
Austin	Eagan	Kent	Porter
Baker	Eagle	Key, Ohio	Powers
Baltz	Edmonds	Kless, Pa.	Ragsdale
Barchfeld	Elder	Kinkead, N. J.	Rainey
Barkley	Esch	Kirkpatrick	Riordan
Bartholdt	Estopinal	Knowland, J. R.	Rothermel
Bartlett	Fairchild	Konop	Rubey
Bathrick	Faison	Kreider	Russell
Beall, Tex.	Farr	Lafferty	Sabath
Bell, Ga.	Fess	Langham	Saunders
Brockson	Finley	Langley	Scully
Brodbeck	Fitzgerald	Lazaro	Seldomridge
Brown, N. Y.	Flood, Va.	L'Engle	Sells
Browne, Wis.	Fordney	Lenroot	Shackleford
Browning	Foster	Lever	Sherley
Bruckner	Francis	Levy	Sherwood
Brumbaugh	Gallivan	Lewis, Pa.	Shreve
Bulkley	Gard	Lindbergh	Slemp
Burke, Pa.	Gardner	Lindquist	Smith, Md.
Butler	George	Loft	Smith, N. Y.
Byrnes, S. C.	Gerry	McAndrews	Stanley
Calder	Gill	McGillicuddy	Steenerson
Callaway	Gillett	McGuire, Okla.	Stephens, Miss.
Campbell	Gittins	McKenzie	Stevens, Minn.
Candler, Miss.	Glass	Madden	Stout
Cantor	Goldfogle	Mahan	Stringer
Cantrill	Gorman	Maher	Switzer
Carew	Graham, Ill.	Martin	Ten Eyck
Carlin	Graham, Pa.	Merritt	Thacher
Carter	Green, Iowa	Metz	Townsend
Chandler, N. Y.	Griest	Miller	Treadway
Church	Griffin	Moore	Underhill
Clancy	Guernsey	Morgan, La.	Vare
Collier	Hamill	Morin	Vollmer
Connolly, Iowa	Hamilton, Mich.	Mott	Walker
Conry	Hamilton, N. Y.	Murdock	Wallin
Cooper	Harris	Murray, Mass.	Walsh
Copley	Hart	Neeley, Kans.	Walters
Covington	Hayes	Nelson	Watkins
Cramton	Helgesen	Nolan, J. I.	Whaley
Crisp	Hensley	O'Brien	Whitacre
Dale	Hinds	O'Hair	White
Davis	Hobson	O'Leary	Willis
Decker	Holland	O'Shaunessy	Wilson, N. Y.
Dickinson	Hoxworth	Padgett	Winslow
Dies	Hughes, W. Va.	Palmer	Woodruff
Difenderfer	Hulings	Parker	Young, Tex.

So the motion to recommit was rejected.

The Clerk announced the following additional pairs:

On this vote:

Mr. KENNEDY of Rhode Island (to recommit) with Mr. COPLEY (against).

Until further notice:

Mr. RAINEY with Mr. NELSON.

Mr. RUSSELL with Mr. LA FOLLETTE.

Mr. DIES with Mr. BARCHFELD.

Mr. FINLEY with Mr. AUSTIN.

Mr. THACHER with Mr. KELLEY of Michigan.

Mr. TEN EYCK with Mr. HELGESEN.

Mr. DECKER with Mr. SHREVE.

Mr. DIFENDERFER with Mr. STEVENS of Minnesota.

Mr. FERRIS. Mr. Speaker, I move that writs be issued for the absent Members and that they be brought in.

The motion was agreed to.

The SPEAKER. The writs are issued for these absentees, and the Chair desires the Sergeant at Arms to bring them in here. The men who stay here and try to transact the business of this House have an absolute right to have a quorum here, and those who are absent are not treating the House right and are not treating the people of the United States right, especially those Members who are loiling around town and are not home for any reason. [Applause.] The Clerk will call my name.

The name of Mr. CLARK of Missouri was called, and he voted "nay," as above recorded.

The SPEAKER. A quorum is present. The Doorkeeper will open the doors. The question is on the passage of the bill.

The bill was passed.

On motion of Mr. FERRIS, a motion to reconsider the vote by which the bill was passed was laid on the table.

DISTRICT OF COLUMBIA BUSINESS.

Mr. JOHNSON of Kentucky. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. JOHNSON of Kentucky. Mr. Speaker, on the House Calendar is the bill H. R. 13219. I wish to inquire of the Speaker whether or not that bill is on the proper calendar?

The SPEAKER. The Chair has examined the bill carefully and thinks it ought to be on the Union Calendar, and it will be so transferred.

Mr. JOHNSON of Kentucky. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the purpose of considering District legislation.

The SPEAKER. The gentleman from Kentucky moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the purpose of considering District legislation.

The question was taken, and the Speaker announced that the ayes seemed to have it.

Mr. MANN. Mr. Speaker, I demand a division.

The House divided; and there were—ayes 92, noes 5.

So the motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of District legislation, with Mr. WINGO in the chair.

ALLEY DWELLINGS IN DISTRICT OF COLUMBIA.

Mr. JOHNSON of Kentucky. Mr. Chairman, I desire to call up the bill H. R. 13219.

Mr. BURNETT. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. BURNETT. I believe when the committee arose before the Plaza bill was the unfinished business. I would like to make a parliamentary inquiry in order to find out if anything else can displace that.

Mr. JOHNSON of Kentucky. I will say, Mr. Chairman, that the previous question had not been ordered on the bill, and therefore it is not unfinished business.

Mr. BURNETT. The general debate, I think, only lacked 40 minutes of being concluded. I remember there was some reservation of time by the gentleman from Illinois [Mr. MANN] and the gentleman from Pennsylvania [Mr. LOGUE], and when the committee rose it reported that no resolution had been reached, and District business was the business that was on at that time.

Mr. JOHNSON of Kentucky. If the Chair will look at the unfinished business calendar he will see that this Plaza bill is not on it, and the rule is that until the previous question has been ordered it is unfinished business. The previous question was not ordered the last time, and therefore it is not unfinished business.

Mr. MANN. The Chair will note under the head of "Unfinished business," on page 11, that the first on the calendar is "S. J. Res. 129, Plaza award resolution. (Pending in the Committee of the Whole House on the state of the Union, July 13, 1914.)"

The gentleman from Kentucky was mistaken in thinking that this was not on the calendar under the head of unfinished business.

Mr. JOHNSON of Kentucky. The previous question had not been ordered.

Mr. MANN. Of course, Mr. Chairman, the previous question could not have been ordered in the Committee of the Whole House on the state of the Union, but a unanimous-consent agreement was entered into in that committee, which is binding on the committee, fixing the time for further general debate in the committee. That was an agreement by unanimous consent.

Mr. JOHNSON of Kentucky. That is all true, but there has been no agreement to take it up. There is nothing binding on the committee as to what it shall or shall not take up.

Mr. MANN. But there was an agreement by unanimous consent.

Mr. JOHNSON of Kentucky. And when the bill did come up there was to be 40 minutes debate on it, 20 minutes on a side. That is the extent of the agreement.

Mr. MANN. The agreement was that on the next District day there should be 40 minutes' debate on the bill. That was a unanimous-consent agreement. I gathered it from reading the RECORD.

The CHAIRMAN. The Chair is ready to rule if nobody else desires to be heard. The Chair will read from section 865, page 387 of the Manual:

Business unfinished when the Committee of the Whole rises remains unfinished, to be considered first in order when the House next goes into Committee of the Whole to consider that business.

Under that the Chair is of the opinion that the Senate joint resolution 129 is the unfinished business. It is on the Calendar for Unfinished Business, and the Chair is of the opinion that the unfinished business can not be set aside by the chairman calling up another bill.

Mr. CULLOP. Mr. Chairman, what is the status of the pending resolution as the unfinished business?

Mr. JOHNSON of Kentucky. Mr. Chairman, if the gentleman will pardon me a moment, I have not made a motion to go into committee for the purpose of considering that particular bill.

The CHAIRMAN. The motion of the gentleman was to go into the Committee of the Whole to consider District business.

Mr. HOWARD. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOWARD. It occurs to me, Mr. Chairman, that if the chairman of the Committee on the District of Columbia had made a motion to go into Committee of the Whole House on the state of the Union for the consideration of a specific bill and the House had so ordered, then that particular bill would be considered by the consent of the House; but in the absence of any specific indication of the particular legislation to be considered, it would seem that the unfinished business would have the first call. But would it be too late now for the chairman of the Committee on the District of Columbia to submit to the pleasure of the House the question as to whether the House should consider the alley bill or the unfinished business at the time of the last sitting of the committee? It is a question, it seems to me, that is for the House itself to determine in its judgment whether it would lay the unfinished business aside or take up this particular bill.

The CHAIRMAN. The Chair is of the opinion that the motion being general, simply to take up District bills, the rule regarding unfinished business would operate, and for that reason the Chair sees no way of getting around its consideration now, unless——

Mr. JOHNSON of Kentucky. Mr. Chairman, I move that the committee take up for consideration the bill (H. R. 13219) to provide, in the interest of public health, comfort, morals, and safety, for the discontinuance of the use as dwellings of buildings situated in the alleys in the District of Columbia.

The CHAIRMAN. The gentleman from Kentucky [Mr. JOHNSON] moves that the committee take up the bill H. R. 13219 in lieu of the unfinished business. The question is on agreeing to that motion.

The question was taken, and the Chairman announced that the ayes seemed to have it.

Mr. CLAYPOOL. A division, Mr. Chairman.

The CHAIRMAN. A division is demanded.

The committee divided; and there were—ayes 52, noes 17.

So the motion was agreed to.

The CHAIRMAN. The Clerk will report the bill H. R. 13219.

Mr. JOHNSON of Kentucky. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. The gentleman from Kentucky asks unanimous consent that the first reading of the bill be dispensed with. Is there objection?

Mr. MANN. I object.

The CHAIRMAN. The bill has not yet been reported. The Clerk will report the bill.

The Clerk read as follows:

A bill (H. R. 13219) to provide, in the interest of public health, comfort, morals, and safety, for the discontinuance of the use as dwellings of buildings situated in the alleys in the District of Columbia.

Be it enacted, etc., That after the expiration of 10 years after the passage of this act, no person shall occupy as a dwelling, and no person, partnership, association, or corporation, having the authority and power to prevent, shall permit to be occupied as a dwelling any building in any alley in the District of Columbia.

SEC. 2. That the Commissioners of the District of Columbia be, and they are hereby, authorized to acquire in the name of said District ownership in fee simple of such real property as in the judgment of said commissioners is needed for the conversion of any inhabited alley in said District into a street not less than 40 feet wide from building line or building lines, whenever in the judgment of said commissioners the public welfare requires such conversion, and to acquire like ownership of such other real property in the square in which such alley is located as in the judgment of said commissioners may be necessary for the public welfare, for the laying out on such street of lots in size and shape suitable for residential and business purposes, having due regard, however, to the preservation of the availability for residential and business purposes of all lots and portions of lots in said square which are not acquired by said commissioners.

Mr. RAKER rose.

The CHAIRMAN. For what purpose does the gentleman from California rise?

Mr. RAKER. I ask unanimous consent that the first reading of the part of the bill that is stricken out be dispensed with and that the substitute be read in lieu of it.

The CHAIRMAN. The gentleman from California [Mr. RAKER] asks unanimous consent that the reading of that portion of the bill which is stricken out be dispensed with and that the substitute be read in lieu of it. Is there objection?

Mr. MANN. Reserving the right to object, Mr. Chairman, I wish to make the observation that in order to understand the substitute it is necessary that the Members should listen to the reading of the original bill. There do not seem to be many doing it. I object, and make the point of order that there is no quorum present.

The CHAIRMAN. The gentleman from Illinois objects, and makes the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and one Members are present—a quorum. The Clerk will read.

The Clerk resumed the reading of the bill, as follows:

SEC. 3. That all proceedings for acquiring ownership of any real property in the District of Columbia under the provisions of this act, except as herein otherwise provided, shall be under and in accordance with the provisions of sections 1608 to 1612, inclusive, of the Code of Law for said District, which are hereby extended and made applicable to the purposes of this act: *Provided, first*, That the plat filed by the Commissioners of said District to show the real property which it is desired to acquire shall show all streets, alleys, and lots which it is proposed to lay out, if such property be acquired, and the petition filed by said commissioners shall set forth in exact terms the restrictions, if any, that said commissioners propose to put upon the future use of the lots, if any, to be thus laid out; and such lots and restrictions as to the use thereof shall not thereafter be varied except as may be authorized by the court before which the cause is tried, on the application of said commissioners, or as may be expressly authorized by law: *Provided, second*, That in any condemnation proceedings for carrying out the provisions of this act assessments for benefits may be made against any and all real property in said District, wherever situated, that the jury finds as a matter of fact to be actually benefited and to the extent that the jury finds such benefit: *And provided, third*, That the amount assessed under this section as benefits shall be not less than one-half of the balance remaining after subtracting from the total damages as determined under the provisions of the Code of Law for the District of Columbia, plus the cost of the condemnation proceedings, an amount equal to the value of all of the land acquired by the District of Columbia for subdivision into lots as hereinafter provided, the value of such land to be determined upon the basis of the amount awarded the owners thereof, by the jury of condemnation; and the amount not assessed as benefits shall be paid from such appropriations and in such manner as Congress may from time to time by law direct.

SEC. 4. That the Commissioners of the District of Columbia, having acquired the ownership of any real property in said District under the provisions of sections 2 and 3 of this act, shall cause the land to be laid out so as to establish a street or streets not less than 40 feet wide, each such street to run straight through the square from one of the streets bounding said square to another, and shall cause such alleys, if any, to be laid out as are necessary in the judgment of said commissioners for the convenient service of all lots in said square. And the land remaining after the laying out of such streets and alleys shall be subdivided by said commissioners into lots of sizes convenient for the erection of buildings for residential or business purposes, subject, however, to such restrictions concerning the use of said lots as said commissioners shall deem expedient for the public welfare. Whenever after the making of any such subdivision it appears to said commissioners to be to the interest of the District of Columbia to sell any lot or lots so laid out, or any construction thereon, or both, said commissioners shall give public notice of their intention so to do, by publishing such notice at least three times at intervals of not less than 5 nor more than 10 days in one or more daily newspapers of general circulation in said District, and by posting a notice of like purport on each lot which, or the construction thereon, is offered for sale, which said notice shall show when and where bids will be received; and said commissioners are hereby authorized to fix the form of such bids and to prescribe the amount that shall be deposited with each bid; and said commissioners may reject any and all bids received by them at any bidding and may readvertise for sale any lot or lots, or any construction thereon, to which said rejected bid or bids pertain. Any sale or sales aforesaid may be either for all cash, or payment may be made part in cash and the remainder in deferred payments secured by a deed or deeds of trust upon the property sold, as said commissioners may deem most advantageous to the District of Columbia; and in event of the sale of any lot or lots, said commissioners may in the name of the District of Columbia execute any and all such conveyances as may be necessary to convey a valid title to the purchaser. Pending the sale of any lot or lots, and of any constructions thereon, said commissioners shall manage the same as seems to them to the best interest of said District and to that end may lease the same upon such terms as to them seems proper, and may execute all such conveyances as may be necessary for that purpose. But each conveyance executed by said commissioners under authority of this section, whether of sale or of lease, shall embody all such covenants as may be necessary to impose upon the lot or lots, and upon any construction thereon, to which said conveyance relates, each and every restriction set forth in the petition on which such lot or lots, and the constructions thereon, were condemned, as such restrictions were varied, if at all, by the court before which the case was tried. All moneys payable on account of the sale, lease, or other disposition by said commissioners of any lot or lots, or of any construction thereon, shall be paid to the collector of taxes of the District of Columbia, and be by said collector deposited in the Treasury of the United States, one-half to the credit of the United States and one-half to the credit of the District of Columbia.

SEC. 5. That the Commissioners of the District of Columbia be, and they are hereby, authorized and directed immediately after the passage of this act to proceed to prohibit the use as places of dwelling of all buildings situated in particular alleys, to be selected and designated by said commissioners, so as to displace annually from the alleys of said District persons residing therein equal in number to one-tenth of the number of persons dwelling in all the alleys of said District at the time of the passage of this act as determined by the most recent police census at that time, and so as to displace as many more of such persons

as in the judgment of said commissioners can be displaced without overcrowding buildings elsewhere in said District.

SEC. 6. That before prohibiting the use as places of dwelling of the buildings situated in any alley in the District of Columbia, the Commissioners of said District shall notify every owner of real property in the square in which such alley is situated and every lessee of every building used for dwelling purposes in such alley of the intention of said commissioners so to do and shall in the notice thus given appoint a time and place when and where such owners and lessees will be heard by said commissioners and given an opportunity to show cause, if there be any, why the use of such buildings as places of dwelling should not be prohibited. And if at the time and place thus appointed, or at such subsequent time and other place as said commissioners may appoint, no such cause be shown, then said commissioners shall prohibit the use of such buildings as places of dwelling after the expiration of a period of time specified by said commissioners; but upon sufficient cause being shown to the satisfaction of said commissioners, said commissioners may postpone such prohibition of the use of said alley for dwelling purposes, but not so as to sanction its use for such purposes beyond the period named in section 1 of this act nor so as to reduce the rate of the depopulation of alleys below the rate specified in section 5 hereof.

SEC. 7. That if the Commissioners of the District of Columbia agree with the owner of any building used as a dwelling at the time of the passage of this act and the use of which as a dwelling is forbidden by said commissioners pursuant to the provisions of said act, as to the fact that said building is substantially depreciated in value by reason of such prohibition and as to the extent of such depreciation, said commissioners may in their discretion pay to said owner the amount thus determined and agreed upon from any appropriation that may be available for that purpose, and all further claim of said owner and of those who may thereafter hold under him shall cease and determine.

SEC. 8. That the owner or owners of any building in any alley in the District of Columbia, the use of which as a place of dwelling is prohibited under the provisions of this act, which said building was at the time of such prohibition used for dwelling purposes, and whose right to compensation has not been barred under section 7 of this act, may within six months from the date of the order of prohibition if he was in the first instance served personally with notice of the proposed issue of such order, and otherwise within one year, institute by petition proceedings in the Supreme Court of said District, sitting as a district court, against the District of Columbia, through the Commissioners of said District, for the determination of the damages, if any, to said building resulting from the prohibition of its further use as a dwelling and for the award of judgment against said District for the amount of such damage; and said court is hereby given full authority and power to hear and determine such causes and to issue such orders and decrees as may be necessary to that end and to enforce its orders and decrees with respect thereto, subject to such appeal as is authorized by law in similar causes. It shall be lawful for all or any part of the total number of owners of buildings used as dwellings in any alley the use of which as dwellings has been prohibited to unite in one proceeding under this section. If said commissioners are of opinion that the prohibition of the use of the buildings in said alley as a place of dwelling will materially enhance the value of certain real estate in said District so as to render such real property equitably liable to assessment because of such prohibition, said commissioners may, in their answer to the petition filed as hereinbefore authorized, pray that the owner or owners of such real estate believed to be so benefited be made codefendants with the District of Columbia to said cause, and said owner or owners shall be made codefendants accordingly.

Upon the filing of any answer by the Commissioners of the District of Columbia praying that the owner or owners of certain real estate in said District, named or otherwise sufficiently described in said answer, be made codefendant with said District in any proceedings instituted under the provisions of this act, the court shall cause such owner or owners and all other persons having any interest in the proceedings to be warned personally or by advertisement, as said court may determine, to attend court at a day to be named in said notice and to continue in attendance until the court makes its final order ratifying and confirming the award of damages and the assessment of benefits by the jury.

SEC. 9. That after the return of the marshal and the filing of proof of publication of the notice provided for in section 8, said court shall cause a jury of five judicious, disinterested men, not related to any person interested in the proceedings and not in the service or employment of the District of Columbia or of the United States, to be summoned by said marshal, to which jurors said court shall administer an oath or affirmation that they are not interested in any manner in any building the right to use which for dwelling purposes has been or is liable to be forbidden under the provisions of this act, nor in any way related to any of the parties to said proceeding, and that they will, without favor or partiality, to the best of their judgment, award the damage, if any, to which the owner of any building has been or will be subjected by reason of the prohibition of its use as a place of dwelling and assess the benefits that will result to owners of other real estate by reason of such prohibition. The court before accepting the jury shall hear any objections that may be made to any member thereof and shall have full power to decide upon all such objections, to excuse any juror, and to cause any vacancy in the jury, however such vacancy may occur, when impaneled, to be filled. And after the jury has been organized and has viewed the premises, said jury shall proceed to hear and receive such evidence as may be offered or submitted on behalf of any person or persons having an interest in the proceedings, and on behalf of the District of Columbia; but such hearings need not be in the presence of the court unless the court so direct, but may be in any room assigned to them by the United States marshal for said District, who, in person or by deputy, shall attend all such hearings. When the hearings are concluded, the jury, or a majority of them, shall in writing return to said court its verdict, awarding damages due and payable for loss sustained by the owner of any building a party to the proceeding by reason of the prohibiting of the use for dwelling purposes of the alley in which said building is located, if any damages be found and adjudged, and assessing benefits accruing and assessable on other real property by reason of such prohibition. Each juror shall receive $5 per day for his services during the time he is actually engaged under the provisions hereof.

SEC. 10. That the court shall have power to hear and determine any objections which may be filed to said verdict and to set aside or to locate the same in whole or in part, if satisfied that said verdict is unjust or unreasonable. If such verdict be set aside or vacated, in whole or in part, a new jury, having the qualifications hereinbefore mentioned, shall be summoned, who shall proceed to award damages and to assess the benefits, as the case may be, in respect to the real property as to which the verdict has been vacated, as in the case of the first jury: *Provided*, That the exceptions or objections to the verdict shall be filed within 30 days from the filing thereof: *Provided further*, That if the court is satisfied that part of the verdict should be set aside or vacated, then and in that event, at the election of the Commissioners of the District of Columbia, the court shall set aside and vacate the entire verdict and a new jury shall be summoned in the case as aforesaid. If said commissioners do not elect that the entire verdict be set aside, and the same be set aside or vacated in part, the residue of the verdict shall not be affected thereby. The verdict of a new jury summoned in accordance with the provisions of this section shall be final; and if the amount of damages awarded by any new jury summoned be not greater, or if the assessments of benefits be not less, than the amount awarded or assessed by the jury first summoned, according as the objection to the verdict may have been to the award of damages or the assessment of benefits, the costs of the new jury shall be assessed against the property of the party or parties objecting; but if such party or parties prevail by the verdict of the new jury, either in increasing his or their award of damages or in diminishing his or their assessment for benefits, then and in that event the cost of the new jury shall be paid by the District of Columbia.

SEC. 11. That the jury shall award as damages such amount as the jury may find to represent the depreciation in the value of each and every premises arising out of the prohibition of the use of such premises as a place of dwelling, and shall assess as benefits only the actual increase in the value of any premises arising out of the prohibition of the use of any alley as a place of residence, as determined by the jury. And should the amount awarded as damages, plus the costs of the proceedings, including $5 a day for the marshal and for each juror when actually employed, exceed the amount assessed as benefits, the difference shall be chargeable to such appropriations and in such manner as Congress may from time to time direct: *Provided*, That when the verdict of the jury shall have been finally ratified and confirmed by the court, as herein provided, the amounts of money awarded as damages shall be paid to such owner or owners in the manner provided by law, out of any funds available therefor. And when the verdict of the jury has been finally ratified and confirmed by the court, as herein provided, the several assessments herein provided to be made shall severally be a lien upon the land against which they are assessed, and shall be collected as special improvement taxes in the District of Columbia. Such assessments shall be payable in four equal annual installments, with interest at the rate of 4 per cent per annum from and after 60 days after the date of final confirmation of the verdict and until paid.

SEC. 12. That the court may allow amendments in form or in substance in any description of property affected or liable to be affected by any proceedings instituted under the provisions of sections 8 to 11, inclusive, of this act, whenever such amendments will not interfere with the substantial rights of the parties interested; and any such amendment may be made after, as well as before, the order or judgment confirming the verdict aforesaid.

SEC. 13. That no appeal from the decision of the Supreme Court of the District of Columbia confirming any verdict of any jury appointed under the provisions of this act, nor any other proceeding at law or in equity against the confirmation of such verdict or against the confirmation of any part thereof, shall delay or prevent the payment of awards to others in respect to property damaged, nor operate to delay or prevent any criminal proceedings under the provisions of this act.

SEC. 14. That whenever the Commissioners of the District of Columbia prohibit the use of the buildings in any alley as places of dwelling, said commissioners shall notify of such prohibition the owners of all such buildings then used as places of dwelling in said alley and all lessees of such buildings, and said commissioners shall cause conspicuous signs to be displayed at prominent places in said alley, stating when the use of said buildings as places of dwelling must be discontinued. After the expiration of the period stated in the notices thus given and on the signs thus displayed no person shall occupy any building in said alley for dwelling purposes, nor shall any person having the power and authority to prevent permit any such building to be occupied for such purposes. No person shall, without the consent of the commissioners, deface, obliterate, remove, or conceal any sign displayed by said commissioners under authority of this act. Any person violating any of the provisions of this section shall be punished as provided in section 23 of this act.

Mr. MANN. Mr. Chairman, I notice that there are not 30 Members on the floor of the House, and I make the point of order that there is no quorum present.

The CHAIRMAN. The gentleman from Illinois makes the point of order that there is no quorum present. The Chair will count. [After counting.] Forty-four Members are present—not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Adair	Callaway	Dixon	Gerry
Aiken	Campbell	Dooling	Gill
Ainey	Candler, Miss.	Doolittle	Gillett
Ansberry	Cantor	Doremus	Glass
Anthony	Cantrill	Driscoll	Godwin, N. C.
Aswell	Carew	Dunn	Goeke
Austin	Carlin	Eagan	Goldfogle
Baker	Carr	Eagle	Gorman
Baltz	Carter	Edmonds	Graham, Ill.
Barchfeld	Chandler, N. Y.	Elder	Graham, Pa.
Barthoidt	Church	Esch	Green, Iowa
Bathrick	Clancy	Estopinal	Greene, Mass.
Beall, Tex.	Collier	Fairchild	Gregg
Bell, Ga.	Connolly, Iowa	Faison	Griest
Brockson	Conry	Farr	Griffin
Brodbeck	Cooper	Fess	Gudger
Brown, N. Y.	Copley	Fields	Guernsey
Brown, W. Va.	Covington	Finley	Hamill
Browne, Wis.	Cramton	Fitzgerald	Hamilton, Mich.
Browning	Crisp	Flood, Va.	Hamilton, N. Y.
Bruckner	Dale	Fordney	Harrison
Brumbaugh	Davis	Foster	Hart
Bulkley	Decker	French	Hay
Burke, Pa.	Dickinson	Gallivan	Hayes
Butler	Dies	Gard	Helgesen
Byrnes, S. C.	Difenderfer	Gardner	Helvering
Calder	Dillon	George	Hensley

Hill	Lever	O'Hair	Smith, Md.
Hinds	Levy	Oldfield	Smith, Minn.
Hobson	Lewis, Pa.	O'Leary	Smith, N. Y.
Holland	Lindbergh	Padgett	Stanley
Howard	Lindquist	Palmer	Steenerson
Hoxworth	Loft	Parker	Stephens, Miss.
Hughes, Ga.	McAndrews	Patten, N. Y.	Stout
Hughes, W. Va.	McCoy	Patton, Pa.	Stringer
Hulings	McGillicuddy	Payne	Switzer
Humphrey, Wash.	McGuire, Okla.	Peters	Talbott, Md.
Humphreys, Miss.	McKenzie	Peterson	Temple
Igoe	McLaughlin	Phelan	Ten Eyck
Johnson, S. C.	Madden	Plumley	Thacher
Jones	Mahan	Porter	Townsend
Keister	Maher	Powers	Treadway
Kelley, Mich.	Manahan	Prouty	Tribble
Kennedy, Conn.	Martin	Ragsdale	Underhill
Kennedy, R. I.	Merritt	Rainey	Vare
Kent	Metz	Riordan	Vollmer
Key, Ohio	Miller	Rothermel	Walker
Kiess, Pa.	Mondell	Rubey	Wallin
Kinkead, N. J.	Montague	Rupley	Walters
Kirkpatrick	Moore	Russell	Watkins
Knowland, J. R.	Morgan, La.	Sabath	Webb
Konop	Morin	Saunders	Whaley
Kreider	Mott	Scully	Whitacre
Lafferty	Murdock	Seldomridge	White
Langham	Murray, Mass.	Sells	Willis
Langley	Neeley, Kans.	Shackleford	Wilson, N. Y.
Lazaro	Nelson	Sherley	Winslow
Lee, Ga.	Nolan, J. I.	Sherwood	Woodruff
L'Engle	Norton	Shreve	Young, N. Dak.
Lenroot	O'Brien	Sinnott	

The Committee accordingly rose; and the Speaker having resumed the chair, Mr. WILSON, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having under consideration the bill (H. R. 13219) to provide, in the interest of public health, comfort, morals, and safety, for the discontinuance of the use as dwellings of buildings situated in the alleys in the District of Columbia, finding itself without a quorum, he caused the roll to be called, whereupon 192 Members answered to their names, and he presented a list of the absentees to be inserted in the Journal and RECORD.

The SPEAKER. The committee will resume its session.

The CHAIRMAN. The Clerk will resume the reading of the bill.

The Clerk read as follows:

SEC. 15. That no contract for the use and occupancy as a dwelling of any building in any alley in the District of Columbia, the use of which building for dwelling purposes has been forbidden under authority of this act, shall be valid, nor shall any consideration of any kind be enforced or collected upon any such contract. And notwithstanding any agreement between the owner of any such building and the occupant thereof, it shall be lawful for said owner at any time to close it effectually against the ingress or egress of any and all persons occupying or attempting to occupy said premises for dwelling purposes.

SEC. 16. That the owner of each and every unoccupied building in the District of Columbia shall keep said building and all land and premises appurtenant thereto clean; in such repair as not to jeopardize the life, limb, or health of passers by, or of persons dwelling, doing business, or lawfully assembling in the vicinity, or of persons lawfully entering upon the premises; and in the case of buildings or inclosed yards, securely closed against entrance by persons not authorized by said owner to enter.

SEC. 17. That if the use as a place of dwelling of any alley in the District of Columbia has been prohibited, and the owner of any real property abutting on said alley and formerly occupied as a dwelling desires to transfer such property to the owner of adjacent land abutting on one of the streets or avenues bounding the square in which such alley is located, or desires himself to acquire title to such adjacent land, so as to make said alley property and said street property one continuous area; and if by reason of a public alley between the alley property and the street property said owner be prevented from doing so; then and in that event the Commissioners of said District may in their discretion sell, and they are hereby authorized so to do, to the owner of such alley property or of such street property so much of such public alley as may be necessary to permit the conversion of both into a single continuous tract, subject to such restrictions as in the judgment of said commissioners the public welfare may require, at a price per square foot not less than the mean between the assessed value per square foot of the land abutting upon the street and the land abutting upon the alley, which land the sale is designed to unite; and said commissioners are hereby authorized to execute in the name of the United States or in the name of the District of Columbia, as the circumstances may require, all such conveyances as may be necessary to convey a valid title to the purchaser, each conveyance so executed, however, to embody all such covenants as may be necessary to impose upon the land sold and upon the lots united by the sale of such land all such restrictions as have been determined upon by said commissioners: *Provided*, That no such sale of any part of a public alley shall be made unless in the judgment of said commissioners it can be made without interfering with the effectiveness of the alleys in said square for the service of all premises situated therein. And any money payable on account of the sale of any such part, or of the whole, of any public alley under the provisions of this act shall be paid to the collector of taxes of the District of Columbia and shall be by him deposited in the Treasury of the United States to the credit of the United States or of the District of Columbia, or of both, as their respective interests may appear.

SEC. 18. That the Commissioners of the District of Columbia be, and they are hereby, authorized and directed to report to Congress annually, and as much oftener as in their judgment may be expedient, the progress of their operations under this act, and to submit drafts of such further legislation, if any, as in their judgment may be necessary to carry into effect the true purpose and intent of this act within the time specified herein.

SEC. 19. That for the purposes of this act, the word "alley" shall be held to mean any thoroughfare, by whatsoever name it may be known, and whether public or private, the roadway of which is less than 30 feet wide in its narrowest place, measured in the most direct line, and the shortest distance between the building lines on the opposite sides of which is less than 40 feet, and which said thoroughfare does not run straight through and open directly upon a street, avenue, or road of dimensions not less than those herein specified. The word "dwelling" shall be held to mean any structure or part of any structure commonly occupied by one or more persons for sleeping purposes, and the occupying of any structure or part of a structure in the nighttime shall be prima facie evidence of occupying the same as a dwelling. A building shall be regarded as situated in an alley if the ordinary mode of ingress and egress of the occupants thereof is through an alley.

SEC. 20. That any notice required by this act to be served shall be deemed to have been served if delivered to the person to be notified, or if left at the usual residence or place of business of the person to be notified, with any person of suitable age and discretion then resident or employed therein; or if no such residence or place of business can be found in the District of Columbia by reasonable search, if left with any person of suitable age and discretion employed therein at the office of any agent of the person to be notified, which agent has any authority or duty whatsoever with reference to the real property to which said notice relates; or if no such office can be found in said District by reasonable search, if forwarded by registered mail to the last known address of the person to be notified and not returned by the post-office authorities; or if no address be known or can by reasonable diligence be ascertained, or if any notice forwarded as authorized by the preceding clause of this section is returned by the post-office authorities, then if published three times at intervals of five days in a daily newspaper of general circulation published in said District; or if by reason of an outstanding unrecorded transfer of title, the name of the owner in fact can not be ascertained beyond a reasonable doubt, if served on the owner of record in the manner hereinbefore in this section provided. Any notice to a corporation shall, for the purposes of this act, be deemed to have been served on such corporation if served on the president, secretary, treasurer, general manager, or any principal officer of said corporation in the manner hereinbefore provided for the service of notices on natural persons holding property in their own rights. Any notice to a foreign corporation shall, for the purposes of this act, be deemed to have been served if served on an agent of such corporation personally or if left with any person of suitable age and discretion residing at the usual residence or employed at the usual place of business of such agent in said District.

SEC. 21. That whenever the title to any premises or part of any premises in any alley in the District of Columbia the use of which as a place of dwelling is to be or has been forbidden under authority of this act is in litigation, the commissioners of said District shall notify all parties to the suit and through the corporation counsel of said District shall bring the circumstances to the attention of the court in which such litigation is pending, for the purpose of obtaining such orders or decrees as will enable said commissioners to continue such proceedings as may be necessary to prevent the use and occupancy of said building as a place for dwelling; and said court is hereby authorized to make such orders and decrees in such pending suit as may be necessary for that purpose.

SEC. 22. That whenever the title to any building or part of building is vested in a person non compos mentis, or a minor child or minor children without legal guardian, the Commissioners of the District of Columbia shall report that fact, through the corporation counsel, to the Supreme Court of said District and obtain the appointment of a guardian or guardians for such person non compos mentis, or minor child or children aforesaid, for the purpose of the proceedings authorized by this act. Any justice of the Supreme Court of said District, holding an equity court, is hereby authorized to appoint a guardian or guardians for that purpose.

SEC. 23. That any person violating any of the provisions of this act, or aiding or abetting in the violation thereof, shall, upon conviction thereof, be punished by a fine of not more than $500, or by imprisonment for not more than six months, or by both such fine and imprisonment, in the discretion of the court.

SEC. 24. That prosecutions under this act shall be in the police court of the District of Columbia, upon information signed by the corporation counsel of said District, or by one of his assistants.

SEC. 25. That all acts and parts of acts contrary to the provisions of this act or inconsistent therewith be, and the same are hereby, repealed.

With the following committee amendment:

Strike out all after the enacting clause and insert the following:

"That from and after the passage of this act it shall be unlawful in the District of Columbia to erect, place, or construct any dwelling on any lot or parcel of ground fronting on an alley where such alley is less than 30 feet wide throughout its entire length and which does not run straight to and open on two of the streets bordering the square, and is not supplied with sewer, water mains, and gas or electric light; and in this act the term "alley" shall include any and all courts, passages, and thoroughfares, whether public or private, and any ground intended for or used as a highway other than the public streets or avennes; and any dwelling house now fronting an alley less than 30 feet wide and not extending straight to the streets and provided with sewer, water main, and light, as aforesaid, which has depreciated or been damaged more than one-half its original value, shall not be repaired or reconstructed as a dwelling or for use as such, and no permit shall be issued for the alteration, repair, or reconstruction of such a building when the plans indicate any provision for dwelling purposes: *Provided*, That rooms for grooms or stablemen to be employed in the building to be erected, repaired, or reconstructed may be allowed over stables when the means of exit and safeguards against fire are sufficient, in the opinion of the inspector of buildings, subject to the approval of the Commissioners of the District of Columbia; and no building now or hereafter erected fronting on an alley or on any parcel of ground fronting on an alley less than 30 feet wide and not otherwise in accordance with this act shall be altered or converted to the uses of a dwelling. Any such alley house depreciated or damaged more than one-half of its original value shall be condemned as provided by law for the removal of dangerous or unsafe buildings and parts thereof, and for other purposes. No dwelling house hereafter erected or placed along any alley and fronting or facing thereon shall in any case be located less than 20 feet back clear of the center line of such alley, so as to give at least a 30-foot roadway and 5 feet on each side of such roadway clear for a walk or footway, and any stable

or other building hereafter placed, located, altered, or erected on or along such an alley upon which a dwelling faces or fronts shall be set back clear of the walk or footway the same as the dwelling or dwellings, but the fact that dwellings are located in such alleys shall not affect the location of stables or other buildings otherwise.

"The use or occupation of any building or other structure erected or placed on or along any such alley as a dwelling or residence or place of abode by any person or persons is hereby declared injurious to life, to public health, morals, safety, and welfare of said District; and such use or occupation of any such building or other structure on, from, and after the 1st day of July, 1918, shall be unlawful.

"SEC. 2. That any person or persons, whether as principal, agent, or employee, violating any of the provisions of this act, or any amendment thereof, for the violation of which no other penalty is prescribed, shall, on conviction thereof in the police court, be punished by a fine of not less than $10 nor more than $100 for each such violation and a like fine for each day during which such violation has continued or may continue, to be recovered as other fines and penalties are recovered.

"SEC. 3. That the act of Congress approved July 22, 1892, entitled 'An act regulating the construction of buildings along alleyways in the District of Columbia,' and all laws or parts of laws inconsistent with the provisions hereof, are hereby repealed."

Mr. JOHNSON of Kentucky. Mr. Chairman, let the bill be read for amendment.

The CHAIRMAN. The Clerk will read the bill for amendment.

Mr. MANN. Not yet.

The CHAIRMAN. Does the gentleman from Illinois desire to be recognized for general debate?

Mr. MANN. I do.

The CHAIRMAN. The gentleman from Illinois is recognized.

Mr. MANN. Mr. Chairman, I suppose no one will disagree with the good people who desire to abolish the alley evil or to stop the use of improper dwellings, whether they be located upon alleys or streets. How much necessity there may be for legislation or improvement in this respect in the District of Columbia I would not pretend to know as well as some of those gentlemen who favor the provisions of this bill; but it seems to me that the House ought not hastily and without consideration to pass a bill that is sure to involve the Government in the payment of private claims for many years to come in some unknown but certainly large amounts. To-day we set aside temporarily the consideration of the plaza-award cases in order to take up this bill. Those are claims which people now have who say they can not get their money, not being legally entitled to it. I am not making any criticism of postponing the consideration of that bill to take this up, but it is an illustration of the fact that the Government is slow about paying those claims which are not legal claims. The Government is very prompt to pay legal claims.

The original bill in this case now before us, covering some 22 pages, carefully drawn, provided a method of ascertaining and paying the damages which would be inflicted upon the owners of private property by the proposed legislation.

What is the proposition? It is that an alley must be 30 feet wide before any dwelling can be placed upon it or anyone live in a house upon the alley. That is the general proposition. There are a good many alleys less than 30 feet wide which are used for dwellings in the city of Washington and a good many other cities. It used to be and still is a not unusual practice in the city from which I come for a man to buy a not very expensive lot and build a building upon the rear of the lot, on the alley, because he did not have the means to build a permanent home. In the course of time, as he accumulated a little more money or credit, he built a home on the front of the lot. Now, this bill proposes practically to seize all of the alley property in the District of Columbia, to abolish all the dwellings upon alleys in the District of Columbia, to forbid the erection of any dwelling hereafter upon any alley in the District of Columbia. When I say alley, it includes everything up to the width of 30 feet, including courts, private passageways, or any other form of highway. The original bill, introduced by the gentleman from Kentucky [Mr. JOHNSON] at the request of the Commissioners of the District of Columbia, made provision for the payment of the damages, and provided that the District Commissioners might order the closing as a dwelling place of any alley; and if any claims for damages were made by the owners of the property there, then the District Commissioners should bring in all of the owners of property in the square, and a jury should be appointed who should assess the damages and the benefits, the purpose being to provide a method by which the damages to those owners whose property was practically taken away from them should be ascertained, and to assess the benefits to other property arising from the closing of the alley as a dwelling place.

I do not propose at this time to discuss fully the original bill, covering, as I say, 22 pages, which was endeavored to be carefully worked out so that for that property which we practically seized the owner should be compensated for the damage and the damage assessed upon the owners of the property benefited. But along comes the substitute reported by the committee—and I do not think the committee are to be charged with any responsibility in connection with the substitute. The committee found themselves where they desired to report as a substitute a bill in the exact language of the bill which has passed the Senate. But the substitute proposes practically to seize the property, to forbid its use, and to make no payment for the damages. Now, while we could not actually take the property of a private individual, under the Constitution, without at least being liable for its value, still we can through legislation destroy the value of property without any legal liability; but Congress is not a body which can destroy property without a moral liability, nor from my observation and experience do I think it is a body which can withstand or which ought to withstand the claims that will be made by those whose property is taken from them, to be recompensed by the General Treasury. The original bill provided that after the raising of money by special assessment on property which was benefited, if any excess of damage remained it should be paid, one-half out of the District treasury and one-half out of the Federal Treasury. The substitute, which makes no provision for the payment of claims at all, of course will result in the claims being brought before Congress for the entire amount to be paid out of the Federal Treasury. The whole theory of the original bill is the admission that damages will accrue to private owners of property located upon these alleys. The bill authorizes condemnation proceedings. It provides for the method of payment. For instance, in reference to the property which may be taken it says in one place:

That the amount assessed under this section as benefits shall be not less than one-half of the balance remaining after subtracting from the total damages as determined under the provisions of the Code of Law for the District of Columbia, plus the cost of the condemnation proceedings, an amount equal to the value of all of the land acquired by the District of Columbia for subdivision into lots as hereinafter provided, the value of such land to be determined upon the basis of the amount awarded the owners thereof—

And so forth.

That is on page 3. I do not know what it means. I read it to myself a number of times and I could not tell what it meant. But I could see that it was intended to imply that there were damages to property and that it was intended to levy an assessment on property which was benefited.

Section 7 of the original bill provides:

That if the Commissioners of the District of Columbia agree with the owner of any building used as a dwelling at the time of the passage of this act and the use of which as a dwelling is forbidden by said commissioners pursuant to the provisions of said act, as to the fact that said building is substantially depreciated in value by reason of such prohibition and as to the extent of such depreciation—

And so forth. Here is a provision in the original bill prepared by the District Commissioners which plainly indicates that they knew that the prohibition of the use of dwellings would result in a marked depreciation of the value of the property. Who is to stand this under the substitute? Here is an admission in the original bill prepared by the District Commissioners that to forbid the use of a dwelling or the erection of a dwelling upon a court or alley is to depreciate the value of that property, or to forbid the use of a dwelling already erected is to depreciate the value of the property. Since when is Congress morally authorized to seize a man's property without any provision for the payment of the damages? The original bill, it is true, carries a method for ascertaining the damage and for paying the damage. It authorizes the owner or owners of any building, under any law in the District of Columbia, the use of which as a place of dwelling is prohibited under the provisions of this act, which said building was at the time of such prohibition used for dwelling purposes within six months of the date of the order of prohibition, if he was in the first instance served with notice of the issue of such order, and otherwise within one year after instituting the prohibition, to proceed in the Supreme Court in the District for the determination of the damages, and said building resulting from the prohibition of its further use as a dwelling and for the award of judgment against the District for the amount of damages.

It authorizes each of the owners separately to commence suit, or it authorizes the total number of owners in any one alley to join in a suit, and then authorizes the commissioners to make all the other owners of the property in the block codefendants. Then, when an answer is filed, it authorizes the appointment of a jury and the taking of testimony to determine the amount of the damages and to assess the benefits.

The whole theory of the original bill—and you will pardon me for reiterating it, but I wish to impress it upon you—the whole theory of the original bill is based on the idea that the prohibition in the use of these buildings and dwellings was a damage to the property and a loss to the owner, for which he

was entitled to be paid, and it provided a method of raising the money with which to pay it. That is the original bill.

The whole theory of the substitute is that by our fiat we say that a man hereafter can not use his property fronting upon an alley 30 feet wide for the construction of any building where a person can live, and that after four years from now no building now used as a dwelling upon any alley shall be used for that purpose. We make no provision for the payment to the owner of the damage caused to him by the depreciation of his property on account of our fiat. I do not believe in seizing private property without recompense for it. I do not believe in destroying the value of property without recompense for it. I do not believe in doing something which we know will bring before Congress claims for large sums of money, claims necessary to recompense the owners of property whose property has been depreciated by our fiat. I do not believe we ought to enter into it as a wholesale scheme. The original bill would have authorized the District Commissioners to take up one alley in one block where conditions were bad, stop the use there of dwellings as dwellings, and go block by block, as it chose. There you could determine before you went too far what the damage was and what the cost was.

The substitute bill covers all alleys, all courts, all passageways, all highways of any kind at one fell swoop which are less than 30 feet wide.

One gentleman, referring to the substitute bill, said that he did not take it too seriously, because he thought it had so many holes in it that the first property owner who brought a suit to enjoin would be successful, and the bill would be thrown out of court. I am not so sure of that, nor do I think it is desirable to enact legislation upon the theory that the first time you try to put it into effect somebody will have it declared unconstitutional.

But in order that the House may know what it is, let us see what the provisions of the substitute are. It provides that after the passage of the act it shall be unlawful in the District to construct—I do not read the language exactly as it occurs, but in substance—to construct any dwelling on any lot fronting on an alley where the alley is less than 30 feet wide through its entire length, where the alley does not run straight through from one street to another, and where the alley is not supplied with sewer, water main, and gas or electric light. And it provides that the term "alley" shall include any and all courts, passages, and thoroughfares, whether public or private, and any ground intended for or used as a highway other than the public streets or avenues. Of course, one of the first things that one will have to construe there is when a parcel of ground—and that is one of the terms used—fronts on an alley, because it will become patent that if a man has an automobile drive by the side of his house, going to a garage in the rear of his house—and that is covered by the terms of this bill in the definition of the term "alley"—it is not the purpose of the bill to prohibit him from erecting a house alongside of his private driveway; and yet the terms of the bill would do that. Of course it is to be presumed that a sensible judge, acting in a sensible court, would not construe the law in that way in such a case, but I doubt whether he would be able to draw the line between that case that I have mentioned and a case where property is actually desired for a dwelling upon a real alley.

Another provision of the bill allows rooms to be provided for grooms or stablemen—

Provided, That rooms for grooms or stablemen to be employed in the building to be erected, repaired, or reconstructed may be allowed over stables, when the means of exit and safeguards against fire are sufficient, in the opinion of the inspector of buildings, subject to the approval of the Commissioners of the District of Columbia.

One would suppose from that that it was the intention to permit a barn to be erected upon the alley provided with a room where a groom or stableman might live or at least stay at night. The intention undoubtedly is expressed to allow them to have the rooms there, but almost the next paragraph of the bill provides that the use or occupation of any building on or along any such alley as a dwelling or residence or place of abode by any person is declared to be injurious, and from and after the 1st day of July shall be unlawful. Having provided in the bill that a man in erecting a barn might provide rooms for his stableman or groom, the bill next provides that it shall be unlawful to occupy those rooms. There can be no escape from that proposition.

I do not know who drew this substitute. It provides that upon an alley more than 30 feet wide you may erect a dwelling, placing it so that it will be at least 20 feet from the center of the alley in order to provide a 5-foot sidewalk space; a very proper and suitable provision, though it is not required that that sidewalk space shall exist as to any building already upon the alley, and there will be therefore no uniformity. And then it provides that the occupation of a building on such an alley—that is, an alley that is 30 feet wide upon which a building may be erected as a dwelling—is declared to be injurious as to life, health, public morals, and everything else that you can think of. It has been so long since I practiced law that I have doubt as to my legal fame, but I would like to get some lawyer to construe this language. The language is:

The use or occupation of any building or other structure erected or placed on or along any such alley as a dwelling or residence or place of abode by any person or persons is hereby declared injurious to life, to public health, morals, safety, and welfare of said District; and such use or occupation of any such building or other structure on, from, and after the 1st day of July, 1918, shall be unlawful.

What does the expression "such alley" refer to? The last description of an alley in the bill is an alley 30 feet wide upon which dwellings may be erected, and having said that upon an alley 30 feet wide a dwelling may be erected, the bill then provides that the occupation of a dwelling upon such an alley is declared to be injurious to life and health.

Mr. REED. Mr. Chairman, will the gentleman yield?

Mr. MANN. Yes.

Mr. REED. Does that language appear in the amended bill or in the original bill?

Mr. MANN. This is in the substitute, which I am now discussing.

Mr. LOGUE. Will the gentleman yield?

Mr. MANN. Certainly.

Mr. LOGUE. On page 23 it provides for a 20-foot distance from the center line. Would not that practically require a 40-foot street or alley there?

Mr. MANN. Yes; it would as to any new dwelling.

Mr. LOGUE. Because it requires a 5-foot way to be on both sides.

Mr. MANN. Yes.

Mr. LOGUE. And establishes a center line 20 feet from the house line.

Mr. MANN. Yes. I do not think that is objectionable.

Mr. LOGUE. No; but I just wanted enlightenment to see if we understood the matter the same.

Mr. MANN. That is, the alley that is 30 feet wide. When you build upon it you must leave 5 feet on each side, making it 40 feet. It authorizes a building upon such an alley, and in the next paragraph says that you can not occupy the building upon such an alley.

Mr. LOGUE. Then, commencing at the top of page 24, the restriction as to use clearly relates over to the last—that which the gentleman last described.

Mr. MANN. Well, it did in the days when I practiced law. It does yet, as far as my legislative experience goes. Where you use "such," without any further definition, you do not step over the last 40 pages and jump back to the first page. When you have a number of descriptions of the word "such," it relates to the last description. That is plainly what this does. Then it goes on—having authorized the erection of a dwelling on such an alley—it goes on and says that the use or occupation of any such building shall be unlawful. Now, of course, as I say, it may be one gets solace out of the idea that this bill is so unartificially drawn that it will not hold in court, but I do not think that is a safe proposition to go on. Here is a feature of the bill that is not at all serious—that it is indicating the frame of the mind of the gentleman who drew it. I would not make this remark if my friend from Kentucky [Mr. JOHNSON] drew it, but I know he did not. Section 2 says—

That any person or persons, whether as principal or agent or employee, violating any of the provisions of this act or any amendment thereof,

Here is an original act that has not yet been passed. It is perfectly proper to put in a provision making a penalty for a violation of the act, but here is the putting in of a penalty for some act which may not be passed for 50 years to come. Whoever drew it had a brilliant imagination. He not only made it a violation of existing law, but he made it a violation of the proposed law, and then he has made it a violation of some amendments to the proposed law. There is one thing quite definite: The gentleman who drew this and put in a provision to make it a violation for any amendment of this act had a very clear conception of one thing, and that was that it was so poorly drawn it would need amendment at an early day. I have no objection to the passage of a proper bill in reference to the alley matter, but I think if we provide that the property of the District of Columbia shall be so guarded that dwellings shall not be erected or used upon alleys, and existing property is damaged thereby, that the District of Columbia ought to pay the expenses of the benefit which accrues to the District of Columbia. If it is no benefit to the District of Columbia, if it is no advantage to the District of Columbia, the legislation ought not to be en-

acted; but if it is to benefit the property in the District of Columbia and wipe out the alley slums, charges should be made against the District of Columbia, and not leave it to claims hereafter to be brought against the Federal Treasury. It has not been difficult, and it never will be difficult, to influence the Claims Committee of this House by personal appeals—that is human nature; and I am not criticizing the Claims Committee—and there never has been a time when a whole lot of people, or one person, even where they follow around from one member of the Claims Committee to another—and it is not necessary to confine it entirely to the Claims Committee—but what you get the favorable action of the committee.

Mr. LOGUE. Will the gentleman yield?

Mr. MANN. I yield.

Mr. LOGUE. What is the gentleman's thought as regards the proposition of benefits to be assessed against the adjacent owners when we are dealing with a general public improvement which relates to general public morals and general public health? Should there be any attempt to assess benefits against adjacent property owners?

Mr. MANN. Oh, I can very readily see in a particular case in a block where there is an alley that runs through there may be some cheap property upon the alley sites which damages the entire block and that you might properly abolish the use of these buildings as dwellings, and because of the enhanced value which would come to the balance of the property you might assess the amount of damages against the other property as a benefit that would be in a particular block. Of course, where the benefits are general throughout the city, the law of special assessments does not permit the assessment to be levied against the particular piece of property because there is no special benefit.

Mr. BORLAND. Will the gentleman yield?

Mr. MANN. I will.

Mr. BORLAND. The gentleman has probably noticed in the original bill, known as the commissioners' bill, there is one provision for assessing against the adjoining property the actual benefits found by a jury.

Mr. MANN. I understand.

Mr. BORLAND. If any benefits actually accrue, the joint property owners could be assessed.

Mr. MANN. I understand. I thought I had stated that, but the gentleman has stated it more clearly than I did.

If we make no provision for the payment of the claim—you and I know perfectly well that if John Jones has a dwelling down here and we take it away from him, even though we take it away legally, he will come before Congress in the hands of a claim agent and ask us to pay the damage, and in order to make it sure he will probably make the damage two or three times what it really is. We have no method of ascertaining the facts, and he stays around the committee and sees the Members of Congress. While one person can not do all of this all of the time, when there are hundreds there is no difficulty in doing it, and in the end the claim is reported to the House. While there are times when claims have rocky roads to travel in the House, because of the ease with which they are reported out, we pay and will continue to pay large sums of money for claims, and in cases of this kind I think we ought to pay.

Even I would not be opposed, and I am not enthusiastic about claims against the Government, to the principle, at least, that if you destroy a man's property, of paying damage which accrues to him by reason of the legislation which we enact. I do not think the substitute bill ought to pass. There are provisions in the original bill which I do not like. I do not believe that the District of Columbia Commissioners should be given the power, as is given in the original bill, to buy property in order to resubdivide it and sell it. I should doubt whether they were qualified real-estate agents, to begin with, but up to the present time I do not think there is any need in this city, or probably in this country, for the Government to go into the business of subdividing lots for sale.

Mr. BORLAND. Does the gentleman wish to yield on that point?

Mr. MANN. Certainly. Mr. Chairman, how much time have I remaining?

The CHAIRMAN. The gentleman has used 41 minutes.

Mr. MANN. All right; I will yield.

Mr. BORLAND. The gentleman is familiar with the geographical situation of some of these alleys, and knows that the interior of the block is divided into a number of small alleys, sometimes in an egg shape and sometimes in an "S" shape, and if the provisions of this bill were carried out and a 30-foot alley carried clear from street to street, it probably would have the effect in many cases of leaving small lots in the inside of those alleys, that we can not now use for any purpose unless the alleys are replatted and resubdivided, and there were lots of sufficient wideness on each side of the street.

Mr. MANN. I was about to say that I was not certain, but there might be cases where we might give power to the commissioners within proper limitations in order to eradicate small alleys in this city.

Mr. Chairman, I reserve the balance of my time.

Mr. JOHNSON of Kentucky. Mr. Chairman——

The CHAIRMAN. The gentleman from Kentucky [Mr. JOHNSON] is recognized.

Mr. JOHNSON of Kentucky. Mr. Chairman, Washington is not only unusually laid out in streets, squares, and alleys, but the building up of the squares has been done in a very unusual way. Some years ago I heard the question of Willow Tree Alley brought up for discussion on this floor. At that time my attention had never been invited as to what an alley in the city of Washington was. I jumped at the conclusion that an alley in Washington was like an alley in any other of the cities of the country—that it was a little street, or alley, 10 feet wide, running through a square. But when the subject of Willow Tree Alley came up I learned that there are a number of squares in Washington—and that is one of them—where the entire outside of the square was built up, leaving a court on the inside of the square, and that, in local parlance, or in the description of an alley in the city of Washington, a court is an alley. On the inside of the square where that court existed—speaking now of Willow Tree Alley—there were a lot of miserable huts and shanties. It was a dirty, filthy place, breeding all sorts of crime and disease. Congress sought to wipe that out, and it was done, at a cost of something like several hundred thousand dollars, although I do not remember the exact figure. There are many more of just such places as that in Washington. They had better be described as courts than alleys, but they have come to be known in the city of Washington as alleys. There has been a desire, running way back, to do away with those inner courts or alleys, for the reason, as I said, that it is next to impossible to control them with the police. The worst characters who come to town congregate there; and, as I said a moment ago, it is but a breeding place for crime and all sorts of disease.

Back in 1892 Congress realized that some of these places, at least the worst of them, must be gotten rid of, and passed an act, which I shall read. It is short. It says:

Be it enacted, etc., That from and after the passage of this act it shall be unlawful to erect or place a dwelling house on or along any alley in the District of Columbia where such alley is less than 30 feet wide and is not supplied with sewerage, water mains, and light: *Provided*, That no dwelling house hereafter erected or placed in any alley shall in any case be located less than 20 feet back clear of the center line of such alley, so as to give at least a 30-foot roadway and 5 feet on each side of such roadway clear for a walk or footway; and that it shall be unlawful to erect or place a dwelling house on or along any alley which does not run straight to and open at right angles upon one of the public streets bordering the square in which such alley is located, with at least one exit 15 feet in the clear.

That act was approved on July 22, 1892.

Mr. HARDY. At least one what of 15 feet?

Mr. JOHNSON of Kentucky. One exit. Congress passed another act relative to the same subject, which can be found in the Statutes at Large of the United States, volume 27, pages 254 and 255, and that act was made part of the building regulations of the District of Columbia. That act, in substance, provides that when a building in one of these alleys has deteriorated to the extent of 50 per cent it can not be repaired. In that way a great many of the alley houses have been dispensed with as residences, because they have deteriorated to a degree greater than 50 per cent of their value, and in that way were closed up.

The present bill was introduced by me upon the request of the Commissioners of the District of Columbia. I have no knowledge as to who drafted the bill. The District Committee, in coming to consider what is now known as the commissioners' bill, or what may be better termed the House bill, reported it out with a substitute, that substitute being in the exact language of the bill which the Senate has passed and which is now upon the Speaker's table. I wish to impress the committee with the fact that the substitute for this bill is exactly the bill which the Senate has passed. I ask to impress that because a number of gentlemen have asked me to-day what was the difference between the substitute for this bill and the Senate bill. If you will notice, if you will compare the Senate bill with what I have just read, being the act of July 22, 1892, you will see they are very similar, indeed. There is one great difference between them, however, in this: The original act of 1892 did not make any provision for doing away with these alley slums, except as they would deteriorate in value. The Senate

bill which is now the substitute for the House bill does away with all these alleys by the year 1918, or, in other words, it gives four years in which to prepare and meet the situation which will then exist if this bill passes.

This bill, which has passed the Senate and which we have made a substitute for the House bill, is based upon the police power. The bill is all based upon the police power, and therefore we have reached the conclusion, in reporting it out, that the bill is constitutionally good. If there were any question in the mind of anybody on this floor as to whether the bill is constitutionally good, I entertain not the slightest doubt that the constitutional question would be raised by the property holders who seek to continue their investment in this miserable class of property, which brings a rental higher in per cent than any other property in the District of Columbia. So the effect of the difference between the present law and that which is contemplated by the substitute for the House bill, which is the Senate bill, is to do away with these alley buildings for residential purposes at an earlier date than under the act of 1892, which I have just read.

There is no desire to destroy this property, and there is nothing in this bill which will warrant the belief that this property is to be affected in any way other than for residential purposes. There have been, and I guess there will continue to be, objections to the House bill upon the ground that it seeks to sell a nuisance to the United States Government. It is contended that elsewhere in the country these nuisances are condemned under the police power. That leaves the property to its owners, to be used in any lawful way they choose to use it except as a residence, it being contended and maintained that a residence in these places can not be lawfully used; that nobody except unlawful characters will go into these places; that unlawful characters seek these places because they are free from police regulation.

I reserve the remainder of my time.

Mr. BORLAND. Mr. Chairman——

Mr. MANN. Mr. Chairman, I make the point of order that there is no quorum present.

The CHAIRMAN. The gentleman from Illinois makes the point of order that there is no quorum present. The Chair will count.

Mr. BORLAND. I will yield the floor if the gentleman from Kentucky [Mr. JOHNSON] desires to move that the committee rise.

Mr. JOHNSON of Kentucky. Pending that, I ask unanimous consent that the gentleman from Kansas [Mr. TAGGART] be permitted to speak for 10 minutes on a subject foreign to this bill.

Mr. MANN. I withdraw the point of no quorum present.

Mr. BORLAND. I yield 10 minutes of my time to the gentleman from Kansas [Mr. TAGGART].

The CHAIRMAN. The gentleman from Illinois withdraws the point of no quorum, and the gentleman from Missouri yields 10 minutes to the gentleman from Kansas [Mr. TAGGART].

Mr. TAGGART. Mr. Chairman, on August 24, 1814, 100 years ago to-day, the city of Washington was occupied by a British army under the command of Maj. Gen. Robert Ross, and some men of the British Navy under the direction of a British admiral. They set fire to and burned the public buildings of the Capital. According to British historians, this was done in retaliation for the destruction of a public building at York, in Canada, by the Americans a year before. Gen. Ross found raiding to be a dangerous business, for he lost his life in the attack on Baltimore a few days after the capture of Washington.

In accordance with the practice of monarchical governments the family of Gen. Ross were signally honored for this exploit. The Prince Regent of England conferred upon his descendants the honor and distinction of adding the words "of Bladensburg" to the family name, and augmenting the coat of arms of the family to perpetuate the memory of the Battle of Bladensburg. The augmentation consisted of putting upon the coat of arms "a wreath of laurel, the hand grasping a flagstaff broken in bend sinister, therefrom flowing the colors of the United States of America."

The village of Bladensburg, 8 miles from Washington, never was a fortress. It is probably no larger now than it was a hundred years ago. A great share of the population seems to be negroes living in dilapitated shanties built before the American Revolution. When the British forces appeared some drafted militia, consisting largely of Government clerks, and accompanied by a few marines, undertook to defend Washington, which was then a town of but 9,000 inhabitants, surrounded by a wilderness. The militia fled before the approach of the regular forces; the marines stood their ground until outflanked, and then retreated. In this encounter the Americans lost just 26 killed and 52 wounded. And this was all that happened at Bladensburg 100 years ago to-day.

The grandson of Maj. Gen. Ross still occupies the ancestral home at Rostrevor, a few miles from Belfast, in Ireland, and still triumphantly displays the American flag on his coat-of-arms. He styles himself, according to his inherited right, Sir John Ross-of-Bladensburg, not omitting the two hyphens. He holds a position connected with the police force of Dublin.

Placing the flag of the United States and the word "Bladensburg" on the coat of arms of this distinguished family could not have been done in token of a great victory; the evident purpose was to humiliate the American people. The theory was that the escutcheon of the house of Ross would boast while we mourned—that the descendants of the general should fall heir to glory while we should inherit chagrin.

How strange all of this seems to the common sense of the American citizen! We have no coats of arms labeled "Saratoga," "Yorktown," "Lake Champlain," or "New Orleans." If we had, how could we look at each other without smiling? How fortunate it is that we have not sought to keep alive the spirit of war and aggression. We are not burning with revenge for lost battles nor lost Provinces. The descendants of our heroes can make no claim on the public esteem on account of anything done by their ancestors. If this Congress were controlled by men who might style themselves the "Duke of Bunker Hill," the "Earl of Stony Point," the "Lord of Lake Erie," or the "Prince of Louisiana," the chances are that they would owe it to their native pride to revenge every humiliation upon the children of the enemies of their ancestors.

The past has little meaning where men are free. If the ordinary American citizen were asked who won any of the battles of the War of 1812, he would probably refer the matter to some teacher of history, especially if he were a busy and useful citizen. He would probably fail to recollect, if he ever knew, that Tecumseh, chief of the Shawnees, was a brigadier general in the British Army. Yet this was exactly the title and commission of Tecumseh. Tecumseh is entitled to a page in history. He fell gallantly in battle in defense of his native forest and for what he believed to be the rights of his people. Descendants of Col. Johnson, who slew Tecumseh at the Battle of the Thames, are around us, innocent of "the boast of heraldry or the pomp of power."

It is possible that Americans have overdone the matter of talking over the progress of the past century. We had fondly hoped that war would become a thing of the past among civilized nations, but we hoped in vain. The progress that we have observed, that strikes us most forcibly on this centennial day, is that that former ally of Tecumseh has become the partner of the Czar of Russia and the Mikado of Japan in the enterprise of crushing a nation in which half of the scientific work of the world is done. How fortunate that we do not nurse ancient wrongs nor inherit the passions of our ancestors! If we did, Washington would be a more interesting spot to-day than it was a hundred years ago.

Far from discussing war or rumors of war, the House of Representatives of the United States is wrestling with the problem of irrigating the public lands in the semiarid regions of the West. The gentleman from New York [Mr. FITZGERALD], always for economy and jealously guarding the Public Treasury, argues that money derived from public lands should go into the Treasury for general purposes and the gentleman from Oklahoma [Mr. FERRIS], with the pioneer spirit, is contending that the money should be placed in the reclamation fund and that a part of it should be used for the maintenance of schools in the Western States. The House is planning to make homes for the people in the west half of the United States, where every square mile is a health resort and where a half million square miles of the most fertile land in the world still remain untouched. We are attempting the conquest of nature, and we have no thought of the conquest of men. The American people stand aghast at the butchery now in progress in the harvest fields of northern Europe—a harvest, but not of sheaves. So far from arousing the slumbering war spirit it has, on the contrary, given to the name of peace a more significant and holy meaning than it ever had before. We shall go on and plan for homes for the people. Let us provide a chance for men to live instead of a chance to die. [Applause.] We can not stop the European struggle. In the words of the distinguished countryman of Gen. Ross, we stand aloof and silent "with the undissembled homage of deferential horror." [Applause.]

I yield back the remainder of my time.

Mr. BORLAND. I yield to the gentleman from New York [Mr. GOULDEN].

Mr. GOULDEN. Mr. Chairman, I had hoped to make a few observations upon the political and business conditions of the country under a Democratic administration; but time forbids, and therefore I wish to ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from New York [Mr. GOULDEN] asks unanimous consent to extend his remarks in the RECORD. Is there objection?

Mr. MANN. Reserving the right to object, I shall not object to this request, but unless the majority side of the House soon gives some opportunity for Members of the minority and the majority to discuss political questions in Committee of the Whole, I shall object to all such requests.

Mr. GOULDEN. Mr. Chairman, I think my distinguished friend from Illinois will agree with me that I do not take much time in talking, nor do I object to that side of the House having their innings.

Mr. MANN. No; but we have a rule operating under which it is said that no man can speak on political questions, and we did not vote for the rule. Now, if you people on the other side insist upon passing such rules, and then will not give us a chance to speak in debate on political questions, I am not going to let you print.

The CHAIRMAN. Is there objection to the request of the gentleman from New York [Mr. GOULDEN]?

There was no objection.

Mr. GOULDEN. Mr. Chairman, I wish to make a few observations on the political and business conditions of the country under a Democratic administration, showing actual results.

Two years have elapsed since the national convention of the Democratic Party met in Baltimore, nominated candidates for President and Vice President, and adopted a platform. It is time to look over the situation and see if the promises then made have been kept. A party, like an individual, must be judged by deeds, not words. Applying this inexorable test to the Democrats, let us see what has been the result.

The platform in its first plank on tariff reform declared as follows:

We declare it to be a fundamental principle of the Democratic Party that the Federal Government, under the Constitution, has no right or power to impose or collect tariff duties except for the purpose of revenue, and we demand that the collection of such taxes shall be limited to the necessities of government honestly and economically administered.

The high Republican tariff is the principal cause of the unequal distribution of wealth. It is a system of taxation which makes the rich richer and the poor poorer. Under its operations the American farmer and laboring man are the chief sufferers. It raises the cost of the necessaries of life to them, but does not protect their product or wages. The farmer sells largely in free markets and buys almost entirely in the protected markets. In the most highly protected industries, such as cotton and wool, steel and iron, the wages of the laborers are the lowest paid in any of our industries. We denounce the Republican pretense on that subject and assert that American wages are established by competitive conditions and not by the tariff.

We favor the immediate downward revision of the existing high and in many cases prohibitive tariff duties, insisting that material reductions be speedily made upon the necessaries of life. Articles entering into competition with trust-controlled products and articles of American manufacture which are sold abroad more cheaply than at home should be put upon the free list.

In fulfillment of this pledge Congress during 1913 passed a just and equitable tariff law that is working out splendidly to the benefit of the consumer. It is in the interest of the masses, and has reduced the cost of building material, clothing, and many of the necessaries of life.

Congress has also passed a wise currency law to take the place of the old worn-out system that encouraged and brought about financial depressions and panics. The new act will prevent these disasters and enable the business of the country to be properly and successfully handled. Under its wise and elastic provisions there can be no cornering of money or credit, nor of the products of the farm, the forest, the mills, or the other activities of the people.

The third important plank in the platform read as follows:

ANTITRUST LAW.

A private monopoly is indefensible and intolerable. We therefore favor the vigorous enforcement of the criminal as well as the civil law against trusts and trust officials, and demand the enactment of such additional legislation as may be necessary to make it impossible for a private monopoly to exist in the United States.

We favor the declaration by law of the conditions upon which corporations shall be permitted to engage in interstate trade, including, among others, the prevention of holding companies, of interlocking directors, of stock watering, of discrimination in price, and the control by any one corporation of so large a proportion of any industry as to make it a menace to competitive conditions.

The three bills on this subject recently passed completely cover these vexed questions and will work out for the good of the people, proving of incalculable benefit to the country. The interests and combinations will no longer control business to the injury of the people.

In the adoption of an income tax, a wise and just system of taxation, not only has another platform pledge been fulfilled, but the Congress performed a great service to the people. By this law the support of the Government is equitably distributed, and those with large incomes are for the first time in its history called on to contribute their fair share and properly aid in bearing the burdens. Upward of one hundred millions has been paid into the United States Treasury in 1914 from this source, that hitherto escaped taxation. As the years go on this sum will materially increase, thus reducing the burdens in other directions.

In the plank affecting railroads, express companies, telegraph and telephone lines the Congress, largely Democratic, has faithfully lived up to the following, which appeared in the party's platform:

We favor the efficient supervision and rate regulation of railroads, express companies, telegraph and telephone lines engaged in interstate commerce. To this end we recommend the valuation of railroads, express companies, telegraph and telephone lines by the Interstate Commerce Commission, such valuation to take into consideration the physical value of the property, the original cost, the cost of reproduction, and any element of value that will render the valuation fair and just.

We favor such legislation as will effectually prohibit the railroads, express, telegraph, and telephone companies from engaging in business which brings them into competition with their shippers or patrons, also legislation preventing the overissue of stocks and bonds by interstate railroads, express companies, telegraph and telephone lines, and legislation which will assure such reductions in transportation rates as conditions will permit, care being taken to avoid reduction that would compel a reduction of wages, prevent adequate service, or do injustice to legitimate investments.

In the several other planks, notably those dealing with the rights of labor, pure food and public health, civil service, pensions, and so forth, the Democratic Party, through the President and its Representatives in Congress, has lived up to its promises and kept faith with the people.

To the wise and patriotic policy of President Wilson war with Mexico was averted. For this humane and statesmanlike result his administration is entitled to the commendation of every American, aye, of the people of all nations. With this record and its splendid history of more than a century the Democratic Party appeals to the suffrages of the whole people, regardless of political affiliations. President Wilson's administration has merited a vote of confidence and, unless all signs fail, will be supported by the return of a Democratic Congress in November. His entire administration, covering a period of less than 18 months, has been a safe, sane one, characterized by honesty of purpose and a high order of patriotism. I am gratified that I have had some part in these achievements. My best efforts have been put forth to further the platform of the Democratic Party, its traditions, and to uphold the hands of President Wilson and his splendid Cabinet, of which the whole country may feel proud.

The Congress which will end March 4, 1915, and be succeeded by the Sixty-fourth, has under the leadership of Speaker CLARK and Leader UNDERWOOD done splendid service to the country. It has been one of economy and efficiency, working in season and out without intermission since it was organized, April 7, 1913. Its record will go down in history as one of the best since the foundation of the Government. In conclusion I desire to quote a few paragraphs from the President's patriotic and timely address to the American people on the European war crisis recently issued and to commend the same to my countrymen:

I venture, therefore, my fellow countrymen, to speak a solemn word of warning to you against that deepest, most subtle, most essential breach of neutrality which may spring out of partisanship, out of passionately taking sides. The United States must be neutral in fact as well as in name during these days that are to try men's souls. We must be impartial in thought as well as in action, must put a curb upon our sentiments as well as upon every transaction that might be construed as a preference of one party to the struggle before another.

My thought is of America. I am speaking, I feel sure, the earnest wish and purpose of every thoughtful American that this great country of ours, which is, of course, the first in our thoughts and in our hearts, should show herself in this time of peculiar trial a nation fit beyond others to exhibit the fine poise of undisturbed judgment, the dignity of self-control, the efficiency of dispassionate action; a nation that neither sits in judgment upon others nor is disturbed in her own counsels and which keeps herself fit and free to do what is honest and disinterested and truly serviceable for the peace of the world.

Shall we not resolve to put upon ourselves the restraints which will bring to our people the happiness and the great and lasting influence for peace we covet for them?

Mr. JOHNSON of Kentucky. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

The committee accordingly rose; and the Speaker having resumed the chair, Mr. WINGO, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 13219) to provide, in the interest of public health, comfort, morals, and safety, for the discontinuance of the use as dwellings of

buildings situated in the alleys in the District of Columbia, and had come to no resolution thereon.

LEAVE TO PRINT.

Mr. DEITRICK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from Massachusetts asks unanimous consent to extend his remarks in the RECORD. Is there objection?

Mr. BORLAND. Mr. Speaker, reserving the right to object, I should like to ask the gentleman what it is he wants to put in the RECORD?

Mr. DEITRICK. This is an article written by Charles W. Eliot, president emeritus of Harvard University, and in the article are discussed Congress, President Taft, and President Wilson.

Mr. BORLAND. Mr. Speaker, in fairness to both sides of the House, I do not think we ought to allow these articles to be inserted.

Mr. DEITRICK. This is my first offense.

The SPEAKER. The gentleman from Missouri [Mr. BORLAND] objects.

BUREAU OF WAR RISK INSURANCE.

Mr. ADAMSON. Mr. Speaker, unless some other gentleman has already attended to it, I will ask unanimous consent for a print of the Senate war insurance risk bill (S. 6357). It has not been printed since it was amended and passed by the Senate.

The SPEAKER. The gentleman from Georgia asks unanimous consent that there be a print of the war insurance bill—S. 6357.

Mr. ADAMSON. As it passed the Senate.

Mr. MANN. Why has it not been printed?

Mr. ADAMSON. It came over to the House and was left on the Speaker's table.

Mr. MANN. Why was it left on the Speaker's table?

Mr. ADAMSON. Because I hoped that the gentleman from Illinois and other gentlemen would consent to taking up the bill and considering it.

Mr. MANN. If the bill is referred it can be printed.

Mr. ADAMSON. I do not ask for its reference.

Mr. MANN. I do; I ask that it be referred.

The SPEAKER. It will be referred to the Committee on Interstate and Foreign Commerce.

ABSENT MEMBERS.

Mr. UNDERWOOD. Mr. Speaker, a few Members of the House have been here continuously all summer. A number of others have been here a greater portion of the time. There are a large number of Members of the House who have been almost continuously absent. I sympathize with Members who have work at home, the exigencies of whose campaign will cause them sometimes to stay there, but I think it goes without saying that undoubtedly some Members of this House have been neglecting their duty and putting undue burdens on those who remain here.

I desire to make a motion to-night, if there is no objection to its being made at this time; if there is objection, I will let it go over until to-morrow.

Mr. MANN. Before the gentleman from Alabama makes his motion I want to say that I shall object to any further business to-night. Those of us who stay here all summer I think have a right to quit the session of the House at 5 o'clock, and it is now half past 5. I will ask the gentleman to let the matter go over until to-morrow. There is no quorum here.

Mr. UNDERWOOD. I recognize that there is not a quorum present. But I desire to move that the Sergeant at Arms be instructed to notify the absentees of the House to return to Washington, and of course that is a motion that can not be put through without a quorum. If there is objection at this time, I will let it go over until to-morrow morning.

PROCEEDINGS OF THE HAGUE CONVENTIONS (H. DOC. NO. 1151).

Mr. BARNHART. Mr. Speaker, I offer the following privileged resolution, and ask for its present consideration.

The SPEAKER. The Clerk will report it.

The Clerk read as follows:

House resolution 593 (H. Rept. 1109).

Resolved, That there be printed as a House document 5,000 copies of The Hague conventions of 1889 and 1907, as printed in Treaties, Conventions, International Acts, Protocols, and Agreements Between the United States and Other Powers, 1776 to 1909, Malloy, volume 2, pages 2016 to 2057 and 2220 to 2389, published in the year 1910 by the Government Printing Office, the same to be distributed through the House folding room.

Mr. STAFFORD. Will the gentleman yield?

Mr. BARNHART. Certainly.

Mr. STAFFORD. I want to ask the gentleman whether the committee considered at the same time the printing of the naval conference of 1909, in which the great powers were parties, and which passed upon more questions of importance than were debated at The Hague conference of 1907?

Mr. BARNHART. No; because that was not contained in the bill. The committee only considered the bill before it.

Mr. STAFFORD. The matter I refer to is of much more importance than the proceedings at The Hague convention.

Mr. BARNHART. If the gentleman from Wisconsin will introduce a bill asking to have that printed, the committee will consider it.

Mr. MANN. Mr. Speaker, in view of what is now taking place in the world, I take it that the proposition to print the proceedings of The Hague conference is intended as a sort of legislative sarcasm.

Mr. BARNHART. I would hardly think that. I think even at this time, Mr. Speaker, the more sentiment for peace this country can promulgate and disseminate the better it will be for us.

Mr. MANN. If there is at present any useless bit of theory, it is the proceedings of The Hague conference.

Mr. BARNHART. And yet, Mr. Speaker, there may come out of it much good for posterity.

Mr. MANN. I hope so; but I am afraid it will be for posterity.

The SPEAKER. The question is on agreeing to the resolution.

The question was taken, and the resolution was agreed to.

CRIMINAL PROCEDURE IN ENGLAND.

Mr. BARNHART. Mr. Speaker, I present the following privileged resolution, and ask for its immediate consideration.

The Clerk read as follows:

House resolution 546 (H. Rept. 1110).

Resolved, That there be printed 40,000 copies, to be placed in the House document room for the use of the House of Representatives, of the report of the Committee on Reform in Legal Procedure of the American Institute of Criminal Law and Criminology, appointed to investigate and make a study of criminal procedure in England, known as Senate Document No. 495, Sixty-third Congress, second session.

Mr. MANN. Who introduced this resolution?

Mr. BARNHART. The gentleman from Mississippi [Mr. HARRISON].

Mr. MANN. What is the idea of placing 40,000 copies in the document room?

Mr. BARNHART. For the reason that it is believed that the lawyers in the Congress and others who are interested will go there and get these documents and send them out. If they are sent to the folding room, it was the opinion of the committee that the probability is they would lie there like many other documents do. But Mr. HARRISON assured the committee——

Mr. MANN. Oh, HARRISON is a good fellow, and I am willing that he should have 40,000 copies.

Mr. BARNHART. He assured the committee that he would notify each Member of the House that the documents are there.

Mr. STAFFORD. We had recently a reprint of the judicial code placed at our disposition. All of us, I presume, sent them to the lawyers in our respective districts. The gentleman knows that we are not going to get hold of this report; that they will be gobbled up before we can get them.

Mr. BARNHART. The gentleman will get a letter, upon the honor of the gentleman from Mississippi [Mr. HARRISON] that he will notify him and every other Member when the document is ready, and they will not be gobbled up.

Mr. STAFFORD. But the gentleman knows the rapacity of some Members.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

GRAND ARMY OF THE REPUBLIC.

Mr. BARNHART. Mr. Speaker, I offer the following privileged resolution, which I send to the desk and ask to have read.

The Clerk read as follows:

House concurrent resolution 42 (H. Rept. 1111).

Resolved by the House of Representatives (the Senate concurring), That there shall be printed as a House document 1,100 copies of the journal of the Forty-eighth National Encampment of the Grand Army of the Republic, for the year 1914, not to exceed $1,600 in cost; 100 to be bound in cloth, balance in paper covers.

Mr. BARNHART. Mr. Speaker, I offer the following amendment to the resolution.

The Clerk read as follows:

Amend, in line 6, after the word "cost," by inserting a period and striking out the remainder of line 6 and all of line 7.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

On motion of Mr. BARNHART, a motion to reconsider the votes by which the several resolutions were passed was laid on the table.

ADJOURNMENT.

Mr. UNDERWOOD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 34 minutes p. m.) the House adjourned until to-morrow, Tuesday, August 25, 1914, at 12 o'clock noon.

EXECUTIVE COMMUNICATION.

Under clause 2 of Rule XXIV, a letter from the Secretary of War, submitting an item of legislation for incorporation in an appropriation bill, as follows: "*Provided*, That the payment for rent of offices heretofore used in the District of Columbia for the Board of Ordnance and Fortifications and the payments heretofore made for rent of such offices are hereby authorized" (H. Doc. No. 1150), was taken from the Speaker's table and referred to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, private bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the Committee of the Whole House, as follows:

Mr. ALLEN, from the Committee on the Post Office and Post Roads, to which was referred the bill (H. R. 8013) for the relief of the estate of Thomas Rogers, deceased, reported the same without amendment, accompanied by a report (No. 1105), which said bill and report were referred to the Private Calendar.

Mr. POU, from the Committee on Claims, to which was referred the bill (S. 1880) for the relief of Chester D. Swift, reported the same without amendment, accompanied by a report (No. 1106), which said bill and report were referred to the Private Calendar.

He also, from the same committee, to which was referred the bill (S. 2304) for the relief of Chris Kuppler, reported the same without amendment, accompanied by a report (No. 1107), which said bill and report were referred to the Private Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. SMITH of Minnesota (by request): A bill (H. R. 18499) granting an honorably discharged veteran of the Civil War who held a place in the public service under the civil-service laws a monthly allowance equal to one-half his monthly pay, provided he has been removed from the service; to the Committee on Invalid Pensions.

By Mr. CASEY: A bill (H. R. 18500) to transfer the Bureau of Mines to the Department of Labor; to the Committee on Mines and Mining.

By Mr. TOWNER: A bill (H. R. 18501) authorizing the Secretary of War to donate to the city of Seymour, Iowa, one condemned cannon or fieldpiece for the use of the Grand Army of the Republic Post No. 186; to the Committee on Military Affairs.

By Mr. SPARKMAN. A bill (H. R. 18502) to increase the limit of cost of the United States post-office building and site at St. Petersburg, Fla.; to the Committee on Public Buildings and Grounds.

By Mr. MOSS of Indiana: A bill (H. R. 18503) to authorize the Secretary of Agriculture to license grain warehouses, and for other purposes; to the Committee on Agriculture.

By Mr. REILLY of Connecticut: A bill (H. R. 18504) directing the Bureau of Corporations of the Department of Commerce to ascertain the value of contracts entered into by citizens of the United States for supplying foodstuffs, etc., and empowering the President to prohibit the exportation of certain supplies; to the Committee on Interstate and Foreign Commerce.

By Mr. REED: A bill (H. R. 18505) to acquire by purchase, condemnation, or otherwise additional land for the Federal building at Manchester, N. H., and to construct an addition thereon; to the Committee on Public Buildings and Grounds.

By Mr. CLARK of Florida: A bill (H. R. 18506) to amend section 3339, Revised Statutes of the United States, as amended by the act of April 12, 1902, effective July 1, 1902; to the Committee on Ways and Means.

By Mr. ALEXANDER: A bill (H. R. 18518) to authorize the United States, acting through a shipping board, to subscribe to the capital stock of a corporation to be organized under the laws of the United States or of a State thereof or of the District of Columbia to purchase, equip, maintain, and operate vessels in the foreign trade of the United States, and for other purposes; to the Committee on the Merchant Marine and Fisheries.

By Mr. ADAMSON: A resolution (H. Res. 599) to provide for the consideration of S. 6357; to the Committee on Rules.

Also, a resolution (H. Res. 600) to provide for the consideration of S. 2337; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DENT: A bill (H. R. 18507) granting an increase of pension to James L. Herod; to the Committee on Pensions.

By Mr. DOOLITTLE: A bill (H. R. 18508) granting an increase of pension to Jasper M. Stebbins; to the Committee on Invalid Pensions.

By Mr. HOWARD: A bill (H. R. 18509) for the relief of Sam N. Thompson; to the Committee on Claims.

Also, a bill (H. R. 18510) granting a pension to Henry Witt; to the Committee on Pensions.

Also, a bill (H. R. 18511) granting a pension to Thomas J. Hunt; to the Committee on Pensions.

By Mr. PROUTY: A bill (H. R. 18512) granting an increase of pension to Martin S. McDivitt; to the Committee on Invalid Pensions.

By Mr. RUPLEY: A bill (H. R. 18513) granting an increase of pension to Joseph J. Kerr; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18514) granting an increase of pension to Margaret Wolf; to the Committee on Invalid Pensions.

By Mr. SMITH of New York: A bill (H. R. 18515) granting a pension to Arthur S. Hurlburt; to the Committee on Pensions.

By Mr. TAVENNER: A bill (H. R. 18516) granting a pension to Charles Diesron; to the Committee on Pensions.

By Mr. WHITE: A bill (H. R. 18517) granting an increase of pension to Thomas R. Stevenson; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. ALLEN: Petitions of 23 citizens of Cincinnati, Ohio, protesting against national prohibition; to the Committee on Rules.

By Mr. DONOVAN: Petition of J. Arnold Norcross, of New Haven, Conn., favoring passage of House bill 7267; to the Committee on Claims.

By Mr. GARNER: Petition of the board of managers of the National Currency Association of Dallas, Tex., favoring modification of the emergency currency law known as the Aldrich-Vreeland bill; to the Committee on Banking and Currency.

By Mr. MERRITT: Petition of Thomas De Gruchy, Charles Blood, Joseph A. Wood, G. Y. Fish, Mrs. D. B. Cook, Mrs. Elizabeth Ritchie, Mary L. Halcomb, Sylvester R. Wood, Robert Stott, Malcolm A Grimes, A. G. Brockney, R. J. Bryan, J. Mantzer, John A. Briggs, Lawrence Ross, Forest B. Wood, Addie McCoughin, Frank Hawthorne, Patrick Flandry, John Mott, and James T. Havens, all of Ticonderoga, N. Y., favoring national prohibition; to the Committee on Rules.

Also, petition of George W. Ritchie, F. B. Wilkes, Mrs. Sweat, Mrs. E. H. Benechet, Mrs. O. Rowell, Mrs. H. L. Simpkins, F. P. Ashworth, Mrs. T. L. Washburn, Mabel M. Riley, Mrs. E. F. Chapman, Mrs. Frances Meehan, A. A. E. Cummings, Mrs. Lillie Renois, Mrs. Anna V. Wood, Henry A. Wood, and J. N. Ross, all of Ticonderoga, N. Y., favoring national prohibition; to the Committee on Rules.

By Mr. O'HAIR: Petitions of sundry citizens of Kankakee, Ill., favoring House joint resolution 282, to determine the discoverer of the North Pole; to the Committee on Naval Affairs.

By Mr. O'SHAUNESSY: Petition of the Easton Grain Co., of San Angelo, Tex., favoring the passage of the Pomerene bill of lading bill; to the Committee on Interstate and Foreign Commerce.

Also, petition of Jane A. Gilmore, of Pawtucket, R. I., favoring passage of Senate bill to place replicas of the historic

Houdon statue of Washington in the United States Military Academy at West Point and United States Naval Academy at Annapolis; to the Committee on the Library.

By Mr. RAKER: Petition of the Tobacco Association of Southern California, protesting against increased taxes on cigars; to the Committee on Ways and Means.

By Mr. REILLY of Connecticut: Petitions of the Italian societies of New Haven, Conn., urging passage of bill prohibiting the export of foodstuffs during the European war; to the Committee on Interstate and Foreign Commerce.

By Mr. ROBERTS of Nevada: A resolution adopted at the Forty-seventh Annual Encampment of the Department of California and Nevada, Grand Army of the Republic, held at San Diego, Cal., May 5 to 8, 1914, protesting against a change in the American flag; to the Committee on the Judiciary.

By Mr. TAVENNER: Petitions relating to Senate joint resolution 144 and House joint resolution 282, signed by 301 citizens of the United States, principally of Monmouth, Ill.; to the Committee on Naval Affairs.

SENATE.

TUESDAY, *August 25, 1914.*

The Senate met at 11 o'clock a. m.

Rev. J. L. Kibler, D. D., of the city of Washington, offered the following prayer:

Almighty God, our heavenly Father, amid the cares and responsibilities of to-day we need "that wisdom which is from above, that is first pure, then peaceable, gentle, and easy to be entreated, full of mercy and of good fruits, without partiality, and without hypocrisy." In the consideration of all our plans may we be strengthened and directed by Thy divine influences. May these men of the Senate be inspired by those lofty ideals which make for righteousness and that emanate from Thy throne. We ask it in Christ's name. Amen.

The Secretary proceeded to read the Journal of the proceedings of the legislative day of Saturday, August 22, 1914, when, on request of Mr. SMOOT and by unanimous consent, the further reading was dispensed with and the Journal was approved.

GENERAL EDUCATION BOARD AND CARNEGIE FOUNDATION.

The VICE PRESIDENT. The Chair lays before the Senate a communication from the Secretary of the Navy, stating, in response to a resolution of the 5th instant, that the organizations known as the General Education Board of the Rockefeller Foundation and the Carnegie Foundation have no relation to the work of the Navy Department; there are no employees of the department whose salaries are paid in whole or in part with funds contributed by the Rockefeller Foundation or the Carnegie Foundation, and there are no administrative officers of the department connected in any way with the work of the General Education Board of the Rockefeller Foundation or the Carnegie Foundation. The communication will lie on the table and be printed in the RECORD.

The communication is as follows:

NAVY DEPARTMENT,
Washington, August 24, 1914.

Mr. JAMES M. BAKER,
Secretary United States Senate.

SIR: Replying to resolution of the Senate dated August 5, 1914, requesting and directing that the Secretary of State, the Secretary of the Treasury, the Secretary of War, the Attorney General, the Postmaster General, the Secretary of the Navy, the Secretary of the Interior, the Secretary of Commerce, and the Secretary of Labor furnish to the Senate certain information in regard to relation, if any, of the organizations known as the General Education Board of the Rockefeller Foundation and the Carnegie Foundation to the work of their respective departments, etc., I have to inform you that it is found, after investigation, that the organizations known as the General Education Board of the Rockefeller Foundation and the Carnegie Foundation have no relation to the work of the Navy Department; there are no employees of the department whose salaries are paid in whole or in part with funds contributed by the Rockefeller Foundation or the Carnegie Foundation, and there are no administrative officers of the department connected in any way with the work of the General Education Board of the Rockefeller Foundation or the Carnegie Foundation.

Sincerely, yours,

JOSEPHUS DANIELS,
Secretary of the Navy.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House had passed a bill (H. R. 16673) to provide for the development of water power and the use of public lands in relation thereto, and for other purposes, in which it requested the concurrence of the Senate.

The message also announced that the House had passed a concurrent resolution authorizing the printing of 1,100 copies of the Journal of the Forty-eighth National Encampment of the Grand Army of the Republic for the year 1914, in which it requested the concurrence of the Senate.

PETITIONS AND MEMORIALS.

The VICE PRESIDENT. The Chair lays before the Senate a communication from the Labor Council of Greater New York, which will be printed in the RECORD and referred to the Committee on Commerce.

The communication was referred to the Committee on Commerce and ordered to be printed in the RECORD, as follows:

ANTIWAR PROCLAMATION.

The Labor Council of Greater New York, representing organized labor, calls upon the Government of this country to act most vigorously against a continuation of the mad carnage which now soaks Europe with blood and increases the sufferings of the people all over the world.

To an already existing industrial depression further depression has been added. Curtailment of industries goes on more than before. Wages go down. Prices of life's necessities soar skyward. For vast numbers of working people life is becoming literally impossible. The so-called "life" of the workers is degenerating into a mean scramble for a miserable existence.

We refuse to tolerate these chaotic conditions any longer. We demand that the Government of this country, for the protection of its people and for the sake of humanity, reason, and civilization, employ all means at its disposal to end the ignominious tragedy which by a small group of irresponsible tyrants is being perpetrated on humanity.

We demand particularly that the Government rigidly enforce neutrality of the United States of America, and that the Government at once proceed to check the eagerness and effrontery with which our industrial and commercial masters watch for an opportunity to ship provisions and possibly other contraband of war to the warring nations, thus in their lust for profits, in their insatiable and criminal greed, preparing themselves to violate international law. We warn the Government of this country that we shall have no patience with these vultures, which belong to the same brand of fiends as those who instigated the European war. We demand that no commodity whatever shall directly nor indirectly be exported from this country to the warring nations until they cease hostilities and submit to arbitration. And we consider such a policy, when applied in conjunction with other measures, to be a formidable means at the disposal of the Government of this country to bring about peace.

THE LABOR COUNCIL OF GREATER NEW YORK,
MATTHEW FUERBTY, *President.*
FRED FISENER, *Financial Secretary.*
ANTON NEBEL, *Treasurer.*

In session August 14, 1914.

Mr. THORNTON presented a petition of sundry citizens of Elton, Jennings, and Cloverdale, in the State of Louisiana, praying for national prohibition, which was referred to the Committee on the Judiciary.

Mr. JONES. I have here two telegrams, and I desire to read one of them. It is as follows:

SEATTLE, WASH., *August 21, 1914.*

Hon. WESLEY L. JONES,
United States Senate, Washington, D. C.:

In the name of the business organizations and commercial interests of Seattle we urge you to earnestly and determinedly oppose the Clayton bill in its present form. Its definitions are not helpful, but hurtful; their ambiguity and uncertainty make it more difficult to determine rightful business conduct. The provisions making it lawful for labor organizations to do that which is wrong and criminal when done by any other citizen alone or in combination is unjust and denial of equal protection of the law and subversive of social order. The provision for trial by jury in contempt cases reduces our Federal courts to mere boards of arbitration and will bring chaos into a vast field of business litigation. Moreover, irrespective of its merit, our business facing a most critical situation in finance and industry produced by foreign war ought not now to be asked to further adjust itself to experimental and revolutionary regulation, nor do we believe that our legislators or the country are in a frame of mind to give this important subject the careful and exhaustive consideration which it deserves. From careful observation, we believe this to express the business opinion of our section without respect to party.

SEATTLE CHAMBER OF COMMERCE,
J. E. CHILBERG, *President.*
THOMAS BURKE,
Chairman National Affairs Committee.

I have also another telegram, from Hon. J. M. Frink, president of the Washington Iron Works, of substantially the same character, but closing as follows:

Do something to encourage the small manufacturer. We are not all trusts. Do not legislate us to death.

Mr. BURTON. I have a telegram from the board of directors of the Builders' Exchange of Cleveland, Ohio, which I send to the desk and ask to have read.

The Secretary read as follows:

CLEVELAND, OHIO, *August 20, 1914.*

Senator T. E. BURTON,
Washington, D. C.:

At a meeting of the board of directors of the Builders' Exchange, representing 400 firms and individuals in the building industry in Cleveland, the secretary was instructed to express to you the earnest protest of the board against the adoption of the Clayton bill and the hope that you will use your best efforts to have action deferred, particularly under present disturbed business conditions of the country.

EDWARD A. ROBERTS, *Secretary.*

Mr. SHEPPARD presented a petition of the Woman's Missionary Auxiliary of the Methodist Episcopal Church of Bellevue, Tex., praying for the adoption of an amendment to the Constitution to prohibit polygamy, which was referred to the Committee on the Judiciary.

Mr. BRISTOW presented a petition of sundry citizens of Delphos, Kans., praying for national prohibition, which was referred to the Committee on the Judiciary.

Mr. WEEKS presented a petition of the Grand Circle of Massachusetts, Companions of the Forest of America, of Boston, Mass., praying for the enactment of legislation to provide pensions for civil-service employees, which was referred to the Committee on Civil Service and Retrenchment.

Mr. McLEAN presented a memorial of the Manufacturers' Association of Bridgeport, Conn., remonstrating against an extension of the parcel-post system, which was referred to the Committee on Post Offices and Post Roads.

Mr. KENYON presented petitions of sundry citizens of Iowa, praying for the enactment of legislation to grant recognition to Dr. Cook in his polar efforts, which were referred to the Committee on the Library.

Mr. GALLINGER (for Mr. OLIVER) presented a memorial of the Central Labor Union of Easton, Pa., remonstrating against the printing of corner cards on envelopes by contract, which was referred to the Committee on Post Offices and Post Roads.

He also (for Mr. OLIVER) presented a petition of Local Union No. 2396, United Mine Workers of America, of Fayette City, Pa., and a petition of Sable Lodge, No. 72, Pennsylvania Amalgamated Association of Iron, Steel, and Tin Workers of North America, of Pittsburgh, Pa., praying for the passage of the so-called Clayton antitrust bill, which were ordered to lie on the table.

Mr. DILLINGHAM presented petitions of sundry citizens of Craftsbury, Essex, Concord, and Alburg, all in the State of Vermont, praying for national prohibition, which were referred to the Committee on the Judiciary.

Mr. SWANSON presented petitions of sundry citizens of Beaver Dam, Clover, Runnymede, Elberon, Houston, Disputanta, Chatham Hill, Marion, Lowry, Sycamore, Henry, Rural Retreat, and Franklin, all in the State of Virginia, praying for the enactment of legislation to provide for a system of personal rural credit, which were referred to the Committee on Banking and Currency.

REPORTS OF COMMITTEES.

Mr. SHEPPARD, from the Committee on Commerce, to which was referred the bill (S. 6011) to reinstate Frederick J. Birkett as third lieutenant of the United States Revenue-Cutter Service, reported it with an amendment and submitted a report (No. 768) thereon.

Mr. MYERS, from the Committee on Indian Affairs, to which was referred the bill (S. 5484) modifying and amending the act providing for the disposal of the surplus unallotted lands within the Blackfeet Indian Reservation, Mont., reported it with amendments and submitted a report (No. 769) thereon.

Mr. FLETCHER, from the Committee on Commerce, to which was referred Senate resolution 443, requesting the Secretary of Commerce to furnish the Senate with certain information relative to trade with South America, reported it without amendment.

Mr. KERN, from the Committee on Privileges and Elections, to which was referred the bill (H. R. 8428) to codify, revise, and amend the laws relating to publicity of contributions and expenditures made for the purpose of influencing the nomination and election of candidates for the offices of Representative and Senator in the Congress of the United States, limiting the amount of campaign expenses, and for other purposes, reported it with an amendment and submitted a report (No. 770) thereon.

STATUE OF GEORGE WASHINGTON GLICK.

Mr. CHILTON. From the Committee on Printing I report back favorably with an amendment Senate concurrent resolution No. 30, submitted by the Senator from Kansas [Mr. THOMPSON] on July 23, authorizing the printing of 16,500 copies of the proceedings in Congress upon the acceptance of the statue of the late George Washington Glick, accompanied by an engraving of said statue, and I ask unanimous consent for its present consideration.

The VICE PRESIDENT. Is there objection to the present consideration of the concurrent resolution?

The amendment of the Committee on Printing was, in line 8, after the words "distribution by the," to strike out "governor of Kansas; and the Secretary of the Treasury is hereby directed to have printed an engraving of said statue to accompany said proceedings, said engraving to be paid for out of the appropriation for the Bureau of Engraving and Printing," and insert "Senators and Representatives in Congress from the State of Kansas. The Joint Committee on Printing is hereby authorized to have the copy prepared for the Public Printer, who shall procure a suitable plate of said statue to accompany the proceedings," so as to make the concurrent resolution read:

Resolved by the Senate (the House of Representatives concurring), That there be printed and bound in one volume the proceedings in Congress upon the acceptance of the statue of the late George Washington Glick 16,500 copies, of which 5,000 shall be for the use of the Senate, 10,000 for the use of the House of Representatives, and the remaining 1,500 shall be for use and distribution by the Senators and Representatives in Congress from the State of Kansas. The Joint Committee on Printing is hereby authorized to have the copy prepared for the Public Printer, who shall procure a suitable plate of said statue to accompany the proceedings.

Mr. SMOOT. Mr. President, I ask that the last clause of the amendment to the resolution be again read.

The VICE PRESIDENT. The Secretary will read as requested.

The Secretary read as follows:

The Joint Committee on Printing is hereby authorized to have the copy prepared for the Public Printer, who shall procure a suitable plate of said statue to accompany the proceedings.

Mr. SMOOT. I will simply say to the Senator from West Virginia that in the past the Joint Committee on Printing have always been able to secure such plates from the Director of the Bureau of Engraving and Printing, but it may be that we may be able to procure the plate in this case through the Public Printer.

Mr. CHILTON. Oh, yes; that can be done.

The VICE PRESIDENT. The question is on the amendment reported by the committee.

The amendment was agreed to.

The resolution as amended was agreed to.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LEA of Tennessee:

A bill (S. 6383) for erecting a suitable memorial to Admiral David Glasgow Farragut; to the Committee on the Library.

A bill (S. 6384) to authorize the acceptance of certain lands by the United States for a military park reservation, and for other purposes; to the Committee on Military Affairs.

By Mr. BRISTOW:

A bill (S. 6385) granting an increase of pension to Henry B. Stone (with accompanying papers); and

A bill (S. 6386) granting an increase of pension to William T. Davidson (with accompanying papers); to the Committee on Pensions.

By Mr. KENYON:

A bill (S. 6387) granting an increase of pension to William W. Graham; and

A bill (S. 6388) granting an increase of pension to Sylvester Chaplin; to the Committee on Pensions.

By Mr. McLEAN:

A bill (S. 6389) granting an increase of pension to Mary A. Clark (with accompanying papers); and

A bill (S. 6390) granting an increase of pension to John B. Doolittle (with accompanying papers); to the Committee on Pensions.

By Mr. DILLINGHAM:

A bill (S. 6391) granting a pension to Amy D. Witherell (with accompanying papers); to the Committee on Pensions.

By Mr. THOMPSON:

A bill (S. 6392) for the relief of registers and receivers of the United States land offices in the State of Kansas; to the Committee on Public Lands.

DONATION OF CONDEMNED CANNON.

Mr. HOLLIS submitted an amendment intended to be proposed by him to the bill (S. 5495) authorizing the Secretary of War to make certain donations of condemned cannon and cannon balls, which was ordered to lie on the table and be printed.

ZINC AND LEAD IMPORTS.

Mr. THOMAS. Mr. President, I have been furnished with a statement from the Department of Commerce, showing the imports of zinc and manufactures thereof and lead and manufactures thereof for the two years ending respectively the 30th of June, 1913, and the 30th of June, 1914.

I have also a statement from that department, showing the foreign and domestic exports of zinc and lead for the same period, which I desire to have printed in the RECORD.

The matter referred to follows.

Imports of zinc, and manufactures of, into the United States, by months, during the fiscal years ending June 30, 1913 and 1914.

Period.	Zinc, and manufactures of.							
	Ore and calamine.			In blocks or pigs and old.		Zinc dust.		All other manufactures of (dollars).
	Gross weight, (tons of 2,240 pounds).	Zinc contents.						
		Pounds.	Dollars.	Pounds.	Dollars.	Pounds.	Dollars.	
1912.								
July	1,586	1,254,803	26,280	46,285	2,737	355,680	19,389	6,921
August	4,491	3,299,632	65,486	1,936,530	112,065	433,355	23,397	4,641
September	5,484	5,632,530	99,296	2,298,234	120,946	370,998	21,729	70,284
October	5,874	4,707,367	86,170	4,001,048	226,516	403,468	23,096	1,766
November	12,705	6,823,247	131,574	3,401,535	199,040	407,651	23,422	2,780
December	3,942	3,301,794	55,965	4,397,013	251,413	563,180	32,782	4,157
1913.								
January	6,904	8,700,403	139,824	10,603,788	589,469	352,715	20,163	4,744
February	3,327	2,889,515	54,740	391,100	22,040	474,873	27,815	768
March	3,811	3,678,065	97,419	15,751	733	232,430	13,201	7,802
April	1,622	1,786,218	48,744	16,635	652	376,575	22,555	7,035
May	1,506	825,533	15,133	16,355	896	389,334	20,776	4,866
June	682	528,424	10,449	22,925	981	302,367	16,039	5,477
Total, fiscal year ending June 30, 1913	51,934	43,427,836	831,080	27,142,190	1,525,686	4,653,640	264,364	121,238
1913.								
July	682	650,362	11,247	8,288	366	462,956	25,210	5,570
August	867	746,329	13,701	289,351	14,455	223,020	11,666	2,111
September	1,346	1,075,468	25,842	348,202	16,113	633,461	26,200	19,331
October	1,394	1,187,936	20,309	261,592	8,688	283,821	18,218	2,373
November	2,542	2,012,823	37,796	147,433	5,665	225,162	10,331	1,816
December	3,367	2,913,109	43,478	87,847	3,048	334,736	15,411	363
1914.								
January	949	770,414	12,195	297,339	11,331	232,435	15,600	405
February	1,488	1,268,559	15,831	24,368	962	830,279	37,813	411
March	918	657,942	10,461	178,546	6,789	125,545	5,667	5,210
April	1,752	1,250,812	19,921	416,297	19,745	503,165	23,081	6,577
May	839	551,067	11,626	25,854	887	405,551	18,154	4,023
June	2,136	1,399,921	29,072	69,972	2,432	347,543	15,659	2,791
Total, fiscal year ending June 30, 1914	18,290	14,484,802	231,479	2,145,089	90,481	4,807,664	223,010	50,981

Imports of lead, and manufactures of, into the United States, by months, during the fiscal years ending June 30, 1913 and 1914.

Period.	Lead, and manufactures of.									
	Lead ore.			Lead in other ore.		Bullion and base bullion.			Pigs, bars, and old.		All other manufactures of (dollars).
	Gross weight (tons of 2,240 pounds).	Lead contents.				Gross weight (pounds).	Lead contents.				
		Pounds.	Dollars.	Lead contents (pounds).	Dollars.		Pounds.	Dollars.	Pounds.	Dollars.	
1912.											
July	4,000	1,145,142	21,680	37,604	1,031	7,429,964	7,200,041	165,524	227,582	8,642	377
August	1,228	652,088	13,509	180,362	5,788	12,821,517	12,604,252	277,419	55,694	1,595	1,634
September	222	108,490	1,849	103,859	3,359	10,790,049	10,591,498	236,506	11,068	700	1,121
October	2,482	783,899	13,381	549,242	15,599	3,970,154	3,837,572	124,951	2,562	110	110
November	9,566	3,148,476	66,118	445,288	15,567	19,575,529	19,066,039	486,091	4,783	225	498
December	909	346,148	5,516	292,584	10,282	4,147,859	4,063,123	105,325	3,480	230	41
1913.											
January	2,757	824,060	10,272	322,679	11,245	20,725,949	20,310,830	474,458	710	24	621
February	8,447	5,411,148	112,600	183,416	6,300	9,246,795	9,022,206	215,086	170	6	959
March	6,856	1,075,175	22,217	156,354	4,835	14,370,162	13,798,571	320,833	1,911	58	585
April	175	38,400	876	227,769	6,693	10,687,667	10,359,291	235,943	500	21	670
May	2,153	583,109	11,952	461,266	12,350	8,164,069	7,778,347	160,476	28,975	955	455
June	10,094	3,846,900	80,714	148,452	3,972	5,338,991	5,198,743	127,389	268	18	423
Total, fiscal year ending June 30, 1913	48,889	17,683,005	380,684	3,108,975	96,421	127,238,705	123,970,513	2,940,061	337,703	12,594	7,476
1913.											
July	253	402,485	8,050	178,094	5,753	6,064,038	5,940,743	138,441	24,418	1,366	3,018
August	189	247,441	7,132	646,646	17,219	7,827,768	7,657,533	282,224	16,248	970	121
September	126	196,700	3,934	203,986	5,626	1,874,412	1,833,980	56,184	2,239	77	948
October	8,958	2,972,157	103,720	.....	.....	542,824	528,481	16,114	1,954	55	1,384
November	5,554	831,165	24,514	.....	.....	7,554,295	7,347,490	242,475	5,006	118	4,109
December	5,033	1,105,911	37,140	.....	.....	4,591,202	4,551,439	176,002	.....	.....	3,863
1914.											
January	6,430	2,425,128	82,676	.....	.....	168,230	162,890	5,003	2,968	96	3,626
February	4,817	1,780,856	62,410	.....	.....	65,687	61,570	2,153	34,587	850	7,303
March	3,977	1,373,341	42,730	.....	.....	4,235,487	4,155,841	143,996	79,897	2,765	13,037
April	6,308	2,732,497	94,851	.....	.....	2,089,893	2,046,038	68,656	439	13	7,437
May	5,777	3,480,073	105,544	.....	.....	2,183,752	2,139,377	74,421	5,630	217	8,568
June	8,385	4,450,730	138,759	.....	.....	647,693	634,136	21,898	62,705	2,475	7,444
Total, fiscal year ending June 30, 1914	55,807	22,098,484	711,469	(1)	(1)	37,795,279	37,039,518	1,247,567	236,691	9,002	60,849

[1] Not separately stated since September, 1913.

Foreign exports of lead, and manufactures of, from the United States, by months, during the fiscal years ending June 30, 1913 and 1914.

Period.	Lead, and manufactures of.								All other manufactures of (dollars).
	Lead ore.			Bullion and base bullion.			Pigs, bars, and old.		
	Gross weight (tons of 2,240 pounds).	Lead contents.		Gross weight (pounds).	Lead contents.				
		Pounds.	Dollars.		Pounds.	Dollars.	Pounds.	Dollars.	
1912.									
July	1,124	829,037	13,713	9,688,980	9,401,750	267,390			
August	1,505	814,527	14,753	6,680,209	6,363,148	141,085			
September	330	269,711	5,546	10,021,620	9,718,581	205,969			164
October	125	139,779	2,096	8,808,624	8,533,569	177,848			
November	3,160	1,494,166	31,378	8,709,639	8,497,589	198,205			316
December	6,183	639,202	17,624	7,887,667	7,665,594	163,812			294
1913.									
January	2,347	305,881	6,424	5,810,770	5,632,827	120,894			79
February	2,126	1,142,759	23,998	6,792,089	6,600,733	140,654			335
March	3,184	1,650,648	34,664	10,203,804	9,962,320	210,554			38
April	5,661	1,565,074	31,523	8,012,984	7,768,313	165,913	50,045	2,372	75
May				11,247,532	10,965,156	233,671	2,089	90	315
June	1,281	714,294	12,983	13,259,310	12,860,171	285,491			313
Total, fiscal year ending June 30, 1913	27,086	9,865,078	194,702	107,189,828	103,969,754	2,251,236	52,135	2,462	1,949
1913.									
July	11,644	2,649,689	55,643	8,334,653	8,122,842	170,580	1,502	67	1,084
August	2,115	469,433	9,975	4,722,418	4,598,178	183,923			
September	2,298	100,323	28,724	1,021,468	990,322	37,516			
October	2,056	1,203,976	31,768	7,007,983	6,827,992	180,260			
November	398	187,106	5,744	1,136,964	1,111,388	37,386	56,069	2,242	1,055
December	2,029	872,531	30,539	1,864,518	1,815,645	61,326	1,800	80	107
1914.									
January	50	8,675	294	2,795,448	2,717,909	94,370			1,515
February	582	209,082	12,363	23,870	22,915	751			57
March				507,052	492,207	15,992			
April	5,398	2,894,949	104,954	4,560,491	4,430,737	153,632			238
May	3,493	1,886,167	64,195	3,055,450	2,974,622	103,433			
June	1,508	1,643,652	63,399	315,618	305,960	10,708			
Total, fiscal year ending June 30, 1914	31,871	13,065,583	407,598	35,345,881	34,408,718	1,049,277	59,371	2,389	4,057

Foreign exports of zinc, and manufactures of, from the United States, by months, during the fiscal years ending June 30, 1913 and 1914.

Period.	Zinc, and manufactures of.							
	Ore and calamine.			In blocks or pigs and old.		Zinc dust.		All other manufactures of (dollars).
	Gross weight (tons of 2,240 pounds).	Zinc contents.						
		Pounds.	Dollars.	Pounds.	Dollars.	Pounds.	Dollars.	
1912.								
July		664,000	16,323			24,971	1,405	
August		60,000	1,536			2,427	145	159
September								58
October		36,000	543					28,338
November						1,102	62	
December		40,320	449	55,115	3,250			
1913.								
January						14,000	800	139
February		304,320	3,842	96,299	5,042	44,806	2,667	69
March		4,009,606	78,972	740,509	40,397	5,156	304	2
April		3,423,773	67,532			12,133	676	43
May		1,500,800	29,915	112,000	6,102	1,521	93	169
June		708,703	14,113	67,051	4,005	10,694	624	5,765
Total, fiscal year ending June 30, 1913		10,707,612	213,725	1,070,974	58,796	116,813	6,776	34,726
1913.								
July		316,829	7,337					31
August				56,026	3,063	66,138	3,577	
September		40,000	1,001			2,205	125	20
October		224,000	4,692	1,015	48			
November		44,800	1,558	167,869	8,262	29,482	1,317	
December		280,000	5,475					
1914.								
January				55,118	2,634	6,570	395	53
February						13,042	656	
March								
April						11,280	570	
May		224,000	4,917			3,420	154	
June		55,000	992					
Total, fiscal year ending June 30, 1914		1,134,629	25,972	280,028	14,007	132,137	6,794	104

Domestic exports of lead and zinc, and manufactures of, from the United States, by months, during the fiscal years ending June 30, 1913 and 1914.

Period.	Lead, manufactures of (dollars).	Zinc, and manufactures of.						
		Ore.		Dross.		Pigs, bars, plates, and sheets.		All other manufactures of (dollars).
		Tons (2,240 pounds).	Dollars.	Pounds.	Dollars.	Pounds.	Dollars.	
1912.								
July	63,989	1,526	60,300	39,223	1,485	642,668	48,580	6,504
August	59,660	1,513	60,000	.....	.....	494,986	32,628	14,291
September	39,006	2,836	100,200	.....	.....	184,972	13,315	8,342
October	55,902	.....	.....	.....	.....	18,102	1,720	13,387
November	55,136	.....	.....	3,000	147	178,677	13,718	12,929
December	42,866	3,032	119,790	3,050	182	71,226	5,813	14,308
1913.								
January	44,205	1,530	60,450	48,090	1,217	340,541	27,396	12,135
February	37,208	1,506	60,280	.....	.....	43,498	3,872	5,553
March	38,924	1,417	56,700	.....	.....	301,901	22,814	15,877
April	52,103	.....	.....	8,006	240	2,721,109	169,097	11,247
May	58,613	2,823	112,960	.....	.....	7,502,635	449,914	18,584
June	41,909	1,425	57,000	.....	.....	2,319,718	135,367	6,498
Total, fiscal year 1913	589,521	17,308	687,680	102,569	3,271	14,820,033	924,234	139,655
1913.								
July	75,918	1,431	57,275	.....	.....	794,846	51,720	12,452
August	75,745	1,423	56,922	.....	.....	1,062,996	61,784	9,958
September	62,739	1,418	56,724	.....	.....	113,149	7,210	10,509
October	93,807	1,425	57,000	.....	.....	170,732	11,762	13,544
November	84,924	1,417	56,680	.....	.....	87,427	5,372	13,605
December	72,040	.....	.....	.....	.....	136,772	9,359	16,022
1914.								
January	51,620	.....	.....	80,014	4,584	459,703	25,827	12,739
February	55,801	1,405	49,204	.....	.....	35,550	3,233	16,386
March	[1] 167,639	1,478	54,340	492,463	24,500	292,094	18,471	10,700
April	[2] 103,787	1,430	57,200	.....	.....	120,149	7,939	9,090
May	[3] 240,349	1,436	57,440	.....	.....	214,201	13,618	28,347
June	[4] 1,525,836	1,431	57,000	.....	.....	425,210	31,569	4,972
Total, fiscal year ending June 30, 1914	2,610,207	14,294	559,783	572,477	29,084	3,882,829	247,864	158,344

NOTE.—Figures of "Lead, manufactures of," for March, April, May, and June, 1914, include exportations of domestic pig lead, as follows: [1] $78,521; [2] $36,328; [3] $64,629; [4] $1,332,931; of which last-mentioned amount $1,211,931 represented the total exportations of domestic pig lead at the port of New York, viz: In March, $360,725; April, $391,223; May, $84,543; June, $375,471.

Mr. THOMAS. Mr. President, the report showing imports of these two metals demonstrates very conclusively that while the prices of both have declined during the period covered by them, this fact has been caused by other than tariff conditions.

The contention is made by protectionists, and correctly so, that where a reduction of duties results in a reduction of the market value of the article to which the duty relates, the fact will find expression in increased imports of that article. If the importations do not increase, the fall in such value must be attributed to other causes.

Mr. President, the imports of both these metals and of their manufactured products in the aggregate have fallen off very materially during the period ending on the 30th of June, 1914. Thus the imports of zinc ore and calamine for the previous year aggregated 51,934 tons, and for the second only 18,280 tons, being a decrease of 64.8 per cent.

The values of these ores for the two periods are, respectively, $831,080 and $251,479, showing a decrease of $579,601, or 69.8 per cent.

The imports of zinc in pig bars and old zinc during the first year amounted to 27,142,199 pounds, and in the last period to 2,145,089 pounds, showing a decrease of 24,997,110 pounds, or 92.1 per cent, with values, respectively, of $1,525,688 and $90,481, the decrease being $1,435,207, or 94 per cent.

There is a slight increase in the last over the first year of zinc-dust imports, amounting to 154,018 pounds, or three-tenths of 1 per cent, the figures being 4,653,646 pounds for 1913, and 4,807,664 pounds for 1914.

Of all other manufactures of zinc there were imported during the first period $121,238 in value, and during the last period $50,981, being a decrease of $70,259, or 58 per cent.

The total value of all zinc imports during the year ending June 30, 1913, was $2,742,370, and during the year ending June 30, 1914, was $615,651, a decrease in value of $2,126,419, or 77.6 per cent.

The figures concerning the importation of lead ores and manufactures are equally emphatic in their revelations upon this subject, although some specific increases appear. Thus for the year ending June 30, 1913, there were imported 48,889 long tons of lead ore, and for the next year 55,807 long tons, being an increase of 6,928 tons, or 14 per cent.

The discrepancy in values of these imports is notable and would indicate a decided rise in price. The lead value of the ores imported for the first period was $360,684, and for the last period $711,460, an increase of $350,596, or 97 per cent.

Of lead in other ores there was a very considerable decrease, but the returns are not satisfactory as to that item, for the reason that since the new tariff law went into operation the lead contents in ores carrying other metals is classified in the first item mentioned, if I am correctly informed. Of imports of lead bullion and base bullion for the year ending June 30, 1913, the amount was 123,070,513 pounds net, and for the next year only 37,059,518 pounds net, a decrease of 86,910,995 pounds, or 70 per cent. The total value of the imports for the first year was $2,940,061, and for the second $1,247,567, a decrease of $1,692,494, or 57.5 per cent.

Of pigs, bars, and old lead there were imported during the first period 337,703 pounds, and in the second period 236,691 pounds, being a decrease of 101,012 pounds, or 30 per cent, of the values, respectively, of $12,594 and $9,002, or a decrease of 28.5 per cent.

Of imports of all other manufactures of lead for the first year the values were $7,476, and for the second year $60,849, an increase of $53,373, or 814 per cent. The aggregate of the item being extremely small, however, the increase is not material as affecting the general result, which I now state:

The total value of all the imports of lead from June 30, 1912, to June 30, 1913, was $3,417,336, and for the year ending June 30, 1914, $2,057,470, or a decrease of $1,359,760, or 60.2 per cent.

It is evident beyond all controversy, therefore, Mr. President, that the market value of these two metals has been influenced entirely by the law of supply and demand and has not been in any wise affected by the reduction in the amount of the duties which prior to October, 1913, were imposed upon them.

It would, indeed, be amazing if these values were affected in the slightest degree by the Underwood-Simmons law in the face of a steady and considerable fall instead of a rise in the imports of the commodities in question.

Mr. SMOOT. Mr. President, just a word in this connection. I can not agree at all with the Senator from Colorado. The basic reason for the decline in the price and importation of lead

into this country is that there has not been the demand in this country for lead, because all the industries of the country were affected directly and indirectly by the tariff. The reduction in rates affected not only those industries on which the rate of duty was reduced, but affected every industry in the United States. If Mexico had been in a normal condition and producing the amount of lead that she usually produces in times of peace, the price of lead in the United States under those conditions would have been lower than it has been.

It is true that the demand has affected the price of lead in the United States, but the reason for that is because the industries of the country, paralyzed as they have been through the operation of the last tariff law, have thrown a great many people out of employment and caused a less demand for the article, as shown by the figures the Senator himself has presented—a great reduction in importation and also a reduction in price because of the lack of a demand.

Mr. THOMAS. Mr. President, the decline in the market value of lead and zinc began long before the election of 1912. The conditions to which the Senator from Utah refers were not coincident with but preceded the change in revenue legislation by a long period of time. The market for these metals, of course, was responding to market conditions of a general character, they being dependent not so much upon any threatened or actual change in our revenue system as upon the general condition of business, not only in this country but throughout the world.

Our contention has been, Mr. President, that these depressions are and for several years have been world-wide in their influence and operation; that they are the result of general prevailing causes, which can not be confined to any one country and can not be predicated upon any one particular cause.

Of course I concede that there has not been a great deal of mining activity in Mexico during the troubles in that country, but the closing of Mexican lead and zinc mines should have stimulated both prices and production with us, if the Senator's logic is sound. It is remarkable that every prediction made of the operation and the effect of the reduction of tariff duties upon commodities in this country, which is not verified by the logic of events, is always explained or excused by the assertion that conditions are not normal or that some unforeseen circumstance has arisen to postpone or defeat them. The Mexican revolution was as active in 1913, when the new tariff bill was enacted and dismal prophecies of disaster were forecasted, as it has been since that time.

PURCHASE OF FOREIGN-BUILT SHIPS.

Mr. GALLINGER. Mr. President, I have an interesting interview with the senior Senator from Massachusetts [Mr. LODGE], bearing date London, August 23, in reference to the attitude our Government should maintain in relation to the complications with foreign Governments. I ask permission that it be printed in the RECORD.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

LODGE WARNS OF DANGER IN BUYING SHIPS—INTERNATIONAL COMPLICATIONS ARE LIKELY, DECLARES SENIOR SENATOR FROM MASSACHUSETTS.

LONDON, *August 23.*

"No other such calamity as this war has ever befallen humanity or civilization," said Senator HENRY CABOT LODGE, of Massachusetts, in an interview in this city. "The mind recoils even from an attempt to picture the sacrifice of life and the misery and suffering which those who began this war have brought on mankind.

"My interest is in regard to my own country and her attitude in this great conflict of nations. Fortunately, the United States is outside the widespread circle of the war. The United States is at peace with all nations and I trust will remain so. From such a convulsion as this we have already suffered severely, financially and by the loss of some of our best markets, and commerce is bound to suffer still more. This can not be helped.

UNITED STATES MUST REMAIN NEUTRAL.

"What we should remember above all is that we have a national duty to perform. That duty is the observance of strict neutrality as between the belligerents, with all of whom we are at peace. But strict neutrality is not enough. It must be, also, honest neutrality, as honest as it is rigid. Neutrality, while preserving its name, can often be so managed as to benefit one belligerent and injure another. It is possible to relax the strictness of neutrality at one point and tighten it at another so as to help one belligerent and injure another.

"This is no time for neutrality of this kind on the part of the United States. Our neutrality now, as I have said, must not only be strict, but rigidly honest and fair. Honor and interest alike demand it.

CRITICIZES WILSON POLICY.

"President Wilson's administration, in its eagerness to maintain neutrality, has made one new departure from practices which have hitherto been unbroken. Heretofore Governments have not undertaken to interfere with private persons or institutions who desired to lend money to belligerents. If we had been unable to borrow money or obtain supplies from abroad while we were cut off from all supplies from the South during the Civil War, the boundaries of the country of which Mr. Wilson is President might possibly be far different to-day.

"But the administration, in its earnestness to maintain strict neutrality during the present war, has thought fit to make this new departure by preventing so far as it can private individuals from lending money to belligerents. This makes it difficult to understand what theory of neutrality they favor, if the dispatches are correct in regard to the proposed purchase by the United States Government of certain German ships now lying useless in New York Harbor. They regard as impairing strict neutrality the permission to private persons to lend $100,000,000 to France to be spent in the purchase of supplies in the United States, while at the same time they appear to think it is consonant with honest neutrality to give $25,000,000 of the purchase money outright to Germany for ships which Germany can not use.

WOULD HAMPER EXPORTS.

"This proposed purchase of German ships by the American Government to be run as Government vessels is calculated to hamper and check exports from the United States. We are suffering severely from the injury to our trade and commerce by the loss of our best markets, consequent on the war, but there are certain articles that Europe must have even now, and these exports should be encouraged in every possible way.

"Half a dozen ships owned by the Government can carry only an insignificant fraction of the exports we desire to make, but they will check all private enterprise and prevent Americans from purchasing ships, as they would otherwise do in large numbers, because they will fear the Government competition. We need every possible outlet at this moment, and Government ships will simply check some of the most important channels and give us 1 ship where we might have 10.

INTERNATIONAL COMPLICATIONS.

"Far more grave, however, than the interference with trade will be the international complications which these Government-owned ships are certain to produce. Are they to be regarded and treated as merchantmen, or are they public vessels of the United States on the same footing as our ships of war? It seems impossible that they should be treated as merchantmen under the rules of international law. If one of them should be stopped when classed as a merchantman, it would be at the worst only a diplomatic incident, for which reparation could easily be made; but if a ship of the United States in commerce and yet retaining the character of a public vessel should be stopped for any reason, that would be an act of war. If one of the German cruisers which are now said to be roaming over the Atlantic should hold up one of those Government-owned vessels because she believed this vessel was carrying contraband of war, the arrest would constitute an act of war against the United States.

DANGEROUS EXPERIMENT.

"If England or France believed that one of these Government-owned vessels was carrying supplies—say, oil—to Germany by way of Holland, and should stop that ship as they would a merchantman and turn her back, it would be an act of war. In neither of these supposed cases, if the vessel were a simple merchantman, would the act of Germany, England, or France be an act of war.

"In purchasing these vessels we should begin with a breach of strict neutrality by giving $25,000,000 to Germany. We should hamper and check the outward flow of our exports, which are of immense importance at this time. Worst of all, we should have half a dozen vessels afloat which might at any moment involve us in war with any or all of the belligerents. It is an experiment so dangerous that I earnestly hope that the report that the administration favors it is untrue, and that it will not be attempted.

"I repeat that our duty, honor, and interest alike demand at the present moment that we should maintain a neutrality toward all the belligerents which should be as honest as it is strict."

NATIONAL ENCAMPMENT, GRAND ARMY OF THE REPUBLIC.

The VICE PRESIDENT laid before the Senate the following concurrent resolution (No. 42) of the House, which was read and referred to the Committee on Printing:

Resolved by the House of Representatives (the Senate concurring), That there shall be printed as a House document 1,100 copies of the journal of the Forty-eighth National Encampment of the Grand Army of the Republic for the year 1914, not to exceed $1,600 in cost.

HOUSE BILL REFERRED.

H. R. 16673. An act to provide for the development of water power and the use of public lands in relation thereto, and for other purposes, was read twice by its title and referred to the Committee on Public Lands.

SALT LAKE AND OGDEN GATEWAYS.

The VICE PRESIDENT. Morning business is closed. The Chair lays before the Senate a resolution coming over from a preceding day, submitted by the Senator from Colorado [Mr. THOMAS], which will be stated.

The SECRETARY. A resolution (S. Res. 446) directing the Interstate Commerce Commission to inquire into the alleged closing of the Salt Lake and Ogden gateways on the Denver & Rio Grande Railway and other Gould lines.

Mr. THOMAS. I ask that the resolution may go over.

The VICE PRESIDENT. Does the Senator desire that the resolution shall go over without prejudice?

Mr. THOMAS. Without prejudice.

The VICE PRESIDENT. The resolution will go over without prejudice.

BLACK WARRIOR RIVER IMPROVEMENT.

Mr. BANKHEAD. I ask unanimous consent for the present consideration of the joint resolution (S. J. Res. 181) authorizing the Secretary of War to permit the contractor for building locks on Black Warrior River to proceed with the work without interruption to completion.

Mr. BURTON. Mr. President, before allowing unanimous consent for the consideration of the joint resolution I should like to know certain facts. In the first place, this lock and the dam connected with it, as I understand, are the last in the system?

Mr. BANKHEAD. They are.

Mr. BURTON. And there is no further lock or dam advocated in the locality above this?

Mr. BANKHEAD. There is not.

Mr. BURTON. An appropriation of $1,338,500 was made in 1913, which, it was supposed, would finish this work. I ask what is the reason that was not sufficient to finish it?

Mr. BANKHEAD. That appropriation was made to complete the improvement of the Warrior River, which included the locks on the Tombigbee as well and Lock 17 on the Warrior River; but as the work proceeded the engineers discovered that there was likely to be a defect in the foundation unless the excavation was made deeper, and an additional appropriation was necessary in order to provide for that condition. The engineers required the contractor to go down several feet deeper in order to secure a proper foundation for that great structure.

Mr. BURTON. Mr. President, I may say that this shows the lack of system and proper preparation in the making of our river and harbor appropriations. There ought to have been an estimate made based upon sufficient borings to ascertain just what the cost of this work would be. This present situation is incident to the system of making annual appropriations. If there had been a careful examination, and then, instead of making piecemeal appropriations, an appropriation and authorization of the amount required had been made, there would be no necessity for this joint resolution.

I consider this investment of some $10,000,000 in the canalization of these rivers as an experiment, very doubtful in its results; but at the same time it affords the best illustration to be found in the country of the desirability of improving rivers of minor size, because it brings the coal fields of northern Alabama into touch with the Gulf, where it has been necessary in the past to haul coal from a very considerable distance.

Before I give consent to the consideration of this joint resolution I want to say that there are a number of other instances in which there is equal emergency. I think the most urgent case of all is in the Hudson River. The Barge Canal is about to be completed at great expense by the State of New York, and there has been an implied understanding that the Government should finish its part of the work connecting the Barge Canal with Lake Erie and providing a channel through the Hudson River to New York contemporaneously with the completion of that canal by the State of New York. The traffic there, no doubt, will be infinitely greater than in the case of the Black Warrior River, and the improvement is of much greater importance. At the same time I am not sure that the contractor would be willing to make such an arrangement as this. A part of the work is done by the Government by hired labor.

Again, on the Ohio River there are several dams where it has been necessary to discharge the force because the work has been done by hired labor, and under the apportionment that is made there the amount does not seem to be sufficient to prosecute the work.

I am frank to say that I can not quite understand this—I call the attention of the Senate to one very peculiar fact: On the 30th of June last there was on hand to the credit of river and harbor improvements $45,000,000. The sundry civil appropriation bill passed in July appropriated approximately $7,000,000 more, making $52,000,000. The total amount expended for river and harbor improvements in the fiscal year ending June 3, 1912, was $33,000,000. In 1913 it was $38,000,000. So there was on hand at the expiration of the fiscal year of June 30, 1914, $14,000,000 more than the total amount expended in 1913, the last year for which we have the figures. The figures for 1914 will not be available until later.

It is true that this balance is not symmetrically divided. For instance, there is a balance of $700,000 on hand to the credit of the Ambrose Channel and New York Harbor, while the total amount that will probably be required for the present fiscal year would be but slightly in excess of $100,000. Thus we have this very singular situation: There is an agitation for the prompt passage of the river and harbor bill proceeding from all over the country, but nevertheless there is on hand in the Treasury subject to order for river and harbor improvements $14,000,000 more than was expended in the last year for which we have the figures. It seems to me this whole system should be overhauled.

Further, before consenting, I desire to have an assurance in regard to this measure. Everyone must recognize that it would be possible—and I desire to call the attention of the Senator from North Carolina [Mr. SIMMONS] to this, as well as the attention of the Senator from Alabama—to tack on amendments to this joint resolution. If a case of equal urgency were discovered, I do not think there would be objection; but it would be possible to put on a multitude of items, and possibly, as an amendment, the whole river and harbor bill. As I understand, the Senator from Alabama would oppose any such proposition if the joint resolution should come back from the other House in such a form?

Mr. BANKHEAD. I certainly would, Mr. President.

Mr. BURTON. I should like to ask the Senator from North Carolina what his attitude would be in regard to such a contingency?

Mr. SIMMONS. I do not know that I catch the Senator's question. I came into the Chamber just a moment ago.

Mr. BURTON. Suppose this joint resolution were passed and sent over to the House, and they should load it down with a multitude of amendments.

Mr. SIMMONS. I understand the Senator to suggest that it might be possible to offer as an amendment to the joint resolution now under discussion the river and harbor bill.

Mr. BURTON. The whole river and harbor bill; that is a possibility.

Mr. SIMMONS. There is no purpose of that sort, so far as I know.

Mr. BURTON. Would the Senator from North Carolina oppose such a proposition if the joint resolution came back from the House in such a form?

Mr. SIMMONS. I would undoubtedly do so.

Mr. BURTON. Then, Mr. President, I have no objection to the consideration of the joint resolution.

The VICE PRESIDENT. Is there objection to the consideration of the joint resolution?

There being no objection, the joint resolution was considered as in Committee of the Whole.

The joint resolution was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

PROPOSED ANTITRUST LEGISLATION.

Mr. CULBERSON. I move that the Senate resume the consideration of the unfinished business.

The motion was agreed to, and the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 15657) to supplement existing laws against unlawful restraints of monopolies, and for other purposes.

The VICE PRESIDENT. The question is on the motion of the Senator from North Carolina [Mr. OVERMAN] to reconsider the votes by which sections 2 and 4 were stricken from the bill as in Committee of the Whole.

Mr. HOLLIS. Mr. President, on Friday last the junior Senator from Missouri [Mr. REED] made an important and interesting speech in favor of the motion to reconsider section 4 of the Clayton bill. He cited several cases from the Federal Reporter and one from the Supreme Court of the United States, Henry v. Dick Co. (224 U. S., 1), to support his proposition. His position was apparently this: That under this decision of the United States Supreme Court the owner of a patented article has the right to annex to its use such conditions as he wishes when he permits another to use it or to buy it; and the Senator was fearful that, taking advantage of that decision of the Supreme Court, the owner of a patented article might fix a condition that the article should not be used unless all other articles or machines used by the licensee or the purchaser should be leased or purchased of the owner of the patent, thus creating a monopoly that could not be prevented by the antitrust laws. This proposition might hit with special force the manufacturers of shoe machinery who are trying to compete with the United Shoe Machinery Co.

I have no doubt this matter was drawn to the attention of the Senator from Missouri by letters from manufacturers of shoes in his State and possibly from manufacturers of shoe machinery in his State, as I have had the same thing brought to my attention by manufacturers in my State.

I will read two letters from a manufacturer in my State, who states a very troublesome and very important situation. He says:

FARMINGTON SHOE MANUFACTURING CO.,
Dover, N. H., July 24, 1914.

Hon. HENRY F. HOLLIS,
United States Senate, Washington, D. C.

DEAR SIR: We see by the papers that the Clayton bill has been reported upon by the Committee on the Judiciary and that it will be taken up by the Senate in the course of the next few days.

In reading section 4 it would appear to cover exactly the point in the shoe-machinery situation we believe should be covered, if any antitrust legislation is passed. We refer to the monopolistic leases of the United Shoe Machinery Co., which will practically prohibit the shoe manufacturer from using any of the essential machines except those of the United Shoe Machinery Co.; in other words, all their essential machinery is tied together, directly or indirectly.

We are interested in this matter by reason of our having recently installed in our factory machines made by an independent concern, viz, the Universal Shoe Machinery Co., of St. Louis, Mo.

We were operating formerly a factory on one style shoe, manufactured solely on the bottoming machines of the United Shoe Machinery Co. Our business was steadily declining, wholly by reason of this particular process, the McKay shoe being displaced by Goodyear welts. We therefore were forced to make other plans. By the addition of these machines from the Universal Shoe Machinery Co. we were able to make a new style shoe that immediately became very popular, and our outlook never was better for a successful factory proposition.

The United Shoe Machinery Co. were well informed about our efforts several months ago, but within the past few weeks they have first deemed it necessary to notify us of their position, and their position practically prohibits us making this shoe.

The machines we are using are only auxiliary to their machines, and we have not decreased but increased the royalties or profits paid to them since the installation of these machines; but, notwithstanding this, they insist that we must cease using the independent machines or return part of their machines, which means that we must abandon this process, as we can not get a full line of essential machines anywhere in this country except from the United Shoe Machinery Co. In other words, we must do business with them or not at all.

We quote from their letter, dated July 17, and signed by their secretary, as follows:

"We feel, however, that we should be obliged to exercise the option reserved to us under the metallic department leases which you hold to terminate such leases and take back our metallic department machines, for we neither desire our machines to stand idle in your factory nor can we afford to permit them to be retained under the manufacturing conditions which you have indicated to us."

If this is not an attempt at a direct restraint of trade, we are not well informed on the subject. The position of the United Shoe Machinery Co., in a few words, is that, no matter how much our success depends upon our being allowed to use independent machines, nor how much saving we could make, we are not allowed to use this machinery without their consent or without breaking their leases; and what is true of us is also true of practically every other shoe manufacturer of this country, and we think that such a condition should appeal very directly to you as a representative of a party pledged to give freedom to business in this country.

Very truly, yours,

E. O. TEAGUE,
General Manager.

FARMINGTON SHOE MANUFACTURING CO.,
Dover, N. H., July 30, 1914.

Hon. HENRY F. HOLLIS,
United States Senate, Washington, D. C.

DEAR SIR: Replying to your letter of July 28, you most certainly have our permission to use our letter of July 24 during the debate on the Clayton bill. Furthermore, we should be pleased to furnish you with a photographic copy of the original letter, if necessary, so that there may be no question as to its authenticity.

The United Shoe Machinery Co. in a more recent letter have notified us that we have 30 days to decide on what action we will take. It may seem very easy, according to the United Shoe Machinery's statements, for a manufacturer to use an independent machine by complying with their rules. As a simple illustration we might state our position, as follows: By reason of using one machine from an outside machinery company which will cost perhaps $300 the United Shoe Machinery Co. propose to enforce a condition that would oblige us to pay approximately $25,000 for machines we have had from them and used for years in addition to the regular royalty, such as we have previously paid, without any initial payment. In other words, it makes the cost of the independent machine over $25,000. Naturally most any manufacturer would hesitate to put in an independent machine under these conditions.

There is another condition in connection with their business that should be prevented by legislation; that is, retaining patents in the Patent Office for years for no other purpose apparently than to prevent patents being issued to other inventors on the same subject.

We wish to work with you in every way possible to further this proposed legislation, as it certainly means a great hardship to us as comparatively small manufacturers if the present conditions are allowed to stand.

We wish to add also that we were entirely ignorant regarding violation of our leases when we first commenced making this shoe, and we used our first machine nearly two years before being notified of the conditions.

We wish to call particular attention to that part of our letter of July 24 in which we quote from their letter of July 17. While on their machines in other departments they have made us a price that figures, as we have stated, to about $25,000, in the metallic department they give us no option whatever. The only thing we can do is to comply with their terms, which they quote in their letter of July 17.

Any further information we should be very glad to give you or, if necessary, we should be very glad to send a representative to Washington with full particulars.

Thanking you for your interest in the matter, we remain,

Yours, very truly,

FARMINGTON SHOE MFG. CO.,
E. O. TEAGUE, *General Manager.*

I would be the last to oppose the reconsideration of the vote whereby section 4 was stricken out if I believed that it would have the result which the Senator from Missouri fears. The shoe-manufacturing industry is most important in both Missouri and New Hampshire. The latest available figures are for 1904. In that year Massachusetts lead in the manufacture of boots and shoes and slippers, the number produced being 118,009,926 pairs; New York was next with 28,538,451 pairs; and then came Missouri and New Hampshire with twenty-five million and odd pairs each. The total production in the United States is 285,017,181 pairs. So the Senator from Missouri may well be fearful that if section 4 is left out of this bill, and that omission has the result which he prophesies, much injury may be done. I do not, however, share his fears.

A week or two ago the Senator from Missouri rather sarcastically suggested that I would better consult my legal adviser on this matter. Of course that was intended to state that a better lawyer than I should be consulted. I am always glad to take that advice; a lawyer who has practiced 20 years would be foolish not to get the advice of a strong lawyer, if he was available, but in this particular case I am reminded by one of the cases cited by my friend from Missouri that I was myself engaged in that same litigation and that I have been engaged as counsel in a few restraint-of-trade cases.

In establishing his proposition he refers to the case of Tubular Rivet & Stud Co. against O'Brien, reported in Ninety-third Federal Reporter, page 200. I quote from the remarks of the Senator from Missouri in regard to that case:

> That was a patented riveting machine, and it was tied to unpatented rivets. That is to say, the man who bought the riveting machine was compelled to buy the unpatented rivets from the man who sold the patented machine. Thus he obtained a monopoly, or at least a partial monopoly, not only upon his machine, but was able to restrain trade in rivets.

I feel that a man who owns a piece of property of any kind, patented or unpatented, can sell it or lease it and annex such conditions to its use as he pleases. If a man breeds and sells racing horses, he may annex to the sale of one of those horses a condition that it shall not be raced until it is 3 years old, and that is right for the protection of his trade name. So in the mimeograph case, the owner of that patented machine, I feel, would have a right to say that only materials of a certain kind should be used in the machine, for the reason that if an inferior ink or a poor quality of paper were used the results obtained from the machine might be very bad, and thereby hurt the reputation of that particular machine. So in the Tubular Rivet & Stud Co. case, if an inferior kind of rivet were used, the material might be too hard and actually injure the machine and make it unworkable, or the rivets might come out, and that would hurt the sale of the machine.

In one of the Tubular Rivet & Stud Co. cases I was counsel. That case is found in One hundred and fifty-ninth Federal Reporter, page 824. That case was brought in the United States court and was argued in the United States circuit court of appeals at Boston, the junior Senator from Rhode Island [Mr. COLT] being one of the three judges who heard the argument.

I argued the case for the Exeter Boot & Shoe Co. My opponent was Mr. Louis D. Brandeis, of Boston, who is probably as able a trust lawyer as there is in the country; and I felt that I was fortunate to obtain the decision both from the jury and from the court of appeals.

In that case my client, the Exeter Boot & Shoe Co., had been getting its riveting machines for years from the Tubular Rivet & Stud Co. There arose a quarrel over a 25-cent item for freight; and the Tubular Rivet & Stud Co. finally wrote to my client that if he did not pay that 25 cents they would not furnish him any more goods. He went to the telephone and telephoned to Whitcher & Co., of Boston, and asked if they could furnish him—these were hooks attached to shoes—as good hooks as the Tubular Rivet & Stud Co. They said they could furnish better ones, and they would send along a large amount of hooks, with two machines for affixing them.

Now, my client made no complaint at all that he could not use hooks that he bought of other manufacturers in the Tubular Rivet & Stud Co. machines. He realized that they had a right to prescribe the conditions under which their patented machines should be used. But the result was this: The machines were not delivered by Whitcher & Co.; and my client found later that Whitcher & Co. and the Tubular Rivet & Stud Co. and a third company were in a pool under which they controlled the whole trade in New England, and my client was obliged to shut down his factory because he could not get the hooks and the machines until he had settled this 25-cent freight bill.

I brought suit first against Whitcher & Co. for breach of contract, and then against the Tubular Rivet & Stud Co. for interfering with his trade relations, and under the common law I was able to recover from both and collect; and it was no defense to the Tubular Rivet & Stud Co. for interfering in the trade relations of my client that it had a patented article and could annex to it any conditions that it chose.

If I believed that the conditions a patentee is allowed to annex to the use of his patented article would be permitted to go to the length of establishing a monopoly or a combination in restraint of trade, I should be in favor of restoring section 4. But there are two kinds of monopoly, side by side. The patent monopoly is given to the owner of the patent so that he may handle that particular article under the patent as he chooses; but the other kind of monopoly does not spring from the patent, but springs from a condition that arises when the owner of the patent, by combination, is able to monopolize any particular branch of trade.

The Bathtub Trust cases, which are cited under the name of the Standard Sanitary Manufacturing Co. against United

States, in Two hundred and twenty-sixth United States, at page 20, are a complete answer to the proposition that the owner of a patent may rely upon his patent to establish restraint of trade and a monopoly in a particular branch of the trade; and the case of Henry against Dick, in Two hundred and twenty-fourth United States, page 1, which was the basis of the Senator's argument last Friday, is very carefully distinguished in that case. I will read the first three headnotes in the Bathtub case:

A trade agreement under which manufacturers, who prior thereto were independent and competitive, combined and subjected themselves to certain rules and regulations, among others limiting output and sales of their product and quantity, vendees, and price, held in this case to be illegal under the Sherman Antitrust Act of July 2, 1890. (Montague v. Lowry, 193 U. S., 38.)

A trade agreement involving the right of all parties thereto to use a certain patent, which transcends what is necessary to protect the use of the patent or the monopoly thereof as conferred by law and controls the output and price of goods manufactured by all those using the patent, is illegal under the antitrust act of 1890. (Bement v. National Harrow Co., 186 U. S., 70, and Henry v. A. B. Dick Co., 224 U. S., 1, distinguished.)

While rights conferred by patents are definite and extensive, they do not give a universal license against positive prohibitions any more than any other rights do.

The attorney for the trust in this case was very quick to seize the Dick case and to found upon it an argument similar to the argument of the Senator from Missouri. He refers to it in his brief as follows, at page 23:

The provisions in the license agreements as to prices were intended to enable the licensees to make a reasonable profit, so that they would be able to maintain and improve the quality of the ware and pay the royalties reserved. The owner of a patent can protect his invention by making agreements controlling the product of the use of his invention and which admit that by the use of that invention the product is better than if made by any other known method of manufacturing the product.

And he cites as authority Henry against A. B. Dick Co., supra. In his argument, on page 25, he cites the same case and says:

They were, moreover, based upon patents which created a true monopoly, a grant from the sovereign—the Constitution—so that to hold that this monopoly was violative of the Sherman Act would be judicial legislation and an attack upon the whole patent system.

The opinion of the court very clearly distinguishes cases where an actual monopoly exists, such as the United Shoe Machinery Co. has, and cases where conditions are annexed to the use of a patented article. I quote from page 47 of the opinion:

In this statement certain things are prominent. Before the agreement the manufacturers of enameled ware were independent and competitive. By the agreements they were combined, subjected themselves to certain rules and regulations, among others not to sell their product to the jobbers except at a price fixed not by trade and competitive conditions but by the decision of the committee of six of their number, and zones of sales were created. And the jobbers were brought into the combination and made its subjection complete and its purpose successful. Unless they entered the combination they could obtain no enameled ware from any manufacturer who was in the combination, and the condition of entry was not to resell to plumbers except at the prices determined by the manufacturers. The trade was, therefore, practically controlled from producer to consumer, and the potency of the scheme was established by the cooperation of 85 per cent of the manufacturers, and their fidelity to it was secured not only by trade advantages but by what was practically a pecuniary penalty, not inaptly termed in the argument "cash bail." The royalty for each furnace was $5, 80 per cent of which was to be returned if the agreement was faithfully observed; it was to be "forfeited as a penalty" if the agreement was violated. And for faithful observance of their engagements the jobbers, too, were entitled to rebates from their purchases. It is testified that 90 per cent of the jobbers in number and more than 90 per cent in purchasing power joined the combination.

Then the court says (p. 48):

The agreements clearly, therefore, transcended what was necessary to protect the use of the patent or the monopoly which the law conferred upon it. They passed to the purpose and accomplished a restraint of trade condemned by the Sherman law. It had, therefore, a purpose and accomplished a result not shown in the Bement case. There was a contention in that case that the contract of the National Harrow Co. with Bement & Sons was part of a contract and combination with many other companies and constituted a violation of the Sherman law; but the fact was not established, and the case was treated as one between the particular parties, the one granting and the other receiving a right to use a patented article, with conditions suitable to protect such use and secure its benefits. And there is nothing in Henry v. A. B. Dick Co. (224 U. S., 1) which contravenes the views herein expressed.

The agreements in the case at bar combined the manufacturers and jobbers of enameled ware very much to the same purpose and results as the association of manufacturers and dealers in tiles combined them in Montague & Co. v. Lowry (193 U. S., 38), which combination was condemned by this court as offending the Sherman law. The added element of the patent in the case at bar can not confer immunity from a like condemnation for the reasons we have stated. And this we say without entering into the consideration of the distinction of rights for which the Government contends between a patented article and a patented tool used in the manufacture of an unpatented article. Rights conferred by patents are indeed very definite and extensive, but they do not give any more than other rights a universal license against positive prohibitions. The Sherman law is a limitation of rights, rights which may be pushed to evil consequences, and therefore restrained.

There are two other Federal cases which state this same view. The first is the case of United States against New Departure Manufacturing Co., Two hundred and fourth Federal Reporter, page 107. That is the case involving the coaster brake. I shall not read from the syllabus, but I shall read a paragraph from the opinion at page 113:

In the Bathtub Trust case (226 U. S., 20; 33 Sup. Ct., 9; 57 L. Ed., —), so called, a case recently decided by the Supreme Court of the United States, a situation somewhat similar to this in respect to quantity of output and license agreement was presented, and the court said:

"The trade was, therefore, practically controlled from producer to consumer, and the potency of the scheme was established by the cooperation of 85 per cent of the manufacturers. * * * The agreements therefore clearly transcended what was necessary to protect the use of the patent or the monopoly which the law conferred upon it. They passed to the purpose and accomplished a restraint of trade condemned by the Sherman law."

The Supreme Court then pointed out the distinction between that case and the case of Bement v. National Harrow Co. (186 U. S., 70; 22 Sup. Ct., 747; 46 L. Ed., 1058); but, nevertheless, the intimation in the opinion is clear that the monopoly secured to the patentee by the issuance of a patent can not be designedly used to form a combination or conspiracy between manufacturers and dealers to accomplish a restraint of trade such as the antitrust act prohibits. Upon this subject the Circuit Court of Appeals for the Third Circuit, in National Harrow Co. v. Hench et al. (83 Fed., 36; 27 C. C. A., 349; 39 L. R. A., 299), has aptly said:

"The fact that the property involved is covered by letters patent is issued as a justification; but we do not see how any importance can be attributed to this fact. Patents confer a monopoly as respects the property covered by them, but they confer no right upon the owners of several distinct patents to combine for the purpose of restraining competition and trade. Patented property does not differ in this respect from any other. The fact that only the patentee may possess himself of several patents, and thus increase his monopoly, affords no support for an argument in favor of a combination by several distinct owners of such property to restrain manufacture, control sales, and enhance prices. Such combinations are conspiracies against the public interests and abuses of patent privileges."

The language quoted was cited with approval by Judge Coxe in National Harrow Co. v. Hench et al. (C. C., 84 Fed., 226).

In Blount Manufacturing Co. v. Yale & Towne Manufacturing Co. (C. C., 166 Fed., 557), of the patentees' privilege of combining their patent rights, the court said:

"Where, however, each patentee continues to make his own goods under his own patents, and seeks to enhance his profits by agreement with creditors who make either patented or unpatented articles, then it seems to follow that the agreement of each to restrain his own trade can not be regarded merely as an incident to the assignment of patent rights. The patentee then restrains his own trade, not for the purpose of enhancing the value of the license which he grants, but for the purpose of enhancing the value of his trade by removing competition.

"So here, as claimed by the Government, the license agreements were resorted to as a subterfuge to aid in stifling competition in trade and commerce and to enhance the value of the respective businesses of the defendant and to create a monopoly in their productions. In Sanitary Manufacturing Co. against United States (the Bathtub Trust case) the Supreme Court clearly supports the view that patentees' rights are limited by the antitrust act, as the following excerpt from the opinion shows:

"Rights conferred by patents are, indeed, very definite and extensive, but they do not give any more than other rights a universal license against positive prohibitions. The Sherman law is a limitation of rights—rights which may be pushed to evil consequences, and therefore restrained."

Before I cite the last case I want to recall the attention of the Senate to the exact situation here. After weeks of argument we have passed a trade commission bill with very much more teeth in it than anyone supposed it would have when it started, and the power in the bill was added here in the Senate. It confers on the trade commission authority to determine the facts as to unfair competition, and whenever competition is unfair to set effective machinery in motion to prevent it. Now, those of us who believe that the phrase "unfair competition" means something and is inclusive, do not like to see the broad scope of that phrase weakened by an attempted definition in some other bill. Therefore it does not seem a symmetrical or proper way to treat the subject to single out one or two forms of unfair competition, thereby seeming to lay special stress upon them.

The third case that I am going to cite is a case that deals with a subject precisely such as was suggested by the Senator from Missouri, where the court says in so many terms that that is unfair competition, and therefore it is very clear that the court will treat it as unfair competition under the trade commission bill. I refer to one of the Cash Register cases, United States against Patterson, Two hundred and fifth Federal Reporter, page 292, and I will read the first headnote:

Both the patent laws and the Sherman Antitrust Act (act July 2, 1890, ch. 647, 26 Stat., 209, U. S. Comp. St. 1901, p. 3200) were enacted under constitutional authority, and they must be construed together, giving full force and effect to each, so far as that may be done. That a patentee, by putting his invention to use, has become entitled to a monopoly in its manufacture and sale, and that his competitors in interstate commerce therein are infringers of his patent, does not give him a right to resort to methods of unfair competition to force the competitors out of business; and such action, pursuant to a conspiracy or combination, is in restraint of interstate commerce, and in violation of the antitrust act.

This is a case that arose in the southern district of Ohio. On page 294 I quote the following:

This language of Judge Baker was cited by counsel for defendants in support of his argument that the restraint of trade contemplated by the act could only be with reference to a trade which in itself might rightfully be carried on; that there could be no restraint of a trade of which the patentee has a monopoly by law; that there can be no

conspiracy in restraint of such trade or illegal monopoly of it, when the one charged has a legal monopoly under the patent law. So far is the argument carried that counsel frankly claim in it that, no matter how illegal the acts charged were in themselves, not conceding their illegality at all, infringers had no right to engage in their infringing trade, and the patentee had the legal right to protect his monopoly, even with the strong arm. Counsel for the Government, not admitting infringement on the part of any of the competitors of the National Cash Register Co., and assuming, for the purpose of the argument, that they were infringers, argue that the question is not material to any issue in this case.

Defendants urge: That a patent is a property right; so it is. That it may be assigned; so it may be under the patent laws. That it descends to the heirs at law; the Supreme Court has so held. But counsel have cited no case—if there had been one, they would have found it—and the assertion, usually of doubtful wisdom, may in this connection be safely made that no decision will be found sanctioning acts of violence by a patentee in the protection of his patent right, acts of violence against the claimed infringing article, or the business of the infringers. And it may also be safely said that, at least until the patentee has established the validity of his patent and the fact of infringement, he will not be permitted by a court of equity, and at the suit of even one who may eventually be held to be an infringer, to engage in acts of unfair competition.

Citing authorities.

So here, again and again, we come across the phrase "unfair competition" as applied not only to acts in restraint of trade, but to acts in restraint of trade in connection with patents issued by the Government of the United States.

Proceeding with the opinion, on page 295:

The claim is made that the patentee, having a property right may protect his property by destroying the property of an infringer, on the same principle that he may cut off the limbs of his neighbor's trees projecting into his yard or cut off his neighbor's eaves projecting over his land, or may in some cases abate nuisances, etc.; but this claim involves a misconception of the nature of property in a patent, as will be shown. It is said that a patentee may destroy infringers' business by acts of unfair competition in self-defense, but even in criminal law the old rule was that one could defend on the ground of self-defense when he was driven to the wall, and only then.

And then, on pages 297 and 298, the Bathtub Trust and Creamery Package cases are cited, and the distinction I have already drawn is emphasized. The Senator from Montana [Mr. WALSH], with his usual force and clearness, pointed out this distinction on Friday. He did not have the cases at hand at the time, cases that fully uphold his position, but the Senator from Montana disagrees with me in believing that the owner of a patented article should not be allowed to annex to its use any condition he chooses so long as it does not monopolize the particular branch of trade. I can not see that the patent has anything to do with the condition. No matter what I make, I may annex such conditions as I please to its use, and I think that ought to be permitted.

The great importance of the Dick case, cited by the Senator from Missouri [Mr. REED], was not in the proposition, so well understood, that a patentee may annex such conditions as he chooses to the use of the patented article, but what the court emphasized in that case was this: That was a case not for a breach of contract, but a case for infringement of a patent, and the court held that where the contract annexed to the use of a patented article was violated it constituted what is known as a contributory infringement, and therefore the United States court had jurisdiction of the suit, no matter whether there was diversity of citizenship or not. That was a very important decision, because it drew to the Federal courts of the United States all contracts involving patented articles, and where the adversary parties were in the same State the one who claimed the infringement could go into the United States court because it was a patent matter and have his right decided in the United States court.

While I do not agree with the Senator from Montana that it is a wrongful thing or a harmful thing to allow conditions to be annexed to the use of a patented article, and I am not sure he would go quite as far as that, I do feel there is a situation existing in the United Shoe Machinery cases which is so acute and so important that if these men are asking for relief that will be speedy and effective I shall not oppose it, and I feel that the amendment which the Senator from Montana says he will introduce which will go right at the root of this difficulty and make a special offense of that behavior and bring it sharply and quickly to the attention of the Federal trade commission without any doubt of its authority to deal with that class of cases, should be supported.

Mr. REED. Mr. President——

The VICE PRESIDENT. Does the Senator from New Hampshire yield to the Senator from Missouri?

Mr. HOLLIS. I do.

Mr. REED. The Senator says that he is in favor of passing an amendment similar to that which has been offered by the Senator from Montana, which will deal directly with the class of practices indulged in by the Shoe Machinery Trust and to bring it sharply to the attention of the trade commission. Are we to understand that he is not willing to have that right so guarded that those who are injured can go into court and protect themselves, or does he mean that they must all be relegated to the trade commission?

Mr. HOLLIS. I am very glad to have this opportunity to explain that point. The trade commission bill and the present bill leave every person who is damaged by unfair competition free to go to any court having jurisdiction and sue for damages and get an injunction, and that is right. They should be allowed to go, just as I went to the Federal court for relief in the Tubular Rivet & Stud Co. case, and just as numerous others have gone to the court for protection. The courts are open to them, and if a right is violated the violation of the right gives to a man his right to his remedy in the courts. There is no doubt about that.

Mr. REED. Not to interrupt the Senator, not to engage in any debate, but simply to get his view, do I understand the Senator from New Hampshire to hold that, having passed a bill creating a trade commission and prohibiting unfair competition, in his view any person feeling that he has been treated unfairly can go into the courts for primary relief?

Mr. HOLLIS. I have not the slightest doubt about it. Anyone who is injured by unfair competition may sue the person who has so injured him. There is nothing in any statute which forbids it; there is nothing in any case which forbids it. Unfair competition is declared to be unlawful. There is an analogy all through the field of law. There is a law in most States which provides that when you are driving a team you must turn out to the right. If you turn out to the left, and then some one is injured, that statute is introduced in evidence to establish your negligence. It is not in all cases negligence per se, but in some States it is held to be evidence of negligence. If anyone should injure me by unfair competition against my business, I could bring a suit for damages for that injury, and the first thing I would introduce would be the statute making unfair competition illegal. That would be in some jurisdictions conclusive evidence of negligence and in others it would be merely evidence to be considered by the jury with other evidence.

Mr. REED. I think I understand the Senator now. I only want to be sure that I do understand him, because I state to him very frankly I shall reply to his statements to-morrow morning. I would reply now, but part of them I did not hear. I understand the Senator's position now to be that if section 5 of the trade commission bill is enacted into a law, without any other legislation, any person who feels that he has been the victim of unfair competition can at once go into any Federal court and bring his suit and maintain it there, without having first gone to the trade commission.

Mr. HOLLIS. That is not exactly accurate, although that may be correct. I do not say a Federal court. I am quite sure it would not give the Federal court jurisdiction in all cases, but he might go into a court having jurisdiction.

Mr. REED. Either State or Federal?

Mr. HOLLIS. Either State or Federal. I hope the Senator will address himself to that, because if I am mistaken in that proposition I shall be very glad, indeed, to know it. I think it is of very great importance.

Mr. REED. Now——

Mr. HOLLIS. Let me finish my answer to the Senator's first question before we get too far away. I am in favor of amending this bill so as to include the class of cases the Senator from Montana brought up—the Mimeograph case, which was discussed, I think, by the Senator from Missouri. It does not seem harmful or injurious to annex to the sale or the lease of any article, patented or unpatented, that it shall be used only with the ink, paper, or supplies furnished by the owner of the patent or the seller or lessor of the article. In my judgment there is, however, serious doubt whether that would be considered unfair competition in most cases. If it were carried far enough to give to the owner of the mimeograph the entire control of the mimeograph business, that would constitute unfair competition and be subject to the inhibition of the trade-commission law. But I am willing, for the sake of making a concession, to have the case of the sole right to sell supplies included under the amendment the Senator from Montana proposes to offer. That is the answer to the Senator's first question.

Mr. REED. So that is the Senator's position. I will not ask questions at all that are unpleasant.

Mr. HOLLIS. They can not be too unpleasant. I am used to it.

Mr. REED. I am not asking an unnecessary question.

Mr. HOLLIS. The Senator may ask any questions he may think of, and if I can answer them I will.

Mr. REED. I am only trying to elicit the Senator's opinion. As I understand the Senator now, he is willing to have an

amendment adopted which will prohibit the practices of the Shoe Machinery Trust—I will call it for the want of a better name—and he is willing to go further than that and have a substantive law passed prohibiting the contract by which the owner of a patented article compels the owner or lessees of that article to use certain supplies.

Mr. HOLLIS. No; the Senator misunderstands me. The whole proposition is included in the case the Senator last stated, because that would incidentally cover the Shoe Machinery case. In my judgment, the Shoe Machinery case is fully covered by the Sherman antitrust law, and the decree in that case will be in favor of the Government. But the concession I am willing to make is the one last stated by the Senator, to the effect that exclusive-use contracts of patented articles shall be void, as provided by the Senator from Montana, so as to cover cases like the Shoe Machinery case, and the Mimeograph case, and the Harrow case, I think it is; and there are others.

Mr. REED. As a general proposition?

Mr. HOLLIS. As a general proposition.

Mr. REED. The Senator means if I sell a patented article to him, or if I lease it to him, I can not attach a condition compelling him to purchase his supplies from me?

Mr. HOLLIS. Yes; I am willing to go to that extent.

Mr. REED. If the Senator goes to that extent, if he will permit me, I will say that he and I are on a common ground.

Mr. HOLLIS. The trouble was pointed out carefully by the Senator from Montana on Friday, and the motion to reconsider would include both sections 2 and 4.

Mr. REED. If the Senator will pardon me, he is wrong about the motion to reconsider. The notice to reconsider was a general notice that the motion would be made, and it was entered.

Mr. HOLLIS. Does the Senator understand that two and four can be divided so that only four may be considered?

Mr. REED. You can always divide.

Mr. HOLLIS. If that is done, and the Senator can show that section 4 is not broader than the amendment offered by the Senator from Montana—and I understand it is very much broader and will cover many cases that it ought not to cover—then I shall vote for it. I am willing to go to that extent, but not further.

Mr. REED. The amendment of the Senator from Montana covers only such cases as the Shoe Machinery case, but does not go to the question of supplies if I correctly understand the matter. What I was anxious to know was if the Senator was willing—and he has already answered me on that very fully that he is willing—to cover supplies. I take it the Senator is not wedded to any particular amendment, but is willing to go to the extent of prohibiting contracts such as the Shoe Machinery Co. make, whether covered in the motion of the Senator from Montana or in section 4. That principle the Senator is ready to support.

Mr. HOLLIS. I have already told the learned Senator once——

Mr. REED. I do not ask it again.

Mr. HOLLIS. That I do not think the Shoe Machinery case should be covered by the amendment. I think it is covered by the Sherman antitrust law. So far as cases like the Mimeograph case, which are cases covering supplies, I do think they should be covered and might be properly covered by it. That is just what I answered 10 minutes ago.

Mr. REED. I am not trying to cavil over this matter, but I want the Senator to understand that I am trying to be as polite as I know how to be. I am simply trying to get his views. If there is a doubt about the Shoe Machinery case, would not the Senator be willing to put in a positive law prohibiting the practice and end that doubt?

Mr. HOLLIS. I understand that the amendment of the Senator from Montana does do just that. I do not think it is necessary, but I think in order to end that doubt it should be done. I think that does the business, and I shall favor it when it is offered.

Mr. LEWIS. Mr. President, may I be permitted to interrupt the Senators merely to make a suggestion that I think might be pertinent for consideration at this time, when we are on the eve of possibly yielding an agreement to sustain an idea advanced? I heard the Senator from Montana present his proposition, which I recognized, I thought, as the embodiment of the bill presented by the Senator from Oklahoma [Mr. GORE]. I have just heard the able Senator from New Hampshire [Mr. HOLLIS] make concession to the Senator from Missouri [Mr. REED] on this question. In my humble judgment, the proposed amendment, if passed, would absolutely have no potent effect, for the reason that when a man attempted to buy a machine and there was written in his contract that in consideration of the price of the machine and in consideration of purchasing a certain quantity or a certain class of supplies, and he made such contract, it could not be made illegal by action of ours, because it is his liberty to make his contract, and under the case of Allgeyer against Louisiana, which I think you will find in One hundred and sixty-fifth United States, I advise the learned Senators who have given this question much more attention than I that there was then the very question now at issue. There it was held that an attempt to prevent by law a contract being made between persons not illegal in itself was an infringement of that constitutional clause guaranteeing the right of liberty and the pursuit of happiness. That the word "liberty" must be construed to mean the right to make any kind of a contract that in itself is not contra bonos mores. That is the view which I would like to ask the learned Senator to take into consideration.

Mr. REED. The case the Senator refers to I have not read for some time, but I remember it, and I think the line of distinction is very clear.

Mr. LEWIS. I do not remember it quite absolutely.

Mr. REED. If the Senator's position as stated by him is correct, and if the broad principle of the Constitution exists which provides that a man in contracting with reference to his property can do anything with it which is not contrary to public morals, then we might just as well wipe out all our antitrust work, because every antitrust statute is based upon the idea that no man can use his property so as to destroy the right of another man to use his property. While it is true as a constitutional proposition that A owning a piece of property has the free right to use it, the legislative authority does not impinge upon that constitutional liberty when it says to the man owning the property: "You shall not use it in such a way as to destroy the liberties of others."

Mr. WALSH. I should like to inquire of the Senator from Missouri whether in his opinion the antitrust statute itself is not a restriction upon the unlimited power of Congress.

Mr. REED. I think it is.

Mr. WALSH. I ask him whether if section 5 of the trade commission bill has any efficacy at all it is not likewise a restriction upon the power of Congress.

Mr. REED. Possibly a restriction if it has any efficacy.

Mr. LEWIS. I hold the distinction to be this, if I may be pardoned for injecting into a debate I am not regularly in: The antitrust acts are based upon the violation of matters which are in themselves restraints of trade and in themselves injurious to the public, though it may concern individuals or parties as far as the matter is in hand. The unfair competition clause is likewise addressed to the unfair competition between the parties, not the result of dealings between them, but of dealings adverse and against them. That, I fear, is the distinction that is going to give us all the trouble eventually.

I had hoped, Mr. President, at some time—possibly during this debate—to offer my humble views to the Senator, who has given this subject great consideration, to show wherein I feel there is great danger, in view of the conflict between these two measures. I now suggest it. Unfair competition by that general phrase I have defended, and I have continued to defend, because I see its absolute validity from the standpoint of a lawyer. I realize that if the definition could be so exact as to embrace all conditions that could arise, it would be much more desirable; but the reason I defend it is that it relates to conduct on the part of individuals against others, without their consent and against their interest, and therefore will so be construed wherever it can be brought before the court as involving any set of circumstances which worked such results. But I fear, in the matter referred to by the able Senators from New Hampshire, Missouri, and Montana, who have just spoken, that where we attempt in this body to pass a law which specifically says that A shall not contract with B that the latter shall receive from the former supplies, we invalidate a contract between A and B in the face of the specific provision of the Constitution that allows to each individual liberty of transactions between himself and another individual, and we could not pass such an act as that without doing two things—invading the domain of personal liberty to contract and violating the domain of personal rights of contract.

For that reason it seems to me that such an act is likely to be obnoxious to the constitutional provision, and, as it seems to me, within the rule of Allgeyer against Louisiana, because the distinction made there is this: That only that conduct of A against the world and against the community may be interdicted by law, unless the act is contrary to good morals and to justice, while an arrangement which is made between A and B as to sales between themselves, a contract between themselves, is a different matter, and a law designed to prevent such con-

tracts as that infringes the personal liberty of individuals. That is the fear I have, and that is the distinction that I find, but I yield to those who have more studiously thought on this subject. I am merely expressing the fear I have of the unconstitutionality of such legislation.

Mr. REED. Will the Senator pardon merely a suggestion?

Mr. LEWIS. Yes.

Mr. REED. I think I can show the Senator by a very old illustration that his fears are based upon the fact that he has, I think, overlooked some matters. The Senator seems to take the view that the test is that the Government, the lawmaking body, can not interfere in a contract between two people; that they are at liberty to contract as they please.

Mr. LEWIS. When it does not touch the public morals.

Mr. REED. When it does not touch the public morals.

Now, A, we will say, is engaged in running a store; he sells out to B, and he signs a contract that he will never again engage in the grocery business. That is a contract between those parties, and yet such a contract has always been declared to be a void contract.

Mr. LEWIS. Not if A adds the qualification of a geographical limitation to it.

Mr. REED. Ah, but that does not help it. If A has a liberty of contract, he has the right to make a contract for his whole life and for the whole domain.

Mr. LEWIS. May I show the able Senator a distinction there?

Mr. REED. The courts made the distinction that as long as they limited the length of time the contract was to run, and put in a reasonable limit, and a limited place, that they would not strike down the right to make that sort of a contract; but if they did not put those limitations in, making the contract reasonable both as to time and place, they would strike down the contract, not upon the ground that a crime had been committed, not that there had been any bad morals involved, but upon the ground that such contracts were against the public policy of the land; that they deprive the rest of the community of that kind of service which might otherwise be rendered to the community by the individual who had tied himself up in an unlimited contract.

It is upon the very doctrine that is involved in that old simple line of cases that the whole doctrine of the restraint of trade, if I understand correctly, has finally been built. When I go out into the community and contract with B and C and D and E and all others who engage in manufacturing certain products that they will unite with me, and thus control the whole business of the country, it is because that is a restraint not only of individuals but a restraint of the opportunity of the public to purchase that we have the doctrine of the restraint of trade invoked.

Mr. LEWIS. Let me state——

Mr. REED. If the Senator will allow me to say this final word—and I am not saying this for the sake of controversy——

Mr. LEWIS. Oh, no; we are discussing, like lawyers, an abstract legal question.

Mr. REED. I think there can be no doubt about the proposition that of course the Government can not arbitrarily deny a man the right to use his property and the right to enjoy it; that is fundamental—the right to enjoy its issues and profits is his. That right is exhausted when it reaches the point where it can be said, and the statement be consistent with reason, that in exercising his property right he has invaded the rights of the general public. There is the point, I think, where legislative authority attaches.

Mr. LEWIS. Mr. President, I should like to say to the Senator from Missouri that here is the basis of my distinction: A contract made between JAMES HAMILTON LEWIS, of Illinois, and JAMES A. REED, of Missouri, that one of them shall not follow a certain calling or business within a period of 10 years within the whole State of Missouri or Illinois, if legal—and it must be considered to have been so held—is as complete a restraint of trade in so far as we could make it within that 10 years and within which time we both may die, not having any further time, and within that complete geography beyond which that particular matter need never have extended at all, and could within that geography serve its whole uses of a complete restraint. Therefore to the extent of the geography and to the extent of the time, if that contract of ours operates as a restraint of trade, it operates within the 10 years as completely as it would within a hundred years, and within those 10 years affects all those who would be injured by it, and they would be as completely injured within those 10 years as they would within 10 times 10 years. Therefore, if the theory of the law were, as my able friend says, merely to prevent restraint of trade, it would be perfectly apparent that a contract within certain limitations of territory or certain limitations of time could not be permitted, because the effect of such contracts would work the very same restraint within those qualifications of time and geography as if it extended for all time and all places. So I assure my able friend that I thought it was prohibited and the prohibition sustained on a different theory. This has been my idea: That they were sustained on the theory that a man could buy from another a certain form of good will and valuable assets for a certain sum of money or thing, and that in consideration of the sum he takes to himself he yields up the right of getting that same amount of money within certain same geography and a certain length of time and is a legitimate consideration by which he has been paid in an anticipatory way that which he might have been paid generally by customers in that length of time. That is the consideration on which it is sustained.

As to public policy, such a contract made between two individuals so far as the public is concerned will be sustained upon the idea that the particular nature of the business, supervised as it can be by the courts, can be clearly observed and does not in itself monopolize the opportunities of the citizen because of the subject matter involved and being one of those which is in general operation to the community at large.

Mr. SHIELDS. Mr. President——

The VICE PRESIDENT. Does the Senator from Illinois yield to the Senator from Tennessee?

Mr. LEWIS. Always, with pleasure, if the Senator will allow me to finish the thought I had in mind.

Mr. SHIELDS. What I desire to say is in that connection, but I will forbear.

Mr. LEWIS. There is much to be said as to the last distinction made by the Senator from Missouri, that it is not necessary that these things to be forbidden should be contrary to public morals, if they are contrary to public policy; but wherever a practice goes to such an extent that it is directly in violation of public policy it will, in my judgment, be treated as also a violation of public morals.

Now I yield to the Senator from Tennessee, before I read a passage from a case to which I desire all Senators to pay heed, as it is one that is giving me perturbation at this time.

Mr. SHIELDS. Mr. President, I understand that a contract made by one who sells his business and the good will thereof to another that he will not engage in the same business within a limited territory and time is sustained, because the public interest is only affected and the agreement is necessary to support and protect the good will sold. Such contracts are held not to be unreasonable restraint of trade. If the contract stipulates that he will at no time engage in the same business or will not engage in it in any place in the United States, it is void and unenforceable. There are two reasons for this rule. One is that it deprives the citizen of the means of a livelihood, but the chief one is that it tends to monopoly.

Referring to the main question presented by the Senator, he is correct in his quotation of the case of Allgeyer against Louisiana. That case was cited and commented on in The United States against The Joint Traffic Association, but it was held not to be applicable to the Sherman law enacted to suppress restraints of trade and monopolies of commerce. The court in that case—the case of The United States against The Joint Traffic Association—said:

> The question really before us is whether Congress, in the exercise of its right to regulate commerce among the several States, or otherwise, has the power to prohibit, as in restraint of interstate commerce, a contract or combination between competing railroad corporations entered into and formed for the purpose of establishing and maintaining interstate rates and fares for the transportation of freight and passengers on any of the railroads, parties to the contract or combination, even though the rates and fares thus established are reasonable. Such an agreement directly affects and, of course, is intended to affect the cost of transportation of commodities, and commerce consists, among other things, of the transportation of commodities, and if such transportation be between States it is interstate commerce.

Thus the question was stated. In regard to the power of Congress, the court further said:

> We think it extends at least to the prohibition of contracts relating to interstate commerce, which would extinguish all competition between otherwise competing railroad corporations, and which would in that way restrain interstate trade or commerce. We do not think, when the grantees of this public franchise are competing railroads, seeking the business of transportation of men and goods from one State to another, that ordinary freedom of contract in the use and management of their property requires the right to combine as one consolidated and powerful association for the purpose of stifling competition among themselves, and of thus keeping their rates and charges higher than they might otherwise be under the laws of competition. And this is so, even though the rates provided for in the agreement may for the time be not more than are reasonable. They may easily and at any time be increased.

And, again, the court says:

> Notwithstanding the general liberty of contract which is possessed by the citizen under the Constitution, we find that there are many kinds of contracts which, while not in themselves immoral or mala in se,

may yet be prohibited by the legislation of the States or, in certain cases, by Congress. The question comes back whether the statute under review is a legitimate exercise of the power of Congress over interstate commerce and a valid regulation thereof. The question is for us one of power only and not of policy. We think the power exists in Congress, and that the statute is therefore valid.

Mr. President, such statutes as this are simply police regulations; they are enacted in the exercise of the police power. While that power is not one of the enumerated powers of Congress, but remains in the States, yet Congress can exercise it whenever necessary to execute and carry into effect any of the expressed powers vested in it. In such cases it is implied—in this case the power to regulate commerce. The cases upon the subject all hold that the liberty of contract and personal liberty may be restrained when necessary for the public welfare. These rights are protected by the Constitution, and the power to enact laws for the public welfare is also provided for by the same instrument, and they must be enforced along with each other consistently and harmoniously. The only question here is, Are these statutes reasonable police regulations and reasonably calculated to effect the purposes intended; that is, to prevent restraints and monopolies of interstate commerce? If so, they are valid; and if not, they are void.

Mr. LEWIS. Mr. President, as I have introduced this somewhat debatable question—not particularly important, but introduced it merely by an interrogation of three of the Senators whose personal industry on this subject I have had occasion both to observe and admire—I will say it was not my object to enter into the field of discussion, either from the fundamental point of view or from the point of expediency on this legislation at all, but to suggest what I felt was a barrier, whether insuperable or not I am not able to say, that we might consider it and see if it exists to the extent that I fear. I concede that the distinction made by the able Senator from Tennessee is the one upon which we must sustain this legislation, if sustainable, but I illustrate by adopting the words of the Senator from Montana, as I listened to them with great care, wondering, knowing his capacity as I do, and paying tribute to it wherever I can, that he should have used that particular illustration to carry out the ultimate purpose, and thinking then, as I now think and shall express, that there was not brought to his mind the inapplicability of the illustration to his conclusion.

This is what agitates my fears: The Senator from Tennessee produces a case which in itself is a mere matter of interstate freight passing over railroads between States, clearly a subject within the Constitution. That no man would have a right to claim as justified a contract between A and C railroads and G and F railroads which made a monopoly of freight, interstate commerce, merely on the theory of the right to contract. Everyone must at once admit this fact, because the subject matter becomes at once, on the very face of it, interstate commerce and is very clearly, by the very subject, attaching itself to affairs between States, matters passing between States; and the able Senator from Tennessee has shown beyond dispute that the right of private contract could not be plead to sustain that.

This, however, is the distinction which I fear we run against: The able Senator from Montana used this figure of speech touching private local matters to bring it clearly to our mind. Said he: If I buy a typewriter from a typewriter concern, can that typewriter concern, merely because it has a patent—we will say the Remington or Oliver—say to me, "You shall buy from me your paper and your carbon or the towels used in your office, or the desk, or the coal for the fire?"—if I remember his speech.

Now, I say that they would not have a right to do such, as a matter of right or wrong, because such would be oppressive and obviously unfair. This must be conceded. That such would be an exaction that would be unjust under certain conditions must be admitted. That that would be mean, low, and contemptible to take advantage of the individual because he had to buy that particular typewriter will also be conceded. But this distinction is worrying me: What interstate-commerce feature, what governmental, constitutional feature, is involved in a contract between the Senator from Montana, the Hon. THOMAS J. WALSH, and a citizen of the city of Helena, with whom he may have a neighborly relation that leads to his asking, "Well, Mr. WALSH, have you come to buy a typewriter?" "Yes." "All right, sir. Now, in consideration of the price for which I let you have this machine, $40"—to use a figure of speech—"you also agree with me that the paper you print on or the carbon you use shall also be bought from me." Mr. WALSH says, "All right." The contract appears to be for a consideration, as follows: "That for the small price at which the typewriter is being sold, you agree to buy a certain quantity"—and that quantity may embrace all he may need for a certain time—"of these supplies of paper, carbon, soap, and towels."

I am insisting on this query: In what way does that infringe the interstate-commerce feature by which we can have here in Congress the right to prescribe that A and B in those States, in relation to that single bit of commodity that bears no relation to an interstate character, can be inhibited absolutely from making such an agreement as a private contract between the parties?

Mr. REED. Mr. President, the Senator seems to be addressing his remarks a little to me.

Mr. LEWIS. Yes, sir. We are discussing it as lawyers in the forum.

Mr. REED. Manifestly, in the illustration given, the Government has nothing whatever to do with it and would have nothing to do with it. It is an intrastate transaction pure and simple, and neither this bill nor any other bill undertakes to deal with a case of that kind. That is a matter for legislation in the State of Montana. If, however, the Senator from Montana were in the city of New York and proceeded to make a contract with a citizen of Montana, and the citizen of Montana were to ship the typewriter to the Senator in New York and were to attach the trade condition we are speaking of to that sort of transaction, then, because it was an interstate transaction, the Government might have something to say.

Mr. LEWIS. Yes. That brings me to the point that every contract you illustrate need only be within the State in which both parties live to carry out all the purposes which you seek to avoid.

Mr. REED. I do not agree with the Senator, provided he means it in one sense. If the Senator means that a builder of typewriters engaged in manufacturing them in the State of New York would establish an agency in the State of Montana, and then, through that agency, sell to a citizen of Montana in Montana a typewriter with these conditions attached, I do not think that that device or method would avoid the power of the Government, because the instrument itself is in fact the subject of interstate commerce, and the conditions made under those circumstances would probably be regarded as a mere subterfuge for the purpose of avoiding the Federal law.

We have that sort of difficulty with reference to every contract. For instance, the Steel Trust might, if it saw fit, have an agent in the State of Montana, and it might, through that agent, make a sale and attach conditions; yet I do not believe the Government in that case would be deprived of showing that the steel was actually shipped in interstate commerce, that the company's home was really in New Jersey, and that the method devised was a mere subterfuge to try to get away from the interstate-commerce provision. That is the way it seems to me.

Mr. LEWIS. What has the Senator to say as to this, then? I ask the able Senator from Tennessee likewise to note what I think is the distinction. If we are bothered at all, we are bothered by this:

The contract denounced by the Supreme Court of the United States was in a case where a man agreed to have certain insurance contracts between A, B, and C companies, extending from one State into another State, and the State attempted to pass laws within the State to prevent that. The State is much more of a sovereign than the Federal Government as to certain matters, we naturally recall.

Mr. SHIELDS. Is that the Louisiana case?

Mr. LEWIS. Yes, sir; one phase of it. The Supreme Court of the United States says:

> The Supreme Court of Louisiana says that the act of writing within that State the letter of notification was an act therein done to effect an insurance on property then in the State in a marine insurance company which had not complied with its laws, and such act was, therefore, prohibited by the statute. As so construed, we think the statute is a violation of the fourteenth amendment of the Federal Constitution, in that—

This is the point I wish to press on my able colleagues—how far the fourteenth amendment can be invoked; for if it applies to State legislation, of course it would apply to Federal legislation all the more—

> As so construed, we think the statute is a violation of the fourteenth amendment of the Federal Constitution, in that it deprives the defendants of their liberty without due process of law. The statute which forbids such act does not become due process of law, because it is inconsistent with the provisions of the Constitution of the Union. The liberty mentioned in that amendment means not only the right of the citizen to be free from the mere physical restraint of his person, as by incarceration, but the term is deemed to embrace the right of the citizen to be free in the enjoyment of all his faculties; to be free to use them in all lawful ways; to live and work where he will; to earn his livelihood by any lawful calling; to pursue any livelihood or avocation, and for that purpose to enter into all contracts which may be proper, necessary, and essential to his carrying out to a successful conclusion the purposes above mentioned.

Then, says the court, proceeding, after referring to certain cases sustaining its conclusions:

The foregoing extracts have been made for the purpose of showing what general definitions have been given in regard to the meaning of the word "liberty," as used in the amendment, but we do not intend to hold that in no such case can the State exercise its police power. When and how far such power may be legitimately exercised with regard to these subjects must be left for determination to each case as it arises.

Has not a citizen of a State, under the provisions of the Federal Constitution above mentioned, a right to contract outside of the State—

Which, we will say in the illustration of my friend the able Senator from Missouri, would be in New York, to the citizen of Montana—

outside of the State for insurance on his property—a right of which State legislation can not deprive him? We are not alluding to acts done within the State by an insurance company or its agents doing business therein, which are in violation of the State statutes. Such acts come within the principle of the Hooper case (supra), and would be controlled by it. When we speak of the liberty to contract for insurance or to do an act to effectuate such a contract already existing, we refer to and have in mind the facts of this case, where the contract was made outside the State, and as such was a valid and proper contract. The act done within the limits of the State under the circumstances of this case and for the purpose therein mentioned, we hold a proper act, one which the defendants were at liberty to perform and which the State legislature had no right to prevent, at least with reference to the Federal Constitution. To deprive the citizen of such a right as herein described without due process of law is illegal. Such a statute as this in question is not due process of law, because it prohibits an act which, under the Federal Constitution, the defendants had a right to perform.. This does not interfere in any way with the acknowledged right of the State to enact such legislation in the legitimate exercise of its police or other powers as to it may seem proper. In the exercise of such right, however, care must be taken not to infringe upon those other rights of the citizen which are protected by the Federal Constitution.

Then concluding, as I wish to conclude, with a mere observation:

In the privilege of pursuing an ordinary calling or trade and of acquiring, holding, and selling property must be embraced the right to make all proper contracts in relation thereto, and although it may be conceded that this right to contract in relation to persons or property or to do business within the jurisdiction of the State may be regulated and sometimes prohibited when the contracts or business conflict with the policy of the State as contained in its statutes, yet the power does not and can not extend to prohibiting a citizen from making contracts of the nature involved in this case outside of the limits and jurisdiction of the State, and which are also to be performed outside of such jurisdiction; nor can the State legally prohibit its citizens from doing such an act as writing this letter of notification, even though the property which is the subject of the insurance may at the time when such insurance attaches be within the limits of the State.

Then the case proceeds, of course, to set forth the facts.

Mr. President, I have taken the liberty merely to bring this ruling to the attention of my able colleagues to revive their minds as to a matter which might have escaped their attention, or, being in their minds, might not have been fresh in its distinction. The fear I have, if I may call it a fear, is that if we shall adopt this amendment, or take the law as tendered by the Senators from Oklahoma and Montana, which on its face does nothing more than to prevent A from agreeing with B to buy some of B's ordinary commodities within the same city where they live—the contract being based upon a consideration satisfactory as between A and B, and bearing no relation in itself to the general subject of interstate commerce. Such legislation impresses me, however inexpedient from the point of morals and possibly of good justice, yet as not within the purview of this Federal Legislature or Federal legislation, and as directly in violation of the fourteenth amendment to the Federal Constitution, guaranteeing liberty in action as construed within this case I have now read. Mr. President, I have made my point, and now to further amplify it, would, I fear, burden you.

Mr. REED. Mr. President, I want to say just one word. There is no question that Congress can not interfere with transactions that are purely intrastate. There is no question, either, that Congress can pass any reasonable regulation of interstate commerce.

Mr. CHILTON. Mr. President, will the Senator pardon me?

Mr. REED. Let me finish the sentence.

Mr. CHILTON. I know what I am going to say will not interrupt the Senator. I want to call attention to the fact that this is probably the first time in the history of the Senate when the minority side has been entirely unrepresented on the floor of this body.

Mr. CUMMINS. I beg the Senator's pardon.

Mr. STERLING. Mr. President——

Mr. CHILTON. The Senator was over on the Democratic side and I did not notice him.

Mr. McLEAN. The Senator had better look around.

Mr. REED. No, Mr. President; my friend meant to be fair, but he simply looked on the other side.

Mr. CHILTON. That is right.

Mr. REED. He forgot the fact that there are three distinguished Republican Senators who have come over to this side——

Mr. LEWIS. May they remain!

Mr. REED. And in order to be perfectly fair it ought to be added that at the time the Senator rose there were upon this side of the Chamber exactly six Democrats present; so the Republicans have done pretty well. They have come over and joined us on our side and helped make this side look a little fuller, at least.

Mr. CHILTON. Mr. President, I just wanted to call attention to the silent prophecy in the fact that the Republican side of this Chamber is empty.

Mr. JONES. Not quite.

Mr. REED. Mr. President, I was only going to add a sentence to what I was saying. There is no question but that we can deal with interstate commerce, and as long as we are regulating interstate commerce in a reasonable way we can proceed without any difficulty. I will say to the Senator from Illinois that I think there is a graver question involved in this legislation than he has suggested, and that is whether we are not, by much of this legislation, going beyond the regulation of the commerce itself and seeking to regulate the institution which may be engaged in commerce. That is a very grave question. I have not seen fit to undertake a discussion of it, because so far as I am concerned I have been interested in trying to have some effective legislation passed. I think the great trouble with the anti-trust legislation which we are now considering is that the thought embraced in the appeal of old King David, as his army went out to battle—

Deal gently with the young man Absalom for my sake—

is being applied to the trusts and monopolies of this country. I have not seen the slightest disposition in the Senate to put any teeth in this trust act. On the contrary, the doctrine most frequently advocated is that we ought to set up some kind of tribunal that will act as a sort of guardian ad litem for the trusts and monopolies of this country, and that we should proceed to hold up the light and kindly lead them into a safe country.

Every attempt to put a substantive provision into the law has failed. Every attempt that has been made thus far to add a penalty, every attempt to strike a blow, has failed. You can get what our friend Perkins, of the Harvester Trust, and his protégé, Mr. Roosevelt, were clamoring for two years ago—a commission with a sort of legal warrant to roam at large, guided only by its own instincts, circumscribed alone by its own notions; a commission which, if it possesses the power to declare a thing illegal likewise possesses the power to declare it legal. If it possesses the power to go one whit beyond the present written law of this land, possesses the power to proceed to such length as it may see fit; and if it possesses the power to strike down one statute of the United States, it possesses the power to strike down all statutes of the United States relating to the subject matter consigned to it. If it possesses the power to set aside one decision of the court, a decision inimical to the public welfare as it may conceive or as we may conceive it, it likewise possesses the power to strike down every decision for the public benefit as we see it. Whenever you ask to put into the law an absolute prohibition, whenever you ask to write into the law language by which Congress says an act can not be done, we have hitherto been met by an insistent demand that no such language shall go into the law. That, I say to the Senator from Illinois [Mr. LEWIS], is the great danger confronting us.

We are of different views of thought here in the Senate. Some of us believe that the trade commission as it is now formed, with no substantive law back of it save the expression "unfair competition is hereby prohibited," will be a body either possessed of unlimited authority, and therefore a body that may strike down the wholesome laws we now know we possess, or else a body that will possess such limited authority that it can proceed nowhere except where it has a law to guide it, and therefore can not add one line to the law. Those two opposing views being here, it seems to me we ought to be able to agree that if the trade commission is to stand under this general authority, and with nothing but this general law as the measure of its authority, we should at least by substantive acts prohibit those practices which we know are wrong, and which can be reached without in any way destroying the trade commission, for we can prohibit contracts of the class being made by the Shoe Machinery Trust, by the typewriter and sewing machine manufacturers, and by other large classes of manufacturers which I will not stop to even name. We can safeguard the public against those wrongs by distinct enactment, and then if there be virtue in the trade commission it still can exist, and

it will have these statutes in addition to all that now exist as its guide when it proceeds to work.

I am glad to know that the Senator from Montana [Mr. WALSH] substantially agrees with me that section 4 should be restored and that the Senator from New Hampshire [Mr. HOLLIS] substantially agrees with the Senator from Montana. I have no pride of opinion; I do not care in what form or in what exact phraseology we accomplish the result, so long as the result is accomplished. I do not think that the amendment offered by the Senator from Montana is as broad as it ought to be, but I am delighted to find this evident disposition to put a little virility into the trust act that it does not now possess. I feel that this motion to reconsider ought to be passed now as a matter of course in order that the subject may be brought before Congress and that it may be here to be considered. Unless some one desires to speak upon it, I should like to have my motion to reconsider section 4 passed upon, in order that the subject may be opened up.

Mr. CUMMINS. What is the amendment to which the Senator from Missouri has just referred?

Mr. REED. The proposition that is before the Senate is a motion to reconsider the action of the Senate in striking out sections 2 and 4 of the Clayton bill, and I ask for a division of the question, so that we may vote upon reconsidering section 4.

The amendment I was just referring to as coming from the Senator from Montana, which I think is what the Senator from Iowa refers to, is a substitute the Senator from Montana has drawn, which, I understand, is very nearly the same as the bill brought in by the Senator from Oklahoma [Mr. GORE], relating to patented articles. I should like to have the motion to reconsider passed upon, and then, the matter being before the Senate, of course we can take up the question as to what is the proper amendment.

Mr. CUMMINS. Mr. President, I am not familiar with the amendment. I did not know, in fact, that it had been offered. I am entirely willing that section 4 shall be reconsidered, for I do not agree with some of the Senators who have spoken upon the subject that it is covered by the unfair competition section of the trade commission bill, or at leat I am of the opinion that the greater number of the things covered by section 4 would not be covered by section 5 of the trade commission bill.

I have been opposed to section 4, not for the reason that it was embraced in the bill already passed but because I think it forbids certain things that are not only innocent but ought to be encouraged. The things that have been debated here are obviously bad and ought to be prohibited, but when we prohibit them we ought not to include in them certain other things that I think the trade of the country must be permitted to do in order to preserve the competition and the rivalry we are all in favor of.

Mr. REED. If the Senator will pardon me, the Senator agrees with me, then, that the subject matter ought to be brought before Congress?

Mr. CUMMINS. I do.

Mr. REED. Then we can debate as to just what form it ought to be in. I thought maybe we could get a vote this morning.

Mr. CUMMINS. As the Senator from Missouri knows, I have been of the opinion all along that section 4 ought not to be stricken from the bill, because it was embraced in section 5 of the trades commission bill.

Mr. SHIELDS. Mr. President, while the motion to reconsider sections 2 and 4 has been separated, the motion to reconsider section 2 has not been abandoned or withdrawn, and there is pending a motion to reconsider the action of the committee in amending the bill by eliminating both sections 2 and 4, including the criminal clauses that the House placed upon both those sections.

Mr. NELSON. Mr. President, will the Senator yield to me to ask for a quorum?

Mr. SHIELDS. I yield to the Senator.

Mr. NELSON. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. JONES in the chair). The Senator from Minnesota suggests the absence of a quorum, and the Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Gronna	Martine, N. J.	Shively
Brady	Hollis	Myers	Simmons
Chamberlain	James	Nelson	Smith, Md.
Chilton	Johnson	Overman	Smoot
Clapp	Jones	Perkins	Swanson
Culberson	Kern	Pittman	Thomas
Cummins	Lane	Poindexter	Thompson
Dillingham	Lea, Tenn.	Reed	Thornton
Fall	Lewis	Shafroth	Weeks
Fletcher	McLean	Sheppard	West
Gallinger	Martin, Va.	Shields	White

Mr. THORNTON. I was requested to announce the necessary absence of the junior Senator from New York [Mr. O'GORMAN], and also that he is paired with the senior Senator from New Hampshire [Mr. GALLINGER]. I ask that the announcement may stand for the day.

Mr. SMOOT. I desire to announce the unavoidable absence of my colleague [Mr. SUTHERLAND]. He has a general pair with the senior Senator from Arkansas [Mr. CLARKE]. I will allow this announcement to stand for the day.

Mr. PITTMAN. I wish to announce that the Senator from Delaware [Mr. SAULSBURY] is detained from the Senate on account of illness. He is paired with the Senator from Rhode Island [Mr. COLT].

Mr. DILLINGHAM. I wish to announce that my colleague [Mr. PAGE] is still detained at home on account of sickness in his family.

The PRESIDING OFFICER. Forty-four Senators have answered to their names. There is not a quorum present. The Secretary will call the names of the absentees.

The Secretary called the names of the absent Senators, and Mr. STERLING answered to his name when called.

Mr. MCCUMBER, Mr. BRISTOW, Mr. BANKHEAD, Mr. BRYAN, and Mr. NEWLANDS entered the Chamber and answered to their names when called.

The PRESIDING OFFICER. Fifty Senators have answered to their names. A quorum is present. The Senator from Tennessee will proceed.

Mr. SHIELDS. Mr. President, after a careful consideration of the Sherman antitrust law, enacted July 2, 1890, to protect trade and commerce against unlawful restraints and monopolies, and a review of the litigation conducted under it by the United States I am profoundly convinced of the wisdom of the provisions of the House bill contained in sections 2, 4, 8, and 9 prohibiting and penalizing local price cutting, what are known as tying contracts, holding companies, and other corporations from purchasing and controlling the capital stock of competitive corporations, and interlocking directorates in such corporations, for the purpose of lessening competition, restraining trade, and monopolizing commerce. The penalty provided in these sections, for those violating them, is imprisonment not exceeding one year and fine not exceeding $5,000, or both, in the discretion of the court.

In my opinion these sections contain all the real substantive law supplementary of the Sherman law to be found in the bill before us, and that without them it will fall far short of what the public has been led to expect from Congress, and what the common welfare of the country imperatively demands.

The committee amendments proposed before and since favorably reporting the bill are to strike out entirely sections 2 and 4 and the criminal clauses of sections 8 and 9, all of which I oppose.

I favor these sections because I believe that events since the enactment of the Sherman law have demonstrated that restraints of trade and monopolization of commerce can not be prevented and suppressed without certain and speedy criminal punishment of those who promote and organize them. In my opinion the penal provisions proposed will greatly facilitate such punishment, because the specific acts penalized can be detected and proven with ease, while it is difficult to ascertain and prove the complicated facts constituting completed conspiracies and monopolies, and if prohibited many monopolies will be defeated while in the stage of promotion.

I will undertake to show in the course of this discussion that the proceeding in equity which the Department of Justice has usually resorted to in attempting to enforce the Sherman law has proven a dismal failure for that purpose.

I will not read the sections of the House bill, to which I have referred, because the Senators have the bill on their desks and are familiar with them; but will content myself with reading some excerpts from the report of the Senate Committee on the Judiciary recommending the bill for passage, which set forth and explain the provisions of these sections.

The committee, after stating section 2, prohibiting local price cutting, in explanation of it, says:

> There are two provisos in this section which are important. The first proviso permits discrimination in prices of commodities on account of differences in grade, quality, and quantity of the commodity sold, or that makes only due allowance for difference in the cost of transportation. The second proviso permits persons selling goods, wares, and merchandise in commerce to select their own customers, except as provided in section 3, which will be considered later. The necessity for legislation to prevent unfair discriminations in prices with a view of destroying competition needs little argument to sustain the wisdom of it. In the past it has been a most common practice of great and powerful combinations engaged in commerce—notably the Standard Oil Co. and others of less notoriety but of great influence—to lower prices of their commodities, oftentimes below the cost of production, in certain

communities and sections where they had competition, with the intent to destroy and make unprofitable the business of their competitors, and with the ultimate purpose in view of thereby acquiring a monopoly in the particular locality or section in which the discriminating price is made. Every concern that engages in this evil practice must of necessity recoup its losses in the particular communities or sections where their commodities are sold below cost or without a fair profit by raising the price of this same class of commodities above their fair market value in other sections or communities. Such a system or practice is so manifestly unfair and unjust, not only to competitors who are directly injured thereby but to the general public, that your committee is strongly of the opinion that the present antitrust laws ought to be supplemented by making this particular form of discrimination a specific offense under the law when practiced by those engaged in commerce.

The necessity for such legislation is shown by the fact that 19 States have enacted laws forbidding this particular form of discrimination within their borders. These State statutes have practically all been enacted in the last few years, and most of them in the years 1911, 1912, and 1913. It is important that these State statutes be supplemented by additional legislation by Congress, for it is now possible for one of these great corporations doing business in not only the 48 States but throughout the world to lower the prices of its commodities in a particular State and sell within that State at a uniform price in compliance with State laws, and thereby destroy the business of all independent concerns and competitors operating within the State. The loss incurred by such gigantic effort in destroying competition can be more than regained by general increase in the prices of their commodities in other sections. In fact, complaint has been made to your committee that efforts have been made by certain great corporations engaged in commerce in some of the States which have enacted statutes forbidding such discrimination to circumvent the State laws by the methods above described. In seeking to enact section 2 into law we are not dealing with an imaginary evil or against ancient practices long since abandoned, but are attempting to deal with a real, existing, widespread, unfair, and unjust trade practice that ought at once to be prohibited in so far as it is within the power of Congress to deal with the subject. This, we think, is accomplished by section 2 of this bill.

Tying contracts, prohibited by section 4, are referred to in the report in these words:

Where the concern making these contracts is already great and powerful, such as the United Shoe Machinery Co., the American Tobacco Co., and the General Film Co., the exclusive or "tying" contract made with local dealers becomes one of the greatest agencies and instrumentalities of monopoly ever devised by the brain of man. It completely shuts out competitors not only from trade in which they are already engaged, but from the opportunities to build up trade in any community where these great and powerful combinations are operating under this system and practice. By this method and practice the Shoe Machinery Co. has built up a monopoly that owns and controls the entire machinery now being used by all great shoe manufacturing houses of the United States. No independent shoe manufacturer of shoe machines has the slightest opportunity to build up any considerable trade in this country while this condition obtains. If a manufacturer who is using machines of the Shoe Manufacturing Co. were to purchase and place a machine manufactured by any independent company in his establishment, the Shoe Machinery Co. could, under its contracts, withdraw all their machinery from the establishment of the shoe manufacturer, and thereby wreck the businesses of the manufacturer. The General Film Co., by the same method practiced by the Shoe Machinery Co., under the lease system, has practically destroyed all competition and acquired a virtual monopoly of all films manufactured and sold in the United States. When we consider contracts of sales made under this system, the result to the consumer, the general public, and the local dealer and his business is even worse than under the lease system.

The local dealer is required under the contract system to purchase and pay for each article secured for his business. He is required to contract for purchase on condition that he will not deal in like articles manufactured by competitors. If he can not sell the commodities so purchased, he must go out of business. It was shown in testimony before the committee during the recent hearings that a certain automobile manufacturing company, with a capital of only $2,000,000, had made a profit of $25,000,000 net on their investment in a single year. Was that a profit on the $2,000,000 actually invested by the manufacturing company? Not at all. It was the profit on that $2,000,000 supplemented by many times that many millions actually invested by local dealers in the machines of that company by so-called selling agencies throughout the country. The selling agencies are not in reality agencies at all, but are purchasers and owners of machines who have paid the full price therefor under contracts conditioned that these same dealers will not deal in the machines of any competitors or rival company. These extraordinary profits have been made largely on money actually invested in machines by customers, hundreds of which remain unsold in the possession of the local dealer. This illustration alone is sufficient to show the absolute unfairness of any such practice or system. The system is wholly bad for consumers and the general public and in its last analysis detrimental to the interests of the local dealers generally.

Section 8 is referred to in the report in these words:

Section 8 deals with what is commonly known as the "holding company," which is a common and favorite method of promoting monopoly. "Holding company" is a term generally understood to mean a company that holds the stock of another company or companies, but as we understand the term a "holding company" is a company whose primary purpose is to hold stocks of other companies. It has usually issued its own shares in exchange for these stocks and is a means of holding under one control the competing companies whose stock it has thus acquired. As thus defined, a "holding company" is an abomination, and in our judgment is a more incorporated form of the old-fashioned trust. * * * Section 8 is intended to eliminate this evil so far as it is possible to do so, making such exceptions from the law as seem to be wise, which exceptions have been found necessary by business experience and conditions, and the exceptions herein made are those which are not deemed monopolistic and do not tend to restrain trade.

The section prohibiting interlocking directorates is explained as follows:

Section 9 deals with the eligibility of directors in industrial corporations engaged in commerce, and provides that no person at the same time shall be a director in any two or more corporations either of which has capital, surplus, and undivided profits aggregating more than $1,000,000, other than common carriers which are subject to the act to regulate commerce, if such corporations are or shall have been theretofore, by virtue of their business and location of operation, competitors, so that an elimination of competition by agreement between them would constitute a violation of any of the antitrust laws. In this it was not deemed necessary or advisable that interlocking directorates should be prohibited between the smaller industrial corporations. The importance of the legislation embodied in section 9 of this bill can not be overestimated. The concentration of wealth, money and property, in the United States under the control and in the hands of a few individuals or great corporations has grown to such an enormous extent that unless checked it will ultimately threaten the perpetuity of our institutions. The idea that there are only a few men in any of our great corporations and industries who are capable of handling the affairs of the same is contrary to the spirit of our institutions. From an economic point of view it is not possible that one individual, however capable, acting as a director in 50 corporations, can render as efficient and valuable service in directing the affairs of the several corporations under his control as can 50 capable men acting as single directors and devoting their entire time to directing the affairs of one of such corporations. The truth is that the only real service the same director in a great number of corporations renders is in maintaining uniform policies throughout the entire system for which he acts, which usually results to the advantage of the greater corporations and to the disadvantage of the smaller corporations, which he dominates by reason of his prestige as a director and to the detriment of the public generally.

Mr. President, I have read these excerpts with the risk of being tedious because they state the wrongful and vicious nature of the contracts, practices, and acts covered by sections 2, 4, 8, and 9, and the necessity of prohibiting and penalizing them, with great clearness and force and preclude all controversy concerning the merits of these sections of the bill.

The object of this bill, as expressed in its caption, is to "supplement existing laws against unlawful restraints and monopolies, and for other purposes," the existing law here referred to being the Sherman antitrust law, for that is the only Federal statute upon this subject.

In order to determine what legislation is necessary to supplement the Sherman law, we must keep in mind the provisions of that statute, the wrongs they were intended to prohibit, and the remedy provided for the enforcement of the law, and wherein time and experience have shown that this remedy is not sufficient to accomplish the purpose of the law.

The title of that act is in these words: "An act to protect trade and commerce against unlawful restraints and monopolies."

The first three sections, it is conceded, contain all the substantive law of the act, and are as follows:

SECTION 1. Every contract combination, in the form of trust or otherwise, or conspiracy in restraint of trade or commerce among the several States or with foreign nations is hereby declared to be illegal. Every person who shall make any such contract or engage in any such combination or conspiracy shall be deemed guilty of a misdemeanor, and on conviction thereof shall be punished by fine not exceeding $5,000 or by imprisonment not exceeding one year, or by both punishments, in the discretion of the court.

SEC. 2. Every person who shall monopolize, or attempt to monopolize, or combine or conspire with any other person or persons to monopolize, any part of the trade or commerce among the several States, or with foreign nations, shall be deemed guilty of a misdemeanor, and, on conviction thereof, shall be punished by fine not exceeding $5,000 or by imprisonment not exceeding one year, or by both punishments, in the discretion of the court.

The third section merely applies the first and second sections to the District of Columbia, and the then-existing Territories.

These sections are in form and substance criminal statutes. They prohibit conduct declared to be unlawful, and penalize disobedience with fine and imprisonment or both, and thus by all the authorities come within the definition of such statutes. The other sections of the act, five in number, authorizing the United States to bring suits in equity to restrain and enjoin monopolies, and persons sustaining special damages to bring civil actions, are additional remedies common in criminal legislation.

Concerning criminal legislation providing civil remedies to aid in their enforcement, a work of authority says:

A crime or public wrong is a breach and violation of the public rights and duties due to the whole community, considered as a community in its social aggregate capacity. An offense, however, which is punishable as a crime, may also cause special injury to individuals and give rise to civil actions if they can show that the injury suffered by them is distinct from that suffered by the general public, as in the case of an affray and assault and battery, a nuisance, and many other offenses.

Criminal laws are public laws, and are made for the protection of the whole people and not for the benefit of any person or class of persons. The purpose of the Sherman law is to prohibit and punish public wrongs from which the general public are the sufferers, and not to protect small dealers and competitors of monopolies who are few in number compared to the great masses from whom tribute is exacted. The laws for the punishment of homicide are criminal laws for the protection of the public against violence to the person, resulting in death, and have been in force from the earliest history of the English people. The passage of Lord Campbell's act by the British

Parliament some time about the middle of the last century, and the enactment of similar statutes by the several States of the Union, allowing civil actions to the next of kin for injuries to the deceased, did not change their character; they are still criminal laws, and the civil actions allowed are but further penalties for the criminal conduct of the guilty parties.

Mr. President, before further discussing the Sherman law I wish to direct attention to the conditions that called for its enactment.

The laws of this country were not framed for the prohibition and punishment of modern monopolies and were inadequate for that purpose.

A monopoly, in its original form, as defined by Sir William Blackstone in his Commentaries, was "a grant from the sovereign power of the State by commission, letters patent, or otherwise, to any person or corporation, by which the exclusive right of buying, selling, making, working, or using anything was given." Monopolies of this character never existed in this country, and were abolished in England by the Parliament during the reign of Elizabeth and her immediate successors on the throne.

Monopolies of the present time are, generally, combinations of men and capital which, by the power thus obtained and exercised, destroy competition in trade and restrain and absorb commerce in some commodity, generally some prime necessity of life, to their exclusive advantage and profit, and to the detriment of the public.

Mr. Justice Jackson, while on the circuit bench in the case In re Greene (52 Fed. Rep., 116), said:

> A monopoly, in the prohibited sense, involves the element of an exclusive privilege or grant which restrained others from the exercise of a right or liberty which they had before the monopoly was secured. In commercial law it is the abuse of free commerce which one or more individuals have procured the advantage of selling alone or exclusively of all of a particular kind of merchandise or commodity to the detriment of the public.

Contracts and agreements made to restrain trade, or which necessarily tend to lessen and destroy competition and monopolize commerce to the detriment of the public, were by the common law against public policy and void, and the courts invariably refused to enforce them. But the common law provided no civil or criminal remedy for wrongs of this character, unmixed with fraud, unless they assumed the form of unlawful conspiracies which were both actionable and indictable.

The criminal jurisdiction of the courts of the United States is confined solely to misdemeanors and crimes denounced by acts of Congress, it never having been extended to include common-law offenses.

The criminal laws of this country, therefore, provided no punishment for those restraining trade and monopolizing commerce except where the transaction constituted an unlawful conspiracy, and the power to punish conspiracy was confined to the courts of the several States.

In the latter part of the last century combinations, conspiracies, and monopolies of the character described multiplied in number and capital invested and were more exacting in their extortions than ever before known, and fabulous fortunes were rapidly accumulated by those organizing them from the tribute which they levied upon the people. The public demanded relief from their oppression. The majority of the States in the period between 1880 and 1890 responded to this demand and enacted laws making all contracts, agreements, combinations, conspiracies, and schemes for destroying competition, restraining trade, and monopolizing commerce high misdemeanors and felonies, and the most of these statutes also provided civil actions in favor of individuals who sustained damages from the acts prohibited not common to the general public. These statutes, because their operation was confined to the territorial boundaries of the States and to intrastate commerce, proved insufficient for the purposes for which they were enacted. The necessity for Federal legislation became apparent to everyone, and the demand for it came from all parts of the United States. The great political parties of the day in their platforms adopted in national conventions recognized the existence of these wrongs and the necessity of legislation to protect the people from them, and pledges were made to enact suitable legislation for that purpose.

Senator Sherman, of Ohio, introduced a bill in the United States Senate December 4, 1889, to carry out the pledges of his party. It was fitting that he should do so, because the greatest of these monopolies, the Standard Oil Co., had its home in his State, and the courts of Ohio had grappled with and attempted to suppress it without substantial success. The measure was not partisan. The most distinguished and able Members of the Senate and House of Representatives of both great political parties took great interest in it, and it was continually before the Senate or House, or committees of those bodies, in some form until July 2, 1890, when it was enacted into law. While the statute is radically different from the original bill introduced by Senator Sherman, it bears his name and is generally known as the Sherman law.

There has been much controversy concerning the authorship of this law. Mr. Albert H. Walker, a distinguished member of the New York bar, and author of the "History of the Sherman Law," after a full investigation, stated in a letter to the Senator from Minnesota [Mr. CLAPP], published in the CONGRESSIONAL RECORD, the result of his researches, a part of which I will read as a matter of history. It is as follows:

> That statute (meaning the present Sherman law) was drawn in the Judiciary Committee in the latter part of March and the first part of April, 1890. It was based on the bill which Senator Sherman introduced as Senate bill 1 early in December, 1889, but Senator Sherman took no part in framing the substitute, which was drawn by the Judiciary Committee. That committee was composed of Senators Edmunds, Ingalls, Hoar, Wilson of Iowa, Evarts, Coke, Vest, George, and Pugh. All of its members participated in the consideration of the framing of the statute as it was reported by the Judiciary Committee, which is the exact form in which it was enacted and was approved by President Harrison July 2, 1890. The eight sections of the statute were written by the following Senators in the following proportions: Senator Edmunds wrote all of sections 1, 2, 3, 5, and 6, except seven words in section 1, which seven words were written by Senator Evarts. Those are the words "in the form of trust or otherwise." Senator George wrote all of section 4; Senator Hoar wrote all of section 7, and Senator Ingalls was the author of section 8.

Mr. President, having given this brief history of the Sherman law and the public wrongs which it was intended to prohibit and punish, I will direct the attention of the Senators to what has been done toward enforcing it.

Although the criminal character of this law can not be mistaken or denied, the history of the litigation instituted and conducted under it shows that the incidental civil remedies provided for its enforcement have been ingeniously and artfully brought to the front and made to appear as the prominent and remedial part of the legislation to the neglect of the criminal penalties denounced. Indeed, the Department of Justice seemed to forget not only the criminal character but the very existence of the law. As a result of this construction and neglect during the period between 1890 and 1900 trusts and monopolies continued to increase in number and magnitude, and were extended to the control and monopolization of almost every article and branch of commerce.

Statutes were enacted by New Jersey and some other States providing for the incorporation of holding companies, which took the place of the original form of trusts. Organizing these combinations became a profitable business and engaged the attention of the great financiers and banking houses of the country. I was recently told by one of the counsel for the Government in the suit brought to dissolve the United States Steel Co. that a banking firm in New York received $120,000,000 of the stock of that corporation for services rendered in organizing it.

The law through all this period was practically a dead letter, and few suits were brought and prosecuted to enforce it. I have the number brought by the United States, showing how many were begun under each administration since the law was passed, which I believe to be reliable. It is as follows:

President Harrison's administration, 4 bills in equity and 3 indictments	7
President Cleveland's administration, 4 bills in equity, 2 indictments, and 2 informations for contempt	8
President McKinley's administration, 3 bills in equity	3
President Roosevelt's administration, 18 bills in equity, 25 indictments, and 1 forfeiture proceeding	44
President Taft's administration, 47 bills in equity, and 42 indictments	89
President Wilson's administration, 10 bills in equity and 8 indictments	18
Total suits and prosecutions brought previous to Dec. 1, 1913	171

The convictions in the criminal cases have been few, and I am informed these have been of inferior officers and agents.

The cases brought and prosecuted to final judgment in the Supreme Court of the United States against the Standard Oil Co. of New Jersey and the American Tobacco Co., of New Jersey, have attracted more attention than all the others. The court held in the Standard Oil case, Mr. Chief Justice White delivering the opinion, that the words and phrases "restraint of trade," "monopolization," and "attempt to monopolize commerce," found in the statute, there being nothing in the context to the contrary, must be presumed to have been used in their common-law sense, and when so interpreted the statute only applied to and prohibited contracts and combinations which unduly or unreasonably restrained trade. This con-

struction of the statute, although not necessary to the decision of this case, as the combination attacked in it was held to be vicious and unreasonable in the highest degree, is accepted as the final word concerning the meaning and prohibitory force of the law. It had been previously understood that all combinations which restrained trade or monopolized commerce to the prejudice of the public, whether reasonable or unreasonable, were under the common law against public policy and unlawful, but the holding in this case seems to be to the contrary. The practical application of the statute under this construction to criminal conspiracies and monopolies will be awaited with some interest.

The Standard Oil Co. in the form of a trust was in existence when the Sherman law was passed, and was referred to in the discussions in the Senate and House of Representatives as one of the monopolies to be suppressed by that act, but no proceeding was instituted against it until some time about 1908, and the suit in equity then brought was not decided until May, 1911. The American Tobacco Co. was proceeded against by bill in equity about the same time, and the case also finally decided by the Supreme Court of the United States in May, 1911. The individual defendants in these cases—7 in the Standard Oil Co. case and 29 in the American Tobacco Co. case—were not prosecuted, although it was found in each case that these defendants were the promoters, organizers, and beneficiaries of the combinations held to be violating the Sherman law.

President Taft, in a message to Congress December 5, 1911, speaking of the decrees in these cases, said:

> We have been 21 years making this statute effective for the purpose for which it was enacted. The Knight case was discouraging and seemed to remit to the States the whole available power to attack and suppress the evils of the trusts. Slowly, however, the error of that judgment was corrected, and only in the last three or four years has the heavy hand of the law been laid upon the great illegal combinations that have exercised such an absolute dominion over many of our industries. Criminal prosecutions have been brought and a number are pending, but juries have felt averse to convicting for jail sentences and judges have been most reluctant to impose such sentences on men of respectable standing in society whose offense has been regarded as merely statutory. Still, as the offense becomes better understood, and the committing of it partakes more of studied and deliberate defiance of the law, we can be confident that juries will convict individuals and that jail sentences will be imposed.
>
> In the Standard Oil Co. case the Supreme and Circuit Courts found the combination to be a monopoly of the interstate business of refining, transporting, and marketing petroleum and its products, effected and maintained through 37 different corporations, the stock of which was held by a New Jersey company. It, in effect, commanded the dissolution of this combination, directed the transfer and pro rata distribution by the New Jersey company of the stock held by it in the 37 corporations to and among its stockholders; and the corporations and individual defendants were enjoined from conspiring or combining to restore such monopoly; and all agreements between the subsidiary corporations tending to produce or bring about further violations of the act were enjoined.
>
> In the Tobacco case the court found that the individual defendants, 29 in number, had been engaged in a successful effort to acquire complete dominion over the manufacture, sale, and distribution of tobacco in this country and abroad, and that this had been done by combinations made with a purpose and effect to stifle competition, control prices, and establish a monopoly, not only in the manufacture of tobacco, but also of tin foil and licorice used in its manufacture and of its products of cigars, cigarettes, and snuffs. The tobacco suit presented a far more complicated and difficult case than the Standard Oil suit, for a decree which could effectuate the will of the courts and end the violation of the statute. There was here no single holding company as in the Standard Oil Trust. The main company was the American Tobacco Co., a manufacturing, selling, and holding company. The plan adopted to destroy the combination and restore competition involved the redivision of the capital and plants of the whole trust between some of the companies constituting the trust and new companies organized for the purpose of the decree and made parties to it, and numbering, new and old, 14.
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> The American Tobacco Co. (old), readjusted capital, $92,000,000; the Liggett & Meyers Tobacco Co. (new), capital, $67,000,000; the P. Lorillard Co. (new), capital, $47,000,000; and the R. J. Reynolds Tobacco Co. (old), capital, $7,525,000, are chiefly engaged in the manufacture and sale of chewing and smoking tobacco and cigars. The former one tin-foil company is divided into two, one of $825,000 capital and the other of $400,000. The one snuff company is divided into three companies, one with a capital of $15,000,000, another with a capital of $8,000,000, and a third with a capital of $8,000,000. The licorice companies are two, one with a capital of $5,758,300 and another with a capital of $2,000,000. There is also the British-American Tobacco Co., a British corporation, doing business abroad, with a capital of $26,000,000; the Porto Rican Tobacco Co., with a capital of $1,800,000; and the corporation of United Cigar Stores, with a capital of $9,000,000.
>
> Under this arrangement each of the different kinds of business will be distributed between two or more companies, with a division of the prominent brands in the same tobacco products, so as to make competition not only possible but necessary. Thus the smoking-tobacco business of the country is divided so that the present independent companies have 21.39 per cent, while the American Tobacco Co. will have 33.08 per cent, the Liggett & Meyers Co. 20.05 per cent, the Lorillard Co. 22.82 per cent, and the Reynolds Co. 2.66 per cent. The stock of the other 13 companies, both preferred and common, has been taken from the defendant American Tobacco Co. and has been distributed among its stockholders. All covenants restricting competition have been declared null and further performance of them has been enjoined. The preferred stock of the different companies has now been given a voting power, which was denied it under the old organization. The ratio of the preferred stock to the common was as 78 to 40. This constitutes a very decided change in the character of the ownership and control of each company.
>
> In the original suit there were 29 defendants who were charged with being the conspirators through whom the illegal combination acquired and exercised its unlawful dominion. Under the decree these defendants will hold amounts of stock in the various distributee companies ranging from 41 per cent as a maximum to 28½ per cent as a minimum, except in the case of one small company, the Porto Rican Tobacco Co., in which they will hold 45 per cent. The 29 individual defendants are enjoined for three years from buying any stock except from each other, and the group is thus prevented from extending its control during that period. All parties to the suit and the new companies who are made parties are enjoined perpetually from in any way effecting any combination between any of the companies in violation of the statute by way of resumption of the old trust. Each of the 14 companies is enjoined from acquiring stock in any of the others. All these companies are enjoined from having common directors or officers, or common buying or selling agents, or common officers, or lending money to each other.

Mr. President, the decree pronounced in the American Tobacco Co. case is an anomaly, a most remarkable anomaly, in equity practice, procedure, and judicature. I doubt whether anything approaching it can be found in the history of equity jurisprudence. It is difficult to understand upon what principle or authority the United States circuit court assumed and exercised the power to administer a monopoly held by the Supreme Court to have been organized and doing business, in violation of the criminal laws of the United States.

The Sherman law, section 4, under which the bill was filed, does not confer such authority. The jurisdiction there conferred upon the courts of the United States is "to prevent and restrain violations of the act," when proceedings are instituted for that purpose, by injunction or otherwise, and not to administer them. Courts of equity have no general inherent jurisdiction to protect and enforce the interests of parties growing out of unlawful contracts, conspiracies, and monopolies. The familiar maxim that "he who comes into equity must come with clean hands" appplies in such cases. The illegality of the transaction need not be pleaded, but the court will repel the guilty parties of its own motion when the unlawful character of the transaction appears in any way at any stage of the cause.

Mr. President, this decree was not a real and substantial dissolution of the American Tobacco Co. The court merely divided the monopoly among its several promoters and owners. A Cæsarean operation was performed upon the New Jersey corporation, the mother monopoly, and the nine subsidiary corporations which it had absorbed, and the new ones, begotten after the corporations had been declared to be unlawful, were brought forth and authorized to continue their business with the stamp of approval of the court upon them.

Mr. REED. They saved the offspring and the mother, too.

Mr. SHIELDS. Yes. They were all turned loose together to continue their operations, with the admonition that the mother should not again gather them together for a period of three years.

All the combined monopolistic corporations continued their same business. The stockholders of the American Tobacco Co. of New Jersey became stockholders in nearly all the other companies, and there was no real change in their interest by this new arrangement. Who can believe that there is any real competition between the stockholders of these several companies? They are all copartners with a common interest, working together with a perfect understanding for a common purpose.

Mr. REED. Mr. President——

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Missouri?

Mr. SHIELDS. I do.

Mr. REED. I do not wish to interrupt the Senator, but to ask him if he does not think corporations in which there is a common stock ownership ranging as high as from 28 to 45 per cent, as shown in the decree he has read, are in fact all the time under one management?

Mr. SHIELDS. I do; and such is the substance of the decision of the Supreme Court in the case of the United States against the Union Pacific Railroad Co.

Mr. President, I do not make these comments upon this decree in criticism of the court, but to show that the only successful and efficient way to prohibit restraints of trade and monopolization of commerce is by criminal punishment of those who may be guilty of such unlawful conduct.

I can not conceive how anyone, with the decree pronounced in the American Tobacco Co. case before him, can have the fortitude to assert that a suit in equity is an efficient remedy to suppress and destroy conspiracies to monopolize commerce. This decree, to my mind, is a demonstration that this remedy is an absolute failure, and that the purpose of the law can never be accomplished through it. I hope that the bill we have under consideration will be so amended as to prohibit courts from administering monopolies for the benefit of monopolists, and will

require that all combinations adjudged to be unlawful be placed in the hands of receivers and dissolved.

Mr. President, in justification of this decree it was said, and may be said in regard to other combinations when decreed to be unlawful, that there were innocent stockholders who would suffer without the protecting care of the court. This may be true, but these comparatively small interests can not authorize the perpetuation of a monopoly or justify a miscarriage of justice. These small stockholders were charged with notice of the unlawful character of the combination when they purchased their stock, and they must take the consequences when it is condemned. The Sherman law and all the proceedings authorized under it concern the redress of public wrongs, and the penalties for violating the law can not be arrested to protect private interests.

Mr. President, what effect did the result in these cases have upon monopolies? Did they go out of business? No. The decrees pronounced had no terrors for them. They continued to flourish as if the Sherman law had never been passed.

Mr. Albert H. Walker, in a pamphlet published by him September 11, 1912, says:

Proceeding upon that working hypothesis, it is necessary to state at this place the existence of more than a thousand holding companies in the United States which, respectively, combine the operations of nearly 10,000 industrial corporations, being an average of nearly 10 subsidiary corporations confederated together under the control of each of the 1,000 holding companies.

During President Taft's administration actions have been prosecuted for violations of the Sherman law against a few of those holding organizations, including the United States Steel Corporation, the American Tobacco Co., the Standard Oil Co. of New Jersey, the American Sugar Refining Co., and the International Harvester Co., but more than a thousand other holding-company organizations of the same general character and mode of operation have been entirely undisturbed in their regular business of violating the Sherman law throughout the administration of President Taft. The following is a list of 50 of those undisturbed holding companies, which list includes their names, their capitalization, and an approximation of the number of the subsidiary corporations controlled by them, respectively.

Name of holding company.	Capitalization.	Subsidiaries.
Amalgamated Copper Co.	$155,000,000	12
American Smelting & Refining Co.	100,000,000	14
American Can Co.	88,000,000	73
American Woollen Co.	80,000,000	28
Central Leather Co.	80,000,000	14
Corn Products Refining Co.	80,000,000	7
United Copper Co.	80,000,000	2
United States Rubber Co.	75,000,000	14
United States Refining & Mining Co.	75,000,000	12
Pittsburg Coal Co.	64,000,000	16
American Car & Foundry Co.	60,000,000	19
Lackawanna Steel Co.	60,000,000	3
Virginia-Carolina Chemical Co.	58,000,000	6
National Biscuit Co.	55,000,000	5
Republic Iron & Steel Co.	55,000,000	57
Allis-Chalmers Co.	50,000,000	6
American Locomotive Co.	50,000,000	13
Crucible Steel Co. of America	50,000,000	15
National Lead Co.	50,000,000	10
Independent Fertilizer Co.	50,000,000	4
Pennsylvania Steel Co. of New Jersey	50,000,000	7
International Paper Co.	45,000,000	6
Copper Range Consolidated Co.	40,000,000	8
Intercontinental Rubber Co.	40,000,000	6
International Steam Pump Co.	39,000,000	11
American Hide & Leather Co.	35,000,000	25
American Cotton Oil Co.	35,000,000	17
Eastman Kodak Co.	35,000,000	9
American Linseed Co.	33,000,000	46
Distillers' Securities Corporation	32,000,000	7
General Asphalt Co.	31,000,000	69
Bethlehem Steel Corporation	30,000,000	8
Great Western Sugar Co.	30,000,000	8
International Salt Co.	30,000,000	4
National Enamel & Stamping Co.	30,000,000	6
United States Cast Iron Pipe & Foundry Co.	30,000,000	15
Singer Manufacturing Co.	30,000,000	4
Railway Steel Spring Co.	27,000,000	11
Union Bag & Paper Co.	27,000,000	8
General Chemical Co.	25,000,000	13
Pressed Steel Car Co.	25,000,000	8
United Fruit Co.	25,000,000	12
United Lead Co.	25,000,000	20
International Nickel Co.	24,000,000	7
American Writing Paper Co.	22,000,000	32
American Beet Sugar Co.	20,000,000	3
Union Typewriter Co.	20,000,000	7
Royal Baking Powder Co.	20,000,000	6
International Silver Co.	20,000,000	21
Sloss-Sheffield & Iron Co.	20,000,000	11

Mr. Walker continues:

The foregoing 50 holding companies have a capitalization of more than $2,300,000,000 and have more than 700 subsidiary corporations, the average number of their subsidiary corporations being more than 15 and their average capitalization being more than $46,000,000.

I can furnish a list of more than 950 other industrial holding companies which have an aggregate capitalization of more than $5,000,000,000, with more than 6,000 subsidiary corporations, but I will not expand this pamphlet enough to make it include that list, though I do not doubt that most of those holding companies and subsidiary corporations are regularly engaged in violating the Sherman law. But most of them are less extensively thus engaged than is each of the 50 holding companies, with their subsidiary corporations, which are specified in the foregoing list.

Mr. John Moody, editor of Moody's Magazine and compiler of Moody's Manual of Corporations, prepared a list of holding companies and other corporations violating the Sherman law in the summer of 1912, which was published in the Democratic campaign book of that year. This list contains some 300 in number, and gives the date when incorporated, the number of plants acquired and controlled, and the total outstanding capital of each corporation. An examination of it will be profitable to anyone interested.

Mr. BORAH. I understand that the Senator called attention to a list of some 300 corporations which were designated as trusts and combines in violation of the antitrust law.

Mr. SHIELDS. I did refer to such a list, published by Mr. John Moody and used by the Democratic Party in the campaign of 1912.

Mr. BORAH. How many of those 300 are still in existence?

Mr. SHIELDS. I have no evidence of over 30 of them having been brought to justice. From the public press and from the records of the Department of Justice I think some 25 or 30 have been suppressed since March 4, 1913. How many were suppressed in the latter part of the last administration I do not know.

Mr. BORAH. I did not ask my question from a partisan standpoint.

Mr. SHIELDS. I did not intend my reply to have that coloring. This is not a partisan matter.

Mr. BORAH. I asked it to illustrate a thought which I suggested the other day, namely, that what we need in these days is execution of the law rather than the making of more laws on this subject. There is not any doubt but that the execution of the law would destroy every one of those 300 monopolies if we had a mind to put the law into execution as we now have it. The difficulty arises out of a fear to execute the law rather than the fact that we have not sufficient laws to do the business.

Mr. SHIELDS. I believe we have sufficient law, but I think that some supplementary legislation will facilitate the enforcement of the Sherman law, and I am now insisting that that which it is proposed to enact shall be efficient for that purpose.

Mr. President, the facts I have stated are well known and have convinced the majority of our public men, and of the people of all classes and all parties, that the Sherman law should be supplemented by legislation prohibiting and penalizing the schemes and devices defined and described in sections 2, 4, 8, and 9 of the House bill, which it is conceded are commonly used and employed in forming and carrying on monopolies of commerce. This assertion is easily proven.

Senator Edmunds, the author of the sections containing the criminal provisions of the Sherman law, in an article in the North American Review, December, 1911, said:

It may be truly said that within the last 10 years, with one or two exceptions, the Department of Justice has been with ability and earnestness prosecuting on the equity side of the United States courts prominent cases of violations of the act in various parts of the country with much success, as also some criminal prosecutions; but so long as the penal provisions of the act remain generally in abeyance and the consequences of the violations of it fall entirely or chiefly upon the stockholders in corporations and the common funds of those interested in such enterprises, there is a great probability that the mischief will not be suppressed, and trustees, directors, and managers may grow rich, while stockholders and trusting investors, as well as great numbers of independent and fair traders grow poor.

President Taft, in his message to Congress December 11, 1911, which, it will be remembered, was after the Standard Oil Co. and American Tobacco Co. cases were decided, concerning the necessity of such supplementary legislation, said:

Much is said of the repeal of this statute and of constructive legislation intended to accomplish the purpose and blaze a clear path for honest merchants and business men to follow. It may be that such a plan will be evolved, but I submit that the discussions which have been brought out in recent days by the fear of the continued execution of the antitrust laws have produced nothing but glittering generalities, and have offered no line of distinction or rule of action as definite and as clear as that which the Supreme Court itself lays down in enforcing the statute.

I see no objection, and indeed I can see decided advantages, in the enactment of a law which shall describe and denounce methods of competition which are unfair and are badges of the unlawful purpose to suppress a competitor by underselling him at a price so unprofitable as to drive him out of business or the making of exclusive contracts with customers under which they are required to give up association with other manufacturers, and the numerous kindred methods for stifling competition and effecting monopoly should be described with sufficient accuracy in a criminal statute on the one hand to enable the Government to shorten its task by prosecuting single misdemeanors instead of an entire conspiracy, and, on the other hand, to serve the purpose of pointing out more in detail to the business community what must be avoided.

President Taft, while presiding in the United States Circuit Court of Appeals of the Sixth Circuit, heard many cases involving the construction and application of the Sherman law, and gave the matter careful attention while Chief Executive, and his views upon these questions are entitled to the highest respect.

The people, through their representatives in the great national conventions of the Democratic and Republican Parties, have declared for such legislation.

The Republican platform adopted at Chicago in 1912 contains a declaration in these words:

The Republican Party favors the enactment of legislation supplementary to the existing antitrust act which will define as criminal offenses those specific acts that uniformly mark attempts to restrain and to monopolize trade, to the end that those who honestly intend to obey the law may have a guide for their action, and that those who aim to violate the law may the more surely be punished.

A Federal trade commission was also favored in this platform.

This thoroughly committed the Republican Party to legislation penalizing the means commonly used in restricting trade and monopolizing commerce, evidently under the advice of President Taft in the message from which I have read.

The Democratic platform of 1904 contained a declaration in these words:

We demand a strict enforcement of existing civil and criminal statutes against all such trusts, combinations, and monopolies, and we demand the enactment of such further legislation as may be necessary to effectively suppress them.

Any trust or unlawful combination engaged in interstate commerce which is monopolizing any branch of business or production should not be permitted to transact business outside of the State of its origin. Whenever it shall be established in any court of competent jurisdiction that such monopolization exists, such prohibition should be enforced through comprehensive laws to be enacted on the subject.

The platform of this party adopted in 1908 said:

We therefore favor the vigorous enforcement of the criminal law against guilty trust magnates and officials, and demand the enactment of such additional legislation as may be necessary to make it impossible for a private monopoly to exist in the United States. Among the additional remedies we specify three: First, a law preventing a duplication of directors in competing corporations; second, a license system which will, without abridging the right of each State to create corporations or its right to regulate as it will the foreign corporations doing business within its limits, make it necessary for a manufacturing or trading corporation engaged in interstate commerce to take out a Federal license before it shall be permitted to control as much as 25 per cent of the products in which it deals, the license to protect the public from watered stock and to prohibit the control by such corporations of more than 50 per cent of the total amount of any product consumed in the United States; and, third, a law compelling such licensed corporations to sell all purchasers in all parts of the country on the same terms, after making the allowance for the cost of transportation.

The declaration in the Baltimore platform, 1912, is as follows:

We favor the declaration by law of the conditions upon which corporations shall be permitted to engage in interstate trade, including among others the prevention of holding companies, of interlocking directors, of stock watering, or discrimination in price, and the control by any one corporation of so large a proportion of any industry as to make it a menace to competitive conditions. * * *

This platform contains no declaration in favor of a trade commission of any kind.

President Wilson, in an earnest desire and determination to carry out the platform pledges of his party, and with a profound conviction of the necessity of legislation of this character, in a special message read by him to both Houses of Congress in joint assembly, January 20 last, in language clear, direct, and forceful, such as few men, if any, can command, the meaning of which is unmistakable, said:

Legislation has its atmosphere like everything else, and the atmosphere of accommodations and mutual understandings which we now breathe with so much refreshment is a matter of sincere congratulation. It ought to make our task very much less difficult and embarrassing than it would have been had we been obliged to continue to act amid the atmosphere of suspicion and antagonism which has so long made it impossible to approach such questions with dispassionate fairness. Constructive legislation, when successful, is always the embodiment of convincing experience, and of the mature public opinion which finally springs out of that experience. Legislation is a business of interpretation, not of origination; and it is now plain what the opinion is to which we must give effect in this matter. It is not a recent or hasty opinion. It springs out of the experience of a whole generation. It has clarified itself by long contest, and those who for a long time battled with it and sought to change it are now frankly and honorably yielding to it and seeking to conform their actions to it. * * *

The business of the country awaits also, has long awaited, and has suffered because it could not obtain further and more explicit legislative definition of the policy and meaning of the existing antitrust law. Nothing hampers business like uncertainty. Nothing daunts or discourages it like the necessity to take chances, to run the risk of falling under the condemnation of the law before it can make sure just what the law is.

I now come to the part of the message recommending the character of legislation I am favoring:

Surely we are sufficiently familiar with the actual processes and methods of monopoly and of the many hurtful restraints of trade to make definition possible, at any rate up to the limits of what experience has disclosed. These practices, being now abundantly disclosed, can be explicitly and item by item forbidden by statute in such terms as will practically eliminate uncertainty, the law itself and the penalty being made equally plain.

The President does not confine his recommendations to the creation of a trade commission, but advises that those acts and transactions which are the usual badges of monopoly be penalized, as proposed in sections 2 and 4 and 8 and 9 of the House bill. The House has followed the platform pledges of both parties and the advice of the President, and there is no good reason why the Senate should not do so.

Mr. President, there must be some wisdom in measures which all people believe to be good, favor, and demand be enacted into law.

But it is said that the provisions of these sections are too drastic and will, if enacted into law disturb business. I grant you they will disturb the business of monopolists. I hope they will, for that is my object in urging that they be enacted into law. It is what the people want done.

No fears of this kind are expressed by the small dealers. The consumers are not complaining. They are not alarmed at the probable disturbance of the business of the monopolists.

I will read further from Senator Edmunds's article in the North American Review on this subject. His familiarity with these matters and his ability justify my doing so. He says:

It is to be hoped and may be confidently expected that with a clear realization of the power and duty of those intrusted with the execution of the laws every one of the remedial clauses of the act—equity, injunctions, interdicts, and mandates, fines, forfeitures, and imprisonments—will be brought into full exercise without fear or favor. The evils are great and the remedies must be applied. But if it is said that in doing this the "business operations and interests" of the country will be disturbed and upset. Well? If the "business interests" of the great and wide-spread combinations, as now carried on, are crushing out smaller enterprises and monopolizing industries that should be fairly and equally open to all, and controlling and enhancing the prices of almost everything needed in every household, must suffer from the enforcement of equal laws necessary to the welfare of the whole people, it is the consequence of their evil doing and must be borne, and every honest and fair enterprise will survive for the good of all. Wealth and power justly used are beneficial to all. Capital is essential to the beginning and conduct of large enterprises, but it is absolutely useless without the cooperation of willing labor, while without it labor can have little employment and little compensation. Neither can prosper without the other. Coordination and cooperation and good will are equally necessary to both; without them neither socialism, nor the initiative, nor the referendum, nor the recall will help anybody except the "politician" and the "bosses" and the agitators who agitate for selfish ends, and of such there always have been and always will be plenty.

This, I think, disposes of the business-disturbance argument.

But it is said that the Federal trade commission furnishes a remedy for the wrongs denounced by these sections of the House bill. I do not think so. I hope that commission will be of service to the country, but I fear this hope will not be realized.

The jurisdiction of the commission is confined to "unfair competition" between dealers. It is merely a school of good manners for competitive dealers. It has no power to restrain or prohibit restraints of trade and monopolies prejudicial to consumers and the general public; this was conceded in the discussion of the bill in this Chamber. Therefore it can not punish the fraudulent transactions and conduct penalized by the House bill, which are all of that character. It does not provide for criminal penalties for offending parties. It has no effective power to do anything within itself. The only power given it is to bring a bill in equity in the Federal courts to enjoin the continuance of what it may declare to be "unfair competition."

Mr. REED. And, Mr. President, in the meantime, while these proceedings are going on the gentlemen who have been pursuing methods of unfair competition continue to realize profits.

Mr. SHIELDS. Certainly, the consumer, whom we are trying to protect, gets no benefit from this proceeding. His rights and wrongs are not provided for in that bill. The commission is for the benefit of dealers.

And if the offending party fails to obey the injunction and is arrested for contempt he will likely, under the provision of this bill, be entitled to a jury trial, and thus the proceeding be prolonged indefinitely by mistrials and continuances until all are tired out and the case is abandoned.

Mr. WALSH. Mr. President, possibly it was due to inattention, but I do not really understand the line of argument the Senator is now pursuing. What is the condition that the Senator has in mind where there might be several mistrials by reason of a disagreement of the jury?

Mr. SHIELDS. Conditions ordinarily attending jury trials. They are familiar to every lawyer.

Mr. WALSH. What kind of prosecution has the Senator in mind?

Mr. SHIELDS. A prosecution for contempt of court in violating an injunction.

Mr. WALSH. Oh, I understand.

Mr. CUMMINS. Mr. President——

The VICE PRESIDENT. Does the Senator from Tennessee yield to the Senator from Iowa?

Mr. SHIELDS. I do.

Mr. CUMMINS. I should like to know whether I am right in this view of the matter: As I understand this bill, first, the violation of the injunction must be an act that is in and of itself a crime either against the laws of the United States or against one of the States. Unless it is a crime, the ancient remedy is not interfered with at all. Is not that true?

Mr. SHIELDS. I do not so understand the bill as it now stands.

Mr. CUMMINS. I think it is also true that the trial by jury for contempt does not apply in cases brought by the United States.

Mr. REED. A case for contempt would not be a case brought by the United States.

Mr. CUMMINS. Well, the United States enforces the antitrust law exclusively, so far as injunctions under it are concerned.

Mr. SHIELDS. I trust that the Senator will give attention to the provisions relating to injunctions when we reach those sections.

Mr. CUMMINS. I simply wanted to be sure that I was right, because I have a good deal of confidence in the views of the Senator from Tennessee.

Mr. NELSON. Mr. President, will the Senator from Tennessee yield to me for a moment?

The VICE PRESIDENT. Does the Senator from Tennessee yield to the Senator from Minnesota?

Mr. SHIELDS. I do.

Mr. NELSON. I desire to call the attention of the Senator from Tennessee, as well as the attention of the Senator from Iowa, to the fact that under the original antitrust act of 1890 only the Government, through its Attorney General and the district attorneys, can obtain injunctive relief. By section 14 of this bill for the first time the same remedy is given to private parties as was given to the Government under the antitrust laws. If that is the case, if private parties are to be given the same relief by injunctive process under the antitrust law as is the Government, why should not they have the same remedies in respect to contempt as the Government of the United States has under like circumstances?

Mr. SHIELDS. I think all parties should have the same protection from the courts of the country.

Mr. President, no law can be enforced without a certain and prompt remedy. Merely declaring a thing unlawful is a farce, so far as prohibiting the act is concerned unless a punishment is provided for those who do the prohibited thing.

Blackstone, in his Commentaries, says that all criminal laws must, to be efficient, provide certain and speedy punishment for those violating them, and the experience of all countries proves this to be true.

A justice of the peace in my State, exercising his common sense, unconsciously gave expression to this in a case before him in the days of slavery. Slaves were allowed to testify, first being admonished, as are children of tender age, concerning false swearing; the penalty for testifying falsely being, in the language of the old statute, "forty lashes save one, on the bare back, well laid on." A negro was called as a witness, and the squire proceeding to admonish and instruct him, asked if he knew the consequences of false swearing. He replied, "Yes; I will go to hell." The squire promptly said, "a devil of a sight worse than that; you'll get 39 lashes on your bare back before you leave here." The squire was evidently of the opinion that the fear of this certain and speedy punishment would be more effective in causing the negro to speak the truth than that of what might befall him in the unknown hereafter, and doubtless he reasoned well.

Whenever criminal penalties are provided for monopoly and the punishment made certain and speedy, those who promote and organize them will obey the law, and not until this is done, in my opinion, will monopoly be suppressed.

The Supreme Court of the United States, in a recent case, Nash against The United States, reported in Two hundred and twenty-ninth United States Reports, has held that the construction placed on the Sherman law in the Standard Oil Co. case, does not, because of uncertainty, affect its validity as a criminal statute; but since the guilt or innocence of a defendant must depend upon the reasonableness or unreasonableness of the restraint or monopoly with which he is charged, it will always be difficult, under the doctrine of reasonable doubt, to obtain a conviction. I believe all lawyers who have tried criminal cases will agree with me that for this reason the construction given the statute greatly weakens it as a criminal law. In my opinion it makes the enactment of other and further penal statutes an imperative necessity.

Mr. President, I wish now to briefly call attention to the provisions of the bill we have under consideration, in support of my statement that sections 2, 4, 8, and 9 of the bill as passed by the House are substantially the only ones containing any substantive law supplementing the Sherman antitrust law. I have already fully discussed those sections and will omit any reference to them here.

The bill as enacted by the House and reported to the Senate contains 23 sections.

Section 1 is devoted entirely to the definition of words and phrases used in the bill.

Section 3 prohibited the owners of mines, oil or gas wells, and plants for refining products of such mines and wells and for producing hydroelectric energy from refusing arbitrarily to sell the products of the same to any responsible party who may apply to purchase them for consumption or resale. This section is clearly vicious, and I believe an unconstitutional limitation of the liberty of contract, and was properly stricken out by the Committee on the Judiciary.

Section 5 is merely a reproduction of section 7 of the Sherman law, creating a civil action in favor of those injured by restraints of trade and monopolies.

Section 6 contains two paragraphs. The first provides that final decrees in suits brought in equity by the United States under the antitrust laws shall be prima facie evidence of the guilt of the defendant in civil actions brought by individuals against the same defendant for the same cause; and the second concerns the statute of limitations in such cases. These both affect the remedy and are good and wholesome provisions.

Section 7 is in these words:

> That nothing contained in the antitrust laws shall be construed to forbid the existence and operation of labor, agricultural, or horticultural organizations, instituted for the purpose of mutual help, and not having capital stock or conducted for profit, or to forbid or restrain individual members of such organizations from lawfully carrying out the legitimate objects thereof; nor shall such organizations or the members thereof be held or construed to be illegal combinations or conspiracies in restraint of trade under the antitrust law.

This section does not supplement the antitrust laws nor does it restrict them. It is really a reenactment of the present law concerning such organizations.

Mr. Justice Lamar in the case of Gompers *v.* The Buck Stove & Range Co. (221 U. S., 439), says:

> Society itself is an organization and does not object to organizations for social, religious, business, and all legal purposes. The law, therefore recognizes the right of workingmen to unite and to invite others to join their ranks, thereby making available the strength, influence, and power that comes from such association. By virtue of this right powerful labor unions have been organized.

There are other cases wherein the legality of such organizations is sustained in stronger and more explicit terms. I refer to the cases of State *v.* Stockford (77 Conn., 227), Snow *v.* Wheeler (113 Mass., 179), Beck *v.* Railway Teamsters' Protective Union (118 Mich., 497), Gray *v.* Trades Council (91 Minn., 171), Mayer *v.* Stonecutters' Association (47 N. J. eq., 519), Jacobs *v.* Cohen (183 N. Y., 207), and Cote *v.* Murphy (159 Pa. St., 420).

But as some doubt has arisen concerning the legality of these organizations, the Gompers case not being considered decisive, as the statement there made is perhaps dictum, it is well that the question be definitely settled by legislation, and for that reason this section should be enacted into law.

Section 8, in addition to prohibiting interlocking directorates of competitive corporations, contains a provision regulating the dealings of persons with corporations of which they are officers or agents, and will remedy a common abuse of the rights of stockholders, but it has no relation to the antitrust law which we propose to supplement.

Section 10 concerns the venue or the place where suits to enforce the antitrust laws against corporations may be brought and liberalizes the Sherman law to some extent upon this subject.

Section 11 authorizes witnesses in suits brought by the United States under the antitrust laws to be summoned in any district where found.

Section 12 enacts that all directors, officers, or agents of corporations who shall aid, command, or procure violations of the antitrust laws by the corporation shall be deemed guilty of a misdemeanor, and is merely a reenactment of the Sherman law, sections 1, 2, and 3. In other words, it has always been held that the officers of corporations violating the law were punishable under these sections, and several prosecutions have been conducted under them.

Section 13 authorizes suits to be brought by the United States in equity to restrain violations of this act in all things as authorized by section 4 of the Sherman law for violations of it.

Section 14 authorizes persons and corporations to bring suits in equity against those violating the antitrust laws in all things, as section 4 of the Sherman law authorizes the Government to do so. It provides a new remedy for persons and corporations against monopolies, and would be valuable but for the great expense and delay incident to this procedure.

The other nine sections of the bill contain nothing whatever relating to restraints of trade and monopolization of commerce, but concern granting injunctions by Federal courts and the punishment of contemnors. They are not germane to the legislation now under consideration and I will not now discuss them.

Mr. President, we have here a bill entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," but if sections 2 and 4 and the penal clauses of sections 8 and 9 are stricken out it will contain but two sections of substantive law supplementary of the Sherman law, and those two without, as I believe, an effective remedy to enforce them.

Will the people of this country accept this legislation as a fulfillment of the pledges of the great political parties, and of the declaration of Congress that it will remain in session until it enacts legislation supplementary of the Sherman law, that will effectually suppress and destroy the monopolies that have been preying upon the people for so many years? I ask this question of the Senators upon both sides of the Chamber. I want you to ask yourselves whether you believe a statute confined to making holding companies and interlocking directorates unlawful, without criminal penalties to enforce them, will meet the exigencies which call for further legislation to suppress monopoly.

Mr. REED. Mr. President, does not the Senator think it is a very close question whether those matters are not already prohibited by the Sherman law?

Mr. SHIELDS. I am coming to that direct question. It is answered by the court in the case of the United States against the Union Pacific Railroad Co. That was a case where one railroad company had purchased stock of a competing company sufficient to dominate and control it, and it was held that the transaction came within the prohibition of the Sherman law, and the combination thus formed enjoined and dissolved.

I read from the syllabus of that case:

> The Union Pacific and Southern Pacific are competing systems of interstate railways, and their consolidation by the control of the latter by the former, through a dominating stock interest, does, as a matter of fact, abridge free competition, and is an illegal restraint of interstate trade under the Sherman law.

Interlocking directorates have also been held in other cases to be the means of monopolization of commerce, and therefore unlawful when used for that purpose.

Mr. WALSH. Mr. President——

The VICE PRESIDENT. Does the Senator from Tennessee yield to the Senator from Montana?

Mr. SHIELDS. I do.

Mr. WALSH. The statement made by the Senator a few moments ago—that practically nothing at all is accomplished to meet the promises of legislation supplementary to the Sherman Antitrust Act—naturally challenges the attention of the Senate. I wish to make an inquiry of the Senator.

The pending motion is to reconsider the vote by which sections 2 and 4 were stricken out. If that should be done and the sections as recommended by the committee should be adopted, would the Senator then feel that anything had been accomplished?

Mr. SHIELDS. I do not know that I follow the Senator.

Mr. WALSH. Sections 2 and 4 have now been eliminated from the bill, leaving, as I understand the Senator, nothing in the way of a redemption of the promise of supplementary legislation except——

Mr. SHIELDS. No; the Senator mistakes me. I said sections 8 and 9 were valuable provisions.

Mr. WALSH (continuing). Except sections 8 and 9, which, as I understand the Senator says, are perhaps already covered by the Sherman Antitrust Act. If the motion to reconsider prevails, then sections 2 and 4 will be before the Senate with the recommendations of the committee. Will the Senator then favor the adoption of the substitutes or the amendments offered by the committee?

Mr. SHIELDS. Does the Senator mean to inquire whether I would favor the retention in this bill of sections 2 and 4, as enacted by the House?

Mr. WALSH. No.

Mr. SHIELDS. That is what I want done.

Mr. WALSH. My question is, Would the Senator then be in favor of the recommendation of the committee that the penal provisions be stricken out and that enforcement be by the procedure described in section 9b?

Mr. SHIELDS. I think the bill would be greatly improved by retaining sections 2 and 4 without the criminal provisions, but I believe it would be immensely improved by retaining the penal clauses.

Mr. WALSH. But the Senator believes it would be a very decided advantage if they were restored with the provision of the bill in it now for the enforcement of those two sections?

Mr. SHIELDS. I certainly do. I am in favor of making it stronger in every possible way.

Mr. WALSH. The Senator knows, as a matter of course, that those of us who believe in the efficacy of section 5 of the trade commission bill will insist that everything that could be attained by this provision is already attained by section 5 of the trade commission bill.

Mr. SHIELDS. I do understand that.

Mr. WALSH. Then the Senator simply means that, in his judgment, nothing has been accomplished; but, in the judgment of the Senate, what he hopes to accomplish has been already accomplished by the trade commission bill.

Mr. SHIELDS. I have very little confidence in the efficacy of the trade commission, but as it is to become a law I hope the most sanguine anticipations of its friends may be realized.

Mr. WALSH. I recognize that. I recognize that the Senator was a very earnest antagonist of section 5 of the trade commission bill, and he expressed here upon the floor the view that it would be found inefficacious. We understand that the Senator takes that view; but I hope it will not be overlooked, in connection with the statement now made by the Senator, that little has been done to redeem the promises of the Democratic platform, that in the judgment of the Senate all that the Senator now hopes to accomplish by the restoration of sections 2 and 4, with the provisions of section 9b, has already been accomplished by the provisions of section 5 of the trade commission bill.

Mr. SHIELDS. The Senator has misunderstood what I said. I was speaking of the present bill. I do not care to reargue the trade commission bill.

Mr. WALSH. Then, if the Senator will pardon just a word more, what the Senator really means is that if it shall transpire that section 5 of the trade commission bill is utterly void or inefficacious, then nothing will have been done to improve the situation.

Mr. SHIELDS. No. I have said that this bill does contain some good legislation, but not what present conditions demand to supplement the Sherman law.

Mr. REED. Mr. President——

The VICE PRESIDENT. Does the Senator from Tennessee yield to the Senator from Missouri?

Mr. SHIELDS. I yield.

Mr. REED. Mr. President, I think the Senator from Montana is not quite accurate in his statement when he says that the Senate has determined that the trade commission bill does effect the remedies provided for in the Clayton bill.

Mr. WALSH. It is intended to cover the evils at which sections 2 and 4 are aimed.

Mr. REED. The Senate has never said any such thing, in my opinion. The Senate has never gone on record on that question, in my judgment. The Senate passed the trade commission bill for whatever purposes are embraced within that bill in the view and the opinion of the different men voting for it; but at the time that bill was passed, in the form in which it was passed, it was stated repeatedly upon the floor that it was to be followed by the Clayton bill, and that that bill had specific provisions in it; and instead of the Senate committing itself to the doctrine that the trade commission bill covered all of the evils and was the end of legislation, it was expressly understood that the bill was to be followed by the Clayton bill. So men might have voted for the trade commission bill in the best of faith, believing it to be a high remedial bill, and yet have fully intended to follow it with other legislation.

Mr. WALSH. Mr. President, I trust we shall not get into confusion about this matter. I trust the Senator does not desire to have the Senate understand him, nor to have the country understand him, as meaning that when the trade commission bill was passed those who favored it did not believe that they were making a provision to take care of local price cutting, denounced by section 2, and tying-in contracts, denounced by section 4 of this act.

Mr. REED. I mean to say just this: There were Senators, undoubtedly, who believed that the trade commission bill would take care of these practices. There were Senators, undoubtedly, who did not believe that it would take care of those practices. The Senate has never determined that the trade commission bill took care of any particular practice. It was construed here by a great many Senators, and there were as many constructions as there were constructionists. I am not

charging that anyone in this body is not acting in the best of faith; but I challenge the statement, and I do it kindly and respectfully, that the trade commission bill was passed to take care of the propositions embraced in sections 2 and 4. In the opinion of some Senators it will take care of them, but the Senate has never committed itself to that doctrine, and if it has—if the Senate has committed itself to the doctrine that the trade commission bill takes care of all the evils there—why are we discussing this bill? Why not strike out all of these sections and leave it simply on the question of injunction, which is another and different subject?

Mr. WALSH. Mr. President, there is a perfect answer to that. Nobody has ever contended that section 5 of the trade commission bill reaches the evils denounced by sections 8 and 9. They do not refer to competition at all.

Mr. THOMPSON. Mr. President——

The VICE PRESIDENT. Does the Senator from Tennessee yield to the Senator from Kansas?

Mr. SHIELDS. I do.

Mr. THOMPSON. If the Senator will yield for just a moment, I should like to get an understanding of his view. I understand that the Senator favors sections 2 and 4 as originally passed by the House?

Mr. SHIELDS. I do.

Mr. THOMPSON. I should like to have the Senator state whether, in his judgment, as a legal proposition, if those sections are retained, will that tend to limit the power of the trade commission under section 5?

Mr. SHIELDS. I do not think so. I can not see how it can have that effect. If there is any doubt upon the subject, there can be inserted in this bill a saving provision. I do not wish it to have that effect. I wish the trade commission to be as effective as possible.

Mr. THOMPSON. The Senator thinks it desirable to have a clause, though, expressly saving that effect?

Mr. SHIELDS. A saving clause might be advisable as a matter of prudence, but I do not think it is necessary.

Mr. CULBERSON. Mr. President——

The VICE PRESIDENT. Does the Senator from Tennessee yield to the Senator from Texas?

Mr. SHIELDS. I do.

Mr. CULBERSON. Does the Senator believe that section 5 of the trade commission bill, which denounces unfair competition, covers the two practices denounced in sections 2 and 4 of this bill?

Mr. SHIELDS. I do not. That is my judgment as a lawyer, and I so said when we discussed that section.

Mr. WALSH. I understood the Senator at the time to claim that it did not cover anything; that section 5 of the trade commission bill has no significance at all; that it does not cover any practices.

Mr. SHIELDS. The Senator from Montana certainly understood me correctly. I do not think it will cover any of the practices prohibited by the provisions of the House bill.

Mr. WALSH. I simply did not intend that any misapprehension should be gathered from the answer made to the question addressed to the Senator from Tennessee by the Senator from Texas.

Mr. SHIELDS. I do not think there was any danger of misapprehension. I hope the Senator understands me.

Mr. CULBERSON. The Senator, then, does not believe that tying contracts, or exclusive contracts and discriminations in prices, denounced by these two sections of the bill, amount to unfair competition? I mean sections 2 and 4.

Mr. SHIELDS. I think they go further. I think they are restraints of trade and means of monopolization of commerce.

Mr. CULBERSON. They are unfair competition.

Mr. SHIELDS. The trouble with the Senator is he forgets the argument made by a number of Senators, including myself, that the language of section 5 confines the operations of the commission to trades-mark cases.

I should like to see these sections placed in that bill if they are to be left out of this, for the practices denounced are most pernicious and oppressive and ought to be condemned and prohibited in terms the meaning of which there can be no doubt.

Mr. President, I think I have shown that penal legislation of the character contained in sections 2, 4, 8, and 9 of the House bill is favored and approved by the great majority of the people of this country, and that it is necessary to supplement and facilitate the enforcement of the Sherman antitrust law.

The common sense and advantages of such legislation, it seems to me, must be obvious to every lawyer who is familiar with the schemes of monopolists and the litigation of the United States instituted to restrain and punish them. Specific offenses of this kind can be defined with precision, and the facts be discovered and proven with more certainty, and less expense and delay, than can be done in cases of completed conspiracies and monopolies covered and concealed by ingenious devices and complicated details. Penalize these badges of monopoly and they will not grow, fructify, and ripen into full-grown monopolies.

I believe the penalties provided in the sections we are discussing for constituent elements of monopoly are sufficient for those offenses, but I also believe that the Sherman law ought to be amended so as to make those who promote, organize, and carry on monopolies, guilty of felony, punishable by imprisonment not exceeding 10 years nor less than 1 year, and fine not exceeding $25,000 nor less than $1,000, or both, in the discretion of the court. If we place such penal laws as these upon the statute books and the Department of Justice will vigorously enforce them, it can restrain and suppress monopolies of trade and commerce, a thing it has wholly failed to do under present laws and the procedure that has been followed for their enforcement.

Mr. President, I am unable to see any good reason why the Senate should fail to agree with the House in these matters. The causes which led to the enactment of the Sherman law exist to-day. The causes for supplementing that law, when the people in their political platforms declared for penal legislation for that purpose, and when the President advised Congress to enact it, exist to-day. There has been no change in conditions, and, so far as I am informed, none in public opinion of the necessity of this legislation. I was informed to-day by a Senator in the Chamber that the Standard Oil Co. is now engaged, in the Middle Western States, in price cutting, a scheme which it has long pursued to destroy competitors and monopolize commerce of communities and States. And we all know that monopolists have not hesitated, while the whole world is suffering from the effects of the most destructive and distressing war in the annals of history, to lay their rapacious hands upon foodstuffs and the common necessities of life for speculative purposes. We should not fear to disturb this sort of business.

We all condemn private monopoly, and I believe every Senator in this Chamber earnestly desires to enact a law that will supplement the Sherman law and facilitate its enforcement. Our only differences are those concerning the best means of doing this. I accord to everyone the right to his views upon this question, and claiming the same right for myself I have here expressed the views I entertain concerning this legislation.

Mr. President, it is not necessary for me to consume time in dwelling on the evils of private monopolies. We all agree that they are, in any and all forms, incompatible with the rights, liberties, and institutions of a free people, and inevitably result in oppression, distress, and poverty of the masses. But I will ask the indulgence of the Senate while I read what Senator George, of Mississippi, said of monopolies when the Sherman antitrust bill was being discussed:

"These trusts and combinations are great wrongs to the people. They have invaded many of the most important branches of business. They operate with a double-edged sword. They increase beyond reason the cost of the necessaries of life and business and they decrease the cost of the raw material, the farm products of the country. They regulate prices at their will, depress the price of what they buy, and increase the price of what they sell. They aggregate to themselves great enormous wealth by extortion, which makes the people poor. Then making this extorted wealth the means of further extortion from their unfortunate victims, the people of the United States, they pursue unmolested, unrestrained by law, their ceaseless round of peculation under the law, till they are fast producing that condition of our people in which the great mass of them are servitors of those who have this aggregated wealth at their command."

Senator Edmunds also said:

"The expansion of business of every sort and the dangerous combinations that have attempted—in many instances too successfully—to absorb the business of the country into their own hands, to crush out fair and useful competition, and to dominate and monopolize the industries and trade of the Republic have been so great that the result is the unnatural and unequal distribution of wealth and power which the experience of centuries has shown to be among the great evils that affect civilization and true progress."

Mr. President, all persons and all political parties agree "that private monopoly is indefensible and intolerable," and that penal punishment of those promoting, organizing, and operating them is necessary to suppress and prevent them, and I believe Congress should not longer hesitate to enact laws providing for certain and prompt punishment of that character. The necessity for it exists, and the time for it has come.

During the delivery of Mr. SHIELDS's speech,

Mr. REED. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Missouri for that purpose?

Mr. SHIELDS. I do.

The PRESIDING OFFICER. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bankhead	Fletcher	Lea, Tenn.	Sheppard
Borah	Gallinger	Lee, Md.	Shields
Brady	Gore	Lewis	Smith, Md.
Bryan	Gronna	McCumber	Smoot
Chamberlain	Hollis	Martin, Va.	Sterling
Chilton	Hughes	Martine, N. J.	Swanson
Clapp	James	Overman	Thomas
Culberson	Johnson	Perkins	Thompson
Cummins	Jones	Pittman	Thornton
Dillingham	Kenyon	Reed	Walsh
Fall	Lane	Shafroth	White

Mr. LEWIS. Mr. President, I address the Chair to record for the RECORD that Senator SMITH, of Georgia; Senator RANSDELL, of Louisiana; and Senator VARDAMAN, of Mississippi, have been invited by the Secretary of the Treasury to participate in a conference touching the cotton States, and are present with the Secretary of the Treasury, which accounts for their absence at this time.

The PRESIDING OFFICER. Forty-four Senators have answered to their names. There is not a quorum present. The Secretary will call the names of the absent Senators.

The Secretary called the names of the absentees, and Mr. ASHURST and Mr. POINDEXTER answered to their names when called.

Mr. KERN, Mr. HITCHCOCK, and Mr. SHIVELY entered the Chamber and answered to their names.

The VICE PRESIDENT. Forty-nine Senators have answered to their names. A quorum is present. The Senator from Tennessee will proceed.

After the conclusion of Mr. SHIELDS's speech,

Mr. THOMPSON. Mr. President, the objects of the trust bills under consideration, briefly stated, are to prohibit and make unlawful certain unfair practices which ordinarily, when considered separately, might not constitute a violation of existing laws; to strengthen the Sherman antitrust law; to prevent the formation of trusts and monopolies by disarming their promoters in the outset; and to prohibit overcapitalization of corporations. Among the particular practices made unlawful are unfair and oppressive competition exercised for the purpose of injuring or destroying the business of competitors, holding companies, interlocking directorates, and the overissue of securities by common carriers. The officers and directors of corporations are made personally liable for the unlawful acts of the corporation on the theory that they after all are the real perpetrators of the offenses against the law and consequently should suffer directly the penalty of the law. Another important feature of the legislation is the exemption of labor and farmer organizations from the operation of the antitrust laws in order to avoid the embarrassment occasioned by some of the decisions of the courts on this question, which I discussed a few days ago.

The trust question is one of the most difficult problems ever presented to Congress for solution. The trust is the greatest menace to individual effort ever conceived by man. The idea was created by men whose wealth had already reached proportions beyond the dreams of avarice, but whose greed was unsatisfied unless they practically controlled all of the production of the country and every business enterprise engaged in by their fellow men. The trust wave swept over the country like a terrible cyclone, causing greater loss and destruction of property accumulated by individual effort than all of the storms and cyclones that have occurred since the flood. Men who had devoted a lifetime to a particular trade or business found themselves bankrupt in a single night and, what was really worse, left in an entirely helpless condition, where further individual effort along their chosen line of employment brought no returns. The greatest period of trust formation and activity occupied the decade between the years 1898 and 1908. The business men of the country during this period seemed to be corporation mad. The principal business of lawyers was to organize corporations, and as soon as organized to throw as many corporations into one concern as could be induced to enter a combination in order to create the greatest monopoly possible in the particular business engaged in or attempted to be controlled.

During this time I was living in the oil and gas section of my State and witnessed that great development in southeastern Kansas. Almost every person owning as much as 40 acres of land formed a corporation with a capital stock of about $1,000,000 and began at once to sell $1 shares of stock in his company at about 10 cents per share. If he finally got money enough together to drill a well and happened to strike oil or gas, his stock immediately went up to par, and a $2,500 oil or gas well raised in value in the owner's mind to a million dollars. The result was that nearly every individual operator failed and the Standard Oil Co., as usual in such cases, came along and purchased all of the wrecked properties for a mere song, reaping the benefits of all the individual labor and money spent in prospecting and obtained and still retain almost complete control of the field. Thousands of corporations were formed everywhere over the United States at the rate of about 20,000 each year. The growth was so rapid that, according to the number of returns made to the Internal Revenue Commissioner in 1909, the number reached the enormous figure of 262,490 and gradually increased since that time until in 1912, when 305,336 corporations rendered returns for that year representing a capital stock of $61,738,227,730.54 and bonded and other indebtedness of $34,749,516,353.63 and an aggregate net income of $3,832,150,410.92. The increase in capital stock in 1912 over 1911 is shown to have been $1,671,088,805.12, while the amount of bonded and other indebtedness shows an increase of $2,585,978,392.23. The net income reported shows an increase in that single year of $618,443,163.10. (See 1913 Annual Report of Commissioner of Internal Revenue, p. 12.) About 8,000 of the 305,336 corporations have a capital stock of $1,000,000 or more and about 600 combinations of corporations, or what are commonly called "trusts," were organized from these corporations. As corporations are combinations of individuals, trusts are generally combinations of corporations, so that many industries may be carried on under one general management.

I have spent considerable time and labor trying to ascertain with some degree of accuracy the number of trusts and large combinations of corporations organized to date, and I am able to furnish a list of most of them, which I have endeavored to make as complete as possible. Of course in the preparation of any list of trusts much must necessarily depend upon the definition or understanding of the term "trust." Several different definitions have been employed by various writers on this subject:

(a) Definitions based on size alone; for example, all concerns having a capital of more than $1,000,000 or $5,000,000 or $10,000,000 are sometimes regarded as trusts.

(b) Definitions based on degree of control of industries; for example, it has been held that a concern is a trust if it controls half the products of an industry, or by others if it controls 60 per cent or 40 per cent or 30 per cent.

(c) The presence to a substantial degree of this control has been held by many writers to be the determining factor justifying the term "trust." According to this idea, any concern is a trust which, by virtue of its control of raw materials or its production of a large portion of the output in a given industry, or by other means, is able to control prices.

The best definition I have been able to find, however, and specially applicable to the subject under consideration, is given by Mr. Bryan W. Holt on page 288 of the World Almanac for 1913, following a list of 294 principal trusts of the United States given by him as corrected to November, 1912. The definition is as follows:

> Trust, as properly understood, means a consolidation, combine, pool, or agreement of two or more natural competing concerns which establishes a limited monopoly, local, national, or international, with power to fix prices or rates in any industry or group of industries.

Mr. John Moody, in his exhaustive work on The Truth About the Trusts, published in 1904, gives a list of trusts created up to that time, numbering 445, with a total floating capital of $20,379,162,511, and showing 8,664 independent plants acquired or controlled. He divides these trusts into six different classes, as follows:

	Number of plants acquired or controlled.	Total capitalization (stocks and bonds outstanding).
7 greater industrial trusts	1,528	$2,662,752,100
298 lesser industrial trusts	3,426	4,055,039,433
13 industrial trusts in process of reorganization or readjustment	334	528,551,000
Total of all industrial trusts	5,288	7,246,342,533
111 franchise trusts	1,336	3,735,456,071
6 great steam railroad groups	700	9,017,086,907
10 "allied independent" steam railroad systems	250	380,277,000
Total of all franchise and transportation trusts	2,376	13,132,819,978
Grand total of all trusts, industrial, franchise, transportation, etc.	8,664	20,379,162,511

The seven greater industrial trusts embrace the Amalgamated Copper Co., American Smelting & Refining Co., American Sugar Refining Co., Consolidated Tobacco Co., International Mercantile Marine Co., Standard Oil Co., and United States Steel Corporation, which I have enumerated separately in the list I have prepared.

The six great steam-railroad groups and the 10 "allied independent" steam-railroad systems acquiring or controlling 1,040 independent railroads, with a total capitalization of $9,397,363,907, I have itemized separately under the head of "Railroad systems."

Mr. Moody also shows the shrinkage in 100 of the industries, copied from the Wall Street Journal of October 26, 1903 (pp. 479–482 of his work). The shrinkage in value of stocks in these 100 concerns alone is shown to be $1,753,959,793, an amount more than sufficient to pay the entire national debt of the United States.

As I have stated, the seven greater industrial trusts in 1904 were represented by the aggregate of outstanding stocks and bonds reaching the enormous total of $2,662,752,100. Of this amount over one-half, or about $1,370,000,000, is included in the capitalization of the United States Steel Corporation and its subsidiary corporations. These greater industries have all been organized since 1898 with one exception—the Sugar Trust—and all are incorporated under the New Jersey laws. These seven great combinations alone represent an aggregate consolidation of over 1,500 different plants or business concerns.

The list which I have been able to prepare, after much thorough research, gives 628 trusts, with a total capitalization of $24,775,723,599, embracing in all 9,877 original companies. Therefore showing a wiping out by the trusts to this date of about 10,000 independent business concerns.

I here present the list and ask that it be made a part of my remarks.

The VICE PRESIDENT. Without objection, that may be done.

The list referred to is as follows:

List of principal trusts formed in the United States.

Name of trust.	Date incorporated.	Number of plants acquired or controlled.	Total capital (outstanding stocks and bonds).
Acker, Merrall & Condit Co	1903	8	$8,500,000
Acme Harvester Co	1902	2	2,500,000
Adams, American, United States, and Wells Fargo Express Cos. (closely affiliated)	1854 to 1856	10	60,000,000
Adirondack Electric Power Corporation	1911	8	17,000,000
Aeolian Weber Piano & Pianola Co. (piano trust)	1903	13	9,978,200
Alabama & Georgia Iron Co	1899	2	1,300,000
Alabama Consolidated Coal & Iron Co	1899	5	5,490,000
Alabama Consolidated Steel & Iron Co	1912	10	45,000,000
Alaska-Peninsula Packing Co	1903	About 12	2,750,000
Albany & Hudson R. R. Co	1903	6	3,620,000
Allegheny Steel Co	1905	4	3,500,000
Allis Chalmers Co. (the machinery trust)	1901	6	48,188,000
Alpha Portland Cement Co	1910	8	10,000,000
Aluminum Co. of America	1907	8	25,000,000
Amalgamated Copper Co. (the copper trust)	1899	18	198,000,000
Amalgamated Sugar Co. (3 western beet-sugar companies)	1902	4	2,551,000
American & British Manufacturing Co	1902	2	10,800,000
American Agricultural Chemical Co. (the fertilizer trust)	1899	45	47,000,000
American Alkali Co	1899	.....	30,000,000
American Automatic Weighing Machine Co	1899	5	1,350,000
American Axe & Tool Co	1899	3	1,936,250
American Barrel & Package Corporation	1902	3	5,000,000
American Beet Sugar Co. (5,000 tons daily)	1899	5	20,911,000
American Bicycle Co	1899	.....	39,500,000
American Book Co. (schoolbook combine)	1907	.....	7,000,000
American Bottle Co	1905	5	8,000,000
American Box & Lumber Co	1902	4	500,000
American Brake Shoe & Foundry Co. (the brake-shoe trust)	1902	12	8,380,000
American Brass Co. (brass-goods trust; largest consumer of copper in United States)	1903	12	15,000,000
American Butter Co	1902	4	1,000,000
American Can Co. (tin-can trust; 80 per cent of United States output)	1901	40	82,466,600
American Car & Foundry Co. (carbuilders' trust)	1899	54	60,000,000
American Caramel Co. (caramel trust)	1898	5	2,344,000
American Cement Co. (cement trust)	1899	6	2,680,000
American Chicle Co. (chewing-gum trust; 85 per cent of chewing gum of United States)	1899	7	9,000,000
American Coal Co	1893	2	1,500,000
American Coal Products Co	1903	40	162,300,000
American Colortype Co	1902	4	3,100,000
American Cotton Co	1896	8	9,000,000
American Cotton Oil Co. (cotton-oil trust)	1889	60	35,435,700
American Dyewood Co. (United States and foreign companies)	1904	4	2,144,000
American Felt Co. (felt trust)	1911	6	3,606,600
American Fork & Hoe Co. (farming-tool trust; controls 90 per cent of output)	1910	13	6,194,400
American Fruit Products Co. (cider vinegar, etc.)	1902	15	2,750,000

List of principal trusts formed in the United States—Continued.

Name of trust.	Date incorporated.	Number of plants acquired or controlled.	Total capital (outstanding stocks and bonds).
American Gas Co	1892	13	$4,257,700
American Ginning Co	1899	2	5,000,000
American Glue Co. (glue trust)	1906	13	2,800,000
American Graphophone Co. (phonograph trust)	1887	5	6,200,850
American Grass Twine Co. (grass-twine trust)	1899	8	13,083,000
American Hardware Corporation	1902	5	9,920,000
American Hide & Leather Co. (upper-leather trust)	1899	21	29,948,400
American Hominy Co. (hominy trust)	1902	10	4,068,500
American Ice Co. (ice trust)	1899	About 40	42,508,000
American Ice Securities Co	1905	45	21,835,580
American Iron & Steel Manufacturing Co. (bolts and nuts)	1899	5	5,500,000
American La France Fire Engine Co	1904	6	2,828,700
American Laundry Machine Co	1900	6	7,226,092
American Light & Traction Co. (and allied properties)	1901	10	50,000,000
American Linseed Co. (the linseed-oil trust; 85 per cent United States product)	1898	30	33,760,698
American Lithographic Co	1896	9	5,770,710
American Locomotive Co. (locomotive trust)	1901	12	57,892,000
American Lumber Co	1901	3	5,100,000
American Machine & Ordnance Co	1902	2	10,000,000
American Malting Co. (malting trust)	1897	80	24,000,000
American Malt Corporation	1906	13	17,234,657
American Metal Co. (Ltd.)	1887	6	3,500,000
American Milling Co. (cattle feed, etc.)	1909	5	3,850,000
American Molasses Co	1902	.....	3,000,000
American Mutoscope & Biograph Co	1895	5	2,200,000
American Oak Leather Co	1881	3	4,832,800
American Packers' Association	1902	60	2,000,000
American Pastry & Manufacturing Co	1899	4	1,300,000
American Piano Co	1908	3	7,019,700
American Pipe & Construction Co	1889	18	6,700,000
American Plow Co	1899	.....	75,000,000
American Pneumatic Service Co. (pneumatic tube trust)	1899	28	20,469,125
American Radiator Co. (steam radiator trust, 75 per cent in United States)	1899	12	9,765,000
American Railways Co	1900	18	11,350,000
American Refractories Co	1902	50	20,000,000
American Rolling Mill Co	1899	3	6,000,000
American Saddlery & Harness Co	1903	11	9,000,000
American School Furniture Co. (school furniture trust)	1899	22	10,430,100
American Screw Co	1860	2	3,000,000
American Seating Co. (church and school furniture)	1906	10	3,370,000
American Seeding Machine Co. (seeding machine trust)	1906	10	7,500,000
American Sewer Pipe Co. (sewer pipe trust, 85 per cent in United States)	1900	34	8,303,500
American Shipbuilding Co. (Great Lakes shipbuilding trust)	1899	9	15,500,000
American Silver & Casket Co	1900	.....	500,000
American Shot & Lead Co	1899	8	3,000,000
American Smelting & Refining Co. and subsidiaries (the smelting trust)	1899	124	100,000,000
American Smelter & Securities Co. (controlled by American Smelting & Refining Co.)	1905	18	92,000,000
American Snuff Co	1900	10	23,000,000
American Soda Fountain Co	1911	4	1,250,000
American Steel Foundries Co	1902	12	23,522,200
American Stove Co. (gas stove trust)	1901	9	5,500,000
American Sugar Refining Co. (the sugar trust)	1891	70	90,000,000
American Talking Scale Co	1903	2	1,000,000
American (Bell) Telephone & Telegraph Co. (parent and subcompanies, telephone trust)	.....	36	391,826,500
American Thread Co. (thread trust)	1898	13	16,890,475
American Tobacco Co. and subsidiaries	1904	180	97,902,300
American Trona Corporation (controls California Trona Co., manufacturers of chemicals, etc.)	1913	1	12,500,000
American Tube & Stamping Co	1899	2	3,800,000
American Type Founders Co. (type founders trust)	1892	38	7,900,000
American Union Electric Co	1902	6	5,200,000
American Vulcanized Fiber Co	1901	2	3,249,800
American Waltham Watch Co	1854	2	4,000,000
American Window Glass Co	1899	.....	16,310,808
American Window Glass Machine Co. (85 per cent United States product controlled)	1903	25	22,604,588
American Witch Hazel Corporation	1902	.....	4,000,000
American Woodworking Machinery Co	1901	11	1,850,000
American Woolen Co. (woolen trust)	1899	32	64,000,000
American Wringer Co	1891	4	1,750,000
American Writing Paper Co. (writing paper trust)	1899	30	35,904,000
Ames Shovel & Tool Co	1901	7	5,000,000
Anglo-American Gypsum Co	1902	.....	7,500,000
Anseo Co. (camera films, etc.)	1907	8	1,728,354
Anthony & Scoville Co	1901	4	2,500,000
Appleton (D.) & Co	1900	3	3,000,000
Armour & Co. and subsidiaries (beef packers)	1900	10	50,000,000
Artificial Lumber Co. of America	1899	.....	12,000,000
Associated Merchants Co. (dry-goods trust)	1901	6	16,299,900
Associated Oil Co. of California	1901	10	53,333,000
Atlantic Coast Lumber Corporation	1903	10	5,000,000
Atlantic Fruit & Steamship Co	1911	7	10,000,000
Atlantic Rubber Shoe Co	1901	8	10,000,000
Atlantic Terra Cotta Co. (largest in the world)	1907	3	3,140,200
Atlas Portland Cement Co	1899	2	10,000,000
Automatic Electric Co	1908	3	5,549,000
Automatic Weighing Machine Co	1902	3	3,600,000
Autosales Gum & Chocolate Co	1911	30	10,000,300
Baldwin Locomotive Works	1911	4	50,000,000
Baltimore Brick Co	1902	22	4,000,000
Bamberger-Delamar Gold Mines Co	1902	7	5,000,000
Barnhart Bros. & Spindler (controlled by American Founders' Co.)	1911	4	3,000,000

List of principal trusts formed in the United States—Continued.

Name of trust.	Date incorporated.	Number of plants acquired or controlled.	Total capital (outstanding stocks and bonds).
Beatrice Creamery Co. of Iowa (34,000,000 pounds of butter)	1905	8	$3,500,000
Beaver Valley Traction Co	1891	8	2,150,000
Bethlehem Steel Corporation	1904	12	56,061,533
Bigelow Carpet Co	1899	2	4,455,000
Bingham Consolidated Mining & Smelting Co	1901	4	10,000,000
Binghamton Railway Co	1901	5	1,627,000
Birmingham Ry., Light & Power Co	1901	5	12,000,000
Bishop-Babcock-Becker Co. (faucets, etc.)	1911	5	74,485,000
Bliss (E. W.) Co. (dies, presses, etc.)	1892	5	3,249,300
Block Light Co. (gas mantles, etc.)	1905	6	1,800,000
Bon Air Coal & Iron Co	1902	3	5,335,000
Booth (A.) & Co	1898	5	5,500,000
Booth Fisheries Co	1909	7	11,000,000
Borax Consolidated (Ltd.)	.....	20	12,000,000
Borden's Condensed Milk Co. (condensed milk trust)	1899	7	28,750,000
Boston & Worcester Electric Co	1901	4	5,232,500
Boston Elevated Railway Co. (and affiliated properties)	1897	9	68,708,250
Boston-Suburban Electric Co	1901	8	9,252,650
Brill (J. G.) Co. (8 electric and steam car companies)	1906	5	9,980,000
British Columbia Packers' Association	1902	46	4,000,000
Brooklyn Rapid Transit Co	1896	About 40	170,000,000
Brooklyn Union Gas Co	1895	14	35,000,000
Brunswick-Balke-Collender Co	1907	4	11,940,000
Bucyrus Co. (steam shovels, dredges, etc.)	1911	4	8,000,000
Buffalo Gas Co	1899	4	7,900,000
Bush Terminal Co	1902	16	10,500,000
Butterick Co. (paper pattern trust)	1902	6	12,000,000
California & Hawaiian Sugar Refining Co	1899	2	5,390,000
California Fruit Canners' Association (fruit canning trust)	1899	.....	2,891,600
California Gas & Electric Corporation	1901	8	27,000,000
California Wine Association (controls California trade)	1894	25	7,665,460
Cambria Steel Co	1898	12	47,000,000
Capital Traction Co	1895	2	13,080,900
Carbonate Co	1902	2	1,200,000
Carpenter-O'Brien Co. (controls Burton-Swartz Cypress Co.)	1913	1	6,129,000
Casein Co. of America (milk-sugar trust)	1900	6	6,487,000
Celluloid Co	1890	8	5,925,000
Central Coal & Coke Co	1893	8	9,406,000
Central Fireworks Co	1896	9	2,674,000
Central Foundry Co. (soil-pipe trust—95 per cent soil-pipe output)	1911	14	9,200,000
Central Leather Co. (70 per cent tanneries, etc., in United States)	1905	40	112,062,080
Central Stamping Co	1896	2	485,200
Central Petroleum Co. (operations controlled by the Texas Co.)	1913	23	6,900,000
Champion Coated Paper Co	1902	3	3,600,000
Champion International Co	1902	2	950,000
Charleston Consolidated Railway, Gas & Electric Co	1899	6	4,000,000
Chartered Co. of Lower California	1902	7	14,000,000
Chemical Co. of America	1902	.....	5,000,000
Chicago Edison Co	1887	5	18,000,000
Chicago Pneumatic Tool Co. (pneumatic-tool trust)	1901	12	8,102,804
Chicago Railway Equipment Co. (over 225 patents)	1892	8	2,480,500
Chicago Union Traction Co	1899	12	111,127,000
Chile Copper Co. (owns entire outstanding stock of Chile Exploration Co.)	1913	1	95,000,000
Cincinnati Gas & Electric Co	1901	5	29,300,000
Cincinnati Traction System	1901	6	20,000,000
Clarksburg Fuel Co	1901	10	5,500,000
Cleveland & Sandusky Brewing Co	1898	12	10,323,500
Cleveland & Southwestern Traction Co	1902	7	7,010,000
Cleveland-Akron Bag Co	1903	5	2,000,000
Cleveland-Cliffs Iron Co	1891	4	7,500,000
Cleveland Electric Railway Co	1893	5	29,776,000
Coats (J. & P.) Ltd. (four cotton thread companies in United States and foreign)	1890	4	57,500,000
Colonial Sugars Co	1902	3	4,930,000
Colorado Fuel & Iron Co. (coal and iron mines, coke ovens, railroads, etc.)	1892	10	82,279,500
Colorado Industrial Co. (controlled by Colorado Fuel & Iron Co.)	1903	.....	33,621,000
Columbus (Ohio) Ry. & Light Co	1903	6	14,538,000
Commercial Cable Co. (and affiliated companies)	.....	8	55,000,000
Compressed Air Co	1900	5	8,500,000
Computing Scale Co. of America (computing-scale trust)	1901	5	3,274,000
Computing-Tabulating-Recording Co	1911	9	17,446,000
Connecticut Railway & Lighting Co	1899	15	24,857,700
Consolidated Car Heating Co	1899	3	1,250,000
Consolidated Coal Co	1908	13	3,624,100
Consolidated Copper Mines Co	1913	2	4,114,330
Consolidated Cross Tie Co	1902	2	10,000,000
Consolidated Gas Co. of Baltimore	1888	3	19,000,000
Consolidated Gas Co. of New York (and affiliated properties)	1884	27	150,338,391
Consolidated Grocers of America	1903	.....	1,500,000
Consolidated Indiana Coal Co	1905	8	6,172,600
Consolidated Lake Superior Co	1897	16	117,000,000
Consolidated Liquid Air Co	1902	.....	1,000,000
Consolidated Match Co	1902	.....	10,000,000
Consolidated Mercury Gold Mines Co	1900	2	2,000,000
Consolidated Naval Stores Co. (largest in the world)	1902	8	3,315,300
Consolidated Nevada-Utah Co. (reorganization of bankrupt Nevada-Utah Mines & Smelting Corporation)	1913	5	4,696,000
Consolidated Ry. & Power Co. of Salt Lake City	1901	4	5,870,000

List of principal trusts formed in the United States—Continued.

Name of trust.	Date incorporated.	Number of plants acquired or controlled.	Total capital (outstanding stocks and bonds).
Consolidated Railway Lighting & Refrigerating Co	1901	10	$20,000,000
Consolidated Rosendale Cement Co	1901	6	2,600,000
Consolidated Rubber Tire Co	1899	4	8,000,000
Consolidated Telephone Co. of Buffalo	1901	16	6,500,000
Consolidated Tobacco Co., and affiliated corporations (the tobacco trust)	1901	150	502,915,700
Consolidated Wagon & Machine Co	1901	2	1,225,000
Continental Coal Co	1903	4	6,250,000
Continental Coal Corporation	1911	11	6,000,000
Continental Cotton Oil Co. (plants in four States)	1896	7	3,321,681
Continental Gin Co	1899	7	2,204,000
Continental Railway Equipment Co	1902	3	3,400,000
Corn Products Co	1902	20	71,642,800
Corn Products Refining Co	1906	22	89,139,545
Corporation of United Cigar Stores	1909	700	12,001,000
Coxe Brothers & Co. (Inc.)	1882	2	3,240,500
Crane's Nest Co	1902	2	20,000,000
Crocker-Wheeler Co	1903	3	22,200,000
Crucible Steel Co. of America (95 per cent)	1900	19	49,578,400
Cuban-American Sugar Co	1906	9	24,404,400
Cuba Co	1900	3	8,000,000
Cudahy Packing Co	1887	5	16,538,000
Cumberland Coal & Coke Co	1899	2	3,300,000
Cuyahoga Wire & Fence Co	1902	2	1,550,000
Dallas Electric Corporation	1902	4	7,580,000
Danville, Urbana & Champaign Ry	1902	4	4,075,000
Daylight Glass Manufacturing Co	1902	2	3,625,000
Dayton Breweries Co	1904	7	4,701,250
Deere & Co. (cultivators, etc.)	1911	22	51,428,300
Denver & Northwestern Railway	1899	7	19,380,000
Detroit United Railway	1900	15	32,785,000
Development Co. of America	1901	6	4,000,000
Diamond Match Co. (match trust)	1899	20	18,000,000
Diamond Rubber Co	1905	3	10,000,000
Distillers' Securities Corporation (whisky trust)	1902	95	46,347,034
Duluth-Superior Traction Co	1900	4	7,350,000
Du Pont de Nemours Powder Co	1903	50	61,370,793
Du Pont International Powder Co	1903	40	50,000,000
Eastern Milling & Export Co	1900	.....	4,000,000
Eastern Ohio Traction Co	1902	4	4,152,000
Eastern Steel Co	1903	4	8,280,000
Eastman Kodak Co. (world trust)	1901	20	25,751,900
Edison Electric Illinois Co. of Boston	1881	8	11,000,000
Electric Boat Co	1899	7	8,347,100
Electric Co. of America	1899	13	21,000,000
Electric Storage Battery Co	1888	12	16,249,425
Electric Properties Corporation (owns entire capital stock of Westinghouse, Church, Kerr & Co.)	1913	1	7,920,000
Electric Vehicle Co	1897	4	2,475,000
Elkhorn Mining Corporation (coal lands in West Virginia)	1913	2	5,625,000
Elliott-Fisher Co. (book typewriters)	1903	5	9,400,000
Empire Steel & Iron Co	1899	19	3,754,000
Fairmont Coal Co	1901	5	18,000,000
Farmers' Cooperative Exchange	1902	.....	50,000,000
Fay (J. A.) & Egan Co	1893	2	2,500,000
Federal Chemical Co	1901	2	4,000,000
Federal Lead Co	1900	12	5,000,000
Federal Manufacturing Co	1899	7	3,387,500
Federal Sugar Refining Co	1907	3	12,500,000
Federal Telephone Co. (Cleveland, Ohio)	1889	23	30,000,000
Fireproofing Co	1899	5	2,000,000
Fisheries Co	1900	10	3,500,000
Four States Coal & Coke Co	1910	3	9,680,000
Freeport & Tampico Fuel Oil Corporation	1914	2	5,000,000
Fremont County Sugar Co	1902	2	6,000,000
Garland Corporation	1906	15	3,967,000
General Asphalt Co. (asphalt trust)	1903	69	25,511,733
General Baking Co. (bread, etc.)	1911	20	12,225,000
General Chemical Co. (chemical trust)	1899	30	21,058,900
General Electric Co. and subsidiaries (electric supplies trust)	1892	30	80,141,200
General Fire Extinguisher Co	1892	6	5,000,000
General Motors Co	1908	27	44,217,830
General Railway Signal Co	1904	3	5,592,000
General Rubber Goods Co. (controlled by United States Rubber Co.)	1904	2	14,000,000
Georgia Railway & Electric Co	1902	5	17,688,000
Giant Portland Cement Co	1913	7	2,000,000
Gilchrist Transportation Co	1897	8	10,000,000
Gold Car Heating & Lighting Co	1902	2	1,000,000
Goodrich (B. F.) Co	1912	5	16,000,000
Gottlieb-Bauernschmidt-Strauss Brewing Co	1901	8	14,135,000
Great Lakes Coal Co	1902	5	7,123,000
Great Lakes Dredge & Dock Co	1905	5	3,600,000
Great Lakes Towing Co. (many towing and wrecking companies)	1899	.....	3,627,850
Great Northern Iron Ore Properties	1906	10	150,000,000
Great Northern Paper Co	1899	5	11,010,000
Great Western Cereal Co	1901	9	3,259,500
Great Western Sugar Co. (9 Colorado beet-sugar companies)	1905	12	24,174,000
Greene Consolidated Copper Co	1899	4	7,200,000
Guffey (J. M.) Petroleum Co	1901	8	19,000,000
Hale & Kilburn Co	1911	4	9,000,000
Harbison-Walker Refractories Co. (fire-brick trust)	1902	36	28,865,000
Hartford Carpet Corporation	1901	2	5,000,000
Hawaiian Securities Co	1902	.....	12,000,000
Herring-Hall-Marvin Safe Co	1905	4	1,400,000
Heywood Bros. & Wakefield Co. (rattan trust)	1897	3	6,000,000
Hilton-Dodge Lumber Co	1911	9	13,378,000
Hoster-Columbus Associated Breweries	1904	4	9,249,000
Houston Oil Co	1901	4	36,000,000
Hudson River Water Power Co	1899	4	7,000,000

List of principal trusts formed in the United States—Continued.

Name of trust.	Date incorporated.	Number of plants acquired or controlled.	Total capital (outstanding stocks and bonds).
Hudson Valley Railway Co.	1901	7	$6,750,000
Huebner-Toledo United Breweries Co.	1905	3	4,816,000
Huntington Syndicate (California electric railways, etc.)		25	55,000,000
Hydraulic Press Brick Co.	1850	14	10,420,000
Illinois Brick Co.	1900	18	4,400,000
Illinois Coal & Coke Co.	1902	.....	12,000,000
Independent Breweries Co. (capacity 200,000 barrels)	1907	10	14,715,000
Independent Brewing Co. of Pittsburgh	1905	16	11,934,100
Indiana Union Traction Co.	1901	10	23,300,000
Indianapolis & Cincinnati Traction Co.	1901	3	5,100,000
Indianapolis Traction & Terminal Co.	1902	4	23,000,000
Ingersoll-Rand Co. (steam and air drills in United States and Canada)	1905	6	11,118,825
Interborough Rapid Transit Co. (including Manhattan Elevated Co.)	1902	5	127,000,000
Intercontinental Rubber Co. (Mexican and African plantations)	1903	8	30,281,000
International Agricultural Corporation (fertilizer companies)	1902	15	20,849,200
International Barrel Co.	1902	.....	20,000,000
International Cotton Mills Corporation (controls 40 brands)	1910	18	15,485,095
International Fire Engine Co.	1839	12	9,000,000
International Harvester Co. (Harvester Trust—plants in United States, Canada, and Europe)	1902	33	140,000,000
International Merchant Marine Co. (122 steamers, etc.—the shipping trust	1893	.....	179,749,018
International Nickel Co. (nickel trust)	1903	.....	23,970,403
International Paper Co. (paper trust—1,700 tons of print paper per day)	1898	24	57,511,500
International Power Co. (compressed air trust)	1899	.....	5,047,000
International Pulp Co.	1893	4	5,000,000
International Salt Co. (salt trust)	1901	.....	26,323,000
International Shoe Co. (daily capacity, 60,000 pairs)	1911	20	21,000,000
International Silver Co. (silverware trust)	1898	19	11,979,953
International Smelting & Refining Co.	1908	6	10,000,000
International Steam Pump Co. (steam pump trust, 90 per cent of all)	1899	12	42,229,558
International Telephone Co. of America	1902	3	15,000,000
International Time Recording Co.	1900	5	2,140,000
International Tin Co.	1902	.....	20,000,000
International Traction Co. of Buffalo	1899	17	45,021,500
Interstate Railways Co. (and controlled properties)	1902	27	16,880,000
Inter-State Telephone Co. of New Jersey	1901	15	4,001,000
Johns (H. W.) Manville Co.	1901	2	3,000,000
Jones & Laughlins Steel Co.	1902	9	54,487,000
Kansas City Breweries Co. (338,332 barrels in 1911)	1905	3	6,120,000
Kansas City Railway & Light Co.	1903	16	45,118,880
Kentucky Coal, Lumber, Iron & Oil Co.	1902	.....	10,000,000
Keystone Coal & Coke Co.	1902	8	7,550,000
Keystone Watch Case Co. (9,000 cases, 3,000 movements a day)	1899	7	6,000,000
Kings County Electric Light & Power Co.	1880	3	17,500,000
Kirby Lumber Co. (300,000,000 feet daily capacity)	1901	13	10,270,000
Knickerbocker Ice Co. (about all ice plants in Chicago)	1895	125	11,306,000
La Belle Iron Works (steel pipe, nails, etc)	1873	4	12,079,800
Lackawanna Coal & Lumber Co.	1910	15	27,000,000
Lackawanna Steel Co. (furnaces, mines in six States)	1902	7	70,786,000
Lake Shore Electric Ry.	1901	4	12,334,000
Lake Superior Corporation (mills, mines, etc.)	1904	12	56,947,000
Lancaster County Railway & Light Co.	1901	9	6,350,000
Lehigh Coal & Navigation Co. (4,515,906 tons of coal in 1911)	1822	.....	47,963,283
Lehigh Valley Coal Co. (9,021,206 tons anthracite coal in 1911)	1871	17	14,761,000
Lehigh Valley Traction Co.	1893	15	13,900,000
London-Arizona Consolidated Copper Co.	1913	4	4,600,000
Louisville Traction Co.	1903	7	21,000,000
Lynchburg Traction & Light Co.	1901	6	1,530,000
Macbeth-Evans Glass Co. (chimney companies)	1899	4	2,223,500
Magnus Metal Co.	1899	5	3,000,000
Manchester Traction, Light & Power Co.	1901	5	3,465,000
Manning, Maxwell & Moore (steam gauges, etc.)	1905	5	5,000,000
Manufacturers' Light & Heat Co.	1899	3	5,500,000
Massachusetts Breweries Co. (10 Boston breweries)	1900	10	6,532,000
Massachusetts Gas Cos.	1902	8	51,000,000
Massachusetts Electric Cos.	1899	67	69,531,600
Mergenthaler Linotype Co. (plants in foreign countries, also)	1895	3	12,797,800
Metropolitan Securities Co. (and controlled properties)	1902	20	224,441,009
Milwaukee & Chicago Breweries Co.	1891	6	9,084,000
Milwaukee Electric Railway & Light Co.	1896	3	21,250,000
Mississippi Glass Co. (controls Mississippi Wire Glass Co.)	1904	5	3,028,500
Mississippi Wire Glass Co.	1901	5	1,500,000
Mohawk Valley Steel & Wire Co.	1902	.....	60,000,000
Moline Plow Co.	1870	4	9,000,000
Morris & Co. (beef-packing plants, etc.)	1903	5	15,100,000
Nashville Ry. & Light Co.	1903	8	12,000,000
National Biscuit Co. (cracker trust, 45 plants and 269 selling agencies)	1898	45	54,040,500
National Bread Co.	1901	.....	3,000,000
National Candy Co. (candy trust, 7,000,000 pounds annually)	1902	20	7,923,900
National Carbon Co. (carbon trust, all in United States and three-fourths in world)	1899	5	10,000,000
National Car Wheel Co. (car wheel trust)	1901	4	2,443,000

List of principal trusts formed in the United States—Continued.

Name of trust.	Date incorporated.	Number of plants acquired or controlled.	Total capital (outstanding stocks and bonds).
National Casket Co.	1890	3	$4,034,300
National Creamery Co.	1902	.....	18,000,000
National Enameling & Stamping Co. (stamped ware trust)	1899	15	27,666,400
National Fibre & Cellulose Co.	1902	.....	10,000,000
National Fireproofing Co. (terra cotta trust)	1899	30	13,621,800
National Glass Co. (glassware trust)	1899	19	5,500,000
National Grocer Co.	1902	.....	5,500,000
National Lead Co. (the lead trust)	1891	18	45,023,000
National Licorice Co.	1902	5	1,500,000
National Novelty Corporation (toy trust)	1902	18	11,250,000
National Packing Co. (meat packers in United States and England)	1903	10	15,201,000
National Rice Milling Co.	1893	3	1,500,000
National Roofing & Corrugating Co.	1900	8	5,000,000
National Saw Co. (plants in 3 States)	1890	4	1,000,000
National Silk Dyeing Co. (plants in Pennsylvania, New Jersey, and Switzerland)	1908	3	7,367,300
National Steel & Wire Co.	1901	6	10,000,000
National Sugar Refining Co. (10 per cent of business in United States)	1900	4	20,000,000
National Wall Paper Co.	1892	.....	35,079,800
New England Brick Co.	1900	37	5,750,000
New England Consolidated Ice Co.	1902	.....	17,000,000
New England Cotton Yarn Co. (cotton yarn trust)	1899	9	17,239,000
New Hampshire Traction Co.	1901	17	7,850,000
New Jersey Zinc Co. (plants in New Jersey and Pennsylvania)	1880	3	14,000,000
New Orleans Railways Co.	1902	12	57,000,000
New River Co. (holds stocks of coal-mining companies)	1906	27	22,712,200
New York & Queens County Ry.	1896	6	6,300,000
New York Air Brake Co.	1896	2	8,012,500
New York Dock Co.	1901	20	28,200,000
Niles-Bement Pond Co. (tool works in many States)	1899	10	10,500,000
Norfolk, Portsmouth & Newport News Co.	1902	15	16,000,000
North American Co. (electric light and railways, including controlled properties)	.....	39	89,000,000
North American Portland Cement Co.	1905	.....	10,000,000
North Star Mines Co.	1899	10	2,500,000
Northern Commercial Co.	1901	4	5,180,000
Northern Ohio Traction & Light Co.	1902	4	13,250,000
Northern Texas Traction Co.	1901	5	4,500,000
Oakland Transit Consolidated	1902	14	11,500,000
Ohio & Indiana Consolidated Natural & Illuminating Gas Co.	1899	5	16,250,000
Ohio Grocery Co.	1903	25	11,250,000
Omaha & Council Bluffs Street Ry.	1901	6	19,000,000
Otis Elevator Co. (elevator trust)	1898	9	16,333,000
Pacific Coast Biscuit Co.	1899	9	2,087,500
Pacific Coast Borax Co.	1899	4	1,000,000
Pacific Packing & Navigation Co.	1902	16	26,500,000
Pacific Starch Co.	1901	2	500,000
Parker Cotton Mills Co.	1911	16	11,785,800
Penn-American Plate Glass Co.	1900	2	2,800,000
Pennsylvania & Mahoning Valley Ry.	1902	5	10,750,000
Pennsylvania Central Brewing Co.	1897	13	7,850,000
Pennsylvania Coal & Coke Co.	1903	3	24,000,000
Pennsylvania Steel Co.	1901	12	51,989,800
People's Brewing Co. of Trenton	1899	4	3,300,000
People's Gas Light & Coke Co. of Chicago	1897	13	67,465,000
People's Pure Milk Co.	1903	.....	25,000,000
Philadelphia Co. of Pittsburgh	1884	40	100,000,000
Philadelphia Electric Co.	1889	17	55,000,000
Philadelphia Rapid Transit Co.	1902	40	117,538,000
Pierce-Butler & Pierce Manufacturing Co. (heating apparatus)	1886	4	2,856,700
Pioneer Pole & Shaft Co. (50 per cent all in United States)	1911	9	3,312,450
Pittsburgh Brewing Co. (capacity 1,500,000 barrels)	1899	16	18,381,350
Pittsburgh Coal Co (output 17,000,000 tons of coal)	1899	200	88,834,123
Pittsburgh Plate Glass Co.	1883	9	22,570,800
Pittsburgh Steel Co (billets, rods, nails, etc.)	1901	6	17,500,000
Pittsburgh Stove & Range Co.	1899	9	2,000,200
Pittsburgh Valve Foundry & Construction Co.	1903	6	1,150,000
Planters Compress Co.	1900	3	10,000,000
Pneumatic Signal Co.	1902	3	3,000,000
Pocahontas Consolidated Collieries Co.	1907	11	12,894,700
Pocahontas Collieries Co.	1902	3	5,750,000
Pope Manufacturing Co. (7 bicycle and auto companies)	1908	7	7,500,000
Pratt Consolidated Coal Co. (3,000,000 tons, Alabama)	1904	9	7,247,000
Pressed Steel Car Co. (controls industry)	1899	5	13,075,000
Procter & Gamble Co. (soap, candles, glycerin, etc.)	1905	16	14,250,000
Public Service Corporation of New Jersey	1903	70	176,229,000
Public Works Co. of Bangor, Me.	1898	4	1,531,000
Pueblo & Suburban Traction & Lighting Co.	1902	6	7,550,000
Pullman Co. (palace car trust), (owns 5,936 cars)	1867	6	120,000,000
Pure Oil Co.	1895	15	10,000,000
Quaker Oats Co. (three or four leading cereal companies—cereal trust)	1901	9	14,000,000
Railroad systems:			
The great steam railroad groups—			
Vanderbilt group	.....	[1]132	1,169,196,132
Pennsylvania R. R. group	.....	[1]280	1,822,402,235
Morgan group	.....	[1]225	2,265,116,350
Gould-Rockefeller group	.....	[1]109	1,368,877,540
Harriman-Kuhn-Loeb group	.....	185	1,321,243,711
Moore group	.....	191	1,070,259,950

[1] About

List of principal trusts formed in the United States—Continued.

Name of trust.	Date incorporated.	Number of plants acquired or controlled.	Total capital (outstanding stocks and bonds).
Railroad system—Continued.			
"Allied independent" steam railroad systems—			
Boston & Maine system.			
New York, New Haven & Hartford system			
Pere Marquette system			
Delaware & Hudson system			
Buffalo, Rochester & Pittsburgh system.			
New York, Ontario & Western system			
Wisconsin Central R. R. system			
Chicago Great Western Ry. system			
Minneapolis & St. Louis Ry. system			
Cincinnati, Hamilton & Dayton system			
Railway Steel Spring Co. (leading companies in United States)	1902	15	34,172,000
Republic Iron & Steel Co	1899	45	70,242,787
Rhode Island Co	1902	12	41,819,000
Richmond Light & R. R. Co. of Staten Island	1902	4	5,200,000
Rochester Optical & Camera Co	1899	6	3,500,000
Rochester Ry. Co	1895	5	9,575,000
Rocky Mountain Paper Co	1900	2	1,350,000
Rogers, Wm. A. (Ltd.)	1901	6	1,500,000
Rogers-Brown Iron Co. (iron and coal lands, etc.)	1909	5	13,855,000
Royal Baking Powder Co. (baking powder trust)	1899	5	20,000,000
Rubber Goods Manufacturing Co. (rubber goods trust)	1899	17	24,993,100
Rumley (M.) Co. (thrashers, etc., third largest in United States)	1887	4	19,000,000
St. Louis & Suburban Ry	1902	5	9,400,000
St. Louis Breweries Co	1899	10	13,548,600
St. Louis Transit Co	1901	35	76,000,000
Savannah Electric Co	1901	6	6,098,000
Schuylkill Traction Co	1892	9	2,750,000
Seacoast Canning Co	1902	9	2,000,000
Seattle Electric Co	1900	16	18,000,000
Sen-Sen Chiclet Co	1899	7	6,597,000
Sherwin-Williams Co	1902	11	3,500,000
Shults Bread Co. (12 bakeries in and near New York)	1910	12	9,399,000
Silversmiths Co. (owns Gorham, Whiting, and 2 other companies)	1902	4	9,000,000
Singer Manufacturing Co. (80 per cent world's output sewing machines)	1863	.....	60,000,000
Sloss-Sheffield Steel & Iron Co. (400,000 tons pig iron; plants in Alabama)	1899	4	20,700,000
Solvay Process Co	1881	4	19,000,000
Somerset Coal Co	1901	14	8,000,000
South Porto Rican Sugar Co. (cane sugar, etc.)	1900	5	7,770,500
Southern Car & Foundry Co	1899	.....	3,500,000
Southern Iron & Steel Co. (bob-wire nails, etc.)	1900	4	25,964,998
Southern Textile Co	1903	.....	14,000,000
Springfield (Mass.) Breweries Co. (controls trade in western Massachusetts)	1899	4	3,125,000
Springfield (Ill.) Coal Mining Co	1902	5	9,900,000
Standard Chain Co	1900	13	1,269,571
Standard Milling Co. (flour milling trust)	1900	17	14,381,000
Standard Oil Co. (oil trust)	1882	200	98,338,382
Standard Oil Cloth Co	1907	7	6,200,000
Standard Roller Bearing Co	1901	12	4,227,000
Standard Rope & Twine Co. (rope and twine trust)	1895	21	21,551,300
Standard Sanitary Manufacturing Co. (plumbing supplies trust)	1899	10	9,232,000
Standard Screw Co	1900	8	5,010,000
Standard Shoe Machinery Co	1899	.....	5,000,000
Standard Table Oil Cloth Co. (oilcloth trust)	1901	7	5,000,000
Standard Underground Cable Co	1899	4	3,500,000
Standard Wall Paper Co	1903	2	1,250,000
Stillwell-Bierce & Smith-Vaile Co	1902	2	1,400,000
Street's Western Stable Car Line	1895	3	6,402,000
Stromberg-Carlson Telephone Manufacturing Co	1902	3	3,000,000
Studebaker Corporation	1911	4	51,500,000
Suffolk Leather Manufacturing Co	1903	.....	50,000,000
Sullivan Machine Co. (manufacturers of drills, coal cutters, etc., works in Chicago and Claremont, N. H.)	1913	.....	4,000,000
Sulzberger Sons Co	1910	5	40,145,000
Sunday Creek Co	1905	10	7,672,200
Susquehanna Iron & Steel Co	1902	9	1,800,000
Swift & Co. (meat packers, etc.)	1885	5	80,000,000
Syracuse Rapid Transit Ry	1896	5	8,090,000
Temple Iron Co	1873	8	20,000,000
Tennessee Coal, Iron & R. R. Co	1860	7	23,949,600
Terre Haute Electric Co	1902	7	5,600,000
Texas & Pacific Coal Co	1888	3	2,500,000
Texas Co	1902	5	42,000,000
Textile-Finishing Machinery Co. (65 per cent of all)	1902	4	1,170,000
Tide Water Steel Co	1899	2	2,100,000
Toledo Railways & Light Co	1901	12	23,000,000
Torrington Co. (plants in United States and England—machinery, etc.)	1886	5	4,000,000
Trenton Potteries Trust (and affiliated corporations)	1903	45	50,000,000
Trenton Potteries Co	1892	5	3,411,570
Union Bag & Paper Co. (paper bag trust, 25,000,000 bags per day)	1899	10	30,111,000
Union Carbide Co	1898	7	6,500,000
Union Iron & Steel Co	1899	5	2,000,000
Union Lead & Oil Co	1900	.....	15,000,000
Union Mills	1901	4	2,500,000
Union Stock Yards of Omaha	1883	5	8,196,300
Union Switch & Signal Co	1882	2	2,000,000
UnionTypewriter Co. (typewriter trust)	1893	7	21,305,000
Union Waxed & Parchment Paper Co	1900	11	$3,200,000
United Box Board & Paper Co. (box board trust)	1902	26	27,436,500
United Box Board Co	1905	29	14,000,000
United Breweries Co. (one-sixth of business in Chicago)	1898	11	6,157,500
United Button Co. (button trust)	1900	3	2,332,000
United Cigar Manufacturing Co. (400,000,000 cigars yearly)	1906	23	20,578,000
United Coal Co. (third largest in Pennsylvania)	1902	10	13,693,000
United Copper Co	1902	6	50,000,000
United Dry Goods Co. (and subsidiaries)	1909	12	25,174,900
United Electric Light & Power Co. of Baltimore	1899	4	6,500,000
United Engineering & Foundry Co. (rolling mill manufacturers)	1901	7	6,600,000
United Fruit Co. (fruit trust)	1899	16	38,014,700
United Gas & Electric Co. of New York (and controlled properties)	1901	10	7,000,000
United Gas Improvement Co. (and controlled properties)	1371	40	100,000,000
United Iron & Steel Co	1899	5	2,000,000
United Mattress Machinery Co	.....	5	600,000
United Railways & Electric Co. of Baltimore	1899	15	70,186,000
United Railways & Investment Co. of San Francisco	1902	8	45,000,000
United Shoe Machinery Co. (shoe machinery trust)	1905	15	38,114,834
United States Bobbin & Shuttle Co. (90 per cent of United States output)	1899	7	1,651,000
United States Cast Iron Pipe & Foundry Co. (cast iron pipe trust—75 per cent United States output)	1899	17	25,100,637
United States Coal & Oil Co	1895	3	6,000,000
United States Cotton Duck Corporation (cotton duck trust)	1901	21	26,000,000
United States Cotton Manufacturing Co	1903	.....	40,000,000
United States Envelope Co. (paper-envelope trust)	1898	11	6,400,000
United States Finishing Co. (print goods trust)	1904	8	9,040,000
United States Glass Co	1891	10	3,590,600
United States Gypsum Co. (gypsum trust)	1901	37	8,464,000
United States Light & Heating Co	1908	4	15,100,150
United States Leather Co. (leather trust)	1893	25	130,444,600
United States Lithograph Co	1901	7	9,000,000
United States Lumber Co	1901	3	6,540,000
United States Metal Products Co	1911	10	7,000,000
United States Motor Co	1908	10	29,684,484
United States Paving Co	1900	3	2,000,000
United States Playing Card Co	1894	4	3,600,000
United States Printing Co. of Ohio (controlled by United States Printing Co. of New Jersey)	1891	5	1,500,000
United States Printing Co	1891	4	3,376,300
United States Printing Co. of New Jersey	1904	6	825,100
United States Realty & Construction Co. (realty trust)	1902	7	66,000,000
United States Reduction & Refining Co	1901	7	12,514,600
United States Rubber Co. (rubber-shoe trust)	1892	22	93,500,000
United States Shipbuilding Co (shipbuilding trust)	1902	9	79,851,000
United States Standard Voting Machine Co	1900	2	1,000,000
United States Steel Corporation and controlled properties (steel trust)	1901	800	1,490,237,000
United States Whip Co	1893	14	1,425,100
United Telephone & Telegraph Co	1899	9	5,500,000
United Traction Co. of Albany	1899	8	9,500,000
United Wire & Supply Co	1902	2	2,000,000
Universal Tobacco Co	1901	4	10,000,000
Utah-Idaho Sugar Co	1907	5	10,444,910
Virginia-Carolina Chemical Co. (phosphate trust)	1895	5	62,084,400
Virginia Iron, Coal & Coke Co	1899	6	13,943,680
Virginia Passenger & Power Co	1901	13	27,000,000
Vulcan Detinning Co	1902	2	3,500,000
Washburn Wire Co	1900	3	3,750,000
Washington Railway & Electric Co	1902	11	32,000,000
Western Stone Co	1889	3	2,372,500
Western Union Telegraph Co. (and all affiliated properties)	1851	25	121,874,000
Westinghouse Air Brake Co	1869	3	14,000,000
Westinghouse Companies	.....	16	44,025,500
Westinghouse Electric & Manufacturing Co	1872	15	68,779,537
Wheeling Consolidated Coal Co	1902	5	5,000,000
Wheeling Traction Co	1901	7	4,500,000
Whitaker-Glessner Co	1903	4	5,018,300
White Mountain Paper Co	1901	2	25,000,000
Wilkes-Barre & Hazelton R. R	1901	5	10,000,000
Wisconsin Lime & Cement Co	1900	6	5,000,000
Worcester & Connecticut Eastern Ry	1901	7	2,800,000
Worcester Railways & Investment Co	1901	6	7,000,000
Yellow Pine Co	1891	8	2,500,000
Youngstown-Sharon Ry. & Light Co	1900	14	6,500,000
York County Traction Co	1900	10	2,700,000
Zanesville Ry., Light & Power Co	1902	4	2,085,000
Total	.....	9,877	24,775,723,599

[1] About.

Mr. THOMPSON. Mr. President, an analysis of the foregoing figures shows that of these trusts 7 have a capitalization of over $1,000,000,000, 22 of $100,000,000 and over and less than $1,000,000,000, 54 of $50,000,000 and over and less than $100,000,000, 59 of $25,000,000 and over and less than $50,000,000, 76 of $15,000,000 and over and less than $25,000,000, 79 of $10,000,000 and over and less than $15,000,000,

150 of $5,000,000 and over and less than $10,000,000, and 175 of $1,000,000 and over and less than $5,000,000.

Of the six great railroad groups, all exceed $1,000,000,000 capitalization, and the Morgan group exceeds $2,200,000,000.

It is interesting to note that the Rockefeller and Morgan interests absolutely control the seven greater enormous companies. The Rockefellers were the fathers of the trust idea in this country, and have always been the controlling figures in most of the great trust enterprises. The greater trusts are dominated by that group of men known as the "Standard Oil" or "Rockefeller financiers," while the Morgans, Vanderbilts, Harrimans, Ryans, Guggenheims, and the Goulds have the greatest interests in some of the other trusts, yet the influence of the Rockefeller interests is more or less felt by all of the big combinations.

A glance at the different members of the Standard Oil officials will show that they are identified in a great many of the prominent trusts, and it is a well-known fact that their indirect influence is of great importance in most of the other industrial consolidations.

It has been frequently said that monopoly is here to stay. I do not agree with this doctrine. I believe monopoly can be destroyed by proper legislation, and, above all else, such gigantic corporations with a monopoly upon practically everything we produce, everything we eat and wear, and everything we use in the construction of the homes in which we live can be hereafter absolutely prevented. Indeed, progress has already been made in the right direction. Many of the trusts have already confessed their wrongs and now beg for an opportunity to be good. I believe that trusts would never have existed in their present iniquitous form if the laws already on the statute books had been vigorously enforced in the beginning. If the Rockefellers and their associates, who deliberately planned the first big trusts in this country, had been vigorously prosecuted under the criminal statutes, convicted, and sent to the penitentiary, the problem would have been practically solved. But those in power were either too friendly with or too much afraid of the men of wealth to enforce the criminal statutes against them. There was even great hesitation in proceeding under the civil provisions of the law. The courts were also slow in getting results, as is usual in such matters. While trying one case a dozen others sprang up like mushrooms from perhaps the same source.

In contemplating the delay in court procedure I am reminded of the trial of the famous Hillman Insurance case in Kansas, wherein the principal issue of fact was simply to determine whether or not Hillman was dead. After half a dozen trials, consuming in all about 20 years' time, both sides gave up in disgust and settled the controversy, but the single question as to whether Hillman was dead or alive was just as doubtful at the end of the litigation as when the trial began, 20 years before.

While my life work has been in the court room and I am naturally prejudiced in favor of the courts and will yield to no man a greater confidence in or respect of the courts, yet I am compelled to admit that they have shown themselves totally inadequate to handle the trust question. We have therefore been compelled to provide some additional remedy. Suits are not generally brought under the Sherman Act except in cases of great magnitude and for clear violations of the law. The present act is designed to begin action as soon as the trust begins to form, and thereby prevent its creation. It will also give a better chance to the poor man before the law. It will be a great benefit to him to have the Government prosecute these suits at public expense and to have the advantage of the judgment rendered in case he desires to proceed against the same trust. I favor vesting power and authority over these combinations in a Federal trade commission, such as we recently created, with only restricted and limited review by the courts. The courts, in reviewing the commission's orders, will have the benefit of the findings of the commission after thorough investigation such as no court has the facilities to make. We have reached the point in our industrial history when we are compelled to decide between a commission created for the special purpose of handling this particular subject and the courts, which are already overladen with other great duties and are wholly unable to give the time and attention that such questions require. So after some reluctance I have been convinced that the best way to handle the subject for the present at least is by a Federal commission created for this special purpose and charged with the particular duty of destroying unlawful combinations already created and preventing the creation of new organizations. I am in favor of giving that commission sufficient power to proceed with the greatest expedition and certainty to accomplish the proposed object which that law already passed (H. R. 15613), this bill (H. R. 15657), and the securities bill (H. R. 16586), soon to be placed before the Senate, will enable us to accomplish. That there is great need for this legislation is emphasized by the fact that it was made the subject of a special message by the President. Among other things, the President said:

> What we are purposing to do, therefore, is, happily, not to hamper or interfere with business as enlightened business men prefer to do it, or in any sense to put it under the ban. The antagonism between business and Government is over. We are now about to give expression to the best business judgment of America, to what we know to be the business conscience and honor of the land. The Government and business men are ready to meet each other half way in a common effort to square business methods with both public opinion and the law. The best informed men of the business world condemn the methods and processes and consequences of monopoly as we condemn them; and the instinctive judgment of the vast majority of business men everywhere goes with them We shall now be their spokesmen. That is the strength of our position and the sure prophecy of what will ensue when our reasonable work is done.
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> * * * * * * *
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> We are all agreed that "private monopoly is indefensible and intolerable," and our program is founded upon that conviction. It will be a comprehensive but not a radical or unacceptable program, and these are its items, the changes which opinion deliberately sanctions and for which business waits.
>
> It waits with acquiescence, in the first place, for laws which will effectually prohibit and prevent such interlockings of the personnel of the directorates of great corporations—banks and railroads, industrial, commercial, and public service bodies—as in effect result in making those who borrow and those who lend practically one and the same, those who sell and those who buy, but the same persons trading with one another under different names and in different combinations, and those who effect to compete in fact partners and masters of some whole field of business. Sufficient time should be allowed, of course, in which to effect these changes of organization without inconvenience or confusion.
>
> Such a prohibition will work much more than a mere negative good by correcting the serious evils which have arisen, because, for example, the men who have been the directing spirits of the great investment banks have usurped the place which belongs to independent industrial management working in its own behoof. It will bring new men, new energies, a new spirit of initiative, new blood, into the management of our great business enterprises. It will open the field of industrial development and origination to scores of men who have been obliged to serve when their abilities entitled them to direct. It will immensely hearten the young men coming on and will greatly enrich the business activities of the whole country.

As has already been shown, the growth of these concerns has been swift and most alarming and has been destructive of individual effort in almost every business enterprise that men have attempted to engage in. Neither at birth, in life, nor at death are we free from trusts. We are welcomed into the world by the Milk Trust and rocked in a cradle built by the Furniture Trust. As we proceed through life we find practically everything we eat and everything we wear furnished by a trust and nearly every business in which we may wish to engage completely monopolized; and at last, as we approach death, we are brought face to face with the Coffin Trust, by which we are finally conveyed to our last resting place.

All of the political parties have repeatedly declared themselves favorable to immediate legislation on this subject; but the Republican Party, which has been in power, has done nothing in the way of legislation since 1890 to attempt to arrest the progress of monopoly. This is the first time the Democrats have been in power since the great combinations have taken hold of the country, and we are now at our first opportunity making the first determined effort which has been made to remedy the existing deplorable business conditions.

Mr. Roosevelt made great pretensions of being a "great trust buster," but judging from the wonderful activity in trust formation during his administration and the special encouragement the trusts received from him, and particularly the United States Steel Corporation, the most gigantic and monopolistic of them all, he would be more appropriately named "the great trust breeder." There were more trusts formed under the Roosevelt administration than under any other administration in the history of the country. His policy seemed more to encourage than to arrest their creation. It will be observed from an examination of the foregoing list of trusts that 299 out of the 628 were formed under the Roosevelt administration—practically one-half of all the trusts created from the beginning to the present time. It is also interesting to note that fewer trusts have organized in the year and a half of the Wilson administration than in the same length of time during the entire period of trust formation. I have been able to find only 12 great combinations created since March, 1913, and some of these are reorganizations of old companies, and some, while organized in this country, are engaged in business only in a foreign land. Only one trust has thus far been formed in 1914. I present the list and ask that it be made a part of my remarks.

Trusts organized in the United States since Mar. 4, 1913.

Name of trust.	Date incorporated.	Number of plants acquired or controlled.	Total capital (outstanding stocks and bonds).
American Trona Corporation (manufacturer of chemicals, etc., controls California Trona Co.)	June, 1913	1	$12,500,000
Carpenter-O'Brien Co. (timber and sawmills in Florida—controls Burton-Swartz Cypress Co.)	May, 1913	1	6,129,000
Central Petroleum Co. (operations controlled by the Texas Co.)	Aug., 1913	23	6,900,000
Chile Copper Co. (owns entire outstanding stock of Chile Exploration Co., New Jersey; mines, etc., in Chile)	Apr., 1913	1	95,000,000
Consolidated Copper Mines Co.	May, 1913	2	4,114,380
Consolidated Nevada-Utah Co. (reorganization of bankrupt Nevada-Utah Mines & Smelters Corporation)	——, 1913	5	4,696,000
Electric Properties Corporation (owns entire capital stock of Westinghouse, Church, Kerr & Co.)	Aug., 1913	1	7,920,000
Elkhorn Mining Corporation (coal lands in West Virginia)	July, 1913	2	5,625,000
Freeport & Tampico Fuel Oil Corporation	——, 1914	2	5,000,000
Giant Portland Cement Co.	Mar., 1913	7	2,000,000
London-Arizona Consolidated Copper Co.	Sept., 1913	4	4,600,000
Sullivan Machinery Co. (manufacturers of drills, coal cutters, etc.; works in Chicago and Claremont, N. H.)	Dec., 1913	.....	4,000,000
Total			158,484,380

So you can count on your fingers all of the trusts which have been created and doing business in this country since the Wilson administration began, and absolutely none of these industries affect in any way the necessaries of life. The truth is that those engaged in this kind of enterprise fully realize and understand that President Wilson means business, and that this administration purposes at least to do something toward destroying and arresting the terrible progress of monopoly, which gained such headway under Republican administrations and brought so much calamity to the business world.

One of the greatest evils of the trust, aside from the destruction of competition, lies in overcapitalization by the trust promoters and the necessity then imposed upon the managers of the combination to put extortionate prices upon their products in order to pay dividends on the watered stock. The chief purpose of antitrust legislation is for the protection of the public, to protect it from extortion practiced by the trust, but at the same time not to take away from it any advantages of cheapness or better service which honest, intelligent cooperation may bring. Our idea is to remove certain restrictions which give an undue advantage to big business. No one will dispute the fact that big business has for years used its power to secure undue advantages for itself which produced monopoly and destroyed competition. Small business has had to fight for a living, while big business has had its own way. This condition of affairs, which has existed for the last 16 years, has had its day. It is high time now for a complete change. Big business realizes it as much as those who oppose it. Everybody will finally come to the conclusion that only honest and fair business methods shall be tolerated in this country and that "private monopoly is indefensible and intolerable." The trusts are already asking this administration, "What can we do to be saved?" By voluntarily dissolving they are accepting our policy. "The public be pleased," instead of following their former policy of "The public be damned." Heretofore the trusts have evidently asked the Republican administrations, "What can we do to evade the law?" Now they are asking the Democratic administration, "What must we do to obey the law?" The trinity trust laws passed by this Congress will answer the question. In the language of the President:

> We are now about to write the additional articles of our Constitution of peace, the peace that is honor and freedom and prosperity.

The PRESIDING OFFICER (Mr. WALSH in the chair). The question is on the motion of the Senator from North Carolina [Mr. OVERMAN] to reconsider the votes by which section 2 and section 4 were stricken from the bill.

Mr. GALLINGER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Camden	Fletcher	James
Bankhead	Chilton	Gallinger	Johnson
Borah	Clapp	Gore	Jones
Brady	Culberson	Gronna	Kenyon
Bristow	Cummins	Hollis	Kern
Bryan	Fall	Hughes	Lane
Lewis	Owen	Shively	Vardaman
McLean	Perkins	Smith, Ga.	Walsh
Martin, Va.	Ransdell	Smith, Md.	White
Martine, N. J.	Reed	Sterling	Williams
Myers	Shafroth	Thomas	
Nelson	Sheppard	Thompson	
Overman	Shields	Thornton	

Mr. MARTIN of Virginia. My colleague [Mr. SWANSON] has been called from the city by sickness in his family.

The PRESIDING OFFICER. Forty-nine Senators have answered to their names. A quorum is present. The question is on the motion of the Senator from North Carolina.

Mr. OVERMAN. Mr. President, I ask unanimous consent that I may withdraw my motion to reconsider in so far as it pertains to section 2. I insist on it, however, as to section 4.

The PRESIDING OFFICER. The Chair hears no objection, and the motion is withdrawn so far as it pertains to section 2.

Mr. CULBERSON. Mr. President, the committee have no objection to the motion to reconsider the vote whereby section 4 was stricken from the bill and that the motion may be adopted. The committee are expecting to report an amendment to the bill looking to curing the defect as to patented articles, and will do so probably to-morrow.

The PRESIDING OFFICER. The question is on the motion of the Senator from North Carolina to reconsider the vote by which section 4 was stricken from the bill.

The motion was agreed to.

The PRESIDING OFFICER. The Secretary will state the pending amendment.

The SECRETARY. The pending amendment, proposed by the senior Senator from Texas [Mr. CULBERSON], is, on page 17, line 14, after the word "corporation" and the comma, to insert "arising or accruing from such commerce in whole or in part."

The PRESIDING OFFICER. The question is on agreeing to the amendment to the amendment.

Mr. GALLINGER. I should like to inquire as to the page and line.

The SECRETARY. On page 17, line 14, after the word "corporation" and the comma, it is proposed to insert "arising or accruing from such commerce in whole or in part."

Mr. REED. What line is that?

The PRESIDING OFFICER. Line 14, page 17, after the word "corporation."

Mr. GALLINGER. So that it will read how?

The SECRETARY. So that it will read:

> Every president, director, officer, or manager of any firm, association, or corporation engaged in commerce as a common carrier who embezzles, steals, abstracts, or willfully misapplies any of the moneys, funds, credits, securities, property, or assets of such firm, association, or corporation, arising or accruing from such commerce in whole or in part, or willfully or knowingly converts the same to his own use or to the use of another, shall be deemed guilty of a felony, and upon conviction shall be fined not less than $500 or confined in the penitentiary not less than 1 year nor more than 10 years, or both, in the discretion of the court.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The SECRETARY. The next amendment is, on page 17, after line 21, to insert:

> SEC. 9b. That authority to enforce compliance with the provisions of sections 2, 4, 8, and 9 of this act by the corporations, associations, partnerships, and individuals respectively subject thereto is hereby vested: In the Interstate Commerce Commission where applicable to common carriers and in the Federal trade commission where applicable to all other character of commerce, to be exercised as follows:
>
> Whenever the commission vested with jurisdiction thereof has reason to believe, either upon information furnished by its agents or employees or upon complaint, duly verified by affidavit, of any interested person, that any corporation, association, partnership, or individual is violating any of the provisions of sections 2, 4, 8, and 9 of this act, it shall issue and cause to be served a notice, accompanied with a written statement of the violation charged, upon such corporation, association, partnership, or individual who shall thereupon be called upon, within a reasonable time fixed in such notice, not to exceed 30 days thereafter, to appear and show cause why an order should not issue to restrain and prohibit the violation charged. If upon a hearing held pursuant to such notice it shall appear to the commission that any of the provisions of said sections have been or are being violated, then it shall issue and cause to be served an order commanding such corporation, association, partnership, or individual forthwith to cease and desist from such violation, and to transfer or dispose of the stock or resign from the directorships held contrary to the provisions of section 8 or 9, as the case may be, within the time and in the manner prescribed in said order. Any such order may be modified or set aside at any time by the commission issuing it for good cause shown.
>
> If any corporation, association, partnership, or individual charged with obedience thereto fails and neglects to obey any such order of a commission, the said commission, by its attorneys, if any it has, or by the appropriate district attorney acting under the direction of the Attorney General of the United States, may apply for an enforcement of such order to the district court of the United States for the district wherein such corporation, association, partnership, or individual is an inhabitant or may be found or transacts any business, and therewith transmit to the said court the original record in the proceeding, including all the testimony taken therein and the report and order of the

commission. Upon the filing of the record, the court shall have jurisdiction of the proceeding and of the questions determined therein and shall have power to make and to enter upon the pleadings, testimony, and proceedings such orders and decrees as may be just and equitable.

On motion of the commission, and on such notice as the court shall deem reasonable, the court shall set down the cause for summary final hearing. Upon such final hearing the finding of the commission shall be prima facie evidence of the facts therein stated, but if either party shall apply to the court for leave to adduce additional evidence and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for the failure to adduce such evidence in the proceeding before the commission, the court may allow such additional evidence to be taken before the commission or before a master appointed by the court and to be adduced upon the hearing in such manner and upon such terms and conditions as to the court may seem just.

Disobedience to any order or decree which may be made in any such proceeding or any injunction or other process issued therein shall be punished by a fine not exceeding $100 a day during the continuance of such disobedience or by imprisonment not exceeding one year, or by both such fine and imprisonment.

Any party to any proceeding brought under the provisions of this section before either the Interstate Commerce Commission or the Federal Trade Commission, including the person upon whose complaint such proceeding shall have been begun, as well as the United States by and through the Attorney General thereof, may appeal from any final order made by either of such commissions to any court having jurisdiction to enforce any order which might have been made upon application of such commission as hereinbefore provided, at any time within 90 days from the date of the entry of the order appealed from, by serving notice upon the adverse party and filing the same with the said commission; and thereupon the same proceedings shall be had as prescribed herein in the case of an application by the same commission for the enforcement of its order as hereinbefore provided.

Any final order or decree made by any district court in any proceeding brought under this section may be reviewed by the Supreme Court upon appeal, as in cases in equity, taken within 90 days from the entry of such order or decree.

Mr. CULBERSON. Mr. President, in view of the adoption of section 5 of the trade-commission bill, the committee desire to offer an amendment to this amendment. It will be presented by the Senator from Montana [Mr. WALSH].

Mr. WALSH. Mr. President, on behalf of the committee I offer the amendment which I send to the desk.

The PRESIDING OFFICER (Mr. PITTMAN in the chair). The amendment will be stated.

The SECRETARY. Beginning on page 18, line 16, after the word "charged," it is proposed to strike out all the rest of section 9b and to insert in lieu thereof the following:

And thereupon such proceedings shall be had as are provided for in section 5 of the act entitled "An act to create a Federal trade commission, to define its powers and duties, and for other purposes" on the institution of proceedings against any person, partnership, or corporation charged with unfair competition; and all the provisions of the said act relating to the hearing before the commission therein referred to, and to the order thereof, and to the proceedings for the enforcement of such order, or to suits to annul, suspend, or set aside the same, are hereby made applicable to proceedings instituted and orders made under this section. If the act complained of as a violation of any provision of sections 8 or 9 of this act has been accomplished, the commission having jurisdiction as herein provided is hereby empowered to make such order as may be appropriate to divest or require the corporation proceeded against to divest itself of any stock it may have acquired contrary to this act, or to rid or require such corporation to rid itself of a director ineligible under this act, or to compel it otherwise to conform to the requirements thereof.

Mr. REED. Mr. President, I wish to inquire when the committee met and agreed to recommend that amendment. I never heard it until this moment, and I never heard of it until this moment. I think I was—in fact, I know I was—at the last meeting of the committee at which this bill was considered.

Mr. CULBERSON. Mr. President, in answer to the Senator from Missouri, I will state that this amendment was proposed by the committee on a poll. The Senator from Montana actually prepared the amendment, and the committee were polled upon it by him. Any further details of the polling can be given by the Senator from Montana.

Mr. WALSH. Mr. President, the Senator has practically given the facts. The Senator from Missouri recognizes the fact that when these matters come before the Senate for consideration we can not run out and have a meeting of the committee on every one of the matters. It is the commonest thing in the world, when it is proposed that an amendment shall be made to a committee amendment, for the chairman or some other member to go around and poll the committee. The chairman of the committee asked me to poll the committee upon this amendment, and I saw everybody who was here and reported it.

Mr. REED. Mr. President, I have been pretty constant in my attendance upon the Senate.

Mr. WALSH. But, Mr. President, so far as I am myself concerned, I should not like to have anybody bound by that at all.

Mr. REED. That is all I desire. I want this to come in as an individual amendment, and not as a committee amendment; and I want it debated upon the basis that it is an individual amendment, and not a committee amendment.

Mr. CULBERSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Texas?

Mr. REED. I do.

Mr. CULBERSON. This is intended as a committee amendment, and it was presented in the same manner that the amendment was presented, striking out sections 2 and 4, by polling the committee. I hope it will be regarded as an amendment of the committee, because it is intended to harmonize this bill with the trade commission bill, and I think it does that.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Idaho?

Mr. REED. I do.

Mr. BORAH. If the Senator from Missouri is going to engage in a discussion of this amendment I do not desire to interrupt, but before we vote upon this amendment I should like to have the Senator from Montana or the chairman of the committee state its effect, in what respect it harmonizes, and so forth. The Senator from Montana brought this amendment to me on the floor, but I have not yet had an opportunity to see the effect of it upon this bill, and in what respect it harmonizes. What I have been afraid of all the time is that out of harmony may come an emasculation of the Sherman antitrust law.

Mr. NELSON. Mr. President, I desire to say that I have not been polled on this amendment and know nothing about it. I have never been asked, as a member of the committee, whether I approved of it or not, and I do not think it is right to call it a committee amendment under those circumstances. It is nothing more than an individual amendment.

Mr. WALSH. Mr. President, I suppose that is a matter of very little consequence if the amendment has some merit in it.

Mr. BORAH. I was not complaining of the manner of the presentation. I simply wanted a discussion long enough to understand the precise effect of it.

Mr. WALSH. The amendment was presented by me in the open Senate. I called the attention of the Senate to the matter at the time. I indicated in a brief way what its character was, and I dare say a good many of the Senators present will recall the incident. It was presented on the 20th, five days ago, and was printed, and has been printed since that time; but that is a matter of no consequence, either.

The amendment brings, or attempts to bring, the procedure prescribed by section 9b of this bill into harmony with the procedure prescribed by section 5 of the trade commission bill. It will be recalled that in the discussion of that section it was pointed out that there was an essential difference between the method of procedure prescribed by that bill and that prescribed by the Clayton bill, the trade commission bill providing in substance that the order of the commission should be final except so far as it could be reviewed by proceedings brought to annul or set aside the order or any proceedings which might be brought to enforce the order; that it would have the same force and efficacy as an order made by the Interstate Commerce Commission in an ordinary case coming before that body, while the Clayton bill, as reported, provided for a complete review in the courts of the order which should be made either by the trade commission or by the Interstate Commerce Commission. In other words, to use terser expressions, the trade commission bill provided for the narrow review, the Clayton bill provided for the broad review of the order.

It is well known likewise that I advocated the substitution of the procedure prescribed by this bill for the procedure prescribed by the trade commission bill. I argued as well as I could in favor of the principle embodied in this measure, and asked that it be given recognition in the trade commission bill, but I was defeated in that effort. The Senate expressed its views. The Senate having once decided upon the matter, I do not care to go over the ground again and argue the same matters the second time. Thus I have endeavored to harmonize the provisions, and this provision eliminates the review provisions as provided by it and provides that all of the proceedings under sections 8 and 9 shall be exactly as provided under section 5 of the trade commission bill.

Mr. REED. The only reason I had for making the inquiry with reference to the consideration of this amendment before the committee was this: I find the custom of the Senate in the hot weather we have had is largely to absent itself and to remain away during discussion, and then for the Members to drift in from the cloakroom or from their offices when the vote is being taken, and inquire what the committee has recommended, and follow the lead of the committee. I have more than once witnessed the determination of questions simply by that process.

I agree that this proposition ought to be considered solely upon its merits. Every proposition should be so considered.

But the truth is, in most instances, we do not consider bills upon their merits; we accept the judgment of the committee.

This amendment was never considered by the committee in the sense that it was before the committee for discussion and action. The purpose of a committee is to assemble for common counsel, to discuss questions, and, after consideration, to vote upon them.

Mr. OVERMAN. Mr. President, may I make a suggestion?

Mr. REED. In a moment. I agree now that there may arise during the progress of a bill instances where it is found necessary to make some minor change. In such a contingency the opinion of the committee may be ascertained by a poll. But this amendment is not a trivial matter; it is important. All I am asking is that it shall be considered upon its merits and not as a committee amendment.

I yield to the Senator from North Carolina.

Mr. OVERMAN. The Senator will recollect that we had before us the question of a broad review and a narrow review; that it was considered for a week; and that the Cummins amendment was afterwards adopted. We contended for the broader review. The Cummins amendment having been adopted, there was no use to call the committee together to consider that question.

Mr. REED. The Senator states that the committee thought there was no use in calling the committee.

Mr. OVERMAN. That is, the majority of the committee.

Mr. REED. It is singular that at least three of us did not hear of it. However, I care nothing about that. All I want is to have this proposition considered upon its merits. That is all I ask; and now that the attention of the Senate has been called to the exact facts, I am content.

However, I want to ask the Senate to gravely consider just what we are doing by section 9b of the bill. If after consideration it is the opinion of the Senate that we ought to take the course specified in section 9b, well and good. I shall have at least done my duty. The responsibility will be upon those who adopt the section.

The bill as it came to us from the House of Representatives contained sections 2 and 4 and 8 and 9. Each of those sections declared certain practices therein specified to be illegal. Each of those sections provided a method of enforcement by the courts of the land. Section 4 provided in express terms that anyone guilty of the offense denounced therein should be deemed guilty of a misdemeanor, and upon conviction should be punished by a fine not exceeding $5,000, or by imprisonment not exceeding one year, or by both, in the discretion of the court.

Section 2 as it came to us from the House denounced certain other practices as unlawful, and provided that the violator of that section should be deemed guilty of a misdemeanor and punished by a fine not exceeding $5,000, or by imprisonment not exceeding one year.

Sections 8 and 9 each denounced certain acts as unlawful and provided penalties identical with those specified in sections 2 and 4.

Now, I want if I can to get the attention of Senators for just a minute. These four sections of the bill as it came to us from the House denounced the four particular practices of monopoly which have been declared by the courts to be among the chief means monopoly has used to oppress. These four sections by express language declare the practices referred to to be illegal and affix criminal penalties. All of the sections may be enforced in the criminal courts, and may also be enforced in civil tribunals. These four sections were in accordance with the pledge of the Democratic platform and of the Republican platform, which were to the effect that we proposed to enforce the criminal penalties against those who were guilty of conspiracies in restraint of trade.

These four sections were supplemental to the Sherman Act and were of the exact character described by President Wilson in his message, which the Senator from Tennessee [Mr. SHIELDS] read this afternoon.

Now, we have stricken from every one of the sections, first, every criminal penalty——

Mr. WALSH. Will the Senator pardon me?

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Montana?

Mr. REED. I do.

Mr. WALSH. I understand the Senator is not now addressing himself at all to the amendment, but he wants to eliminate section 9b altogether and restore the penalty provided in sections 2, 4, 8, and 9.

Mr. REED. In a way the Senator has stated my position.

Mr. WALSH. Let me make an inquiry of the Senator, as the other matter is up. The question, I understand, that is before the Senate is whether the method of review prescribed by the Clayton bill shall be pursued or whether the method prescribed by the trade commission bill shall be pursued; that is to say, if the section shall stay in at all. Now, could the Senator express what his preference is as between those two?

Mr. REED. I would prefer to finish my statement of the question. I shall try to make it plain.

Mr. SHAFROTH. Will the Senator explain the four practices referred to?

Mr. REED. If the Senator will bear with me a moment, I desire first to finish the statement I am making. We have now stricken out every criminal penalty. The bill came here from the committee with them out. I protested in the committee against taking them out.

Now, it is proposed that we shall provide a special tribunal for their enforcement. The only method for enforcement is as follows: A party injured may appear before the trade commission, or the trade commission, on its own motion, may begin an inquiry to ascertain whether the practices prohibited by the bill are being followed by an individual or corporation. All the trade commission can do is to issue its order that the practice shall be stopped, and if the offender does not obey the trade-commission order, then the trade commission can bring suit in a Federal court to compel him to obey. If he is beaten there, he can appeal to the United States Court of Appeals. If he is beaten there, he can again appeal, this time to the Supreme Court of the United States. If he is finally beaten, he can pocket all the profits he has made in the intervening years. He does not suffer the loss of one penny, save possibly the court costs. He keeps the profits. He suffers no losses. He does not go to jail. He makes money by the transaction. The longer he can keep the case in court the better off he is. That is the proposition now before the Senate. I want Senators to know what is in the bill as it stands here now.

Mr. CULBERSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Texas?

Mr. REED. I do.

Mr. CULBERSON. I call the attention of the Senator from Missouri to section 12 of the bill. Will the Secretary read it as proposed to be amended? In addition to the enforcement of sections 2, 4, 8, and 9 by the trade commission, the crime for which the corporation is guilty is made the crime of every director, officer, or agent also.

Mr. REED. I shall take pleasure in reading it in full and commenting upon it.

That every director, officer, or agent of a corporation which shall violate any of the penal—

Observe the language, "of the penal"—

provisions of the antitrust laws, who shall have aided, abetted, counseled, commanded, induced, or procured such violation, shall be deemed guilty of a misdemeanor, and upon conviction thereof of any such director, officer, or agent he shall be punished by a fine of not exceeding $5,000 or by imprisonment for not exceeding one years, or by both, in the discretion of the court.

That applies only to the officer of a corporation when the corporation has violated the penal provisions of the antitrust laws, and there is not a penal provision left in this bill. The sole province therefore of section 12 is to make those officers of corporations which have violated the penal provisions of the antitrust act as they now stand, disassociated from this bill liable in case the corporation has committed a penal offense.

Mr. SHIELDS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Tennessee?

Mr. REED. I do.

Mr. SHIELDS. I wish to ask the Senator whether section 12 is anything new. I wish to ask him if it is not covered by sections 1, 2, and 3 of the Sherman antitrust law? I wish to ask him if the section was necessary in order to prosecute the officers and agents of corporations under that law? I wish to ask him if he thinks that any officer or employee of a corporation or other master can escape criminal punishment, criminal responsibility, by saying that he was a mere officer or agent of a corporation? There are no agencies in crime; all are guilty. The original act provides that the word "person" as used in the first three sections shall include both persons and corporations, and prosecutions of the officers and agents of corporations have been going on under the act. This adds nothing to the Sherman law. It is already the law of the land.

Mr. WALSH. I should like to ask the Senator from Tennessee if that would not be the case whether sections 2, 4, 8, and 9 were in or not?

Mr. SHIELDS. No; it would not as to the Sherman law.

Mr. WALSH. Or any other law?

Mr. SHIELDS. But the criminal provisions in sections 2, 4, 8, and 9 relate to violations of those specific causes and of the acts intended to be prohibited and made unlawful, whether they constitute restraint of trade, or whether monopolies or not; and they are only in violation of the Sherman law, and they are only punished under it when they do consummate restraints of trade and monopolies of commerce. It is necessary to have them in connection with these three clauses, two of them now knocked out, with sections 8 and 9 in order to make criminal those particular acts, those particular schemes, those particular devices and badges and first steps of crime.

Mr. REED. Mr. President, answering the Senator's question, there is a possibility, I think, that section 12 may have in a slight degree broadened the law with reference to a prosecution of the officers of a corporation under the Sherman Antitrust Act and the amendments thereto. It may be that by the employment of the language "every director, officer, or agent of a corporation which shall violate any of the penal provisions of the antitrust laws, who shall have aided, abetted, counseled, commanded, induced, or procured such violation" we make it a little broader than the law is now, but I doubt it very much.

But, Mr. President, I do not want to get away from the question I am discussing.

Mr. WALSH. Before the Senator proceeds I should like to help to get the matter clear. The Senator is not now, as I understand him, doing anything more than discussing the matters he discussed here before, namely, that we ought to reinstate sections 2 and 4 with the penal provisions in them. In other words, the discussion of the present plan is a continuation of the discussion that we supposed we had passed upon.

Mr. REED. Mr. President, I have never yet for even one moment of time discussed the question of the restoration of the penal provisions of section 4 in the Senate. I did discuss it in the committee. However, I desire to stick to my theme and to dispose of one thing at a time. The Senator from Colorado [Mr. SHAFROTH] asked the very pertinent question, "What are the practices covered by sections 2, 4, 8, and 9?" Will the Senator not get the bill and follow me?

Section 2 is aimed at a discrimination in the prices between different communities. It seeks to prevent a practice which has been commonly charged against the Standard Oil and other great concerns, namely, of maintaining high prices or satisfactory prices to them in the great body of the country, but in some State or some community, for the purpose of destroying a competitor, of dropping their prices there locally until the competitor is driven out of business, is bankrupted and ruined. Then, having driven competition from the field and established a complete monopoly, they raise the price so as to recoup all losses, and at the same time they have rid themselves of a troublesome competitor.

Now, that is the particular form of practice that has been denounced here on this floor as one class of unfair competition. It is the particular form that has been condemned by the statutes of Kansas and by the statutes of some 10 or 11 other States; I want to see it stopped. If you had 50 trade commissions I want somebody to tell me why Congress should not specify that particular act and denounce it here and now as criminal. To do so will not interfere with the trade commission; it will help the trade commission; it will not destroy its power; it will make the path certain and the remedy complete. All you have done is to provide a penalty of fine and imprisonment which can be enforced without in any way interfering with the trade commission. But when you place these practices exclusively in the control of the trade commission by amending the bill as it has been proposed to be amended, you take away every penalty and every punishment except that a man can be punished for contempt if he does not obey a decree of the court based upon a trade-commission order and obtained after 8 or 9 years of litigation. The trusts want nothing better than to have this thing done. Now, I answer further——

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Idaho?

Mr. REED. Would the Senator be willing to wait until I get through with section 4? Section 4 provided in particular terms, I may say, against "tying contracts," an infamous practice that has grown up since the decision of the cases I referred to the other day, by which a corporation having some patented article attaches to it a little notice to the effect that the man who uses that patented article shall buy certain other goods and certain other supplies exclusively from the man who sold the patented article. Section 4 covered that practice but was somewhat broader. It provided that a man could not make a sale and attach a condition to it compelling the purchaser to buy from him and him alone.

That is a favorite device of the monopolist. In my speech made last week I read you the warning that was given by the Chief Justice of the Supreme Court of the United States. I read you the opinion of the Supreme Court saying that legislation is necessary if the evil is to be arrested. With plain evidence before us that this favorite device of men who do not hesitate to pluck and plunder the public is constantly being employed, with the fact that we Democrats pledged ourselves by criminal provisions of the law to punish those who thus oppress the public also before us, you strike out the criminal provisions of these sections and turn "the malefactors" over to the tender mercies of a trade commission.

The trade commission can send nobody to jail. It can impose no fine. It can not levy a penalty of one single penny. It is powerless and without force until a court, at the end of long litigation, has affirmed its judgment of injunction.

Thus you take from the condemnation of the criminal law these infamous practices I have described. We Democrats at Baltimore said that "a private monopoly is indefensible and intolerable," and we pledged ourselves to strengthen the trust laws. Now you propose to take these practices that we said we would prohibit and put them in a class by themselves where a trade commission, without any power whatever except to issue an injunction that it can not enforce, is alone to protect the people against them.

Mr. WALSH. Mr. President, I do not think the Senator from Missouri really intended to say what he has said. I do not think he intended to say that in the Democratic platform we promised the people to put penal provisions in this particular bill. If the Senator will pardon me, I should like to read what we did say about it.

Mr. REED. I will yield to my friend for almost anything on earth, but just now I should like to get through with these four sections. Then I shall be willing to discuss the Democratic platform.

Section 9 of the bill as it came from the other House contained a provision prohibiting interlocking directorates—a common practice that has led to scandal in this country, that called for long sessions by a committee of the House of Representatives, and brought first to the attention of the public the great reformer, Mr. Untermyer, and threw him and certain other reformers into the spotlight. All will remember how the country was agitated from end to end. The interlocking-directorate problem is dealt with in section 9; we propose to stop it; but we approach the question very tenderly and very gingerly. We are afraid to affix a penalty; we are almost afraid to even prohibit the practice at all. And then we turn the enforcement over to a commission authorized to consider the question. If it does not think the practice is right, it may issue an injunction. We then provide carefully that there can be appeals to the courts. Through the long line of litigation the concern continues its practices; monopoly flourishes in the land like a green bay tree; and at the end of the litigation, mind you, there is not a penny of penalty exacted, not the forfeiture of a cent, not a day in jail. The offenders keep the profits they have made.

Section 8 provides that corporations can not acquire or hold any part of the capital stock of other corporations where the effect is to substantially lessen competition. What was that meant to strike? It was meant to strike the favorite device of the monopolist. At common law it was illegal for one corporation to hold the stock of another corporation. And why? Because it was contrary to public policy, because it was contrary to good morals, because it was contrary to good government for a corporation that was organized under the law, and given specific powers and required to have certain officers to manage its affairs, the stockholders of which were also given certain privileges and responsibilities, to have its affairs governed not by individuals, but by some other corporation. Hence it was regarded as bad policy to permit one corporation to acquire the control of another.

But what happened? That rule was relaxed; and so we find in this country a corporation organizing a brood of corporations, every day whelping a new litter, and operating them secretly and using them to deceive the public. I illustrated the evil the other day when I showed that the Harvester Trust bought out competitors and acquired stock control of competitors, and pretended that they were independent institutions, and advertised them to the world as competitors of the trust that all the time owned them. The Harvester Trust is not the only offender; the device has been commonly employed by the monopolies of the country. You, my brethren, have denounced these monopolistic devices upon the stump until you were hoarse and until your audience rose and applauded you to the echo. We pledged ourselves to enforce the criminal statutes against these

institutions; we pledged ourselves not only in our platforms but upon the stump and through all our literature that we would bring these concerns to the bar as common criminals, and to-day we are back tracking. To-day we propose to strengthen the trust laws by providing a remedy which does not have a single tooth in all its soft and flabby gums; that will not even frighten a trust magnate; that will not make him pause, unless it be to express his feelings in derisive laughter.

I do not now complain of your trade commission bill; it may do some good; it may ascertain some facts. What I am protesting against is that you take the sword from the hand of justice simply because you are creating a trade commission. What I complain about is that you propose here and now to disarm the law of its weapons. Instead of giving to it the sword that is keen and two-edged and that pierces even to the dividing asunder of the soul and body and the joints and the marrow, you break that sword and supinely turn the monopolists over to a commission that can not even issue a civil decree that it can itself enforce.

Why not let the commission exist and also let the penalties of the law exist? Why not let the commission exist and do whatever good it can? But when we deal with these great evils that we all know are evils, that we have denounced on the stump, and that you have inveighed against night and morning and morning and night for lo these years, why not denounce them now by law, and why not add a penalty that will make that law a terror to evildoers?

What man organizing a trust and desiring to engage in one of the four practices named in these four sections upon which I have commented will pause in his course if you do not add a penalty? If you were organizing a combination and working through these means, would you hesitate because you might some day be called before a trade commission, and if, after hearing and after all the delays you could get, you might have an order issued by that commission that you should stop? What burglar would stop robbing a house if, after he had been captured, the severest penalty the court could impose would be to issue an injunction providing "You shall stop where you are. What swag you have already in your pocket you may carry away, but what you have not yet stolen you shall leave"?

What man will stop practicing monopolistic methods if he knows that at the end of the litigation the worst that can happen to him is the cost of the case on appeal and that all the profits he made shall be his to keep and enjoy?

I am astounded to find Democrats sitting here and Republicans sitting yonder indulging compassion and tenderness for the conspirators who follow these methods of monopoly. I can have some sympathy, sir, with those who say that there is a shadow ground and that in that shadow ground men may wander and their feet stumble; but I am not now speaking of shadow cases; I am speaking of the gentleman who deliberately, with his eyes open, starts in to gain control of other corporations by getting hold of their stock in order to remove them from the field of competition, who does it with that purpose in his mind; I am talking of the case, now, of a man who goes out into a community for the purpose of wrecking his competitor and establishing his monopoly and cuts prices locally so that he can destroy the man who ventures against him; I am talking now about the system devised in the brain of monopolists to create a monopoly in the shape of a dozen or a hundred independent corporations, all held together by the links of interlocking directorates. I am talking about these plain matters that are against the policy of the law and that ought to be expressly condemned, and I am demanding, so far as I can demand, that these practices shall bring with them a penalty that will warn the evildoers. I am speaking to the Senate with all the earnestness and solemnity that I can give to an utterance. If we adjourn this Congress having done nothing but create this milk-and-water pabulum, we may be sure the trusts will take it without a grimace, because they will know that the people of the United States must for many years to come take the medicine they mix.

Mr. President, I have briefly stated these propositions. I am opposed to this amendment. I am opposed to the committee's amendment. I insist that there shall go back into this bill all of the criminal provisions contained in the bill as it came to us from the House of Representatives. If it is in order, I desire to move as a substitute for the amendment the language of section 4 of the House bill, which was stricken out by the committee and which reads:

> Shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine not exceeding $5,000, or by imprisonment not exceeding one year, or by both, in the discretion of the court.

And upon that at the proper time I shall ask for a roll call.

Mr. CUMMINS. Mr. President, the Senator from Missouri [Mr. REED] has not debated the question before the Senate. He has, however, argued a very interesting question, and I desire to follow him for a moment in the consideration of the matters which he has presented.

The question before the Senate is not whether the law shall be enforced through a commission or through the criminal courts; the question is whether, if the law in these respects is to be enforced through a commission, it shall be enforced in the way reported by the Senate committee, or whether it shall be enforced in the way adopted in the trade commission bill. I will come to that presently. I wish now to consider the four sections reviewed by the Senator from Missouri [Mr. REED] and ascertain if I can whether the House has presented to us so drastic and so efficient a remedy for the evils which we all know exist.

Mr. REED. Mr. President, the Senator says that the question before the Senate I did not discuss. I made a motion to reinstate the language of the House bill, and that is the question now before the Senate.

Mr. CUMMINS. The Senator from Montana [Mr. WALSH] offered an amendment to the committee amendment, the former having the approval, as I understand, of a majority of the members of the Judiciary Committee. That amendment proceeds upon the hypothesis that these sections are to be enforced through the commission; and the question that we would be called upon to decide in voting upon that amendment is whether we prefer the procedure reported by the Judiciary Committee or the procedure affirmed by the Senate by vote in the consideration of the trade commission bill. However, I do not intend to allow this occasion to pass without a little consideration of the matters suggested by the Senator from Missouri.

Mr. BORAH. Mr. President——

Mr. CUMMINS. I yield to the Senator from Idaho.

Mr. BORAH. I desire to ask the Senator from Iowa the question I was going to ask the Senator from Missouri a few moments ago. If we adopt the amendment offered by the Senator from Montana [Mr. WALSH] and turn the enforcement of these provisions over to the trade commission entirely, then what is the necessity of having sections 2, 4, and 8 in this bill at all, or what is the necessity of proceeding as we are proceeding to deal with the subject in this bill? Sections 2, 4, and 8 simply define forms of unfair competition. The trade commission could take charge of those practices and find them to be unfair competition, and there would be no necessity for our defining them, unless we are going to enter upon the field of defining all forms of unfair competition. We have simply selected out three or four forms; but the trade commission would have jurisdiction to deal with the subject anyway; and I see no reason for such provisions being in this bill if the matter is going to be finally turned over to the trade commission.

Mr. CUMMINS. But, Mr. President, the Senator from Idaho assumes a proposition which I do not at all admit. I do not admit that sections 8 and 9 cover a form or a method of unfair competition. I think they are entirely removed from that field.

Mr. BORAH. Very well; we will not debate that; but the Senator would not contend that sections 2 and 4 do not cover forms of unfair competition?

Mr. CUMMINS. I readily admit that section 2 covers a well-known form of unfair competition; I am not at all sure that section 4 does. My best judgment is that section 4 does not cover a form of unfair competition; but undoubtedly section 2 does; and the question presented by the amendment of the Senator from Montana, adopted by the committee, does not relate to any of these things; it relates simply to the procedure.

Assuming that the commission shall be given the power to enforce these sections, then it raises the exact issue that was presented to the Senate as between the amendment proposed by the Senator from Ohio [Mr. POMERENE] and the amendment which I proposed, as to the merits of a broad and a narrow review, as to the effect which should be given to an order of the commission. That is the question presented by the amendment of the Senator from Montana, and it is, of course, supported by the additional consideration that it would be absurd for us to give the orders of the trade commission one effect in passing upon sections 2, 4, 8, and 9, and another in passing upon section 5 of the commission bill; and especially would it be unthinkable that we should take away from the orders of the Interstate Commerce Commission an effect which they now have, an effect which has been declared over and over again by the Supreme Court of the United States, an effect which has been sustained after the most careful inquiry extend-

ing over a period of years, and practically destroy the usefulness of the Interstate Commerce Commission.

I do not intend just at this moment to argue that question, however. I am interested in what the Senator from Missouri has said—that we are so tender of lawbreakers and law defiers that we desire to mitigate the punishment which they ought to receive, and allow them to go scot free for their crimes. Now, I fear that the bill as it came from the House, so far as sections 2, 8, and 9 are concerned, is grossly inadequate. I fear that it creates a refuge for lawbreakers and monopolists; and I now proceed to examine with some care these provisions.

I am not one of the men who have been opposed to attaching criminal penalties to offenses against the law. I think there are some regulations of commerce which we ought not to enforce through the criminal courts, but there are other regulations that we ought so to enforce. It all depends upon whether we can denominate the crime so clearly and so specifically that honest men may know what the law is with the certainty that a criminal law should always exhibit.

Let us see about section 2. I would look upon it as a national calamity if section 2 were enacted either in the form in which it came from the House or in the form in which it came from the Judiciary Committee. As the Senator from Missouri has said, it is intended to prevent the well-known practice of local price cutting or discrimination. The principle has been applied to many well-known commodities in the various States of the Union, to oil, to lumber, and in some States to every commodity. But listen:

That it shall be unlawful for any person engaged in commerce, either directly or indirectly, to discriminate in price between different purchasers of commodities—

Now, as the House had it—

in the same or different sections or communities, which commodities are sold for use, consumption, or resale within the United States.

And there I might suggest to my learned friend from Tennessee that this section is open to all the constitutional objections which he presented this afternoon with so much vigor and so much emphasis.

I proceed to read:

Which commodities are sold for use, consumption, or resale within the United States or any Territory thereof or the District of Columbia, * * * with the purpose or intent thereby to destroy or wrongfully injure the business of a competitor of either such purchaser or seller.

That in itself contains a qualification which neutralizes in great measure the effect of the law, because it would be practically impossible for the Government to prove that it was done with the purpose or intent to wrongfully injure the business of a competitor, or to destroy it.

That, however, is a little thing as compared with what follows:

Provided, That nothing herein contained shall prevent discrimination in price between purchasers of commodities on account of differences in the grade, quality, or quantity of the commodities sold—

If, by changing in any degree the quantity of the commodity sold as between purchasers, the seller is permitted to make the discrimination which is recognized to be so great an evil, tell me who would ever fall within the prohibition of the law, or within the penalty which it prescribes. Upon its very face it destroys itself.

Mr. NELSON. Mr. President——

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Minnesota?

Mr. CUMMINS. I do.

Mr. NELSON. Will the Senator tell us how it would come within the scope of section 5 of the trade commission bill?

Mr. CUMMINS. I am not discussing section 5 of the trade commission bill. I will, however, tell the Senator from Minnesota later how it would come within that section.

Mr. NELSON. Will the Senator tell us how this is covered by section 5? If it is not covered by that, what covers it?

Mr. CUMMINS. I am discussing the proposition of the Senator from Missouri [Mr. REED]. I know the Senator from Minnesota is very anxious to sustain the proposition of the Senator from Missouri, and I am attacking it. I say that the bill as it came from the House and as it came from the Judiciary Committee will afford little or no relief whatsoever to the people of this country against the evil which has been so graphically and so justly denounced.

Mr. NELSON. What will section 5 of the trade commission bill cover on that subject?

Mr. CUMMINS. I will answer the question of the Senator from Minnesota when I reach that point in the consideration of the matter; but he must not require me to anticipate my argument just at this moment.

Provided, That nothing herein contained shall prevent discrimination in price between purchasers of commodities on account of differences in the grade, quality, or quantity of the commodity sold, or that makes only due allowance—

Now, mark you—

that makes only due allowance for difference in the cost of selling or transportation—

I pause there a moment—"difference in the cost of selling or transportation." We are here invited into a field so broad that human vision can scarcely see its boundaries. What an inquiry it would ask the Government to make as to the difference between the cost of selling in a particular locality as compared with the cost of selling in another locality! We might as well have no prohibition at all as to include words of that character.

But that is not all—

Or discrimination in price in the same or different communities made in good faith to meet competition and not intended to create monopoly.

If the practice is intended to create monopoly, it is already denounced by the antitrust law, and we need no further protection on account of such methods of business.

Made in good faith to meet competition—

Imagine the Government endeavoring to prove that a particular instance of price-cutting was not made in good faith to meet competition! But that is not all.

Mr. REED. Mr. President, would it interrupt the Senator if I asked him a question?

Mr. CUMMINS. No; I shall be very glad to be interrupted.

Mr. REED. I do not think there is the slightest difficulty about the proposition the Senator is discussing.

Mr. CUMMINS. No; I know the Senator from Missouri does not think so. He has already said so. I do think so, however.

Mr. REED. I think I can give a reason for my position. Manifestly, if two men are in competition at a given place—let us say the Standard Oil Co. and an independent company—and the independent concern should drop the price of gasoline to 11 cents, and the Standard Oil Co. should meet it, that would be an act done in good faith to meet competition. If, however, the Standard Oil Co. were to drop the price of gasoline to 5 cents, a price less than the article could be produced for, and kept it up to 11 or 12 cents somewhere else, and carried it out and kept it up so that it drove the independent concern out of business, there would not be any difficulty at all in a jury finding that they did not do it in good faith. I will undertake, in any reasonably plain case, any outrageous case, to get a verdict every time under that section.

Mr. CUMMINS. I think the Senator probably could get a verdict from a jury in an outrageous case, but we are not making this law to arrest the progress of monopoly in outrageous cases only. We are making it to preserve competition. That is our object. If that is not our object, we have none.

Mr. REED. Mr. President, the difference between the Senator and myself is this: He admits now that this law would stop the outrageous case——

Mr. CUMMINS. I do not admit it.

Mr. REED. But because it would not stop all cases he therefore will have no law at all.

Mr. CUMMINS. The Senator from Missouri is very skillful in the use of words, but he can not induce me to fall into the error which his statement of my position would put me in. I do not say that this would meet every outrageous case. It would not. So far as concerns the test of meeting in good faith competition that existed, it might; but there are so many loopholes in the section that if the transgressor did not escape from one he would be very sure to find ready egress from another.

That is not all the section contains, however.

And provided further, That nothing herein contained shall prevent persons engaged in selling goods, wares, or merchandise in commerce from selecting their own customers in bona fide transactions and not in restraint of trade.

That legalizes a form of piracy which has been well recognized as unfair competition, and would destroy in large measure the efficiency of this section, even if it contained no other exception. I can not be wrong when I assert that if "unfair competition" means what we have been led to believe it means—and now I am answering the Senator from Minnesota—if "unfair competition" means what the Supreme Court has said it means, what every writer upon the subject has said it means, what the statutes of other countries have declared it means, then every instance of local price-cutting that injures the public by tending to destroy competition through these means would be

prohibited, and the offender would not be able to escape by appealing to the rigid language of a criminal law.

Mr. NELSON. Mr. President——

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Minnesota?

Mr. CUMMINS. I yield.

Mr. NELSON. I do not want to interrupt the Senator.

Mr. CUMMINS. Oh, I am quite willing to be interrupted. I am on that subject now.

Mr. NELSON. There are one or two questions I should like to suggest to the Senator from Iowa.

Is not the central idea of the antitrust law to keep open the avenues of competition? And if that is true, then is not this proposition, as involved in section 5 of the trade commission bill, the opposite? Is not that to give the opportunity to these trusts to come in and get somebody to complain and say, "I am not guilty of unfair competition," and get a decree of a court or of the commission, and in that way absolve themselves from prosecution under the antitrust law? Is not that the central idea? Is not that what they are aiming for?

Mr. CUMMINS. Is the Senator asking whether that is my idea?

Mr. NELSON. I am asking if that is not the effect of it.

Mr. CUMMINS. The Senator did not ask about the effect of it. He asked whether it was not the idea of those who had proposed and who were endeavoring to maintain it. The first question could be asked only upon the assumption that the Senator from Minnesota believes that those who favor section 5 are the friends of monopoly and are endeavoring to fasten its hold upon the business of the United States. Knowing him as I do, I assume that he did not intend any offense of that kind. If he did, I might well decline to answer his question. If he intended to ask, however, as he put it afterwards, whether the effect of the enforcement of section 5 of the trade commission bill would be to legalize monopoly and to strengthen its power, I say, emphatically, "No." I believe, and I believe sincerely, that the proper enforcement of section 5 of the trade commission bill will do more to keep the channels of trade free and open, will do more to preserve permanent and enduring competition in the business and commerce of the United States, than the Sherman antitrust law has ever done, or than any provision in the so-called Clayton bill can do. That is my honest opinion.

Mr. BORAH. Mr. President——

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Idaho?

Mr. CUMMINS. I yield.

Mr. BORAH. I think the Senator would agree, however, that it would depend entirely upon the attitude of mind of the particular trade commission who are passing upon the question of unfair competition. Suppose a trade commission should be composed of men who had the view that Judge Sanborn had the other day in regard to the Harvester Trust?

Mr. CUMMINS. Oh, Mr. President, I agree to that. I agree that we may be injured by an erroneous interpretation of the law, whether the men compose courts or commissions. I agree that if the Supreme Court of the United States had adhered to the doctrine which it announced in the case of Knight against Leonard the antitrust law would long ago have ceased to be of any value whatever. But the people of this country——

Mr. BORAH. Mr. President, I do not think it is necessary that the purpose may be dishonest or disloyal. It may be based upon an honest difference of opinion as to what constitutes competition or unfair competition.

Mr. CUMMINS. I agree to that.

Mr. BORAH. I think Judge Sanborn, as a lawyer and as a judge, honestly arrived at the conclusion which he reached.

Mr. CUMMINS. I have no doubt of it. The courts have it in their power to wreck our institutions. Their construction or interpretation of the Constitution can destroy all advance or progress. The political parties that are elected from time to time can retard the forward movement of humanity.

I assume in all that I do or say that the men who are intrusted with power in this country will in the end be in sympathy with the best thought of the country, and that they will interpret and administer our laws in harmony with that thought and for the welfare of all the people.

Mr. KERN. Will the Senator from Iowa yield to me to make a motion for a recess?

Mr. CUMMINS. Certainly.

RECESS.

Mr. KERN. I move that the Senate take a recess until 11 o'clock to-morrow morning.

The motion was agreed to; and (at 6 o'clock and 2 minutes p. m.) the Senate took a recess until to-morrow, Wednesday, August 26, 1914, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES.

TUESDAY, *August 25, 1914.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Our Father in heaven, whose glory shines round about us with increasing brightness day by day and whose love touches with insistence every heart hour by hour, open Thou our eyes to that glory and our hearts to that love, that we may know Thee better and serve Thee by serving our fellow men with increased devotion and so fulfill the law and the prophets in the spirit of the Lord Jesus Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted to Mr. BELL of Georgia, for one week on account of illness.

REVOKING LEAVES OF ABSENCE.

Mr. UNDERWOOD. Mr. Speaker, I move the adoption of the privileged resolution which I send to the Clerk's desk.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

House resolution 601.

Resolved, That all leaves of absence heretofore granted to Members are hereby revoked.

Resolved further, That the Sergeant at Arms is hereby directed to notify all absent Members of the House by wire that their presence in the House of Representatives is required, and that they must return without delay to Washington.

Resolved further, That the Sergeant at Arms is directed to enforce the law requiring him to deduct from the salary of the Members their daily compensation when they are absent for other cause than sickness of themselves and their families.

[Applause.]

Mr. MANN. Mr. Speaker——

Mr. UNDERWOOD. Does the gentleman want time? If so, I will yield to him.

Mr. MANN. Well, I do not think the resolution is privileged at this stage of the proceedings, but it could easily be made privileged, and I shall not make the point of order against it.

Mr. UNDERWOOD. I think that the resolution concerns the most important question that the House is involved in, and that is the question of getting a quorum, and must be for that reason of the highest privilege. If the gentleman desires time, I will yield.

Mr. MANN. I do not care to discuss the resolution. I simply wish to have the RECORD show that it is not by unanimous consent conceded that the resolution is privileged at this time. The presumption is when the House meets that all Members have complied with the rule which requires them to be present in the House. Of course, if a roll call were had, and that could easily be had, and it showed Members were absent, the resolution might then be privileged, but I have no desire to compel the gentleman to go through——

Mr. MADDEN. Mr. Speaker, in order that we may have a record, I make the point of order that there is no quorum present.

Mr. UNDERWOOD. Mr. Speaker, I will ask the gentleman, if he desires merely a vote of a quorum to pass the resolution, that he will withhold that. That question can be determined upon a vote on the resolution.

Mr. MADDEN. I would as soon have it that way as the other.

Mr. UNDERWOOD. Will the gentleman withhold it?

Mr. MADDEN. Yes.

Mr. UNDERWOOD. Mr. Speaker, I do not desire to detain the House in a discussion of this question. The resolution shows on its face what it is. Now, I do not offer this resolution as a matter of criticism of my brother Members. I offer it as a governmental necessity. I appreciate and realize the difficulty of every Member of this House, that has been confronting him for the last six months and will confront him in the two months yet to come, that this is a political year, and that he naturally wants to be home part of his time; but the question that confronts us is, Are we going to stay here and attend to the Government's business or are we going to go home and attend to our political business? Now, I think, Mr. Speaker, it is far better for this House and the country that we stay here, attend to business, and keep a quorum on the floor of this House, so that business may be attended to by a majority of the House. [Applause on the Democratic side.] Then if the exigency of the public business carries us close to the day of election, it would be far better for this House, with the consent of the Senate, or for the two Houses, to take a recess and let everybody go home. It is not fair to the membership of this House who have stayed

here through this long summer and attempted to do business to be kept here when we can not do business, while Members who neglect their duties get the advantage of being home. [Applause on the Democratic side.] So, as there is no other way of enforcing a quorum in Washington, I think the law of the land should be enforced. [Applause.] If a Member finds it is more important for him to stay in his district and work for himself than to stay in Washington and work for his Government, he ought not to ask the Government of the United States to pay him his salary while he is absent from this Hall. [Applause.] Therefore, unless some gentleman——

Mr. MANN. I would like some little time.

Mr. UNDERWOOD. How much time does the gentleman desire?

Mr. MANN. Five or ten minutes.

Mr. UNDERWOOD. I will yield the gentleman 10 minutes.

Mr. MANN. Mr. Speaker, there are only a few of the Members of the House who have remained in continuous session during more than a year past. In the recent months a majority of the Democratic Members from the Southern States, whose nominations are equivalent to an election, have been absent from the House attending to their primary campaigns; and, now that all primary nominations have been made in these usually Democratic States, our southern friends virtuously propose that they will stay in Washington, having no campaign on their hands, and keep the northern Members, where there is a fight in their district, in Washington away from their districts. [Applause on the Republican side.] That is a virtue which is assumed, and which is stronger in its assumption and presumption than in any other way. It is true that Congress has been in continuous session for more than a year. It is also true that under a proper management by the majority side of the House Congress could have enacted all the legislation that was necessary in six months of that time. [Applause on the Republican side.] We have dawdled along in recent months, hard to get a quorum because of the absence of our southern friends attending properly to their primary campaigns and their nominating conventions. To-day, if we would adjourn Congress and go home and give the people a chance to develop the present possibilities by individual efforts, the country would be far better off than it will be by staying here. [Applause on the Republican side.]

It is not likely that under any circumstances, if Congress remains in session, that I personally would leave its sessions or the city of Washington, but I do not believe that it was contemplated or necessary to deduct the salary of any northern Member of Congress on either side who may be engaged in a campaign in his district, in order to let the people of his district know the issues which are before them. The best thing that could happen to the country is to let some of our friends on both sides go out into the country and campaign before the people and let the people speak with a knowledge of the questions which are pending. Of course, the proposition which is now presented will probably be a greater personal injury to the Members on this side of the House than it will to the Members on that side of the House, but it is an unfair proposition even to the northern Democrats in the House, who probably will not undertake to speak for themselves, but who will feel the outrage that is proposed to be committed against them to keep them here out of their campaign, which is a campaign not for nomination but for election, while our southern friends, having stayed away while they were being nominated, now have no fight over the election. [Applause on the Republican side.]

Mr. UNDERWOOD. The gentleman from Illinois [Mr. MANN] has made a very convincing argument if his statement could be sustained by the facts.

I always regret to see a sectional line drawn in this House, but I want to say to the gentleman from Illinois that if he wants to draw a sectional line in reference to the men who stay on the job in Washington and attend to their business, he will find that the southern Member stays here a very much greater percentage of his time than any other Member of this House.

Now, I want to say to the gentleman from Illinois [Mr. MANN] that what he says about the membership of the House leaving here to go home and attend to their primary elections is not warranted by the facts, only in exceptional cases. I know that when the primary election in Alabama took place, with one exception the Alabama delegation was on the floor of this House attending to its duties. [Applause on the Democratic side.] And I know that is true in most of the other Southern States.

Mr. WILSON of Florida. Mr. Speaker——

Mr. MANN. Will the gentleman yield?

Mr. UNDERWOOD. Yes.

Mr. MANN. Is the gentleman willing to take the record of roll calls on the Alabama delegation during that time?

Mr. UNDERWOOD. Yes; I am.

Mr. DONOVAN. Mr. Speaker, a point of order. I insist that we should proceed in order. Two gentlemen rose at the same time and injected remarks in the talk of the gentleman from Alabama—the gentleman from Florida [Mr. WILSON] and the gentleman from Illinois [Mr. MANN]. It is not fair to the membership of the House.

Mr. MANN. The gentleman's statement that I did not ask permission is false.

Mr. UNDERWOOD. Now, Mr. Speaker, the real question the gentleman from Illinois [Mr. MANN] has not faced. It is not the question as to whether this resolution bears heavily on the membership of this House, for I concede that it does; but it is the question as to whether it ought to bear heavily on absenteeism from this House. The gentleman says that the reason we are here is because we have not transacted business. Why, when we transacted business in this House, the important business, the claim came from that side of the House that we transacted it too rapidly, not too slowly. [Applause on the Democratic side.]

We are detained here this summer, as everybody knows, because of the trust legislation that is in the Senate. We passed that legislation through this House after a little over three weeks of consideration. We could not adjourn in the meantime, and now the Congress is facing the necessity of passing additional revenue legislation, caused by the disruption of our customs revenue by reason of the war in Europe. We will probably lose $100,000 000 of revenue because the customs revenues are cut off from Europe. Before we adjourn it will be necessary to pass a bill to meet that condition. The country is at stake. The business interests of the country are at stake. There is distress all over the land growing out of the disruption of business caused by the European conditions, and for any Member of Congress to say now that he places his individual fortune and the necessity to take care of his individual fortune above his duty to the country, in my judgment proclaims that Member unpatriotic and unworthy of a seat on the floor of this House. [Applause on the Democratic side.]

I yield three minutes to the gentleman from Indiana [Mr. BARNHART].

Mr. MANN. Mr. Speaker, will the gentleman from Alabama yield to me two minutes?

Mr. UNDERWOOD. Yes; I will yield to the gentleman two minutes.

Mr. MANN. I would like to ask some gentleman from South Carolina a question. I have no desire to specify a particular Member. Is there any Member from South Carolina present who would be willing to answer a question?

Mr. POU. There are several from North Carolina who would be willing to answer a question.

Mr. MANN. You have had your primaries.

Mr. POU. Yes; and we stayed here.

Mr. MANN. The gentleman may have stayed here.

Mr. WEBB. I stayed here, I will say to the gentleman.

Mr. MANN. To-day they are having primaries in South Carolina, and no Member from that State is here. That has been the case with most of the Southern States during the holding of the primaries. The gentleman said I was mistaken. Well, I just call attention to the actual case. The gentlemen from South Carolina, just as honest, just as good, and just as patriotic as Members living in any of the other Southern States, are at home to-day looking after their fences. If they were here to-morrow, they would be glad to vote for this resolution to keep the gentlemen from the North, who have fights for election, here. They are through with their own fight.

Mr. UNDERWOOD. Mr. Speaker, I yield three minutes to the gentleman from Indiana [Mr. BARNHART].

The SPEAKER. The gentleman from Indiana [Mr. BARNHART] is recognized for three minutes.

Mr. BARNHART. Mr. Speaker, I am in harmony with the idea that we ought to have a quorum, but I am not going to say anything about that. I want to make a few general remarks for the "good of the order." I do that as a business man and not as a frequent speaker on the floor of the House. If there is anything the matter with Congress and its long sessions, it is due to the fact that a half dozen men on that side of the House and a half dozen men on this side of the House are continually consuming the time of the Congress by speech making which ought to be devoted to real legislation. The same is not only true of this branch of the Congress, but it is true elsewhere in the Nation's councils. [Applause on the Democratic side.] Think of going to church every day of the week the year round and listening to the same preachers five or six hours a day and

you will understand why it is hard to keep a quorum in the House.

When bills come up for serious and businesslike consideration on the floor of the House, day after day we see men, instead of attempting to consider bills as they should, filibustering by long speech making and delaying legislation. It is a fact that the business interests of the country have become impatient and have become woefully tired of the long talk, talk, talk of both Houses of Congress. I believe that the time is here, Mr. Speaker, when the business interests and the general welfare of the country are going to demand that Congress shall do less talking and more business. [Applause.] If we would give more time to the real business of legislation and less to long-winded speech making, more time to public business and less to public ear tickling, we would not be here all the year round with such a tedious program that Members become worn out listening and waiting, and absent themselves occasionally as a matter of health and necessity. [Applause.]

Mr. HUMPHREY of Washington rose.

Mr. UNDERWOOD. Does the gentleman desire some time?

Mr. HUMPHREY of Washington. Yes.

Mr. UNDERWOOD. Mr. Speaker, I yield to the gentleman from Washington two minutes.

The SPEAKER. The gentleman from Washington [Mr. HUMPHREY] is recognized for two minutes.

Mr. HUMPHREY of Washington. Mr. Speaker, I have been a Member of this House now for almost 12 years, and during that entire time I have never gone home to look after my political affairs when Congress was in session. I therefore think that I can make a few statements about this proposed resolution without having any personal interests in mind.

I do believe that the proposed resolution is unfair to the northern membership of this House on both sides of the aisle. There is something more to consider than the personal interests of the particular candidates. It will soon become one of the highest duties of this membership to go out and discuss public questions before their constituents. So far as I recall, every Southern State has now had its primaries except South Carolina, where the primary is held to-day. I call the attention of the distinguished gentleman from Alabama [Mr. UNDERWOOD] to the fact that I stood here upon the floor of this House three or four weeks ago and called the roll of the distinguished gentlemen from the South that were absent. I do not think there is any more emergency now for keeping a quorum here than there was then. We would have been through with the work if they had been kept here, and I think it is unfair to both the northern Democrats and the northern Republicans to pass this resolution.

As to these southern Democrats who are now practically reelected, why can they not stay here now and keep a quorum so that the other Members of this body, if they so desire, may go home to look after their affairs? For one I do not expect to go, but I think that it is asking more than is fair for the gentleman from Alabama, after these southern Members are practically reelected, to insist that the other Members stay here now and keep a quorum or else be penalized for their absence. Why can not these southern gentlemen, who are practically reelected, stay here and keep a quorum so that business can be transacted? [Applause on the Republican side.]

Mr. UNDERWOOD. Mr. Speaker, I yield three minutes to the gentleman from Indiana [Mr. COX].

The SPEAKER. The gentleman from Indiana [Mr. COX] is recognized for three minutes.

Mr. COX. Mr. Speaker, I do not believe that a more important resolution than this has been brought upon the floor of the House in the last 10 years. I am utterly unable to conceive in my mind of any legislation that is more important than this. I am not concerned with the question of the fairness or the unfairness of the resolution. It is absolutely and eternally fair to both the North and the South. [Applause.] I can not conceive of any business that Members have or should have as important as being here. He be strong or weak, he should be here looking after public business. We have been running here short-handed for three months. The highest number we have reached during this period of time on roll calls is about 230, although the total membership of the House is 431. Yesterday we fooled away two hours' time trying to get a quorum on a roll call, and in less than 10 minutes after a quorum was secured a point of order was made that a quorum was not present, and a second roll call developed the fact again that a quorum was not present. Where are these absentees? Where have they been? What have they been doing? Have they been serving their country in their absence from the House, or have they been serving their own private, personal benefit or suiting their own whims and caprices? A large number of them have been back home in their districts trying to renominate themselves. Others have been back home for months trying to secure a nomination for the United States Senate. Others have been back home practicing law, medicine, and following their usual avocations of life, while others have been away from here for weeks and months on the Chautauqua platform trying to tell the dear people of the country of the woeful conditions in which they live, drawing down two hundred per, instead of being here trying and honestly endeavoring to shape and fashion good legislation so as to elevate the people from the woeful conditions in which they say the people find themselves by reason of lack of proper legislation. This absenteeism from the House has come to the point where it has become a national scandal and a public disgrace; and yet during all their absence from the House they have been drawing their $24 per day from the Treasury of the United States, paid to them by the toilers of the Nation. Call the roll and see how many chairmen of important committees have been absent during the last three months. The very fellows who are supposed to be the organization men of the House—where are they, and why have they been absent?

Every Member knows that it is the ambition of everyone when he becomes a Member of this House to become a chairman of some committee, because it gives him a prestige and power that he does not otherwise have, and yet many of these chairman have been gone for weeks and months. No leave of absence has been secured for any of them on the ground of sickness of himself or any member of his family, but they have deliberately pulled up stakes, folded their tents, and "hiked" back either to their districts, the Chautauqua platform, or to the seashore resort, and having a good time at public expense, while the remainder of us, who have not been favored with committee assignments, are supposed to remain here on duty, day in and day out, to keep a quorum so as to enable the House to do business. I can not believe that if the country knew of these conditions that it would stand for it for a moment. It ought not to stand for it.

The absentee Members of the Democratic side pretend to be followers of our splendid President, Woodrow Wilson; and this fall, if they get the opportunity, they will be telling their dear people how hard and valiantly they fought in Congress in order to put through the administration legislative program; what a contrast, Mr. Speaker, between the actions of President Wilson on the one side and absenteeism on the other. Our splendid President took the oath of office on March 4, 1913, and I dare say that during all this period of time he has not been absent from his post of duty to exceed 10 days, every day doing his duty as the Executive of the Nation while those absent Members have been away from here looking after their own individual interests.

During the past three months the average number of Members absent each day was about 205, and during this time these absent Members have drawn from the Public Treasury of the United States not less than $442,800. Have they earned this while away from here back in their districts fighting for a renomination, attending to private and personal affairs, practicing law, or on the Chautauqua platforms, getting from one to two hundred dollars per lecture? Let the CONGRESSIONAL RECORD answer this question. Let the taxpayers answer it when they come to read the hundreds of roll calls that the RECORD will show since the beginning of this Congress. Let them contrast this line of conduct with the conduct of President Wilson and see whether or not they have stood by their post of duty, as they pledged the people they would when the people elected them to Congress. My experience, Mr. Speaker, has been that if a man comes here and does his duty there will be no occasion for him to go back home when he finds himself involved in a fight for renomination. I have had two hard fights for renomination. I left it entirely to the people. I had no trouble in winning, and when the time comes that I have to go home to be renominated I will accept defeat willingly rather than desert what I regard as my duty. For more than 20 years we have had a law that requires the Sergeant at Arms to deduct our pay when absent, except on account of sickness of ourselves or members of our families, and everybody knows that this law has been a dead letter and has never been enforced, and I trust the Speaker will see to it that this law will be religiously enforced and that every Member's salary will be deducted for every day absent, except in cases of sickness.

Congress is a lawmaking body, making laws to govern a hundred million people, and how can we expect the people to respect our laws if we refuse to enforce them ourselves? The way to make the people respect the laws we make is to respect them ourselves, and the way to respect this law is to enforce it rigorously against every Member of the House. In less than

two days after this resolution passes we will have a quorum. Of this there will be no doubt. The Chautauqua platform, the practice of law, and the usual avocation back home will have no inducement whatever for the absentee when he finds himself separated from the pay roll. He will hustle in here in a flying machine, if he can hire one at any price.

A public office is a public trust, and a public trust should never be abused by a public officer; but public trusts have been abused here. Let the CONGRESSIONAL RECORD speak. Observe the hundreds of roll calls and note the 200 or more Members who at each roll call fail to answer to their names.

I believe when the people elect a man to Congress that constitutes a contract between the Member on one side and his constituents on the other, and I do not believe that any Member has a moral, legal, or political right to violate the contract without being held morally and politically responsible before the country. A Member should have no excuse for being absent while Congress is in session except for sickness of himself or some member of his family, in which case not only the House but his constituents would agree to his absence.

This resolution is the best piece of legislation ever introduced in the House. Make the Members stay here, or, if they insist upon loafing at seaside resorts or on the Chautauqua platform, separate them from the pay roll. The people pay them for staying here while Congress is in session. They have no right to violate this agreement, draw their salary, go back home, and desert their post of duty. What would a farmer think who works from 12 to 15 hours a day if one of his hired hands was absent half the time? Would he feel like paying his servant for full time? Or what would the merchant or banker think if his clerk insisted upon being absent half the time if they were called upon to pay full wages? Think of the millions of laboring men in the country earning a dollar and a half per day, working from 10 to 12 hours per day every day in the year—they are required to be in the factory every morning when the whistle blows and remain at work until quitting time in the evening.

With the Mexican War situation on our hands, with all Europe engaged in a holocaust, with our President working day and night to keep us out of war with Mexico and doing his utmost to keep us from becoming embroiled in a foreign war, and needing the assistance of every Member of the House, patriotism to duty requires that we be on guard as the representatives of the people. Let no man fail to do his duty, let no man shirk responsibility, let the Member either stay here or else decently resign, and let another take his place, or else let him willingly separate himself from the pay roll and turn the money back into the Public Treasury which he does not and can not earn while absent from here. [Applause.]

Mr. ALLEN. Mr. Speaker, will the gentleman from Alabama yield to me for an inquiry?

Mr. UNDERWOOD. I will.

Mr. ALLEN. I notice that the resolution provides that absence on account of sickness shall be affected also.

Mr. UNDERWOOD. That is the law.

Mr. ALLEN. That is the law?

Mr. UNDERWOOD. Yes. The law provides that the Sergeant at Arms shall deduct a Member's salary when he is absent unless he is excused on account of sickness for himself and his family, and the resolution complies with the law.

Mr. OGLESBY. Mr. Speaker, will the gentleman yield for a question?

The SPEAKER. Does the gentleman from Alabama yield to the gentleman from New York?

Mr. UNDERWOOD. Yes.

Mr. OGLESBY. I will ask the gentleman if he will amend his resolution so as to make it applicable from the beginning of the session? [Applause on the Republican side.]

Mr. UNDERWOOD. No; we can not do that. [Laughter on the Republican side.] Mr. Speaker, so far as I am concerned, I would do it very cheerfully. It will not affect me in any way. But——

Mr. FALCONER. Mr. Speaker, will the gentleman yield?

Mr. UNDERWOOD. I can not, of course, tell the Sergeant at Arms to call back that which has passed under the hopper.

Mr. FALCONER. Mr. Speaker, will the gentleman yield?

Mr. UNDERWOOD. Yes.

Mr. FALCONER. What is the objection to making this resolution cover all absentees from the beginning of the session, in all fairness to the Members of the House, those who have had primaries and those who have not?

Mr. UNDERWOOD. I have no objection to that in a separate resolution if you want to introduce it. I am not willing to have this resolution amended now because it is offered for a particular purpose, and that is to bring the Members back to Washington.

Mr. MANN. Will the gentleman yield for a question?

Mr. UNDERWOOD. I will yield.

Mr. MANN. Would the gentleman be willing to yield to me for the purpose of offering an amendment, so as to test the sense of the House as to extending the deduction of pay back to the beginning of the session or the beginning of the Congress?

Mr. UNDERWOOD. No; I am not willing to yield at this time for that purpose, because I think the resolution I have offered covers the question.

Mr. MANN. While the resolution is under consideration will the gentleman yield?

Mr. UNDERWOOD. The difference is this——

Mr. MANN. I am asking the gentleman whether he is willing to yield for that purpose?

Mr. UNDERWOOD. So far as the gentleman from Illinois [Mr. MANN] and myself are concerned, we have not been away except on account of sickness when the House was transacting business, but a good many other Members have been away at times when they did not realize that there was any penalty. I am not prepared at this time to penalize those Members without notice. I would not attempt to do so now if the necessities of the occasion did not require it. I stated over three weeks ago that it was necessary for the House to maintain a working quorum here at all times and gave notice that if a working quorum was not maintained I would at least test the sentiment of this House and give it an opportunity to vote on this resolution. In the last few days we have been barely getting a quorum. Most of our time has been spent in efforts to get a quorum, and now, Mr. Speaker, I think the time has come——

Mr. MANN. Will the gentleman yield for a further question?

Mr. UNDERWOOD. I will.

Mr. MANN. I notice that the resolution revokes all leaves of absence, so that hereafter a Member who is absent, no matter what the excuse may be, unless he gets a further leave, will not be able to draw his salary.

Mr. UNDERWOOD. I take it that this resolution can not change the law.

Mr. MANN. No; but the law provides that the deduction shall be made except when the man is excused by reason of illness of himself or family; but that excuse has to be obtained in the House.

Mr. UNDERWOOD. I am not sure about that.

Mr. MANN. I am.

Mr. UNDERWOOD. My recollection is that the law provides that a man shall not draw his salary unless he is absent on account of sickness.

Mr. MANN. Unless he is excused, as I recall it, and the leave has to be given by the House, and the gentleman proposes to revoke leaves of absence which have been granted on account of illness.

Mr. UNDERWOOD. I take it that the House can regrant leaves of absence on account of sickness.

Mr. MANN. It can by unanimous consent, which will probably not be granted.

Mr. J. M. C. SMITH. Will the gentleman yield for a question?

Mr. UNDERWOOD. I will.

Mr. J. M. C. SMITH. I should like to ask the gentleman whether it is contemplated by the resolution that a Member is to be considered in attendance when he is not in his seat during the hours of the session, or whether he complies with the resolution when he is getable when he is needed, and is in the city of Washington.

Mr. UNDERWOOD. As I understand it, the resolution does not fix the status. The law fixes it, and that law has been on the statute book for many years. The law provides that when a man is absent on any ground, except that of sickness of himself or his family, his salary shall be deducted. I did not understand that to mean that a man shall be in the Hall of the House every minute of the day.

Mr. BURKE of South Dakota. Will the gentleman yield for a question?

Mr. UNDERWOOD. I do.

Mr. BURKE of South Dakota. If a Member is absent from the House here for five or six days and there is no roll call in the meantime, how is the Sergeant at Arms to know whether he is absent, or whether he has been present?

Mr. UNDERWOOD. That is a question for the Sergeant at Arms to determine, and it may be possible that some gentlemen may escape the penalty; but I have no doubt the Sergeant

at Arms will attempt to do his duty, just as the Sergeant at Arms did in the Fifty-third Congress. This resolution was passed in the Fifty-third Congress.

Mr. MADDEN. I presume the Sergeant at Arms will be required to keep a time book, and have every Member stop and ring the clock as he passes the door of the Sergeant at Arms. [Laughter.]

Mr. UNDERWOOD. I suppose the Sergeant at Arms can attend to that proposition when he gets to it.

Mr. PAYNE. Will the gentleman allow me?

Mr. MADDEN. I should like a minute or two.

Mr. FALCONER. Will the gentleman yield?

The SPEAKER. To whom does the gentleman from Alabama yield?

Mr. UNDERWOOD. Does the gentleman from Washington [Mr. FALCONER] desire time?

Mr. FALCONER. I want a little time.

Mr. UNDERWOOD. How much time?

Mr. FALCONER. Two or three minutes.

Mr. UNDERWOOD. Does the gentleman from New York [Mr. PAYNE] desire to ask me a question?

Mr. PAYNE. I want a few minutes, to speak about the Fifty-third Congress. I was here——

Mr. GARRETT of Texas. Would the gentleman from Alabama object to having his resolution amended so as to provide that immediately upon the approval of the Journal each morning there shall be a roll call, and the absentees determined from that roll call unless excused during the day?

Mr. UNDERWOOD. I will say to the gentleman from Texas that I have no objection to that if it is necessary, but the Sergeant at Arms can first try the other way, and if he can not work it out in any other way——

Mr. GARRETT of Texas. I suppose Members could get here in time for that roll call.

Mr. ADAMSON. There is no trouble about getting a roll call at any time. We have half a dozen every day.

Mr. HEFLIN. Mr. Speaker, before this debate is concluded I should like about two minutes.

Mr. UNDERWOOD. I will yield to the gentleman, but I will first yield to the gentleman from Washington [Mr. FALCONER].

The SPEAKER. How much time does the gentleman yield?

Mr. UNDERWOOD. Two minutes.

The SPEAKER. The gentleman from Washington is recognized for two minutes.

Mr. FALCONER. Mr. Speaker, this is a perfectly lovely time for the gentleman from Alabama to present a resolution of this character. I doubt very much whether a single Member from the State of Alabama did not find it convenient for some reason or other to spend a certain number of days in his State before the primaries. It may have been on account of "illness" or it may have been for personal political aggrandizement. I want to say, Mr. Speaker, that I and other Members from the State of Washington have been on the floor of this House practically every day during this session of Congress. We have heard complaints here at times about western Members getting too much consideration at the hands of Congress, but there have been times when the western Members largely represented the total number of Members on the floor of the House. The delegation from New York, the delegation from Alabama, the delegation from practically every Southern State and from many of the Northern States have found it convenient to be away from here just before their primaries. To-day South Carolina is holding primaries and not a Member of that delegation is present, and these primaries mark the last of the Southern State contests. Now, Mr. Speaker, in the State of Washington we have as lively a lot of political workers as are to be found in any State in the Union. Just at this time the pressure is great for some of us to go home and make a fight for our respective candidacies. We had hoped that we might have a week's vacation to go home and vote. We had not thought of shirking our duty. We had hoped, however, that the Democratic two-thirds majority would see to it that a sufficient number of Democrats would be present to maintain a working quorum to uphold the hands of the President in these stirring times of war, when problems involving American commerce and shipping are perplexing the minds of men who know the necessity for moving American products.

Why does not the gentleman from Alabama word his resolution to include the absentees of the Alabama delegation who made it convenient to spend their time looking after their own political fortunes during their primary contests rather than giving their mental and physical energy to the work of the House and the welfare of their country?

Mr. UNDERWOOD. I want to say that the gentleman's statement with reference to the Alabama delegation is not true.

Mr. FALCONER. Did not the gentleman from Alabama, in common with his colleagues, find it convenient to go home before the primaries?

Mr. UNDERWOOD. I went back home to vote, and that is all.

Mr. FALCONER. I do not criticize the gentleman for going home to vote. As a matter of courtesy between Members, everyone should be permitted to do that; but, Mr. Speaker, it takes five days to go to the west coast, and I have not been in my State this year. I am a candidate for the United States Senate and have a State-wide contest now on. I have felt that I owed it to myself, my friends, and my constituents to present myself to the voters of my State for a few days preceding the primaries in order that I might personally define my position on national questions, but important legislation has kept me here to this late day.

I am desirous of doing the work I find here in Congress. I appreciate my responsibility as a Member of this body and shall remain to do my duty and discharge my obligation. I vote for the resolution and hope to see many of the long-absent Democratic Members in their seats. My friends who are active in my State know I am here on the job.

Mr. UNDERWOOD. Mr. Speaker, I yield two minutes to the gentleman from Illinois [Mr. MADDEN].

Mr. MADDEN. Mr. Speaker, I take it that in the consideration of a question of this sort the interest of the country should be paramount. Politics should be set aside and patriotism should be the only consideration. Everybody all over the country looks to the Congress to meet whatever situation may arise and to endeavor to settle the troubles pending all over the world. They want the Members of Congress here. Most of the Members of Congress are here the greater part of the time. I have been away sometimes, but never on political business. I believe, however, that whatever is done about deducting the compensation of Members ought to apply to everybody, past, present, and future. I am perfectly willing to have any time that I have been away deducted from my salary, but I want it to apply to every man in the House, not only to-day but to-morrow, yesterday, and the day before. The law provides that it is the duty of the Sergeant at Arms to do so. There is no need for us to tell him how he shall perform his duty. There is no need to say that in the future the Sergeant at Arms must enforce the law. He is under oath to do it. The question is, Who is going to decide whether a man is away on account of sickness in his family or whether he is sick himself; whether he is away because of some important business he has to attend to, or whether he is away because of a political emergency in his district, or whether he is away because he happens to have service on some committee of the House that calls him away? This resolution, so far as it relates to the deduction of the compensation of Members, simply complicates the situation. We agree that the necessity for remaining here comes from the situation throughout the world and the country, but if we are going to deduct a man's pay because of the urgency of the situation, I say that the resolution ought to be so amended as to carry it back the first day of the Congress, making it apply to every man who has been absent from the first to the close.

Mr. UNDERWOOD. Mr. Speaker, I yield three minutes to the gentleman from Alabama [Mr. HEFLIN].

Mr. HEFLIN. Mr. Speaker, it will be observed that the only opposition to this resolution requiring the attendance of Members upon duty in this House comes from the Republican side. It is also apparent, Mr. Speaker, that all during this time there has been a majority of Democrats always in the House. But for that the little remnant of Republicans that you have got could have enacted law. You had to be in the minority. If you had been in the majority, you could have passed your laws.

Some gentlemen over there talk about Democrats being absent. A majority of them are always here. Of course you can come into the House sometimes when debate is long on some question and find the attendance small, but the other Members are close around—in committee, maybe. The Alabama delegation, the most of it, has remained here. I had no opposition.

The gentleman from the Montgomery district did not go home, and he had opposition. The Mississippi delegation did not go home. Others who had opposition did not go home except for a day or two before the primary in order to vote. The gentleman from Illinois speaks about southern Members being absent. The gentleman from Illinois never loses an opportunity to speak about sectional matters, and he tries to stir up sectional feeling and prejudice. Democrats, regardless of the North, East, West, and South, are demanding that the Republicans stay here and perform their duty.

We propose to keep you here now to transact the public business and put through measures that are important to the people

of this country. Emergency conditions have been created, and it is very important to have a resolution like this, and I am glad that there is not a voice on this side of the House raised against it. We propose to keep you here and make you attend to your duty. [Applause on the Democratic side.]

Mr. UNDERWOOD. Mr. Speaker, I yield three minutes to the gentleman from New York [Mr. PAYNE].

Mr. PAYNE. Mr. Speaker, I was here when the resolution was passed in the Democratic Fifty-third Congress. I was the victim of the resolution to the extent of two or three days' salary. If this resolution passes now and this House does not have the good sense to adjourn by the 28th of September, when we have our primaries, I shall be a victim then; and if it still lingers in a senseless way, to see if something will not turn up, until we have our registration, a few weeks before election, I shall go home, because I am obliged to be there personally to register, and I will pay my penalty for that privilege.

And if you should not know enough to go home to vote on election day, I shall go, resolution or no resolution. But it will not last that long. It did not in the Fifty-third Congress. It did not last beyond the first month, and then the Sergeant at Arms no longer tried to keep the difference in pay back from any absent Member, although there were absentees then as now. My sympathy goes out to the gentleman from Missouri [Mr. RUSSELL] who the other day obtained leave of absence to go home to attend a convention of the Democratic Party during this week. Leave of absence was granted to him by unanimous consent by this House—Democrats, Republicans, and all. He has now gone home, and it is now the duty of the Sergeant at Arms, or will be—and I warn him of his duty under this resolution, which of course will pass—to deduct that man's pay for the time that he is there in Missouri, although he is there by the consent of the House.

There are other men absent, some of them without leave of absence and some with—not for sickness, but for other reasons. They have gone home, some of them, because of the general rule of the House that when a man wants to go he goes, whether it is to an Alabama primary or at any other time. He goes home. They are all caught by this resolution. It is not to take effect 5 days from now or 10 days from now, but it is to take effect immediately, and it is the duty of the Sergeant at Arms to check up his books every day, and whoever is absent has to pay a fine of about $25 for being absent. This law has been on the statute books for many years, but it has been in innocuous desuetude all of the time except that one month in the Fifty-third Congress, and it will be that way after this month, undoubtedly, in this Congress.

Oh, if you had only a little patriotic spirit and party pride on your side, with your two-thirds majority you would have a quorum here. Why, in the Fifty-first Congress, with only three majority on the Republican side, we mustered day after day a quorum of Republicans, and got within three all of the Republicans here to keep up a majority. [Applause on the Republican side.]

Mr. DONOVAN. Mr. Speaker, will the gentleman yield to me for a moment?

Mr. UNDERWOOD. Mr. Speaker, I promised first to yield to the gentleman from Colorado, and then I will yield to the gentleman from Connecticut. I yield two minutes to the gentleman from Colorado [Mr. KEATING].

Mr. KEATING. Mr. Speaker, I represent a western constituency, and I have a contest in my primary. A mighty good man is trying to take the Democratic nomination from me, and he is making a vigorous campaign. Yet I feel that this resolution should be adopted, and I shall vote for it. I do not think it is necessary for any Democrat to go home. It is necessary for Republican Members to go home and explain, and it will be a very difficult explanation. All we have to say to our constituents is that we are staying here supporting Woodrow Wilson and his policies. [Applause on the Democratic side.]

Mr. FALCONER. Mr. Speaker, will the gentleman yield?

Mr. KEATING. Certainly.

Mr. FALCONER. Has the Democratic majority had a sufficient number of Members here all of this session to support the President without the assistance of the Progressives and some Republicans?

Mr. KEATING. Oh, yes; the Democratic majority has been here supporting the President, and it is driving a lot of gentlemen on the other side of the aisle into supporting him.

Mr. FALCONER. Have you had a quorum here?

Mr. KEATING. That is sufficient. I will say to the gentleman that I have no desire to make light of the splendid support which the President has received from many gentlemen on that side of the House. I hope this resolution will be carried by Democratic votes. I would not object to inserting an exception to permit some of our Republican friends to go home and explain, but it is not necessary for any such exception to be put in to safeguard Democrats. [Applause on the Democratic side.] We will stay here until this emergency has passed and until we receive word from our leader in the White House that we may go home.

This is not a hastily formed decision so far as I am concerned. My friends in Colorado have repeatedly urged me to return to my district and personally direct my campaign. I have sent the same reply to all in the form of the following letter:

WASHINGTON, D. C., *August 22, 1914.*

MY DEAR FRIEND: I will not return to Colorado to participate in the campaign which will precede the primaries to be held on September 8. My opponents are seeking to take advantage of my absence, and I feel it is only just that my constituents should know why I have determined to remain in Washington while the representatives of the special interests I have refused to serve are "gumshoeing" through every county in my district pleading with the voters to defeat me for renomination.

President Wilson is facing the gravest crisis of his administration. The world's bloodiest war is convulsing Europe. A single diplomatic misstep might plunge our country into the maelstrom. In addition, the President's antitrust program is being held up in the Senate by the powerful interests which are determined that the people shall not secure relief from the exactions of monopoly.

At such a time the President needs the presence and support of every Member of Congress who believes in him and his policies.

So far as I am concerned, I will remain at my post until the big, patient leader in the White House gives the signal to return home.

In pursuing this course I know I am doing what the best men and women of my congressional district would have me do. The issues before the voters of the third district are easily understood:

I stand for Woodrow Wilson and his policies.

My opponents refuse to publicly indorse the President and in private they bitterly denounce him and his policies.

There is no reason why voters who believe in Wilson should vote against me, but there is every reason why those who are opposed to the President should exert themselves to bring about my defeat.

Yours, sincerely,

EDWARD KEATING.

Mr. Speaker, the people of this country are behind Woodrow Wilson to-day as they have not been behind any President since Lincoln's time. They believe in him and they want us to support him with a whole-hearted earnestness which will wipe out party lines.

I am sure Congress will respond to this popular demand.

Mr. UNDERWOOD. Mr. Speaker, I yield two minutes to the gentleman from Connecticut [Mr. DONOVAN].

Mr. DONOVAN. Mr. Speaker, can not the gentleman yield me more than that?

Mr. UNDERWOOD. I have only five or six minutes left, and that time has been promised to other gentlemen.

Mr. DONOVAN. Mr. Speaker, I hope the Speaker will not put his eye on the watch too soon. I am going to read what should be under the hair of every Member of this House:

It is not right, as I see it, for a man to take the Government money for the discharge of the duties of an office and then neglect the duties of that office. I do not propose to neglect the duties of that office and go on the lecture platform and lecture for money.

That is language used by a respected Member of this House, one of the greatest presiding officers a democratic form of Government has ever had [applause], and each and every Member here ought to remember those plain, wholesome words.

Mr. Speaker, this is a most peculiar spectacle which we have witnessed here, one after another Member getting up and using the personal pronoun. There is none to be used. You took the oath to perform the duties pertaining to the office, not to evade them; and the gentleman from Illinois [Mr. MANN] has been many times wrong, most influential as he is. If he had insisted upon his associates being as faithful in the performance of their duties as he himself has been, more of them would have been here; and let me say right here, and it is not flattery, because it is a fact—it is probably without parallel—that no man attends to his duty like the gentleman from Illinois [applause], and no man has the knowledge of the duties of his office compared with him, and still he is criminal when he winks his eye and allows his associates to evade the law. [Applause.] He allowed his lieutenant to go home for four months at a time to become a governor of a great State, and he is criminal when he allows his lieutenant to take a trip to Europe, with his knowledge and consent and without objection; and then he picks out an unsophisticated Member from some other State and holds him up as a picture to be scolded, as a picture to be scorned, as a picture to be made the subject of this resolution.

Our friends on the other side of the Chamber tell us that they are the brains; they tell us that they have the ability; they tell us they should have the care of all of the finance, all of the commerce, and all of the virtue there is in this country, and they set an example for us by neglecting their duties. They tell us that it is necessary. The gentleman from Massachusetts [Mr. GILLETT] is the person who told us that the presence

of a minority prevented abuses. Where is he? What a picture! The gentleman from Illinois [Mr. MADDEN] has not been here for two weeks, and the first voice from him this morning was the point of no quorum. [Laughter.] Well, he could not have made it many times in the last 9 weeks, when he has been here only 14 days, and those days afforded the only chance he has had of making it. He announces his presence with, "Mr. Speaker, no quorum." But the gentleman from Illinois, the leader, is to blame for this condition, for he acquiesced to his colleague's absence. [Applause.] Last October attention was called to absenteeism in this body by myself, nearly a year ago——

The SPEAKER. The time of the gentleman has expired. [Cries of "Vote!"]

Mr. UNDERWOOD. I will state to the House there are three gentlemen to whom I desire to yield, which will consume six minutes, and then I will move the previous question. I yield two minutes to the gentleman from Washington [Mr. JOHNSON].

Mr. JOHNSON of Washington. Mr. Speaker, this, it seems, is the psychological moment for the introduction of a resolution to force Members back to their seats in order to keep a quorum. The last of the primaries in the Southern States is being held to-day, while in most of the Northern and Western States the primaries are yet to be held. Primaries in the State of Washington will be held September 8—exactly two weeks from to-day—and it takes a Washington Member almost a week to go to his State. Besides, as my colleague [Mr. FALCONER] has said, the members of the Washington delegation have not had even a chance to register, and are thus disfranchised. We have been here, are here, and are willing to stay; but nevertheless the resolution is unfair to those who have kept their shoulders at the wheel, and who were promised that other Members, now away, would be brought in to relieve those who have remained here all last summer, all last winter, and all this summer, helping to keep a bare quorum.

I have been here, Mr. Speaker, since the special session was called in April, 1913, have answered nearly all the roll calls, and yet it is being stated in some newspapers away out in my State that Mr JOHNSON of Washington is just getting back from Europe, where, as a matter of fact, he has never been. One paper explains by saying it must have been Mr. JOHNSON of Kentucky, whereas I happen to know he has been here in the House almost all summer.

I can not let this opportunity go by without referring to the efforts on the Democratic side of the aisle of the battle-scarred veteran from Connecticut [Mr. DONOVAN] to keep a quorum on this floor. His efforts started almost a year ago, when he called attention to absenteeism. Although injured in an accident Saturday he is here to-day, all patched up, and helping to make and to keep a quorum on the floor.

It pleases me to refer to the gentleman from Mississippi [Mr. WITHERSPOON], who, having been away, grandly turned back some of his salary, without waiting for a resolution. For once I am with those gentlemen and for the resolution, in spite of its apparent unfairness to those who have kept on the job.

Mr. UNDERWOOD. Mr. Speaker, I yield two minutes to the gentleman from New Hampshire [Mr. STEVENS].

Mr. STEVENS of New Hampshire. Mr. Speaker, I am a northern Democrat. The primaries in our State come a week from to-day. I shall be as hard hit as any man in this House by this resolution. I had intended to go home to-day, being a candidate for the nomination for United States Senator. [Applause.] I have stayed here all through the summer up until to-day, when my own private interests for the last few weeks required me to be in New Hampshire; but I shall vote for this resolution. The only question before us is this: Do we need this resolution to-day to enforce a quorum to transact important public business growing out of the war? It is apparent that we do, and I do not think it is any time for partisan criticism or any time for sectional criticism. [Applause.]

I realize that a great many southern Members have been home during the primaries, but until very recently we have had Members enough here to make a quorum. It does no good to rake up the past. We need a quorum to-day and for the rest of the session. I am willing to vote for this resolution, and if I must go home I am willing to have my salary docked. I have had a little experience in turning back salary into the National Treasury. I was elected to this House at the last election, and I was also a member of the New Hampshire Legislature. We had several very important measures before the State legislature and the election of a United States Senator. I kept my seat in the State body until the 23d of April, when I came down here and was sworn in. On that same day I turned back into the Treasury of the United States $1,000 of salary. [Applause.] Mr. Speaker, I think it is the duty of every Democrat, whether northern or southern—that it is the duty of every Republican—to vote for any resolution that will compel the attendance of a quorum here and to remain here until the important legislation before us is passed. [Applause.]

Mr. UNDERWOOD. Mr. Speaker, I yield two minutes to the gentleman from New Hampshire [Mr. REED].

Mr. REED. Mr. Speaker, had I anticipated my colleague from New Hampshire [Mr. STEVENS] was to be recognized I think I should not have asked for time. I simply want to reiterate many of the things he said. I am a northern Democrat, and the Democratic national committeeman representing my party in the State. The Democratic primaries are to be held in the State of New Hampshire on the first day of September, and I have felt that as one of the leaders of my party I should be in New Hampshire. I am scheduled to speak on three or four occasions between now and that date. I do not know of anything that will afford me greater pleasure than to vote for this resolution, or greater regret than to send telegrams of regret canceling my engagements in New Hampshire if it passes. [Applause.] I believe it is the duty of every Democrat on the floor of this House, as has been well said by the gentleman from Colorado [Mr. KEATING] to stay here and hold ourselves in readiness for any emergency that might come about by the embroiled conditions of war abroad, and I am one of those who support this resolution and are willing to remain here and vote for any such emergency legislation that may arise, and give my loyal support, as I have from the very first day I came here, to an administration, the leader of which is that great statesman Woodrow Wilson. [Applause on the Democratic side.]

Mr. UNDERWOOD. Mr. Speaker, I send to the Clerk's desk the law and ask the Clerk to read section 40 of the Revised Statutes, and then I will move the previous question.

The SPEAKER. The Clerk will read.

The Clerk read as follows:

SEC. 40. The Secretary of the Senate and Sergeant at Arms of the House, respectively, shall deduct from the monthly payments of each Member or Delegate the amount of his salary for each day that he has been absent from the Senate or House, respectively, unless such Member or Delegate assigns as the reason for such absence the sickness of himself or of some member of his family.

Mr. UNDERWOOD. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The question was taken, and the Speaker announced the ayes seemed to have it.

Mr. DONOVAN. Division, Mr. Speaker.

Mr. MANN. Mr. Speaker, I ask for a division.

The SPEAKER. The gentleman from Connecticut [Mr. DONOVAN] and the gentleman from Illinois [Mr. MANN] ask for a division.

Mr. MADDEN. Mr. Speaker, I ask for the yeas and nays.

The SPEAKER. If the gentleman will withhold that for half a minute, we will accomplish two things at one time.

The House divided; and there were—ayes 141, noes 18.

Mr. MANN. Mr. Speaker, I make the point of order there is no quorum present.

The SPEAKER. The gentleman from Illinois makes the point of order there is no quorum present; evidently there is not. The Doorkeeper will close the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll.

The question was taken; and there were—yeas 212, nays 27, answered "present" 8, not voting 184, as follows:

YEAS—212

Abercrombie	Burnett	Edmonds	Gudger
Adamson	Byrns, Tenn.	Edwards	Hamlin
Alexander	Cantrill	Evans	Hammond
Allen	Caraway	Falconer	Hardy
Anderson	Carlin	Farr	Harris
Ashbrook	Carr	Fergusson	Hart
Bailey	Carter	Ferris	Haugen
Barnhart	Cary	Fields	Hawley
Barton	Casey	FitzHenry	Hay
Bathrick	Clark, Fla.	Floyd, Ark.	Hayden
Beakes	Claypool	Fowler	Heflin
Bell, Cal.	Cline	Frear	Helgesen
Blackmon	Connelly, Kans.	French	Helm
Booher	Cox	Garner	Hill
Borchers	Crosser	Garrett, Tenn.	Holland
Borland	Cullop	Garrett, Tex.	Houston
Bowdle	Dale	Gilmore	Howard
Britten	Davenport	Gittins	Hughes, Ga.
Brodbeck	Dent	Godwin, N. C.	Humphrey, Wash.
Broussard	Dershem	Goeke	Humphreys, Miss.
Brown, W. Va.	Donohoe	Goodwin, Ark.	Jacoway
Bruckner	Donovan	Gordon	Johnson, Ky.
Bryan	Doughton	Gorman	Johnson, Wash.
Buchanan, Ill.	Driscoll	Goulden	Jones
Buchanan, Tex.	Drukker	Gray	Keating
Burgess	Dunn	Gregg	Keister
Burke, Wis.	Dupré	Griffin	Kelly, Pa.

Kennedy, Iowa	Morrison	Rothermel	Sutherland
Kettner	Moss, Ind.	Rouse	Taggart
Kinkaid, Nebr.	Mulkey	Rucker	Talbott, Md.
Kitchin	Murray, Okla.	Rupley	Talcott, N. Y.
Korbly	Neely, W. Va.	Scott	Tavenner
Lee, Ga.	Nelson	Scully	Taylor, Ark.
Lee, Pa.	Oglesby	Sells	Taylor, Colo.
Lesher	O'Hair	Sims	Taylor, N. Y.
Lewis, Md.	Oldfield	Sinnott	Thomas
Lieb	Page, N. C.	Sisson	Thompson, Okla.
Linthicum	Paige, Mass.	Slayden	Thomson, Ill.
Lloyd	Park	Small	Towner
Lobeck	Patten, N. Y.	Smith, Idaho	Tribble
Logue	Post	Smith, J. M. C.	Tuttle
Lonergan	Pou	Smith, Md.	Underwood
McClellan	Prouty	Smith, Minn.	Vaughan
McKellar	Quin	Smith, Tex.	Walsh
McLaughlin	Raker	Sparkman	Walters
MacDonald	Rauch	Stafford	Watson
Maguire, Nebr.	Rayburn	Stanley	Weaver
Manahan	Reed	Stedman	Webb
Mapes	Reilly, Conn.	Stephens, Nebr.	Williams
Mitchell	Reilly, Wis.	Stephens, Tex.	Wilson, Fla.
Montague	Roberts, Mass.	Stevens, N. H.	Wilson, N. Y.
Moon	Roberts, Nev.	Stone	Wingo
Morgan, Okla.	Rogers	Stout	Young, Tex.

NAYS—27.

Burke, S. Dak.	Greene, Vt.	Norton	Stevens, Minn.
Curry	Howell	O'Shaunessy	Vare
Danforth	Johnson, Utah.	Payne	Volstead
Dettrick	Kahn	Platt	Witherspoon
Gallagher	Kindel	Seldomridge	Woods
Good	Mann	Sloan	Young, N. Dak.
Greene, Mass.	Mondell	Stephens, Cal.	

ANSWERED "PRESENT"—8.

Avis	Helvering	La Follette	Slemp
Bartlett	Henry	Moss, W Va.	Smith, Saml. W.

NOT VOTING—184.

Adair	Dillon	Hull	O'Brien
Aiken	Dixon	Igoe	O'Leary
Ainey	Dooling	Johnson, S. C.	Padgett
Ansberry	Doolittle	Kelley, Mich.	Palmer
Anthony	Doremus	Kennedy, Conn.	Parker
Aswell	Eagan	Kennedy, R. I.	Patton, Pa.
Austin	Eagle	Kent	Peters
Baker	Elder	Key, Ohio	Peterson
Baltz	Esch	Kiess, Pa.	Phelan
Barchfeld	Estopinal	Kinkead, N. J.	Plumley
Barkley	Fairchild	Kirkpatrick	Porter
Bartholdt	Faison	Knowland, J. R.	Powers
Beall, Tex.	Fess	Konop	Ragsdale
Bell, Ga.	Finley	Kreider	Rainey
Brockson	Fitzgerald	Lafferty	Riordan
Brown, N. Y.	Flood, Va.	Langham	Rubey
Browne, Wis.	Fordney	Langley	Russell
Browning	Foster	Lazaro	Sabath
Brumbaugh	Francis	L'Engle	Saunders
Bulkley	Gallivan	Lenroot	Shackleford
Burke, Pa.	Gard	Lever	Sherley
Butler	Gardner	Levy	Sherwood
Byrnes, S. C.	George	Lewis, Pa.	Shreve
Calder	Gerry	Lindbergh	Smith, N. Y.
Callaway	Gill	Lindquist	Steenerson
Campbell	Gillett	Loft	Stephens, Miss.
Candler, Miss.	Glass	McAndrews	Stringer
Cantor	Goldfogle	McCoy	Sumners
Carew	Graham, Ill.	McGillicuddy	Switzer
Chandler, N. Y.	Graham, Pa.	McGuire, Okla.	Taylor, Ala.
Church	Green, Iowa	McKenzie	Temple
Clancy	Griest	Madden	Ten Eyck
Coady	Guernsey	Mahan	Thacher
Collier	Hamill	Maher	Townsend
Connolly, Iowa	Hamilton, Mich.	Martin	Treadway
Coury	Hamilton, N. Y.	Merritt	Underhill
Cooper	Hardwick	Metz	Vollmer
Copley	Harrison	Miller	Walker
Covington	Hayes	Moore	Wallin
Cramton	Hensley	Morgan, La.	Watkins
Crisp	Hinds	Morin	Whaley
Davis	Hinebaugh	Mott	Whitacre
Decker	Hobson	Murdock	White
Dickinson	Hoxworth	Murray, Mass.	Willis
Dies	Hughes, W. Va.	Neeley, Kans.	Winslow
Difenderfer	Hulings	Nolan, J. I.	Woodruff

So the resolution was agreed to.

The Clerk announced the following pairs:

For the session:

Mr. BARTLETT with Mr. BUTLER.

Mr. GLASS with Mr. SLEMP.

Mr. METZ with Mr. WALLIN.

Mr. TAYLOR of Alabama with Mr. HUGHES of West Virginia.

Until further notice:

Mr. ADAIR with Mr. GILLETT.

Mr. ASWELL with Mr. AINEY.

Mr. CLANCY with Mr. HAMILTON of New York.

Mr. SABATH with Mr. SWITZER.

Mr. RIORDAN with Mr. POWERS.

Mr. STEPHENS of Mississippi with Mr. TREADWAY.

Mr. GRAHAM of Illinois with Mr. PATTON of Pennsylvania.

Mr. WALKER with Mr. BROWNING.

Mr. UNDERHILL with Mr. STEENERSON.

Mr. MCGILLICUDDY with Mr. GUERNSEY.

Mr. CHURCH with Mr. MCGUIRE of Oklahoma.

Mr. CALLAWAY with Mr. WILLIS.

Mr. PHELAN with Mr. KIESS of Pennsylvania.

Mr. KONOP with Mr. HAMILTON of Michigan.

Mr. DOOLITTLE with Mr. HAYES.

Mr. HENSLEY with Mr. FARR.

Mr. GALLIVAN with Mr. KREIDER.

Mr. RUSSELL with Mr. LA FOLLETTE.

Mr. RUBEY with Mr. LANGHAM.

Mr. SAUNDERS with Mr. MILLER.

Mr. SHACKLEFORD with Mr. PLUMLEY.

Mr. DECKER with Mr. SHREVE.

Mr. LAZARO with Mr. PARKER.

Mr. DALE with Mr. MARTIN.

Mr. MORGAN of Louisiana with Mr. LINDQUIST.

Mr. BELL of Georgia with Mr. CALDER.

Mr. PADGETT with Mr. MORIN.

Mr. FITZGERALD with Mr. MOORE.

Mr. WHALEY with Mr. WOODRUFF.

Mr. FOSTER with Mr. FORDNEY.

Mr. FRANCIS with Mr. FESS.

Mr. GOLDFOGLE with Mr. FAIRCHILD.

Mr. SHERLEY with Mr. PORTER.

Mr. SHERWOOD with Mr. MOTT.

Mr. PETERSON with Mr. PETERS.

Mr. DICKINSON with Mr. GRAHAM of Pennsylvania.

Mr. ELDER with Mr. WINSLOW.

Mr. HENRY with Mr. HINDS.

Mr. BARKLEY with Mr. BURKE of Pennsylvania.

Mr. HARDWICK with Mr. J. R. KNOWLAND.

Mr. LEVER with Mr. MERRITT.

Mr. JOHNSON of South Carolina with Mr. HULINGS.

Mr. FINLEY with Mr. SAMUEL W. SMITH.

Mr. AIKEN with Mr. ANTHONY.

Mr. BALTZ with Mr. CAMPBELL.

Mr. RAINEY with Mr. BARCHFELD.

Mr. CANDLER of Mississippi with Mr. BARTHOLDT.

Mr. COLLIER with Mr. DAVIS.

Mr. DIXON with Mr. COOPER.

Mr. DOREMUS with Mr. GRIEST.

Mr. ESTOPINAL with Mr. CHANDLER of New York.

Mr. FLOOD of Virginia with Mr. COPLEY.

Mr. GRAHAM of Illinois with Mr. CRAMTON.

Mr. HARRISON with Mr. DILLON.

Mr. HULL with Mr. MCKENZIE.

Mr. IGOE with Mr. BROWNE of Wisconsin.

Mr. KEY of Ohio with Mr. HINEBAUGH.

Mr. MCCOY with Mr. LANGLEY.

Mr. SHERLEY with Mr. J. I. NOLAN.

Mr. WATKINS with Mr. TEMPLE.

Mr. MCANDREWS with Mr. LAFFERTY.

The SPEAKER. A quorum is present. The Doorkeeper will open the doors.

EXTENSION OF REMARKS.

Mr. CARTER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from Oklahoma [Mr. CARTER] asks unanimous consent to extend his remarks in the RECORD. Is there objection?

Mr. MANN. I object.

The SPEAKER. The gentleman from Illinois [Mr. MANN] objects.

REVOKING LEAVES OF ABSENCE, ETC.

Mr. BYRNS of Tennessee. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BYRNS of Tennessee. It is this: Does the passage of this resolution serve to revoke all previous excuses that have been granted on account of sickness?

Mr. MANN. It revokes all leaves of absence, Mr. Speaker.

The SPEAKER. The Chair supposes that is correct.

Mr. MANN. I shall object to granting any leaves of absence.

Mr. BYRNS of Tennessee. Mr. Speaker, the gentleman from Tennessee, Mr. AUSTIN, for a great number of weeks has been very seriously ill and wholly prevented from attending the sessions of the House. He is now at Jefferson Hospital——

Mr. MANN. At Philadelphia. I had a letter from him this morning.

Mr. BYRNS of Tennessee. I ask unanimous consent that Mr. AUSTIN be excused from further attendance on the sessions of the House, on account of sickness.

Mr. UNDERWOOD. Mr. Speaker, if the gentleman will allow me, I see no reason why leave of absence should be granted because Mr. AUSTIN is sick. It does not affect his salary. The man to determine whether sickness shall or shall not prevent the deduction of salary is the Sergeant at Arms.

All that the gentleman from Tennessee, Mr. AUSTIN, has to do when he comes back here is to show to the Sergeant at Arms that he has been sick, and his salary will not be deducted, regardless of the action of the House.

Mr. MANN. I am informed that Mr. AUSTIN is quite ill.

The SPEAKER. The Chair will state, after reading this resolution over again, that it does not revoke leaves of absence at all.

Mr. MANN. The way it was read by the Clerk it did.

The SPEAKER. It says:

Resolved further, That the Sergeant at Arms is hereby directed—

Mr. MANN. The very first provision in it revokes all leaves of absence.

The SPEAKER. That is true. The Chair was mistaken about that. The Chair will state his recollection for the benefit of other Members, a great many of whom never had anything to do with it, that in the Fifty-third Congress, in the summer of 1894, this statute was enforced, and I paid $28 and some cents myself to go down in Virginia to make two speeches. But my recollection about it is that the Sergeant at Arms had some kind of a document down there that you had to sign, and you certified how many days you had been absent. If you did not make the certification you would have been here every day.

Mr. MANN. The honest men got penalized.

The SPEAKER. That may be perfectly true; and Speaker Reed sneered at the statute as "a police court regulation." That is the way he put it. Nevertheless it had the effect of keeping a quorum here.

Mr. PAYNE. Mr. Speaker, my recollection about the enforcement of that statute is that there was a certificate gotten up by the Sergeant at Arms which the Members of the House were required to sign, and most of them certified that they were present during the whole time. I think there were only about half a dozen of us—and I was included in that number—that suffered any deduction from our salary on account of it, and my recollection is that nobody suffered after the first month, and that they overlooked the certificate.

The SPEAKER. It was not enforced except at the end of the consideration of the Wilson-Gorman tariff bill.

Mr. MANN. I will make it my business to see that it is enforced until the 4th of March.

The SPEAKER. I hope the gentleman will.

Mr. MANN. And I will see that no false statements are made downstairs, either.

LEAVES OF ABSENCE.

The SPEAKER. The Chair lays before the House the following personal requests, which the Clerk will read.

The Clerk read as follows:

Mr. SLEMP requests leave of absence for Representative AUSTIN, indefinitely, on account of sickness. Representative AUSTIN is now confined in Jefferson Hospital, Philadelphia, on account of serious illness.

Mr. GLASS requests leave of absence for one week——

Mr. MANN. Mr. Speaker, let us have each one disposed of at a time.

The SPEAKER. Is there objection to the request in behalf of Mr. AUSTIN for leave of absence on account of sickness?

There was no objection.

The Clerk read as follows:

Mr. GLASS requests leave of absence, for one week, on account of illness.

(Signed) C. A. KORBLY.

The SPEAKER. Is there objection to this request?

Mr. MANN. Is Mr. GLASS ill?

The SPEAKER. He is. He has been ill for several weeks. He is threatened with nervous prostration. The last time he was here he came up to the Speaker's desk and explained the condition he was in and had been in for the last three or four weeks. Is there objection?

There was no objection.

The Clerk read as follows:

Mr. KINDEL requests leave of absence, indefinitely, on account of sickness in family.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read as follows:

Mr. CRISP requests leave of absence, indefinitely, on account of illness.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read as follows:

Mr. STOUT requests leave of absence, for two days, on account of illness.

The SPEAKER. Is there objection?

Mr. MANN. Is he ill?

Mr. EVANS. He is. I saw him this morning. I do not think he has missed a day in the House in the last year.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read as follows:

Mr. MARTIN requests leave of absence, indefinitely, on account of illness.

The SPEAKER. Is there objection?

There was no objection.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Carr, one of its clerks, announced that the Senate had passed joint resolution and bill of the following titles, in which the concurrence of the House of Representatives was requested:

S. 6266. An act to authorize the Secretary of Agriculture to license cotton warehouses, and for other purposes; and

S. J. Res. 181. Joint resolution authorizing the Secretary of War to permit the contractor for building locks on Black River to proceed with the work without interruption to completion.

The message also announced that the Senate had passed the following resolution, in which the concurrence of the House of Representatives was requested:

Senate concurrent resolution 30.

Resolved by the Senate (the House of Representatives concurring), That there be printed and bound in one volume the proceedings in Congress upon the acceptance of the statue of the late George Washington Glick 16,500 copies, of which 5,000 shall be for the use of the Senate, 10,000 for the use of the House of Representatives, and the remaining 1,500 shall be for the use and distribution by the Senators and Representatives in Congress from the State of Kansas. The Joint Committee on Printing is hereby authorized to have the copy prepared for the Public Printer, who shall procure a suitable plate of said statue to accompany the proceedings.

SENATE BILL AND RESOLUTIONS REFERRED.

Under clause 2 of Rule XXIV, Senate bill and resolutions of the following titles were taken from the Speaker's table and referred to their appropriate committees, as indicated below:

Senate concurrent resolution 30.

Resolved by the Senate (the House of Representatives concurring), That there be printed and bound in one volume the proceedings in Congress upon the acceptance of the statue of the late George Washington Glick 16,500 copies, of which 5,000 shall be for the use of the Senate, 10,000 for the use of the House of Representatives, and the remaining 1,500 shall be for use and distribution by the Senators and Representatives in Congress from the State of Kansas. The Joint Committee on Printing is hereby authorized to have the copy prepared for the Public Printer, who shall procure a suitable plate of said statue to accompany the proceedings—

to the Committee on Printing.

S. 6266. An act to authorize the Secretary of Agriculture to license cotton warehouses, and for other purposes; to the Committee on Agriculture.

S. J. Res. 181. Joint resolution authorizing the Secretary of War to permit the contractor for building locks on Black Warrior River to proceed with the work without interruption to completion; to the Committee on Rivers and Harbors.

THE MERCHANT MARINE.

Mr. ALEXANDER. Mr. Speaker, I move to suspend the rules and pass the bill (S. 136) to promote the welfare of American seamen in the merchant marine of the United States; to abolish arrest and imprisonment as a penalty for desertion and to secure the abrogation of treaty provisions in relation thereto; and to promote safety at sea, with an amendment, which I send to the Clerk's desk.

The SPEAKER. The gentleman from Missouri [Mr. ALEXANDER] moves to suspend the rules and pass Senate bill 136 with an amendment. The Clerk will report the bill with the amendment read into it which the gentleman from Missouri offers.

The Clerk read as follows:

Strike out all after the enacting clause and insert:

That section 4516 of the Revised Statutes of the United States be, and is hereby, amended to read as follows:

"SEC. 4516. In case of desertion or casualty resulting in the loss of one or more of the seamen, the master must ship, if obtainable, a number equal to the number of those whose services he has been deprived of by desertion or casualty, who must be of the same or higher grade or rating with those whose places they fill, and report the same to the United States consul at the first port at which he shall arrive, without incurring the penalty prescribed by the two preceding sections. This section shall not apply to fishing or whaling vessels or yachts."

SEC. 2. That in all merchant vessels of the United States of more than 100 tons gross, excepting those navigating rivers, harbors, bays, or sounds exclusively, the sailors shall, while at sea, be divided into at least two and the firemen, oilers, and water tenders into at least three watches, which shall be kept on duty successively for the performance of ordinary work incident to the sailing and management of the vessel. The seamen shall not be shipped to work alternately in the fireroom and on deck, nor shall those shipped for deck duty be required to work in the fireroom, or vice versa; but these provisions shall not limit either the authority of the master or other officer or

the obedience of the seamen when, in the judgment of the master or other officer, the whole or any part of the crew are needed for the maneuvering of the vessel or the performance of work necessary for the safety of the vessel or her cargo, or for the saving of life aboard other vessels in jeopardy, or when in port or at sea from requiring the whole or any part of the crew to participate in the performance of fire, lifeboat, and other drills. While such vessel is in a safe harbor no seaman shall be required to do any unnecessary work on Sundays or the following-named days: New Year's Day, the Fourth of July, Labor Day, Thanksgiving Day, and Christmas Day, but this shall not prevent the dispatch of a vessel on regular schedule or when ready to proceed on her voyage. And at all times while such vessel is in a safe harbor nine hours, inclusive of the anchor watch, shall constitute a day's work. Whenever the master of any vessel shall fail to comply with this section, the seaman shall be entitled to discharge from such vessel and to receive the wages earned. But this section shall not apply to fishing or whaling vessels or yachts.

SEC. 3. That section 4529 of the Revised Statutes of the United States be, and is hereby, amended to read as follows:

"SEC. 4529. The master or owner of any vessel making coasting voyages shall pay to every seaman his wages within two days after the termination of the agreement under which he was shipped, or at the time such seaman is discharged, whichever first happens; and in case of vessels making foreign voyages, or from a port on the Atlantic to a port on the Pacific, or vice versa, within 24 hours after the cargo has been discharged, or within four days after the seaman has been discharged, whichever first happens; and in all cases the seaman shall be entitled to be paid at the time of his discharge on account of wages a sum equal to one-third part of the balance due him. Every master or owner who refuses or neglects to make payment in the manner hereinbefore mentioned without sufficient cause shall pay to the seaman a sum equal to two days' pay for each and every day during which payment is delayed beyond the respective periods, which sum shall be recoverable as wages in any claim made before the court; but this section shall not apply to masters or owners of any vessel the seamen of which are entitled to share in the profits of the cruise or voyage."

SEC. 4. That section 4530 of the Revised Statutes of the United States be, and is hereby, amended to read as follows:

"SEC. 4530. Every seaman on a vessel of the United States shall be entitled to receive on demand from the master of the vessel to which he belongs one-half part of the wages which he shall have then earned at every port where such vessel, after the voyage has been commenced, shall load or deliver cargo before the voyage is ended, and all stipulations in the contract to the contrary shall be void: *Provided*, Such a demand shall not be made oftener than once in five days. And when the voyage is ended every such seaman shall be entitled to the remainder of the wages which shall then be due him, as provided in section 4529 of the Revised Statutes: *Provided*, That notwithstanding any release signed by any seaman under section 4552 of the Revised Statutes any court having jurisdiction may upon good cause shown set aside such release and take such action as justice shall require: *Provided further*, That this section shall apply to seamen on foreign vessels while in harbors of the United States, and the courts of the United States shall be open to such seamen for its enforcement."

SEC. 5. That section 4559 of the Revised Statutes of the United States be, and is hereby, amended to read as follows:

"SEC. 4559. Upon a complaint in writing, signed by the first and second officers or a majority of the crew of any vessel, while in a foreign port, that such vessel is in an unsuitable condition to go to sea because she is leaky or insufficiently supplied with sails, rigging, anchors, or any other equipment, or that the crew is insufficient to man her, or that her provisions, stores, and supplies are not or have not been during the voyage sufficient or wholesome, thereupon in any of these or like cases the consul or a commercial agent who may discharge any of the duties of a consul shall cause to be appointed three persons of like qualifications with those described in section 4557, who shall proceed to examine into the cause of complaint and who shall proceed and be governed in all their proceedings as provided by said section."

SEC. 6. That section 2 of the act entitled "An act to amend the laws relating to navigation," approved March 3, 1897, be, and is hereby, amended to read as follows:

"SEC. 2. That on all merchant vessels of the United States the construction of which shall be begun after the passage of this act, except yachts, pilot boats, or vessels of less than 100 tons register, every place appropriated to the crew of the vessel shall have a space of not less than 120 cubic feet and not less than 16 square feet, measured on the floor or deck of that place, for each seaman or apprentice lodged therein, and each seaman shall have a separate berth, and not more than one berth shall be placed one above another; such place or lodging shall be securely constructed, properly lighted, drained, heated, and ventilated, properly protected from weather and sea, and, as far as practicable, properly shut off and protected from the effluvium of cargo or bilge water. And every such crew space shall be kept free from goods or stores not being the personal property of the crew occupying said place in use during the voyage.

"Every steamboat of the United States plying upon the Mississippi River or its tributaries shall furnish an appropriate place for the crew, which shall conform to the requirements of this section, so far as they are applicable thereto, by providing sleeping room in the engine room of such steamboat, properly protected from the cold, wind, and rain by means of suitable awnings or screens on either side of the guards or sides and forward, reaching from the boiler deck to the lower or main deck, under the direction and approval of the Supervising Inspector General of Steam Vessels, and shall be properly heated.

"All merchant vessels of the United States the construction of which shall be begun after the passage of this act having more than 10 men on deck must have at least one light, clean, and properly ventilated washing place. There shall be provided at least one washing outfit for every 2 men of the watch. The washing place shall be properly heated. A separate washing place shall be provided for the fireroom and engine-room men, if their number exceed 10, which shall be large enough to accommodate at least one-sixth of them at the same time, and have hot and cold water supply and a sufficient number of wash basins, sinks, and shower baths.

"Any failure to comply with this section shall subject the owner or owners of such vessel to a penalty of not less than $50 nor more than $500."

SEC. 7. That section 4596 of the Revised Statutes of the United States be, and is hereby, amended to read as follows:

"SEC. 4596. Whenever any seaman who has been lawfully engaged or any apprentice to the sea service commits any of the following offenses, he shall be punished as follows:

"First. For desertion, by forfeiture of all or any part of the clothes or effects he leaves on board and of all or any part of the wages or emoluments which he has then earned.

"Second. For neglecting or refusing without reasonable cause to join his vessel or to proceed to sea in his vessel, or for absence without leave at any time within 24 hours of the vessel's sailing from any port, either at the commencement or during the progress of the voyage, or for absence at any time without leave and without sufficient reason from his vessel and from his duty, not amounting to desertion, by forfeiture from his wages of not more than two days' pay or sufficient to defray any expenses which shall have been properly incurred in hiring a substitute.

"Third. For quitting the vessel without leave after her arrival at the port of her delivery and before she is placed in security, by forfeiture from his wages of not more than one month's pay.

"Fourth. For willful disobedience to any lawful command at sea, by being, at the option of the master, placed in irons until such disobedience shall cease, and upon arrival in port by forfeiture from his wages of not more than four days' pay, or, at the discretion of the court, by imprisonment for not more than one month.

"Fifth. For continued willful disobedience to lawful command or continued willful neglect of duty at sea, by being, at the option of the master, placed in irons, on bread and water, with full rations every fifth day, until such disobedience shall cease, and upon arrival in port by forfeiture, for every 24 hours' continuance of such disobedience or neglect, of a sum of not more than 12 days' pay, or by imprisonment for not more than three months, at the discretion of the court.

Mr. NORTON. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman rise?

Mr. NORTON. Mr. Speaker, as the Speaker well said a few minutes ago, this is one of the most important bills which has come before Congress for five years; and as there are only a handful of gentlemen present on the other side, apparently not a quorum, and as gentlemen of the House should be present to give attention to this bill, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from North Dakota makes the point of no quorum present. It is of no use to go through the motions of counting, because there is no quorum here.

Mr. ALEXANDER. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk proceeded to call the roll, when the following Members failed to answer to their names:

Adair	Difenderfer	Kelley, Mich.	Palmer
Adamson	Dillon	Kennedy, Conn.	Parker
Aiken	Dixon	Kennedy, R. I.	Patton, Pa.
Ainey	Dooling	Kent	Payne
Ansberry	Doolittle	Key, Ohio	Peters
Anthony	Doremus	Kiess, Pa.	Peterson
Aswell	Eagle	Kinkel	Phelan
Austin	Elder	Kinkead, N. J.	Platt
Baker	Esch	Kirkpatrick	Plumley
Baltz	Estopinal	Knowland, J. R.	Porter
Barchfeld	Fairchild	Konop	Powers
Barkley	Faison	Korbly	Prouty
Bartholdt	Fess	Kreider	Ragsdale
Bartlett	Finley	Lafferty	Rainey
Beall, Tex.	Fitzgerald	Langham	Riordan
Bell, Ga.	Flood, Va.	Langley	Rothermel
Britten	Fordney	Lazaro	Rubey
Brockson	Foster	L'Engle	Russell
Brodbeck	Francis	Lenroot	Sabath
Brown, N. Y.	Gallivan	Lesher	Saunders
Browne, Wis.	Gard	Lever	Shackleford
Browning	Gardner	Levy	Sherley
Brumbaugh	George	Lewis, Pa.	Sherwood
Bulkley	Gerry	Lindbergh	Shreve
Burke, Pa.	Gill	Lindquist	Smith, Idaho
Butler	Gillett	Loft	Smith, N. Y.
Byrnes, S. C.	Glass	Logue	Steenerson
Calder	Goldfogle	McAndrews	Stephens, Miss.
Campbell	Graham, Ill.	McCoy	Stout
Candler, Miss.	Graham, Pa.	McGillicuddy	Stringer
Cantor	Green, Iowa	McGuire, Okla.	Switzer
Carew	Griest	McKenzie	Ten Eyck
Carlin	Guernsey	Mahan	Thacher
Chandler, N. Y.	Hamilton, Mich.	Maher	Townsend
Church	Hamilton, N. Y.	Martin	Treadway
Clancy	Hardwick	Merritt	Tuttle
Coady	Harrison	Metz	Underhill
Collier	Hayes	Miller	Vaughan
Connolly, Iowa	Hensley	Moore	Vollmer
Conry	Hinds	Morgan, La.	Walker
Cooper	Hinebaugh	Morin	Wallin
Copley	Hobson	Mott	Watkins
Covington	Hoxworth	Murdock	Whaley
Cramton	Hughes, W. Va.	Murray, Mass.	Whitacre
Crisp	Hulings	Neeley, Kans.	White
Davis	Hull	Nolan, J. I.	Willis
Decker	Igoe	O'Brien	Wilson, N. Y.
Dickinson	Johnson, S. C.	O'Leary	Winslow
Dies	Keating	Padgett	Woodruff

The SPEAKER pro tempore (Mr. MURRAY of Oklahoma). On this roll call there are 235 Members present—a quorum.

Mr. ALEXANDER. I move to dispense with further proceedings under the call.

The motion was agreed to.

The SPEAKER pro tempore. The Doorkeeper will open the doors. The Clerk will proceed with the reading of the bill.

The Clerk continued the reading of the bill, as follows:

"Sixth. For assaulting any master or mate, by imprisonment for not more than two years.

"Seventh. For willfully damaging the vessel, or embezzling or willfully damaging any of the stores or cargo, by forfeiture out of his wages

of a sum equal in amount to the loss thereby sustained, and also, at the discretion of the court, by imprisonment for not more than 12 months.

"Eighth. For any act of smuggling for which he is convicted and whereby loss or damage is occasioned to the master or owner, he shall be liable to pay such master or owner such a sum as is sufficient to reimburse the master or owner for such loss or damage, and the whole or any part of his wages may be retained in satisfaction or on account of such liability, and he shall be liable to imprisonment for a period of not more than 12 months."

SEC. 8. That section 4600 of the Revised Statutes of the United States be, and is hereby, amended to read as follows:

"SEC. 4600. It shall be the duty of all consular officers to discountenance insubordination by every means in their power and, where the local authorities can be usefully employed for that purpose, to lend their aid and use their exertions to that end in the most effectual manner. In all cases where seamen or officers are accused the consular officer shall inquire into the facts and proceed as provided in section 4583 of the Revised Statutes; and the officer discharging such seaman shall enter upon the crew list and shipping articles and official log the cause of such discharge and the particulars in which the cruel or unusual treatment consisted and subscribe his name thereto officially. He shall read the entry made in the official log to the master, and his reply thereto, if any, shall likewise be entered and subscribed in the same manner."

SEC. 9. That section 4611 of the Revised Statutes of the United States be, and is hereby, amended to read as follows:

"SEC. 4611. Flogging and all other forms of corporal punishment are hereby prohibited on board of any vessel, and no form of corporal punishment on board of any vessel shall be deemed justifiable, and any master or other officer thereof who shall violate the aforesaid provisions of this section, or either thereof, shall be deemed guilty of a misdemeanor, punishable by imprisonment for not less than three months nor more than two years. Whenever any officer other than the master of such vessel shall violate any provision of this section it shall be the duty of such master to surrender such officer to the proper authorities as soon as practicable, provided he has actual knowledge of the misdemeanor or compiaint thereof is made within three days after reaching port. Any failure on the part of such master to use due diligence to comply herewith, which failure shall result in the escape of such officer, shall render the master or owner of the vessel liable in damages for such flogging or corporal punishment to the person illegally punished by such officer."

SEC. 10. That section 23 of the act entitled "An act to amend the laws relating to American seamen, for the protection of such seamen, and to promote commerce," approved December 21, 1898, be, and is hereby, amended as regards the items of water and butter, so that in lieu of a daily requirement of 4 quarts of water there shall be a requirement of 5 quarts of water every day, and in lieu of a daily requriement of 1 ounce of butter there shall be a requirement of 2 ounces of butter every day.

SEC. 11. That section 24 of the act entitled "An act to amend the laws relating to American seamen, for the protection of such seamen, and to promote commerce," approved December 21, 1898, be, and is hereby, amended to read as follows:

"SEC. 24. That section 10 of chapter 121 of the laws of 1884, as amended by section 3 of chapter 421 of the laws of 1886, be, and is hereby, amended to read as follows:

"'SEC. 10 (a). That it shall be, and is hereby, made unlawful in any case to pay any seaman wages in advance of the time when he has actually earned the same, or to pay such advance wages, or to make any order, or note, or other evidence of indebtedness therefor to any other person, or to pay any person, for the shipment of seamen when payment is deducted or to be deducted from a seaman's wages. Any person violating any of the foregoing provisions of this section shall be deemed guilty of a misdemeanor, and upon conviction shall be punished by a fine of not less than $25 nor more than $100, and may also be imprisoned for a period of not exceeding six months, at the discretion of the court. The payment of such advance wages or allotment shall in no case except as herein provided absolve the vessel or the master or the owner thereof from the full payment of wages after the same shall have been actually earned, and shall be no defense to a libel suit or action for the recovery of such wages. If any person shall demand or receive, either directly or indirectly, from any seaman or other person seeking employment as seaman, or from any person on his behalf, any remuneration whatever for providing him with employment, he shall for every such offense be deemed guilty of a misdemeanor and shall be imprisoned not more than six months or fined not more than $500.

Mr. SLOAN. Mr. Speaker, out of six gentlemen who spoke in favor of the Underwood resolution this morning there are none present——

Mr. COX. The gentleman is entirely mistaken.

The SPEAKER pro tempore. The gentleman from Nebraska is out of order in discussing the Underwood resolution.

Mr. SLOAN. I desire to raise the point of no quorum present. Undoubtedly those gentlemen would be present if they knew this important business was going on.

Mr. COX. The gentleman makes his statement entirely too broad.

Mr. SLOAN. I am willing to except the gentleman from my statement as to those who are absent.

Mr. COX. I have been here all the time. Of course the gentleman makes the point of no quorum properly, because it is absolutely true.

Mr. ALEXANDER. I hope the gentleman will not make the point of no quorum while this bill is being read. It is a bill of the greatest public importance. We are all interested in having it passed, but when it is being read by the Clerk, even if the Members are present, they do not pay any attention to the reading.

Mr. MANN. They ought to. They take an oath that they will. Why should they not?

Mr. ALEXANDER. I agree with the gentleman entirely.

Mr. SLOAN. This is an important bill, and that is why the other five gentlemen who spoke this morning ought to be present here. That is why——

Mr. DONOVAN. Mr. Speaker, regular order.

The SPEAKER pro tempore. The regular order is that the gentleman from Nebraska makes the point of no quorum, and the Chair will count. [After counting.] One hundred and thirty-nine Members present—not a quorum.

Mr. ALEXANDER. Mr. Speaker, I move a call of the House.

The SPEAKER pro tempore. The gentleman from Missouri moves a call of the House.

The question being taken, the Speaker pro tempore announced that the ayes appeared to have it.

Mr. FARR. Division!

The House divided.

Mr. HOWARD. Mr. Speaker, a parliamentary inquiry. I understand there is a rule of this House that when the point of no quorum is made the Doorkeeper is ordered to lock the doors, that the Sergeant at Arms is to notify absentees, and that the Clerk will call the roll. I ask the Speaker to enforce the rule if there be one, which I understand is an ancient rule of this House, that the doors be locked and that Members be kept within the confines of the floor of this House until we can maintain and keep a quorum.

Mr. MANN. There is no such rule.

The SPEAKER pro tempore. The Chair was putting the motion. The Chair will announce that the motion prevails.

Mr. MANN. What was the vote on the division?

The SPEAKER pro tempore. The vote is ayes 83, noes none.

Mr. MANN. I just wanted the RECORD to show that there is not half a quorum here.

The SPEAKER pro tempore. The vote is ayes 83, noes none, and the motion is agreed to. The Doorkeeper will lock the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll.

Mr. BUCHANAN of Illinois. As a matter of record, what was the number present, as counted by the Chair?

The SPEAKER pro tempore. One hundred and thirty-nine Members present. The Clerk will call the roll.

The Clerk proceeded to call the roll, and the following Members failed to answer to their names:

Adair	Difenderfer	Johnson, S. C.	Palmer
Adamson	Dillon	Johnson, Utah	Park
Aiken	Dixon	Kelley, Mich.	Parker
Alney	Dooling	Kennedy, Conn.	Patton, Pa.
Ansberry	Doolittle	Kennedy, R. I.	Peters
Anthony	Doremus	Kent	Peterson
Aswell	Eagle	Key	Phelan
Austin	Elder	Kiess	Platt
Baker	Esch	Kinkead, N. J.	Plumley
Baltz	Estopinal	Kirkpatrick	Porter
Barchfeld	Fairchild	Knowland, J. R.	Pou
Barnhart	Faison	Konop	Powers
Bartholdt	Fess	Kreider	Prouty
Beall, Tex.	Finley	Lafferty	Ransdale
Bell, Cal.	Fitzgerald	Langham	Rainey
Bell, Ga.	Flood, Va.	Langley	Riordan
Borland	Fordney	Lazaro	Rubey
Brodbeck	Foster	L'Engle	Russell
Brown, N. Y.	Francis	Lenroot	Sabath
Browne, Wis.	Frear	Lever	Saunders
Browning	Gallivan	Levy	Shackleford
Brumbaugh	Gard	Lewis, Pa.	Sherley
Bulkley	Gardner	Lindbergh	Sherwood
Burke, Pa.	George	Lindquist	Shreve
Butler	Gerry	Loft	Smith, N. Y.
Byrnes, S. C.	Gill	McAndrews	Steenerson
Calder	Gillett	McCoy	Stephens, Miss.
Campbell	Gittins	McGillicuddy	Stout
Candler, Miss.	Glass	McGuire, Okla.	Stringer
Canter	Goldfogle	McKenzie	Switzer
Cantrill	Graham, Ill.	Mahan	Ten Eyck
Carew	Graham, Pa.	Maher	Thacher
Carter	Green, Iowa	Martin	Townsend
Chandler, N. Y.	Griest	Merritt	Treadway
Church	Gudger	Metz	Tuttle
Clancy	Guernsey	Miller	Underhill
Coady	Hamilton, Mich.	Moore	Vaughan
Collier	Hamilton, N. Y.	Morgan, La.	Vollmer
Connolly, Iowa	Hardwick	Morin	Walker
Conry	Hayes	Mott	Wallin
Cooper	Hensley	Murdock	Watkins
Copley	Hinds	Murray, Mass.	Weaver
Covington	Hinebaugh	Neeley, Kans.	Whaley
Cramton	Hobson	Neely, W. Va.	Whitacre
Crisp	Hoxworth	Nolan, J. I.	White
Davis	Hughes, W. Va.	O'Brien	Willis
Decker	Hulings	Oglesby	Wilson, N. Y.
Dickinson	Hull	O'Leary	Winslow
Dies	Igoe	Padgett	Woodruff

The SPEAKER. Two hundred and thirty-six Members have answered to their names—a quorum.

Mr. ALEXANDER. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The doors were opened.

LEAVE OF ABSENCE.

The SPEAKER laid before the House the request of Mr. DICKINSON for leave of absence for 10 days, on account of sickness.

Mr. MANN. I think he may be able to attend the convention.

The SPEAKER. No; he is sick in bed.

Mr. MANN. Where is he?

The SPEAKER. He is at home.

Mr. RUCKER. Mr. Speaker, I want to say that I had a letter from Mr. DICKINSON within the last three or four days, in which he stated that he was dictating the letter lying in bed and that the doctor said he would have to remain in bed some time.

The SPEAKER. He went home because he was sick, although he was then able to travel, but he has grown worse since he got home.

Mr. MANN. I notice that two-thirds of the Missouri delegation are away from the House by reason of sickness. There are 6 out of 15 here now.

Mr. RUCKER. Oh, there are more than 6.

Mr. MANN. Who are they?

Mr. RUCKER. The gentleman from Illinois has no right to catechize me.

Mr. MANN. I can name those who are here; I have just been over the list.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER laid before the House the request of Mr. CHURCH for leave of absence for 10 days on account of sickness.

Mr. MANN. Reserving the right to object——

Mr. GARRETT of Texas. A point of order, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. GARRETT of Texas. I make the point of order that under the law the gentleman can be excused by assigning as a reason sickness.

Mr. RAKER. Let the facts in this case be stated. Mr. CHURCH has had a doctor for three or four days——

Mr. KINKEAD of New Jersey. Mr. Speaker, I ask unanimous consent that the gentleman from California may make an explanation.

The SPEAKER. He is making the explanation.

Mr. KINKEAD of New Jersey. But the gentleman was proceeding out of order.

Mr. MANN. The gentleman from New Jersey is always quite attentive to his duties.

Mr. KINKEAD of New Jersey. Mr. Speaker, I am sure I am grateful to the gentleman from Illinois, and those of us who see him working so untiringly for his constituents no longer marvel at his brilliant successes at the polls.

Mr. MANN. The gentleman should not leave the House even to be sheriff of Hudson County.

Mr. RAKER. Mr. Speaker, as I was saying in regard to Mr. CHURCH, three or four days ago he came into my office—he has a room just opposite from mine. He was sick and unable to do his work, and had a physician, and was going to take his family and go home. I told him that he had better stay here on the job. I advised him to go to some local place, where he could get a little rest and recreation, and he has done so and will remain.

Mr. MANN. He ought to take the physician's advice.

Mr. RAKER. He took a pretty good one when he took mine.

Mr. MANN. Mr. Speaker, I reserved the right to object for the purpose of saying that a short time ago several Members from Missouri presented with great éclat on the floor of the House a statement that they had asked the President to keep Congress in session and that they would always be found here at his right hand supporting him. To-day there are 6 out of 15 in the House.

Mr. RUCKER. Will the gentleman yield?

Mr. MANN. Yes.

Mr. RUCKER. Merely that the gentleman may be accurate in his remarks, I want to advise him that no Member of the Missouri delegation presented any statement of that kind in the House.

Mr. MANN. It was presented in the House, although it was not exactly in the language that I used, but it was that in substance. I do not know whether it was presented by the gentleman from Missouri [Mr. RUCKER], but some other rank Member from Missouri presented it, and they have now gone home.

Mr. RUCKER. The gentleman from Illinois knows that it was not the gentleman from Missouri [Mr. RUCKER] that presented it, and he is inaccurate about the number of Missourians that are here present to-day.

Mr. MANN. Six out of fifteen are here.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER laid before the House the following request. The Clerk read as follows:

Mr. VARE requests leave of absence for Mr. GRIEST, on account of sickness.

Mr. MANN. Do I understand that he is actually sick?

Mr. VARE. He has been sick for two months.

Mr. TAYLOR of Colorado. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. TAYLOR of Colorado. Reserving the right to object, is there any system of determining what constitutes illness, or of obtaining any line on this subject?

The SPEAKER. That is not a parliamentary question. The Chair thinks that when a man is in bed with the attendance of a doctor he is sick.

Mr. HAMLIN. Mr. Speaker, reserving the right to object, I want to state in the interest of truth, in regard to the statement made by the gentleman from Illinois in relation to the absence of Missourians, that, as stated by several Members, Mr. DICKINSON is at home sick in bed. That is the information we all have. I think it is fair to say also that Mr. RUBEY was called home by a telegram announcing the sudden death of his father; that Mr. HENSLEY has gone home to submit to an operation which not only the surgeons here but there told him he must submit to in the near future; that Mr. RUSSELL was excused by the House to go home and attend a convention, and will return in a day or two. I am sure that it is generally known that Judge SHACKLEFORD has not been well for some time. So the criticism submitted by the gentleman from Illinois in regard to the Missouri delegation is entirely gratuitous and not warranted by the facts.

Mr. MANN. I did not state anything but that was an absolute fact. What is the use of saying that it is "entirely gratuitous"?

Mr. HAMLIN. The gentleman from Illinois embellished the facts a little bit.

Mr. MANN. I did not.

Mr. HAMLIN. And intended that an inference should be drawn that certain Members had made certain statements, and then immediately after the primaries left for home.

Mr. MANN. I did not say when they left, and I made no statement of that sort, and I do not think the gentleman should say that the statements were not warranted by the facts.

Mr. HAMLIN. I did not intend that the statement of the gentleman should go unchallenged.

The SPEAKER. It does not make a particle of difference what the Missouri delegation said to the President or the President to the Missouri delegation.

Mr. MANN. I guess that is true. [Laughter on the Republican side.]

The SPEAKER. It is true. It has nothing to do with the proceedings of this House, and it shall not be turned into a hippodrome. [Applause on the Democratic side.] Is there objection? [After a pause.] The Chair hears none.

Mr. BARTLETT. Mr. Speaker, I desire to ask the House to excuse me to-day and from further attendance upon the House, indefinitely. I am here at considerable risk to myself, and I have come now two days in order to try to make a quorum.

The SPEAKER. The Chair is aware of that. The gentleman from Georgia asks unanimous consent for indefinite leave of absence on account of ill health. Is there objection?

There was no objection.

THE MERCHANT MARINE.

The SPEAKER. The Clerk will continue the reading of the bill.

The Clerk continued and concluded the reading of the bill, as follows:

"'(b) That it shall be lawful for any seaman to stipulate in his shipping agreement for an allotment of any portion of the wages he may earn to his grandparents, parents, wife, sister, or children.

"'(c) That no allotment shall be valid unless in writing and signed by and approved by the shipping commissioner. It shall be the duty of the said commissioner to examine such allotments and the parties to them and enforce compliance with the law. All stipulations for the allotment of any part of the wages of a seaman during his absence which are made at the commencement of the voyage shall be inserted in the agreement and shall state the amounts and times of the payments to be made and the persons to whom the payments are to be made.

"'(d) That no allotment except as provided for in this section shall be lawful. Any person who shall falsely claim to be such relation, as above described, of a seaman under this section shall for every such offense be punished by a fine not exceeding $500 or imprisonment not exceeding six months, at the discretion of the court.

"'(e) That this section shall apply as well to foreign vessels while in waters of the United States as to vessels of the United States, and any master, owner, consignee, or agent of any foreign vessel who has vio-

lated its provisions shall be liable to the same penalty that the master, owner, or agent of a vessel of the United States would be for similar violation.

"'The master, owner, consignee, or agent of any vessel of the United States, or of any foreign vessel seeking clearance from a port of the United States, shall present his shipping articles at the office of clearance, and no clearance shall be granted any such vessel unless the provisions of this section have been complied with: *Provided*, That treaties in force between the United States and foreign nations do not conflict herewith.

"'(f) That under the direction of the Secretary of Commerce the Commissioner of Navigation shall make regulations to carry out this section.'"

SEC. 12. That no wages due or accruing to any seaman or apprentice employed on a vessel of the United States shall be subject to attachment or arrestment from any court, and every payment of wages to a seaman or apprentice shall be valid in law, notwithstanding any previous sale or assignment of wages or of any attachment, encumbrance, or arrestment thereon; and no assignment or sale of wages or of salvage made prior to the accruing thereof shall bind the party making the same, except such allotments as are authorized by this title. This section shall apply to fishermen employed on fishing vessels as well as to seamen: *Provided*, That nothing contained in this or any preceding section shall interfere with the order by any court regarding the payment by any seaman of any part of his wages for the support and maintenance of his wife and minor children. Section 4536 of the Revised Statutes of the United States is hereby repealed.

SEC. 13. That no vessel of 100 tons gross and upward, except those navigating rivers exclusively and the smaller inland lakes where the line of travel is at no point more than 3½ miles from land, and except as provided in section 1 of this act, shall be permitted to depart from any port of the United States unless she has on board a crew not less than 75 per cent of which, in each department thereof are able to understand any order given by the officers of such vessel, nor unless 40 per cent in the first year, 45 per cent in the second year, 50 per cent in the third year, 55 per cent in the fourth year after the passage of this act, and thereafter 65 per cent of her deck crew, exclusive of licensed officers and apprentices, are of a rating not less than able seaman. Every person shall be rated an able seaman, and qualified for service as such on the seas, who is 19 years of age or upward and has had at least three years' service on deck on a vessel or vessels to which this section applies; and every person shall be rated an able seaman, and qualified to serve as such on the Great Lakes and other lakes, and on the bays or sounds who is 19 years old or upward and has had at least 24 months' service on deck on such vessel or vessels: *Provided*, That upon examination under rules prescribed by the Department of Commerce as to eyesight, hearing, and physical condition he is found to be competent: *And provided further*, That upon examination under rules prescribed by the Department of Commerce as to eyesight, hearing, physical condition, and knowledge of the duties of seamanship man found competent may be rated as able seaman after having served on deck 12 months at sea; but seamen examined and rated able seamen under this proviso shall not in any case compose more than one-fourth of the number of able seamen required by this section to be shipped or employed upon any vessel.

Any person may make application to any board of local inspectors for a certificate of service as able seaman, and upon proof being made to said board by affidavit and examination, under rules approved by the Secretary of Commerce, showing the nationality and age of the applicant and the vessel or vessels on which he has had service and that he is entitled to such certificate under the provisions of this section, the board of local inspectors shall issue to said applicant a certificate of service, which shall be retained by him and be accepted as prima facie evidence of his rating as an able seaman.

Each board of local inspectors shall keep a complete record of all certificates of service issued by them and to whom issued and shall keep on file the affidavits upon which said certificates are issued.

The collector of customs may, upon his own motion, and shall, upon the sworn information of any reputable citizen of the United States setting forth that this section is not being complied with, cause a muster of the crew of any vessel to be made to determine the fact; and no clearance shall be given to any vessel failing to comply with the provisions of this section: *Provided*, That the collector of customs shall not be required to cause such muster of the crew to be made unless said sworn information has been filed with him for at least six hours before the vessel departs, or is scheduled to depart: *Provided further*, That any person that shall knowingly make a false affidavit for such purpose shall be deemed guilty of perjury and upon conviction thereof shall be punished by a fine not exceeding $500 or by imprisonment not exceeding one year, or by both such fine and imprisonment, within the discretion of the court. Any violation of any provision of this section by the owner, master, or officer in charge of the vessel shall subject the owner of such vessel to a penalty of not less than $100 and not more than $500: *And provided further*, That nothing herein shall be held or construed to prevent the Board of Supervising Inspectors, with the approval of the Secretary of Commerce, from making rules and regulations authorized by law as to vessels excluded from the operation of this section.

SEC. 14. That section 4488 of the Revised Statutes is hereby amended by adding thereto the following: "The powers bestowed by this section upon the board of supervising inspectors in respect of lifeboat, floats, rafts, life preservers, and other life-saving appliances and equipment, and the further requirements herein as to davits, embarkation of passengers in lifeboats and rafts, and the manning of lifeboats and rafts, and the musters and drills of the crews, on steamers navigating the ocean, or any lake, bay, or sound of the United States, on and after July 1, 1915, shall be subject to the provisions, limitations, and minimum requirements of the regulations herein set forth, and all such vessels shall thereafter be required to comply in all respects therewith."

REGULATIONS.

LIFE-SAVING APPLIANCES.

Standard types of boats.

The standard types of boats classified as follows:

Class.	Section.	Type.
I (Entirely rigid sides.)	A Open.	Internal buoyancy only.
	B Open.	Internal and external buoyancy.
	C Pontoon.	Well deck; fixed water-tight bulwarks.
II (Partially collapsible sides.)	A Open.	Upper part of sides collapsible.
	B Pontoon.	Well deck; collapsible water-tight bulwarks.
	C Pontoon.	Flush deck; collapsible water-tight bulwarks.

STRENGTH OF BOATS.

Each boat must be of sufficient strength to enable it to be safely lowered into the water when loaded with its full complement of persons and equipment.

ALTERNATIVE TYPES OF BOATS AND RAFTS.

Any type of boat may be accepted as equivalent to a boat of one of the prescribed classes and any type of raft as equivalent to an approved pontoon raft, if the Board of Supervising Inspectors, with the approval of the Secretary of Commerce, is satisfied by suitable trials that it is as effective as the standard types of the class in question, or as the approved type of pontoon raft, as the case may be.

Motor boats may be accepted if they comply with the requirements laid down for boats of the first class, but only to a limited number, which number shall be determined by the Board of Supervising Inspectors, with the approval of the Secretary of Commerce.

No boat may be approved the buoyancy of which depends upon the previous adjustment of one of the principal parts of the hull or which has not a cubic capacity of at least 125 cubic feet.

BOATS OF THE FIRST CLASS.

The standard types of boats of the first class must satisfy the following conditions:

1A.—OPEN BOATS WITH INTERNAL BUOYANCY ONLY.

The buoyancy of a wooden boat of this type shall be provided by water-tight air cases, the total volume of which shall be at least equal to one-tenth of the cubic capacity of the boat.

The buoyancy of a metal boat of this type shall not be less than that required above for a wooden boat of the same cubic capacity, the volume of water-tight air cases being increased accordingly.

1B.—OPEN BOATS WITH INTERNAL AND EXTERNAL BUOYANCY.

The internal buoyancy of a wooden boat of this type shall be provided by water-tight air cases, the total volume of which is at least equal to 7½ per cent of the cubic capacity of the boat.

The external buoyancy may be of cork or of any other equally efficient material, but such buoyancy shall not be secured by the use of rushes, cork shavings, loose granulated cork, or any other loose granulated substance, or by any means dependent upon inflation by air.

If the buoyancy is of cork, its volume, for a wooden boat, shall not be less than thirty-three thousandths of the cubic capacity of the boat; if of any material other than cork, its volume and distribution shall be such that the buoyancy and stability of the boat are not less than that of a similar boat provided with buoyancy of cork.

The buoyancy of a metal boat shall be not less than that required above for a wooden boat of the same cubic capacity, the volume of the air cases and external buoyancy being increased accordingly.

1C.—PONTOON BOATS, IN WHICH PERSONS CAN NOT BE ACCOMMODATED BELOW THE DECK, HAVING A WELL DECK AND FIXED WATER-TIGHT BULWARKS.

The area of the well deck of a boat of this type shall be at least 30 per cent of the total deck area. The height of the well deck above the water line at all points shall be at least equal to one-half per cent of the length of the boat, this height being increased to 1½ per cent of the length of the boat at the ends of the well.

The freeboard of a boat of this type shall be such as to provide for a reserve buoyancy of at least 35 per cent.

BOATS OF THE SECOND CLASS.

The standard types of boats of the second class must satisfy the following conditions:

2A.—OPEN BOATS HAVING THE UPPER PART OF THE SIDES COLLAPSIBLE.

A boat of this type shall be fitted both with water-tight air cases and with external buoyancy, the volume of which, for each person which the boat is able to accommodate, shall be at least equal to the following amounts: Air cases, 1.5 cubic feet; external buoyancy (if of cork), two-tenths cubic foot.

The minimum freeboard of boats of this type is fixed in relation to their length; it is measured vertically to the top of the solid hull at the side amidships, from the water level when the boat is loaded.

The freeboard in fresh water shall not be less than the following amounts:

Length of the boat.	Minimum freeboard.
Feet.	*Inches.*
20	8
28	9
30	10

The freeboard of boats of intermediate lengths is to be found by interpolation.

2B.—PONTOON BOATS HAVING A WELL DECK AND COLLAPSIBLE BULWARKS.

All the conditions laid down for boats of type 1C are to be applied to boats of this type, which differ from those of type 1C only in regard to the bulwarks.

2C.—PONTOON BOATS, IN WHICH THE PERSONS CAN NOT BE ACCOMMODATED BELOW DECK, HAVING A FLUSH DECK AND COLLAPSIBLE BULWARKS.

The minimum freeboard of boats of this type is independent of their lengths and depends only upon their depth. The depth of the boat is to be measured vertically from the underside of the garboard strake to the top of the deck on the side amidships, and the freeboard is to be measured from the top of the deck at the side amidships to the water level when the boat is loaded.

The freeboard in fresh water shall not be less than the following amounts, which are applicable without correction to boats having a mean sheer equal to 3 per cent of their length:

Depth of boat.	Minimum freeboard.
Inches.	*Inches.*
12	2½
18	3½
20	5½
30	6½

For intermediate depths the freeboard is obtained by interpolation.

If the sheer is less than the standard sheer defined above, the minimum freeboard is obtained by adding to the figures in the table one-seventh of the difference between the standard sheer and the actual mean sheer measured at the stem and sternpost. No deduction is to be made from the freeboard on account of the sheer being greater than the standard sheer or on account of the camber of the deck.

MOTOR BOATS.

When motor boats are accepted, the volume of internal buoyancy and, when fitted, the external buoyancy must be fixed, having regard to the difference between the weight of the motor and its accessories and the weight of the additional persons which the boat could accommodate if the motor and its accessories were removed.

ARRANGEMENTS FOR CLEARING PONTOON LIFEBOATS OF WATER.

All pontoon lifeboats shall be fitted with efficient means for quickly clearing the deck of water. The orifices for this purpose shall be such that the water can not enter the boat through them when they are intermittingly submerged. The number and size of the orifices shall be determined for each type of boat by a special test.

For the purpose of this test the pontoon boat shall be loaded with a weight of iron equal to that of its complement of persons and equipment.

In the case of a boat 28 feet in length 2 tons of water shall be cleared from the boat in a time not exceeding the following: Type 1C, 60 seconds; type 2B, 60 seconds; type 2C, 20 seconds.

In the case of a boat having a length greater or less than 28 feet the weight of water to be cleared in the same time shall be, for each type, directly proportional to the length of the boat.

CONSTRUCTION OF BOATS.

Open lifeboats of the first class (types 1A and 1B) must have a mean sheer at least equal to 4 per cent of their length.

The air cases of open boats of the first class shall be placed along the sides of the boat; they may also be placed at the ends of the boat, but not in the bottom of the boat.

Pontoon lifeboats may be built of wood or metal. If constructed of wood, they shall have the bottom and deck made of two thicknesses with textile material between; if of metal, they shall be divided into water-tight compartments, with means of access to each compartment.

All boats shall be fitted for the use of a steering oar.

PONTOON RAFTS.

No type of pontoon raft may be approved unless it satisfies the following conditions:

First. It should be reversible and fitted with bulwarks of wood, canvas, or other suitable material on both sides. These bulwarks may be collapsible.

Second. It should be of such size, strength, and weight that it can be handled without mechanical appliances, and, if necessary, be thrown from the vessel's deck.

Third. It should have not less than 3 cubic feet of air cases or equivalent buoyancy for each person whom it can accommodate.

Fourth. It should have a deck area of not less than 4 square feet for each person whom it can accommodate, and the platform should not be less than 6 inches above the water level when the raft is loaded.

Fifth. The air cases or equivalent buoyancy should be placed as near as possible to the sides of the raft.

CAPACITY OF BOATS AND PONTOON RAFTS.

First. The number of persons which a boat of one of the standard types or a pontoon raft can accommodate is equal to the greatest whole number obtained by dividing the capacity in cubic feet, or the surface in square feet, of the boat or of the raft by the standard unit of capacity, or unit of surface (according to circumstances), defined below for each type.

Second. The cubic capacity in feet of a boat in which the number of persons is determined by the surface shall be assumed to be ten times the number of persons which it is authorized to carry.

Third. The standard units of capacity and surface are as follows:

Units of capacity, open boats, type 1A, 10 cubic feet; open boats, type 1B, 9 cubic feet.

Unit of surface, open boats, type 2A, 3½ square feet; pontoon boats, type 2C, 3½ square feet; pontoon boats, type 1C, 3½ square feet; pontoon boats, type 2B, 3½ square feet.

Fourth. The board of supervising inspectors, with the approval of the Secretary of Commerce, may accept, in place of 3½, a smaller divisor if it is satisfied after trial that the number of persons for whom there is seating accommodations in the pontoon boat in question is greater than the number obtained by applying the above divisor, provided always that the divisor adopted in place of 3½ may never be less than 3.

CAPACITY LIMITS.

Pontoon boats and pontoon rafts shall never be marked with a number of persons greater than that obtained in the manner specified in this section.

This number shall be reduced—

First. When it is greater than the number of persons for which there is proper seating accommodation, the latter number being determined in such a way that the persons when seated do not interfere in any way with the use of the oars.

Second. When, in the case of boats other than those of the first two sections of the first class, the freeboard, when the boat is fully loaded, is less than the freeboard laid down for each type respectively. In such circumstances the number shall be reduced until the freeboard when the boat is fully loaded is at least equal to the standard freeboard laid down above.

In boats of types 1C and 2B the raised part of the deck at the sides may be regarded as affording seating accommodation.

EQUIVALENTS FOR AND WEIGHT OF THE PERSONS.

In tests for determining the number of persons which a boat or pontoon raft can accommodate each person shall be assumed to be an adult person wearing a life jacket.

In verifications of freeboard the pontoon boats shall be loaded with a weight of at least 165 pounds for each adult person that the pontoon boat is authoried to carry.

In all cases two children under 12 years of age shall be reckoned as one person.

CUBIC CAPACITY OF OPEN BOATS OF THE FIRST CLASS.

First. The cubic capacity of an open boat of type 1A or 1B shall be determined by Stirling's (Simpson's) rule or by any other method, approved by the Board of Supervising Inspectors, giving the same degree of accuracy. The capacity of a square-sterned boat shall be calculated as if the boat had a pointed stern.

Second. For example, the capacity in cubic feet of a boat, calculated by the aid of Stirling's rule, may be considered as given by the following formula:

$$\text{Capacity} = \frac{l}{12}(4A + 2B + 4C)$$

l being the length of the boat in meters (or feet) from the inside of the planking or plating at the stem to the corresponding point at the stern post; in the case of a boat with a square stern, the length is measured to the inside of the transom.

A, B, C denote, respectively, the areas of the cross sections at the quarter length forward, amidships, and the quarter length aft, which correspond to the three points obtained by dividing l into four equal parts. (The areas corresponding to the two ends of the boat are considered negligible.)

The areas A, B, C shall be deemed to be given in square feet by the successive application of the following formula to each of the three cross sections:

$$\text{Area} = \frac{h}{12}(a + 4b + 2c + 4d + e)$$

h being the depth measured in meters (or in feet) inside the planking or plating from the keel to the level of the gunwale, or, in certain cases, to a lower level, as determined hereafter.

a, b, c, d, e denote the horizontal breadths of the boat measured in feet at the upper and lower points of the depth and at the three points obtained by dividing h into four equal parts (a and e being the breadths at the extreme points, and c at the middle point, of h).

Third. If the sheer of the gunwale, measured at the two points situated at a quarter of the length of the boat from the ends, exceeds 1 per cent of the length of the boat, the depth employed in calculating the area of the cross sections A or C shall be deemed to be the depth amidships plus 1 per cent of the length of the boat.

Fourth. If the depth of the boat amidships exceeds 45 per cent of the breadth, the depth employed in calculating the area of the midship across section B shall be deemed to be equal to 45 per cent of the breadth; and the depth employed in calculating the areas of the quarter-length sections A and C is obtained by increasing this last figure by an amount equal to 1 per cent of the length of the boat: *Provided*, That in no case shall the depths employed in the calculation exceed the actual depths at these points.

Fifth. If the depth of the boat is greater than 4 feet, the number of persons given by the application of this rule shall be reduced in proportion to the ratio of 4 feet to the actual depth, until the boat has been satisfactorily tested afloat with that number of persons on board all wearing life jackets.

Sixth. The Board of Supervising Inspectors shall impose, by suitable formulæ, a limit for the number of persons allowed in boats with very fine ends and in boats very full in form.

Seventh. The Board of Supervising Inspectors may by regulation assign to a boat a capacity equal to the product of the length, the breadth, and the depth multiplied by six-tenths if it is evident that this formula does not give a greater capacity than that obtained by the above method. The dimensions shall then be measured in the following manner:

Length. From the intersection of the outside of the planking with the stem to the corresponding point at the sternpost or, in the case of a square-sterned boat, to the afterside of the transom.

Breadth. From the ontside of the planking at the point where the breadth of the boat is greatest.

Depth. Amidships inside the planking from the keel to the level of the gunwale, but the depth used in caculating the cubic capacity may not in any case exceed 45 per cent of the breadth.

In all cases the vessel owner has the right to require that the cubic capacity of the boat shall be determined by exact measurement.

Eighth. The cubic capacity of a motor boat is obtained from the gross capacity by deducting a volume equal to that occupied by the motor and its accessories.

DECK AREA OF PONTOON BOATS AND OPEN BOATS OF THE SECOND CLASS.

First. The area of the deck of a pontoon boat of type 1C, 2B, or 2C shall be determined by the method indicated below or by any other method giving the same degree of accuracy. The same rule is to be applied in determining the area within the fixed bulwarks of a boat of type 2A.

Second. For example, the surface in square feet of a boat may be deemed to be given by the following formula:

$$\text{Area} = \frac{l}{12}(2a + 1.2b + 4c + 1.5d + 2e),$$

l being the length in feet from the intersection of the outside of the planking with the stem to the corresponding point at the sternpost.

a, b, c, d, e, denote the horizontal breadths in feet outside the planking at the points obtained by dividing l into four equal parts and subdividing the foremost and aftermost parts into two equal parts (a and e being the breadths at the extreme subdivisions, c at the middle point of the length, and b and d at the intermediate points).

MARKING OF BOATS AND PONTOON RAFTS.

The dimensions of the boat and the number of persons which it is authorized to carry shall be marked on it in clear, permanent characters, according to regulations by the board of supervising inspectors, approved by the Secretary of Commerce. These marks shall be specifically approved by the officers appointed to inspect the ship.

Pontoon rafts shall be marked with the number of persons in the same manner.

EQUIPMENT OF BOATS AND PONTOON RAFTS.

First. The normal equipment of every boat shall consist of—

(a) A single banked complement of oars and two spare oars; one set and a half of thole pins or crutches; a boat hook.

(b) Two plugs for each plug hole (plugs are not required when proper automatic valves are fitted); a baller and a galvanized-iron bucket.

(c) A tiller or yoke and yoke lines.

(d) Two hatchets.

(e) A lamp filled with oil and trimmed.

(f) A mast or masts with one good sail at least, and proper gear for each. (This does not apply to motor lifeboats.)

(g) A suitable compass.

Pontoon lifeboats will have no plug hole, but shall be provided with at least two bilge pumps.

In the case of a steamer which carries passengers in the North Atlantic, all the boats need not be equipped with masts, sails, and compasses, if the ship is provided with a radiotelegraph installation.

Second. The normal equipment of every approved pontoon raft shall consist of—

(a) Four oars.

(b) Five rowlocks.

(c) A self-igniting life-buoy light.

Third. In addition, every boat and every pontoon raft shall be equipped with—

(a) A life line beckoted round the outside.

(b) A sea anchor.

(c) A painter.

(d) A vessel containing 1 gallon of vegetable or animal oil. The vessel shall be so constructed that the oil can be easily distributed on the water, and so arranged that it can be attached to the sea anchor.

(e) A water-tight receptacle containing 2 pounds avoirdupois of provisions for each person.

(f) A water-tight receptacle containing 1 quart for each person.

(g) A number of self-igniting "red lights" and a water-tight box of matches.

Fourth. All loose equipment must be securely attached to the boat or pontoon raft to which it belongs.

STOWAGE OF BOATS—NUMBER OF DAVITS.

The minimum number of sets of davits is fixed in relation to the length of the vessel, provided that a number of sets of davits greater than the number of boats necessary for the accommodation of all the persons on board may not be required.

HANDLING OF THE BOATS AND RAFTS.

All the boats and rafts must be stowed in such a way that they can be launched in the shortest possible time, and that, even under unfavorable conditions of list and trim from the point of view of the handling of the boats and rafts, it may be possible to embark in them as large a number of persons as possible.

The arrangements must be such that it may be possible to launch on either side of the vessel as large a number of boats and rafts as possible.

STRENGTH AND OPERATION OF THE DAVITS.

The davits shall be of such strength that the boats can be lowered with their full complement of persons and equipment, the vessel being assumed to have a list of 15 degrees.

The davits must be fitted with a gear of sufficient power to insure that the boat can be turned out against the maximum list under which the lowering of the boats is possible on the vessel in question.

OTHER APPLIANCES EQUIVALENT TO DAVITS.

Any appliance may be accepted in lieu of davits or sets of davits if the Board of Supervising Inspectors, with the approval of the Secretary of Commerce, is satisfied after proper trials that the appliance in question is as effective as davits for placing the boats in the water.

DAVITS.

Each set of davits shall have a boat of the first class attached to it, provided that the number of open boats of the first class attached to davits shall not be less than the minimum number fixed by the table which follows.

If it is neither practicable nor reasonable to place on a vessel the minimum number of sets of davits required by the rules, the Board of Supervising Inspectors, with the approval of the Secretary of Commerce, may authorize a smaller number of sets of davits to be fitted, provided always that this number shall never be less than the minimum number of open boats of the first class required by the rules.

If a large proportion of the persons on board are accommodated in boats whose length is greater than 50 feet, a further reduction in the number of sets of davits may be allowed exceptionally, if the Board of Supervising Inspectors, with the approval of the Secretary of Commerce, is satisfied that the arrangements are in all respects satisfactory.

In all cases in which a reduction in the minimum number of sets of davits or other equivalent appliances required by the rules is allowed the owner of the vessel in question shall be required to prove, by a test made in the presence of an officer designated by the Supervising Inspector General, that all the boats can be efficiently launched in a minimum time

The conditions of this test shall be as follows:

First. The vessel is to be upright and in smooth water.

Second. The time is the time required from the beginning of the removal of the boat covers, or any other operation necessary to prepare the boats for lowering, until the last boat or pontoon raft is afloat.

Third. The number of men employed in the whole operation must not exceed the total number of boat hands that will be carried on the vessel under normal service conditions.

Fourth. Each boat when being lowered must have on board at least two men and its full equipment as required by the rules.

The time allowed for putting all the boats into the water shall be fixed by the Board of Supervising Inspectors, with the approval of the Secretary of Commerce.

MINIMUM NUMBER OF DAVITS AND OF OPEN BOATS OF THE FIRST CLASS—MINIMUM BOAT CAPACITY.

The following table fixes, according to the length of the vessel—

(A) The minimum number of sets of davits to be provided, to each of which must be attached a boat of the first class in accordance with this section.

(B) The minimum total number of open boats of the first class, which must be attached to davits, in accordance with this section.

(C) The minimum boat capacity required, including the boats attached to davits and the additional boats, in accordance with this section.

Registered length of the ship (feet).	(A) Minimum number of sets of davits.	(B) Minimum number of open boats of the first class.	(C) Minimum capacity of lifeboats.
			Cubic feet.
100 and less than 120	2	2	980
120 and less than 140	2	2	1,220
140 and less than 160	2	2	1,550
160 and less than 175	3	3	1,880
175 and less than 190	3	3	2,390
190 and less than 205	4	4	2,740
205 and less than 220	4	4	3,330
220 and less than 230	5	4	3,900
230 and less than 245	5	4	4,560
245 and less than 255	6	5	5,100
255 and less than 270	6	5	5,640
270 and less than 285	7	5	6,190
285 and less than 300	7	5	6,930
300 and less than 315	8	6	7,550
315 and less than 330	8	6	8,290
330 and less than 350	9	7	9,090
350 and less than 370	9	7	9,630
370 and less than 390	10	7	10,650
390 and less than 410	10	7	11,700
410 and less than 435	12	9	13,060
435 and less than 460	12	9	14,430
460 and less than 490	14	10	15,920
490 and less than 520	14	10	17,310
520 and less than 550	16	12	18,720
550 and less than 580	16	12	20,350
580 and less than 610	18	13	21,900
610 and less than 640	18	13	23,700
640 and less than 670	20	14	25,350
670 and less than 700	20	14	27,050
700 and less than 730	22	15	28,560
730 and less than 760	22	15	30,180
760 and less than 790	24	17	32,100
790 and less than 820	24	17	34,350
820 and less shan 855	26	18	36,450
855 and less than 890	26	18	38,750
890 and less than 925	28	19	41,000
925 and less than 960	28	19	43,880
960 and less than 995	30	20	46,350
995 and less than 1,030	30	20	48,750

When the length of the vessel exceeds 1,030 feet, the Board of Supervising Inspectors, with the approval of the Secretary of Commerce, shall determine the minimum number of sets of davits and of open boats of the first class for that vessel.

EMBARKATION OF THE PASSENGERS IN THE LIFEBOATS AND RAFTS.

Suitable arrangements shall be made for embarking the passengers in the boats, in accord with regulations by the Board of Supervising Inspectors, with the approval of the Secretary of Commerce.

In vessels which carry rafts there shall be a number of rope ladders always available for use in embarking the persons on to the rafts.

The number and arrangement of the boats, and (where they are allowed) of the pontoon rafts, on a vessel depends upon the total number of persons which the vessel is intended to carry: *Provided*, That there shall not be required on any voyage a total capacity in boats, and (where they are allowed) pontoon rafts, greater than that necessary to accommodate all the persons on board.

At no moment of its voyage shall any passenger steam vessel of the United States on ocean routes more than 20 nautical miles offshore have on board a total number of persons greater than that for whom accommodation is provided in the lifeboats and pontoon life rafts on board.

If the lifeboats attached to davits do not provide sufficient accommodation for all persons on board, additional lifeboats of one of the standard types shall be provided. This addition shall bring the total capacity of the boats on the vessel at least up to the greater of the two following amounts:

(a) The minimum capacity required by these regulations;

(b) A capacity sufficient to accommodate 75 per cent of the persons on board.

The remainder of the accommodation required shall be provided, under regulations of the Board of Supervising Inspectors, approved by the Secretary of Commerce, either in boats of class 1 or class 2, or in pontoon rafts of an approved type.

At no moment of its voyage shall any passenger steam vessel of the United States on ocean routes less than 20 nautical miles offshore have on board a total number of persons greater than that for whom accommodation is provided in the lifeboats and pontoon rafts on board. The accommodation provided in lifeboats shall in every case be sufficient to accommodate at least 75 per cent of the persons on board. The number and type of such lifeboats and life rafts shall be determined by regulations of the Board of Supervising Inspectors, approved by the Secretary of Commerce: *Provided*, That during the interval from May 15 to September 15, inclusive, any passenger steam vessel of the United States, on ocean routes less than 20 nautical miles offshore, shall be required to carry accommodation for not less than 70 per cent of the total number of persons on board in lifeboats and pontoon life rafts, of which accommodation not less than 50 per cent shall be in lifeboats and 50 per cent may be in collapsible boats or rafts, under regulations of the Board of Supervising Inspectors, approved by the Secretary of Commerce.

At no moment of its voyage may any ocean-cargo steam vessel of the United States have on board a total number of persons greater than that for whom accommodation is provided in the lifeboats on board. The number and types of such boats shall be determined by regulations of the Board of Supervising Inspectors, approved by the Secretary of Commerce.

At no moment of its voyage may any passenger steam vessel of the United States on the Great Lakes, on routes more than 3 miles offshore, except over waters whose depth is not sufficient to submerge all the decks of the vessel, have on board a total number of persons, including passengers and crew, greater than that for whom accommodation is provided in the lifeboats and pontoon life rafts on board. The accommodation provided in lifeboats shall in every case be sufficient to accommodate at least 75 per cent of the persons on board. The number and types of such lifeboats and life rafts shall be determined by regulations of the Board of Supervising Inspectors, approved by the Secretary of Commerce: *Provided*, That during the interval from May 15 to September 15, inclusive, any such steamer shall be required to carry accommodation for not less than 50 per cent of persons on board in lifeboats and pontoon life rafts, of which accommodation not less than two-fifths shall be in lifeboats and three-fifths may be in collapsible boats or rafts, under regulations of the Board of Supervising Inspectors, approved by the Secretary of Commerce: *Provided further*, That all passenger steam vessels of the United States, the keels of which are laid after the 1st of July, 1915, for service on ocean routes and on the Great Lakes, on routes more than 3 miles offshore, shall be built to carry, and shall carry, enough lifeboats and life rafts to accommodate all persons on board, including passengers and crew: *And provided further*, That not more than 25 per cent of such equipment may be in pontoon life rafts or collapsible lifeboats.

At no moment of its voyage may any cargo steam vessel of the United States on the Great Lakes have on board a total number of persons greater than that for whom accommodation is provided in the lifeboats on board. The number and types of such boats shall be determined by regulations of the Board of Supervising Inspectors, approved by the Secretary of Commerce.

The number, types, and capacity of lifeboats and life rafts, together with the proportion of such accommodation to the number of persons on board which shall be carried on steam vessels on the Great Lakes, on routes 3 miles or less offshore or over waters whose depth is not sufficient to submerge all the decks of the vessels, and on all other lakes, and on rivers, bays, and sounds, shall be determined by regulations of the Board of Supervising Inspectors, approved by the Secretary of Commerce.

All regulations by the Board of Supervising Inspectors, approved by the Secretary of Commerce, authorized by this act, shall be transmitted to Congress as soon as practicable after they are made.

The Secretary of Commerce is authorized in specific cases to exempt existing vessels from the requirements of this section that the davits shall be of such strength and shall be fitted with a gear of sufficient power to insure that the boats can be lowered with their full complement of persons and equipment, the vessel being assumed to have a list of 15 degrees, where their strict application would not be practicable or reasonable.

CERTIFICATED LIFEBOAT MEN—MANNING OF THE BOATS.

There shall be for each boat or raft a number of lifeboat men at least equal to that specified as follows: If the boat or raft carries less than 61 persons, the minimum number of certificated lifeboat men shall be 3; if the boat or raft carries from 61 to 85 persons, the minimum number of certificated lifeboat men shall be 4; if the boat or raft carries from 86 to 110 persons, the minimum number of certificated lifeboat men shall be 5; if the boat or raft carries from 111 to 160 persons, the minimum number of certificated lifeboat men shall be 6; if the boat or raft carries from 161 to 210 persons, the minimum number of certificated lifeboat men shall be 7; and, thereafter, 1 additional certificated lifeboat man for each additional 50 persons.

The allocation of the certificated lifeboat men to each boat and raft remains within the discretion of the master, according to the circumstances.

By "certificated lifeboat man" is meant any member of the crew who holds a certificate of efficiency issued under the authority of the Secretary of Commerce, who is hereby directed to provide for the issue of such certificates.

In order to obtain the special lifeboat man's certificate the applicant must prove to the satisfaction of an officer designated by the Secretary of Commerce that he has been trained in all the operations connected with launching lifeboats and the use of oars; that he is acquainted with the practical handling of the boats themselves; and, further, that he is capable of understanding and answering the orders relative to lifeboat service.

Section 4463 of the Revised Statutes as amended is hereby amended by adding the words "including certificated lifeboat men, separately stated," to the word "crew" wherever it occurs.

MANNING OF BOATS.

A licensed officer or able seaman shall be placed in charge of each boat or pontoon raft; he shall have a list of its lifeboat men, and other members of its crew which shall be sufficient for her safe management, and shall see that the men placed under his orders are acquainted with their several duties and stations.

A man capable of working the motor shall be assigned to each motor boat.

The duty of seeing that the boats, pontoon rafts, and other lifesaving appliances are at all times ready for use shall be assigned to one or more officers.

MUSTER ROLL AND DRILLS.

Special duties for the event of an emergency shall be allotted to each member of the crew.

The muster list shows all these special duties, and indicates, in particular, the station to which each man must go, and the duties that he has to perform.

Before the vessel sails the muster list shall be drawn up and exhibited, and the proper authority, to be designated by the Secretary of Commerce, shall be satisfied that the muster list has been prepared for the vessel. It shall be posted in several parts of the vessel, and in particular in the crew's quarters.

MUSTER LIST.

The muster list shall assign duties to the different members of the crew in connection with—

(a) The closing of the water-tight doors, valves, etc.
(b) The equipment of the boats and rafts generally.
(c) The launching of the boats attached to davits.
(d) The general preparation of the other boats and the pontoon rafts.
(e) The muster of the passengers.
(f) The extinction of fire.

The muster list shall assign to the members of the stewards' department their several duties in relation to the passengers at a time of emergency. These duties shall include—

(a) Warning the passengers.
(b) Seeing that they are dressed and have put on their life jackets in a proper manner.
(c) Assembling the passengers.
(d) Keeping order in the passages and on the stairways, and, generally, controlling the movements of the passengers.

The muster list shall specify definite alarm signals for calling all the crew to the boat and fire stations and shall give full particulars of these signals.

MUSTERS AND DRILLS.

Musters of the crews at their boat and fire stations, followed by boat and fire drills, respectively, shall be held at least once a week, either in port or at sea. An entry shall be made in the official log book of these drills, or of the reasons why they could not be held.

Different groups of boats shall be used in turn at successive boat drills. The drills and inspections shall be so arranged that the crew thoroughly understand and are practiced in the duties they have to perform, and that all the boats and pontoon rafts on the ships with the gear appertaining to them are always ready for immediate use.

LIFE JACKETS AND LIFE BUOYS.

A life jacket of an approved type, or other appliance of equal buoyancy and capable of being fitted on the body, shall be carried for every person on board, and, in addition, a sufficient number of life jackets or other equivalent appliances suitable for children.

First. A life jacket shall satisfy the following conditions:

(a) It shall be of approved material and construction.
(b) It shall be capable of supporting in fresh water for 24 hours 15 pounds avoirdupois of iron.

Life jackets the buoyancy of which depends on air compartments are prohibited.

Second. A life buoy shall satisfy the following conditions:

(a) It shall be of solid cork or any other equivalent material.
(b) It shall be capable of supporting in fresh water for 24 hours at least 31 pounds avoirdupois of iron.

Life buoys filled with rushes, cork shavings, or granulated cork, or any other loose granulated material, or whose buoyancy depends upon air compartments which require to be inflated, are prohibited.

Third. The minimum number of life buoys with which vessels are to be provided is fixed as follows:

Length of the vessel under 400 feet, minimum number of buoys, 12; length of the vessel, 400 and under 600 feet, minimum number of buoys, 18; length of the vessel, 600 and under 800 feet, minimum number of buoys, 24; length of the vessel, 800 feet and over, minimum number of buoys, 30.

Fourth. All the buoys shall be fitted with beckets securely seized. At least one buoy on each side shall be fitted with a life line of at least 15 fathoms in length. The number of luminous buoys shall be not less than one-half of the total number of life buoys, and in no case less than six. The lights shall be efficient self-igniting lights which can not be extinguished in water, and they shall be kept near the buoys to which they belong, with the necessary means of attachment.

Fifth. All the life buoys and life jackets shall be so placed as to be readily accessible to the persons on board; their position shall be plainly indicated so as to be known to the persons concerned.

The life buoys shall always be capable of being rapidly cast loose, and shall not be permanently secured in any way. The owner of any vessel who neglects or refuses to provide and equip his vessel with such lifeboats, floats, rafts, life preservers, line-carrying projectiles, and the means of propelling them, drags, pumps, or other appliances, as are required under the provisions of this section, or under the regulations of the Board of Supervising Inspectors, approved by the Secretary of Commerce, authorized by and made pursuant hereto, shall be fined not less than $500, nor more than $5,000, and every master of a vessel who shall fail to comply with the requirements of this section, and the regulations of the Board of Supervising Inspectors, approved by the Secretary of Commerce, authorized by and made pursuant hereto, shall upon conviction be fined not less than $50, nor more than $500. Section 4489 of the Revised Statutes is hereby repealed.

SEC. 15. That the owner, agent, or master of every barge which, while in tow through the open sea, has sustained or caused any accident, shall be subject in all respects to the provisions of sections 10, 11, 12, and 13 of chapter 344 of the Statutes at Large, approved June 20, 1874, and the reports therein prescribed shall be transmitted by collectors of customs to the Secretary of Commerce, who shall transmit annually to Congress a summary of such reports during the previous fiscal year, together with a brief statement of the action of the department in respect to such accidents.

SEC. 16. That in the judgment of Congress articles in treaties and conventions of the United States, in so far as they provide for the arrest and imprisonment of officers and seamen deserting or charged with desertion from merchant vessels of the United States in foreign countries, and for the arrest and imprisonment of officers and seamen deserting or charged with desertion from merchant vessels of foreign nations in the United States and the Territories and possessions thereof, and for the cooperation, aid, and protection of competent legal authorities in effecting such arrest or imprisonment, and any other treaty provision in conflict with the provisions of this act, ought to be terminated; and to this end the President be, and he is hereby, requested and directed, within 90 days after the passage of this act, to give notice to the several Governments, respectively, that so much as hereinbefore described of all such treaties and conventions between the United States and foreign Governments will terminate on the expiration of such periods after notices have been given as may be required in such treaties and conventions.

SEC. 17. That upon the expiration after notice of the periods required, respectively, by said treaties and conventions and of one year in the case of the independent State of the Kongo, so much as hereinbefore described in each and every one of said articles shall be deemed and held to have expired and to be of no force and effect, and thereupon section 5280 and so much of section 4081 of the Revised Statutes as relates to the arrest or imprisonment of officers and seamen deserting or charged with desertion from merchant vessels of foreign nations in the United States and Territories and possessions thereof, and for the cooperation, aid, and protection of competent legal authorities in effecting such arrest or imprisonment, shall be, and is hereby, repealed.

SEC. 18. That this act shall take effect as to all vessels of the United States 6 months after its passage and as to foreign vessels 12 months after its passage, except that such parts hereof as are in

conflict with articles of any treaty or convention with any foreign nation shall take effect as regards the vessels of such foreign nation on the expiration of the period fixed in the notice of abrogation of the said articles as provided in section 16 of this act.

SEC. 19. That section 16 of the act approved December 21, 1898, entitled "An act to amend the laws relating to American seamen, for the protection of such seamen, and to promote commerce," be amended by adding at the end of the section the following:

"*Provided*, That at the discretion of the Secretary of Commerce, and under such regulations as he may prescribe, if any seaman incapacitated from service by injury or illness is on board a vessel so situated that a prompt discharge requiring the personal appearance of the master of the vessel before an American consul or consular agent is impracticable, such seaman may be sent to a consul or consular agent, who shall care for him and defray the cost of his maintenance and transportation, as provided in this paragraph."

Mr. MADDEN. Mr. Speaker, I suggest the absence of a quorum.

The SPEAKER. The gentleman from Illinois suggests the absence of a quorum.

Mr. ALEXANDER. Mr. Speaker, I hope the gentleman will withdraw that.

Mr. MADDEN. Very well. I withdraw the point of no quorum.

Mr. DONOVAN. Mr. Speaker, I raise the point of no quorum.

Mr. ALEXANDER. Mr. Speaker, I hope the gentleman will withdraw it.

Mr. DONOVAN. Oh, I am going to make it, and I will not withdraw it. I make the point of order that there is no quorum present, Mr. Speaker.

The SPEAKER. The gentleman from Connecticut makes the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and twenty-seven Members present—not a quorum.

Mr. ALEXANDER. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The SPEAKER. The Doorkeeper will lock the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Adair	Dixon	Kennedy, Conn.	Peterson
Aiken	Dooling	Kennedy, R. I.	Phelan
Ainey	Doolittle	Kent.	Plumley
Ansberry	Doremus	Key, Ohio	Porter
Anthony	Engle	Kiess, Pa.	Pou
Aswell	Elder	Kirkpatrick	Powers
Austin	Esch	Knowland, J. R.	Prouty
Baker	Estopinal	Konop	Ransdale
Baltz	Fairchild	Kreider	Rainey
Barchfeld	Faison	Lafferty	Riordan
Barkley	Fess	Langham	Rothermel
Barnhart	Finley	Langley	Rubey
Bartholdt	Fitzgerald	Lazaro	Rucker
Bartlett	Flood, Va.	L'Engle	Russell
Beall, Tex.	Fordney	Lenroot	Sabath
Bell, Ga.	Foster	Lever	Saunders
Brockson	Francis	Levy	Shackleford
Broussard	Gallivan	Lewis, Pa.	Sherley
Brown, N. Y.	Gard	Lindbergh	Sherwood
Browne, Wis.	Gardner	Lindquist	Shreve
Browning	George	Lobeck	Sisson
Brumbaugh	Gerry	Loft	Smith, N. Y.
Bulkley	Gill	McAndrews	Steenerson
Burke, Pa.	Gillett	McCoy	Stephens, Miss.
Butler	Glass	McGillicuddy	Stout
Byrnes, S. C.	Goldfogle	McGuire, Okla.	Stringer
Calder	Graham, Ill.	McKenzie	Switzer
Campbell	Graham, Pa.	Mahan	Talbott, Md.
Candler, Miss.	Green, Iowa	Maher	Ten Eyck
Cantor	Griest	Martin	Thacher
Cantrill	Guernsey	Merritt	Townsend
Carew	Hamilton, Mich.	Metz	Treadway
Chandler, N. Y.	Hamilton, N. Y.	Miller	Tuttle
Church	Hardwick	Moore	Underhill
Clancy	Hayden	Morgan, La.	Vaughan
Coady	Hayes	Morin	Vollmer
Collier	Hensley	Mott	Walker
Connolly, Iowa	Hinds	Murdock	Wallin
Conry	Hinebaugh	Murray, Mass.	Watkins
Cooper	Hobson	Neeley, Kans.	Whaley
Copley	Hoxworth	Neely, W. Va.	Whitacre
Covington	Hughes, W. Va.	Nolan, J. I.	White
Cramton	Hullings	O'Brien	Willis
Crisp	Hull	O'Leary	Wilson, N. Y.
Decker	Igoe	Padgett	Winslow
Dickinson	Johnson, Ky.	Palmer	Woodruff
Dies	Johnson, S. C.	Parker	Young, Tex.
Difenderfer	Jones	Patton, Pa.	
Dillon	Kelley, Mich.	Peters	

The SPEAKER. On this roll call 236 Members—a quorum—have answered to their names.

Mr. ALEXANDER. Mr. Speaker, I move that further proceedings under the call be dispensed with.

The SPEAKER. The gentleman from Missouri moves that further proceedings under the call be dispensed with.

The motion was agreed to.

The SPEAKER. The Doorkeeper will open the doors. Is a second demanded on this motion to suspend the rules?

Mr. MANN. Mr. Speaker, under the rule a second is considered as ordered.

The SPEAKER. Whenever anyone demands one it is considered as ordered.

Mr. GREENE of Massachusetts. Mr. Speaker, I demand a second.

The SPEAKER. Under the rule it is considered as ordered, and the gentleman from Missouri is recognized for one hour.

LEAVE OF ABSENCE.

Mr. PAYNE. Mr. Speaker, will the gentleman from Missouri permit me to make one request, and that is to request leave of absence for my colleague, Mr. MERRITT, who has been sick for some time and is absent on account of sickness?

The SPEAKER. The gentleman from New York asks indefinite leave of absence for his colleague, Mr. MERRITT, who has been sick for a good long time and is still sick. Is there objection? [After a pause.] The Chair hears none.

Mr. MANN. Mr. Speaker, I would ask leave of absence for Mr. SWITZER, of Ohio, who is ill with typhoid fever.

The SPEAKER. The gentleman from Illinois asks unanimous consent for indefinite leave of absence for the gentleman from Ohio [Mr. SWITZER], who is sick of typhoid fever. Is there objection?

Mr. DONOVAN. Mr. Speaker, I did not hear the request.

The SPEAKER. The gentleman asked unanimous consent for leave of absence for Mr. SWITZER, of Ohio, who is sick in bed, of typhoid fever. Is there objection? [After a pause.] The Chair hears none.

Mr. HILL. Mr. Speaker, I have just received a telegram announcing the death of my brother, and I would like to be excused for a few days.

The SPEAKER. Is there objection to the request of the gentleman from Illinois? [After a pause.] The Chair hears none.

Mr. GOULDEN. Mr. Speaker, I would like to ask unanimous consent that Mr. HENRY GEORGE be excused. He has been obliged to leave here on account of illness, and is not able to be here.

The SPEAKER. The gentleman from New York asks unanimous consent for leave of absence, indefinitely, for Mr. HENRY GEORGE.

Mr. DONOVAN. On what ground?

The SPEAKER. On the ground of sickness. In addition to that, he is bottled up in the war zone. Is there objection? [After a pause.] The Chair hears none.

Mr. CLARK of Florida. Mr. Speaker, will the gentleman from Missouri yield to me for a moment?

Mr. ALEXANDER. I yield to the gentleman from Florida.

Mr. CLARK of Florida. I would ask unanimous consent for indefinite leave for my colleague [Mr. L'ENGLE], who is quite sick.

The SPEAKER. The gentleman from Florida asks unanimous consent for leave of absence for his colleague [Mr. L'ENGLE], on account of sickness. Is there objection?

Mr. MANN. Is he ill?

The SPEAKER. He has been quite sick for a long time and utterly unable to get here. Is there objection? [After a pause.] The Chair hears none.

THE MERCHANT MARINE.

Mr. ALEXANDER. Mr. Speaker, the bill which is pending before the House was passed by the Senate on the 23d day of October last during the extra session of Congress. Some criticism has been visited on the Committee on the Merchant Marine and Fisheries for not bringing the bill before the House at an earlier day. I wish to state briefly that at the extra session under the rules of the Democratic caucus no legislation was in order except the tariff bill, the currency bill, and emergency legislation, and for that reason this bill came over to the present session. As most Members of the House know, on the 29th of October I left for London, having been appointed by the President of the United States a commissioner to the International Conference on Safety of Life at Sea, which met in London on the 12th day of November, 1913, and returned to Washington on the 29th day of January, the conference having finished its labors and adjourned on the 20th day of January last and a few days after the beginning of this session. Early in December my colleague, Mr. HARDY, of Texas, the ranking member of the committee and acting chairman in my absence, began hearings on this bill. The hearings were confined to the lifeboat requirements of the bill. Those hearings were had before the Christmas holidays, and further hearings were postponed by consent until I should return from Europe. Following my return many demands came for hearings on other features of the bill, and those hearings were begun early in February and continued into March, there being hearings sometimes twice or three times a week. Following those hearings the bill was referred to a subcommittee, of which I was chairman, and considered two

or three times each week until we finally agreed to the committee amendment by way of substitute for the Senate bill, and the bill was reported to the House on the 19th of June. There has not been a time from early in June that it would have been practicable for the committee to have had the bill considered in the House.

And this is the first time that it has been practicable to secure the consideration of the bill, and it is only made possible now by the gracious action of the membership of the House in permitting it to be considered by unanimous consent on motion to suspend the rules.

I wish to explain very briefly the provisions of the bill. Section 1 is substantially existing law, except it provides that in case of desertion or casualty resulting in the loss of one or more of the seamen the master must ship, if obtainable, a number equal to the number of those whose services he has been deprived of by desertion or casualty, who must be of the same or higher grade or rating with those whose places they fill. Under existing law the seamen should be of the same rating. We provide that they must be of the same or higher rating.

Section 2 amends the present law by regulating the hours of labor at sea by dividing the sailors into at least two and the firemen into three watches. This is the statute law of France and Germany. It is the custom in England and the custom protected by law in Norway and in port by establishing a nine-hour day, except on Sundays and legal holidays, when no unnecessary work shall be required. This, in substance, is the law of France, Germany, and Norway. The section applies to all merchant vessels of the United States of more than 100 tons gross, excepting those navigating rivers, harbors, bays, or sounds exclusively. It does not apply to fishing or whaling vessels or yachts.

Section 3 amends the present law by increasing the penalty for its violations.

Section 4 amends the present law by striking out the following words:

Unless the contrary be expressly stipulated in the contract.

In other words, under existing law the sailor has a right to demand half his pay at each port at which the vessel may call unless the contrary is provided in the contract. Of course the law was evaded or rendered inoperative by the shipping articles containing a provision denying the sailor that right. Hence we have amended that section of the law to provide that they shall receive one-half of the pay due them in each port, and any stipulation of the contract denying them that privilege shall be void, provided, however, the demand shall not be made oftener than once in five days. This section is made to apply to seamen on foreign vessels in the harbors of the United States, and the courts of the United States shall be open for its enforcement.

Section 5 amends the existing law relative to determining the seaworthiness of a vessel while in a foreign port. The existing law provides that upon complaint made in writing, signed by the first or second officer and a majority of the crew, the consul or commercial agent may have a survey of the vessel made. We change the law so as to give a majority of the crew the right to have a survey made to ascertain whether or not the vessel is in a seaworthy condition, and this amendment makes the law conform to the law of several other maritime nations. I think Germany has that law, and some other nations have it.

Section 6 amends the existing law and provides that in vessels hereafter built the forecastle space allotted to each member of the crew shall not be less than 120 cubic feet. The existing law provides that the forecastle space shall not be less than 72 cubic feet. We make our law conform to that of Great Britain, France, and Germany, by allotting to the crew a larger forecastle space. We also provide more cleanliness and better sanitation for the quarters occupied by the crew.

Section 7 amends existing law so as to give the seaman the same freedom as landsmen when his vessel is in a safe harbor, and provides for enforcement of proper discipline while the vessel is at sea.

Section 8 amends existing law by striking out the words "reclaim deserters."

Mr. MADDEN. Will the gentleman yield? What effect would that have by striking out the words?

Mr. ALEXANDER. Section 4600 as amended will provide:

That it shall be the duty of all consular officers to discountenance insubordination by every means in their power and, where the local authorities can be usefully employed for that purpose, to lend their aid and use their exertions to that end in the most effectual manner—

And so forth.

Now, we have stricken out after the word "discountenanced," in line 5, the word "desertion," so that it shall read:

It shall be the duty of all consular officers to discountenance insubordination—

And so forth.

As I shall later explain, we make provision for repealing so much of our treaties as provides for the arrest and return of seamen for desertion, and we amend this section to harmonize with the other provisions of the bill relating to desertion.

Mr. McKELLAR. Will the gentleman yield?

Mr. ALEXANDER. For a question.

Mr. McKELLAR. I notice that on page 30 it provides for placing those who continue to neglect their duty in irons. Is that not a very cruel and inhuman kind of punishment to inflict on a man who fails to do his duty?

Mr. ALEXANDER. We have not relaxed any of the discipline on board ships. We leave the law as it is now and as it has been from time immemorial in that regard. We do not undertake to relax any of the discipline or the power in the master to enforce discipline on the ship, and if there is insubordination that is the punishment provided by existing law, and we have no disposition to relax it, nor is there any request from any quarter to have it relaxed.

Section 9 amends existing law relative to corporal punishment by enabling the seaman who has been thus punished to sue the master or owner of the vessel for damages if the master permits the officer guilty of the violation to escape. In that regard we change existing law.

Section 10 simply provides that seamen shall have a greater allowance of butter and water. But the testimony before the committee was to the effect that the food scale on our ships is better than that required by law, and sailors get all the butter and all the water they want, so that the requirement that the crew shall be furnished more butter and water is not very important, so far as that is concerned.

Section 11 amends the existing law by prohibiting advance payments and allotments of seamen's wages. This will destroy the power of the crimps, and we regard this section as one of the very important provisions of the bill.

Section 12 amends the existing law by extending to fishermen on deep-sea fishing vessels the provision which prohibits the attachment of the seamen's wages. We found by an investigation of the existing law that section 4536 of the Revised Statutes, which was passed in 1872, was amended in 1874, and the exemption under section 4536 applies only to seamen on ships in the foreign trade. Hence we repeal section 4536 and reenact the language, and make it applicable to fishermen as well as seamen, so that it will apply hereafter not only to seamen on vessels engaged in the foreign trade, but to the coastwise trade as well.

The wages of sailors will be exempt from attachment and execution without reference to the trade of the vessel, whether foreign or coastwise. I may say that the courts have generally construed the law to be that the exemption applies indiscriminately to the coastwise trade and the foreign trade, but the Supreme Court of Hawaii recently held differently, and for that reason we repeal the old section and enact this new section, giving it a general application, and removing all doubt about it.

Mr. MADDEN. So that under the law as reported by the committee there could be no garnisheeing proceedings against a man's wages?

Mr. ALEXANDER. No; not of a seaman's or deep-sea fisherman's wages.

Section 13 is new in American maritime law. It proposes a standard of skilled and able seamen of three years' service on deck at sea and two years' service on deck on the Great Lakes. It provides a language test. It provides that at least 75 per cent of the crew in each department shall be able to understand the orders of their officers. It further provides that not less than 40 per cent in the first year, and 45 per cent in the second year, and 50 per cent in the third year, and 55 per cent in the fourth year, after the passage of the act, and thereafter 65 per cent of the deck crew, exclusive of licensed officers and apprentices, shall be of a rating not less than that of an able seaman.

An able seaman is also defined thus:

Every person shall be rated an able seaman and qualified for service as such on the seas who is 19 years of age or upward and has had at least three years' service on deck on a vessel or vessels to which this section applies; and every person shall be rated an able seaman and qualified to serve as such on the Great Lakes and other lakes and on the bays or sounds who is 19 years old or upward and has had at least 24 months' service on deck on such vessel or vessels: *Provided*, That upon examination, under rules prescribed by the Department of Commerce, as to eyesight, hearing, and physical condition he is found to be competent: *And provided further*, That upon examination, under rules prescribed by the Department of Commerce, as to eyesight, hearing, physical condition, and knowledge of the duties of seamanship, men found competent may be rated as able seamen after having served on deck 12 months at sea; but further provided seamen examined and rated able seamen under this proviso shall not in any case compose more than one-fourth of the number of able seamen required by this section to be shipped or employed upon any vessel.

This last limitation is for the purpose of preventing an abuse of the law by rating all seamen able seamen after one year's

service and having the crew of the vessel composed of one-year men. As I say, this is new in American law and is intended to provide for more efficient crews in the interest of safe navigation and safety of life at sea.

Mr. GOULDEN. Mr. Chairman, will the gentleman yield?

The SPEAKER. Does the gentleman from Missouri yield to the gentleman from New York?

Mr. ALEXANDER. Yes.

Mr. GOULDEN. What change is this from existing law in regard to able seamen?

Mr. ALEXANDER. It is new.

Mr. GOULDEN. I thought it was.

Mr. HUMPHREY of Washington. Mr. Speaker, will the gentleman yield?

Mr. ALEXANDER. Yes; I yield.

Mr. HUMPHREY of Washington. I wanted to ask the gentleman whether in his opinion this section will apply to foreign ships that come into our ports? It is one of the most important sections in the bill, and I would like to have the gentleman's judgment.

Mr. ALEXANDER. There is no exception. The language is general. It says—

That no vessel of 100 tons gross and upward, except those navigating the rivers exclusively and the smaller inland lakes where the line of travel is at no point more than 3½ miles from land, and except as provided in section 1 of this act, shall be permitted to depart from any port of the United States unless she has on board a crew—

And so forth.

Mr. HUMPHREY of Washington. Then do I understand from the gentleman that this provision describes, for instance, the character of a sailor that a Japanese vessel shall employ, his qualifications, and how he shall be paid? And if a Japanese vessel comes into an American port and anyone files an affidavit saying that the vessel has not complied with the provisions of our law in regard to crews, it will be the duty of the collector of customs to prevent that ship from clearing until we compel Japan to employ the kind of sailors that we prescribe—that they shall have served, for instance, two years on the Great Lakes?

Mr. ALEXANDER. I trust the gentleman will not make his question too long. My time is about expired now.

Mr. HUMPHREY of Washington. Then I will take the matter up later myself.

Mr. ALEXANDER. I will say that the section is very broad in its language.

Mr. HUMPHREY of Washington. The gentleman does think, then, that this section does apply to foreign ships?

Mr. ALEXANDER. There is no limitation in the section. I agree with the gentleman from Washington that it is a very important section of the bill.

Under section 4463 it is provided that—

Any vessel of the United States subject to the provisions of this title or to the inspection laws of the United States shall not be navigated unless she shall have in her service and on board such complement of licensed officers and crew as may, in the judgment of the local inspectors who inspect the vessel, be necessary for her safe navigation.

That power is lodged in the local inspectors. It is made their duty to determine how many men shall be employed in the different departments for the safe navigation of the vessel. It is their duty under existing law to see that a vessel is sufficiently and efficiently manned to meet all the exigencies of the voyage before permitting the vessel to leave port. Of that number, however, under this bill in the first year not less than 40 per cent and in successive years increasing 5 per cent a year to 65 per cent after the fourth year after passage of the act shall be able seamen, exclusive of licensed officers and apprentices. I regard it as quite important that this should be understood. We are undertaking to provide for greater safety of life at sea by providing a standard of seamanship, and in order to do that we are trying to provide a rule by which it may be determined whether or not a man has the qualifications to make him an able seaman. There is much that can be said on this question, but I must hasten along, as my time is very limited.

Section 14 of this bill is a very important section, and relates to the life-saving equipment of passenger vessels and the manning of lifeboats, muster of the crew, and so forth; and I wish to say that in its application to ocean vessels, on routes more than 20 miles offshore, it is in the language of the London convention adopted on the 20th day of January last, which provides that all ocean-going vessels of the signatory States in the foreign trade shall be equipped with enough lifeboats for all. The London convention provides, however, that the boats must be in charge of an officer, petty officer, or seaman. Our bill provides that the boats shall be in charge of a licensed officer or able seaman. The balance of the crew of the lifeboats may be made up of certificated lifeboat men. The section defines certificated lifeboat men to be men who hold certificates of efficiency issued under the authority of the Secretary of Commerce and have been examined and are qualified to handle lifeboats. These men may be drawn from the crew, the deck crew, the steward's department, or the fireroom, provided they possess the necessary qualifications.

The section provides that at no moment of its voyage shall any passenger steam vessel of the United States on ocean routes more than 20 miles offshore have on board a total number of persons greater than for whom accommodation is provided in lifeboats and pontoon life rafts on board, and in no event shall the equipment in lifeboats be less than sufficient to accommodate 75 per cent of those on board, the balance in some cases may be life rafts under the regulations.

The bill provides further that ocean-going vessels on routes less than 20 miles offshore shall carry lifeboats and life rafts for all on board, not less than 75 per cent of the equipment to be lifeboats, except between May 15 and September 15 they shall be required to carry accommodations for not less than 70 per cent of the total persons on board in lifeboats and life rafts, one-half of which shall be in lifeboats and one-half may be in life rafts.

On the Great Lakes this provision is made as to all the routes more than 3 miles offshore; that the vessel shall be equipped with lifeboats and life rafts enough for all persons on board, not less than 75 per cent of the complement to be in lifeboats, except on routes over waters where the decks of the vessel would not be submerged in the event she should sink. However, it is further provided that during the interval from May 15 to September 15, inclusive, such vessels shall not be required to carry accommodations for more than 50 per cent of persons on board. Two-fifths of the equipment shall be in lifeboats and three-fifths may be in life rafts. On routes less than 3 miles offshore and on routes over waters where the decks of the vessel would not be submerged, and on the other lakes, and on rivers, bays, and sounds, the discretion is left with the Steamboat-Inspection Service, as now, to determine what the lifeboat and life-raft equipment may be. That discretion has been lodged in the Steamboat-Inspection Service from the beginning of the Government, as to all these trades, but we have taken away from the Steamboat-Inspection Service the discretion so far as ocean-going vessels are concerned and as to vessels on the Great Lakes whose routes are more than 3 miles offshore.

In these regards, except as to ocean-going vessels, we have modified the provisions of the Senate bill, which provides that all vessels on all routes, ocean going, on the Great Lakes, and on bays and sounds, should be equipped with lifeboats enough for all. The testimony before our committee was to the effect that on the Great Lakes, if this rule should be applied, it would absolutely destroy the value of vessels built under the regulations of the law in force at the time they were built. The testimony further showed that the passenger vessels on routes between Buffalo and Cleveland are never very far off shore or out of sight of another vessel for many minutes, seven or eight minutes, I believe Mr. Shantz stated. They are all equipped with wireless, they have life preservers for all, and their complement of lifeboats and life rafts, as provided by existing regulations, and the same necessity does not exist for full lifeboat equipment as on ocean-going vessels. We have relaxed the rule as far as we could, having due regard, of course, to safety of life at sea. The testimony before the committee showed that the lake passenger vessels carry millions of passengers yearly at a low rate of fare, and without loss of life through fault or negligence of their managers.

The sections 16 and 17 of the bill provide for the repeal of so much of our treaties with foreign nations as provide for the arrest and imprisonment of seamen deserting or who may be charged with desertion from merchant vessels of foreign nations in ports of the United States, and the Territories and possessions thereof, and for the termination of any other treaty provisions in conflict with the provisions of the act.

I may say that this question has been agitated for many years. The Democratic national platform adopted in Baltimore in 1912 contained the following plank:

We urge upon Congress the speedy enactment of laws for the greater security of life and property at sea, and we favor the repeal of all laws and the abrogation of so much of our treaties with other nations as provide for the arrest and imprisonment of seamen charged with violation of their contract of service. Such laws and treaties are un-American and violate the spirit, if not the letter, of the Constitution of the United States.

The Republican national platform of 1912 contained the following declaration:

We favor the speedy enactment of laws to provide that seamen shall not be compelled to endure involuntary servitude, and that life and property at sea shall be safeguarded by the ample equipment of vessels

with life-saving appliances and with full complements of skilled, able-bodied seamen to operate them.

Mr. Speaker, I see that I have occupied about 20 minutes. I did not intend to occupy more than 15 minutes, so I must give way.

Mr. J. M. C. SMITH. Will the gentleman yield?

Mr. ALEXANDER. I regret that I have not the time. I have already used more time than I intended to use, and I am trespassing on the time I have promised to others. I have only been able to give a hasty and very imperfect explanation of the provisions of this measure. Mr. Speaker, I reserve the balance of my time. I move that the House do now adjourn.

Mr. COX. Will the gentleman withhold that motion?

Mr. ALEXANDER. Yes.

EXTENSION OF REMARKS.

Mr. COX. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the Underwood resolution adopted this morning.

The SPEAKER pro tempore (Mr. MURRAY of Oklahoma). The gentleman from Indiana asks unanimous consent to revise and extend his remarks on the Underwood resolution. Is there objection?

There was no objection.

By unanimous consent, the following Members were given leave to extend their remarks in the RECORD on the subject of the Underwood resolution adopted this morning:

Mr. MONDELL, Mr. RAKER, Mr. LOBECK, Mr. GREENE of Massachusetts, Mr. SLOAN, Mr. BRYAN, Mr. J. M. C. SMITH, Mr. BARTON, Mr. FALCONER, Mr. KEATING, Mr. DONOHOE, and Mr. GREENE of Vermont.

Mr. HUMPHREY of Washington. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of the Panama Canal.

The SPEAKER pro tempore. The gentleman from Washington asks unanimous consent to extend his remarks in the RECORD on the subject of the Panama Canal. Is there objection?

There was no objection.

Mr. McKELLAR. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of cotton.

The SPEAKER pro tempore. The gentleman from Tennessee asks unanimous consent to extend his remarks in the RECORD on the subject of cotton. Is there objection?

There was no objection.

Mr. BUCHANAN of Illinois. Mr. Speaker, I ask unanimous consent for the present consideration of the resolution which I send to the desk.

The Clerk read as follows:

Resolved, That the Secretary of Labor be, and he is hereby, requested to transmit to the House of Representatives any information now available in the possession of the Bureau of Labor and Statistics concerning the public aid for home builders or aid to houseworking people in foreign countries.

The SPEAKER pro tempore. Is there objection?

Mr. MANN. I object. I will say to the gentleman that this is a privileged resolution and that it can be referred to the committee. It may not be necessary to print it in this shape. It can be called up at any time as a privileged resolution.

Mr. BUCHANAN of Illinois. Mr. Speaker, I want to say that this is information that is already compiled and is of great importance to every Member of Congress. It is in regard to government aid to home builders and farmers in foreign countries, something that I am especially interested in.

Mr. MANN. Has it been printed by the department?

Mr. BUCHANAN of Illinois. It has been compiled. I do not know whether it has been printed or not.

Mr. MANN. I think we ought to know about that.

The SPEAKER pro tempore. The gentleman from Illinois objects.

LEAVE OF ABSENCE.

The SPEAKER pro tempore laid before the House the request of Mr. GALLIVAN for leave of absence on account of the illness of his son.

The SPEAKER pro tempore. Is there objection?

Mr. MANN. Reserving the right to object, I shall object unless I know whether it is a serious illness or not.

The SPEAKER pro tempore. Is there objection?

Mr. MANN. I object.

ADJOURNMENT.

Mr. ALEXANDER. Mr. Speaker, I renew my motion that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 5 minutes p. m.) the House adjourned until to-morrow, Wednesday, August 26, 1914, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. TALCOTT of New York, from the Committee on Interstate and Foreign Commerce, to which was referred the bill (S. 6357) to authorize the establishment of a bureau of war-risk insurance in the Treasury Department, reported the same without amendment, accompanied by a report (No. 1112), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII.

Mr. WITHERSPOON, from the Committee on Naval Affairs, to which was referred the bill (S. 3561) to appoint Frederick H. Lemly a passed assistant paymaster on the active list of the United States Navy, reported the same without amendment, accompanied by a report (No. 1113), which said bill and report were referred to the Private Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. FERGUSSON: A bill (H. R. 18519) to amend section No. 2324 of the Revised Statutes of the United States, relating to mining claims; to the Committee on the Public Lands.

By Mr. KINDEL: A bill (H. R. 18520) making it unlawful for any alien previous to having been admitted to citizenship in the United States to have, keep, or bear firearms; to the Committee on Immigration and Naturalization.

By Mr. BURNETT: A bill (H. R. 18521) to amend the naturalization laws; to the Committee on Immigration and Naturalization.

By Mr. HEFLIN: A bill (H. R. 18522) to require the issuance of an emergency currency and to loan the same to the cotton producers of the United States upon properly authenticated cotton warehouse receipts; to the Committee on Banking and Currency.

Also, a bill (H. R. 18523) to require the Secretary of the Treasury to purchase and hold as the property of the United States Government 4,000,000 bales of the cotton crop of 1914; to the Committee on Ways and Means.

By Mr. SMITH of New York: A bill (H. R. 18524) to amend title 60, chapter 3, of the Revised Statutes of the United States of America, relating to copyrights; to the Committee on Patents.

By Mr. LOGUE: Resolution (H. Res. 602) directing procedure as to House joint resolution 308; to the Committee on Rules.

By Mr. FREAR: Resolution (H. Res. 603) directing the House Judiciary Committee to investigate and report to the House its findings under House concurrent resolution 38; to the Committee on Rules.

By Mr. BUCHANAN of Illinois: Resolution (H. Res. 604) requesting the Secretary of Labor to transmit to the House of Representatives information concerning public aid for home owning and housing of working people in foreign countries; to the Committee on Labor.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. GILMORE: A bill (H. R. 18525) to correct the records of the War Department in regard to enlistment of William C. Donleavy; to the Committee on Military Affairs.

By Mr. KEY of Ohio: A bill (H. R. 18526) granting an increase of pension to Christian Martin; to the Committee on Invalid Pensions.

By Mr. LOBECK: A bill (H. R. 18527) for the relief of John J. Rodgers; to the Committee on War Claims.

By Mr. RUPLEY: A bill (H. R. 18528) granting an increase of pension to Mary A. McElwee; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. ASHBROOK: Petition of the Licking County Institute, of Newark, Ohio, favoring national prohibition; to the Committee on Rules.

By Mr. BRUCKNER: Petition of the Rochester (N. Y.) Chamber of Commerce, favoring passage of bill to create American merchant marine; to the Committee on the Merchant Marine and Fisheries.

By Mr. GARNER: Memorial of the Corpus Christi Commercial Club, relative to terminal of pipe line at Port Aransas if built by the United States Government from the oil fields of the State of Oklahoma; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Corpus Christi Commercial Club, favoring bills for inquiry into the Shipping Trust of the merchant marine of the United States; to the Committee on Interstate and Foreign Commerce.

By Mr. GILMORE: Petition of the Grand Circle of Massachusetts, Companions of the Forest of America, favoring passage of House bill 5139, relative to retirement of aged employees of the Government; to the Committee on Reform in the Civil Service.

Also, memorial of the Federal Council of the Churches of Christ in America, expressing to President Wilson gratitude for offering services of the United States in mediation between the European powers; to the Committee on Foreign Affairs.

By Mr. HAY: Petitions of sundry citizens of Albemarle County, Va., relative to rural credits; to the Committee on Banking and Currency.

By Mr. JOHNSON of Washington: Petitions of sundry citizens of Port Angeles, Wash., protesting against national prohibition; to the Committee on Rules.

Also, petitions of sundry citizens of the second congressional district of Washington, favoring the passage of House bill 5308, relative to taxing mail-order houses; to the Committee on Ways and Means.

By Mr. LOBECK: Petition of the Central Federated Union, favoring passage of House bill 10735; to the Committee on Labor.

Also, petition of the Omaha (Nebr.) Manufacturers' Association, asking postponement of antitrust bills to next session of Congress; to the Committee on the Judiciary.

Also, petition of the First United Evangelical Church of Omaha, favoring national prohibition; to the Committee on Rules.

By Mr. REILLY of Connecticut: Petition of various women of Connecticut, favoring submission of amendment for woman suffrage at this session of Congress; to the Committee on Rules.

Also, petition of the New Haven Trades Council, of New Haven, Conn., protesting against any appropriation to a private corporation for the printing of corner cards on stamped envelopes; to the Committee on the Post Office and Post Roads.

By Mr. SELDOMRIDGE: Petitions of sundry citizens of Cripple Creek, Colo., protesting against national prohibition; to the Committee on Rules.

By Mr. SLOAN: Petitions of sundry business men of the State of Nebraska, favoring the passage of House bill 5308, relative to taxing mail-order houses; to the Committee on Ways and Means.

By Mr. SAMUEL W. SMITH: Petition of the Woman's Christian Temperance Union of Clyde, Mich., favoring national prohibition; to the Committee on Rules.

By Mr. STEPHENS of California: Petitions of the Building Trades Employers' Association, the Sheet Metal Contractors' Association, and the Master Housesmiths' Association, all of San Francisco, Cal., protesting against the passage of the Clayton bill at this session of Congress; to the Committee on the Judiciary.

Also, petition of the Craig Shipbuilding Co., of Long Beach, Cal., protesting against throwing open coastwise shipping to foreign vessels; to the Committee on Interstate and Foreign Commerce.

Also, petition of the forty-seventh encampment of the Department of California and Nevada, Grand Army of the Republic, protesting against any change in the American flag; to the Committee on the Judiciary.

Also, petition of various women of Los Angeles, Cal., relative to establishment of food stations in all of the important cities of the United States; to the Committee on the Judiciary.

Also, petitions of 24 citizens of the United States, relative to House joint resolution 144, for due credit to Dr. F. A. Cook for his polar efforts; to the Committee on Naval Affairs.

Also, petition of various producers and shippers of the Pacific coast, relative to passage of the emergency shipping bill; to the Committee on Interstate and Foreign Commerce.

By Mr. TREADWAY: Memorial of the Grand Circle of Massachusetts, Companions of the Forest of America, favoring passage of House bill 5139, for retirement of aged civil-service employees; to the Committee on Reform in the Civil Service.

SENATE.

WEDNESDAY, *August 26, 1914.*

(Legislative day of Tuesday, August 25, 1914.)

The Senate reassembled at 11 o'clock a. m. on the expiration of the recess.

PROPOSED ANTITRUST LEGISLATION.

The VICE PRESIDENT. The Senate resumes the consideration of the unfinished business, House bill 15657.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes.

Mr. SMOOT. May I ask what is the question pending before the Senate?

The VICE PRESIDENT. The amendment presented by the Senator from Montana [Mr. WALSH].

Mr. CULBERSON. The amendment to section 9b is pending, presented by the Senator from Montana [Mr. WALSH] for the committee.

Mr. JONES. The Senator from Iowa [Mr. CUMMINS] had the floor yesterday afternoon, and while we are waiting I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Hitchcock	Nelson	Thomas
Borah	Hollis	Overman	Thompson
Bryan	Hughes	Perkins	Thornton
Burton	Jones	Pittman	Vardaman
Chamberlain	Kenyon	Pomerene	Walsh
Chilton	Lea, Tenn.	Sheppard	West
Clapp	McCumber	Shields	White
Culberson	Martin, Va.	Shively	Williams
Cummins	Martine, N. J.	Simmons	
Gallinger	Myers	Smoot	

Mr. THORNTON. I was requested to announce the necessary absence of the junior Senator from New York [Mr. O'GORMAN], and also to state that he is paired with the senior Senator from New Hampshire [Mr. GALLINGER]. I ask that this announcement may stand for the day.

Mr. PITTMAN. I desire to announce that the Senator from Delaware [Mr. SAULSBURY] is absent from the city and is paired with the junior Senator from Rhode Island [Mr. COLT].

Mr. MARTIN of Virginia. My colleague [Mr. SWANSON] was called from the city by the illness of his father. I ask that this announcement may stand during his absence.

Mr. JONES. I desire to announce that the Senator from Michigan [Mr. TOWNSEND] is absent and is paired with the junior Senator from Arkansas [Mr. ROBINSON].

I also announce that the Senator from Vermont [Mr. PAGE] is absent on account of illness. This announcement may stand for the day.

The VICE PRESIDENT. Thirty-eight Senators have answered to the roll call. There is not a quorum present. The Secretary will call the roll of absentees.

The Secretary called the names of the absent Senators, and Mr. DILLINGHAM, Mr. FLETCHER, Mr. LANE, Mr. POINDEXTER, Mr. REED, Mr. STERLING, and Mr. TOWNSEND answered to their names when called.

Mr. SMOOT. I desire to announce the unavoidable absence of my colleague [Mr. SUTHERLAND]. He has a general pair with the senior Senator from Arkansas [Mr. CLARKE]. I will allow this announcement to stand for the day.

I wish also to announce that the Senator from West Virginia [Mr. GOFF] is necessarily absent. He has a general pair with the senior Senator from South Carolina [Mr. TILLMAN].

Mr. KERN and Mr. CAMDEN entered the Chamber and answered to their names.

Mr. McCUMBER. I wish to announce the unavoidable absence of my colleague [Mr. GRONNA], who will necessarily be absent during the balance of the week.

Mr. JOHNSON and Mr. BRADY entered the Chamber and answered to their names.

The VICE PRESIDENT. Forty-nine Senators have answered to the roll call. There is a quorum present.

Mr. WALSH. Yesterday House bill 16673 came from the House, a bill dealing with the subject of water power on the public domain, generally known as the Ferris bill. I am informed that it was referred to the Committee on Public Lands.

I desire to state for the information of the Senate that the Committee on Irrigation and Reclamation of Arid Lands has been considering a number of bills upon the same subject introduced in the Senate, and has done considerable work upon these bills. The committee is considering a measure substantially like the bill which has just come from the House. I think the

bill ought to go, accordingly, to the Committee on Irrigation and Reclamation of Arid Lands. I ask unanimous consent that the Committee on Public Lands may be relieved from the consideration of the measure and that it be sent to that committee.

Mr. SMOOT. I certainly object, Mr. President, to that proposed change of reference, because the bill affects the public lands and it has been referred to that committee.

Mr. WALSH. Of course, it does not affect the public lands any more than bills which have already been introduced and which have gone to the Committee on Irrigation and Reclamation of Arid Lands. The Committee on Irrigation has done a very large amount of work upon the bills. The Senate may avail itself of the labors thus far done or it may not, as it sees fit; it is a matter of indifference to me.

Mr. SMOOT. I wish to say that the Committee on Public Lands has spent five or six years on this question and has had hearings time and time again on it. The subject matter is one that affects the public lands of the United States, and the reference by the Vice President yesterday was perfectly proper, when he referred the bill to the Committee on Public Lands.

Mr. CULBERSON. Mr. President, I ask for the regular order.

The VICE PRESIDENT. The regular order is demanded. The pending question is on the amendment of the Senator from Montana [Mr. WALSH].

Mr. CUMMINS. Mr. President, when we took a recess last evening I was discussing section 2 of the Clayton bill. I premised my remarks with the statement that I recognized that a discussion of the section was not pertinent to the amendment offered by the Senator from Montana and approved by the committee; but inasmuch as the Senator from Missouri [Mr. REED] had gone over the whole subject—and very properly—I thought that I ought to make some observations upon the four sections which are involved in the work of the commission.

I made some rather severe criticism upon section 2 as it is, but I hope it will not be understood that I question the good faith and high purpose of those who prepared the section or the committee which reported it. I made these strictures in recognition of the difficulty of dealing with even so simple a subject as the discrimination in price made by a seller between various communities.

The Senator from Missouri believed that these sections were the only ones which increased the efficiency of the antitrust law and, as he described it, were the only sections that had teeth in them. My own opinion—and it is an honest, sincere opinion—is that there are not enough teeth in section 2 of the Clayton bill to masticate successfully milk toast, and I doubt whether teeth can be put into it without bringing under its condemnation a great many practices that are recognized to be honest and fair.

I will recapitulate very briefly what I said about section 2. It is the section to prohibit and prevent what is known as local price cutting, and in that way eliminating competition in the community. The section provides:

That it shall be unlawful for any person engaged in commerce, either directly or indirectly, to discriminate in price between different purchasers of commodities, which commodities are sold for use, consumption, or resale within the United States or any Territory thereof or the District of Columbia or any insular possession or other place under the jurisdiction of the United States.

If the section were to stop there, it would have teeth, but it would operate upon many transactions which we do not desire to prohibit. Therefore, those who prepared the section felt impelled to go further and make some qualification of the prohibition I have just read. There would be no difficulty at all in applying it if we were to pause at the point at which I have now arrived. It would not be difficult to prove that a seller had discriminated in price between different localities or different buyers in the same locality, but competition can not be preserved unless there is some discrimination. If the section were to stop there, it would do the very thing that we do not want it to do along with some things that we do want it to do. Therefore the authors of this section felt compelled to say that this discrimination must be "with the purpose or intent thereby to destroy or wrongfully injure the business of a competitor of either such purchaser or seller." The very moment those words are inserted—and I am not suggesting even that they are not necessary words—a field is open for investigation which is more difficult to traverse, and questions are proposed for decision that are more difficult to decide, than any which will fall within the purview of the fifth section of the trade commission bill, which prohibits unfair competition.

What is it to wrongfully injure the business of a competitor? Can anyone define it so that we can understand in the beginning what it is to wrongfully—that is, I assume, to unlawfully—injure the business of a competitor? What declaration of the statute erects any standard to determine whether a particular injury done to a competitor is wrongful or otherwise? I am not insisting that it was not proper to use the word; but when it is used you draw a large part of the teeth of the section and render it comparatively harmless and innocuous.

But that is not all. That was not sufficient in order to relieve the statute from the charge that it covered a great many things that it ought not to cover. Therefore it was found necessary to add:

Provided, That nothing herein contained shall prevent discrimination in price between purchasers of commodities on account of differences in the grade, quality, or quantity of the commodity sold.

If a seller can make a discrimination in price on account of a difference in the quantity of the article sold, there is no possibility of reaching a designing monopolist, because the quantity can be changed with the utmost ease. I thought when we were considering this section that we should have interposed the words "sales made under substantially similar conditions." Those words would have had latitude enough so that a mere variance of the quantity in comparing two sales would not relieve the transaction of the condemnation of the law.

But that is not all. There were other exceptions that had to be made in order to limit the proposed statute to things that are really evil. It proceeds:

Or that makes only due allowance for difference in the cost of selling.

There is an open door so wide that it can be entered with impunity and discriminations can be made without any fear of retribution. "Cost of selling." That includes overhead charges; it includes salesmen; it includes the difficulty of developing a particular field for trade; it includes everything that ever enters into the cost of selling a commodity in a particular place as compared with the cost of selling it elsewhere.

But that is not all. It is thought necessary to make still another exception:

Or discrimination in price in the same or different communities made in good faith to meet competition and not intended to create monopoly.

If it is intended to create a monopoly the practice is already forbidden by the antitrust law as efficiently as it can be forbidden, because there we not only have the civil processes of the court for the correction of the evil, but we have the criminal processes of the court as well, with severe penalties. The section proceeds:

And provided further, That nothing herein contained shall prevent persons engaged in selling goods, wares, or merchandise in commerce from selecting their own customers in bona fide transactions and not in restraint of trade.

We might just as well have said, so far as these last paragraphs are concerned, that the seller can do anything that he desires or pleases to meet competition that is not in violation of the antitrust law. If it is in violation of the antitrust law, we need no further condemnation or penalty. We have wound up this section practically by saying that the seller can do whatsoever he pleases with regard to his business, provided he does not violate the antitrust law; and yet this is one of the sections that have been proposed to strengthen the antitrust law, to add to the antitrust law, to accomplish the purpose of the antitrust law, by forbidding something that is not now forbidden by the statute.

In view of all these things, I believed when the section was before the committee, and I now believe, that we shall reach those practices which ought to be arrested, and restore to business that competition which ought to be maintained, more effectually through section 5 of the trade commission bill than we shall by the enactment of this section. Therefore I have favored the unfair-competition provision of the commission bill. That has nothing to do with the question of criminal penalty. If Congress desires to do so, it can attach a criminal penalty to the unfair-competition section of the commission bill; it can attach it here. It can declare that anyone guilty of unfair competition shall be punished by fine or imprisonment, or both, and the penalty can be made just as severe as in the judgment of the Senate it ought to be made, in order to reach these offenders against good morals in business.

Mr. REED. Mr. President——

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Missouri?

Mr. CUMMINS. I yield to the Senator.

Mr. REED. It has been repeatedly stated during the course of the consideration of these two measures that the reason why it was not proper to attach a criminal penalty to the trade commission bill was because there was no definition in the trade commission bill of unfair practices or competition sufficiently definite so that the business man could tell what was fair and what was unfair until the commission had decided;

hence, that it would be a hardship and wrong to affix a criminal penalty to that bill.

Mr. CUMMINS. I heard that view expressed in the Senate; I did not express it.

Mr. REED. I rose to ask the Senator if he was willing to attach a criminal penalty to the trade commission bill?

Mr. CUMMINS. I would not vote for a criminal penalty.

Mr. REED. Very well.

Mr. CUMMINS. But not for the reasons stated by the Senator from Missouri. I have not that profound confidence in the execution of the criminal laws as a regulation of commerce that the Senator from Missouri has; I know it can be done, but——

Mr. REED. I was interested in the statement of the Senator. He was arguing here to Senators upon this side of the Chamber as against my proposition to attach a criminal penalty to specific acts of unfair or discriminatory practices, that we could avoid that by attaching a general criminal penalty to the trade commission bill, from which I would have been led to believe that he was in favor of attaching such a penalty and was offering that as an alternative.

Mr. CUMMINS. No.

Mr. REED. But now it appears that the Senator, having stated to us that we can attach such a penalty, and using that as a means to defeat such a penalty being attached to these provisions now before us, intends if it were attempted to attach it to endeavor to defeat the effort. So I do not think the Senator ought to make that argument, because the Senator does not propose to concur in that action.

Mr. CUMMINS. The Senator from Missouri has, I think, no warrant in drawing the conclusion he has as to my own attitude. I stated that the Senate could attach a criminal penalty if the Senate believes that the criminal courts are the best means of enforcing such a regulation. I do not so believe. I believe that the object is to prevent these practices, and I believe that we will prevent them more effectually through the civil processes of the law than we will through the criminal processes of the law, for juries will not convict a defendant for doing a thing which is so difficult to understand as is section 2 in regard to discriminations in price.

I said last night there will be now and then a case which shocks the moral sense of the country in connection with which we can convict criminally under section 2, but in the great majority of cases I doubt whether a conviction could be secured, and if it could not be secured it to that extent impairs the efficiency of the law.

Mr. REED. Now, the Senator states that he does not believe in attaching the criminal penalties because he thinks they would not be enforcible. Does he believe in attaching any civil penalties to the trade commission bill or to any of this legislation, except merely that an injunction may be issued?

Mr. CUMMINS. I do; and I earnestly attempted to secure a penalty of that kind. I was in favor, as the Senator from Missouri must know, of the amendment offered by the junior Senator from Minnesota [Mr. CLAPP] which attached threefold damages, and I would heartily favor the suggestion of the Senator from Tennessee [Mr. SHIELDS] to attach a civil penalty in the nature of punitive or exemplary damages. I want simply to be understood as saying that if we were to attach a criminal penalty to section 5 of the trade commission bill, I believe that it would impair rather than strengthen its force, for the reasons which I have stated.

Mr. REED. I am glad to hear the Senator say that he is willing to attach a civil penalty; I had forgotten that he had supported the amendment offered by the Senator from Minnesota. I supported that amendment and voted for it, but it did not get very much support in the Senate.

Mr. CUMMINS. No; unfortunately it did not.

Mr. REED. This seems to be the situation: When it is proposed to attach a criminal penalty, everybody holds up his hands and says, "No; that will not do"; and when it was proposed to attach a civil penalty, even the mild penalty of permitting an injured party to recover damages, the Senate by a very decisive majority voted that down, so that we are left here now with nothing in the world proposed as a penalty, except that if an injunction is violated after that injunction has become a final judgment the act can then be punished by contempt of court proceedings.

I am making that statement merely preliminary to asking the Senator this question: When you come to the question of the violation of an injunction which has been issued against certain trade practices, as, for instance, local price cutting, and an injunction is issued commanding that that practice shall cease, that injunction probably will not be finally issued until four or five years after the litigation has been brought. Does the Senator think that a trader would have any difficulty in slightly changing the form of his scheme, and then contending that he had not violated the injunction and demanding and getting a trial by jury and probably getting off?

Mr. CUMMINS. Well, I hope that the guilty person would not escape on account of the change we are about to make in the contempt or judicial sections of this bill. I hope that the result would be even greater certainty; but the Senator from Missouri, I think, exaggerates the situation. The purpose of section 5 in the trade commission bill is to bring about a cessation of unfair competition in the beginning before it ripens into monopoly.

If the view which I hold of the law is sustained, and if we have the power to give some effect to the order of the commission, an injunction will be issued against the offending corporation or person, and there will be no appeal that can destroy the effect of that injunction. An appeal—and I care not how it is taken—does not suspend the operation of an injunction unless the court specifically so declares. A mere appeal, a mere review on the part of the court, leaves the injunction in full force and effect, to continue until the end of the litigation.

Mr. REED. Does the Senator think, then, that this trade commission, proceeding under the vague authority of the clause which provides "that unfair competition is hereby declared to be unlawful," can issue an order, and that order will remain in full force and effect pending the appeal?

Mr. CUMMINS. Undoubtedly.

Mr. REED. And there can be no relief by any process of law from that order until the appeal has been heard?

Mr. CUMMINS. There is in the law now no relief in the great proportion of instances. I speak advisedly. If a complainant applies for an injunction and the injunction issues, an appeal from the decree does not suspend the injunction.

Mr. REED. Why, Mr. President, it is a matter of common practice that the question as to whether the appeal and a supersedeas bond do or do not suspend the injunction rests with the court; and in a majority of cases where an injunction is issued against a business practice, if there is an appeal taken, I undertake to say that the appeal suspends the injunction.

Mr. CUMMINS. I differ from the Senator from Missouri with regard to that, and say that in the great majority of instances an appeal from an order granting an injunction, or a decree commanding an injunction, does not suspend the operation of the injunction.

Mr. REED. If the Senator will pardon me one word further, if that is true, then you have put it in the power of the trade commission to destroy absolutely any business in this country, and to all intents and purposes you have denied any practical relief in the courts, for this reason: If a man is running a business, and the trade commission can issue an order commanding him to quit following that business, and that order is conclusive upon him until he can have it set aside, it may be four or five years before a final decree can be entered, and in the meantime his business has been or may be completely ruined. It is easy to imagine such cases. It seems to me that if that construction is correct we have done here a most monstrous thing, an utterly indefensible thing.

Mr. CUMMINS. Mr. President, it seems to me the Senator from Missouri has a peculiar view of this legislation. The very moment we do make it so that it will accomplish something it then becomes enormous and outrageous and an invasion upon the right of the citizen; but when we do not make it so that it will accomplish anything it then is without teeth and harmless.

Mr. REED. Oh, no.

Mr. CUMMINS. I can not quite understand the view of the Senator from Missouri.

Mr. REED. If the Senator will permit me to make it plain, I believe in giving every man his rights under the law, in giving every man his chance of a fair trial and his day in court; but if at the end of that trial it is found that he is a law violator, I then want a penalty affixed which will warn him and others not to repeat that offense. The attitude on the other side seems to be that you are to vest this power in a commission, that the power of the commission is to be absolute, that there is no relief from it except after long litigation in the courts, that the commission can arbitrarily decide a case any way it wants to, and that no man can get any relief from its decisions, no matter what his legal rights may be, until he has succeeded in reversing it in a court. That is going further than anybody went in arguing the trade commission bill.

Mr. CUMMINS. Mr. President, of course if I were to allow the Senator from Missouri to state my case for me and to state my position, it would not be difficult for him to find great objection to it; but he does not state the case as I view it, and he comes very far from stating my view with regard to the matter.

The order of the commission is ineffective. It is not a judicial tribunal. It can not enforce its commands. It must apply to a court before its order can operate effectually upon the offending corporations or persons, and when the commission applies to the court it has its day in court.

Mr. REED rose.

Mr. CUMMINS. Just a moment. A certain effect must be given to the order of the commission, but nevertheless the court must find it to be a lawful order. It must find that there was evidence before the commission which was sufficient to establish unfair competition; and until the court so finds there can be no injunction. When the court issues the injunction the defendant has already enjoyed all the opportunities that a successful regulation of commerce should confer upon him, and the injunction ought then to stand until the case is finally decided, if it ever reaches another judicial tribunal.

Mr. REED. I think the Senator has correctly stated the procedure up to the point of the issuance of the injunction; but I understood him a few moments ago to argue that the order of the commission was immediately in force, and therefore that my argument that there was no effective means offered was a bad argument.

Mr. CUMMINS. I did not intend to so state.

Mr. REED. Now it appears that the only difference between my statement and the Senator's is this: The Senator admits that the order of the commission is of no validity or force, until——

Mr. CUMMINS. I do not. I did not say that.

Mr. REED. Well, that its injunction is of no force or effect until it has gone into court and all of the delay incident to such a proceeding has occurred. The only difference remaining between the Senator and myself is that I contend that when the court has issued its order an appeal properly lodged may have the effect, at least within the discretion of the court, of further suspending the injunction until it is heard on appeal, so that there is not a very great difference.

Mr. CUMMINS. The Senator from Missouri, of course, did not understand me to mean at any time that the order of the commission could operate as an injunction capable of being enforced without application to the courts. I have made that so clear so many times that I feel that I need not review it. But an injunction will issue, if the case is a good one, immediately—as soon as the defendant refuses to obey the order of the commission—and unless there be sound and substantial reasons for an appellate tribunal superseding the effect of the injunction it will remain. I was simply pursuing this argument to show that the fears which the Senator from Missouri has—that years and years would elapse in which the offender would be permitted to go on and prey upon the community—were not well founded.

Mr. REED. Mr. President, if the Senator will suffer one more interruption, the Senator has just said that an injunction would issue immediately, yet he has said that the man shall have his day in court. Now, manifestly the injunction can not issue immediately if a man is to have his day in court. The commission can go into court complaining of A. B. Thereupon A. B., if he is to have his day in court, is entitled to his trial, and all of the delays incident to a trial will occur here, as they will in other cases.

Mr. CUMMINS. The Senator from Missouri, it seems to me, is hypercritical this morning. I said "immediately," meaning, of course, immediately upon the refusal of the offending corporation to obey the order of the commission, and as a part of section 5 there are reenacted all of the provisions of the present law with regard to the speeding of cases under the antitrust law and under the interstate commerce law, so that the interval between the refusal of the corporation to obey the order of the commission and the issuance of the injunction or the refusal to issue the injunction must be negligible and can not embrace a time that will work disaster to the people.

Mr. REED rose.

Mr. CUMMINS. Will the Senator from Missouri permit me now to go to section 4?

Mr. REED. I should like to say just one word, with the Senator's permission. The Senator has said that the same methods of speed and haste will be observed, and must be observed, that are now observed with reference to the enforcement of the antitrust act. If we are to take that as our guide, it takes about two and one-half years to get a judgment.

Mr. CUMMINS. Oh, no, Mr. President; the Senator from Missouri is wholly wrong.

Mr. REED. I think I am not wrong.

Mr. CUMMINS. Under the antitrust law the Government files a bill and may apply for a temporary injunction. If it secures the temporary writ, whatever it is aimed to arrest is arrested at once, and that continues during the whole course of the proceeding. If the Government does not want an injunction, but desires to await the final termination of the suit, then there is the period, or something like the period, suggested by the Senator from Missouri.

Mr. REED. There never has been one of those injunctions issued yet, except on the hearing, so far as I know.

Mr. CUMMINS. Why, Mr. President, under the interstate-commerce law there have been scores of injunctions issued within a few hours after the application for the injunction. I do not now recall how many preliminary injunctions have been entered, or when they were entered, in the enforcement of the antitrust law. I have not examined that subject, but there is no more delay than is incident to the enforcement of any law.

I reassert it as my opinion—I have high regard for those who hold a different opinion, but I reassert—that the people of this country will secure vastly more relief under a prohibition against unfair competition, it matters not whether it is enforced by a commission or whether it is enforced by the criminal law, than they will secure under section 2 so far as discriminations are concerned.

I would not have dwelt so long upon this section if it were not for one proposition which I think must appeal very strongly to every lawyer here, and to those who are really concerned in making our statutes more efficient in preventing this evil.

If the unfair-competition section remains in the commission bill and we now pass this section, what is the inevitable inquiry? What conclusion must a court draw when it comes to survey the whole field? It can draw but one conclusion, and that is that we did not regard the acts which are forbidden in section 2 as coming within the prohibition against unfair competition.

Mr. REED. Mr. President, may I ask the Senator a question?

Mr. CUMMINS. Certainly.

Mr. REED. Does the Senator, then, hold that we never again ought to enact any specific law against any trust or monopoly practice?

Mr. CUMMINS. On the contrary, I think there are many laws that we ought to enact.

Mr. REED. Then, every time we enact one of them, the Senator can rise in his place and say the same thing with reference to it that he is now saying with reference to section 2 and section 3.

Mr. CUMMINS. But the Senator will not say it. The Senator who is now speaking endeavors to adhere to the line of reason. It is idle for the Senator from Missouri to attempt to becloud the atmosphere by any such suggestion as that. There are a great many practices in the commercial and industrial world which ought to be forbidden specifically, and to which penalties ought to be attached, but this is not one of them. Why? Because this is the plainest and the clearest instance of unfair competition that can be found in all the history of business and commerce.

Mr. REED. Suppose we were to add to this section this phrase, "and such practice shall be held to be included within the term 'unfair competition,' and the trade commission is hereby given concurrent jurisdiction with the courts to enforce the same"?

Mr. CUMMINS. I would have no objection to that, provided you were to take from this section those elements which destroy its strength. This section, as it is now composed, requires the combination of many more elements in a particular transaction than will the phrase or term "unfair competition."

If we are to limit unfair competition so far as price cutting or discrimination in price to the cases which would fall within this section, as it can be condemned under this section, we have mutilated beyond recognition the doctrine of unfair competition.

Mr. REED. Mr. President, I wish to say on this section before the Senator leaves it, I do not appear here as a special advocate of section 2. My motion related to section 4.

Mr. CUMMINS. I am coming to that.

Mr. REED. The Senator is talking about section 2.

Mr. CUMMINS. The Senator from Missouri discussed section 2 in his review of the bill, and I felt it necessary in view of the things he said to express my own opinion, too.

The VICE PRESIDENT. The Chair thinks that the Senators perhaps ought to know the state of the record. Section 2 has been out of the bill, and has been for some time.

Mr. CUMMINS. I know that; and I took the liberty of referring to section 2, because the Senator from Missouri debated section 2. I have said more than once I recognized that my discussion of this particular subject is not relevant to the question before the Senate.

Mr. REED. Mr. President, I understand the parliamentary situation. I also understand that the bill is before the Senate

and that these various sections are in a way interrelated, and I think it is highly proper to discuss the question in this way, if Senators so desire.

I wanted to call the attention of the Senator from Iowa, since he has criticized particularly the language of section 2 and the exceptions or qualifying clauses contained in section 2, to a bill which was offered by the Senator from Minnesota [Mr. CLAPP], and which contains this language—I will abbreviate it somewhat:

That any person, firm, etc., engaged in commerce * * * that shall, intentionally or otherwise, for the purpose of destroying the business of a competitor or creating a monopoly in any locality, discriminate between sections, communities, or localities by selling a commodity at a lower rate in one section, community, or locality than is charged for such commodity by said party in any other section, community, or locality, after making due allowance for the difference, if any, in the actual cost of transportation from the point of production if a raw product, or from the point of manufacture if a manufactured product, shall be deemed guilty of unfair discrimination, which is hereby prohibited and declared to be unlawful.

I call the Senator's attention to that language because it is a practical copy of the statute of Minnesota, which I understand has been tested out in the courts and sustained by the courts. I should like to have the Senator's view as to whether that does not present a rule which might govern.

Mr. CUMMINS. I have for a long time been familiar with the statute of Minnesota. My own State passed a similar statute before the Legislature of Minnesota took up the question. When our statute was originally passed it was directed solely against oil products, and it did not contain even all the limitations or exceptions which were afterwards put into the Minnesota statute. The Minnesota statute, with the exception of a few words, follows the Iowa statute almost literally. As applied to a single product, the distribution of which was well known and the course of business in which was well understood, I felt that the Iowa statute was rather to be preferred, but if it is to be applied to the whole business of the country I like the Minnesota statute.

I think everybody knows that for a long time I have been an advocate for a prohibition against this discrimination that was intended to create a monopoly and that had the effect, if followed to its end, of creating a monopoly, but there are five or six or seven exceptions in section 2 that are not found in the Minnesota statute, and I pointed them out.

Mr. REED. I understand. I understand the Senator has for many years been friendly to the class of legislation which is outlined in the Minnesota statute and that he supported the Iowa statute, and I think I am correct in saying the supreme court of Iowa has sustained the Iowa statute. Has it not?

Mr. CUMMINS. It is very much the same. But the Senator from Missouri must remember that it was a provision in Iowa and in Minnesota limited, in the first instance, to a single product or a series of products which arise from the manufacture of oil.

Mr. REED. That was wholesome in those two States.

Mr. CUMMINS. It has been extended to other things in my State.

Mr. REED. I say it was wholesome there. Why is it not wholesome here? You passed it there and added a severe penalty.

Mr. CUMMINS. I think it is wholesome. I am not prepared to say, however, that it can be applied to every business and to every phase of every business. I have not investigated carefully enough to assert whether it can be or not, but the principle of it is right, and I have believed that it would be enforced completely and efficiently in the section which prohibits unfair competition.

I now pass to section 4. As I understand the Chair, the vote by which section 4 was stricken from the bill has been reconsidered. I have grave doubt whether the thing that is intended to be prohibited in section 4 furnishes an instance of unfair competition. Men of great experience and study differ from me with regard to that, but putting the case that was so often put yesterday, of a patented article to which was tied a series of unpatented articles, and open therefore to the general trade, and concerning which an agreement is made that the purchaser if he takes the patented article must buy all these other things from the owner or seller of the patented article—taking that instance, I am not prepared to say that it could not be held as unfair competition. But I am very far from being convinced that it would necessarily be held to be unfair competition, and therefore I have been from the beginning in favor of condemning that thing and of prohibiting it specifically and making it unlawful. That has been my attitude; it has been all the while and is now.

That does not, however, mean that I think section 4 as it is ought to become the law. It ought not to become the law as it is because it prohibits many things which I regard as innocent. Not only do I regard them as innocent, but I regard them as necessary and essential for the preservation of competition in various fields of commerce and industry.

If this section prohibited only the tying in of articles, I would be warmly and heartily for it, but it prohibits other transactions than the tying in of a series of articles into a single transaction, accompanied with an agreement or promise that the buyer will not purchase the same articles from anyone else or not deal in the same article manufactured by anyone else. Let us see. The section reads this way:

SEC. 4. That it shall be unlawful for any person engaged in commerce to lease or make a sale or contract for sale of goods, wares, merchandise, machinery, supplies, or other commodities, whether patented or unpatented, for use, consumption, or resale within the United States, or any Territory thereof or the District of Columbia or any insular possession or other place under the jurisdiction of the United States, or fix a price charged therefor, or discount from, or rebate upon such price—

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on the condition, agreement, or understanding that the lessee or purchaser thereof shall not use or deal in the goods, wares, merchandise, machinery, supplies, or other commodities of a competitor or competitors of the lessor or seller.

I take a case that is very common in my own State. We have a company that has a dominating influence in the manufacture of cereals. It has a product which, for illustration, we will say is well known as Quaker Oats. We all know it as oatmeal.

Then take another manufactory in my State that makes exactly the same thing, and we will assume for the purpose of argument that it calls its product Rolled Oats. The manufacturer of Quaker Oats has acquired a great dominance in the trade and his product has a high standing everywhere. The small competitor comes into the field desiring to introduce exactly the same thing. There is no patent about it; there is no secret, indeed, about the process of making it. It all depends upon the trade name, and it comes finally to be sold under its trade name. He brings his product into the market and calls it Rolled Oats. The only way in which he can make progress against his competitor is to secure a dealer in a town or community who will take his product under his trade name and make an especial effort to introduce it among the consumers of that product. He must select one dealer, if he makes headway in his struggle with the manufacturer already in the field.

Therefore he goes to a wholesale grocer or he goes to a retail dealer in that community and he says, "If you will take my product, Rolled Oats, and agree not to sell the Quaker Oats, which is exactly the same thing, you shall have the exclusive privilege of selling it in this community, and you can make what the dealers call a campaign for its introduction." I say that that transaction is not only an innocent one, but I think it is necessary in order to preserve competition among the manufacturers of the product.

Now, again, I take a well-known——

Mr. REED. Would it interrupt the Senator now——

Mr. CUMMINS. I hope the Senator will not begin an argument with me——

Mr. REED. I will not, then.

Mr. CUMMINS. Because I desire to finish what I have to say and leave the floor to others.

Mr. REED. Very well.

Mr. CUMMINS. Take the well-known instance of a Hanan shoe and a Burt shoe, a Stetson hat and a Knox hat. The manufacturers of the Hanan shoe are competing all the while with the manufacturers of the Burt shoe. The manufacturers of the Stetson hat are competing daily with the manufacturers of the Knox hat. They both, under these trade names, have secured a standing in the business world.

We want to preserve the competition between the producers of these commodities, called by different names, but which are in and of themselves identical, serving the same purpose and serving it equally well. I do not want by my vote to make the struggle of the smaller man against his established competitor more difficult by declaring that he can not choose a single seller or a single dealer in the community and introduce in that way and under those conditions the product which he is manufacturing or selling. It is wholly different from the tying-in contract.

We observe in this section exactly the same difficulty about defining things, about trying to make the law cover the exact evil which we desire to suppress and not to cover anything else that I have already discussed with regard to section 2.

Can this section be limited to the real tying-in contracts? It has been called the tying-in section throughout, apparently without any knowledge and certainly without any suggestion upon the floor of the Senate that it covers not only the tying-in contracts, but a great many others that are, as I believe, an essential part of our commerce.

I could extend the illustrations that I have made indefinitely. I could extend them to every sort of product in which one man or manufacturer has established for himself a reputation or a name in the particular business. I therefore would find it difficult to vote for this section as it is, glad as I would be to vote for it if it were limited to the real evil which we desire to reach and overcome, and I would vote for it notwithstanding the declaration against unfair competition in the commission bill, because I am not convinced that the so-called tying-in arrangement is an example of unfair competition. If I thought it was as clearly as I believe section 2 to be an instance of it, then I would insist with regard to section 4, as I have with regard to section 2, that it should be remitted to the commission bill and to the enforcement under the declaration for unfair competition.

Mr. REED. May I ask the Senator a question now, not to argue the matter?

Mr. CUMMINS. Certainly.

Mr. REED. Is the Senator willing, if section 4 is drawn so that it is limited to the tying-in contracts, to have a penal clause attached to it?

Mr. CUMMINS. I am. I am not only willing, but I am anxious to have it, because there is no difficulty about that transaction whatever. It does not depend upon anybody's discretion, and there would be no trouble about enforcing the law through the criminal court. What I want is an enforcement of the law. What I want is to prevent the occurrence of the transactions which impede commerce and which oppress the people. If I believe that this object can be secured more effectually through the administration of a criminal penalty, then I am for the criminal penalty.

If I believe that it can be enforced better and the evil prevented more surely without a criminal penalty, then I am for the civil process. It all depends upon the character of the act forbidden as to whether a fine or imprisonment is more effective than the injunction of a court in preventing a recurrence.

Mr. President, I beg the attention of the Senate a moment to sections 8 and 9. I think no one contends that the things here sought to be prohibited are examples of unfair competition; I think that no one ought to insist that legislation upon those subjects should be remitted to the unfair-competition section of the trade commission bill. Interlocking directors and the holding of the stock of one corporation by a rival do not constitute unfair competition; they constitute the suppression of competition, or at least furnish a motive for the failure of two or more corporations to compete with each other, although they may be engaged in the same business. I believe that both these sections ought to be administered by the trade commission, and I am thoroughly in favor of the amendment proposed by the Senator from Montana [Mr. WALSH] to reconcile the procedure for their administration as contained in this bill with the procedure already established in the trade commission bill. I think that is so obvious that no one ought to question it. If they are to be administered by the commission at all, the same procedure ought to obtain that we have already provided for in the former bill.

Mr. REED. Mr. President, may I ask the Senator if he thinks sections 8 and 9 should be passed without any criminal or penal clause whatever attached?

Mr. CUMMINS. I believe that sections 8 and 9 will be more effectually enforced and that the people will be relieved of the burden created by interlocking directors and by holding companies more speedily and more certainly through a civil process than through a criminal process.

Mr. REED. But there might be a very severe penalty going with a civil process. I want to know whether the Senator insists that sections 8 and 9 should go into this bill without any penalty attached, except that the injunction may be issued by the trade commission?

Mr. CUMMINS. I should like to attach a penalty, but I am not in favor of administering the sections in the first instance through a grand jury, because I do not believe that they will ever be enforced in that way, and if we rely upon it we shall continue to be afflicted by this community of corporations and community of directors as we have heretofore been. I want to stop it as quickly as possible.

Mr. REED. I understand the Senator from Iowa wants to stop it, and I want to stop it; and the Senator has been very kind in submitting to many interruptions from me; but I am in earnest about getting his views.

The Senator does not want a criminal penalty; that is, he does not want to provide fine and imprisonment; but he says he is willing to have a civil penalty attached. I take it the Senator means by that a civil penalty other than the one which the trade commission will be authorized to inflict?

Mr. CUMMINS. I believe in a civil penalty, to be awarded to anyone who is injured in a sufficient degree to make the offenders who feel that they are offenders fearful of the consequences.

Mr. REED. That is something embodying the thought that was in the amendment of the Senator from Minnesota [Mr. CLAPP], which provided for the recovery of damages at the suit of injured parties—something of that nature.

Mr. CUMMINS. Something of that nature, although I do not limit my desire to that. I am willing to take it in any form in which it can be written.

The reason that I am not in favor of a criminal penalty attached to sections 8 and 9 in the first instance is this—I am now speaking of the two parts of sections 8 and 9 which I have already mentioned: There must always be found somewhere, by some tribunal, the fact as to whether the two corporations involved are competitive, and that is a question upon which there will be from time to time the widest difference of opinion among honest men. There are some corporations which you can take up and instantly declare that they are competitive or ought to be competitive; but there are a great many corporations doing business so dissimilar in one respect and yet so united in another that it requires the exercise of sound judgment to determine whether they are or are not competitive. This is not only true with respect to the character of business, but it is true of the location of the business.

Who can tell, without most serious study, whether a wholesale grocery house in the city of New York is a competitor with a wholesale grocery house in the city of San Francisco or in Denver? The comparison might be extended between other points widely separated by distance. Therefore the first thing that has to be determined by some tribunal in all these inquiries as to interlocking directors and as to holding companies is, Are the corporations involved competitors or ought they to be competitors? Does the doctrine of competition and independence in business require that those corporations shall be independent of each other?

I am very much in sympathy with the remark made yesterday by the Senator from Missouri [Mr. REED]. So far as I am concerned, I should like to see a statute that would absolutely prohibit one corporation from owning the stock of another. It matters not whether the corporations be competitive or whether they be entirely separated in business. I think it is against public policy to allow one corporation to hold the stock of another. I think it permits the pyramiding of capital and the concealment of interest in so many cases to the detriment of the people that we ought not to allow the condition to exist in any case. That was the common law; the wisdom of our forefathers absolutely forbade one corporation holding the stock of another. We, however, have gradually, apparently by force of circumstances and the great development that seemed for the moment to require it, departed from the rule of the common law, and now nearly every State in the Union permits corporations organized under its laws to hold the stock of other corporations.

I will not dwell, however, upon that phase of it; but we are here attempting to supplement the antitrust law and to carry its object more certainly into effect by trying to make corporations which are engaged in the same business or in a competitive business independent of each other, so that in their management each will be conducted for the best interests of its stockholders and not with regard to the interests of the stockholders of any other corporation or any other association.

Mr. REED. Mr. President, if the Senator will pardon me——

Mr. CUMMINS. I yield to the Senator.

Mr. REED. I agree with the Senator in that laudable purpose, but how does the Senator propose to accomplish it?

Mr. CUMMINS. I will indicate that. Now I come to close proximity with the question really under consideration, because the Senator from Montana proposes to create by reference a certain tribunal, certain procedure, for the administration of these two sections. The fault I find with these sections is this: Section 8 relates to intercorporate stockholding and provides—

> That no corporation engaged in commerce shall acquire, directly or indirectly, the whole or any part of the stock or other share capital of another corporation engaged also in commerce—

Now, mark—

> where the effect of such acquisition is to eliminate or substantially lessen competition between the corporation whose stock is so acquired and the corporation making the acquisition, or to create a monopoly of any line of commerce.

Let it be observed, first, that this legalizes, in so far as the laws of the United States are concerned, former acquisitions of stock—I do not mean that, exactly; I do not think that it legalizes them under the antitrust law, but, so far as this stat-

ute is concerned, it is recognized that the corporation which now holds the stock of other corporations may continue to hold it. I am opposed to that license. I do not think that a corporation which has acquired stock in the past should be at any more liberty to continue to hold it against a policy which we now establish than though it were acquired in the future. That is my first objection to it, and I think it is a very grave objection, because the corporate holdings of the United States are pretty well crystallized, and we will not reach the evil which we have in view if we allow all existing stockholdings to continue uninterrupted and untouched.

Some one will say possibly that we have no constitutional power to change that situation. We have no constitutional power to take the stock that a corporation has legally acquired, but we have a right to say that no corporation which holds stock in that way or of that character shall continue to engage in commerce among the States. We must give the offending corporation the opportunity to dispose of stocks that have been acquired in the past, of course; but after reasonable time shall have elapsed we can say to the corporation, "You shall not be an instrumentality of commerce among the States if you hold the stock of another corporation engaged in commerce and with which you ought to be in competition."

My second objection to the section is that in order to invalidate the transaction we require proof that the holding by one company of the stock of its rival substantially lessens competition between the two. In many cases we can not prove it; and I say again that in prescribing such a standard the bill opens wide the door for violation and for escape. I intend to offer a substitute for that section, but before I call attention to it, I think I ought to read a little further:

> This section shall not apply to corporations purchasing such stock solely for investment and not using the same by voting or otherwise to bring about, or in attempting to bring about, the substantial lessening of competition. Nor shall anything contained in this section prevent a corporation engaged in commerce from causing the formation of subsidiary corporations for the actual carrying on of their immediate lawful business, or the natural and legitimate branches or extensions thereof, or from owning and holding all or a part of the stock of such subsidiary corporations, when the effect of such formation is not to eliminate or substantially lessen competition.

Again, you have surrounded the prohibition with so many exceptions and so many immunities; you have so many avenues for escape that the section will fall into disuse and it will fail. Why should we make an exception with regard to subsidiary corporations? If they are competitive corporations, the relation ought not to exist, and if they are not competitive corporations, then the prohibition does not apply. I intend——

Mr. JONES. Mr. President, just a moment right there. Does not the Senator think that in effect that section may legalize some things that are contrary to the Sherman law?

Mr. CUMMINS. I am afraid so, because we find in the very last paragraph of this section this proposition:

> Nothing contained in this section shall be held to affect or impair any right heretofore legally acquired: *Provided*, That nothing herein shall be held or construed to authorize or make lawful anything prohibited and made illegal by the antitrust laws.

I do not want to see the prohibition surrounded by this multitude of exceptions and limitations. I do not remark upon that part of the section relating to common carriers, because I think that we ought not to put into this bill anything with regard to common carriers. I think that when we attempt to regulate common carriers the regulation should be made part of the interstate-commerce law, should be made an amendment of that law, and we should not divide our forces by attempting now to make part of the regulation here and part of it in the interstate-commerce law, and I intend to offer——

Mr. CHILTON. Mr. President——

Mr. CUMMINS. Just a moment. I intend to offer when the railroad securities bill comes before the Senate—I believe it is before the Senate, but when it comes up for consideration—I intend to offer a provision against interlocking directors and against intercorporate stockholdings of common carriers, and there is where the regulation should be, not here. I now yield to the Senator from West Virginia.

Mr. CHILTON. Mr. President, I should like to ask the Senator a question. He spoke about the vice of subsidiary companies in section 8. Does not the Senator recall the discussion as to the source of that exception?

Mr. CUMMINS. Oh, yes; I do.

Mr. CHILTON. For instance, take this kind of a situation: Take what is commonly supposed to be the great Telephone Trust. That is sought to be met in various sections by small companies. It is not always possible for one company conveniently to build up opposition to a situation of that kind, and it must meet the bigger octopus as it is, not as it would like to have it. Now, take a small company. It will go to one section. It will find there a certain condition as to another small company. It may want to take that over as a line of opposition to the great octopus. Now, it may be so that it can not buy the physical property. It may be that it will have to buy a part of the stock.

That is true in all lines. We find that practically every line of business is already occupied by a great corporation. We can not make a law here applying to that great corporation without in a way hampering the small man and the small enterprising people who want to meet it in competition. They have the ground already covered and their situation already made.

Mr. CUMMINS. The statement of the Senator from West Virginia is not conclusive. In the first place, as I remarked a moment ago, I do not think we ought to deal with common carriers at all in this bill. The provisions we have in this bill for the regulation of common carriers in that respect are, to my mind, very inadequate, and a telephone company is a common carrier; so we may dismiss, as far as my argument is concerned, the problem as it is related to common carriers.

Mr. CHILTON. I will say to the Senator that I used that illustration simply because it happened to come to my mind.

Mr. CUMMINS. I come next to the other objection made. Of course, if we are not going to try to do anything with the big corporations that are holding stocks that they ought not to hold, if we are going to legalize all their transactions by allowing them to continue to hold the stock of competitive corporations, although they are engaged in interstate commerce, then there is a good deal of force in the suggestion of the Senator from West Virginia; but I want to destroy that, and so far as all corporations are concerned, other than common carriers, there is no reason in the law why the corporation shall not own all the property with which it carries on its business. There is no reason which has ever come to my notice which requires that a single business shall be divided into a series of corporations.

Mr. CHILTON. The Senator will recall the consideration as to our power in the premises. If we have the power, if there be no doubt that we can go into any State and regulate holdings, if that be not a consideration, of course we can break up these corporations.

Mr. CUMMINS. Oh, we can not do that.

Mr. CHILTON. We could do that if we had plenary power, as the States have; but in meeting any situation we have to meet the business, and if by killing the main thing—that is, the octopus—we make it impossible for small men to engage in it, we have done nothing for the people and nothing for competition.

Mr. CUMMINS. I do not think the Senator from West Virginia manifests his accustomed fairness.

Mr. CHILTON. I meant to be fair.

Mr. CUMMINS. I know the Senator meant to be fair, but we are talking now about one corporation holding the stock of another. I say it ought not to be permitted at all, but we can not go that far; we ought, however, to prevent one corporation holding the stock of another, the two being engaged in a competitive business. There may be some reason why that principle can not be carried out in its fullness in the case of common carriers. I am not considering them now; but there is no suggestion that I have ever heard that would prevent the principle from having its full and complete application not only with regard to existing corporations but with regard to all future corporations, so far as ordinary commerce and industry are concerned. It is a sound, wise policy for any country to adopt and maintain. That is the policy, I think, intended to be announced in the section.

I have already called attention to various imperfections of the section; but the chief one is that it requires the Government, or whoever enforces the law, to prove that the fact that when one corporation holds a part of the stock of another it has the effect of substantially lessening competition between the two corporations. We ought not to be compelled to enter upon that inquiry. It is a statement that is immensely difficult of actual proof, although every reasonable, sane man knows that it does have the tendency to eliminate or lessen competition. We ought to go one step further back and say that, inasmuch as we know that the ownership by a corporation engaged in commerce of the stock of another corporation engaged in commerce does tend to eliminate competition and does tend to destroy the rivalry that should exist, therefore, when that one fact is shown—namely, that the two corporations are or ought to be competitive with each other—the stockholding becomes unlawful, without requiring any further inquiry or investigation.

The amendment which I intend to offer to section 8 provides as follows—I am not reading it in full, but I am reading

that part of it which relates to the subject I have just been discussing:

It shall be unlawful for any corporation engaged in commerce to acquire—

That takes care of the future—

own, hold, or control—

That takes care of the existing situation—

the whole or any part of the capital stock or other share capital or any other means of control or participation in the control of any other corporation also engaged in commerce, if the business of such corporations is naturally, and by reason of character and location, competitive.

Mr. CLAPP. Mr. President, will the Senator pardon an interruption?

Mr. CUMMINS. Certainly.

Mr. CLAPP. I have listened with intense interest, as I always do, to the Senator. It seems to me that right there he is getting again into the very dilemma that he has suggested in the illustration of the two grocery houses as to whether they would be in competition, one located at one point and one at another. It does seem to me that we should assume that two corporations engaged in the same business are in competition, and that consequently neither of those corporations should hold any of the stock of another corporation engaged in the same business.

Mr. CUMMINS. I think that is true; and I have been fighting for a good while to get it so expressed; but the Senator from Minnesota is the first friend of the proposition, aside from myself, I have ever had the pleasure of hearing.

Mr. REED. Mr. President, I want to say that I insisted before the committee that there should be no ownership by one corporation of the stock of another; and I think if we can not get that the Senator's amendment would be all right, provided he would adopt the language suggested by the Senator from Minnesota, and simply make the fact that they are in the same general line of business the test.

Mr. CUMMINS. I am perfectly willing to adopt it, and it was in the amendment as I originally offered it in a bill that is now pending before the Senate. I have expressed it in almost the language just employed by the Senator from Minnesota; that is to say, that one corporation could not hold the stock of another if they were engaged in the same kind of business, no matter where they were located. When I came to propose this amendment as a part of the commission bill—and I thought it ought to be a part of the commission bill—I made just as strong a fight for it in the Committee on Interstate Commerce as I was capable of making, but finally met the result that you have all seen, namely, that the bill should be reported—and it was reported—with nothing but inquisitorial powers conferred upon the commission.

Mr. JONES. Mr. President, I desire to say that I hope the Senator will offer his amendment, as suggested by the Senator from Minnesota. A good many of us are not members of the Interstate Commerce Committee, but we would like to have an opportunity to vote upon it.

Mr. CUMMINS. I will offer it. I have read it in the present form because this is the form in which it was originally offered to the Interstate Commerce Committee. It was originally put on the commission bill, and I have read it here in the form in which it was agreed to there; but it finally fell, under the adverse circumstances I have recited. However it is expressed, it is the mere fact of competition that ought to decide the whole situation. If the corporations are competitors, if they are engaged in the same kind of business, there ought not to be between them any such community as is created by one of them holding the stock of the other.

With regard to section 9, I intend only to refer to that——

Mr. CLAPP. Mr. President, if the Senator will pardon another interruption, it is perhaps not exactly germane, but I should like to make it at this time.

Of course, I realize that at this time we can deal with this matter only with reference to competition; but the whole policy of allowing one corporation to hold the stock of another, even if they are not engaged in the same business, is vicious; and there is, perhaps, no one factor so important in the development of the credit trust of this country—sometimes called the Money Trust—as this pyramiding of stock. One day I took occasion to start a computation with $1,501, and I found that if you could have your corporations adjusted with reference to the capital stock of the one related to the other it took only a few multiplications for that $1,501 to control a million-dollar corporation. I realize, of course, that at this time we can deal with it only from the viewpoint of competition.

Mr. CUMMINS. What the Senator from Minnesota says is absolutely sound, and some time the American people will adopt that policy.

I desire in closing to say a word with regard to a portion of section 9. I do not now deal with that part of section 9 which was inserted by the committee, and which relates to purchases by common carriers and the like. I come immediately to that part of the section which relates to what is known as an interlocking directorate, and I beg to read it to the Senators who are here because I do not believe all of them comprehend just what it means:

That from and after two years—

That is, this does not take effect for two years—

From the date of the approval of this act no person at the same time shall be a director in any two or more corporations, any one of which has capital, surplus, and undivided profits aggregating more than $1,000,000, engaged in whole or in part in commerce, other than common carriers subject to the act to regulate commerce approved February 4, 1887.

I think the section very wisely excludes common carriers, because they ought to be dealt with elsewhere.

If—

Now, mark—

If such corporations are or shall have been theretofore, by virtue of their business and location of operation, competitors, so that the elimination of competition by agreement between them would constitute a violation of any of the provisions of any of the antitrust laws,

That means, practically, that if a consolidation of the corporations would be a violation of the antitrust law, then interlocking directors are made unlawful. That is nothing more than reiterating the antitrust law in a very weak form. We can not strengthen the antitrust law by declaring a proposition such as I have just read. It ought to be unlawful for corporations that are engaged in competitive business to have a community of directors. It ought to be unlawful for any man to act as a director upon two corporations which are or ought to be competing with each other; and we should make the same change with respect to the standard here that I have already suggested with regard to one company holding the stock of another.

I fear that the provision we found in this bill as it came over from the House is simply keeping the promise to the ear and breaking it to the hope. If we have to prove that a consolidation of the two corporations which are involved would be a violation of the antitrust law, we do not need any additional regulation of this sort. I want the regulation to go much farther and declare that if they are engaged in competition, if they are doing the same kind of business—and I am quite willing to take some form of language that expresses that idea—then there must not be this community of directors, because the community of directors does destroy, at least it must necessarily tend to impair, the freedom and independence of management, and thus destroy or greatly lessen the rivalry that should exist between them—a rivalry in which we find the protection of the people the only protection we have.

The only protection we can secure is the willingness of one seller to dispose of his product at a fair price, knowing that he has a competitor who will so dispose of it if he does not. If we lose that protection, we shall be compelled to resort to the power of the Government itself in fixing prices, and when we are compelled to employ the force of the Government in fixing the prices of all the commodities that we sell and use we will have entered the field of State socialism. For that reason those of us who do not want to resort to that power of the Government in protecting the people against the rapacity and the avarice of monopoly are so insistent upon preserving independence and competition.

Mr. President, I have now made what suggestions have occurred to me with regard to these several sections in the bill before us. With the spirit that animates all of them I heartily concur; with the form in which the spirit is expressed I can not wholly agree, and I have thought it my duty to lay before the Senate the result of some study of the whole subject in so far as it is covered in the legislation now proposed.

Mr. CLAPP obtained the floor.

Mr. WEEKS. Will the Senator from Minnesota yield to me to make a request for unanimous consent?

Mr. CLAPP. Certainly.

Mr. WEEKS. My colleague [Mr. LODGE], who is in London, has recently given an interview on the subject of the purchase of vessels by our Government and upon the general subject of neutrality. His long service in Congress, and upon the Committee on Foreign Relations in particular, I think, entitles him to speak with some authority on this important subject. I should like to have his interview read and incorporated in the RECORD.

Mr. JONES. I suggest to the Senator that it was placed in the RECORD yesterday.

The PRESIDING OFFICER (Mr. POMERENE in the chair). The Chair is advised that a large part of the interview was inserted in the RECORD yesterday at the request of the Senator from New Hampshire [Mr. GALLINGER].

Mr. WEEKS. I did not notice it. I was not present when it was done. I will look over it and see if it was entirely included.

Mr. VARDAMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Mississippi?

Mr. CLAPP. I yield to the Senator from Mississippi.

Mr. VARDAMAN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Borah	Hollis	Overman	Smith, Ga.
Brady	Hughes	Owen	Sterling
Bryan	Johnson	Perkins	Thomas
Camden	Jones	Pittman	Thompson
Chamberlain	Kenyon	Poindexter	Thornton
Chilton	Kern	Pomerene	Vardaman
Clapp	Lane	Ransdell	Walsh
Culberson	Lee, Md.	Reed	Weeks
Dillingham	Lewis	Shafroth	West
Fletcher	McCumber	Sheppard	White
Gallinger	Martine, N. J.	Shields	Williams
Gore	Myers	Shively	
Hitchcock	Nelson	Simmons	

Mr. WALSH. I wish to announce that the Senator from Tennessee [Mr. LEA] is absent on official business.

The PRESIDING OFFICER. Fifty Senators have answered to their names. There is a quorum present. The Senator from Minnesota is entitled to the floor.

Mr. CLAPP. Mr. President, it is my purpose to speak for only a few moments and to take as an illustration section 2 of the pending bill. I voted for the trade commission bill. I did it under a strong sense of doubt as to the effectiveness of that measure. In that measure we provided that unfair competition should be the test. I voted against the various efforts to define unfair competition, because wherever the attempt is made the effort always had to conclude with the general statement that it shall not exclude anything else that is unfair competition.

I realize, as everyone must, that all government must be a government by man. There never was and, of course, there never will be such a thing on earth as a government by law, in the sense of an abstraction being the controlling force in human affairs. No matter how definite and plain we make legislation, there is still the twilight zone of discretion on the part of the individual who is called upon to enforce law, on the part of him who is called upon to interpret it, and on the part of him who is called upon to execute it. The weak point in government is the twilight zone of discretion. But it is necessary that there should be a certain amount of discretion vested somewhere. However, I believe that we should make law just as explicit as it is possible to make it, leaving just as little as possible to the exercise of discretion.

Of course, as to the trade commission bill, if the men who are appointed on that commission are good men, and if they do the right thing, the measure will work out, but if all men were good and all men did the right thing we would have little need for legislation at all. All legislation, all government, is based upon the theory that there is an element of wrong which must be met and controlled by the broader equation.

I voted for that measure. My vote will not be necessary to the passage of the pending bill, but I for one will not vote for the pending bill if it is to be emasculated from end to end as it bids fair now to be served.

Mr. President, while the definition of "unfair competition" is, I believe, broad and sufficient if properly interpreted, what objection can there be to taking those things which we all agree clearly fall within the purview of unfair competition and prohibiting them, declaring a violation of the prohibition to be a crime, and seeking to punish the crime with a penalty? And to the extent to which we define any particular offense we withdraw that question from the judgment of the commission.

It is urged by those who are opposed to this plan that the moment we begin to specify certain things that moment we break down the effect of the broad definition in the trade commission bill; by specifying we exclude that which is not specified. That, of course, is a familiar rule of law, but that condition can always be met by providing that the specifying of certain things shall not be to the exclusion of those things fairly within the purview of the general prohibition and not specified.

So I see no earthly reason why we should not in this bill take an act which every one agrees to be an act of unfair competition and label it as an offense and prescribe a penalty for its violation, and from time to time as experience demonstrates that this act or that act is, beyond question and in the general consensus of opinion, an act of unfair competition place that act forever beyond the power of any commission to declare that it is not unfair, by Congress declaring it unfair and prescribing a penalty accordingly.

To illustrate—and I am going to use only one illustration—section 2 deals with what we call local underselling. Of course local underselling in the sense of a matter to be prohibited involves the question of transportation, but I shall not each time I use the term make that exception but refer to the subject, because we all know what local underselling means.

I think every Senator will agree that local underselling in the sense in which it is understood ought to be declared by the commission under the trade commission bill to be unfair competition. If so, then there can be no earthly objection to our making that declaration as a legislative declaration, thus removing it forever from any judgment of the commission. Under the broad authority of the trade commission to declare matters unfair competition, it would be very difficult, of course, to impose a penalty, but when we take a particular item and by congressional declaration make that an offense, there is no difficulty whatever in attaching the penalty.

I have listened during the last few days with a good deal of interest to the analysis pro and con of section 2. It has been broadly advocated by some, although I do not believe that it is a fair criticism upon those who have advocated it to say that they advocate it in relation to the detailed terms of section 2. They have advocated the broad proposition of making local underselling a crime and prescribing a penalty. On the other hand, those who have opposed it have not opposed it upon that broad ground but they have sought, and I think very successfully, to point out the defects and weaknesses of section 2 until that poor section has been tossed about here.

It seems to me that if, instead of pursuing this policy with section 2, we should first settle the question whether in the light of the broad authority of the trade-commission bill we should still go on and specify particular things and condemn them as unlawful, and, having settled that question, then, instead of tossing section 2 back and forth here until it is battered out of all possibility of recognition, take section 2 and perfect it.

I claim no authorship in what I am now about to submit. Some years ago I think the State of Iowa blazed the pathway by passing a law making it a crime to undersell petroleum products in that State. Iowa was followed by the State of Minnesota and was subsequently followed by the two Dakotas, I think by Nebraska, by Kansas, and if I am not mistaken Arkansas has a similar law. In most of these cases, especially in the case of Minnesota, with which I am more familiar, the prohibition went only to petroleum products and was, of course, limited to intrastate traffic.

A long hearing before our committee in 1912 upon that subject disclosed the fact that the independent dealers in petroleum oil in Minnesota practically found themselves in a position to defy the Standard Oil monopoly. Before that law was passed in Minnesota independent dealers tell me that it was impossible for them oftentimes to even get a right to build a warehouse upon the right of way of a railroad line; that they would make their arrangements with a superintendent perhaps and in a few weeks or months the superintendent would inform them that he was very sorry he could not carry out his agreement to give them a right to erect a warehouse on the right of way.

So complete a weapon was this simple, brief law in the hands of the independents of that State that after the law had been in operation and been sustained by the courts these independents no longer found it difficult to secure the privilege of a right to erect a warehouse. This law has run the gantlet of the courts, State and Federal, and has been sustained by the Supreme Court of the United States.

Now, instead of treating section 2 to a sort of battledore-and-shuttlecock performance here, tossing it back and forth and puncturing it full of holes, showing the absolute want of provisions in that section that will be effective, instead of pointing out the defects in that section, it does seem to me, Mr. President, that the wise and sensible thing would be to adopt an amendment which has been tried and tested in the courts. At the proper time unless some other Senator offers the amendment I am going to offer as an amendment the bill which I introduced a year or two ago upon this very subject, which is the Minnesota law enlarged to cover all products and apply to interstate commerce. After referring to the trade in interstate commerce it reads:

That any person, firm, etc., * * * that shall, intentionally or otherwise, for the purpose of destroying the business of a competi-

tor or creating a monopoly in any locality, discriminate between sections, communities, or localities by selling a commodity at a lower rate in one section, community, or locality than is charged for such commodity by said party in any other section, community, or locality, after making due allowance for the difference, if any, in the actual cost of transportation from the point of production if a raw product, or from the point of manufacture if a manufactured produce, shall be deemed guilty of unfair discrimination, which is hereby prohibited and declared to be unlawful.

Mr. President, that is all practically that I care to say. I shall briefly close with urging the adoption of this or some equally plain provision.

Mr. KENYON. Mr. President——

Mr. CLAPP. In just a moment. I shall not analyze the other sections. I believe that they, too, should be dealt with in the same plain manner in which I propose to deal with section 2. Instead of having a law here that is full of loopholes, instead of having a law here over which men upon this floor contend as to the meaning of the law, in a case where a law has been tried, tested, and worked out by the courts, why not adopt the simple process of incorporating it in this bill so far as it goes.

I yield to the Senator from Iowa.

Mr. KENYON. I wish to ask the Senator if his proposed amendment would carry a jail sentence? Has it a criminal feature in it?

Mr. CLAPP. Certainly.

Mr. KENYON. The Senator did not refer to that in his explanation of the amendment.

Mr. CLAPP. I took it for granted in view of the controversy in which we had taken part it would be assumed. I read section 2 of the bill I propose to offer as an amendment:

SEC. 2. That any person, firm, company, association, or corporation violating any of the provisions of the preceding section, and any officer, agent, or receiver of any firm, company, association, or corporation, or any member of the same, or any individual found guilty of violation thereof shall be guilty of misdemeanor and shall be punished by a fine of not more than $5,000 or by imprisonment not to exceed one year, or both, as the court may determine.

Mr. KENYON. I understand the Senator proposes to offer that as a substitute for section 2.

Mr. CLAPP. Unless some Senator more directly connected with the committee will offer it. Of course, I would prefer that some member of the committee should offer it.

Mr. GALLINGER. Mr. President——

The PRESIDING OFFICER (Mr. LEWIS in the chair). Does the Senator from Minnesota yield to the Senator from New Hampshire?

Mr. CLAPP. With pleasure.

Mr. GALLINGER. I have listened with much interest to the Senator, as I have listened to other eminent lawyers in this body in the discussion of this bill. The Senator frankly says that there is not any agreement on the part of the lawyers of this body as to what the bill means. I want to ask the Senator if it has ever occurred to him that those of us who are not lawyers must be in a quandry as to our duty in the matter of voting upon this measure?

Mr. CLAPP. Mr. President, it has. It has often seemed to me that if I were a layman, unable to satisfy myself from my own knowledge and study of the law as to what some of these measures mean which are rushed through this body, I would feel very much like declining to take the responsibility of voting upon them.

Mr. KENYON. I should like to ask the Senator from New Hampshire if he ever saw a group of lawyers who could agree upon anything?

Mr. GALLINGER. No; I think they are in the same predicament that doctors are in. It is an axiom, "When doctors disagree, who shall decide?"

Mr. KENYON. I do not believe it is an indictment against a measure that lawyers can not agree upon what the terms may mean.

Mr. GALLINGER. At the same time it does leave those of us who are trying conscientiously to vote upon these bills, which are said to be of the gravest importance, in a position where, I think, as the Senator from Minnesota suggests, we might well be excused from voting upon them at all.

Mr. THOMAS. Before the Senator from Minnesota takes his seat I should like to ask him if he can recall any measure of importance upon which the lawyers of this body have agreed, either during this Congress or any other Congress?

Mr. CLAPP. Certainly; scores of them; so many of them coming under the rule of evidence that where everybody believes a man you are not called upon to present to the court a witness who does believe him.

Mr. THOMAS. Mr. President, I have given some attention to the debates in this body, running through a series of years, and particularly as regards important measures of legislation; and I can not recall a single instance in which a certain construction has commanded the general approval of all the lawyers of this body. They differ, and very properly so, upon the construction to be given to language, and also as to the effect of measures when enacted in the phraseology in which they are presented for consideration. That is a common infirmity of the human mind.

Mr. CLAPP. Mr. President, the fact is that in most cases if time were taken and if there was an agreement as to what was desired as the ultimate of legislation there would be no difficulty whatever in framing language that would convey that thought. I undertake to say that of all litigation upon contracts—and there is a vast amount of it—there is a very small percentage of such litigation which involves a difference as to the meaning of the contract, because the lawyer drawing them takes time to prepare them. Of course, there are such cases. The trouble with us here is that we differ as to the language we use in framing law in the very act of framing the legislation itself, when we should take time to first determine what we want as the ultimate of legislation. Then, lawyers would have little difficulty, and laymen would have little difficulty, in framing language to express what they thus desire.

The trouble right here to-day with this very amendment is a confusion of purpose. While there are those who criticize the amendment, some of whom desire some amendment, there are others who believe that having put into the trade commission bill the broad definition of "unfair competition" there ought to be nowhere in the antitrust legislation a particular form of unfair competition defined. It is not so much a question of construction as it is a disagreement. With that disagreement overshadowing and running through the argument, of course, there is difficulty in reconciling the terms and expressions used.

Here, in this particular instance, is a law that has now stood for ten or a dozen years, which has run the gantlet of the courts, and which has proved a most effective weapon in the hands of the independent oil dealers in my State and in other States; so it does seem to me that instead of dealing with new, obscure, misleading, and, I think, perhaps in some instances, language affording a loophole, we should adopt a measure, where we can adopt one, that has been tried and tested.

I could go through the other amendments, but it is not my purpose to discuss at length this bill, for that has been done by others. I have simply presented this as an illustration of what might be done with section 2. I appeal to the Senate that if section 2, in any form, is to remain in the bill—and for one I am certainly in favor of retaining it—instead of our taking time in finding fault with it and pointing out loopholes in it, that some member of the committee offer an amendment which he thinks will cure its defects. If no member of the committee does so, I shall take the liberty myself at the proper time to offer the amendment to which I have referred.

Mr. STERLING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from South Dakota?

Mr. CLAPP. With pleasure.

Mr. STERLING. Before the Senator takes his seat I wish to say that as I understand his proposed amendment it relates simply to discrimination in selling and does not include discrimination in buying?

Mr. CLAPP. My amendment simply relates to selling. It deals with one plain, concrete proposition. Let us deal with these propositions, if it takes all summer, one at a time, to the end that when we get through we at least will feel that we know what we have put into the bill.

Mr. STERLING. I wish to ask the Senator from Minnesota if he would not be willing to include in his proposed amendment a prohibition against discrimination in buying as well as in selling, so as to include both in the same provision, in order that the language would read, if the Senator will excuse me——

Mr. CLAPP. With pleasure.

Mr. STERLING. Something like this:

A provision prohibiting the purchasing at a higher rate or price or the selling at a lower rate or price of any such article or commodity in one State, section, community, or city than is paid or received for such article or commodity in another State, section, community, or city after equalizing distance and freight rates for the purpose of destroying or which is calculated to destroy the competition of any regularly established producer, manufacturer, or dealer in such article or commodity, or to prevent the competition of any person who in good faith attempts to become such producer, manufacturer, or dealer.

Might not the amendment to be proposed by the Senator from Minnesota include the discrimination in buying at the higher or exorbitant price for the purpose of destroying the business of a competitor as well?

Mr. CLAPP. Well, I confess the additional matter the Senator suggests has come up without much previous thought, and I

do not exactly see how the local dealer could effectuate the destruction of competition by paying more for an article.

Mr. STERLING. Mr. President, I will say to the Senator from Minnesota, that in both North Dakota and Montana they have a statute providing against discrimination in buying. I think it can be seen that a situation may arise where the buyer of a commodity may at a particular place pay a much higher price than the market price for the purpose of crowding out a competitor in the purchase of that commodity, and that there is perhaps nearly as much danger arising out of a condition of that kind as there would be from discrimination in selling at a lower price. In any event, in those two States they have included discrimination in buying as well as discrimination in selling.

While I am on my feet I should like to ask the Senator another question.

Mr. CLAPP. I yield with pleasure.

Mr. STERLING. As I understand the Senator's position, it is that, after all, it would be a little better to define the acts which constitute unfair competition than to leave it to the trade commission to decide what is unfair competition. Therefore the Senator asks the question, "If the provisions of section 2 or a similar provision will apply to a particular evil, why not embody it in this bill? Also, why not embody the provisions of section 4 of this bill as a distinct specification of an evil against which we should guard and which we should prohibit?" If that be true, why might we not yet take some other recognized evil and add it to the list, as, for example, the following:

A provision prohibiting any contract or agreement for the exclusive sale, purchase, lease, or use of any such article or commodity as a condition for the sale or purchase, lease, or use of other required articles or commodities made for the purpose of destroying competition in the production, manufacture, sale, or purchase of any such article or commodities, or where the effect of such contract or agreement is to destroy or prevent competition in such production, manufacture, sale, or purchase.

Of course, the reading of this provision implies that there should be used the apt words to connect it with the bill. I am simply reading a provision that covers the evil itself.

Mr. CLAPP. Mr. President, the Senator from South Dakota is partly right with reference to my view and he is partly wrong. I do not think we could to-day, to-morrow, or, perhaps, in 50 years define all unfair practices; they will develop as we go along. Every effort to define unfair practices in the trade commission bill has had to conclude with the general broad statement "and any other act calculated to destroy competition," or whatever form the drafter of the bill used. So I think this definition should stand there. On the other hand, I quite agree with the Senator that if there is any well-known practice upon which there is a fair agreement of opinion that it is an unfair practice, we should by law prohibit that and take it out of the "twilight zone" definition power at the hands of the commission.

Mr. STERLING. With the Senator's permission, now I should like to call his attention to a couple of other provisions which I suggest, and then have his opinion as to whether or not with the two provisions just read and the two which I shall read nearly all the instances of unfair competition are not covered, and if we should not include them in distinct terms in the bill? I call attention to them. A provision prohibiting—

Any offer, promise, or agreement by any person made to or with any other person for any rebate, refund, discount, concession, or reward upon any condition, expressed or implied, requiring the exclusive dealing with any person in relation to any such article or commodity, the effect of which said offer or agreement, if complied with, will be to destroy or prevent competition in the production, manufacture, sale, or purchase of such article or commodity.

Of course, the words "article or commodity," wherever used in any of these provisions, refer to an article or commodity which is the subject of interstate trade or commerce.

I now suggest this further provision, which is to prohibit—

The employment and use for the purpose of destroying or injuring the competition of any producer, manufacturer, or dealer in any such article or commodity, of blacklisting, boycotting, or other like methods, including espionage or the use of detectives, and all threats, coercion, or intimidation having for their end the prevention of competition in the production, manufacture, sale, or purchase of any such article or commodity.

Mr. CLAPP. Mr. President, I should want to take time to read and study the provisions which have just been read by the Senator from South Dakota [Mr. STERLING] before expressing an opinion on them. There are some things that are so plain that they require no discussion and no exception. For instance, I think that the holding by one corporation of the stock of another corporation engaged in the same business is so certain to lead to a stifling of competition that it should be prohibited without any use of the word "competition," without any reference to competition. I believe that local underselling is so plainly a method of destroying competition that we do not have to deal with it with much detail.

The two provisions which the Senator from South Dakota has just read are somewhat lengthy, and I would not want offhand to say that I would think the practices therein referred to ought to be prohibited in that form. My idea is that the things that we prohibit should be so plain that we should have no hesitation in prescribing the penalty, including, of course, imprisonment; whereas there might be a condition of affairs along other lines of activity where we could not with safety prescribe that penalty. I am, however, in hearty sympathy—in fact, it was the very purpose of my rising—with the proposition that those things that may be made plain, upon which we are generally agreed, should be prohibited. We should prohibit them, and then leave the commission with that territory to work in which we are unable to cover by specific cases.

Mr. STERLING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Minnesota still yield?

Mr. CLAPP. I have concluded, unless what I have said is going to involve an inquiry. Otherwise, I will take my seat.

Mr. STERLING. I have no further inquiry to address to the Senator; but I should like to say, Mr. President, that it is just at this point that I differ, perhaps, from the Senator from Minnesota. He seems to realize that it would be well if we could define and describe the different acts which would constitute unfair competition and that there would be certainty in the law by following that procedure; but I can not agree to the proposition that the trade commission should have the power in the absence of such definition to determine what is unfair competition.

Let us take some of the illustrations that occur to us now and that have been referred to in this debate. For example, there has been no remedy for the party aggrieved or oppressed by local underselling for the purpose of destroying his business. There has been no remedy at law or in equity for the party aggrieved by the payment by his competitor of an excessive price. It was necessary in the State of Minnesota that a law be enacted in order that local underselling for the purpose of destroying a competitor should be prohibited.

It is perhaps true that in the State of South Dakota, as the Senator from Minnesota has suggested, the occasion for the law were the transactions of the Standard Oil Co. A case came to the Supreme Court of the United States under that law, the case of the State against Central Lumber Co., and the law was sustained; but without the law there would have been no remedy. Neither would there have been any remedy in any of these cases without express State statute. What follows as a necessary consequence? Without such statute the man who undersells for the purpose of destroying a competitor would be within his rights. If we put it in the power of a trade commission to say that local underselling or local overbuying or paying a higher price than the market price is unfair competition, or that exclusive leasing or purchasing is unfair competition, we are putting it into the power of the trade commission to make the law, because, outside of express statutory law, there is no remedy.

That is the fault that I find with section 5 of the trade commission bill. It is a pure delegation of legislative power to the trade commission; and, hence, I see the necessity of defining and saying in this bill or the trade commission bill what shall constitute unfair competition. I think the four provisions which I have read here, and to which I have called the attention of Senators, will include nearly every known form of unfair competition of which complaint has been made. The language is couched to some extent in general terms, especially in the last provision, and yet I think in such terms that we could not be charged with delegating legislative power to the trade commission.

Mr. CLAPP. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Dakota yield to the Senator from Minnesota?

Mr. STERLING. I yield.

Mr. CLAPP. I desire to ask a question to obtain the Senator's view. Conceding that these practices were all enumerated, would not the Senator feel that general broad power should be given the commission to declare other acts unfair as they came under the observation of the commission?

Mr. STERLING. I hardly believe we can confer that power on the commission; as other evils appear it should be left to Congress to legislate concerning them. There would still exist the power on the part of the commission to supervise and to determine whether in this or that respect there had been a violation of the law as laid down defining the act which should constitute the offense.

Mr. CLAPP. The only difference between the Senator and myself is that I am in hearty accord—in fact, it is one of the things that I have been fighting for—with the effort to include in this bill those practices as to which there can be no question. Notwithstanding that, however, I would rather be inclined to think that the commission should stand, and then, as I said a while ago, as experience developed other things beyond question they should be the subject of specific legislation.

Mr. STERLING. Mr. President, I merely want to say, in conclusion, that it has been urged that we have a precedent for the power granted the trade commission in the interstate-commerce law and in the power granted various administrative and executive officers under acts of Congress, but I think a clear distinction may be found between the power conferred on the trade commission and the power conferred on the Interstate Commerce Commission to fix a reasonable rate. I sought to point out that difference once before when the trade commission bill was under discussion in the Senate. I venture to say there is no authority in any decision, nor precedent in any statute either, for the powers conferred on the trade commission by section 5, by the terms of which we have given the power to prevent "unfair competition" without in any way defining what "unfair condition" is.

Mr. BORAH. Mr. President, I am not at all sure that this continued discussion is inadvisable. While we seem to be taking considerable time, I am not at all certain that it is not well taken. The more I hear of this discussion, the more I contemplate the situation as it presents itself, the more I become satisfied that anything here which in any way may weaken or emasculate the Sherman antitrust law will work great detriment to the people.

I want, Mr. President, as somewhat of a text, to call attention to two or three general statements, not in my own language but in the language of those who speak by authority and who announce principles which, in my judgment, we are actually violating or are proposing to violate in one way or the other in this legislation. Mr. Cooley, in his Constitutional Limitations, says:

> Everyone has a right to demand that he be governed by general rules, and a special statute, which, without his consent singles his case out as one to be regulated by a different law from that which is applied in all similar cases, would not be legitimate legislation, but would be such an arbitrary mandate as is not within the province of free government. Those who make the law are "to govern by promulgated established law, not to be varied in particular cases, but to have one rule for rich and poor, for the favorite at court and the countryman at plow." This is a maxim of constitutional law, and by it we may test the authority and binding force of legislative enactments.

Edmund Burke, the great English philosopher, said:

> They may be assured that however they amuse themselves with a variety of projects for substituting something else in place of that great and only foundation of government, the confidence of the people, every attempt will but make their condition worse.

A later authority and no less distinguished in the present day—I refer to President Wilson—said in a speech:

> I will not live under trustees if I can help it. No group of men less than the majority has a right to tell me how I have got to live in America. I will submit to the majority, because I have been trained to do it, though I may sometimes have my private opinion even of the majority. I do not care how wise, how patriotic, the trustees may be, I have never heard of any group of men in whose hands I am willing to lodge the liberties of America in trust. If any part of our people want to be wards, if they want to have guardians put over them, if they want to be taken care of, if they want to be children, patronized by the Government, why I am sorry, because it will sap the manhood of America. But I don't believe they do. I believe they want to stand on the firm foundation of law and right and take care of themselves. I, for my part, don't want to belong to a nation, I believe that I do not belong to a nation, that needs to be taken care of by guardians. I want to belong to a nation, and I am proud that I do belong to a nation, that knows how to take care of itself. If I thought that the American people were reckless, were ignorant, were vindictive, I might shrink from putting the Government into their hands. But the beauty of a democracy is that when you are reckless you destroy your own established conditions of life; when you are vindictive you wreak vengeance upon yourself; the whole stability of a democratic polity rests upon the fact that every interest is every man's interest.

Mr. President, no one will impeach the authorities from which I have quoted; no one, in my judgment, will find any fault with the principles announced. In other words, the duty of the legislature or the Congress is to prescribe general rules of conduct, general rules of law which relate to all who come within the purview of the law, and there should be no exception, so as to recognize within the terms of the law a class. Secondly, there is no safer foundation upon which to rest government than upon the people as a whole; in other words, they should retain within their control and in their power all the powers of government, simply calling into activity agents to carry into effect the prescribed rules which they have crystallized into statute. The people should never create a power or a commission without fixing definite bounds and prescribing with certainty the limit of authority to be exercised and fixing also the rules definitely by which it is to be exercised. Unlimited discretion is the beginning of arbitrary power and ultimately the rendezvous of corruption. Thirdly, as the President said, there is no group of men wise enough or sufficiently experienced to whom to trust the power, without having, through the people, prescribed the rules by which they are to be governed and the limitations of their power.

In 1890 we passed the law which we are now discussing from day to day, known as the Sherman antitrust law. When you come to examine its provisions in the light of the constructions which have been placed upon the law, it is a great statute. In my opinion, it is one of the greatest statutes which we have. It is one of those statutes as to which in making the makers builded wiser than they knew. The experience of years has demonstrated its wide-reaching compass and its effectiveness to accomplish what those who drafted it intended that it should accomplish.

What were the provisions? In the first place, there is a provision to the effect that the Government may go into court and enjoin the formation of these monopolies or combines to prevent their being brought into existence at all. Mr. President, if that provision of the law had been executed—and we are here dealing as legislators and not as executors of the law—very few of the 300 monopolies or trusts that are now in existence and to which our attention was called yesterday would be in existence now. It was not the fault of the law. It was sufficient and efficient. It was by reason of the fact that it was not executed.

We all know of instances in which it was advertised in advance that combinations were to be formed in which monopolies were made known to the public in advance of their creation. I have in mind a particular one, as no doubt you all have it in mind, in which for weeks before the monopoly was formed—a monopoly which the Government is now seeking to dissolve—the parties who created it informed the public, through the press and otherwise, of the nature of the combination, the details of the combine, and the entire compass and scope of the monopoly. The Government sat by and permitted it to organize, all the time having an efficient statute for the purpose of preventing it.

There was a second provision of the law providing for the criminal prosecution of those who might violate it. That is the one provision in the law which has disturbed the inner seat of judgment and consciousness of those who have been engaged in its violation. That provision of the law never has been enforced as it should have been enforced and as it could have been enforced. That provision has seldom been put into execution, and when attempted it has been enforced with much hesitancy if not tenderness. All kinds of influence, both direct and indirect, subtle and open, have been brought to bear upon the Government authorities to prevent calling into activity the criminal features of the law; and when nothing else would prevail we were advised through the public press and through the magazines and articles contributed to the patent insides of the newspapers that it would result in business disaster and financial crisis.

So, Mr. President, omitting the injunctive process, afraid to execute the criminal feature of the law, the people who wanted to violate it were practically permitted to have their own way, and when we did come to execute the provision of the law relative to the criminal feature of it we simply contented ourselves in most instances by imposing a fine. The result was that the fine was passed on to the consumer or the purchaser of the goods, and the corporations were not greatly disturbed.

Then we had the other process provided for in the statute—of dissolution of corporations, combines, or monopolies after they were formed. That has been called into service more than any other provision of the statute.

Mr. THOMAS. Mr. President——

The PRESIDING OFFICER (Mr. POINDEXTER in the chair). Does the Senator from Idaho yield to the Senator from Colorado?

Mr. BORAH. I yield.

Mr. THOMAS. Does the Senator think the fact that that provision of the statute has been called into operation has produced any appreciable deterrent effect? I recall that the Southern Pacific and Union Pacific combination was sometime ago declared to be a violation of this law and a dissolution ordered accordingly; but to-day the New York Central Railroad Co. proposes to form a combination almost precisely like that which was thus dissolved, consisting of its own road, the Michigan Central road, the Lake Shore & Michigan Southern road, and what is called the Big Four road; and the only opposition I have thus far noticed to this proposed combination—a clear and palpable violation not only of the statute but of the de-

cision of the Supreme Court in the Southern Pacific case—is the effort on the part of some of the stockholders of the New York Central, who have appealed to the local courts to prevent it.

It seems to me that this is one of the instances in which the Government should see to it that the precedents which have been established by the Supreme Court in the matter of these combinations should be rigorously and inflexibly applied to all similar combinations that are proposed or that are now pending.

Mr. BORAH. Mr. President, I am discussing this matter on the proposition of finding an efficient law. I do not care to digress at length with reference to those who have had upon them the burden of executing the statute. My design was to limit myself to the question whether or not the statute is sufficient and efficient, if executed. I have no reason to assume that a different set of officers would be any more capable or any more efficient in executing a different statute than the statute which we have. I realize, and I think everyone realizes, that one reason for the nonenforcement of this law has been the fact that the public very generally considered that its execution would be possibly detrimental to the public interest. I am by no means sure that we are not now approaching in this country the time when, by reason of the influence which they exercise in elections and the power which they exercise in reference to selecting officers, monopoly in this country will go unrestrained in any way. It will not be, however, because there is not sufficient law to restrain it, but because we are placed in one of two positions—either we think it is unwise to destroy monopoly and prefer to let it have its reign and its control, or else they are in such powerful connection with the political interests of the country that they prevent its execution.

What I wanted to confine myself to, however, was the question whether or not we have an efficient statute, and the thing we are hunting for is some one to execute it. Now, it is true, as the Senator from Colorado [Mr. THOMAS] said, that in many of these instances the attempt to execute the law has been of no benefit to the public. Why? Because they stopped upon the hither side of doing what the law authorized them to do and what the public interest demanded that they should do if we desire to get rid of monopoly.

For instance, take the decision in the Tobacco case. There the Supreme Court of the United States decided that it was within the purview of this statute to have the products and the commodities of that great monopoly entirely excluded from the channels of interstate trade if necessary in order to effectuate its dissolution and its death. They said, furthermore, that it might be placed in the hands of a receiver and operated by a receiver in behalf of the public interest. There was no limit to the power which the Supreme Court authorized to be utilized and taken in order to be rid of this great combine and this great monopoly. I do not hesitate to say that, notwithstanding that drastic decision and the efficient means which were placed in the hands of the executive officers to act under it, to-day the Standard Oil Co. and the American Tobacco Co. are in practically as good condition as monopolies as they ever were. Why? Because we refused to execute the law. In saying this I do not raise the question of honesty of purpose. I prefer to consider it as an honest difference of opinion as to what was necessary to be done in order to effectuate a real dissolution. I have no doubt, indeed, that was true, but it must be conceded that if the dissolution was not complete, if the monopoly was not destroyed, it was not the fault of the law or the judgment of the court.

Mr. LANE. Mr. President, I should like to suggest a thought to the Senator from Idaho. If it is true that the law now provides a means by which these iniquities and these injustices may be stopped, what use or what sense is there in Congress passing other laws to place in the hands of the same officials if they will not execute the ones which now exist? And if they are sufficient, why is not Congress, then, turning its attention to these officials and passing laws to force them to do their duty? Why would not that be the stroke of the sword which would cut the Gordian knot, and stop all of this interminable talk which is being dissipated on the thin air to aid measures which, in my opinion, only further befog the situation and render the laws less accessible as means of relief to the people of the country?

If it is a fact that there are laws upon the statute books and decisions from the courts by which this condition could be remedied under existing circumstances, why is not Congress, in the discharge of its duty to the people, taking measures to compel the executive department of the Government, if it is at fault, to do its duty, and aiming its laws there? That is the weak point in it. Why make more laws for them to fail to execute?

I should like to have the Senator from Idaho answer that question.

Mr. BORAH. Mr. President, I should be willing to answer the part of the question which relates to why we should make more laws; but it would be a little embarrassing for me to answer the question why there should be any more of this "interminable talk," in view of the fact that I have the floor. [Laughter.]

The statute to which I have referred is our only protection in this country against the restraint of trade or against monopoly in interstate commerce. The great fundamental object and purpose of the statute was to provide for the freedom of trade, for the free flow of commerce between the different States of the Union, to relieve the channels of interstate trade entirely from the embarrassment or the injury which might arise by reason of monopoly in interstate trade. I want the Senate to bear in mind that that is the only statute we have for our protection in this country against the continued increase of monopolistic power and for the freedom of interstate commerce.

I say that for the reason that that being true, I would appeal to all men who do not want to see monopoly finally prevail in this country not to weaken the Sherman law at any point. All men who are opposed to monopoly, who see its fearful evils, ought to stand against weakening the law or excepting anybody from its operation. If we arrive in our economic development at a point where we think it is wise to take another course entirely, certainly we should repeal it as a whole, and make the repeal applicable to the entire people, the same as we should make the law applicable to the entire people.

I am not one of those, however, who believe the time has arrived when we are prepared to say that we will weaken our forces anywhere along the line. As I look at it, almost as tremendous a battle is on in this country for the individual rights of the citizen and for republican institutions under which we live as the great battle which is raging along the line between Belgium and France to-day. It is of a different kind of battle, to be sure, but it will finally have the same effect upon the institutions under which we live as would an invading foe. We should no more weaken our forces at any single point of attack than would the great generals in command of those battling cohorts weaken their forces at any point in order to enable the opposing forces to slip through.

It is unfortunate that men who are entirely sincere and perfectly intellectually honest in their endeavor to arrive at the same point should have different views as to the method by which we should arrive at that point; but it is one of the characteristics of human nature that men will differ, having the same integrity of purpose and the same object in view, as to the manner by which to accomplish it, and it is one of the unfortunate features of this debate. Perhaps, however, by a continued interchange of views we can come somewhere near the proposition of leaving the Sherman antitrust law without any assailment or any undermining or undersapping in any way, shape, or form. If we shall do that, I am not very particular about what other laws are passed in regard to it. I would gladly vote for any measure which would seem to strengthen it. I would gladly support any provisions which would seem to add force to it, although I have come to the conclusion, in listening to this debate, as I said a moment ago, that what we need most is the execution of the law rather than more laws.

Coming now immediately to the question which is before us, that is, the question whether we should take sections 2 and 4 and either eliminate them entirely from the bill, or, leaving them in the bill, eliminate the criminal provisions with reference to punishment, and place them under the execution of the trade commission. I have said all I desire to say upon the trade commission other than as to its applicability to this particular situation. Let us not forget, however, that the one thing for which the monopolists of this country have prayed from the hour the Sherman law was enacted until now is either the overlooking or the repealing of the provisions with reference to the punishment provided by the criminal features of the statute. Let us bear in mind that that is the one thing about which they have had most concern. I am not willing to take any provision of the Sherman law, or any features of unfair competition, or any monopolistic practice, and individualize it and single it out and put it into a statute by itself, without attaching to it a provision for punishment by either a jail sentence or a sentence of imprisonment in the penitentiary. And I am not willing to create a trade commission, whose mild jurisdiction will invite all monopolists to seek its favors and which will, in its practical working, have a tendency to discourage the enforcement of the Sherman law and lead ultimately to its being treated as a dead letter.

If we are going to undertake to subdivide the elements which constitute unfair competition or restraint of trade or monopoly in order to make them plainer and more specific and more easily enforced, let us not feed the public mind upon the proposition that so far as the criminal law is concerned it ought to be eliminated entirely from the Sherman law.

Therefore I am heartily in favor of restoring sections 2 and 4 and restoring the provisions with reference to punishment as they came from the House.

The Senator from Iowa has said, and I think said with some force and effect—I know it produced in my mind a different line of thought from that which I had before—that sections 2 and 4 are to a certain extent uncertain and ambiguous. It may be so. I do not care to debate that question with him; but the principle contained therein, as said by the Senator from Minnesota [Mr. CLAPP], is against the cutting of prices in localities; and the other principle in section 4 is one that is well known. We speak of them in a general way, and we can take those general principles and shape them in proper language so that no man may be mistaken as to what they mean, and leave attached to them a punishment for those who shall violate them.

Therefore I would beg those who are opposed to sections 2 and 4 to lend their splendid abilities to eliminating the ambiguous language therefrom, if any therein there be, instead of attacking them as a whole, or taking from them the punishment which is therein provided for. I do not think they are so vulnerable to attack for ambiguity as my friend from Iowa thinks, although I greatly respect his judgment upon these matters.

For instance, take the question of intent, which was referred to. The bill says here:

> That it shall be unlawful for any person engaged in commerce either directly or indirectly to discriminate in price between different purchasers of commodities, which commodities are sold for use, consumption, or resale, * * * with the purpose or intent thereby to destroy or wrongfully injure the business of a competitor.

I do not think there is any trouble about proving that purpose or proving that intent. You prove the facts, and then you apply the principle that every man is presumed to intend the natural consequences which flow from his own act. If you find A in charge of a vast territory, and B operating within a portion of that territory, and you find that A lowers the price in the immediate region of B and keeps his price up in all the rest of the territory, and you prove that fact, you will have no trouble in satisfying a jury as to his purpose or as to his intent. I can scarcely conceive of any transaction where, if the probative facts were before the jury, there would be any difficulty in arriving at the intent or the purpose of the party who was violating the law and against whom the charge was laid.

Be that as it may, however—I do not think that is a difficulty, but be that as it may—we ought not to assail the entire section, nor section 4, by reason of the ambiguity which is claimed to be in those sections:

> *Provided*, That nothing herein contained shall prevent discrimination in price between purchasers of commodities on account of differences in the grade, quality, or quantity of the commodity sold.

Mr. President, I have no doubt but that the trade commission would have to take all those things into consideration in determining unfair competition, and that they would take all those things into consideration; so there is no larger discretion rested there than would be rested in the trade commission. It is said, however, that in the trade commission bill there is no punishment provided, and therefore that we do not need to be so specific and so certain in our language. Quite true; but it is infinitely better that we engage our attention in being specific in our language and certain in our expressions, and retain the criminal or punitive features of the statute, than to turn it over to a trade commission, wherein the only punishment will be the issuing of an injunction without cost or expense to the violator of the law.

I think it a wise rule that you make the man who violates the law pay for the violation. I think it a wise rule that you impose upon him the cost of the prosecution. What are we doing here, however? We are not only eliminating the criminal and punitive features of the statute, we are not only eliminating the specific provision, but we are going further and providing a modus operandi by which there can be no possible punishment even in the way of punitive damages. Why, Mr. President, if I had a monopoly in this country, and were in fear of the judgment of a court or the verdict of a jury, if I felt that in all probability I had violated the law and might be punished, I would welcome with open arms a change in the law which would take away the punishment and simply turn me over to the mercies of a restraining order issued by some court. We may technically interpret this matter as we will, but take my word for it, just as fast as you eliminate the punitive features of these statutes from the law that you are enacting to-day, the juries and the courts of this country will eliminate the punitive features of the Sherman antitrust law. Our complaint has been that the juries have refused to convict, and we criticize them here upon the floor of the Senate for refusing to convict, and yet we add to the popular opinion and help to make up the public sentiment against conviction by enacting a law here and eliminating all possibility of punishment.

What are those who are violating the law getting under this change of program? First, they are securing some other method than the Sherman law to pass upon their conduct, because that is what will, as a practical proposition, happen in the end. Second, they are witnessing the discouragement of criminal prosecution under the Sherman law. Third, they are assured that the public will pay all expenses, and they are relieved not only from punishment but from costs. Fourth, they secure a commission whose membership merely they have to control in order to control the situation.

Mr. President, let us reflect for a moment. This is a day of propaganda for popular government, for placing the Government more and more in the hands of the people, for turning the powers of legislation and the power of the control of the executive more completely over into the hands of the masses. That is what we tell them. What are we doing? We have to-day the transportation system of this country almost completely in the control and under the control of a commission which the people can neither select, elect, or recall. We have the currency of this country in the control of a commission which the people of the country can neither select, elect, recall, or prevent from being appointed. We have now pending in the Congress of the United States a bill providing that there shall be placed in the hands of a commission at Washington the power, capacity, and the great instrumentalities which are to turn the wheels of industry in this country from the Atlantic to the Pacific. We are now proposing to place all the great industries of the country in the hands of a commission which the people neither select, elect, nor can they recall. We leave a mere shell of the Government, the mere outward form of the Government, in the hands of the people to flatter and satisfy their pride, while the great essential elemental powers which deal with and control their destinies are in the hands of 25 or 30 men.

What chance will the great mass of the American people have in controlling those 30 men when 25 years shall have rolled around? We have had some observations passing before us, and we know that it would be within the power of any one man to turn these great industries and the entire business, currency, and transportation of the country over to a class of men whose view of unfair competition or whose view of a proper currency might be as far removed from your judgment or mine as the light from the darkness. Who is going to check up on it? Where is the countercheck? What becomes of that principle, the principle which has preserved the Government until this day, that in no man's hand is lodged arbitrary power, that the executive is balanced against the legislature, and the legislature against the judiciary, and one against the other? What becomes of that great fundamental principle discovered by our fathers practically and put into the Constitution of the United States when you have the vast powers which are delegated to these men without any check or balance or recall or review whatever?

Mr. President, I am not expressing my view with any expectation whatever of changing the current or changing the program. I understand perfectly how utterly useless it is to prophesy except to satisfy your own intellectual activity, but just so sure as the American people discover, and as soon as they do discover, that we are delegating these vast powers to those with whom they have no political connection and over whom they have no elective control, the program will be changed.

Mr. President, I shall vote for the restoration, if I get a chance, of section 2. I have already voted for the restoration of section 4. I shall vote to sustain the motion of the Senator from Missouri [Mr. REED] to restore the punitive features of the statute, and I will look forward with pleasure to the time when, not so far ahead, I shall vote to repeal section 5 at least of the trade commission bill. For at no distant day business will awaken to the fact that it is bound around and clamped down by bureaucracy, and the people will awaken to the fact that while discussing primaries, the initiative, the referendum, and recall that the real powers of Government, that those powers which deal with their every interest, have been safely stored in the hands of a few men who neither derive

their authority from the people nor are they answerable to them. When that awakening comes, the program of moddened bureaucracy will have an abrupt and ignominious end.

Mr. LEWIS. Mr. President, I shall occupy but a moment of time to revive in the memory of my colleagues on this side of the House a recollection and the recollection of such Senators on the other side as may be interested in the matter to a parallel to the motion of the Senator from Missouri. I take this from the history of the time, as I was not present and was not honored with a seat at the time of the occurrence. I speak to my own colleagues to remind them when the issue was made before this country and I participated in it in convention and afterwards on the stump, as we refer to our efforts in the matter of election. I shall unveil and say that my purpose is largely political and partisan. I do not wish to have my party left in a position in which a parallel subject may be created against it in this coming campaign to its confusement, nor do I wish my honored opponents to be in a position of advantage against my own party upon so serious a matter whether we will punish the violators of law or give them immunity under what appears to be a punishment, but is a mere specious device to evade one.

As I understand the amendment of the Senator from Missouri, it revolves upon this single solitary distinction. If men do acts which are of themselves criminal in their effect upon the public, are we to hope to avoid that effect immediately through the agency of a court of equity which might redress these acts if they can be ascertained in time or advised of, or shall we menace the mind of the offender with a consciousness that if he does such act he will be a criminal and that he will be punished as such?

Second. Will we give to the public the security in their minds that people who commit crimes against them for their private welfare will be treated as much as criminals as the ordinary individual will be treated should he commit similar crimes against those larger individuals?

Mr. President, in this honorable body some years past there was a motion made by a very able Senator which passed into history to strike from a bill pending, referred to as the rebate act, sometimes as the Elkins Act, that portion of the penalty which created imprisonment and prescribed the jail for the offender. After debate and consideration in this body the motion prevailed, and there was left nothing in the measure that threatened the offender with either jail or the penitentiary, but there was continued a form of punishment in shape of fine.

Promptly the individuals proceeded to violate the law, would be found guilty or wherever they chose would plead nolo contendere, and would pay some fine, and promptly by that process, to be admired for its circular ingenuity yet greatly to be condemned for its pernicious activity, they as promptly levied the amount of that fine in increased rates of some nature upon the public and made the public pay that fine assessed against them.

The Democrats made an issue in our platform declarations upon this extended favoritism on the part of our honorable opponents who were then in charge of the Senate in striking out every form of punitive punishment under that rebate law and substituting in its stead the fine. We charged that it was an evasion and a trick which while it gave to the public mind the idea of a penalty it clearly increased the opportunity of the offender to oppress the public without fear and without punishment.

Sir, I am strongly impressed with the idea, indeed I am impressed with the fact, that if we shall now duplicate the very conduct which we condemned on the part of our honorable opponents we will make ourselves ridiculous before men of intelligence and contemptible before those who will view us as hypocrites. That there will be a very large body of our citizenship who will come to the conclusion that we have been induced to this new departure because of an advantage to be gained from certain corporate offenders in the coming political campaign.

I mention these things because they impress me. They operate upon my mind, they appeal to my nature sensitive. The fact that our honorable opponents would have a right to take an advantage of our folly. I present it to my own side of the Chamber that they may recall the past history of a few campaigns back and realize what position the Progressive Party could rightfully put us in before the Nation if we allowed this blunder to be committed in the Senate while we are supposed to be in charge of the Government.

The political aspect and more the confessed partisanship of this phase I do not disguise and which I promptly and frankly avow.

Next, Mr. President, if there had never been an expression in the bill that carried with it the suggestion of a penalty and the ordering of personal punishment of the violator it might be argued here that we would be granted full exemption from having had any personal or political object in now placing such in the act or in not introducing the section. But here we have it that heretofore in the measure there was a provision that prescribed a penalty of punishment and that it was afterwards taken out of the law. That thereafter an effort again was made to put such back in the law, yet such was by us defeated. Sir, there will blaze before our eyes from the startled public the senseless interrogation, Why?

If in the beginning the wisdom of such provision was so paramount, the justice of it so apparent, the rightfulness so undisputed that at the time of its being shaped the President sent his suggestions of a form of a measure, and this form of remedy was regarded not only appropriate, but necessary, the question will be, What was it that operated upon the mind that made you Democratic Senators reverse the ruling power that dominated at that time and to strike from the measure the punishment that was prescribed, and then, in order, to accentuate the object you had—whatever it was—hidden from public view, to decline deliberately when the matter was brought to your attention to reinstate it? We will have difficulty, as I view it, my fellow Senators, in defending the accusation that there was a questionable purpose behind it all, unrevealed to the public mind. We can not very well stand before the public, as I see it, justifying, if you please, the punishment of the small offender upon the ground that the law should be universal and have no exemption, by favor or fear, sending the small man to jail, as he has been sent, for the mere violation of an injunction, which, if he were a toiler, a laborer, he seldom knew the meaning of, and oftentimes was absolutely unconscious that he was the subject of it, nor can we take that other small individual who violates the penal laws and send him to the penitentiary and yet take the larger offender, whose offense extends itself in effect over the whole community, visiting different forms of persecution upon the body politic at large, and allow that individual complete immunity and exemption from the penal clause, allowing him only to be resorted against by equity features of the law. It would open us to the charge of a form of favoritism of law I fear would be difficult to justify. It would bring us to that position described by the able Senator from Idaho in the quotation he used, "that he had laid a net to snare the weak and out of which the strong could break."

I merely rose to say I favor the restoring to the bill the provision that makes a felon of a criminal wherever he is and of restoring to the bill the feature that punishes as a criminal criminal acts by whomsoever committed.

Therefore I rise to give my support with these views to the motion of the Senator from Missouri, or from whomsoever the motion may come, that has for its object the reinstitution of the measure that makes a penal offense a criminal conduct of that person or corporation that would violate these laws which seek to preserve the public from oppression and the citizen from persecution.

Mr. CLAPP. Mr. President, the Senator from Illinois [Mr. LEWIS] frankly says that he discusses this question from a partisan viewpoint. I think partisanship sometimes becomes patriotism when it involves the discussion of a measure in harmony with the best interests of the public.

There is less excuse to-day for striking out this provision than there was in the case of the Elkins bill. In that case the law was dealing with rebates; mere clerks were largely employed, and a great many people who were interested in suppressing rebates felt that, inasmuch as the act was usually the act of a clerk, it would be impossible to secure conviction. If there can be a difference between two wrongs or two mistakes, this would even be a greater wrong or a greater mistake than that, because not only was that consideration urged at that time but now we have the experience of the past. In view of the advancement we have made, it seems to me there can be no justification whatever urged for eliminating the penal provisions from this measure.

Mr. CULBERSON. I suggest that there be submitted to the Senate the pending amendment—the amendment of the committee, presented by the Senator from Montana, to section 9b.

The PRESIDING OFFICER. The question is on the amendment submitted by the junior Senator from Montana on the authority of the committee.

Mr. REED. I thought the Senator from Texas asked to have it reported.

Mr. CULBERSON. No one took the floor, and I suggested that the amendment be presented to the Senate for its action.

Mr. REED. Mr. President, I wish to make a parliamentary inquiry. The Senator from Montana [Mr. WALSH] presented a substitute for a portion of section 9b, relating to the enforcement of section 9b. I moved, as an amendment in the form of

a substitute for the amendment offered by the Senator from Montana, to insert in lieu of that language the following language from section 4. I read it from section 4, but of course I am not offering it in connection with section 4. I am offering it as a substitute for the motion of the Senator from Montana. That language is as follows:

Shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine not exceeding $5,000 or by imprisonment not exceeding one year, or by both, in the discretion of the court.

The point I am desiring the opinion of the Chair upon is whether my motion to substitute that language for the language tendered by the Senator from Montana is not now in order.

Mr. CULBERSON. Without reference to the parliamentary situation, without reference to the question presented by the Senator from Missouri, I suggest that the substitute has no connection with the proposition that is pending before the Senate. The amendment proposed by the Senator from Missouri has no logical relation to the subject matter of the committee amendment. The Senator can have an opportunity when we reach section 4 again to present the question which he seeks to present now. The Senate can do it by voting down the Senate committee amendment, which is to strike out section 4, but we ought not to introduce in section 9b what ought to be in section 4.

The PRESIDING OFFICER. Does the Senator from Texas make a point of order against the proposed substitute?

Mr. CULBERSON. I make the suggestion to the Senator from Missouri that it would be more orderly and in accordance with the rules to present it when we return to section 4. It has no application to the pending committee amendment, which relates to section 9b.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Idaho?

Mr. REED. I do.

Mr. BORAH. It seems to me that we ought to determine what we are going to do with sections 2 and 4 before we pass upon the amendment of the Senator from Montana. If we are to leave sections 2 and 4 as they are, there are a great many who might vote for the Senator's amendment who would not otherwise desire to do so.

Mr. CULBERSON. Section 2 has been stricken from the bill.

Mr. BORAH. Section 4, then.

Mr. CULBERSON. The amendment which struck out section 4 from the bill has been reconsidered, and the Senate is now considering the Senate committee amendment to section 9b. I will say to the Senator from Missouri there is no disposition not to return to section 4 at the proper time.

Mr. BORAH. Why would it not be proper on the part of the chairman to return to section 4 before we dispose of this amendment, because the disposition of section 4 will have much to do with my vote, as far as I am concerned, with reference to the amendment of the Senator from Montana.

Mr. CUMMINS. May I make this suggestion? I think the Senator from Idaho [Mr. BORAH] suggested the right course. There is nothing inconsistent between the amendment offered by the Senator from Montana and the substitute offered by the Senator from Missouri. We are entirely content to attach a criminal punishment to a violation of section 2 if that be retained in the bill and at the same time permit the civil remedies to be enforced through the action of the commission. Personally I am in favor of that and have been from the beginning. I think there ought to be a criminal penalty attached to section 2, but at the same time I believe that the commission ought to have the jurisdiction to enforce it civilly as well and prevent in that way the occurrence and recurrence of the offenses there stated exactly as we do in the antitrust law.

Mr. REED. Mr. President, I desire to accommodate myself just as far as I possibly can to the mode of procedure desired by the chairman of the committee. The difficulty is that we are now dealing with section 9b. We have passed over section 4 and the first provision of section 9b is as follows:

That authority to enforce compliance with the provisions of sections 2, 4, 8, and 9 of this act by the corporations, associations, partnerships, and individuals, respectively, subject thereto is hereby vested: In the Interstate Commerce Commission where applicable to common carriers and in the Federal Trade Commission where applicable to all other character of commerce, to be exercised as follows.

Then follow some 11 lines, and at the end of those the amendment of the Senator from Montana is to be inserted in lieu of other language.

Now, in view of the fact that the section expressly provides that the method of enforcement shall be through the trade commission, it, of course, raises the question whether that is to be the method of enforcement or whether it is to be enforced under the criminal laws of the State or the Nation.

Mr. WALSH. Mr. President——

Mr. REED. In one moment. If one can suggest a way by which we can deal with these subjects one at a time, I shall be glad to follow it. It seems to me that the right thing to do is to now recur to section 4 and settle section 4, and having settled it we will then know how to settle section 9b. I believe we would save time by doing it, because the debate has been centered around section 4. I yield to the Senator from Montana.

Mr. WALSH. I wish to suggest to the Senator from Missouri that we ought to have no great degree of apprehension about the particular amendment which is now before the Senate. If the amendment is adopted, then the question will be as to whether section 9b as amended shall be adopted, and when it is then the question that the Senator is troubled about will be presented, namely, as to whether the law should be enforced by penal provisions or through the trade commission. It is a matter utterly irrelevant to the question which is now before the Senate.

Mr. NELSON. Mr. President——

The PRESIDING OFFICER. Does the senator from Missouri yield to the Senator from Minnesota?

Mr. REED. Let me make one statement, and then I will yield.

I desire at this time to make a statement that I intended to make this morning. It seems that on yesterday in discussing the general features of this bill I left the impression on the minds of some, at least, that I was in effect charging that the Senator from Montana by bringing in this particular amendment was also seeking to strike out the criminal features of the bill. Nothing was further from my thought than that. I want it understood that the Senator from Montana in bringing in this amendment was only endeavoring to apply to the bill the method of procedure which had been already adopted in the trade commission bill. So nothing I have said could be taken as a criticism of the Senator from Montana. I make that statement because I think I ought to make it. I yield now to the Senator from Minnesota.

Mr. NELSON. Mr. President, I simply rose to make one suggestion. The very beginning of section 9b, which the Senator from Montana seeks to amend, relates to sections 2, 4, 8, and 9, and I think before we amend that section we ought to determine whether sections 2 and 4 are in the bill. At present, as I understand the situation, they were stricken out of the bill; they are not in it. I think we ought to determine, in the first place, whether sections 2 and 4 are restored to the bill before we pass upon this amendment. I suggest to the Senator from Montana that he temporarily lay his amendment aside until we can pass on that question.

Mr. CULBERSON. The Senator from Minnesota is incorrect in one respect. Section 2 has been already stricken from the bill. Section 4 was stricken from the bill, but a motion has been made and adopted to reconsider the action in reference to section 4, and it is now pending, with the Senate committee amendment to it. The immediate question, however, as I said a while ago, is the amendment proposed by the Senator from Montana [Mr. WALSH], for the Committee on the Judiciary, to section 9b. I have not, speaking for the committee, any desire to prolong this tangle, and am willing to return to and to have the Senate consider the committee amendment to section 4.

Mr. REED. Mr. President, I think that would be a very happy solution and that we would get along faster.

Mr. NELSON. It seems to me, Mr. President, then, that the first question in reference to that is on the motion to reconsider.

Mr. CULBERSON. That motion has already been adopted.

Mr. CUMMINS. That motion has been carried.

Mr. CULBERSON. I ask the Senate to return to section 4 and consider the Senate committee amendment to that section, which is to strike that section from the bill.

The PRESIDING OFFICER. Is there objection to the request? The Chair hears none, and the Senate will return to the consideration of section 4.

Mr. REED. Mr. President, that brings up the question, Shall section 4 be stricken from the bill?

Mr. OVERMAN. Mr. President, was not a motion made by the Senator from Montana [Mr. WALSH] to perfect section 4 before it is stricken out? It seems to me his motion would be in order before the question to strike out the section is put.

Mr. WALSH. The Senator from Montana has no amendment addressed to section 4. His amendment is proposed to be offered to section 9b.

Mr. OVERMAN. I understood the Senator intended to offer that amendment, but I thought the Senator had another amendment.

Mr. WALSH. I propose to offer an amendment to the bill which will take the place of section 4.

Mr. CUMMINS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Iowa?

Mr. REED. I do.

Mr. CUMMINS. May I suggest that the motion to reconsider the vote by which section 4 was stricken from the bill has been adopted, that that section is now before the Senate for consideration, and that the committee amendments to that section should properly be considered? Among those amendments is a proposal to strike out the criminal provision.

Mr. CULBERSON. The Senator from Iowa does not state it exactly correct, I think. The pending Senate committee amendment is to strike section 4 from the bill entirely.

Mr. CUMMINS. But that motion has been reconsidered.

Mr. REED. That has been reconsidered and is now renewed. There was a motion to strike the section out, which was agreed to; that has been reconsidered and now is renewed and is before the Senate.

Mr. CUMMINS. And the question now is whether it shall be stricken out?

Mr. CULBERSON. It is whether section 4 shall be stricken from the bill altogether.

Mr. CUMMINS. Altogether?

Mr. CULBERSON. And remit the question to the trade commission.

Mr. CUMMINS. It does not altogether remit it to the trade commission.

Mr. NELSON. I entirely agree, if I understand the Senator from North Carolina [Mr. OVERMAN] correctly, with his suggestion, and that is that before the motion to strike out section 4 shall be put any amendments that may be offered to perfect it must first be considered.

Mr. REED. That is right.

Mr. WALSH. If that is the parliamentary situation, Mr. President, I have an amendment to send to the desk. I do not understand that, however, to be the case. The committee has an amendment to strike out section 4, and the committee has another amendment to substitute something in lieu of section 4. It occurs to me that parliamentarily the motion to strike out is the motion now before the Senate.

The PRESIDING OFFICER. The Chair is of a different opinion in regard to that. The Chair is of the opinion that the pending amendments to the section should be disposed of before the consideration of the motion to strike out the section. The question is now upon the first committee amendment proposed to section 4.

Mr. REED. Mr. President, I have no doubt in my mind that there could be a motion made to amend section 4 by striking it out and by inserting other language in lieu of it. Then, after that language was offered to be inserted, we would have the privilege of perfecting that language before we voted upon the proposition. That, I think, is the fair way to put it. Now, the Senator from Montana [Mr. WALSH] has a substitute which, while it does not suit me as well as the original section 4, yet, to a considerable extent, it covers matters which I desire to be covered. I should like the privilege, when that amendment is offered, of offering an amendment to it and taking the sense of the Senate upon that amendment. It seems to me that the proper motion is to strike out section 4 and to insert in lieu of it whatever amendment the Senator has to offer. Then we can have the privilege of perfecting that amendment if we so desire.

Mr. WEST. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Georgia?

Mr. REED. I do.

Mr. WEST. In ordinary parliamentary practice it is always in order to first perfect a section which it is moved to strike out.

The PRESIDING OFFICER. The Chair rules that the question arises upon the first committee amendment, which the Secretary will state.

Mr. OVERMAN. Would it not be in order to propose a substitute for section 4? Then the question would finally recur on a motion to strike out, after the substitute is adopted or lost. If there is to be a substitute for it, there is no use of perfecting the amendment.

The PRESIDING OFFICER. The section under consideration is section 4.

Mr. OVERMAN. I understand; but suppose some Senator introduces a substitute for section 4 as a committee amendment—it would be a committee amendment, if it comes at all—I think it would be in order, because it is an amendment of the committee to strike out a provision of the bill and insert a substitute for it.

Mr. GALLINGER. Mr. President, I think the matter would be more clear if Rule XVIII were read from the desk. That rule is very plain.

The PRESIDING OFFICER. The Secretary will read as requested.

The Secretary read as follows:

RULE XVIII.

AMENDMENTS—DIVISION OF A QUESTION.

If the question in debate contains several propositions, any Senator may have the same divided, except a motion to strike out and insert, which shall not be divided; but the rejection of a motion to strike out and insert one proposition shall not prevent a motion to strike out and insert a different proposition; nor shall it prevent a motion simply to strike out; nor shall the rejection of a motion to strike out prevent a motion to strike out and insert. But pending a motion to strike out and insert, the part to be stricken out and the part to be inserted shall each be regarded for the purpose of amendment as a question; and motions to amend the part to be stricken out shall have precedence. (Jefferson's Manual, secs. 35, 36.)

Mr. CULBERSON. Mr. President, the proposition—and I undertake to state it again—is this: The Committee on the Judiciary have reported an amendment that section 4 be stricken out altogether. There is no substitute at this time offered to section 4, but it is the purpose of the committee, if section 4 is stricken out, to move to insert in the bill a provision which will remedy the situation developed with reference to patented articles. That is the situation; and I respectfully submit to the Chair that the proposition now is the direct one on the proposed committee amendment to strike out section 4 altogether. There is no substitute offered by the committee for section 4, and we are only considering committee amendments at the present time.

The PRESIDING OFFICER. The Chair will state, in response to the statement of the chairman of the Committee on the Judiciary, that it is a matter of perfect indifference to the Chair what mode of procedure is adopted; but the rule of the Senate is very specific, apparently, that before voting upon a motion to strike out motions to amend the part proposed to be stricken out shall have precedence. There are pending, as shown by the report of the Committee on the Judiciary, several of the proposed amendments to the section. If the committee withdraws those amendments and substitutes in place of them a motion to strike out, then the question would be upon the motion to strike out.

Mr. REED. But in the meantime any Senator could offer an amendment to perfect the text that is to be stricken out?

The PRESIDING OFFICER. Certainly.

Mr. GALLINGER. Mr. President, if the Chair will permit me, the Chair is absolutely right. There are pending amendments which must either be withdrawn or acted upon. When that is accomplished it is competent for any Senator to move to amend the text of the bill before a motion to strike out can be entertained. That is the way I interpret the rule, and I think it is right.

Mr. CULBERSON. Mr. President, at the risk of repetition, I desire to again state that the Senate Committee on the Judiciary does not propose at this time but one amendment to section 4, which is to strike it out altogether. It is true that certain amendments of the committee have been printed and are on the desk, though they have not been formally proposed to the Senate; they are simply in a shape to be proposed, if it seems proper to do so later on. So, I repeat that the only committee amendment with reference to section 4 is to strike it out altogether. I do not see how that can be amended. There is no proposition to strike out and insert at this time.

Mr. GALLINGER. Mr. President, the Senator from Texas must be wrong in suggesting that the proposed amendments to the bill are on the table. They are printed in the bill; they are before the Senate for its action in some form or other.

The PRESIDING OFFICER. There is no question about that. The report of the committee which is printed proposes various amendments to the section. The Chair, however, will recognize the Senator from Texas if he chooses to assume the responsibility, on behalf of the Committee on the Judiciary, of withdrawing those proposed amendments.

Mr. CULBERSON. Mr. President, the committee has already in effect and substantially withdrawn the amendments to section 4, and in lieu of those proposed amendments moved to strike it out altogether. I can not make myself any clearer than that, I think.

The PRESIDING OFFICER. That being the case——

Mr. NELSON. Mr. President, if the Senator will allow me, the motion to strike out and insert takes precedence of a motion simply to strike out. So the proper motion now is the motion to strike out and insert instead of a naked motion to strike out. Therefore, under that motion, the amendment pro-

posed to be inserted in lieu of section 4 can be offered in that form.

Mr. CULBERSON. The answer to the Senator from Minnesota is that there is no motion to insert, but simply a motion to strike out.

Mr. NELSON. Well, a motion to strike out and insert takes precedence of that.

Mr. REED. Mr. President, it seems to me that we ought not to take a great deal of time with a question of this kind. It is true I have seen the Senate take a good deal of time over a point of order that could easily be gotten out of the way; but this rule is perfectly plain, and there is a reason for the rule. The rule reads as follows:

> But pending a motion to strike out and insert, the part to be stricken out and the part to be inserted shall each be regarded for the purpose of amendment as a question; and motions to amend the part to be stricken out shall have precedence.

There is a reason for that. A provision in a bill may be absolutely defective and a motion to strike out would necessarily have to be voted for because of the defect, unless the right were reserved to amend and perfect the section before it was stricken out. Accordingly, the right is reserved to every Senator before a proposition is stricken out to perfect it.

The PRESIDING OFFICER. If the Senator from Missouri is addressing that statement to the Chair as a point of order, the Chair will state that he agrees with the Senator from Missouri, and will entertain a motion to perfect section 4 before putting the motion to strike it out.

Mr. REED. Now, Mr. President, another inquiry. Section 4 has been reported here by the Judiciary Committee with the words—

> shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine not exceeding $5,000, or by imprisonment not exceeding one year, or by both, in the discretion of the court—

Stricken out as printed; but I take it that they remain in section 4, unless a motion is made to amend section 4 by striking them out.

The PRESIDING OFFICER. The proposed amendment striking out those words has been withdrawn by the chairman of the committee.

Mr. REED. Mr. President, I move to amend section 4 by inserting in the first line of section 4, being line 13, page 4, the words "it shall be unlawful for," so that the section will read as printed.

Mr. GALLINGER. Mr. President, a parliamentary inquiry. I will ask whether the chairman of the committee has, on behalf of the committee, withdrawn all the amendments to the section which were reported by the committee.

The PRESIDING OFFICER. That is the understanding of the Chair.

Mr. GALLINGER. That being the case, unquestionably the motion of the Senator from Missouri is in order by way of perfecting the section before the motion to strike out is made.

The PRESIDING OFFICER. The question is now upon the amendment proposed by the Senator from Missouri.

Mr. HUGHES. Mr. President, I will ask the Senator from Missouri if we can not have a vote on a motion to reinsert all of the language recommended to be stricken out? It is the Senator's purpose, as I understand, to restore all the language of the section which has been stricken out, and would it not be just as well to take a vote on all of it at once?

Mr. REED. I did not suppose I could make such a motion.

Mr. HUGHES. I do not think there is anything in the way of that. I imagine no Senator would object. If necessary, I will ask unanimous consent that that may be done.

Mr. REED. Very well, Mr. President. I will make the motion in that form, if there is no objection. I move to amend section 4 so that it shall read as follows—I will ask the Secretary to read the section now exactly as it has been reported here by the committee.

Mr. GALLINGER. In other words, the Senator offers that as a substitute for the section?

Mr. REED. I am offering it so that it will read in that way for the purpose of perfecting it.

Mr. CUMMINS. Mr. President, may I ask the Senator from Missouri if he intends by his motion to exclude the part stricken out, beginning in line 25 on page 4?

Mr. REED. Probably that would be the effect of the amendment as I have stated it. Let me state it again. I move to amend section 4 so that it shall read as follows—and I will read it myself, and then I will get it right:

> SEC. 4. That it shall be unlawful for any person engaged in commerce to lease or make a sale or contract for sale of goods, wares, merchandise, machinery, supplies, or other commodities, whether patented or unpatented, for use, consumption, or resale within the United States, or any Territory thereof or the District of Columbia or any insular possession or other place under the jurisdiction of the United States, or fix a price charged therefor, or discount from or rebate upon such price, on the condition, agreement, or understanding that the lessee or purchaser thereof shall not use or deal in the goods, wares, merchandise, machinery, supplies, or other commodities of a competitor or competitors of the lessor or seller shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine not exceeding $5,000, or by imprisonment not exceeding one year, or by both, in the discretion of the court.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Missouri.

Mr. WALSH. Let me remark to the Senator that the language he has read is entirely incongruous. If the words "shall be deemed guilty of a misdemeanor," and so forth, are to be left in, then the language in italics in line 13, "it shall be unlawful for," is not necessary.

Mr. REED. Mr. President, I will modify the amendment by striking out the words "it shall be unlawful for."

The PRESIDING OFFICER. The Senate has heard the amendment proposed by the Senator from Missouri.

Mr. GALLINGER. If the Senator will pardon me, the phraseology should be changed in line 14. If the words "shall be unlawful for," in line 13, are stricken out, it will read:

> That any person engaged in commerce to lease.

Mr. REED. That is true. The words "who shall," in line 14, should be restored.

Mr. GALLINGER. Restoring the words of the original bill?

Mr. REED. The word "to," in line 14, should also be stricken out.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Missouri.

Mr. WALSH. Mr. President, before a vote is taken on that, I desire to say just a few words. When the bill came before the Senate in the first place sections 2 and 4 were stricken out. Unfortunately the Senator from Missouri, who had some very positive ideas about these matters, was not present. The Senator from North Carolina [Mr. OVERMAN], in an accommodating spirit, made a motion to reconsider the vote by which those sections were stricken out. The Senator from Missouri on last Friday addressed himself to the Senate at considerable length upon the motion to reconsider, and the debate was resumed on yesterday. After it had gone on for some considerable time the motion was withdrawn with respect to section 2 but continued as to section 4, and by some arrangement, parliamentary in character, or otherwise, the nature of which I never was quite able to understand, the Senate passed to the consideration of section 9b, which relates to the method of enforcement of the provisions of sections 2, 4, 8, and 9, provided their enforcement is to be through the trade commission. I then offered an amendment, which had no bearing whatever upon the merits of either section 2, section 4, section 8, or section 9. The amendment proposed by me called for no consideration whatever of those questions. It was proposed upon the idea that if the enforcement was to be had through the trade commission, then it should be by a proceeding in harmony with the provision prescribed in the trade commission bill.

The reasons are of course obvious. Section 2 deals with one phase and aspect of unfair competition, as that expression is understood by the majority of the Senate, at least, in the trade commission bill. If therefore complaint were made of unfair competition by price cutting, charged as a violation of section 5 of the trade commission bill, the procedure before the trade commission would be after one manner. If, however, price cutting were charged in violation of the provisions of section 2 of this bill, the procedure would be before the trade commission, but by entirely different proceeding. I apprehend that no one would question that the two should be harmonized if that system is to go into force and effect at all.

I had little suspicion that it would provoke further discussion from the Senator from Missouri upon the merits of sections 2 and 4, but it did—and I do not mean to say that the debate has not been helpful—but in the course of the remarks of the Senator on yesterday it was declared that the attitude of those who are friendly to the excision of these two sections, leaving the matter of unfair competition and all phases and aspects of unfair competition to be dealt with by the trade commission, was taken in a spirit of either dread of or a tender regard for the great trusts guilty of outrageous practices destroying the efficiency of competition against them. The Senator even went on to say that the whole force and value of the general provisions of the Sherman Antitrust Act were gone.

That argument was made when the trade-commission bill was here for consideration, but I do not recall that even the Senator from Missouri, who, as everybody knows, was exceedingly pronounced in his opposition to section 5, said to the country that we had emasculated the Sherman Antitrust Act by creating the trade commission.

Mr. President, it is not my purpose now to endeavor to repeat the absolute demonstration that was made in the course of that debate, that the Sherman Act is left in all its virility applicable to every case to which it has been made applicable in the past or may be by construction made applicable in the future. It was recognized, however, that there were many practices indulged in by business organizations that had not progressed so far in the suppression of competition as to constitute a monopoly, nor so far in the process of combination as to come within the denunciation of the provisions of section 1 of the Sherman Antitrust Act. The trade-commission bill was intended to deal with cases of that character, cases that could not be reached by the Sherman Act. But, Mr. President, in speaking about this matter on yesterday the Senator from Missouri discussed the provisions of sections 2 and 4 as though the trade commission, under the provisions of those sections, were going to deal with the occurrences that absolutely constitute the establishment of a combination in restraint of trade or an outrageous monopoly. Those provisions will be taken care of. Why, Mr. President, the Senator went for all his illustrations to cases determined by the Supreme Court of the United States and the other courts to be monopolies or combinations denounced by the Sherman Act. Those things will all be open to prosecution under the Sherman Antitrust Act just exactly the same as before. The Senator even went so far in that connection as to express the view that this side of the Chamber was obligated, by virtue of an express declaration in the platform of the party to which we belong, to put penal provisions in sections 2 and 4.

Now, the provision of the platform to which the Senator refers simply denounces the failure to prosecute, under the criminal provisions of the Sherman Antitrust Act, violations of that law, and certainly everybody upon this side will subscribe to the doctrine that the criminal provisions of that law ought to be enforced to the very letter against anybody shown to be guilty of violating its provisions.

Mr. President, we do not want to take those cases at all when we come to consider sections 2 and 4 of this bill. Sections 2 and 4 of this bill are intended to apply to practices pursued by organizations that can not be reached and to practices that can not be reached by any of the provisions of this act. In other words, when the practice goes so far as to be outrageous, as the Senator from Missouri on yesterday said, the probabilities are altogether that the case will fall within the provisions of the Sherman Act. He said to the Senator from Iowa [Mr. CUMMINS] on yesterday that he would undertake, under the language of the bill, to get a conviction in any case where there was an outrageous violation of the provisions of this bill. No doubt he would. We all recognize the ability as a lawyer as well as a legislator and the courage of the Senator from Missouri; but if there was a case of outrageous price cutting or an outrageous case of a tying-in contract it would undoubtedly be amenable to prosecution under the Sherman Act. It is not that kind of cases that we are trying to provide for at all.

So, Mr. President, when you come to prepare a law such as section 2 or section 4, and when you come to reflect upon the matter carefully, you will find that it is no easy task to frame it in such a way, to use such general language, as that it will reach the cases that really deserve to be punished by imprisonment or otherwise and yet not hamper and obstruct the usual and ordinary processes of trade.

I called your attention here the other day—and I do not want to repeat the argument—to considerations that will address themselves to almost everybody even upon the matter of price cutting, even upon the matter of the contracts referred to in section 4, that will be entirely legitimate, that no one can condemn in any way whatever. If they become outrageous, they are easily capable of prosecution under the Sherman Antitrust Act. If they are of the other character, doubtful as to whether or not they really constitute unfair competition, doubtful as to whether or not they are injurious to the public interests, the matter can be investigated and taken care of by the trade commission.

So it is not to be asserted that any of those who are advocating the relegation of this matter to the trade commission are troubled by any fears or that they are actuated by any particular concern or interest in the welfare of the great trusts that are found to be violating the law. It is deemed advisable to supplement the existing law by these additional provisions; and I do not quite understand how we would be justified in taking out of the operation of section 5 of the trade commission bill two particular phases of unfair competition and providing for them in another way, and leaving all other phases that are equally reprehensible to go unwhipped so far as penal provisions are concerned.

Mr. President, your attention was called in this discussion to at least a dozen different methods of unfair competition, including these two—price cutting and tying-in contracts. There are half a dozen that could be easily designated that are equally reprehensible. When we were considering that matter the Senator from Missouri over and over again declared that these things ought to be listed; that they ought to be specifically denounced. It was deemed unwise to do so, and this is along exactly the same line.

There is an honest difference of opinion as to the wisdom of the course that ought to be pursued. We ask that sections 2 and 4 go out, because they are already taken care of by the provisions of section 5 of the trade commission bill.

Mr. REED. Mr. President, I regret that the Senator from Montana appears to be of the opinion that in some way I cast some reflection upon him in the argument I made.

Mr. WALSH. Oh, Mr. President, the Senator from Montana does not entertain any such idea.

Mr. REED. The Senator evidently did not hear my statement, made within the hour, in which I rose and stated to the Senate that some impression had gotten about that I had so stated my objections to striking out the criminal phases of this bill as to leave the impression that the Senator from Montana was then endeavoring to do that by his amendment, and I stated that that had been farthest from my thoughts. I was standing within a few feet of the Senator, but I think he was engaged in conversation, and probably never heard it. If a duplication of that statement will settle that question, I have settled it.

I undertake to say that we are now at the very moment of determining the course of trust legislation in this country. We are at the forks of the road; and I shall discuss this question as I see it, without any thought of reflecting upon the views of others. In what I say let me in advance disclaim any thought of reflecting upon the views or opinions of others.

I assert it to be true that the policy of the Democratic Party and the policy of the Republican Party, if we can get it from their platforms, has been to denounce as criminal all combinations in restraint of trade, and that as time has gone on and as new devices and practices have developed these two political parties have insisted that those practices should be inhibited by specific statutory enactment, and that the criminal penalties of the law should be visited upon those indulging in the practices to which I have referred.

I shall not take much time in reading political platforms, but since my statement has been challenged I call attention first to the platform of 1908. I suppose the statute of limitations has not run against that great platform upon which we advanced the candidacy of the present Secretary of State. It reads:

> A private monopoly is indefensible and intolerable. We therefore favor the vigorous enforcement of the criminal law against guilty trust magnates and officials, and demand the enactment of such additional legislation as may be necessary to make it impossible for a private monopoly to exist in the United States. Among the additional remedies we specify three: First, a law preventing a duplication of directors among competing corporations; second, a license system which will, without abridging the right of each State to create corporations, or its right to regulate as it will foreign corporations doing business within its limits, make it necessary for a manufacturing or trading corporation engaged in interstate commerce to take out a Federal license before it shall be permitted to control as much as 25 per cent of the product in which it deals, the license to protect the public from watered stock and to prohibit the control by such corporation of more than 50 per cent of the total amount of any product consumed in the United States; and, third, a law compelling such licensed corporations to sell to all purchasers in all parts of the country on the same terms after making the allowance for the cost of transportation.

I can not read that as meaning anything other or different than that these particular practices were to be prohibited by positive law, and that it was intended that the vigorous enforcement of the criminal law against guilty trust magnates and officials should go on.

When I come to the platform of 1912 I find:

> A private monopoly is indefensible and intolerable. We therefore favor the vigorous enforcement of the criminal as well as the civil law against trusts and trust officials, and demand the enactment of such additional legislation as may be necessary to make it impossible for a private monopoly to exist in the United States.

Reading that just as a plain, common citizen would read it, I understand that it meant that the pains and penalties of the criminal law should be visited upon those who violate our present statutes, or who violate them as they shall be amended in accordance with the demands of this platform, for a little further along, and throwing a light backward upon the sentence I have just read, I find this:

> We condemn the action of the Republican administration in compromising with the Standard Oil Co. and the Tobacco Trust and its fail-

ure to invoke the criminal provisions of the antitrust law against the officers of those corporations after the court had declared that from the disputed facts in the record they had violated the criminal provisions of the law.

We regret that the Sherman antitrust law has received a judicial construction depriving it of much of its efficacy, and we favor the enactment of legislation which will restore to the statute the strength of which it has been deprived by such interpretation.

Then here are some specific things named in this section:

We favor the declaration by law of the conditions upon which corporations shall be permitted to engage in interstate trade, including, among others, the prevention of holding companies, of interlocking directors, of stock watering, of discrimination in price, and the control by any one corporation of so large a proportion of any industry as to make it a menace to competitive conditions.

If I understand the human language, it was meant by this declaration to specify certain things upon which we were to legislate specifically, and not generally, and it was intended to invoke the criminal processes of the law to enforce those acts.

Mr. President, our Republican brethren also went on record. They said:

Experience makes it plain that the business of the country can be carried on without fear and without disturbance and at the same time without resort to practices which are abhorrent to the common sense of justice. The Republican Party favors the enactment of legislation supplementary to the existing antitrust act which will define as criminal offenses those specific acts that uniformly mark attempts to restrain and to monopolize trade.

If party platforms any longer have efficiency, if they have not become molasses to catch votes, if they are not mere subterfuges and frauds, then both political parties have bound themselves to single out these particular well-known practices of monopoly and to level against them the criminal prohibitions and criminal penalties of the statute. I do not know, in view of recent experience, whether or not one ought to be permitted to stand in this Chamber and invoke his fellow Senators of his own party to have regard for a platform pledge; but so far as I am concerned, believing that there may be yet some old-fashioned Democrat who believes that a party platform is a party contract, and that the good faith of the party is pledged to its redemption in every letter, syllable, line, and paragraph, I lay before that benighted, back-number Democrat the words of his party, the solemn pledge it made to the people.

Mr. President, the Senator from Tennessee [Mr. SHIELDS] called attention to the President's message, written only on January 20, 1914, and sent to Congress as our guide, so far as the views of the Executive were concerned. There has not come to Congress any message repudiating a word or a line of this great state paper. Let me, therefore, call attention again, repeating what the Senator from Tennessee read, to this language:

Legislation is a business of interpretation, not of origination; and it is now plain what the opinion is to which we must give effect in this matter. It is not recent or hasty opinion. It springs out of the experience of a whole generation. It has clarified itself by long contest, and those who for a long time battled with it and sought to change it are now frankly and honorably yielding to it and seeking to conform their actions to it.

* * * * * * *

We are all agreed that "private monopoly is indefensible and intolerable," and our program is founded upon that conviction. It will be a comprehensive but not a radical or unacceptable program and these are its items, the changes which opinion deliberately sanctions and for which business waits:

* * * * * * *

The business of the country awaits also, has long awaited and has suffered because it could not obtain, further and more explicit legislative definition of the policy and meaning of the existing antitrust law. Nothing hampers business like uncertainty. Nothing daunts or discourages it like the necessity to take chances, to run the risk of falling under the condemnation of the law before it can make sure just what the law is. Surely we are sufficiently familiar with the actual processes and methods of monopoly and of the many hurtful restraints of trade to make definition possible, at any rate up to the limits of what experience has disclosed. These practices, being now abundantly disclosed, can be explicitly and item by item forbidden by statute in such terms as will practically eliminate uncertainty, the law itself and the penalty being made equally plain.

Mr. President, the President of the United States told us on the 20th day of January, in this great public document, that we had experienced for years and that there were now at least a large number of practices we understood, and that the time had come to specify those practices and to prohibit those practices specifically; and that is the last word we have from the President.

Are we going to redeem our platform? Are we going to answer to the call of the President in this message? Are we going to specify evils and provide penalties, or are we not going to specify evils and provide penalties? Are we going to give to the law that certainty which the President said business longed for and the country demanded?

It is no answer to the demand for specific legislation that you can not, by specific provision, cover every practice. Human ingenuity has exhausted itself for thousands of years in the endeavor to draw laws that would cover every criminal act, and yet we have never been able entirely to suppress crime. Human ingenuity can only do this: Following along the pathway of experience, when a wickedness develops and grows into a system, it can meet that system by a positive prohibition and by an appropriate punishment; and it is no answer to the man who seeks thus to meet a known evil that there are other evils that you may overlook. Such an argument as that is equivalent to saying that you should not capture one horse thief whom you can locate because, peradventure, there are other horse thieves you can not locate.

In our enactment of a statute it is our business at least to deal with the known evil, and that is what the House of Representatives sought to do. They sought to meet certain specific well-known devices of monopoly and to affix a penalty to them, just as we said in our platform we would do and just as the President demanded we should do.

I call your attention now to another thing. It was stated publicly that Congressman Clayton, who was appointed to a high judicial position, would not take his office because, at the request of the President, he chose to remain in his seat in Congress long enough to perfect this particular bill, and he sat there as the representative of the President—at least as the man in whom the President had special confidence—for some considerable time after his appointment to the bench, in order that he might complete this work and bring it here to Congress. He therefore was one of the men speaking, I think, for the President, who, in pursuit of the President's express recommendation, singled out certain practices that were well known and sought to meet those practices by a specific statutory provision. Among them was the practice referred to in section 4. It is one of the great devices, it is one of the old schemes of monopoly. There is nothing new about it. The road has been traveled until the ruts are worn in it so that the hubs of the wheels of monopoly in going over it drag on the ground at the side.

What is it? A man gets a patent. Some inventor sitting in his room, burning the midnight oil, and half starved, finally brings forth as the product of his genius some great improvement. Then some great manufacturer, observing this improvement, which has been patented, proceeds to buy up the patent, generally for a pittance. The policy of the law has been to encourage invention, and in order to encourage invention to give for a specified time the exclusive right to the owner of the patent to manufacture and vend the article. But that law implied and implies that the people are to be benefited. We promote inventive genius to the end that the people may have the benefit of the invention. Accordingly it was written into the law that the device must be manufactured.

Now, we find that the man who has bought this device, not content with his monopoly in that device, uses the special privilege the Government has given him for the purpose of building up a monopoly in defiance of law. Having this device, he says to every man who wants to use it, "I will not sell it to you unless you will also agree to buy from me all the other machinery I manufacture or all the supplies you may use upon this machine." I shall not drag the ground I went over the other day when I read you the decision of the Supreme Court and the opinion of the Chief Justice, in which both the court and the Chief Justice said this great wrong could be remedied alone by Congress. The Chief Justice stated in his opinion that one reason why he wrote the opinion was in order that he might make these statements for the benefit of Congress.

Mr. SHIELDS. Mr. President, will the Senator yield to me to call his attention to what the Committee on the Judiciary of the House say in their report on this subject?

Mr. REED. I should be very glad if the Senator would read it.

Mr. SHIELDS. I will hand it to the Senator. He will find the parts marked on pages 8 and 9.

Mr. REED. I thank the Senator from Tennessee, and I will read from the document:

But the advocates of this system and practice of monopoly, in dealing with this question, never look beyond the manufacturer or the local dealer to the millions of American consumers who are compelled to purchase daily the necessary food, raiment, and all the necessities of life through the ordinary channels of trade in their respective communities. What about the interest of consumers—the general public—the American people, as a whole? How do they fare under this unnatural arbitrary system and trade practice devised by American manufacturers and put in operation by great and powerful combinations in trade for their own enrichment and with the ultimate view of obtaining a complete monopoly in their special line of industry? Undoubtedly, the system results in higher prices to consumers.

Omitting a part and coming to the next page, I read this:

Where the concern making these contracts is already great and powerful, such as the United Shoe Machinery Co., the American Tobacco Co., and the General Film Co., the exclusive or "tying" contract made with local dealers becomes one of the greatest agencies and instrumentalities of monopoly ever devised by the brain of man. It com-

pletely shuts out competitors not only from trade in which they are already engaged but from the opportunities to build up trade in any community where these great and powerful combinations are operating under this system and practice. By this method and practice the Shoe Machinery Co. has built up a monopoly that owns and controls the entire machinery now being used by all great shoe-manufacturing houses of the United States. No independent manufacturer of shoe machines has the slightest opportunity to build up any considerable trade in this country while this condition obtains. If a manufacturer who is using machines of the Shoe Machinery Co. were to purchase and place a machine manufactured by any independent company in his establishment, the Shoe Machinery Co. could, under its contracts, withdraw all their machinery from the establishment of the shoe manufacturer and thereby wreck the business of the manufacturer. The General Film Co., by the same method practiced by the Shoe Machinery Co. under the lease system, has practically destroyed all competition and acquired a virtual monopoly of all films manufactured and sold in the United States. When we consider contracts of sales made under this system, the result to the consumer, the general public, and the local dealer and his business is even worse than under the lease system.

Mr. VARDAMAN. From what report has the Senator read?

Mr. REED. From the report of the committee of the House of Representatives on this bill. The House committee has given only two or three illustrations. It is a well-known fact now that nearly every large concern is following this practice, that it has become the right arm of monopoly, that it is a device which is contrary to the general policy of the law and would be illegal in itself except for the fact that they have tied this privilege to a patent privilege, and after many years of litigation they finally established the doctrine that a man having a patented article could sell it with any condition attached to it he saw fit. But the doctrine was so monstrous that the Supreme Court of the United States loudly called upon us to remedy the evil.

I said the other day, and I repeat to the few Senators who are giving attention to this bill, that as to any practice or any act that is so near the line of right that it is hard to distinguish whether it is right or wrong I can see much reason in the argument that as to such an act of a doubtful nature we might legislate without affixing a criminal penalty. But when an act of this kind is indulged in, that I have now discussed, the plainest and most deliberate attempt to extend monopolistic power, and when it has been practiced for years and has risen to a point which has evoked the protest of the Supreme Court to Congress, when it is an act that can never be done by inadvertence or mistake and which invariably contains every element essential to making out a case of murder in the first degree, namely, willfulness, deliberation, premeditation, and malice aforethought, I want to know why a criminal penalty should not be attached to it?

I want to know, if it is right to keep upon the statute books the Sherman law, which declared criminal every attempt to monopolize trade, every attempt to circumscribe commerce, why this plain practice of monopoly should not likewise be punished as a crime?

Mr. President, this decision came out that I called attention to the other day, and which has not in any manner been overruled or whittled away. I shall not take the time of the Senate to analyze the cases which were read. This case stands here unimpeached and unimpaired.

Mr. OVERMAN. May I ask the Senator a question?

Mr. REED. Certainly.

Mr. OVERMAN. Has the Senator seen the amendment of the Senator from Montana?

Mr. REED. I have.

Mr. OVERMAN. Does not that cover this case?

Mr. REED. It covers the case in part, but it strikes out any criminal penalty, and it is not now offered as I expected it would be, as a substitute for this section, whereupon I would have moved to amend it. It carries no criminal penalty, and it does not cover everything covered by section 4. It is, in my judgment, inferior to section 4. President Taft challenged the attention of Congress to the necessity of legislation to meet this practice.

I say again, it seems to me that Congress is obsessed with the idea which has been urged that we should deal very gently with great business combinations. If I do not mistake the temper of this body to-day, it would not, as a matter of first instance, pass the Sherman Antitrust Act. I think there would be homeopathic physicians here who would propose to dilute the doses until a trust would not know whether it had taken the legal medicine or not.

I challenge nobody's good faith, but I do not belong to that school of modern philosophy that proposes to regulate a crime, that proposes to perpetuate trusts, that proposes to keep them, and then, if we would chastise them at all, do it as a fond father or as a tender-hearted mother may chastise an erring child, so that it may grow stronger and bigger and more potential.

Mr. President, this Congress is not willing to go as far as George W. Perkins. We trust busters, we men who stood before our people and assured them that if the Democratic Party came into power it would put teeth in the trust act, are not willing to go as far as the honorable George W. Perkins, of the Harvester Trust. Here is an article printed in the World's Work—printed, I should say, in Moody's Magazine. I did not think it could be in the World's Work, because it is an understood thing that a trust magnate never works. Let me read you a little:

> My own belief is that we have got to come to national incorporation of large interstate business enterprises. If instead of passing the Sherman law as it now stands we, as a people, had passed a law permitting companies the moment they began to do business outside their own State to obtain a national license or charter, placing themselves under regulations and control as to methods and capitalization, I believe we would have saved ourselves an endless amount of trouble and the country would have been much farther along in its commercial development than it is.

Then he suggests his remedy:

> Such relief can be obtained, I believe, along these lines:
> First. Create at once in the Department of Commerce and Labor a business court or controlling commission composed largely of experienced business men.

Now, do some of you begin to see where you got your trade commission from? It was born in the same brain and at about the same hour as the Harvester Trust was born. This article I am reading was written in 1912, but this doctrine was announced by this eminent gentleman long before that. I can imagine a meeting of the directorate of the Harvester Trust now passing a congratulatory resolution upon the fact that the first article in the creed of Mr. Perkins has already been accepted by a Democratic Congress of the United States. A commission of business men!

> Second. Give this body power to license corporations doing an interstate or international business.
> Third. Make such license depend on the ability of a corporation to comply with conditions laid down by Congress when creating such commission and with such regulations as may be prescribed by the commission itself.

If that last sentence is not completely covered by the expression "It shall have power to prevent unfair competition," then I do not know how you could comply with the suggestion.

> Fourth. Make publicity, both before and after license is issued, the essential feature of these rules and regulations.

Now, you will observe that we have carefully provided here that the commission shall make public its reports—I am omitting a part of this—

> Fifth. Make the violation of such rules—

That is, the rules of the commission—

> Make the violation of such rules and regulations punishable—

By contempt proceedings? Oh, no. Brother Perkins did not have the temerity to suggest so mild a remedy. This is what he said:

> Make the violation of such rules and regulations punishable by the imprisonment of individuals rather than by the revocation of the license of the company, adopting in this respect the method of procedure against national banks in case of wrongdoing.

Why, Perkins's suggestion of a commission carried with it the proposition of criminal responsibility for a violation of the rules of the commission, but we have provided nothing more than an injunction that does not have to be obeyed until a court, after full hearing, shall in turn have issued its injunction. Then the only possible penalty attached is to be punished for contempt if you do not obey. We are very progressive. In the matter of regulating trusts and letting them off easily, we can outrun George W. Perkins.

But, Mr. President, what is the use——

Mr. WALSH. Mr. President, I should like to ask the Senator from Missouri whether Mr. Perkins's plan was intended as a substitute for the antitrust bill or whether it was to be supplemental to it?

Mr. REED. Oh, I think he wanted a general substitute.

Mr. WALSH. Yes.

Mr. REED. Now, I shall not be diverted for one moment from this thought, and I repeat it, that as to acts which lie within the shadowland, where it is difficult to determine whether they tend toward monopoly or whether they are honest practices of business, I have no quarrel with those who seek to set up a tribunal to ascertain the fact and who would impose no serious penalty until the fact is ascertained; but as to those practices of monopoly the direct and inevitable effect of which is to oppress other business men, as to those acts which have been followed for years and have now become the favorite device of the monopolists, as to those acts which taken alone and pursued long enough have been known to absolutely create complete and absolute monopoly, as is shown by the Shoe Machinery Trust and by the other trusts I named a moment

ago—as to those practices, I say it is inexcusable to do anything except to affix to them a criminal penalty.

One of the most aggravated of those practices is described in section 4 of this bill. It is aimed directly at the methods employed by the particular trusts I have been discussing, but it goes beyond that. Let us read it:

SEC. 4. That any person engaged in commerce who shall lease or make a sale or contract for sale of goods, wares, merchandise, machinery, supplies, or other commodities, whether patented or unpatented, for use, consumption, or resale within the United States, or any Territory thereof or the District of Columbia or any insular possession or other place under the jurisdiction of the United States, or fix a price charged therefor, or discount from, or rebate upon such price, on the condition, agreement, or understanding that the lessee or purchaser thereof shall not use or deal in the goods, wares, merchandise, machinery, supplies, or other commodities of a competitor or competitors of the lessor or seller shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine not exceeding $5,000, or by imprisonment not exceeding one year, or by both, in the discretion of the court.

It covers no case where any human being can be honestly mistaken. It simply covers the case of a man having a commodity for sale who refuses to sell it unless the purchaser shall contract that he will deal with nobody else with reference to certain other things, but will purchase from that man alone.

Now, let us consider the matter a moment and see what can be accomplished if that practice is permitted to go on. I use the illustration I used the other day. The Steel Trust has acquired many patents. I have no doubt it has some particular variety of steel that may be very essential in the great construction work going on in this country. If this practice is permitted to continue the Steel Trust can refuse to sell that particular variety of steel to any person engaged in constructing a great bridge or a great building unless he will also purchase from it every other article of steel he uses. It therefore, in the hands of an institution like the Steel Trust, becomes a great weapon of oppression, a great instrumentality of monopoly; it is, indeed, nearly all that is necessary in order to create a legal monopoly for it is a legal monopoly because the courts have held that as the law now stands that kind of practice can be indulged.

Why should we deal tenderly with the Steel Trust officer who makes that sort of contract? Does he make any mistake? Does he not go into it with his eyes open? Does he not understand exactly what he is doing? Does he not do it with the same evil purpose that is in the heart of any man who starts out to create a monopoly or to restrain trade? Is it not, in fact, a plain device created for the purpose of restraining trade? Who is there can dispute that proposition?

Mr. WALSH. Mr. President, if that is so, I desire to ask the Senator whether it would not be punishable under the antitrust act?

Mr. REED. The Senator evidently did not hear——

Mr. WALSH. I was following the Senator carefully.

Mr. REED. The decision of the Supreme Court which I read a few days ago, which held that if A is the owner of a patented article he can attach to the sale of that article a notice requiring the purchaser to use the products which he makes and not to use the products of others.

Mr. WALSH. Mr. President, the Senator knows, likewise, that I have offered on behalf of the committee an amendment to take care of exactly that situation.

Mr. REED. I know that the Senator contemplates offering that amendment——

Mr. WALSH. The chairman of the committee has signified that he will accept it.

Mr. REED. But I am now answering the Senator's question. I am now discussing the patent phase of the question, and the fact that the Senator has offered—and nobody respects or can respect the Senator more than I do—the fact that the Senator has offered an amendment does not bar me from the right to insist that the language of the House bill is ample and sufficient, and it has not yet come to be lese majeste for a humble member of a committee to insist that the language of a House bill shall stand.

Mr. President, section 4 goes a little further than the amendment proposed by the Senator from Montana. Section 4 goes to the extent suggested by the Senator from Iowa, of prohibiting a man from selling any article, patented or unpatented, upon the terms that the purchaser will not deal in the goods of another. That provision of section 4 especially commends itself to my humble judgment.

I believe that if we are to stop monopoly and restraint of trade it is our business to begin at the ground floor. We can not arrest a great legislative bill because in some particular or in some isolated instance it may interfere with some trifling matter. We must look to the general good and the general results; and I hold that it would be wholesome law to enact that every man engaged in interstate commerce should offer his goods upon the open market and that every individual should have the right to purchase under the same or similar circumstances at the same price; but I do not care to argue that.

The Senator from Iowa made the point that the particular matter I am now discussing would be in the interest of large concerns and would cripple the smaller competitor of the large concerns. He illustrated that by the case, among others, of Quaker Oats and rolled oats, using for the purpose of his illustration substantially this statement—that Quaker Oats have a very great reputation; that people buy them upon their reputation; and that a manufacturer of rolled oats therefore coming into the community could not vend his goods unless he was allowed to employ an exclusive agent, who would be interested in building up a trade in order that he might reap the profits which would inure after the trade had been built up.

There is nothing in this bill which prohibits any man from employing a special agent and an exclusive agent. As I read the bill, any individual engaged in manufacturing goods can employ an exclusive agent to sell his goods and sell nobody else's, but that is a matter of principal and agent. What the bill aims at is the case of a vendor of goods selling them to a dealer upon the express provision, not that the dealer will handle his goods, but that the dealer will not handle anybody else's goods, thus depriving the public of the opportunity to buy both classes of goods over the same counter and in actual competition, and also depriving the dealer of his opportunity to buy in the open market and from whomsoever he pleases.

I can not agree with the argument produced by the Senator from Iowa upon this point, for, said he, in substance, if the vender of the rolled oats is not permitted to stipulate that the purchaser of his goods shall not also be the purchaser and vender of Quaker Oats, he can never enter the market, because there will be no inducement to the purchases of the rolled oats to build up trade.

Why, Mr. President, that does not follow at all. It does not follow that because a man has the privilege of selling both Quaker Oats and rolled oats he can not make money by building up a trade in rolled oats, and having built up that trade in rolled oats, taking down the profits incident to that trade. The fact that if a customer comes to his counter and asks for Quaker Oats he can say to him, "I can supply you Quaker Oats, but here is a better article," does not at all keep him from booming the rolled-oats business or making money out of it. There is no reason why a man would desire to be the agent for the rolled oats and be barred from selling Quaker Oats. On the contrary, that man would rather have the exclusive agency for the rolled oats and also have the privilege of selling the Quaker Oats. I think the argument that is advanced here utterly fails. I have such very great respect for the opinion of my friend from Iowa that I hesitate to argue a question upon which he has made up his mind. I am glad he and I agree on so many features of this bill, but in this one respect I think he is mistaken.

It has been urged here that section 4 will stop the weak concerns from being able to compete with the great concerns. Mr. President, there is not a single practice that is prohibited by section 4 that can not be used by the great concern against the small concern with a thousand times more effect than it can ever be used by the small concern against the great concern.

Mr. SHEPPARD. Mr. President, will the Senator allow me to ask him a question?

Mr. REED. Certainly.

Mr. SHEPPARD. Is it the opinion of the Senator that the retention of sections 2 and 4 would impair the usefulness of the trade commission?

Mr. REED. Not in the least; and I am perfectly willing that anyone shall offer an amendment specifically providing "that the practices hereby inhibited are hereby declared to be unfair competition," and that jurisdiction to enforce them may be exercised concurrently by the trade commission and by the courts, if anyone wants that kind of amendment. I do not care how many ways we have to enforce the law.

Mr. President, I have only a word further to say. The argument has been made in this country, and very skillfully made, through pamphlets and magazines and papers, that we have arrived at a time when we ought not to disturb business. I am afraid that argument has taken root in the minds of entirely too many people. The purpose of every honest antitrust statute that ever has been put upon the books has been not to disturb business, but to preserve business. The best friend of commerce is the man who is willing to drive from the commercial seas every pirate craft, so that all vessels, big and little, freighted with honest cargoes and bent upon honest missions, may in safety reach their ports.

We wage no war upon business. We wage war upon conspiracies against business. We wage no battle upon trade. We

seek to make trade possible and safe in this country. If a man owned a fishpond stocked with bass, and he discovered that a number of sharks had somehow or other gotten into that fishpond and were destroying the bass, he would not be an enemy of the fish tribe who insisted upon killing off the sharks to the end that the other fish might live.

All we have ever endeavored to do is to create or restore a condition where business concerns with ordinary capital shall not be destroyed and driven from the fields of commerce by vast conspiracies created for the purpose of driving these institutions from the fields of commerce. Having had a law of that kind upon the statute books for over 20 years, we are now told by the President in his message, we are told by the Supreme Court in its decisions, and we know from our own observation that certain new devices have been developed for the purpose of defeating the ends of the law, and that these practices may become very oppressive and yet not have reached the point where it is possible to demonstrate an actual monopoly or an actual restraint of trade. Accordingly we have entered upon the business of endeavoring now to reach the practices which create monopoly or which are the instrumentalities of monopoly, to the end that when a case is brought into court it shall not be necessary in all cases to prove an actual monopoly or actual restraint of trade, but the court may reach the institution provided you show that certain practices have been indulged in by that institution. The question now to be determined is whether or not we shall strike out of this bill the criminal provisions and whether we shall go without them at all. That is the question we must answer here to-day, if we vote to-day.

Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Gore	Martin, Va.	Shields
Bankhead	Hitchcock	Martine, N. J.	Smith, Ga.
Borah	Hughes	Myers	Smith, Md.
Bryan	Jones	Nelson	Smoot
Chamberlain	Kenyon	Overman	Sterling
Chilton	Kern	Owen	Thomas
Culberson	Lane	Perkins	Thornton
Cummins	Lea, Tenn.	Pittman	Vardaman
Fall	Lee, Md.	Ransdell	Walsh
Fletcher	Lewis	Reed	White
Gallinger	McCumber	Sheppard	Williams

The PRESIDING OFFICER (Mr. MARTINE of New Jersey in the chair). Forty-four Senators have responded to their names. A quorum is not present. The Secretary will call the names of absent Senators.

The Secretary called the names of the absent Senators, and Mr. CAMDEN, Mr. DILLINGHAM, Mr. HOLLIS, Mr. JOHNSON, Mr. SHAFROTH, and Mr. THOMPSON answered to their names when called.

Mr. CLAPP, Mr. BRADY, Mr. BRISTOW, and Mr. SHIVELY entered the Chamber and answered to their names.

The PRESIDING OFFICER. Fifty-four Senators have responded to their names. A quorum is present.

Mr. REED. Mr. President, I wish simply to say a final word to the Senate, and it will take me just two minutes to say it.

The question now is whether we will perfect section 4 by restoring it to the condition it was in when it came from the House. In that condition it prescribes a criminal penalty. If the motion is carried I understand there will be a motion made by the chairman of the committee then to strike out the section as perfected.

Mr. CULBERSON. That is, the amendment of the committee pending.

Mr. REED. Very well. The Senator from Texas informs me that the motion now is to strike out section 4 as it now is and as it came from the House. It contains a criminal penalty. It is now proposed to strike out that entire section.

Mr. GALLINGER. Has not the Senator from Missouri offered a substitute for the section as it now appears in the bill?

Mr. REED. I was about to say, if the section is stricken out, which is the motion now before the Senate——

Mr. CUMMINS. No, Mr. President.

Mr. BRISTOW. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Kansas?

Mr. REED. When I finish the sentence I will. Then it is proposed by the Senator from Montana [Mr. WALSH] to offer an amendment which has been printed and which prohibits the making of tying contracts by those who have patents. That section as proposed to be introduced contains no penal clause. I yield to the Senator from Kansas.

Mr. BRISTOW. The Senator from Missouri, as I understand it, is entirely mistaken. I certainly was here when he offered a substitute.

Mr. GALLINGER. And read it.

Mr. BRISTOW. And read it to the Senate—the section as it came from the House, including a part of the Senate committee amendment. As the Senator read the section it is as I want it, and we are now to vote upon his amendment to section 4, perfecting it, before the motion of the committee to strike it out is put.

Mr. REED. I understood the Senator from Texas to say that we had already passed that point.

Mr. CULBERSON. No, Mr. President.

Mr. REED. Then, so that the Senate may understand it, the question that is to be voted upon by the Senate is to perfect section 4 so that it will read as I read it to the Senate, and which I ask shall now be read.

The PRESIDING OFFICER. Without objection, the Secretary will read the amendment.

The SECRETARY. As a substitute for section 4 it is proposed to insert:

SEC. 4. That any person engaged in commerce who shall lease or make a sale or contract for sale of goods, wares, merchandise, machinery, supplies, or other commodities, whether patented or unpatented, for use, consumption, or resale within the United States, or any Territory thereof or the District of Columbia or any insular possession or other place under the jurisdiction of the United States, or fix a price charged therefor, or discount from, or rebate upon such price, on the condition, agreement, or understanding that the lessee or purchaser thereof shall not use or deal in the goods, wares, merchandise, machinery, supplies, or other commodities of a competitor or competitors of the lessor or seller shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine not exceeding $5,000, or by imprisonment not exceeding one year, or by both, in the discretion of the court.

Mr. REED. The motion now is to perfect the section so that it will read as read from the desk. I understand that if the motion is carried the chairman of the commission intends to move to strike out the section, and the Senator from Montana intends to move a substitute which will limit its operation only to patented articles and which will not have any criminal penalty attached to it. I have stated the matter, and I have nothing more to say.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Missouri to insert a substitute for section 4.

Mr. HITCHCOCK. I understood that heretofore section 4 had been eliminated from the bill.

The PRESIDING OFFICER. The Chair understands that a motion was made to reconsider and that it was carried yesterday.

Mr. HITCHCOCK. And it is now a part of the bill as reported by the committee?

The PRESIDING OFFICER. It stands as the committee reported it, with the motion of the committee to strike it out.

Mr. CULBERSON. The motion was made heretofore, and section 4 was stricken out. Afterwards a motion was made to reconsider the action of the Senate in striking out section 4. That motion to reconsider was adopted yesterday, and consequently the section is here, and the Committee on the Judiciary propose an amendment to strike it out altogether from the bill. The Senator from Missouri offers an amendment to perfect the section. The vote will be taken on that amendment, and then the question will be put on the amendment of the Senate committee to strike out the section as perfected.

The PRESIDING OFFICER. The Chair so understands. The Chair understands that the question now before the Senate is the amendment of the Senator from Missouri who offers a substitute for section 4. [Putting the question.] The Chair is impressed that the ayes have it.

Mr. CULBERSON. I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CHAMBERLAIN (when his name was called). I have a general pair with the junior Senator from Pennsylvania [Mr. OLIVER]. In his absence I withhold my vote.

Mr. CULBERSON (when his name was called). Again announcing my pair and its transfer to the Senator from Arizona [Mr. SMITH], I vote "nay."

Mr. FLETCHER (when his name was called). I have a pair with the Senator from Wyoming [Mr. WARREN], which I transfer to the junior Senator from Virginia [Mr. SWANSON]. I vote "nay."

Mr. GALLINGER (when his name was called). I have a general pair with the junior Senator from New York [Mr. O'GORMAN]. In his absence I withhold my vote.

Mr. HOLLIS (when his name was called). I have a general pair with the junior Senator from Maine [Mr. BURLEIGH] and withhold my vote unless it is necessary to make a quorum.

Mr. JOHNSON (when his name was called). I have a general pair with the junior Senator from North Dakota [Mr. GRONNA]. Not knowing how he would vote I withhold my vote unless it is necessary to make a quorum.

Mr. LEA of Tennessee (when his name was called). I announce my pair with the senior Senator from South Dakota [Mr. CRAWFORD] and withhold my vote.

Mr. MYERS (when his name was called). I have a pair with the junior Senator from Connecticut [Mr. MCLEAN]. In his absence I withhold my vote.

Mr. OWEN (when his name was called). I have a pair, and unless it is necessary to vote to make a quorum I shall withhold my vote.

Mr. THOMAS (when his name was called). I have a general pair with the senior Senator from New York [Mr. ROOT]. In his absence I withhold my vote.

Mr. TOWNSEND (when his name was called). I am paired with the junior Senator from Arkansas [Mr. ROBINSON], who, I understand, is not present. I am informed that I can transfer my pair to the junior Senator from Illinois [Mr. SHERMAN]. Therefore I do that and vote "yea."

Mr. WALSH (when his name was called). I have a pair with the Senator from Rhode Island [Mr. LIPPITT]. I transfer my pair to the Senator from South Carolina [Mr. SMITH] and vote "nay."

Mr. WILLIAMS (when his name was called). I have a pair with the senior Senator from Pennsylvania [Mr. PENROSE]. Being unable to procure a transfer, I shall be compelled to withhold my vote. If I were at liberty to vote, I should vote "nay."

The roll call was concluded.

Mr. SMITH of Georgia. I transfer my pair with the senior Senator from Massachusetts [Mr. LODGE] to the junior Senator from Georgia [Mr. WEST] and vote "nay."

Mr. LEA of Tennessee. I desire to be counted as present to make a quorum. I can not vote on account of the absence of my pair.

Mr. GORE. I desire to announce my pair with the junior Senator from Wisconsin [Mr. STEPHENSON] and withhold my vote.

Mr. GALLINGER. I desire to announce the absence of the junior Senator from Vermont [Mr. PAGE] on account of sickness in his family.

I have been requested to announce the following pairs:

The Senator from Maine [Mr. BURLEIGH] with the Senator from New Hampshire [Mr. HOLLIS];

The Senator from New Mexico [Mr. CATRON] with the Senator from Oklahoma [Mr. OWEN];

The Senator from Wyoming [Mr. CLARK] with the Senator from Missouri [Mr. STONE];

The Senator from Rhode Island [Mr. COLT] with the Senator from Delaware [Mr. SAULSBURY];

The Senator from South Dakota [Mr. CRAWFORD] with the Senator from Tennessee [Mr. LEA];

The Senator from Delaware [Mr. DU PONT] with the Senator from Texas [Mr. CULBERSON];

The Senator from West Virginia [Mr. GOFF] with the Senator from South Carolina [Mr. TILLMAN];

The Senator from North Dakota [Mr. GRONNA] with the Senator from Maine [Mr. JOHNSON];

The Senator from Rhode Island [Mr. LIPPITT] with the Senator from Montana [Mr. WALSH];

The Senator from Massachusetts [Mr. LODGE] with the Senator from Georgia [Mr. SMITH];

The Senator from Pennsylvania [Mr. OLIVER] with the Senator from Oregon [Mr. CHAMBERLAIN];

The Senator from Pennsylvania [Mr. PENROSE] with the Senator from Mississippi [Mr. WILLIAMS];

The Senator from New York [Mr. ROOT] with the Senator from Colorado [Mr. THOMAS];

The Senator from Michigan [Mr. SMITH] with the Senator from Missouri [Mr. REED];

The Senator from Wisconsin [Mr. STEPHENSON] with the Senator from Oklahoma [Mr. GORE];

The Senator from Utah [Mr. SUTHERLAND] with the Senator from Arkansas [Mr. CLARKE]; and

The Senator from Wyoming [Mr. WARREN] with the Senator from Florida [Mr. FLETCHER].

Mr. WILLIAMS. I wish to inquire before the result is announced whether a quorum is present, because if there is no quorum present I shall be at liberty to vote.

The PRESIDING OFFICER. A quorum has not voted.

Mr. WILLIAMS. Then in order to conserve the rights of my pair with the Senator from Pennsylvania [Mr. PENROSE] I shall vote as I think probably he would vote, although it would not be my vote. I vote "yea" and save his right and at the same time I can be counted.

Mr. THOMAS. I desire to be recorded as present to make a quorum.

Mr. HOLLIS. Under the terms of my pair I am at liberty to vote to make a quorum. I vote "nay."

Mr. WILLIAMS. I have been informed that under recent rulings I may be counted present upon my request without voting. Is that right?

The PRESIDING OFFICER. The Chair understands that that has been customary.

Mr. WILLIAMS. Very well, then. I understand that I can be counted as present to constitute a quorum without voting.

The PRESIDING OFFICER. That course will be pursued, without objection.

Mr. JOHNSON. I wish to be recorded as present.

Mr. OWEN. Under my arrangement I have a right to vote to make a quorum, and I vote "nay."

The result was announced—yeas 27, nays 23, as follows:

YEAS—27.

Borah	Hitchcock	Martine, N. J.	Shields
Brady	Jones	Nelson	Smoot
Bristow	Kenyon	Perkins	Sterling
Clapp	Lane	Pittman	Thompson
Cummins	Lee, Md.	Poindexter	Townsend
Dillingham	Lewis	Reed	Vardaman
Fall	McCumber	Sheppard	

NAYS—23.

Ashurst	Fletcher	Overman	Smith, Ga.
Bankhead	Hollis	Owen	Smith, Md.
Bryan	Hughes	Pomerene	Thornton
Camden	Kern	Ransdell	Walsh
Chilton	Martin, Va.	Shafroth	White
Culberson	Newlands	Simmons	

NOT VOTING—46.

Brandegee	Gore	Oliver	Stone
Burleigh	Gronna	Page	Sutherland
Burton	James	Penrose	Swanson
Catron	Johnson	Robinson	Thomas
Chamberlain	La Follette	Root	Tillman
Clark, Wyo.	Lea, Tenn.	Saulsbury	Warren
Clarke, Ark.	Lippitt	Sherman	Weeks
Colt	Lodge	Shively	West
Crawford	McLean	Smith, Ariz.	Williams
du Pont	Myers	Smith, Mich.	Works
Gallinger	Norris	Smith, S. C.	
Goff	O'Gorman	Stephenson	

So Mr. REED'S amendment was agreed to.

Mr. CULBERSON. The question now recurs on the amendment of the committee to strike out the section as amended and on that I demand the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CHAMBERLAIN (when his name was called). Again announcing my pair with the Senator from Pennsylvania [Mr. OLIVER], and not knowing how he would vote, if present, I withhold my vote.

Mr. CULBERSON (when his name was called). Again announcing my pair with the Senator from Delaware [Mr. DU PONT] and its transfer to the Senator from Arizona [Mr. SMITH], I vote "yea."

Mr. FLETCHER (when his name was called). Announcing my pair and its transfer as before, I vote "yea."

Mr. GALLINGER (when his name was called). Announcing my general pair with the junior Senator from New York [Mr. O'GORMAN] and transferring the pair to the junior Senator from Vermont [Mr. PAGE], I vote "yea."

Mr. GORE (when his name was called). I again announce my pair with the junior Senator from Wisconsin [Mr. STEPHENSON] and withhold my vote; but I desire to be counted as "present."

Mr. CLAPP (when Mr. GRONNA'S name was called). The junior Senator from North Dakota [Mr. GRONNA] is unavoidably absent. If he were present, he would vote "nay."

Mr. HOLLIS (when his name was called). I announce my pair as before and withhold my vote.

Mr. JOHNSON (when his name was called). I have a general pair with the junior Senator from North Dakota [Mr. GRONNA], but on the statement which has been made, that if present he would vote "nay," I feel at liberty to vote. I vote "nay."

Mr. LEA of Tennessee (when his name was called). I make the same announcement of my pair as previously, and am not at liberty to vote, on account of his absence.

Mr. MYERS (when his name was called). I announce my pair with the Senator from Connecticut [Mr. MCLEAN], and, in his absence, withhold my vote.

Mr. SMITH of Georgia (when his name was called). I have a pair with the Senator from Massachusetts [Mr. LODGE]. I

am at liberty to vote if necessary to make a quorum, but will refrain from voting unless it is necessary to make a quorum.

Mr. THOMAS (when his name was called). I again announce my pair with the Senator from New York [Mr. ROOT] and withhold my vote, but ask to be recorded as "present."

Mr. TOWNSEND (when his name was called). Again announcing my pair and transferring it as before, I vote "yea."

Mr. WALSH (when his name was called). Again announcing my pair with the Senator from Rhode Island [Mr. LIPPITT] and transferring it to the Senator from South Carolina [Mr. SMITH], I vote "yea."

Mr. WILLIAMS (when his name was called). I have a pair with the senior Senator from Pennsylvania [Mr. PENROSE], and, being unable to secure a transfer, I must withhold my vote. If I were at liberty to vote, I should vote "yea." I request to be recorded as present to constitute a quorum.

The roll call was concluded.

Mr. OWEN. I inquire of the Presiding Officer if a quorum has voted?

The PRESIDING OFFICER. The Chair is advised that a quorum has not as yet voted.

Mr. OWEN. Then I have the right to vote. I vote "yea."

Mr. HOLLIS. I understand that a quorum has not voted, and I, therefore, will vote. I vote "yea."

The result was announced—yeas 27, nays 26, as follows:

YEAS—27.

Ashurst	Gallinger	Overman	Smoot
Bankhead	Hollis	Owen	Thornton
Bryan	Hughes	Ransdell	Townsend
Camden	Kern	Shafroth	Walsh
Chilton	Lewis	Shively	West
Culberson	Martin, Va.	Simmons	White
Fletcher	Newlands	Smith, Md.	

NAYS—26.

Borah	Hitchcock	Martine, N. J.	Sheppard
Brady	Johnson	Nelson	Shields
Bristow	Jones	Perkins	Sterling
Clapp	Kenyon	Pittman	Thompson
Cummins	Lane	Poindexter	Vardaman
Dillingham	Lee, Md.	Pomerene	
Fall	McCumber	Reed	

NOT VOTING—43.

Brandegee	Gore	Oliver	Stephenson
Burleigh	Gronna	Page	Stone
Burton	James	Penrose	Sutherland
Catron	La Follette	Robinson	Swanson
Chamberlain	Lea, Tenn.	Root	Thomas
Clark, Wyo.	Lippitt	Saulsbury	Tillman
Clarke, Ark.	Lodge	Sherman	Warren
Colt	McLean	Smith, Ariz.	Weeks
Crawford	Myers	Smith, Ga.	Williams
du Pont	Norris	Smith, Mich.	Works
Goff	O'Gorman	Smith, S. C.	

So the motion to strike out section 4 was agreed to.

Mr. WALSH. Mr. President, I now offer, on behalf of the Committee on the Judiciary, the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment proposed by the Senator from Montana will be stated.

The SECRETARY. It is proposed to insert as a new section, to be known as section 4, the following:

SEC. 4. That it shall not be lawful to insert a condition in any contract relating to the sale or lease of or license to use any article or process protected by a patent or patents the effect of which will be to prohibit or restrict the purchaser, lessee, or licensee from using any article or class of articles, whether patented or not, or any patented process, supplied or owned by any person other than the seller, lessor, or licensor, or his nominees, or the effect of which will be to require the purchaser, lessee, or licensee to acquire from the seller, lessor, or licensor, or his nominees, any article or class of articles not protected by the patent; and any such conditions shall be null and void, as being in restraint of trade and contrary to public policy.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Montana [Mr. WALSH].

Mr. WALSH. Mr. President, I simply wish to say, for the benefit of Senators who were not here when this matter was up before, that on Friday last the Senator from Missouri [Mr. REED] called the attention of the Senate and of the Committee on the Judiciary, so far as that is concerned, for the first time to the significance of the decision made by the Supreme Court in what is known as the Dick case, or the mimeograph case, in its application to unfair trade. The practice is to sell or to lease patented articles coupled with the condition that the purchaser or lessee must buy a lot of other unpatented articles, or articles which were at one time patented but the patents on which have expired, from the patentee as a condition of getting the patented article at all. It is used as a means of fostering monopoly.

When the article is not patented it is believed that practices of that character can easily be taken care of by the trade commission as unfair competition; but it is open to very serious question whether the trade commission will be able to put under the ban practices of that kind, in view of the decision of the Supreme Court in the case referred to. This amendment is intended to prevent the making of contracts of that character, the idea being that the patentee is entitled to the exclusive use of his patent; but it ought not to be used to give him a monopoly of the sale of articles not patented.

Mr. REED. Mr. President, I am very glad, indeed, if out of all the labor and travail that I have undergone with reference to this section there shall at least be saved a little; and the amendment offered by the Senator from Montana does in part meet the question. It is very much better than nothing. Nevertheless, I regret that it does not cover certain other practices which I think ought to be covered; but as those practices were covered by section 4, which was defeated a few moments ago after full debate, I have nothing further to say about them.

Mr. President, I call the attention of the Senate to the fact that this section contains no penalty whatever; I call the attention of the Senate to the fact that this section is aimed at a practice that is of years' standing; that it is the favorite device of the monopolist; that there is as much reason to affix a penalty clause to it as there is to any practice denounced by the Sherman Act itself; and I for once propose to try to get a vote of the Senate squarely as to whether they are going to abandon the method of stopping monopolistic practices by invoking the criminal law. That is all that I intend to say upon this section, except to offer an amendment to add at the end of the section the following words:

Any person violating the provisions of this section shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine not exceeding $5,000, or by imprisonment not exceeding one year, or by both, in the discretion of the court.

Upon that I ask for the yeas and nays.

Mr. WALSH. Mr. President, I should regard it as exceedingly unfortunate if this amendment should be added to the amendment proposed by me a few moments ago. Senators will perfectly well understand the significance of it. Now, bear in mind that if a man who has not a patent sells or leases that article upon condition that the purchaser or lessee shall also provide himself with other articles from the seller or lessor all you do now is to hale him before the trade commission and he is enjoined from making that kind of a contract; there is no penalty at all as to him; but if a man has a patent, and he does the same thing, he is guilty of a crime. We can not stand for that kind of legislation. The Senator from Missouri will not ask us to stand for that kind of legislation; that is to say, I feel that in his heart if he can not affix a penalty to the making of contracts of that character, whether made by a man with a patented article or a man without a patented article, he will not ask you to affix that burden upon the man with the patented article.

Bear in mind that what is here denounced is lawful now; the contract is perfectly legal, and it is so held by the Supreme Court of the United States—that is, at least, within certain limitations, as I contend. It seems to me that when you put the man with the patented article on exactly the same footing as the man with the unpatented article you have done all that the necessities of the case require.

Mr. REED. Mr. President, I had stated that I was through talking; but, of course, this raises a new question, and I will ask the Senate to bear with me a moment further.

We are asked now to refuse to attach a penal provision to this particular practice because we have failed to attach a penal provision to another villainous practice. I am not responsible for the lack of a penal provision as to the other practice, but I am unwilling that this section shall be passed without a criminal provision. Then, after having passed this section with a criminal provision, we can, if we want to be fair and equitable between the violators of good law and good morals, proceed to affix a criminal penalty to all of them; but do not let us defeat this proposal because we have made a mistake by letting the other variety of offenders go with nothing but a mild reprimand.

Mr. CUMMINS. Mr. President, I intend to vote for the amendment proposed by the Senator from Missouri. I have just a word to say with regard to the distinction suggested by the Senator from Montana. I believe that whenever we declare a thing unlawful, and the declaration is so clear that the citizen can understand it and can apply it without danger of mistake, he ought, if he violates it, to be punished criminally. I regard the prohibition which is contained in the amendment proposed by the Senator from Montana as entirely clear; no one can misunderstand it; it does not embrace what we ordinarily know as a "twilight zone."

I have been opposed and am now opposed to attaching a criminal penalty to the offense or the act known as unfair competi-

tion, because it embraces a great field, just as the prohibition against restraint of trade embraces a great and unknown field; but this, as I have said before, is not a prohibition against unfair competition, in my judgment. It is a prohibition of a practice that has become well known, and that is condemned by the efforts of the best business men of the United States and by all men who believe in honesty and in good morals. Therefore it seems to me that this offense ought to be punishable by a criminal penalty, precisely as I hope the offense of one corporation holding the stock of another shall be so punished, and precisely as the question of interlocking directors shall be so punished when the commission has determined that the corporations are competitive in their character.

Mr. NEWLANDS. Mr. President, this paragraph relates to tying contracts. In my judgment, without any such amendment as is suggested by the Senator from Montana or such a provision as was urged by the Senator from Missouri, it would be within the jurisdiction of the Federal trade commission to issue an order upon proof compelling a defendant to cease and desist from such a practice, under the unfair-competition clause of the trade-commission bill.

The trade commission is called upon to enforce the provisions with reference to unfair competition. The trade commission can be invoked to enforce the provision which the Senator from Montana seeks to have incorporated in this bill. If the trade commission makes an order to cease and desist, and the practice is not discontinued by the defendant, the trade commission can enforce its order through an application to the court, which will issue an injunction, which, if violated, would result in the punishment of the recalcitrant defendant, either by imprisonment or fine, and certainly by imprisonment if the practice was not discontinued.

I regard that as a much better method of accomplishing the discontinuance of these obnoxious practices than a resort to grand juries and trial juries. I believe that all these complicated questions relating to trade should be enforced so far as practicable through the trade commission, with the aid of the courts, and not by criminal process. For 20 years we have endeavored to enforce the Sherman antitrust law through resort to criminal prosecutions, and they have not been successful. They have certainly not been half so successful as the courts themselves through the process of injunction. So I am opposed to adding a penal clause to this provision.

Mr. REED. Mr. President——

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Missouri?

Mr. NEWLANDS. I do.

Mr. REED. Does the Senator think the trade commission can set aside a statute of the United States?

Mr. NEWLANDS. I do not think it can.

Mr. REED. Does the Senator think it can set aside a right secured by a statute of the United States?

Mr. NEWLANDS. No; I do not think it can.

Mr. REED. I call the Senator's attention to the fact that the Supreme Court of the United States has justified these very practices upon the ground that they are lawful because a patent has been issued pursuant to a statute of the United States, and therefore that unless this provision is enacted the trade commission, proceeding to deal with the practice, would be confronted with the statute relating to patents, and the decisions of the Supreme Court of the United States and several decisions of the courts of appeal of the United States to the effect that these practices are legal under the rights secured by a patent. Therefore, if the commission can not set aside those rights and they can not be reached here, they can not be reached at all.

The Senator evidently was not here when this matter was discussed.

Mr. NEWLANDS. But the bill with reference to unfair competition has not yet been enacted. When it is enacted, the commission will have jurisdiction, in my judgment, to condemn this as an unfair practice. I am not opposed to the legislation suggested by the Senator from Montana. I am opposed to adding to it penal provisions, because I think we can get at these things much more efficiently through the trade commission and through the civil courts.

Mr. WHITE. Mr. President, will the Senator from Nevada yield for a moment in order that I may ask him a question?

Mr. NEWLANDS. Yes.

Mr. WHITE. Does the Senator from Nevada think that by adopting this penal provision the trade commission will lose its control?

Mr. NEWLANDS. No; I do not think so.

Mr. WHITE. Then why not have both?

Mr. NEWLANDS. I do not see the necessity for it. I am opposed to this system of trying all your cases in the criminal courts. I believe it is a false system, and I believe the civil courts can deal much more efficiently with the entire subject of restraints of trade and unfair competition; and the power of the court to issue an injunction and to punish a defendant for disobedience of an injunction will be much more efficient than these criminal prosecutions, which thus far, in my judgment, have practically failed.

Mr. REED. Mr. President——

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Missouri?

Mr. NEWLANDS. I do.

Mr. REED. The injunction right will exist here; the trade-commission right will exist here; and in addition there will be the criminal provision, which probably will make it unnecessary for either of them to act very vigorously, because the practice will stop.

The VICE PRESIDENT. The question is on the amendment of the Senator from Missouri [Mr. REED] to the amendment offered by the Senator from Montana [Mr. WALSH].

Mr. REED. On that I call for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CHAMBERLAIN (when his name was called). Again announcing my pair, I withhold my vote.

Mr. CULBERSON (when his name was called). Again announcing my pair and its transfer to the junior Senator from Arizona [Mr. SMITH] I vote "nay."

Mr. FLETCHER (when his name was called). Announcing my pair and its transfer as before I vote "nay."

Mr. CLAPP (when Mr. GRONNA's name was called). Again announcing the unavoidable absence of the junior Senator from North Dakota [Mr. GRONNA] I will state that if he were present he would vote "yea."

Mr. HOLLIS (when his name was called). I announce my pair and withhold my vote.

Mr. LEA of Tennessee (when his name was called). Again announcing my pair I withhold my vote.

Mr. MYERS (when his name was called). I announce my pair with the junior Senator from Connecticut [Mr. MCLEAN], and in his absence withhold my vote.

Mr. THOMAS (when his name was called). I again announce my pair and withhold my vote. If at liberty to vote, I should vote "nay."

Mr. TOWNSEND (when his name was called). Announcing my general pair with the junior Senator from Arkansas [Mr. ROBINSON] and transferring it to the senior Senator from Illinois [Mr. SHERMAN] I vote "yea."

Mr. WALSH (when his name was called). Transferring my pair as heretofore to the junior Senator from South Carolina [Mr. SMITH] I vote "nay."

The roll call was concluded.

Mr. JOHNSON. I wish to announce my pair with the junior Senator from North Dakota [Mr. GRONNA] and withhold my vote.

Mr. HOLLIS. I inquire whether or not a quorum has voted?

The VICE PRESIDENT. A quorum has voted.

Mr. GALLINGER. I announce my pair with the junior Senator from New York [Mr. O'GORMAN] and withhold my vote.

Mr. GORE. I desire to announce my pair, and ask the Chair to count me as present.

The result was announced—yeas 20, nays 21, as follows:

YEAS—20.

Ashurst	Hitchcock	Perkins	Sterling
Borah	Jones	Pittman	Thompson
Brady	Kenyon	Poindexter	Townsend
Bristow	Lane	Reed	Vardaman
Clapp	Lee, Md.	Sheppard	White
Cummins	McCumber	Shields	
Dillingham	Martine, N. J.	Shively	
Fall	Nelson	Smoot	

NAYS—21.

Bankhead	Hughes	Pomerene	Thornton
Bryan	Kern	Ransdell	Walsh
Camden	Lewis	Shafroth	West
Chilton	Martin, Va.	Simmons	
Culberson	Newlands	Smith, Ga.	
Fletcher	Overman	Smith, Md.	

NOT VOTING—46.

Brandegee	Gore	O'Gorman	Stephenson
Burleigh	Gronna	Oliver	Stone
Burton	Hollis	Owen	Sutherland
Catron	James	Page	Swanson
Chamberlain	Johnson	Penrose	Thomas
Clark, Wyo.	La Follette	Robinson	Tillman
Clarke, Ark.	Lea, Tenn.	Root	Warren
Colt	Lippitt	Saulsbury	Weeks
Crawford	Lodge	Sherman	Williams
du Pont	McLean	Smith, Ariz.	Works
Gallinger	Myers	Smith, Mich.	
Goff	Norris	Smith, S. C.	

So Mr. REED's amendment to the amendment of Mr. WALSH was agreed to.

Mr. LEE of Maryland. Mr. President, I should like to suggest an additional amendment to the amendment of the Senator from Montana. In the twelfth line, after the word "conditions," I move to insert "whether heretofore or hereafter made," so that it will read: "And any such conditions, whether heretofore or hereafter made, shall be null and void."

I believe that is acceptable to the author of the amendment.

Mr. BORAH. Mr. President, I should like to understand the effect of this. Do I understand that the Senator from Maryland is undertaking to punish men for making contracts which were valid at the time they were made, but which we are now seeking to punish them for having made them?

Mr. LEE of Maryland. The idea is simply to make the conditions of the contract void.

Mr. BORAH. Of course, I just heard it read here, but it would seem to have some of the qualities of an *ex post facto* law.

Mr. LEE of Maryland. It could not have any such effect upon the criminal aspect of the statute, but it would have the effect of rendering void these undesirable forms of contracts, particularly in connection with the patent system of the United States. It provides that those already made shall be void as well as that those hereafter made shall be void. That is the only significance of this amendment.

Mr. BORAH. The Senator's amendment would simply have the effect of declaring them void; if so, that is all right.

Mr. LEE of Maryland. That is all—those heretofore made.

Mr. BORAH. That is all right.

Mr. WALSH. Mr. President, in view of the question raised by the Senator from Idaho, I should like to have the section read as it would read if thus amended.

The SECRETARY. It is proposed by the Senator from Maryland, after the word "conditions," in line 12, to insert a comma and the words "whether heretofore or hereafter made," in section 4, as offered by the Senator from Montana.

Mr. WHITE. I will inquire of the Senator from Maryland if we make the condition void in existing contracts, would it not give the other party to the contract power to void the whole contract? If that is the effect of it, and I am afraid it is, then I am opposed to its adoption. I do not think we ought to interfere with contracts already existing.

Mr. LEE of Maryland. The words I have added to the amendment of the Senator from Montana simply refer to the objectionable conditions and to nothing else, namely, the conditions which are repelled by the whole amendment that apparently was about to receive the approval of the Senate.

Mr. WHITE. But the Senator does not quite answer my question. Will it not have the effect to enable the other party to the contract to declare the whole contract void?

Mr. BORAH. I ask for a reading of the amendment as proposed to be amended.

The VICE PRESIDENT. It will be read.

The Secretary read as follows:

SEC. 4. That it shall not be lawful to insert a condition in any contract relating to the sale or lease of or license to use any article or process protected by a patent or patents the effect of which will be to prohibit or restrict the purchaser, lessee, or licensee from using any article or class of articles, whether patented or not, or any patented process, supplied or owned by any person other than the seller, lessor, or licensor, or his nominees, or the effect of which will be to require the purchaser, lessee, or licensee to acquire from the seller, lessor, or licensor, or his nominees any article or class of articles not protected by the patent; and any such conditions, whether heretofore or hereafter made, shall be null and void, as being in restraint of trade and contrary to public policy. Any person violating the provisions of this section shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine not exceeding $5,000, or by imprisonment not exceeding one year, or by both, in the discretion of the court.

Mr. BORAH. Mr. President——

The VICE PRESIDENT. The Senator from Idaho.

Mr. WHITE. I think I have the floor.

The VICE PRESIDENT. The Senator from Idaho was recognized by the Chair.

Mr. WHITE. I had not yielded the floor, Mr. President.

Mr. BORAH. I will yield to the Senator if he desires to make a statement. I am satisfied I had the floor, but I am perfectly willing to yield.

Mr. WHITE. I wish to say that the effect of this, of course, will be to impair the obligation of contracts now existing, and I think the Senate should go very slow in doing that, because we do not know just how many and how important those contracts may be. It is always dangerous, in my judgment, to declare void or inoperative contracts already in existence. The parties knew what they were doing when they made the contracts, and it may work a great hardship on them if the contracts made by them are destroyed by the legislative power of the country. I think it is dangerous, and I shall oppose the amendment.

Mr. BORAH. Mr. President, it is not safe to venture an opinion upon a legal proposition offhand, but my opinion is that if the provision is enacted the law would be void.

Mr. LEE of Maryland. Mr. President, it is very seldom that I differ from my honored friend the Senator from Alabama [Mr. WHITE]; but this being a police measure having a definite application for the prevention of what the Senate has voted to be a crime or an offense, it has an entirely different bearing from the ordinary merely contractual aspect. Under these circumstances, if the Senator himself were sitting as a judge in equity and any such contract was presented to him for review, in which some patented machine was rented to some manufacturer who was compelled also to buy a lot of other things that he did not want, it would be a very easy thing for the Senator sitting as such a court to differentiate between the consideration that was presented by the contract, to make void those burdens which were improperly placed upon the lessee, and to make good the considerations which the lessee should pay for the use of the valuable machinery of which he had the advantage. I see no difficulty in the situation whatsoever.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Maryland [Mr. LEE] to the amendment.

The amendment to the amendment was rejected.

Mr. WHITE. With his permission, I would like to ask the author of the amendment the necessity of certain words appearing in it. For instance, it says that it shall not be lawful to insert a condition in any contract relating to the sale or lease of or license to use any article or process protected by a patent or patents the effect of which will be to prohibit or restrict the purchaser, lessee, or licensee from using any article or class of articles, whether patented or not. What is the necessity of inserting the words "whether patented or not"? Do not the words "whether patented or not" embrace all kinds of articles? If so, why encumber the amendment with this verbiage? All articles are either patented or not. I would be pleased if the Senator will give me his reason for using these words.

Mr. WALSH. That was simply for greater clarity and definiteness. They are suggested by the decisions in the two cases. In the Mimeograph case the articles tied to the patented articles were unpatented. They consisted of ink and paper and other articles of that character to be used in connection with the mimeograph. It is contended, however, in the Shoe Machinery case that they are permitted under any circumstances to tie several patented articles together. It was feared that if the language "whether patented or not" was not in the amendment it would be contended that it was restricted in its application only to unpatented articles. It was for the purpose of making it clear that neither patented nor unpatented articles could be tied that the clause was inserted.

Mr. WHITE. I will ask the Senator the necessity for the use of the words, beginning on the seventh line, as follows: "supplied or owned by any person other than the seller, lessor, or licensor or his nominee."

Mr. WALSH. It is the very gist of the amendment that it shall be unlawful.

Mr. WHITE. Is not the effect of the use of these words to give the purchaser, lessee, or licensee the right to use any articles whatsoever, without regard as to who supplied or owned them?

Mr. WALSH. It refers to him only, or anybody he may nominate.

Mr. WHITE. If that is the true construction, are we not left in the dangerous situation of having him transfer his patent to some other person and let that other person do the harm that he at present can do?

Mr. WALSH. He may transfer his patent to some other person. Of course, the purchase or lease would have to be made from that other person and not from him.

Mr. WHITE. It says "supplied or owned by any person other than the seller, lessor, or licensor, or his nominees." It occurs to me that some other person who owns or controls a patented article with which the lessor has no connection might use it to accomplish the very same purpose that the seller of the patented article himself could attain, and therefore defeat the very object sought to be accomplished by the amendment.

I will make this further suggestion: On line 11, after the word "and," just before the conclusion of that line, add the words "all contracts containing," thereby vitiating the entire contract instead of vitiating only the prohibited condition in the

contract. Would not that be very much more effective in preventing any such condition being embodied in the contract?

Mr. WALSH. I will say to the Senator from Alabama that it would not. That would really be very unfortunate, indeed. Here is a man who is obliged to buy under such a condition. They attach such a condition to his acquisition of the instrument or the machine, and he has a lease of the machine with such a condition in his lease. If you make the entire lease void, then he has not any right to the use of the machine at all, and the seller can come and take it right out of his factory.

Mr. WHITE. But would it not operate as a greater deterrent on the seller or lessor by making the whole contract void and thereby tend to prevent him from insisting on the insertion of any such condition? If the seller or lessor knew he would vitiate his whole contract by inserting the condition, he would not likely insert it.

Mr. WALSH. I should say not. I should say as it is the purchaser or lessee would get all the benefit and the seller or lessor would take all the risk that he might at any time insist upon the validity of the condition.

Mr. WHITE. Provided the lessee or purchaser knew all the time exactly what his rights were, but in the absence of any such knowledge he would go on and perform the contract, whereas if the whole contract was made void then the seller or lessor or licensor would be afraid to make any such contract.

I call the attention of the author of the amendment and the committee to these propositions and I think they are worthy of the consideration both of the committee and of the author of the amendment.

Mr. WALSH. I desire to say to the Senator from Alabama that I have carefully followed him and I am not able to adopt his view.

Mr. WHITE. Very well.

The VICE PRESIDENT. The question is on the amendment as amended.

The amendment as amended was agreed to.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SHIVELY:

A bill (S. 6393) granting an increase of pension to William H. Miller; and

A bill (S. 6394) granting an increase of pension to George W. Brewer (with accompanying paper); to the Committee on Pensions.

By Mr. OVERMAN:

A bill (S. 6395) supplementary to an act entitled "An act to amend section 27 of an act approved December 23, 1913," and known as the Federal reserve act, approved August 4, 1914; to the Committee on Banking and Currency.

RECESS.

Mr. KERN. I move that the Senate take a recess until 11 o'clock to-morrow forenoon.

The motion was agreed to; and (at 6 o'clock and 12 minutes p. m.) the Senate took a recess until to-morrow, Thursday, August 27, 1914, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES.

WEDNESDAY, *August 26, 1914.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Our Father in heaven, infinite source of all good, we come to Thee in prayer that we may renew our spiritual life and be prepared to meet whatever may come to us. The past is gone, the future a sealed book; help us to wisely improve the present and "go forward to meet the shadowy future with brave and manly hearts." For Thine is the kingdom, and the power, and the glory forever. Amen.

The Journal of the proceedings of yesterday was read and approved.

LEAVE OF ABSENCE.

The SPEAKER. The Chair lays before the House the following requests for leave of absence, which the Clerk will report.

The Clerk read as follows:

Mr. SHACKLEFORD requests leave of absence indefinitely on account of illness.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read as follows:

Mr. HAYES requests leave of absence until next Monday on account of illness.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read as follows:

Mr. FLOOD of Virginia asks leave of absence for one week on account of sickness.

The SPEAKER. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, yesterday the House granted leave of absence to one of our distinguished colleagues, Mr. DICKINSON, of Missouri, I think very properly, and our distinguished Speaker stated that Mr. DICKINSON was sick in bed, and the gentleman from Missouri, Mr. HAMLIN, also stated that he was sick in bed. I simply wish to congratulate Mr. DICKINSON upon his early recovery. The St. Louis newspaper states that he is attending the Democratic convention at Jefferson City, Mo., and at the time the paper went to press was in consideration for chairman of that convention. I am glad to know of his speedy recovery.

The SPEAKER. Is there objection to the request of Mr. FLOOD of Virginia? [After a pause.] The Chair hears none.

The Clerk read as follows:

Mr. WILSON of New York asks leave of absence on account of illness, with certificate of physician attached.

The SPEAKER. Is there objection?

Mr. UNDERWOOD. Mr. Speaker, reserving the right to object, I wish to say this: Here is a request for leave of absence on account of sickness, having a physician's certificate attached, which clearly shows that the request should be granted. I want to say this to the House, that when I offered the resolution yesterday to require the Sergeant at Arms to enforce the law, I meant that resolution in earnest, so far as I am concerned, and I intend to see to it that the Sergeant at Arms enforces the law, if I have to call upon the Treasury Department to go after the Sergeant at Arms' bond, if he does not enforce the law. So far as these leaves of absence are concerned, I am not going to interfere with them. If gentlemen think that they can get around the law by asking the House to excuse them they are very badly mistaken. The law puts that authority in the hands of the Sergeant at Arms of this House. If a Member of this House satisfies the Sergeant at Arms that he is absent on account of sickness he ought to be excused, and he will be excused, but the fact that the House excuses a man on account of sickness does not affect the law at all, and if he is not really sick the Sergeant at Arms will make himself liable upon his bond if he grants the excuse. I have notified the Sergeant at Arms this morning that I propose to hold him responsible if he does not enforce this law. I am not going to get up here and raise any objection to these requests for leave of absence on account of sickness or any other ground, because when a Member asks for that leave of absence he puts the Sergeant at Arms of this House upon notice that he is away, and I take it that the Sergeant at Arms' business is to know whether that is a lawful excuse. Therefore I can see that no harm is done by gentlemen asking for leaves of absence.

Mr. MOON. Mr. Speaker, will the gentleman yield?

Mr. UNDERWOOD. Yes.

Mr. MOON. What does the gentleman understand to be the exact language of the law upon this subject?

Mr. UNDERWOOD. If the gentleman will refer to the RECORD this morning, he will find the law printed in the RECORD. I put it in the RECORD yesterday.

Mr. MOON. Was that a law passed by the Congress or a resolution of the House?

Mr. UNDERWOOD. It is an enactment of law. It is the fortieth section of the Revised Statutes of the United States, and I will read it to the gentleman.

Mr. MOON. I wanted to know whether it was an enactment of Congress or merely a resolution of the House?

Mr. UNDERWOOD. It is an enactment of Congress. Some gentlemen may not have been here yesterday. This is a law that has been upon the statute books a great many years, and it is found in section 40 of the Revised Statutes, and reads as follows, being found on page 15539 of the CONGRESSIONAL RECORD of yesterday:

SEC. 40. The Secretary of the Senate and Sergeant at Arms of the House, respectively, shall deduct from the monthly payments of each Member or Delegate the amount of his salary for each day that he has been absent from the Senate or House, respectively, unless such Member or Delegate assigns as the reason for such absence the sickness of himself or of some member of his family.

That is a question for the Sergeant at Arms of this House to determine.

Mr. MOON. I want to say to the gentleman from Alabama that I am not desiring any leave of absence, but there are a great many gentlemen here who are under the impression that the resolution which was offered yesterday was not based upon permanent law. I presumed that it was, and for that reason I called attention to it.

Mr. HAY. Mr. Speaker, will the gentleman yield?

Mr. UNDERWOOD. Yes.

Mr. HAY. The law reads:

Unless such Member or Delegate assigns as the reason for such absence the sickness of himself or of some member of his family.

Mr. UNDERWOOD. Yes.

Mr. HAY. If the Member assigns that reason, what power has the Sergeant at Arms to say that he is not sick. Has he the power to have him visited by a physician?

Mr. UNDERWOOD. No.

Mr. HAY. To begin an inquisition into his physical condition?

Mr. UNDERWOOD. No; I think not.

Mr. HAY. Very well, then; when a Member assigns to the Sergeant at Arms or states to him that he is sick, and, therefore, is unable to attend upon the proceedings of the House, what can the Sergeant at Arms do?

Mr. UNDERWOOD. He can not do anything; but I take this to be the fact, that the Sergeant at Arms of this House will require a statement from the Members of the House as to how many days they have been in attendance, in order that he may enforce the law, and if a Member of this House states on his authority as a Member that he has been sick the Sergeant at Arms will take his word for it, just as the gentleman or myself would take his word for it.

Mr. MANN. Mr. Speaker, will the gentleman yield for a question?

Mr. UNDERWOOD. Certainly.

Mr. MANN. I understood the gentleman to say that he proposed to see that the Sergeant at Arms enforces the law?

Mr. UNDERWOOD. I do.

Mr. MANN. And that the Sergeant at Arms would be liable upon his bond if he failed to enforce the law?

Mr. UNDERWOOD. Yes.

Mr. MANN. Well, of course passing the resolution yesterday directing the Sergeant at Arms to enforce the law did not change the law——

Mr. UNDERWOOD. Not at all.

Mr. MANN. Nor the duty of the Sergeant at Arms?

Mr. UNDERWOOD. Not at all.

Mr. MANN. So that when the gentleman says he will be liable if he has not enforced the law, the Sergeant at Arms of the present House must be liable for not having enforced the law from the beginning of the present term of Congress.

Mr. UNDERWOOD. Well, that may be true; I do not say that is not true.

Mr. MANN. Of course if, as the gentleman said, he would see that the law is enforced, I do not know what process he would adopt; but suppose some other Member of the House should endeavor to do the same thing against the Sergeant at Arms from the beginning of the term of Congress, it would be pretty hard on the Sergeant at Arms?

Mr. UNDERWOOD. Of course that is a matter that I am not concerned about.

Mr. MANN. But the Sergeant at Arms is concerned about it.

Mr. UNDERWOOD. I think that he is; and the Sergeant at Arms and every Member of this House was aware of this law months ago.

Mr. MANN. Will the gentleman yield for another question?

Mr. UNDERWOOD. I will.

Mr. MANN. Assuming that the Sergeant at Arms may not be to blame for not having enforced the law until the House passed the resolution directing him so to do, as I understand it he can not enforce the law until the end of the month, the time when it comes to make payments of salary. If he enforces the law at the end of this month, on the 4th of next month, when payments become due, of course he will have to make a deduction from the beginning of the month.

Mr. UNDERWOOD. I am not passing on this question as a lawyer, because——

Mr. MANN. There can not be any question about it.

Mr. UNDERWOOD. I will say to the gentleman from Illinois, as I understand the proposition, the Sergeant at Arms can withhold, if he sees proper to do so, the money of any Member of this House who has been absent without excuse of sickness of himself or family at any time up to the end of this Congress. He could take out, for instance, the last two months' salary entirely if he wanted to do it; that is the law; and I do not think there is a dispute on that question.

Mr. MANN. I think it is the duty of the Sergeant at Arms at the end of the month to require each Member of the House to make a certificate covering the entire month.

Mr. UNDERWOOD. Yes.

Mr. MANN. As I understand what was done in the Fifty-third Congress was that the Speaker directed the Sergeant at Arms to enforce this law, and the Sergeant at Arms sent a certificate to each Member of the House for signature containing a copy of the law and a certificate covering the absences for which deductions should be made in accordance with the terms of the law. I am frank to say that yesterday I advised one of the officials of the office of the Sergeant at Arms who asked me that I thought he could properly under the conditions use the same kind of a certificate now that was used by the Democratic Sergeant at Arms in the Fifty-third Congress, following the precedent then set.

Mr. UNDERWOOD. Well, I think that is true. The only reason I rose was in view of the number of requests for leave of absence on account of sickness some one might want to know why I did not object as I was trying to enforce this rule, and I merely want to say to the House and call their attention to the fact that the action of the House is not to govern. It is a question between the Member and the Sergeant at Arms——

Mr. MANN. Absolutely.

Mr. UNDERWOOD. Therefore it makes no material difference whether we grant the leaves of absence or not.

Mr. MANN. It is a question of honor on the part of the Member who makes the certificate. He can evade the law and get his money; but will he?

Mr. UNDERWOOD. I do not think he will.

Mr. JOHNSON of Kentucky. Will the gentleman yield to me for a question?

Mr. UNDERWOOD. I will.

Mr. JOHNSON of Kentucky. In view of the fact that the salary of each Member of Congress is fixed by law and can be changed only by law and can not be changed by the Sergeant at Arms, if the certificate which the gentleman from Illinois [Mr. MANN] has just mentioned should be presented to a Member of Congress who has been here every day and he should fail to sign that certificate or to make a report to the Sergeant at Arms, is there any way by which the Sergeant at Arms or anybody else could deprive that Member of his salary in full?

Mr. UNDERWOOD. I think so. I think the law does.

Mr. JOHNSON of Kentucky. If the Member of Congress is here every day and fails to make the certificate?

Mr. UNDERWOOD. Yes.

Mr. JOHNSON of Kentucky. I am bound to disagree with the gentleman.

Mr. UNDERWOOD. The law says the Sergeant at Arms shall withhold the pay, and that contemplates that the Sergeant at Arms——

Mr. JOHNSON of Kentucky. The Sergeant at Arms can withhold the pay only because of the absence and not for failure to make report. There is no law requiring a Member to make any report to the Sergeant at Arms.

Mr. UNDERWOOD. I think the Sergeant at Arms would be entitled to a reasonable opportunity to ascertain the facts.

Mr. HOWARD. Will the gentleman from Alabama yield?

Mr. UNDERWOOD. I will.

Mr. HOWARD. What effect, if any, would the granting of leaves of absence by the House have upon a Member's status as to this peculiar situation?

Mr. UNDERWOOD. None whatever, in my judgment.

Mr. HOWARD. Then it is simply unnecessary for a Member to obtain leave from the House under any condition?

Mr. UNDERWOOD. He might obtain leave for other reasons. Even if it is costing him $25 a day, the House might send the Sergeant at Arms after him and bring him back, anyhow.

Mr. HOWARD. Suppose a Member of Congress should obtain leave of absence for other reasons than sickness of himself or members of his family, what would be the status then?

Mr. UNDERWOOD. It would notify the Sergeant at Arms absolutely that he was forfeiting $25 a day.

Mr. FERRIS. Will the gentleman yield?

Mr. UNDERWOOD. I will.

Mr. FERRIS. I wanted to ask the gentleman if he did not think in the face of the custom that has grown up, that has been followed by everybody, the Sergeant at Arms had performed his full duty if he exacted from a Member a certificate reaching back to the date of the adoption of the gentleman's resolution? It will not affect me, I will state, but it will work a little easier.

Mr. UNDERWOOD. As this is the law, I can not pass on that proposition. Of course the House relieved the Sergeant at Arms of some responsibility by directing the Sergeant at Arms to enforce the law. He has to do it now by the order of the House.

Mr. FERRIS. True. We do and say things here under the pressure of the moment that might lead an administrative officer of the House to do something he should not do. While it does not affect me one way or another personally, as I have not been outside of the Capital this year, I do not think this House ought to exact of the Sergeant at Arms that he go back

of the resolution and work a hardship on a lot of Members who have a right to rely on what has been the custom.

Mr. UNDERWOOD. That is for the Sergeant at Arms. The Sergeant at Arms started in yesterday in accordance with the resolution.

Mr. SIMS. The statute says "absent from his seat" instead of being absent from Washington. If a Member comes in here and answers one roll call and is absent from his seat the balance of the day, is he relieved by that one appearance?

Mr. JOHNSON of Kentucky. Why does he have to answer to a roll call? It is known that the gentleman from Alabama [Mr. UNDERWOOD], for instance, is here to-day. Everybody knows it as a matter of record. How can he be charged for absence to-day if he fails to answer to a roll call, or if the Sergeant at Arms should undertake to "dock" him for to-day because he should fail to make such statement as the Sergeant at Arms might require of him?

Mr. UNDERWOOD. The law does not say where he shall be absent from.

Mr. MADDEN. Mr. Speaker, I make the point of no quorum.

Mr. BOOHER. Will the gentleman yield for just a moment?

Mr. MADDEN. I make the point of no quorum, Mr. Speaker.

Mr. BOOHER. Will the gentleman withhold that for just a moment?

Mr. MADDEN. I will withhold it for a moment at the request of the gentleman from Missouri.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. WILSON]?

Mr. MANN. Has Mr. WILSON been sick all winter?

The SPEAKER. He has been sick most of the session.

Mr. MANN. And absent?

The SPEAKER. He has been sick and absent most of the session.

Mr. MANN. Are all the rest of the New York Members sick, too? [Laughter.]

The SPEAKER. The Chair has no information about any of them except this Member.

Is there objection to the request of the gentleman from New York [Mr. WILSON]? [After a pause.] The Chair hears none.

Mr. BOOHER. Mr. Speaker, I desire to ask unanimous consent that Mr. FOWLER, of Illinois, be excused for the day on account of sickness. He is confined to his bed, and his little daughter told me that he is under the care of a physician this morning.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The Chair lays before the House the following request, which the Clerk will report.

The Clerk read as follows:

AUGUST 26, 1914.

Mr. BLACKMON asks leave of absence for the day on account of sickness.

The SPEAKER. Is there objection to the request of the gentleman from Alabama [Mr. BLACKMON]? [After a pause.] The Chair hears none.

The gentleman from Illinois [Mr. MADDEN] makes a point of order.

EXTENSION OF REMARKS.

Mr. BURKE of South Dakota. He will withhold it for a moment. I ask unanimous consent, Mr. Speaker, to extend my remarks in the RECORD on the resolution of the gentleman from Alabama [Mr. UNDERWOOD].

The SPEAKER. The gentleman from South Dakota asks unanimous consent to extend his remarks in the RECORD on this salary question. Is there objection?

There was no objection.

CALLING OF THE ROLL.

Mr. MADDEN. Mr. Speaker, I wish to make the point of no quorum.

The SPEAKER. The gentleman from Illinois [Mr. MADDEN] makes the point of order that there is no quorum present.

Mr. MOORE. Mr. Speaker, I want to ask the gentleman from Illinois to reserve that for a moment.

The SPEAKER. The Chair will count. [After counting.] One hundred and fifty-five Members are present—not a quorum.

Mr. UNDERWOOD. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The SPEAKER. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Adair	Ansberry	Austin	Barkley
Aiken	Anthony	Baltz	Bartholdt
Ainey	Aswell	Barchfeld	Bartlett
Beall, Tex.	Fitzgerald	Kindel	Peterson
Bell, Ga.	Flood, Va.	Kirkpatrick	Phelan
Blackmon	Foster	Knowland, J. R.	Plumley
Brockson	Fowler	Konop	Porter
Brown, N. Y.	Francis	Kreider	Powers
Browne, Wis.	Gallivan	Lafferty	Ragsdale
Browning	Gard	Langham	Rainey
Brumbaugh	Gardner	Langley	Riordan
Bulkley	George	Lazaro	Rogers
Byrnes, S. C.	Gerry	L'Engle	Rubey
Calder	Gill	Lenroot	Russell
Campbell	Gilmore	Levy	Sabath
Cantor	Glass	Lewis, Pa.	Saunders
Carew	Graham, Ill.	Lindquist	Shackleford
Church	Graham, Pa.	Loft	Sherley
Clancy	Green, Iowa	McAndrews	Sherwood
Cooper	Griest	McGillicuddy	Shreve
Copley	Gudger	McGuire, Okla.	Smith, Saml. W.
Covington	Guernsey	McKenzie	Smith, N. Y.
Cramton	Hamilton, Mich.	Mahan	Steenerson
Crisp	Hamilton, N. Y.	Maher	Stout
Decker	Hardwick	Martin	Stringer
Dickinson	Hayden	Merritt	Switzer
Dies	Hayes	Metz	Ten Eyck
Difenderfer	Helgesen	Miller	Thacher
Dillon	Hensley	Morgan, La.	Treadway
Dixon	Hill	Morin	Underhill
Dooling	Hinds	Mott	Vare
Doolittle	Hinebaugh	Murdock	Wallin
Doremus	Hobson	Murray, Mass.	Watkins
Eagle	Hoxworth	Neeley, Kans.	Whaley
Elder	Hulings	Nolan, J. I.	Whitacre
Esch	Igoe	O'Brien	Willis
Estopinal	Johnson, S. C.	O'Leary	Wilson, N. Y.
Fairchild	Kelley, Mich.	Padgett	Winslow
Faison	Kelly, Pa.	Parker	Woodruff
Fess	Kennedy, R. I.	Patton, Pa.	
Finley	Kent	Peters	

The SPEAKER. On this roll call 270 Members—a quorum—have answered to their names.

Mr. UNDERWOOD. Mr. Speaker, I move to dispense with further proceedings under the call.

The SPEAKER. The gentleman from Alabama moves to dispense with further proceedings under the call. The question is on agreeing to that motion.

The motion was agreed to.

The SPEAKER. The Doorkeeper will open the doors.

LEAVE OF ABSENCE.

Mr. ROBERTS of Massachusetts. Mr. Speaker, I ask leave of absence for one week for my colleague, Mr. GALLIVAN, on account of the illness of his son.

The SPEAKER. Is there objection to the request?

Mr. BOWDLE rose.

The SPEAKER. For what purpose does the gentleman from Ohio rise? To object?

Mr. BOWDLE. No.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS.

Mr. BOWDLE. Mr. Speaker, I would like to ask unanimous consent to have printed in the RECORD an editorial from the Marine News, of New York, entitled "American subsidies to foreign ships." It is a brief editorial. Together with that I would like to have printed an equally brief response of my own.

The SPEAKER. The gentleman from Ohio asks unanimous consent to extend his remarks in the RECORD by printing an article from the Marine News, and also an answer to that article, on the subject of "American subsidies to foreign ships." Is there objection?

There was no objection.

Mr. MOSS of West Virginia. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of the resolution as to absent Members introduced by the gentleman from Alabama [Mr. UNDERWOOD] yesterday.

The SPEAKER. The gentleman from West Virginia [Mr. Moss] asks unanimous consent to extend his remarks on the Underwood resolution. Is there objection?

There was no objection.

LEAVE OF ABSENCE.

Mr. DUPRÉ. Mr. Speaker, my colleague, Judge WATKINS, obtained a leave of absence on the 6th of August, having been called to his home by the serious illness of his daughter. On his arrival there he found it necessary to accompany her to New Mexico. It is impossible for him to return at this time, and I ask for an indefinite leave of absence for him under the circumstances. There has been no more faithful Member of the House in attendance than Judge WATKINS.

The SPEAKER. The gentleman from Louisiana [Mr. DUPRÉ] asks for leave of absence for Mr. WATKINS, on account of the serious illness of his daughter. Is there objection?

There was no objection.

CALENDAR WEDNESDAY—CODIFICATION OF THE PRINTING LAWS.

The SPEAKER. This is Calendar Wednesday, and the unfinished business is the bill H. R. 15902. The House automatically resolves itself into Committee of the Whole House on the state of the Union, with the gentleman from North Carolina [Mr. PAGE] in the chair.

Thereupon the House resolved itself into Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 15902) to amend, revise, and codify the laws relating to the public printing and binding and the distribution of Government publications, with Mr. PAGE of North Carolina in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 15902, which the Clerk will report.

The Clerk read the title of the bill, as follows:

A bill (H. R. 15902) to amend, revise, and codify the laws relating to the public printing and binding and the distribution of Government publications.

Mr. STAFFORD. Mr. Chairman, under the agreement I ask for recognition for one hour.

The CHAIRMAN. The gentleman from Wisconsin [Mr. STAFFORD] is recognized.

Mr. STAFFORD. Mr. Chairman, I yield of my time three-quarters of an hour to the gentleman from Nebraska [Mr. SLOAN].

The CHAIRMAN. The gentleman from Nebraska [Mr. SLOAN] is recognized for 45 minutes.

Mr. BARNHART. Mr. Chairman, before the gentleman from Nebraska commences I would like to inquire of the gentleman from Wisconsin if it is his understanding that he is to use an hour now? If the gentleman from New York [Mr. FITZGERALD] comes in with an hour and another hour is taken, what situation will that leave us in?

The CHAIRMAN. If the gentleman will allow, the Chair will state that according to the statements of Members on the floor last Wednesday an agreement for 3 hours was reached for general debate. The gentleman from Wisconsin asked for 30 minutes, and that was included in the agreement.

Mr. STAFFORD. I stated in the RECORD—and the RECORD will bear me out—that I wanted an hour, of which I said I would yield three-quarters of an hour. Then the gentleman from Indiana [Mr. BARNHART] stated that he would reserve 15 minutes for the gentleman from Pennsylvania [Mr. KIESS] and 1 hour for the gentleman from New York [Mr. FITZGERALD].

Mr. BARNHART. I stated that I would want 15 minutes reserved for the committee. I think the gentleman from Wisconsin fully understood it, that he might want to use three-quarters of an hour.

Mr. MANN. Does the gentleman from Indiana desire further time?

Mr. BARNHART. That would depend, Mr. Chairman. If there should be any proposition put forth, I thought I might use 15 minutes or I might not use any. My colleague on the committee, the gentleman from Pennsylvania [Mr. KIESS], wants 15 minutes. Further than that I do not know that the committee wants any time.

Mr. MANN. Why would it not be practical now, the order of debate having been agreed to in the committee and not in the House, to extend the time now, so that the gentleman will have the time?

Mr. BARNHART. I understand from the gentleman from Wisconsin [Mr. STAFFORD] that he will not want any extension if the gentleman from New York is not here.

The CHAIRMAN. The gentleman from Nebraska [Mr. SLOAN] is recognized for 45 minutes.

CORN IMPORTATIONS—CORN TARIFF.

Mr. SLOAN. Mr. Chairman, in the summer of 1912 labor was well employed, prices were good, and all our industries were being conducted with activity and fair profit. These conditions satisfied a large number of American people. A political party, striving for preferment, demanding opportunity to assume control of public affairs, declared there should be a radical change wrought in the course of our industries. It promised, if opportunity were given, to better the industrial and commercial interests of the country.

The moving reason given by that party was that the "cost of living" was too high. "Cost of living" relates to all articles which enter directly or indirectly into the sustenance, comfort, and prudent enjoyment which make up proper American life. It includes food and drink, raiment and shelter, education and enjoyment. It is necessarily based upon production, transportation, change of form, and exchange.

That the "cost of living" was to be reduced was written large in the Baltimore platform, reiterated in the partisan press, and thundered from the platform throughout the campaign. The "cost of living" was to be reduced by radical tariff changes. Other issues were tendered, but were subordinate to the tariff. The party thus seeking power by reason of a divided opposition and its flattering promise succeeded at the polls. Both Houses of Congress and the Executive were Democratic, and the course of legislation for the large purpose was opened.

In preparing a bill which was to state definitely, first, the vice complained of, and second, the remedy therefor, they drafted and introduced at a special session called by the President for April 7, 1913, what was known as the Underwood and later as the Underwood-Simmons tariff bill, a tariff bill which I charge to be the foreigners' fraudulent bill of rights, which a future Congress will repeal, and a farmers' bill of wrongs, which the people will redress. [Applause on the Republican side.] The Ways and Means Committee considered what were the principal offenders among matters of industry and commerce and graded them according to the gravity of their alleged offending. In doing so, the majority members of that committee presented in their report, supporting the Underwood bill, on page 3, the following:

Certain distinct economic developments between the years of 1897 and 1913 must be studied in close connection with the working of the tariff law.

INCREASE IN COST OF LIVING.

"Probably the most striking economic change since 1897 has been the tremendous increase in the cost of living—a situation which has attracted the anxious attention of economists the world over. The following figures represent the relative advance in living costs that has taken place during the critical part of the period in question in the United States."

Relative to wholesale prices and per cent of increase over 1897.

Commodity.	Price, 1897.	Price, 1900.	Increase over 1897.	Price, 1910.	Increase over 1897.
Farm products	85.2	109.5	28.5	164.6	93.2
Food	87.7	104.2	18.8	128.7	46.7
Clothing	91.1	108.8	17.2	123.7	35.8
Metals and implements	86.6	120.5	39.1	128.5	48.2
Drugs and chemicals	94.4	115.7	22.5	117.0	23.9
House furnishing goods	80.8	106.1	18.1	111.6	24.2
Miscellaneous	92.1	109.8	19.2	133.1	44.5
All commodities	89.7	110.5	23.1	131.6	46.7

The committee, with the foregoing as a basis for assault, then proceeded to penalize the various classes of articles by reducing or removing the duties according to the following considerations:

First. Apparent increase of price during the existence of the Dingley and Payne laws.

Second. According to the degree of energy and zeal or the lack of them with which the majority committee members defended or did not defend articles considered.

Apparently, following this rule, the committee placed a large number of articles upon the free list. Nearly 80 per cent in value of these were farm products.

Second. Radical reductions were made in numerous articles, a large portion of which were farm products.

Third. There were reductions in other schedules, but none so radical as those included in the term "farm products."

This procedure was fundamentally inequitable, because, while farm products had apparently advanced in price a greater percentage since 1897 than any of the other divisions, yet it will be recalled that the fall in prices of farm products from 1892 to 1897 had been much greater than any other division or classification of articles considered. They were entitled to a greater percentage of advance than those which had not been so far reduced in that period. [Applause on the Republican side.]

The greatest of all farm products in this country is corn, and 100 per cent, or all of the tariff, was removed from it.

Mr. GORDON. Will the gentleman yield for a question?

Mr. SLOAN. I will yield for this question, but my time is shorter than my matter, and after that I prefer not to yield.

Mr. GORDON. Is it your contention that the reduction of the tariff on farm products has reduced the price of them?

Mr. SLOAN. My contention will appear quite clearly, I think, and the evidence that I will present here from two distinguished witnesses from the gentleman's own State shows that the importation of corn in this country reduced the price of marketable corn in the United States at least 10 cents a bushel.

During the discussion of the bill I presented two amendments relative to corn, one to remove it from its free-list place in the bill, and, second, to retain a duty of 10 cents a bushel. The former duty was 15 cents. This would not have been in violation of any national platform pledge. The removal was a violation of all of them. Each of these amendments was voted

down in Committee of the Whole by practically a party vote, the Democrats voting against and Republicans and Progressives voting in favor.

It was shown that imports of corn, while not large under the old law, were increasing from year to year while paying a duty of 15 cents a bushel.

No one claimed any virtue in throwing away the revenue which might be collected. The majority pressed the necessity of cheapening it to the buyer. A Member of Congress who should have risen in his place and said, "I am in favor of throwing away the revenue, and the corn prices will not be affected," would have been smiled at by every Member of the majority side.

Why Members like the gentleman from Illinois [Mr. RAINEY] now stand on the floor of the House and try to tell the farmers that they did not intend and had not injured them is hard to understand. The manly course would be to say, "We placed corn on the free list to reduce the price to the noncorn-producing communities. We expect those people to save us in the day of the farmers' wrath."

It was a canny Scot who had long followed sinful ways until he was on terms of intimacy with "Auld Nick." Sandy finally made profession and joined the "kirk." A short time after he met "Auld Nick," who soundly upbraided him for deserting the cause. Said Sandy, "Not quite so fast, auld friend. 'Tis true I joined the kirk. To it I'll make profession; but I'll do the work for ye." The gentleman from Illinois professes much to the farmer, but when he made the corn tariff he did the work for the other fellow. [Laughter.]

The committee having laid out the basis for its work, forecasted the result of their legislation in the following significant statement found on page 18 of the tariff report:

> In our judgment the future growth of our great industries lies beyond the seas.

That tariff report was signed by 14 majority members of the Ways and Means Committee. These two statements of alleged cause and forecasted effect are interesting in the light of subsequent corn events. Between the enactment of the Underwood law and July 1, 1914, practically nine months elapsed. There was imported into the United States 11,843,166 bushels of corn, which was an increase of 4,210 per cent over the corresponding nine months' period of the preceding fiscal year. The greatest importation for any full year prior thereto was 903,062 bushels. It is predicted by Congressman HAMMOND and others that 21,000,000 bushels will be imported the first year of the new tariff law. Under conditions the estimate is not unreasonable.

Ninety-three per cent of the importations came from Argentina. That country lies in a latitude south corresponding to our own north, except that with a long eastern coast it has a greater stretch of latitude than has the United States. Argentina is a wonderful country, both in its activities and products, and has a prospect greater than almost any other country in the world. Especially is this true so far as meat and cereal productions are concerned. Its boundless grassy plains feed vast herds of sheep, cattle, and horses. Its fertile soil responds to the intelligent efforts of the husbandman, producing rich returns in corn, wheat, oats, and alfalfa, rivaling our prairie farms of the Northwest. There products greatly exceed the domestic demands, and its large surpluses seek the markets of the world. Especially is this true of corn, beef, and wheat.

As the canal is completed, Argentina is preparing to battle for our coast-city grain markets on both sides of the continent. She has recently complied with the reciprocal demands of our wheat tariff, so by the removal of her wheat-products duty her wheat, like her corn and beef, can enter our ports absolutely free.

In Argentina's contest with the United States for the control of the free markets of the world for beef, the following table is a graphic account of its course and outcome:

Exports of beef from United States and Argentina to the United Kingdom for certain years.

	United States.	Argentina.
	Hundredweight.	*Hundredweight.*
1901	3,180,291	771,929
1902	2,290,465	923,748
1903	2,693,920	1,152,211
1904	2,395,836	1,675,271
1905	2,232,206	2,560,132
1906	2,426,344	2,795,913
1907	2,417,604	2,756,965
1908	1,432,142	3,706,245
1909	856,805	4,336,079
1910	477,147	5,041,133
1911	174,350	6,176,503
1912	6,111	6,813,578

It will be noted that in 1901 we were shipping to the United Kingdom 4 pounds to Argentina's 1, while in 1912 they shipped 1,100 pounds to our 1. This suggests why there has come into our free ports since the Underwood tariff law went into effect, and prior to July 1, 1914, 176,333,072 pounds of beef, and of all meats a total of 193,618,598 pounds. Thus is the battle transferred from London, Liverpool, and Glasgow to New York, Philadelphia, Boston, and Baltimore, while Australia wages a similar contest at Seattle, San Francisco, and Los Angeles.

With the duty barrier removed, the corn contest between the United States and Argentina must take a somewhat similar course. The following table indicates in three representative recent years the relative shipments of corn into the United Kingdom by the United States and Argentina:

Exports of corn from United States and Argentina to the United Kingdom for certain years.

	United States.	Argentina.
	Bushels.	*Bushels.*
1910	10,667,812	5,485,194
1912	7,834,599	13,464,204
1913	14,106,720	[1] 27,364,857

[1] Trade figures.

It will be noticed that in 1910 we were shipping 2 bushels for Argentina's 1. In 1913 we were shipping 1 bushel to Argentina's 2, and undoubtedly the figures for 1914 will show a much greater ratio in favor of Argentina and against the United States, probably 20 to 1.

As in beef, the corn contest will be shifted from the great free ports of the United Kingdom to the now free ports of the United States.

In the United States in 1913 only 17.3 per cent of our crop, which was 2,446,988,000 bushels, was removed to markets outside of the immediate community in which it was grown. That part amounts to 422,328,024 bushels. Every farmer and grain man knows that every bushel of this amount competes as a market factor with every other bushel of this class. The competition is, of course, affected by the elements of quality, time, and expense of conveying to market. There is not now and has not been heretofore any tariff between any of the States, and in the removal of the duty by the Underwood bill this exemption of tariffs has simply been extended to the world, so far as corn is concerned.

Relatively speaking, little corn and no surplus is produced in any of the seaboard States, where 49 per cent of the people live and where 34 per cent of the cattle, 22 per cent of sheep, 27 per cent of hogs, and 23 per cent of horses are. Sixty-four per cent of the corn is raised in and practically all the United States surplus is moved from the following Northwestern States:

Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.

This corn under the old law primarily competed for the seaboard markets of the country. While the bulk of Nebraska or Kansas corn did not actually reach New York or Philadelphia, every bushel of this surplus competed in effect with every bushel of Illinois, Indiana, Iowa, and Ohio corn which did reach the great consuming points; because if Indiana, Illinois, Iowa, and Ohio corn did not respond to the fair offers of New York, Philadelphia, Baltimore, and Boston, then would Nebraska and Kansas corn be diverted to that market, they being handicapped by a larger freight rate, but at the same time favored by somewhat cheaper land. The same thing is true concerning corn competition among the nations. Every bushel of corn not reasonably required for home consumption is an actual or potential competitor with every bushel of surplus in every other country in the world for those free markets and, to some extent, for those markets charging a duty for importation. But usually that duty is much larger than the difference in transportation, and for that reason hitherto the 15 cents per bushel duty on corn has kept our importations reasonably low.

Corn being the largest and the coarsest of the food cereals, and with a history of uniform less price per pound than the other leading grains, the item of freight becomes a relatively greater factor in corn price than in any of the other grains. The freight rate from the center of the corn surplus producing district to or near the seaboard would be 12 to 14 cents per bushel. From Omaha to the seaboard it is 15 to 18 cents.

From—	To—					
	Boston	New York.	Philadelphia.	Baltimore.	Galveston.	New Orleans
	Cents.	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*
Omaha	0.18	0.17	0.16	0.15	0.19	0.11
Kansas City	.17	.16	.15	.14	.17	.16
Chicago	.10	.08	.07	.07	.18	.18

The foregoing rates were furnished by the Interstate Commerce Commission and are higher than figures quoted in the 1912 Yearbook, and which I used on a former occasion. The freight rate from Argentine ports to our ports, not being controlled by any law and corn being carried as a combined ballast and revenue producer, costs from 3 to 5 cents per bushel. So Argentine corn starting from its ports have a great advantage in entering our ports over that sent from the interior points in the United States burdened by heavy railway freight rates. Account should be taken of the increase of shipping to South America and the special effort now being made to market our manufactured articles in that quarter. This will make it especially desirable to load the vessels for the return voyage and corn will furnish the ballast and cargo at once. This point is especially accentuated by the fact that for years Argentina has been cultivating and developing a hard dry corn grain especially adapted to being carried through the heat and moisture of the Tropics.

I acknowledge indebtedness to the Congressman from Illinois [Mr. RAINEY] for bringing samples of Argentine corn on the floor of the House for inspection on the 6th day of June, 1914. That his purpose was in the nature of derision rather than showing its adaptation for safe and profitable shipment by Argentina, does not materially reduce my gratitude. The average annual amount of corn shipped between the various nations of the earth the last 10 years has been 245,557,706 bushels. It is about 38 per cent of the international shipment of wheat. The following is the rank of nations in corn production:

United States, Argentina, Mexico, Austria-Hungary, Russia, Roumania, Italy, and Africa.

And the following is a list of the important corn-exporting nations in the order of their rank:

Argentina, United States, Roumania, Russia, Bulgaria, Belgium, and Netherlands.

The following table shows the course of exports of the two leading nations for 10 years:

Calendar years.	Argentina.	United States.
	Bushels.	*Bushels.*
1904	97,221,000	90,203,000
1905	87,487,000	113,189,000
1906	106,047,000	105,258,000
1907	50,262,000	86,524,000
1908	67,300,000	39,013,000
1909	89,499,000	38,114,000
1910	104,727,000	44,072,000
1911	4,928,000	63,533,000
1912	190,353,000	32,649,000
1913	189,294,000	46,923,000

If the above decade be divided into three periods of three, three, and four years, there will appear some significant facts: First, in 1904, 1905, and 1906 Argentina exported 0.94 bushels to United States 1; second, in 1907, 1908, and 1909 Argentina exported 1.26 bushels to United States 1; third, in 1910, 1911, 1912, and 1913 Argentina exported 2.63 bushels to United States 1.

It will be seen from the foregoing that Argentina is progressively outstripping the United States, which Nation is gradually coming to consume its own production. For 1914 definite figures, of course, are unavailable, but will be in the neighborhood of 30 for Argentina to 1 for the United States.

The importance of grain tariffs was seen by those who looked forward to the time when we would consume in this country nearly all of our food production. It was expected to be of value to the producers then. That time is here, as the next table will demonstrate, but the friends who looked ahead to this period and condition and sought to safeguard the producers find themselves out of power. Those in power, regardless of the producers, have taken the first opportunity to remove the measure of protection which had been wisely made against the day of evenly balanced production and consumption. The gentleman from Minnesota [Mr. HAMMOND], one of the rather reluctant co-authors of the Underwood farm schedule, whose efforts had saved conditionally a fragment of the wheat protection, speaking from the gubernatorial storm cellar to which he has fled, said [laughter]:

Of course we may expect importations of wheat from Argentina and Canada. We imported wheat before the enactment of the Underwood tariff bill, and we will continue to import it. Our consumption is increasing, and year by year we send less of our wheat abroad, and in the natural course of things the imports will be greater and greater as the consumption in this country increases, because the increase in production is not keeping up with the increase in consumption.

If the observation of Congressman HAMMOND was warranted as to wheat, how much more emphatically does it apply to corn, the increased production of which should be encouraged, as will appear from the following table:

Average percentage of United States wheat and corn crops exported, based on 5-year periods.

	Per cent of wheat exported.	Per cent of corn exported.
1894–1898	33.3	7
1899–1903	31.2	5.2
1904–1908	17	2.9
1909–1913	14.9	1.5

The following table shows the importations of corn by European nations for 10 years, together with the rate of duty charged:

Importation of corn by certain principal countries for last 10 years, with average for the 10 years, together with the import duty collected by the different countries at the present time.

	1903	1904	1905	1906	1907	1908	1909	1910	1911	1912	Average for 10 years.	Rate of duty in dollars per bushel.
	Bushels.	*Bushels.*	*Bushels.*	*Bushels.*	*Bushels.*	*Bushels.*	*Bushels.*	*Bushels.*	*Bushels.*	*Bushels.*	*Bushels.*	
Austria-Hungary	11,130,274	14,000,377	18,511,363	7,118,221	4,092,712	3,106,663	4,050,645	2,494,032	7,886,000	20,108,000	10,144,829	20.144
Belgium	20,323,853	19,474,339	24,109,780	20,125,507	23,505,832	19,158,096	22,000,848	25,035,630	24,814,000	33,021,000	23,072,788	Free.
Canada	11,333,530	12,003,574	11,779,679	15,233,894	16,187,579	6,812,833	7,563,688	10,767,402	16,440,000	9,331,000	11,745,317	[1] Free.
Union of South Africa	3,471,281	1,236,927	2,171,601	215,007	51,208	145,275	155,389	69,463	29,000	141,000	768,624	.272
Cuba	619,323	696,517	1,843,348	2,489,087	3,153,495	1,837,974	2,249,906	3,002,433	2,388,000	[2] 2,388,000	2,066,817	[3] .069
Denmark	8,772,022	9,234,777	10,859,257	18,855,752	2,383,282	10,445,555	9,151,750	7,217,422	11,085,000	13,809,000	10,186,381	Free.
Egypt	142,537	53,017	1,379,749	1,438,435	196,539	845,205	748,865	83,038	227,000	110,000	512,438	[4]
France	11,347,114	10,124,353	11,122,512	14,509,103	16,850,618	9,629,979	11,213,413	15,355,323	19,742,000	23,951,000	14,384,523	.147
Germany	37,527,343	30,450,853	38,533,308	44,883,053	49,203,029	26,372,295	27,833,917	22,562,742	29,267,000	44,973,000	4,970,150	.181
Italy	15,092,527	8,365,123	5,902,875	8,666,703	2,815,120	2,987,496	8,450,985	15,756,325	15,118,000	21,283,000	10,444,721	[5] .367 [6] .056
Mexico	496,028	476,182	1,454,327	2,079,553	1,554,145	179,157	1,169,733	8,907,181	9,050,000	1,548,000	2,691,230	.066
Netherlands	20,169,078	16,547,198	16,234,785	25,335,233	29,192,195	25,261,400	22,914,269	21,511,620	25,743,000	38,262,000	24,113,177	Free.
Norway	765,246	555,901	544,596	718,277	1,937,926	809,841	965,347	788,600	1,019,000	1,471,000	957,582	Free.
Portugal	366,005	531,889	2,724,050	370,611	577,736	2,015,388	2,347,800	518,042	418,000	952,000	1,084,211	.429
Russia	457,715	625,526	163,979	437,868	550,841	355,769	174,760	180,924	339,000	182,000	346,858	.240
Spain	1,484,490	2,761,436	1,901,186	2,647,975	4,552,178	3,320,040	6,411,009	[7] 526,303	5,685,000	6,851,000	4,314,360	.110
Sweden	180,357	234,993	491,035	564,946	393,588	488,077	272,284	277,160	460,000	[8] 460,000	376,843	Free.
Switzerland	2,611,233	2,704,457	2,498,340	2,837,391	2,867,764	2,480,164	3,143,216	3,605,403	4,059,000	4,342,000	3,119,867	.014
United Kingdom	101,284,919	86,076,697	84,156,490	97,733,832	106,709,048	68,195,271	78,037,369	73,495,852	77,479,000	88,108,000	86,133,849	Free.
Argentina												Free.
Brazil												.374
Chile												.301
Venezuela												.845

[1] Not for purposes of distillation. Corn for purposes of distillation dutiable at 7½ cents per bushel.
[2] Estimated.
[3] Preferential rate applicable to the United States, representing 70 per cent of general rate.
[4] 8 per cent ad valorem.
[5] White corn.
[6] Yellow corn.

Of total average imports of corn for 10 years (241,434,566 bushels), 156,585,937 bushels were imported by countries where it was admitted free; 84,848,629 bushels, or 35 per cent, went into countries where duty had to be paid.

It will be observed that Argentina is the only large corn-producing country excepting our own which does not levy a protective duty upon corn.

It will be noted that for 1912 Argentina exported 51 per cent of all corn exported in the world, while the United States shows that year 8 per cent.

In the first full year of the Underwood tariff law the importations of corn, estimated, will amount to 21,000,000 bushels, which is 8 per cent of the average international shipments of corn by all the nations of the earth for the last 10 years ending with 1912, complete world exports for 1913 or thereafter not being available. A reasonable estimate for 1914 would be, Argentina 75 per cent, United States 2½ per cent.

It will be noted that heretofore corn shipped to the free ports has not greatly exceeded that shipped to the protected ones; but that is changing. Corn producers look with considerable concern, first, on the greatly increased importation of the United States; second, the prospect for greater increase; third, the vast advantage which must accrue to our producing rivals, with none to ourselves; and, fourth, the discouragement to them at being required to produce on high-priced land with high-priced labor, and convey to market at high freight rates, and there compete with the product of low-priced land, low-paid labor, and low freights.

Argentina can afford to carry her corn past Brazil to New York, because if she stopped at Brazil she would have to pay to enter 37 cents per bushel. She could not afford to send it to Chile, as the duty there would be 30 cents per bushel, and the duty of 84 cents per bushel at Venezuela would prohibit her stopping there. So she can ship past every South American port to the United States, as the ocean freight is less to New York than the duty demanded in South American ports.

To all students of corn commerce, the export corn of the world is a large factor in fixing its price throughout corn-using countries. When Congressman RAINEY, from the corn belt of Illinois, a member of the Ways and Means Committee, on June 6, 1914, attempted to defend placing corn on the free list, he spent a great deal of time discussing the amount of corn imported since the tariff law went into effect. His basis of reasoning seemed to be that the imported corn bore but a slight comparison to the corn produced in the United States. That logic might satisfy Members living in the cities of the East, free traders of the South, or Northwestern Democratic Members who seek a palliation of their agricultural constituents' wrath. It would neither satisfy nor deceive any man who understands the corn business. If comparisons are to be made with the element of imports used as a price-fixing influence, the other facts of most importance are, first, how much corn in the United States is sold and moved out of the community of its production; second, how much corn is moved in international trade; third, how much of that corn can be taken at the free ports of the world; and, fourth, how much must be disposed of to countries collecting a duty. Figures illustrating these facts I have already presented.

I submitted two inquiries to the defender of free corn, Mr. RAINEY, of Illinois. First, would he tell the House or furnish for the RECORD statistics of the world exports. This he consented to do if he should regard the statement of sufficient importance. He did not furnish the information, so we must assume that he regarded the corn released from local demands throughout the world and ready for export to any inviting market had nothing to do with fixing or influencing the price of corn at any of these free markets or their vicinities.

The second inquiry was: He having attempted to show that the price of corn was not affected by the imports, why it seemed necessary to throw away 15 cents per bushel revenue which ought to be welcome at our rapidly depleting Treasury. A few million dollars revenue paid for the importation of corn ought to have appealed strongly enough to a tariff-for-revenue-only Democrat and overcome his prejudice against the producer. Permit me to say in passing that the whole theory of the Underwood tariff bill was to favor the consumer and injure or neglect the producer. It is needless to say that that inquiry was not squarely answered nor is it any discredit to the gentleman from Illinois that he has been unable to do so. It would be a reflection upon him and every member of the majority party to say that an extra session was called at large expense to the Government, a bill drafted and passed which released many millions of revenue and did not affect the commercial status in matter of price of the articles of import so largely increased.

That the importation of Argentine corn reduced the price from 8 to 15 cents a bushel is believed by men who understand the grain trade. Every market paper in the United States in quoting prices of corn from day to day refer to the Argentine shipments as an influential factor in influencing prices. During the seven months of this year the market papers have been quoting, as influencing the corn market, Argentine shipments and the prospects of rain or drought. Rainy weather tended to depress corn prices, just like Rainey legislation tended to bring down prices. In the first case, if prices fell the farmer was compensated in increased yield; but in the second instance the price was sent down with no increase of product. One was the benign blessing from heaven, the other the malign act of man. [Applause.]

For decades market papers of the United Kingdom have daily noted the influence upon corn quotations in that Empire of the Argentine crop—in prospect, harvest, and in transit. The markets of America are now in precisely the same condition relative to Argentine corn as the markets of the United Kingdom. The facts are that the importation of corn between October 3, 1913, and October 3, 1914, from Argentina to the United States will probably be greater than the average importation from the same country into the United Kingdom in recent years. Yet in recent years Argentina has exported to the United Kingdom more corn than has the United States, so that Argentine corn either in shipment or subject to shipment is a potential factor in fixing the prices of corn at New York as well as at Liverpool.

Further, during the grain-grading hearings recently held before the Agricultural Committee of the House there was a number of large grain dealers, including exporters and importers, present. Testimony by several was given, and all agreed that the importation of Argentine corn into the United States had materially reduced the market price of corn throughout the United States. And no corn dealer was there or could be produced who questioned those statements. I submit the testimony first of George W. Eddy, of the Boston Chamber of Commerce.

Mr. Eddy on page 131 of the hearings answered the question propounded by Congressman HAWLEY:

How would it—

Referring to Argentine corn—

compare in standard with ours? Would it be No. 2, No. 3, No. 4, or what?

Mr. EDDY. As graded in I think it is graded No. 2 yellow.

On page 132 Congressman MOSS submitted the inquiry:

If we had no surplus and if we were importing that, the amount we imported also, in your judgment, fixes the price. Do you mean to say that that fixes the price at interior points?

Mr. EDDY. It has an effect on the interior points indirectly. We get to a point where we can import Argentine corn that begins to come in and supply the seaboard, and that sets the price and stops the price from advancing, and the corn in the West gets the benefit of the nearer points only instead of giving them the whole broad market of the East as well.

Again on page 133:

Mr. MOSS. And of necessity it must be that was as long as you deal with imports and exports?

Mr. EDDY. Yes; but as a big market proposition on imports of Argentine corn you take away one-quarter of the demand of western corn by importations of Argentine corn, and that has a very decided influence on making the market for the corn we have to sell. * * *

And again:

Mr. HAWLEY. Have you had any information with relation to the Argentine corn being affected by the weevil?

Mr. EDDY. The old corn that was sold was somewhat affected with weevil, but the new corn that has been coming in has been very good. All that I have seen has been excellent, beautiful.

Henry Goemann, large grain dealer of Toledo, Ohio, testified in part as follows:

Mr. SLOAN. Yes; but the one controls the other. They control each other reciprocally, do they not; the cash and future markets?

Mr. GOEMANN. Yes. If you have got more cash grain than you need, the cash grain goes down and future grain also goes down. If you have more cash grain than you want, the future grain goes down under hedging sales, because the consumer will not buy.

Now take an illustration to-day. I am out of business on corn in the old channels in which I was trading up to six months ago, for the reason that the pressure of Argentine corn in all the consuming sections, from Florida to Maine, has driven me out. Now all that is taken away from us because the grain is headed here from Argentina, and the consumer realizes that he can buy Argentine corn cheaper than he can buy mine, and he realises the enormous quantity which he can get, and therefore he buys from hand to mouth, and in his buying from hand to mouth he depresses the price of corn in this country, and in consequence of that competition corn has declined 10 cents a bushel; it has declined in the future market. So the price of cash grain makes the future market to that extent.

Mr. Paddock, of Toledo, large grain dealer, said on page 236 of the hearings:

If it had not been for the importation of Argentine corn, I think the farmers would have realized 10 cents per bushel above the present price of corn on account of its coming.

Grain men generally, with due regard for their business judgment and reputation, will not express a contrary view.

Moreover, our State and Commerce Departments are busy year by year in attempting to open the ports of the world to our corn, and the opening of a port to our corn when accomplished is hailed with great satisfaction and credit is demanded therefor. Because that means the admission of our corn to that new open market gives the shipper opportunity of dividing with the purchaser the amount of the duty theretofore charged. This, of course, means that the local producer meeting with competition must ordinarily suffer a reduction of price.

Mr. RUCKER. Will the gentleman yield?

Mr. SLOAN. I decline to yield until I have finished this matter. Then, if I have time, I shall be pleased to answer any question which may be asked, if I am able to do so.

Mr. RUCKER. I have something which is right pertinent along that line of thought.

Mr. SLOAN. Undoubtedly. I know the gentleman always has something pertinent to ask and pertinent to explain.

That the importation of approximately 21,000,000 bushels of corn into this country within a year would not disadvantage the corn farmer is specially pleaded by the distinguished gentleman from Illinois. The amount imported is belittled, its effect minified, its possibilities reduced with all the zeal of a special pleader endeavoring to soften the judge or beguile the jury. The alleged insignificance of the importation reminds me of the indiscreet damsel who, when reproached with the evidence of her weakness and folly, said: "It's not so very bad; it's such a little one." [Applause.]

Mr. MADDEN. Mr. Chairman, this is a very interesting speech, and I think we ought to have a quorum here.

Mr. SLOAN. I hope the gentleman will withhold that point. I am nearly through with my remarks.

Mr. MADDEN. I make the point of no quorum.

The CHAIRMAN (Mr. PAGE of North Carolina). The gentleman makes the point of no quorum. The Chair will count. [After counting.] One hundred and three Members, a quorum.

Mr. MADDEN. I ask for tellers, Mr. Chairman.

The CHAIRMAN. The gentleman from Illinois asks for tellers, and the Chair will appoint the gentleman from Illinois [Mr. MADDEN] and the gentleman from Indiana [Mr. BARNHART].

Mr. MANN. Tellers for what?

The CHAIRMAN. To ascertain a quorum. It is unheard of, I think.

Mr. MADDEN. Oh, no.

The CHAIRMAN. The Chair counts 103 gentlemen present, and the gentleman from Nebraska [Mr. SLOAN] will proceed. There is a quorum present.

Mr. SLOAN. An amusing feature of Mr. RAINEY'S speech was his attempt to show that a large amount of the Argentine corn did not go to the Chicago market. The gentleman from Illinois might as well have proved that none of the corn went to the Rocky Mountains and climbed Pikes Peak. It mattered not where it went, every bushel competed with every other bushel of corn for sale in the United States. [Applause on the Republican side.] The gentleman from Illinois sought to defend the placing of corn on the free list on the ground that high prices are paid for corn in the late spring and summer, when the farmers have disposed of their corn. This is an ill compliment to the farmer's thrift, which throughout the Northwest prompts him to hold a good share of his surplus until season conditions give some hint to his prospect for a new crop. But more important, if the farmers could not and did not calculate clearly about probable market conditions when they have the two large factors—home production and home market—how less able would they be to cope with a world production and loss of home market?

The defense of the gentleman from Illinois against the importations on account of limited amount of corn actually entered is like the Texas youth who, having shot and killed a man, pleaded extenuating circumstances in that he had not used on him his remaining cartridges. [Applause on the Republican side.]

As the surplus water gathers in the great Mississippi it presses outward upon the banks, yet 90 per cent of the water runs within the limits of the main channel. Of that small surplus which passes first bottom and goes beyond the crop line there is usually not more than 1 per cent of the whole water for the period of the flood. Had the Congressman said to a farmer when but one-half of 1 per cent of the Mississippi flood had run over his crop that he therefore had suffered no damages, he would have received but scant approval and undoubtedly lost a vote. [Applause on the Republican side.]

Twenty-one million bushels is 8 per cent of all the international shipment of corn in all the world, based on 10 years' average. Members will understand the effect of that when we recall that the increase in the shipment of all our manufactured articles under the new tariff law over last year's importations is only 8¼ per cent. We are reminded by looking about us of the number of men thrown out of employment, the amount of wages reduced, the number of factories closed or hours reduced, the idle cars, and stagnated business arising out of that tariff change or incident thereto. It will suggest an appreciation of what an importation of 8 per cent of all the exportable corn of the world into America means.

Farmers are entitled to the benefits of a steady home market, so that if crops are short they may have some compensation in steady liberal prices, because in good years and bad their necessities demand constant purchases from other industries. In that way steady markets and prices for home demands are kept up.

The farmers in the years of their failure or famine should not be at the mercy of the competition of the great bumper crops raised beyond the seas. [Applause on the Republican side.] In the end the effect of the present policy will be to discourage home production and leave the consumers at the mercy of the foreign producer and speculator, uncontrolled by the check of our laws.

The much-vaunted foreign market has, under the demonstration of this foreign war, been proving itself the delusion and snare which protectionists have been teaching for generations. This demonstration has made overnight many southern free traders into protectionists. It has made them also would-be builders of cotton factories and zealous advocates of ship subsidies. Even gold Democrats are talking cotton money to relieve them from defaults of foreign cotton markets. They all agree now that busy mills of New England should be preferred to the unreachable markets beyond the seas. This great world war is teaching all not to depend on foreign ships, foreign markets, or foreign free-trade tariff policies. [Applause on the Republican side.]

When the next tariff bill or bills are written, their sponsors, instead of claiming as a virtue any growth of our "industries beyond the seas," will assert, "What America needs that we will produce; what she desires that we will make." We prefer the markets of New York and Chicago to the markets of London and Liverpool. The busy looms of Lowell will be preferred to the whirling spindles of Manchester; the furnaces of Pittsburgh and Birmingham to the imprisoned fire and flame of all Europe. We prefer the American laborer to the toiler of the Continent. And we will protect our farmers against the husbandmen anywhere else on earth. [Applause on the Republican side.]

Corn being the leading cereal and first of our products, we should guard it well, lest coming in contact with the weevily product of Argentina its high station will be reduced. Until last October a moderate tariff kept out the Argentine corn and weevil. When Great Britain more than a century and a third ago was furthering her special revenue as well as other schemes for Americans she brought into the country the Hessian fly, which has been a scourge to our wheat and a burden to our farmers ever since. Again, when foreign thought in more subtle form has control of our revenue policy they are bringing in the Argentine weevil to fret our corn raisers for generations to come. [Applause on the Republican side.]

We should be jealous of King Corn's integrity and primacy. It is the one great cereal planted and grown upon the square. Cultivated in lawful atmosphere, it is a sustaining food for man and beast. When wheat failed, barley was scarce, and rye did not crop, it furnished food for the Nation and was the source of "meal and meat." Reared in outlawry, it liquefies in secrecy into the delectable delight of mountain dew. [Applause.] It is the one important grain grown by the original owners of America.

Its silver plume waved here before the helmet of the Florentine glistened on the Western Continent. Its breastplate of gold preceded the discovery of California nuggets. That gold, combined with alfalfa emerald, makes marbled beef, rainbow bacon, and ruby ham. It has contributed more to northwestern thrift and southern hospitality than any other product of American soil. It is entitled to every protection that the Nation, so

dependent upon it, can give, and that which hath been unjustly taken from it should be righteously restored. [Applause on the Republican side.]

Mr. Chairman, I yield back the remainder of my time.

The CHAIRMAN. The gentleman yields back three minutes to the gentleman from Wisconsin.

Mr. STAFFORD. Mr. Chairman, I yield to the gentleman from Massachusetts [Mr. GILLETT] such time as he may wish to use.

[Mr. GILLETT addressed the committee. See Appendix.]

Mr. STAFFORD. Will the gentleman on the other side [Mr. BARNHART] use some of his time?

Mr. BARNHART. The gentleman from Pennsylvania [Mr. KIESS] desired 15 minutes, but he does not seem to be present at this moment. I will yield 10 minutes additional to the gentleman from Wisconsin [Mr. STAFFORD].

Mr. STAFFORD. I yield 10 minutes to the gentleman from Washington [Mr. HUMPHREY].

Mr. HUMPHREY of Washington. Mr. Chairman, owing to my well-known attitude in regard to our merchant marine, and because of the fact that I have been one of the most active men in the United States in urging the restoration of the American flag to the sea, and that the bill passed a few days ago was opposed to what I have always advocated, I have been asked why I did not actively oppose that measure. I do not assume that my attitude upon this bill is of sufficient public importance to justify me in taking up the time of the House even for a few minutes; but feeling that just at this time, in view of the great European war and the duties and responsibilities that it has placed upon this Nation, I might in so doing be able in a measure to do a service to my country, is the explanation why I shall take a few moments in regard to the matter.

I wish, briefly, first to explain the conditions on the Pacific coast, and especially in the Pacific Northwest, as related to this legislation.

When the Underwood tariff bill was pending before Congress we pleaded for protection of the industries of the Northwest. The answer we received was to place practically every one of our products on the free list. The tariff was taken from lumber, shingles, and dairy and farm products. The Underwood tariff law benefited British Columbia; it injured the State of Washington. The Chinaman, the Hindu, and the Japanese were given preference by that law to the American citizen.

That law closed our mills and opened those of British Columbia. More shingles came into the United States from British Columbia during the month of last June than ever came into this country before in any one year, and this amount is constantly increasing. These shingles are produced almost entirely by oriental labor. With free lumber and free shingles, and with the British Columbia manufacturer having the benefit of cheap free ships manned by cheap foreign crews that carry their product to the Atlantic coast markets of this country, the only hope left for the lumber and shingle industry of my State was the advantage given American ships through the Panama Canal. Then this advantage, to placate the demands of the transcontinental railroads and to cover up the blunders in Mexico, was taken from us. This action increased the rate on every thousand feet of lumber sent from the Pacific coast to the Atlantic, either by rail or water, $1.50, and gave the benefit of that $1.50 to the manufacturer of British Columbia.

Through a defect in our navigation laws the Pacific Northwest is denied absolutely the protection of the coastwise law between the Atlantic and Pacific ports, an unjust and infamous discrimination against a small portion of our own country. I have tried in vain to have this remedied. But the distinguished leader of the majority frankly told me that he would not permit it to be done in the tariff law, and also stated that he would do all that he could to prevent it being changed by any other method. With that statement the Pacific Northwest is absolutely helpless until the Republican Party shall again come into power. Perhaps under a Republican administration it will be possible to have all laws, whether wise or unwise, apply alike to all parts of our common country.

To-day it is not a question of whether the trade from Puget Sound through the Panama Canal with our Atlantic coast shall be carried in American ships or foreign ships; it will be carried mostly in foreign ships. The only question is, Shall those ships run from Puget Sound or from British Columbia? To illustrate, a foreign ship loads with lumber and shingles at Vancouver. It unloads that cargo at Philadelphia. There it loads with steel and furniture, goes back through the canal and unloads the cargo at Vancouver, British Columbia. That steel and furniture are placed on the cars and sent to Bellingham, Spokane, and other points in the United States without the payment of a single cent of duty or charges of any kind or character. The cars that carry this cargo into the various portions of the United States are then loaded with lumber or shingles or wheat or other freight, whether this freight be produced in the United States or British Columbia, is taken to Vancouver, and there on a foreign ship it is sent to any American port without being required to pay charges of any kind.

These are the conditions we face at Seattle and on Puget Sound. We are not protected by the laws of our own country as every other section is protected. We do not have the equal rights guaranteed to us under the Constitution. We are discriminated against by law, one of the most infamous forms of tyranny. And this Democratic Congress has steadfastly refused to even consider changing this injustice, and by denying American ships free passage through the Panama Canal they took from us our last defense. This discrimination against this one section of our country is inexcusable and vital to the prosperity of the Pacific Northwest.

Under these circumstances I felt that the people of that section were justified in demanding foreign ships for the trade from coast to coast and that such provision should be incorporated in the bill. I felt that they were justified in making this demand, as the man is justified in taking life in self-defense. What under ordinary circumstances may be a crime then becomes a commendable act. But as the bill was finally passed we were denied on the Pacific coast all relief. As it has happened only too often before, the South and the East were cared for and the Pacific coast was neglected. Then why did I not make vigorous protest against the bill as finally passed? This is my answer:

To-day the greatest war of the world is devastating the earth. The greatest tragedy since men have for love or hate murdered men is now being enacted. Never before was the earth so wet with human blood as it is to-day. The map of the world is being changed. Kingdoms and empires are crumbling. The history of the human race is being written by a giant and bloody hand. Modern civilization is showing its latent savagery. When the end will come nor what the result will be no earthly wisdom can tell.

We think of the white upturned faces of the dead, the anguish and suffering of the wounded and dying, the grief and anguish of widows and orphans, the indescribable suffering and misery, poverty and want that must follow. As we think of all these countless and helpless victims of human greed, ambition, and ignorance the appalling horror of it oppresses and almost stupefies us. We can not but feel that this measureless sacrifice is useless. But let us hope that it will not be in vain.

We know that most of those who go down to cruel death are innocent victims of a power they could not control and of a conflict that they did not desire. The great common people of all the nations involved loved peace, they hated war. There is no same man in all the world to-day but who deplores this bloody conflict. Ours is the one great nation of the earth not involved. Upon us more than upon any other nation rests the responsibility of keeping in a position of absolute neutrality, not only for our own sake but for the sake of humanity. [Applause.]

Never before in the history of the world has so great a responsibility rested upon a nation as rests upon us now. Never before in the history of the human race has there come such a great opportunity to benefit mankind as comes to us to-day.

What we must do above all things else is to remain neutral, to remain at peace with all, and maintain that peace with honor.

Every true American citizen unreservedly approves the sentiments upon this proposition so beautifully and patriotically expressed by the President and by the distinguished gentleman from Illinois [Mr. MANN]. The words of these two great men in this trying time should be an inspiration and a guiding star to the American people. [Applause.]

In this awful conflict we pity all; we favor none. That many dangerous conditions will come is almost certain. Men or nations clutching at each other's throats engaged in a death struggle do not stop to reason. They are controlled by the insanity of hate. They do desperate things. We should remember these facts and not be swept from cool judgment by their acts. When such emergency arises, then is the time for self-control, for dispassionate thinking, for careful speaking, on the part of every true American that we may remain at peace, act justly, and discharge faithfully the mighty duty that fate has placed upon us.

This Nation to-day suffers commercially beyond computation, but we should not grow hysterical or resentful. Let us determine that overanxiety on the part of some for the dollar shall not involve us in this conflict. [Applause.] Our commercial

injury is great, but it is as nothing compared with the calamities of war.

Let us be thankful that conditions are no worse, and pray to Him who holds the destiny of nations in the hollow of His hand that we may not become involved in this awful conflict. [Applause.]

It is said that the Democratic Party will profit by this war. It may be so. If it profits by ably and patriotically performing its duty in this hour of our country's need, then all good citizens will rejoice. [Applause.] If it attempts to play politics and tries to save the party instead of the country, then the curse of this people and of generations yet unborn will fall upon it. [Applause.]

In this emergency there should be no party and no politics. My partisanship stops at the boundaries of my own country. Beyond that, when it is this Nation against the rest of the world, then we are all Americans. [Applause.]

While this shipping bill as it has been passed did not meet my judgment, and while I believe it will be disappointing in its immediate results and disastrous in the end, and while I feared that it might lead us into great danger, I did not actively oppose it; and why? Because the President had asked for this legislation. He believed it wise. He is in a better position to judge of the conditions than anyone else. In this trying hour his responsibilities are the greatest. No one doubts his integrity or his patriotism. And I did not propose by any word or act of mine to do anything, standing as we are in the shadow of this great world war, that could possibly be construed, either at home or abroad, to the effect that the people of this country were not in this mighty emergency, without regard to party or politics, standing as one man back of the President. [Applause.]

Mr. MANN. Mr. Chairman, I yield to the gentleman from West Virginia [Mr. HUGHES] such time as he may occupy.

Mr. HUGHES of West Virginia. Mr. Chairman, I submit a few figures and facts relating to finance, commerce, and business conditions:

Receipts and disbursements, United States Government, 1901–1914.

ORDINARY RECEIPTS BY FISCAL YEARS.

Years ending June 30—	Customs.	Internal revenue.	Direct tax.	Miscellaneous sources.		Total ordinary receipts.	Excess of ordinary receipts over ordinary disbursements.
				Premiums on loans and sales of gold coin.	Other miscellaneous items.		
1901	$238,585,456	$307,180,664			$38,954,098	$587,685,388	$77,717,984
1902	254,444,708	271,600,122			36,153,403	562,478,233	91,987,375
1903	284,479,582	230,410,124			45,106,968	560,396,674	54,297,667
1904	261,274,565	232,904,120			45,538,229	539,716,914	7,479,092
1905	261,798,857	234,095,741			48,712,161	544,606,759	18,153,335
1906	300,251,878	249,150,213			45,315,851	594,717,942	45,212,517
1907	332,233,363	269,666,778			61,225,524	663,125,665	111,420,531
1908	286,113,130	251,711,127			63,236,466	601,060,723	20,041,667
1909	300,711,934	246,212,644			56,664,912	603,589,490	58,734,965
1910	333,683,445	289,933,519			51,894,751	675,511,715	15,806,324
1911	314,497,071	322,529,201			64,346,103	701,372,375	47,234,577
1912	311,321,672	321,612,900			58,844,593	691,778,465	37,124,502
1913	318,891,396	344,416,966			60,802,868	724,111,230	41,140,524
1914[1]	292,128,528	380,000,000			62,215,173	734,343,701	33,784,452

[1] Preliminary figures.

ORDINARY DISBURSEMENTS BY FISCAL YEARS.

Years ending June 30—	Premium on loans and purchase of bonds, etc.	Other civil and miscellaneous items.	War Department.	Navy Department.	Indians.	Pensions.	Interest on public debt.	Total ordinary disbursements.
1901		$122,282,003	$144,615,607	$60,506,978	$10,896,073	$139,323,622	$32,342,979	$509,967,353
1902		113,460,324	112,272,216	67,803,128	10,049,585	138,488,560	29,108,045	471,190,858
1903		124,934,305	118,619,520	82,618,034	12,935,158	138,425,643	28,556,340	506,089,022
1904		136,602,208	115,635,411	102,956,102	10,438,350	142,559,265	24,646,490	532,837,822
1905		143,033,729	122,175,074	117,550,308	14,236,074	141,773,965	24,590,944	563,360,094
1906		142,894,472	117,946,692	110,474,264	12,746,859	141,034,562	24,308,576	549,405,425
1907		153,045,913	122,576,463	97,128,469	15,163,609	139,309,514	24,481,158	551,705,129
1908		175,420,409	137,746,523	118,037,097	14,579,755	153,892,467	21,426,138	621,102,390
1909		186,502,150	161,067,462	115,546,011	15,694,618	161,710,367	21,803,835	662,324,445
1910		180,076,442	155,911,706	123,173,717	18,504,131	160,696,416	21,342,979	659,705,391
1911		173,838,599	160,135,975	119,937,644	20,982,870	157,980,575	21,311,334	654,137,998
1912		173,824,989	148,795,422	135,501,956	20,134,840	153,590,456	22,616,330	654,553,933
1913		170,829,673	160,387,453	133,262,862	20,306,159	175,085,451	22,8-9,108	682,770,706
1914[1]								700,559,248

[1] Preliminary figures.

Foreign commerce.

MERCHANDISE.

Fiscal year.	Imports.	Exports.	Excess of imports.	Excess of exports.
1893	$866,400,922	$847,665,194	$18,735,728	
1894	654,994,622	892,140,572		$237,145,950
1895	731,969,965	807,538,165		75,568,200
1896	779,724,674	882,606,938		102,882,264
1897	764,730,412	1,050,993,556		286,263,144
1898	616,049,654	1,231,482,330		615,432,676
1899	697,148,489	1,227,023,302		529,874,813
1900	849,941,184	1,394,483,082		544,541,898
1901	823,172,165	1,487,764,991		664,592,926
1902	903,320,948	1,381,719,401		478,398,453
1903	1,025,719,237	1,420,141,679		394,422,442
1904	991,087,371	1,460,827,271		469,739,900
1905	1,117,513,071	1,518,561,666		401,048,595
1906	1,226,562,446	1,743,864,500		517,302,054
1907	1,434,421,425	1,880,851,078		446,429,653
1908	1,194,341,792	1,860,773,346		666,431,554

Foreign commerce—Continued.

Fiscal year.	Imports.	Exports.	Excess of imports.	Excess of exports.
1909	$1,311,920,224	$1,663,011,104		$351,090,880
1910	1,556,947,430	1,744,948,720		188,037,290
1911	1,527,236,105	2,049,320,199		522,084,094
1912	1,653,264,934	2,204,322,409		551,057,475
1913	1,813,008,234	2,465,884,149		652,875,915
1914	1,891,169,180	2,364,625,555		470,457,375

First six months, 1914.

Excess of exports:	
January	$49,323,680
February	25,875,369
March	4,943,930
Excess of imports:	
April	11,329,544
May	2,476,896
June	953,722
July	8,462,233

Imports of 1913 and 1914—Continued.

[From Monthly Summary of Commerce and Finance.]

Groups.	Twelve months ending June—			
	1913		1914	
	Dollars.	*Per ct.*	*Dollars.*	*Per ct.*
Free of duty:				
Crude materials for use in manufacturing	509,725,230	51.62	549,489,594	48.73
Foodstuffs in crude condition, and food animals	179,829,039	18.21	201,851,983	17.90
Foodstuffs partly or wholly manufactured	10,889,197	1.10	37,069,761	3.29
Manufactures for further use in manufacturing	180,580,155	18.29	201,054,183	17.83
Manufactures ready for consumption	97,122,111	9.83	127,149,718	11.28
Miscellaneous	9,378,430	.95	10,887,460	.97
Total free of duty	987,524,162	100.00	1,127,502,699	100.00
Dutiable:				
Crude materials for use in manufacturing	125,484,971	15.20	84,565,294	11.03
Foodstuffs in crude condition, and food animals	31,917,461	3.87	45,983,522	6.00
Foodstuffs partly or wholly manufactured	183,354,023	22.21	190,165,423	24.81
Manufactures for further use in manufacturing	168,821,773	20.45	118,660,704	15.48
Manufactures ready for consumption	311,056,593	37.68	321,163,230	41.91
Miscellaneous	4,849,251	0.59	5,884,785	0.77
Total dutiable	825,484,072	100.00	766,422,958	100.00
Free and dutiable:				
Crude materials for use in manufacturing	635,210,201	35.04	634,054,889	33.48
Foodstuffs in crude condition, and food animals	211,746,500	11.68	247,835,505	13.08
Foodstuffs partly or wholly manufactured	194,243,220	10.72	227,235,184	12.00
Manufactures for further use in manufacturing	349,401,928	19.27	319,714,887	16.88
Manufactures ready for consumption	408,178,701	22.51	448,312,948	23.67
Miscellaneous	14,227,681	.78	16,772,245	.89
Total imports of merchandise	1,813,008,234	100.00	1,893,925,657	100.00
Per cent of free		54.47		59.54
Duties collected from customs	318,142,344		292,128,528	
Average ad valorem rate:				
On dutiable		38.54		38.12
On total imports		17.55		15.42

IMPORTS OF FARM PRODUCTS.

Imports into the United States of certain farm products for 9 months ending June 30, 1914, under the tariff law of 1913, together with the imports of the same articles for 9 months ending June 30, 1913, under the tariff law of 1909 and the per cent of increase. Also the imports of the articles for the 9 months under the present tariff law compared with the imports of the same articles under the 1909 tariff law for the full year ending June 30, 1913.

Article.	Total imports for 9 months, October, 1913, to June, 1914, inclusive, under tariff law of 1913.		Total imports for 9 months, October, 1912, to June, 1913, inclusive, under tariff law of 1909.		Per cent of increase or decrease, 9 months under 1913 law, compared with 9 months under 1909 law.[23]	Total imports, year ending June 30, 1913, under tariff law of 1909.		Amount of increase in value for 9 months under new law over full year under old law.	Per cent of increase, 9 months over full year.[23]
	Quantity.	Value.	Quantity.	Value.		Quantity.	Value.		
					Per cent.				*Per cent.*
Cattle[1] ..... number..	725,584	$16,345,448	366,130	$5,771,094	98	421,649	$5,640,668	$9,704,780	166
Horses[2] ..... do....	29,911	1,803,930	7,852	1,386,086	280	10,008	2,125,875	.....	.....
Sheep[4] ..... do....	220,809	301,648	13,330	74,127	1,548	15,428	90,021	301,627	335
Animals, other (including live poultry)[5]	.....	584,915	.....	201,027	190	.....	248,980	335,935	134
Bread and biscuits[6]	.....	354,244	.....	207,433	69	.....	255,330	98,908	38
Corn[7] ..... bushels..	11,843,166	7,598,702	274,733	160,781	4,210	903,062	491,079	7,107,623	1,444
Oats[6] ..... do....	22,276,137	7,882,733	79,966	37,678	29,145	723,899	289,364	7,593,369	2,627
Wheat[7] ..... do....	1,971,430	1,755,955	472,385	368,816	317	797,528	559,579	1,196,376	213
Hay[8] ..... tons..	143,865	1,410,738	106,026	956,812	35	155,763	1,514,311	.....	.....
Beef and veal[9 10] ..... pounds..	176,333,072	[24] 15,140,173				4,288,764	322,567	14,817,606	4,593
Mutton and lamb[9 10] ..... do....	12,690,924	[24] 1,112,294				212,843	716,406	1,095,888	6,679
Pork[9 10] ..... do....	4,594,602	[24] 537,946				261,247	38,682	499,264	1,290
Prepared and preserved meats[9 10]	.....	[24] 1,751,388	.....	1,103,949	1,677	.....	426,788	1,328,100	311
Bacon and ham[10 11] ..... pounds..	2,006,960	[24] 383,669				628,367	156,933	226,736	144
All other meats[9 10]	.....	[24] 693,665				.....	297,581	396,084	133
Sausage and bologna[12] ..... pounds..	553,422	141,235	597,648	133,877	7	728,469	157,871	.....	.....
Sausage casings[12]	.....	2,227,856	.....	1,753,179	27	.....	2,476,082	.....	.....
Milk and cream, fresh and condensed[3]	.....	1,889,752	.....	859,039	119	.....	1,203,833	685,919	56
Butter and substitutes[13] ..... pounds..	7,390,147	1,646,408	980,622	258,367	652	1,162,253	304,090	1,342,318	441
Cheese and substitutes[14] ..... do....	48,090,810	8,775,541	38,084,797	7,027,405	26	49,387,944	9,185,184	.....	.....
Eggs[1 15] ..... dozen..	5,832,725	1,059,593	[25] 953,823	143,784	511	1,271,765	191,714	867,879	452
Vegetables:									
Beans[16] ..... bushels..	1,416,566	2,504,214	711,511	1,383,695	99	1,048,297	1,938,105	666,109	34
Onions[17] ..... do....	810,956	742,291	573,730	361,222	41	789,458	481,756	260,535	54
Peas, dried[17] ..... do....	771,023	1,638,709	657,290	1,074,849	17	1,134,346	1,835,775	.....	.....
Potatoes[18] ..... do....	1,652,658	799,554	308,960	279,103	494	327,230	303,214	496,340	163
All other in natural state[19]	.....	1,374,413	.....	1,172,418	17	.....	1,410,354	.....	.....
Wool, unmanufactured[20 21] ..... pounds..	223,146,052	48,730,303	136,169,670	25,040,880	63	195,293,255	35,579,823	13,150,480	36
Total	.....	129,280,817	.....	49,853,631	159	.....	60,322,865	.....	83

[1] Free on and after Oct. 3, 1913.
[2] Duty reduced from $30 per head where value not over $150, 25 per cent ad valorem where value over $150 per head, to 10 per cent ad valorem on all.
[3] Live poultry reduced from 3 cents per pound to 1 cent per pound, dead from 5 cents per pound to 2 cents per pound.
[4] Either placed on the free list or duty reduced about one-half.
[5] Free on and after Oct. 3, 1913. Duty was 15 cents per bushel.
[6] Duty reduced from 15 cents per bushel to 6 cents per bushel.
[7] Free if imported from countries which impose no duties on like imports from United States, otherwise 10 cents per bushel. Duty was 25 cents per bushel.
[8] Duty reduced from $4 per ton to $2 per ton.
[9] Free on and after Oct. 3, 1913. Duty was 25 per cent ad valorem.
[10] Included in all other meat products prior to July 1, 1913.
[11] Free on and after Oct. 3, 1913. Duty was 4 cents per pound.
[12] Free under both laws.
[13] Duty reduced from 6 cents per pound to 2½ cents per pound.
[14] Duty reduced from 6 cents per pound to ad valorem duty equivalent to about 4 cents per pound.
[15] Included in all other articles prior to Oct. 3, 1913.
[16] Duty reduced from 45 cents per bushel to 25 cents per bushel.
[17] Duty decreased from 40 cents per bushel to 20 cents per bushel.
[18] Free if imported from countries which impose no duties on like imports from United States, otherwise 10 per cent ad valorem. Duty was 25 cents per bushel.
[19] Duty reduced from 25 per cent ad valorem to 15 per cent ad valorem.
[20] Practically all free of duty since Dec. 1, 1913.
[21] Per cent of increase of wool for 7 months under new law over same period of last year under old law, 96 per cent.
[22] Per cent of increase figured on quantities, where quantities are given, otherwise on values.
[23] Per cents of increase figured on values.
[24] Total value of all meat products, except sausage, bologna, and bologna casings, for 9 months, $19,672,625; for June, 1914, $3,606,094, compared with $125,498 for June, 1913.
[25] No figures for months under old law. Quantity and value figured as two-thirds of year.

The period of nine months ending with July 1 showed an increase over the corresponding nine-month period under the old law of 159 per cent. This period is significant in this, that it covers three-fourths of the fiscal year of 1914 and does not include any part of the period influenced by anticipation or actual occurrence of the European war. These figures show not only an enormous increase of farm products, but a progressive one.

	Steel orders. Unfilled tonnage.
Jan. 31, 1913	7,827,368
Feb. 28, 1913	7,656,714
Mar. 31, 1913	7,468,956
Apr. 30, 1913	6,978,762
May 31, 1913	6,324,322
June 30, 1913	5,807,317
July 31, 1913	5,390,356
Aug. 31, 1913	5,229,408
Sept. 30, 1913	5,003,785
Oct. 31, 1913	4,513,767
Nov. 30, 1913	4,396,347
Dec. 31, 1913	4,282,108
Jan. 31, 1914	4,613,680
Feb. 28, 1914	5,026,440
Mar. 31, 1914	4,653,825
Apr. 30, 1914	4,277,068
May 31, 1914	3,998,160
June 30, 1914	4,032,857
July 31, 1914	4,158,589

It will be seen that the falling off for the first seven months of 1914, as compared with the corresponding months of 1913, is about 35 per cent.

INCREASED IMPORTS OF WOOL AND WOOLENS.

Exports from Bradford to the United States of wool and manufactures of wool, first 5 months, 1914, 1913, 1912, by months.

[Compiled from British Board of Trade Reports.]

Date.	British and colonial wool.	British wool.	Worsted yarns.	Worsted tissues.	Woolen tissues.
	Pounds.	*Pounds.*	*Pounds.*	*Yards.*	*Yards.*
January, 1914	8,800	2,600	117	4,220	987
January, 1913	2,700	1,900	9	1,406	328
January, 1912	6,700	1,000	.....	1,007	246
February, 1914	10,800	1,900	123	2,742	696
February, 1913	7,300	600	.....	381	220
February, 1912	11,400	1,200	8	634	201
March, 1914	9,900	2,000	159	3,102	600
March, 1913	4,800	800	.....	479	122
March, 1912	7,500	2,100	2	897	211
April, 1914	14,600	2,300	172	2,031	464
April, 1913	4,700	500	9	796	116
April, 1912	9,000	2,000	10	323	104
May, 1914	12,500	2,200	284	1,933	548
May, 1913	2,500	400	5	675	109
May, 1912	12,100	1,900	4	532	103
Total Jan. 1 to June 1, 1914	56,600	11,000	846	14,028	3,293
Total Jan. 1 to June 1, 1913	23,100	4,200	24	3,737	865
Total Jan. 1 to June 1, 1912	46,800	8,200	24	3,392	866

The United States consul at Bradford, England, reports that the declared exports to the United States from the Bradford consular district for the six months ended June 30, 1914, amounted to $17,494,869, the largest total in the history of this consulate, with the single exception of the first six months of 1897—the closing days of the Wilson tariff—when the exports amounted to $19,115,953.

The shipment of raw wool amounted to $6,223,271, as compared with $1,657,397 during the first six months of 1913.

Failures first 6 months.

[Dun's Review.]

	Number.	Liabilities.
1911	7,661	$103,698,334
1912	8,317	108,000,000
1913	8,163	132,909,061
1914	8,334	185,099,730

A comparison of the second quarter—April, May, and June—of 1914 with same period of previous years Dun's Review average liabilities:

1893	$37,994
1894	15,751
1895	14,370
1896	13,504
1897	15,121
1898	11,381
1899	7,165
1900	17,114
1901	9,943
1902	9,699
1903	13,366
1904	10,949
1905	9,303
1906	11,515
1907	15,173
1908	12,805
1909	14,787
1910	13,678
1911	14,319
1912	12,898
1913	15,135
1914 (largest since 1893; double the average of all years since 1893)	28,874

Building operations.

[Dun's Review.]

	1914	1913
January	$39,436,463	$44,910,430
February	41,323,571	46,526,158
March	71,812,291	73,962,102
April	71,760,083	83,122,725
May	75,055,258	74,042,482
June	72,740,768	68,972,274
Total	370,128,434	389,536,670

A decrease every month but June.

Bank clearings.

[Dun's Review.]

	1914	1913	1912
Average daily:			
First quarter	$509,039,000	$518,163,000	$530,919,000
Second quarter	473,418,000	480,894,000	500,140,000

WHAT THE RECORDS SAY OF BUSINESS FOR THE FIRST HALF OF THE YEAR 1914.

Bank clearings of the United States to June 30, first half of the fiscal year, $85,477,992,669; a decrease of $779,606,215.

Railway gross earnings on an average of 218,541 miles for five months ended May 30, $997,558,018; a decrease of $57,404,302.

Commercial failures for the first half of the year, 8,344, as against 8,163 in the same period of 1913, involving $185,099,730, as against $132,909,061.

Banking failures same period, 93, involving liabilities of $28,621,312, as against 55 in the same period of 1913, with liabilities of $6,417,372.

Meanwhile there has been exported $100,000,000 in gold.

THE TRADE SITUATION AND THE OUTLOOK.

Table showing conditions of trade and future probabilities in all industries, based upon statements made by 2,845 manufacturers.

Industry.	Percentage of replies showing—															
	Improvement in sales, Jan. 1 to June 30, 1914, compared with Jan. 1 to June 30, 1913.				Improvement in collections, Jan. 1 to June 30, 1914, compared with Jan. 1 to June 30, 1913.				Present condition of industry.				Prospects of industry for the current year.			
	None.	Slight.	Fair.	Marked.	None.	Slight.	Fair.	Marked.	Poor.	Fair.	Good.	Excellent.	Poor.	Fair.	Good.	Excellent.
	Per ct.	*Per ct.*	*Per ct.*	*Per ct.*	*Per ct.*	*Per ct.*	*Per ct.*	*Per ct.*	*Per ct.*	*Per ct.*	*Per ct.*	*Per ct.*	*Per ct.*	*Per ct.*	*Per ct.*	*Per ct.*
Agricultural implements	62	13	12	13	58	14	20	8	32	38	22	8	20	43	27	10
Brewing and distilling:																
(a) Malt liquors	58	10	17	6	68	13	16	4	21	47	18	14	27	38	22	13
(b) Spirituous liquors	73	9	18	.....	50	8	42	.....	50	33	8	.....	44	44	12	.....

Table showing conditions of trade and future probabilities in all industries, based upon statements made by 2,645 manufacturers—Continued.

Industry.	Percentage of replies showing—															
	Improvement in sales, Jan. 1 to June 30, 1914, compared with Jan. 1 to June 30, 1913.				Improvement in collections, Jan. 1 to June 30, 1914, compared with Jan. 1 to June 30, 1913.				Present condition of industry.				Prospects of industry for the current year.			
	None.	Slight.	Fair.	Marked.	None.	Slight.	Fair.	Marked.	Poor.	Fair.	Good.	Excellent.	Poor.	Fair.	Good.	Excellent.
	Per ct.	*Per ct.*	*Per ct.*	*Per ct.*	*Per ct.*	*Per ct.*	*Per ct.*	*Per ct.*	*Per ct.*	*Per ct.*	*Per ct.*	*Per ct.*	*Per ct.*	*Per ct.*	*Per ct.*	*Per ct.*
Cement clay and products:																
(a) Builders' material	62	16	9	13	58	20	17	5	34	41	17	7	45	28	18	9
(b) Cement	80	13	7	.....	90	5	5	.....	41	59	.....	.....	47	37	16	.....
(c) Crockery and pottery	64	9	18	9	74	.....	17	9	36	44	12	8	30	52	9	9
(d) Paving material, etc	50	12	25	13	30	30	10	.....	13	25	50	12	14	14	29	43
Chemicals, oils, acids, etc.:																
(a) Acids	53	7	27	13	56	19	19	6	29	35	24	12	31	44	19	6
(b) Paints, varnishes, and dyes	58	20	13	8	57	14	27	2	27	46	20	7	25	48	20	7
(c) Soaps and perfumery	39	17	33	11	61	11	22	6	12	53	23	12	11	56	22	11
(d) Vegetable and mineral oils	40	15	25	20	63	6	31	.....	18	47	35	.....	11	50	28	11
Drugs (finished)	33	17	22	28	55	17	17	11	18	29	35	18	18	18	35	29
Food products:																
(a) Cereals and by-products	28	6	50	16	56	13	22	9	19	25	41	15	13	27	37	23
(b) Food animals and by-products	33	20	27	20	60	20	13	7	25	32	18	25	27	33	27	13
(c) Preserved foods	40	.....	47	13	31	19	31	19	19	37	25	19	10	30	30	20
(d) Sugar and by-products	73	6	18	3	79	3	12	6	31	49	17	3	11	55	30	4
Glass and products:																
(a) Bottles and glassware	40	32	16	12	58	15	15	12	27	30	19	15	24	40	20	16
(b) Mirrors, plate, and window	87	13	.....	.....	82	12	6	.....	40	53	.....	7	44	44	12	.....
Iron and steel:																
(a) Bridge construction	56	28	11	5	65	12	23	.....	27	55	18	.....	48	40	12	.....
(b) Building construction	65	19	7	9	78	8	12	2	46	42	8	4	46	33	16	5
(c) Pig iron	93	7	.....	.....	77	7	13	3	72	24	4	.....	71	29	.....	.....
(d) Railway	83	17	.....	.....	79	8	13	.....	69	10	4	17	74	26	.....	.....
(e) Steel billets	81	12	7	.....	69	12	19	.....	61	23	12	4	73	15	8	4
(f) Unfinished machinery	76	10	10	4	78	13	7	2	59	28	9	4	56	36	4	4
Jewelry and silverware:																
(a) Jewelry	73	10	14	3	69	10	21	.....	47	37	16	.....	54	30	13	3
(b) Silverware	60	10	30	.....	56	22	22	.....	30	40	30	.....	30	40	10	20
Leather and manufactures:																
(a) Automobile and general vehicle	64	.....	18	18	45	18	28	9	33	25	17	25	9	46	9	36
(b) Belting	89	.....	11	.....	80	.....	20	.....	45	33	22	.....	45	45	10	.....
(c) Boots and shoes	46	15	22	17	66	11	23	.....	16	57	16	11	14	63	23	.....
(d) Harness and saddlery	43	22	22	13	56	35	9	.....	24	44	32	.....	8	44	48	.....
(e) Leather, raw and tanned	66	20	8	6	78	11	8	3	33	53	8	6	22	53	22	3
Lighting and heating:																
(a) Illuminating	56	11	28	5	70	18	12	.....	28	50	22	.....	28	48	19	5
(b) Heating	74	14	8	4	67	14	14	5	38	36	18	8	19	51	26	4
Lumber and manufactures:																
(a) Boxes, barrels, etc	76	12	12	.....	69	10	21	.....	43	37	16	4	36	48	16	.....
(b) Finished furniture	70	14	11	5	71	16	8	5	31	44	22	3	24	45	24	7
(c) Lumber for building	63	20	10	7	67	16	14	3	36	41	18	5	32	42	20	6
(d) Miscellaneous uses	62	15	12	11	70	13	13	4	32	45	16	7	32	42	20	6
Machinery:																
(a) Boilers and engines	69	13	9	9	68	17	11	4	38	33	20	9	37	38	16	9
(b) Electrical	70	6	3	21	61	13	20	6	29	30	17	14	35	38	12	15
(c) Iron working	80	11	5	4	87	6	6	1	54	36	7	3	55	32	9	4
(d) Milling	74	18	.....	8	82	5	10	3	38	47	10	5	46	40	11	3
(e) Mining, excavating, etc	79	13	8	.....	61	13	26	.....	54	33	13	.....	52	35	9	4
(f) Textile	84	4	8	4	74	17	3	6	47	36	14	3	48	35	14	3
(g) Woodworking	92	.....	8	.....	80	.....	20	.....	47	37	16	.....	47	47	6	.....
Metals (not iron or steel)	78	5	12	5	68	11	18	3	39	47	11	3	39	45	11	5
Musical instruments	65	2	23	10	57	18	15	10	30	45	15	10	20	40	25	15
Paper and printing:																
(a) Paper boxes and bags	62	20	9	9	77	8	15	.....	46	31	20	3	29	51	14	6
(b) Printing, etc	69	17	4	10	73	8	15	4	31	45	17	7	31	55	4	10
(c) Paper, miscellaneous	67	15	6	12	78	13	5	4	41	40	15	4	39	39	15	7
(d) Printing supplies	50	15	35	.....	58	5	37	.....	21	79	.....	.....	16	63	21	.....
Rubber and manufactures	50	10	25	15	67	11	22	.....	41	32	18	9	28	33	28	11
Textiles:																
(a) Burlap and cotton bags	77	23	.....	.....	77	15	8	.....	25	89	16	.....	15	46	39	.....
(b) Carpets and rugs	83	6	11	.....	81	.....	19	.....	45	44	11	.....	53	27	13	7
(c) Cottons and prints	73	7	12	8	84	3	11	2	54	32	12	2	50	35	11	4
(d) Finished clothing	58	6	18	18	72	13	11	4	38	40	15	7	27	43	21	9
(e) Haberdashery	73	17	8	2	76	12	8	4	32	55	11	2	30	49	17	4
(f) Laces and silks	54	13	18	15	48	24	14	14	30	47	15	8	21	44	25	10
(g) Woolens	77	10	9	4	85	8	7	.....	58	27	12	3	59	19	17	5
(h) Worsteds	85	4	7	4	92	8	.....	.....	58	24	10	8	65	19	12	4
Tobacco	33	10	24	33	35	15	30	20	5	52	10	33	5	43	19	33
Tools and hardware:																
(a) Bolts, nuts, etc	66	6	17	11	53	12	29	6	33	40	16	11	37	38	.....	25
(b) Builders' hardware	72	7	7	14	58	21	21	.....	38	38	12	12	20	60	7	13
(c) Mechanics' tools	90	.....	3	7	79	13	3	5	48	46	3	3	38	49	10	3
(d) Miscellaneous hardware	72	7	10	11	80	8	11	1	36	46	12	6	28	49	16	7
Vehicles:																
(a) Horse-drawn	42	19	25	14	46	22	27	5	20	47	25	8	16	32	46	6
(b) Motor	28	15	10	47	45	30	5	20	18	45	14	23	4	50	23	23
(c) Vehicle parts	63	11	15	11	52	17	27	4	19	54	19	8	17	48	26	9
Miscellaneous	74	8	13	5	82	3	10	5	25	44	21	10	25	45	22	8

RAILWAY REVENUES DECREASED.

The net income of the railways of the United States per mile for the year ended June 30, 1914, was the lowest for a decade, according to information compiled by the Bureau of Railway News and Statistics from the monthly reports of the roads to the Interstate Commerce Commission. Operating expenses increased $35,191,237 and the net operating income, after deducting taxes, decreased $130,276,210 from the previous year. The bulletin says that, according to the Interstate Commerce Commission's figures, between 1907 and 1913 the average freight receipts of the railways dropped from 7.59 mills per ton-mile to 7.20 mills.

Slason Thompson, director of the bureau, in analyzing the figures, says:

There is no need of searching into the byways and dark passages of railway finance to find out what ails the railways. If they are being "looted"—as runs the favorite phrase of their inquisitors—it is by conditions as inexorable in their results as the laws of nature. Between 1907 and 1913 the average freight receipts of the railways was

hammered down from 7.59 mills per ton-mile to 4.29 mills. These are commission's figures. That reduction of three-tenths of a mill reduced the railway revenues by a round $90,000,000.

In 1907 the average daily wage of railway employees was $2.20; last year it was $2.49. That little increase of over 29 cents a day added over $160,000,000 to the railway pay roll. Put these two items together and you have a quarter of a billion dollars lost in one year over which the railways have no more control than of the wind which bloweth where it listeth.

RAILWAY EMPLOYEES IDLE.

A most conservative estimate of the railway employees June 1, 1914, made by the Railroad Employer, was from 175,000 to 200,000, and in addition a large number whose working hours were reduced or their income lessened.

IDLE RAILWAY FREIGHT CARS.

On a page of the New York Times of July 12 we find the following:

How the idle cars of this year have compared in number with those a year ago is shown below:

	1914	1913
Jan. 15	214,889	28,430
Feb. 1	209,678	37,260
Feb. 14	197,052	22,183
Mar. 1	153,907	31,581
Mar. 14	124,805	37,775
Apr. 1	139,512	57,988
Apr. 15	212,869	57,498
May 1	228,870	39,799
May 15	238,042	50,294
May 31	241,502	50,508
June 15	231,334	63,927
July 1	219,545	63,704

The enormous disparity between the numbers of freight cars lying idle in 1913 and 1914 amounts to an absolute refutation of the claim that business conditions are sound. When, as on May 31, 1914, the number of idle cars exceeded by 190,000 the number that were idle on the same date in 1913, four months before the Underwood tariff went into operation and when business was at the normal mark of protection prosperity, there was manifestly something wrong with business. That something wrong remained up to July 1, 1914. It still remains, and all the optimistic reports which newspapers can work up will not wipe out that fact.

THE UNEMPLOYED.

For several years preceding the enactment of the Underwood tariff what might be called full employment was given to all our wage earners; in other words, with the exceptions due to illness, worthlessness and strikes, and other rare exceptions which must always exist everywhere in the country, all who wanted work and were worthy of it could obtain it.

Immediately upon the operation of the new tariff, October 3, 1913, conditions began to change, and in a few months it was estimated that from three to five million had been thrown out of employment. It is, of course, difficult to get an exact census of the unemployed, but we can obtain an approximate idea of the situation. For instance, we know that about 200,000 railroad employees are out of work; we know that some 200,000 men usually employed in the lumber industry are now idle; we know that over 200,000 textile operatives have been thrown out of work, and as many more in the iron and steel industry; in fact, it has been stated that over one-half million iron and steel workers and those of kindred industries are idle. Fully 100,000 miners are idle, and many thousands engaged in car making and locomotive shops.

From day to day during the past six months figures have been given showing the closing of shops in every part of the country. First, it would be a thousand thrown out of employment, then a few hundred, until newspapers which have followed the figures assume that some 3,000,000 men are idle. But this by no means tells the whole story. There are thousands and thousands of female wage earners idle in every phase of industry; there have been thousands upon thousands of clerks and clerical employees laid off; there have been thousands of day laborers thrown out of work, and many thousands in the trades, such as carpenters, masons, bricklayers, plumbers, painters, decorators, and so on through the list.

According to a recent census report 35,000,000 people in the country were engaged in gainful occupations in 1910, and that number was largely increased during the following three years. Let us, however, take that as a basis and assume that only 10 per cent have become idle under the new tariff; that would give us 3,500,000; but we know that in many occupations and industries fully one-fifth, or 20 per cent, have been thrown out of employment. If that proportion covered the whole country, it would make 7,000,000 idle. It seems, then, that we may take a middle ground between the two extremes and safely assume that at least 15 per cent of our people have been thrown out of employment. That means that over 5,000,000 wage earners are idle; and assuming a loss of $2 a day for each, that would be a loss in wages of $10,000,000 a day, or at the rate of $3,000,000,000 a year.

The Underwood tariff seems, then, not only to have been a blunder and a failure, but a crime against the American wage earner.

Mr. BARNHART. Mr. Chairman, I yield 15 minutes to my colleague on the committee, Mr. KIESS of Pennsylvania.

Mr. KIESS of Pennsylvania. Mr. Chairman, it is not my intention to enter into an extended discussion of this bill, but to briefly state some of the reasons why, in the judgment of the committee, this bill should be enacted into law, and inasmuch as my time is limited I trust that I may not be interrupted.

At this time when the administration and its leaders in Congress are endeavoring to find some way in which to increase the revenue to meet the current expenses of the Government the consideration of the printing bill now before the House is most opportune. Suggestions have frequently been made upon the floor of this House with regard to the best method for raising additional revenue, but very little has been done toward curtailing the expenditures of the Government. What the country needs most at this time is to cease all unnecessary expenditures, and the practice of more economy in conducting the business of the Government would be appreciated by all the people. The passage of the bill now under consideration will help accomplish this to the extent of nearly $1,000,000 per year, as is shown by the complete and exhaustive report accompanying the bill. The necessity for more practical business men in our lawmaking bodies is becoming generally recognized, as well as the fact that the successful management of the financial affairs of the Government is purely a business proposition. At this time it would seem in order to call attention to the rapid increase in the expenditures of the Government from $5 per capita in 1890 to over $7 per capita in 1910. I desire to insert in the RECORD as a part of my remarks an editorial from the New York Sun of August 12 with reference to the increase of Government expenses.

The editorial referred to is as follows:

Since European war has upset the trade of the world and entangled the finances of the United States the necessity of filling the Treasury has engaged the attention of the authorities at Washington, in the executive departments and the Congress.

They have conversed together about the practicability of new taxes and the feasibility of increasing the imposts now in force.

They have speculated as to the sums that might be brought into the Treasury in this way and that, and they have assured the Nation that, come what may, their ingenuity will be equal to the task of devising means to fill the strong box.

It is an alarming, although not a novel, fact that in all the dissertations on this pressing and important subject not one suggestion has been made that deficit in income should be met, even in part, by economy of expenditure.

There has not been a single recommendation that expenses should be reduced and the outflow of money from the Treasury checked, or that any bureau or department of Government should contribute to the mollification of the present situation by restraining its enterprises, reducing its salary list, or even withholding itself from increased and costly activities.

It is accepted at Washington, and apparently throughout the country, that the extravagances of to-day mark the possible minimum of governmental cost. It is assumed that no bureau, no department, no expert, no clerk can be dispensed with, and that the sole solution of the problem is the collection of more taxes from the people of this country.

How has the taxpayer fared in a generation of American National Government consisting of administrations each of which was elected pledged to the strictest economy, and in two cases on platforms specifically denouncing the wasteful conduct of their predecessors? A few figures tell.

In 1890 the population of continental United States was 62,947,714. The expenditures of the Government were $318,040,710. The per capita cost in that year was $5 plus.

In 1900 the population was 75,994,575. The expenditures were $487,713,791. The per capita tax was $6.40 plus.

In 1910 the population was 91,972,266. The ordinary expenditures were $659,705,391. The per capita cost that year was $7.10 minus.

We were told in 1900 that there had been an extraordinary necessity for greater expenditure consequent on our War with Spain. The per capita increase over 1890 was about $1.40. In the period between 1900 and 1910 we had no war to add to our burdens and no foreign complications by which to account for a heavier tax. Yet the per capita charge of ordinary expenditures grew between 1900 and 1910 by 70 cents, or one-half the increase of the preceding decade, with its war and the subsequent appearance of the United States as a "world power."

The present Congress, elected to office on the solemn assurance that it would reduce expenditures and safeguard the people's money, has shown in its acts a persistent indifference to its pledges that has called from its sane leaders stinging rebukes on the floor of the House of Representatives. The Executive, engrossed with reformatory projects of a far-reaching nature, has shown no disposition to exercise its power in the cause of economy. To-day the members of the majority in the Congress and the appointed officers of the executive departments concentrate their efforts not on the redemption of their promise of economy, not to save in a financial crisis money to the citizens, but in the devising of new means of extracting money from men tortured by fears of the business future, bled by extravagant State, county, and city ex-

penses, and harassed by the threat of interferences and restraints that will kill their enterprises, baffle initiative, and render labor fruitless.

We commend the present attitude of this Government with respect to its domestic affairs to the earnest study of all the citizens. We believe that study will amply reward those who indulge in it. We conceive that somewhere within the United States there must exist a politician capable of recognizing the straits to which his country is reduced and competent to estimate the dimensions of the public opportunity offered to a man of sense, courage, and real patriotism.

Mr. KIESS of Pennsylvania. The need for a revision of the printing laws is apparent when we take into consideration that it has been nearly 20 years since a general revision of these laws has been made, and conditions have very materially changed, so much so that it was deemed necessary to undertake the framing of new laws to meet the present-day requirements. This work was started in the Sixty-first Congress, and in the Sixty-second Congress the Committee on Printing of the House and Senate prepared bills, after careful investigation and hearings had been given to all interested parties. The Senate passed a printing bill during the closing days of the Sixty-second Congress, but it reached the House too late for consideration in that session. While no act was finally passed by the Sixty-second Congress, the data obtained by the committees was of great value in framing the bill now under discussion. During the present Congress the Committee on Printing held numerous hearings and gave the subject careful thought, with the result that the bill now under consideration has many new features. The bill as introduced by the chairman of the committee, Mr. BARNHART, represents the views of the committee, which was unanimous in reporting the bill to the House. I might say that a bill almost identical to this has been introduced and reported in the Senate. Every commission, committee, or expert who has investigated the subject of public printing and binding in recent years has recommended that a complete revision of the printing laws must be made by Congress before the Government Printing Office can be placed upon a proper business basis. It is therefore apparent that the necessity for a revision of the printing laws is an established fact.

In the discussion of this bill the question of the control of the Government Printing Office by Congress has been raised. In the first place I desire to call attention to the fact that under existing laws the control of the Government Printing Office is vested in Congress and has been since its establishment in 1860, and for many years the head of that office was designated as the Congressional Printer, for the reason that the Government Printing Office was established primarily for the work of Congress and only incidentally for other branches of the Government. Congress never relinquished its control over that great office, and I do not believe the time will ever come when it will. It is absolutely necessary that the Government Printing Office be ever responsive to the needs and requirements of this great body. In 1874 the title of the Congressional Printer was changed to that of Public Printer, but it does not appear that this was done with any intention by Congress of relinquishing its control over the Government Printing Office. The Joint Committee on Printing was created by a law of Congress approved August 3, 1846. The joint committee from that date to this has consisted of three Members of the Senate and three Members of the House, who constitute, in fact, a board of directors for the Government Printing Office. The duties of this joint committee have been enlarged from time to time by Congress. Some form of supervision over the Government Printing Office by Congress is essential because of their close relationship. The committee is of the opinion that the Government Printing Office should be entirely under the control of Congress and believes that such supervision can best be exercised through the Joint Committee on Printing. Under existing law it has considerable authority, and the pending bill has been framed with the view of defining that authority.

The matter of Government printing is a very important one, as it involves the expenditure of a large amount of money each year, and the expenses of the Government for printing is of necessity increasing annually. Now, if by the enactment of this bill into law we can increase the efficiency of the Government Printing Office, provide a more economical distribution of public documents, and thus reduce the cost of printing and binding, we will have accomplished a great service. Opposition to any measure that so radically changes the law as is in force now and has been in force for the past 20 years may be expected. At the same time those opposing the measure know that abuses have arisen under the present law that should be corrected. We do not claim perfection for the bill as reported, and it may be that amendments will be proposed by Members of long service in the House whose experience would aid in suggesting wherein the bill could be improved and strengthened, and the committee will welcome such amendments, but, on the other hand, will oppose unfriendly amendments offered for the purpose of defeating the measure. Legislation, as we know, is a matter of compromise, and the ideal can not always be attained; but we believe that the passage of this bill will be a large step in the right direction. The report accompanying this bill shows the enormous waste in the printing and distribution of Government publications. This is one of the most important features of the bill under discussion, and the committee, after careful investigation, believes that the proposed bill will save the Government nearly a million dollars per year. It would, therefore, seem well worth while to pass this bill and give it a trial, as the present system of distribution of documents should be improved, and we believe this bill will produce the desired result if enacted into law. It is not the intention or purpose to curtail the present publicity, which is vital to good government, but rather to aid such publicity by providing more efficient methods and abolishing useless waste and extravagance.

As stated in the report, the bill has been prepared with the purpose of vesting the necessary control over the Government Printing Office in Congress through the Joint Committee on Printing, while at the same time every effort has been made not to hamper the Public Printer in any way in the proper management of that great establishment. Upon the Public Printer rests the burden for the successful operation of that plant. The committee's only purpose is to safeguard the interest that Congress and the people have in the honest and efficient conduct of that great office.

One of the principal causes for the present waste in public documents is the extravagance in duplicating printed and bound congressional and departmental publications. Another great loss is due to the defective method of distribution. The valuation plan for the distribution of public documents to Members of Congress, as proposed in the bill, will correct this, in a large measure, and give to each Member the documents that will be of most value to his constituents. This valuation plan is, without doubt, the most important part of the bill and will likely meet with considerable opposition from those who do not favor any change from the present method of distribution. During the consideration of the bill I will have something further to say regarding this feature of the bill.

Much time has been spent in the preparation of this measure, and the committee has devoted many months to the most careful consideration of the bill. It has been repeatedly submitted to all branches of the Government interested and has received most favorable commendation from those persons having a knowledge of the defects of the present law and the urgent need for a radical reform in the Government's method of printing and distributing its publications. The printed hearings, reports, and other publications relating to public printing and binding which were studied in the preparation of this bill fill more than 2,000 pages. It can not, therefore, be said that the bill has not received adequate consideration. This bill, if enacted into law, will effect great economy in printing and binding without decreasing the efficiency of the service. [Applause.]

Mr. MANN. Mr. Chairman, how much time have I remaining?

The CHAIRMAN. The gentleman has 21 minutes.

Mr. MANN. Mr. Chairman, two weeks ago last Monday the House passed as an emergency measure a bill providing for the registration under the American flag of certain vessels now flying the foreign flag. The bill was somewhat delayed in the Senate, but I believe the conference report was rejected in the Senate and the House bill agreed to in the Senate one week ago yesterday. It was stated to the House when it was presented that it was a matter of very great urgency, and we passed it without any consideration by a committee.

I do not know just when the bill was signed by the President and became a law, but I assume that it was sent to him at least one week ago. We have various other emergency matters that are likely to be presented and urged on the ground that we must act immediately because of a great emergency. Although the ship-registry bill was passed by both Houses more than a week ago, the regulations in accordance with it, to be prescribed by the President, have not been issued. The great emergency was in Congress. Apparently the departments that deal with these great emergencies forget the emergency as soon as we have acted.

We appropriated two and three-quarters million dollars some weeks ago to bring home American citizens abroad. I have no disposition to criticize, but I wonder why we can not get the machinery in motion so as to actually take care of the people?

On the American ship-registry bill I have this telegram from the president of the United States Steel Co. That was one of the companies which we were told had a number of vessels under a foreign flag that was desired to be registered under

the American flag in accordance with the terms of this bill. The telegram reads:

Hon. JAMES R. MANN,
House of Representatives, Washington, D. C.:

Our steamer *Bantu*, loaded for Uruguay and Argentina, and steamer *Crofton Hall*, loaded for Chile and Peru, in New York Harbor ready to sail. Steamer *Kentra* ready for grain or cotton, Atlantic coast or Gulf. Steamer *Santa Rosalia*, Puget Sound, ready for wheat. Steamers *San Francisco, Bucoa Ventura, Ikaria, Industry, Matoppo*, and several others available for transportation of American products, and we are patiently awaiting issuance of proclamation in order to be in an intelligent position as to whether we can put these steamers under American flag immediately and operate them competitively with steamers in over-sea trade under other flags, as our steamers are being held in various ports at very heavy expense. Would appreciate advices as to about when information will be available to enable us to determine what to do. Capt. Dollar and other American owners of ships now under foreign flags are in the same position. The provisions of law prescribing that the watch officers of vessels of the United States registered for foreign trade shall be citizens of the United States should be suspended for a period of at least three years, and the provisions of law requiring survey, inspection, and measurement by officers of the United States should also be suspended for the same period. Further, until the war-risk insurance bill has passed the House and becomes effective we would be without such insurance in the event of transfer.

JAMES A. FARRELL,
President United States Steel Corporation.

Under the law which was passed by both Houses more than a week ago the President is authorized to make suspensions proposed, and to permit these ships to take out American registry. Although we acted in the House with, I believe, 40 minutes' discussion, these owners of these vessels that are now in port, ready to sail, held for the regulations that are to be made, are, as they say, patiently waiting—I suppose they are watchfully waiting—until some one in connection with the Department of Commerce, the Bureau of Navigation, or the administration can find time out of the great amount of time they have consumed in sending legislation for us to enact to apply that which we have enacted and adopt regulations and let these vessels register and do business. [Applause.]

I yield the balance of my time to the gentleman from Wyoming [Mr. MONDELL].

The CHAIRMAN. The gentleman from Wyoming is recognized for 15 minutes.

Mr. MONDELL. Mr. Chairman, the bill under consideration provides for a needed codification of the printing laws, and with some modifications and amendments, the wisdom of which have, I think, been clearly indicated, the bill should pass. It is not my purpose, however, to discuss the features of this bill, but to utilize the time which has been allotted to me to point out and call attention to the effect on the wool and sheep industry of the agitation for free wool which went on for a number of years and was consummated in the passage of the Underwood tariff bill.

The Underwood tariff act of October 3, 1913, placed raw wool on the free list, beginning December 1, and considerably reduced the duties on partly manufactured wool and on woolen goods, beginning January 1 following the passage of the bill. It is a well-understood fact that a majority of the Democratic membership of the House of Representatives favored a small duty on wool; in fact, a bill placing a duty of 15 per cent on raw wool had passed the House a few months before the passage of the Underwood bill. It is also well understood that the Democratic majority was forced to accept free wool by the President, in which position it was understood the President was strongly supported by the Secretary of State, Mr. Bryan.

ATTITUDE TOWARD THE WOOL INDUSTRY.

During the discussion of the Underwood tariff bill quite a number of gentlemen on the Democratic side expressed their views as to the effect of free wool. The gentleman from Massachusetts, Mr. Peters, called attention to the fact that under free wool the American woolen manufacturers would have an advantage, in that they would be relieved from the necessity of paying duty on their wool. Democrats from the manufacturing districts seemed to base their support of free wool largely on the theory that free wool would benefit the manufacturing industries. Democrats from city districts and large consuming centers based their contention for free wool on the proposition that free wool would make wool and cloth cheaper, and thereby benefit the people of the country other than wool producers.

In none of these speeches made on the Democratic side in support of free wool was there any contention that the farmers would secure as much for their wool under free trade in wool as they would receive under protection. Such a contention would have been ridiculous coming from men who were basing their support of free wool on the theory that wool must be cheaper in order that cloth might be cheaper. For instance, Mr. DIXON, of Indiana, during the course of the debate said:

We intend to reduce the price of woolen goods by taking the tax off all wool, in order to allow our people to buy woolen goods for winter.

The gentleman from Indiana [Mr. ADAIR] said:

We want to legislate in the interest of the consumer. I want to give the people of the country cheaper woolen clothing.

And so forth. There was no pretense on the part of anyone supporting free wool that they did not expect free wool to make wool cheaper than it would be under protection.

NOT "LEGITIMATE" FROM DEMOCRATIC VIEWPOINT.

The proposition was to sacrifice the woolgrower on the altar of the public good. There was no claim that he would not sell his wool cheaper under free wool than under protected wool. In fact, after the Underwood bill had passed the House and gone to the Senate and was there being discussed, I had a colloquy with the gentleman from Alabama [Mr. UNDERWOOD] relative to the general effect of the bill if it became a law. I asked him if I had his promise that if any labor or industries were injured under their tariff legislation the injustice would be rectified by legislation, to which he replied that if they found, "after thorough investigation, that an industry, or the labor employed in it, had been injured, you may rest assured that this side of the House will rectify any wrong which has been done." I then asked him if this promise included the wool and sugar industries, to which he replied, "Oh, there are some propositions that we recognize are not entitled to be classed as legitimate industries."

In view of this attitude of the Democratic Party, I was fully justified in making the statement that I did in that debate—that the Democratic Party does not consider the sheep and wool and woolen industry "entitled to any consideration as to its present status or future prospects in the framing of the tariff bill." It is true there were Democratic Members of Congress from woolgrowing States who were fearful of the effect of free wool on their political fortunes. If their solicitude had been for the interest of their sheep growers rather than for their own political interests, they would have been more entitled to consideration at the hands of those engaged in sheep raising and woolgrowing.

REVIEW OF THE SITUATION.

It is, of course, impossible to absolutely demonstrate the ultimate effect of free wool on the wool industry of the United States from less than a year of trial. Much depends upon the effect of reduced duties on American wool and woolen manufactures, for if American mills are closed it is immaterial whether or no there is a duty on wool. Much depends also on the world's supply of wool, as basic prices are fixed by the law of supply and demand. While, therefore, I do not expect to give any final demonstration of the effect of free wool, I do expect to be able to show that every opinion of the students of protection as to the injurious effect of free wool and excessive reduction of the rates of duty on many classes of woolen goods has been verified, and more particularly to demonstrate that none of the claims and prophecies made by those who favored free wool, and heavy cuts in rates on woolen goods, as to benefits to be secured through these tariff changes have been fulfilled.

In order to intelligently discuss the wool situation it is necessary to go back to 1909, when the Payne tariff bill became a law. At that time and for a number of years previous the protective principle seemed securely established and the wool and woolen industries were reasonably normal. Wool prices for that year, therefore, represent normal conditions under protection. The Payne bill became a law August 5, 1909, retaining the same duties on wool which were carried in the Dingley law.

Very soon after the passage of the Payne tariff bill, however, certain influences hostile to various provisions of the act and to the Republican administration united in a fierce attack on Schedule K, the immediate effect of which was to depress the price of American wool through the fear of tariff changes. The Democratic victory of 1912, bringing the certainty of tariff reductions and the probability of free wool, still further depressed wool prices, and when, on May 8, 1913, the Underwood bill passed the House, with wool on the free list, wool went to and even below a free-trade basis. In fact, to all intents and purposes, wool has been on the free list since May 8, 1913.

ADVANCE EFFECT OF TARIFF CHANGES.

The depressing effect of the threat and certainty of free wool, and reduced rates on woolen goods, on wool prices in advance of the actual change of law has been illustrated a number of times in our history. The threat of free wool under Cleveland began its depressing effect on wool prices long before the Wilson bill became a law, and the lowest prices received by American woolgrowers, compared with foreign prices, during the entire period of the Wilson bill depression occurred before the bill became a statute.

History has repeated itself under the Underwood bill, and with scarcely a variation. Up to this time the lowest prices paid in the recent past for American wool, as compared with

foreign prices for similar wool, was after free wool was assured by the passage of the Underwood bill in the House, but before it actually became a law.

It is this fact, coupled with an advance in the world's price of wool in the past year, that gives a few of our Democratic friends the excuse for their noisy assertion that wool has been advanced in price since the passage of the Underwood bill. During the discussion on March 30, 1912, of the Democratic bill of 1912, revising Schedule K, I called attention to the depressing effect of agitation for and threat of free wool in advance of change of tariff rates, as follows:

> The wool business is the most peculiar in the world. It is a business with regard to which it is possible in times of tariff agitation and uncertainty to press the price of the domestic clip down almost to a free-trade basis, and I have known of clips—not many, but some—being sold in my country that did not, in my opinion, bring more than 2 or 3 cents above a free-trade basis.
>
> Mr. LONGWORTH. Is not one of the reasons the fact that the rate of interest is so high that very often the sheep raiser can not afford to hold his clip for a favorable market, but must sell it?
>
> Mr. MONDELL. The gentleman understands the situation thoroughly. The rate of interest is high. The sheep business is oftentimes carried on to a considerable extent on credit. The buyer refuses to buy in times of agitation, but stands ready to pick up a clip that must be sold at a sacrifice, and under those conditions is able to secure them at times at but little above a free-trade basis.
>
> Unfortunately that low rate is never reflected in the price which the ultimate consumer pays. If it was, the people, as a whole, would benefit by our losses; but I doubt if the American people, as a whole, have benefited by the failure of the western woolgrower, the merino-wool grower, to receive the full amount he was expected to receive from the rate carried in our tariff laws.
>
> I do not mean to say that our protection has always or generally been that low. In my opinion we had been receiving on an average, and when there was not too much agitation an actual protection, of between 7 and 8 cents on the grease pound. Perhaps that is a rather high estimate.
>
> Mr. GREEN of Iowa. Will the gentleman yield?
>
> Mr. MONDELL. Certainly.
>
> Mr. GREEN of Iowa. The price is quite low now, is it not?
>
> Mr. MONDELL. The price is quite low; not as low as it is sometimes and not as high as it ought to be in order to give us anything like the benefit of the present tariff. Our flock masters are offered, I am told, between 16 and 17 cents for the average fleece at this time. Anyone who knows about foreign prices knows that it is not high enough to cover the foreign cost of the same wool, adding the full amount of our duty.

When there is a threat of lower tariff rates on wool, buyers decline to buy except for immediate needs unless they can buy at a price which will not involve a loss if a lower rate goes into effect before the wool is disposed of. When free wool and low rates on woolens became certain early in 1913, many American mills closed down or curtailed operations and refused to buy wool except at a price that would save them from loss if free wool and low duties on cloth and clothing went into effect before the goods made from the wool so purchased were disposed of. This natural attitude of buyers who bought to sell again, and of manufacturers who bought to make into cloth, sent the price of wool down to and, in some cases, below a free-trade basis, even before the free-trade law was in effect.

I was asked on the floor of the House some time ago if wool prices were not somewhat higher this year than last, and having in mind my own section of the country, that from which the so-called territorial wools come, I said that prices were somewhat higher. This statement has been seized upon by some Democratic brethren from woolgrowing districts as a final and conclusive admission of the wisdom of Democratic tariff policies. It is significant that no Democrat from a nonmanufacturing or other nonsheep-raising district echoed this sentiment, and even Democrats from sheep-raising districts who have any sense of logic, refrained from attempting to excuse their action in voting for free wool, on the proclaimed theory that it would make wool and clothing cheaper, by the claim that since the time they voted for cheap wool it had grown dearer. It takes a rash Democrat, with a low estimate of the intelligence of his people, to attempt to fool them with that sort of political sleight-of-hand performance.

The fact is the clip of 1913 was to all intents and purposes sold under free wool just as much as the clip of 1914 was; and sold, according to Department of Agriculture figures, on the average at about the same price.

Mr. BOWDLE. Will the gentleman yield?

Mr. MONDELL. In just a moment. Having gone into the matter carefully I have discovered that the condition of higher prices this year than last was a condition largely local to the western country, for the official figures of the Agricultural Department and of the American Wool Manufacturers' Association show that the average price of wool this year and last the country over was approximately the same. Now I will yield to the gentleman.

Mr. BOWDLE. Does the gentleman mean to tell this House that free trade in wool is intended to guarantee a low price in wool?

Mr. MONDELL. Do I mean to tell the House free trade in wool is intended to guarantee a low price of wool—I do not know just what the gentlemen who voted for free wool intended to guarantee; if they made any kind of a guaranty, they would be greatly troubled just now to make their guaranty good.

Mr. BOWDLE. Is not the gentleman claiming that the Democratic Party has defaulted on that guaranty?

Mr. MONDELL. I should say it has defaulted just as it has on all other guaranties on their tariff bill.

Mr. BOWDLE. Then it is the gentleman's claim free trade is intended to guarantee a low price in wool, is that right?

Mr. MONDELL. Free trade in wool is advocated by certain people on the theory that it helps the manufacturer. Those are the gentlemen who come from manufacturing districts like the gentleman from Massachusetts, Mr. Peters. Without regard to what the effect is on anybody else it is, I believe, the claim of such gentlemen it does help the manufacturer. If we are to have free wool and a high duty on woolen goods, I guess gentlemen are correct in saying that would help the manufacturer. Other gentlemen want free wool on the theory that it will make clothing cheaper for every one, without regard to the interest of the woolgrower. A lot of Members voted for free wool because the Democratic caucus bound them to. Our contention is that free wool destroys or hampers seriously and reduces the volume of one of the most important industries under the flag, an industry without which no civilized people can live and prosper, and that in so doing it does not make clothing any cheaper and therefore does not help the people generally. [Applause on the Republican side.] And the figures which I propose to give in connection with this brief outline demonstrate those facts, it seems to me, beyond peradventure.

Mr. HELVERING. Will the gentleman yield?

Mr. MONDELL. I will.

Mr. HELVERING. The gentleman says it hampers and destroys the particular industry to which he has referred. Does the gentleman have reference in stating that to those gentlemen who went out of the sheep business in his country on his advocacy of the low price of wool after the Underwood tariff went into effect?

Mr. MONDELL. I never advocated a low price for wool. I never advocated and never desired cheaper agricultural products of any kind than the man who produces them can afford to receive and get a fair income. People have continued in the sheep business in my country in the face of these discouraging conditions to a greater extent than in other parts of the Union, but they have suffered severely.

Mr. DOUGHTON. Will the gentleman yield?

Mr. MONDELL. I yield.

Mr. DOUGHTON. But suppose the price of wool had gone down, as the gentleman from Wyoming confidently expected it would do, would not the price of the manufactured article—that is, the articles manufactured from wool—have gone down?

Mr. MONDELL. I did not confidently expect wool would go below the prices of last year, unless the prices of wool went down the world over, which it did not, but went up. I do not think the prices of clothing would have gone down, even though the price of wool did. The price of wool this year and last, the kind of wool we grow out in my country, was 5 cents a pound less than it was in 1909, a normal year of protection, and yet you can not get anything in the shape of a woolen garment cheaper than you could in 1909, which proves that while there has been a crippling reduction owing to tariff agitation it has not reduced the price of woolen goods.

Mr. DOUGHTON. Will the gentleman please tell us what section of the United States has suffered so severely from the result of the Underwood tariff law in the sheep and wool industry? The gentleman says his section has not, but certain sections have. Please tell us where they are.

Mr. MONDELL. I did not say my section has not. The intermountain region has suffered by reason of this agitation for free wool, and its consummation in the prices that its wool clip brought this year as compared with a normal year under protection certainly not less than $6,000,000.

Mr. DOUGHTON. Will the gentleman yield further? If it has suffered as a result of the increase is it likely to continue to suffer?

Mr. MONDELL. There has not been an increase since the agitation for free wool began. There has been a steady decrease below the prices of former protective years. Now, if gentlemen will allow me, I will proceed with my discussion.

NORMAL PROTECTION VERSUS THREATENED AND ACTUAL FREE TRADE.

In view of the effect of tariff agitation on wool prices, I propose to go back to the normal protective year of 1909 and some years before for a comparison with prices under the threat of free trade and its practical accomplishment in May, 1913,

and its consummation in December. The figures which I shall quote in the discussion of this matter I shall take from Farmers' Bulletin 575 of the Department of Agriculture or from equally trustworthy sources, and I shall print at the close of my remarks tables containing the figures to which I shall refer and indicating the source from which obtained. The average wholesale price of "Ohio fine" unwashed wool in the Boston market for the five years 1905 to 1909, inclusive, and for the year 1909 was 25½ cents, as given by the Farmers' Bulletin to which I have referred. The same authority gives the average price of the same wool for the following years as follows: 1910, 24 cents; 1911, 20 cents; 1912, 23 cents. The first four months of 1913 the wholesale price of this wool in Boston was about 24 cents, but with the passage through the House of Representatives of the Underwood bill the price dropped to 21 and then to 20 cents, and continued between those figures to the end of 1913. In February of 1914 there was a slight rise in the Boston price of this wool, and from that time on until the end of May it maintained a price of about 22 cents, running as high at one time as 23 cents.

From a study of these official figures it will be seen that the Boston prices of "Ohio fine" wool averaged much higher under protection than it has since the passage by the House of Representatives of the Underwood tariff bill. In 1909 and before, when prices were normal and not depressed by tariff agitation, the price averaged at least 3½ cents higher per pound than since free wool was decreed.

The table from the bulletin to which I have referred does not give quotations of territorial wools—that is, merino and cross-bred wools from the Rocky Mountain and range States—and therefore I take my figures in regard to that class of wool from tables furnished me by the National Association of Wool Manufacturers, whose figures are the most reliable to be obtained anywhere and universally accepted as being trustworthy. From these tables I find that the average price of Territorial staple, fine, and fine medium unwashed wool on the Boston market for 1909 was 26 cents per pound; for 1910, approximately 24 cents a pound; for 1911, 22 cents a pound; for 1912, 23¾ cents a pound; for 1913, 21 cents a pound; and for 1914 up to June 30, 21 cents a pound.

From a reading of these figures it is very clear that the Boston price of territorial wools was considerably higher under normal conditions of protection than it has been under the Underwood bill, being 5 cents a pound higher in 1909 than in 1914. The agitation against the wool schedule in 1910, which is well remembered, brought the wholesale price of these wools down 2 cents a pound, and still they averaged 4 cents a pound higher than this year. The continued agitation of 1911 reduced the price somewhat lower, but still a cent higher than this year; and in 1912 the average price was 2¾ cents higher than this year. When, however, in May, 1913, it became certain that we were to have free wool, the price dropped from 24 cents to 22 cents and on down to 19½ cents, or an average of 21 cents—the same, according to these tables, as the average price up to the last of June of this year.

These tables would seem to indicate that my affirmative answer on the floor of the House to the inquiry as to whether the price of wool had advanced was not entirely correct, though it pleased the Democrats, who, having voted for cheap wool, are now taking consolation out of the claim that wool is higher. My statement was based on my knowledge of the selling prices of wool in my State of Wyoming and was correct as to the situation there. It will be noted by a reference to the table that the average price of 21 cents for 1913 does not properly measure the price at which the bulk of the clip was sold by the producer, as the wholesale price had dropped to 21 cents in April, and then fell immediately to 20 cents and then to 19½ cents, and the grower of territorial wools did, on the average, get a somewhat higher price this year than last; his clip, however, was generally lighter.

I have given figures based on the Boston price rather than the local price of wools, because, as everyone knows who is at all familiar with the wool market, it is impossible to strike a fair average among the wide ranges of prices paid locally, as that price depends on the distance of the clip from the market, the character of the clip, and many other conditions. The Boston price, while it is always somewhat above the local price, bears the same relation to the local price at all times, so that, while it does not reflect every local rise and fall and variation, it affords the only index of the rise and fall of the commodity as a whole. I have, however, made careful inquiries as to the prices received by the growers for five large representative Wyoming wool clips for the years 1909 to 1914, inclusive, and I find that the prices paid for these clips for the years in question averaged as follows: 1909, 20¼ cents; 1910, 19¼ cents; 1911, 18¼ cents; 1912, 17¾ cents; 1913, 13¼ cents; 1914, 17¾ cents a pound. These figures, it will be seen, reflect the changes of the Boston market.

WHAT THESE FIGURES SHOW.

I propose to discuss briefly what these figures indicate as to the loss to the American woolgrower on account of the agitation for and the final placing of wool on the free list. The markets of the world present no conditions which have warranted American wool being lower at any time since than it averaged in 1909. There is no reason other than tariff agitation and change why he should not have received as much or more than he received that year, for the foreign price has frequently been higher. The only reason or cause for the lower prices since 1909 has been the agitation for and the final passage of a free-wool bill. Free trade in wool actually went into effect in May, 1913, when the Underwood bill passed the House, so far as prices were concerned.

On the basis of the difference in the average prices of "Ohio fine," unwashed, in Boston, in 1909 and 1914, the shrinkage in value of a 328,000,000-pound clip, which was the clip for 1909, is approximately $13,000,000, but that does not represent the total loss to the wool industry of the country by reason of the constant Democratic agitation for free trade in wool, for that agitation so discouraged the farmers and flockmasters of the country that they reduced their flocks to such an extent that the wool clip of 1914 was but 270,000,000 pounds, or more than 58,000,000 pounds less than the clip of 1909. Assuming as low an average price as 21 cents a pound wholesale, this represents a loss of approximately $12,000,000 in the value of the wool clip as between the years referred to, or a total loss to the wool industry in 1914, as compared with 1909, of $25,000,000. If we make this comparison on territorial wools, both as to the wool actually produced in 1914 and as to the shortage between 1909 and 1914, we will have a figure of loss several million dollars greater.

The wools classed as "Ohio fine" and "medium," and produced in the territory of which Ohio is the center, constitute about 25 per cent of the wool product of the United States; therefore the loss to this section of the country in its wool industry in one season of free trade, as compared with an average year under protection, has been about six and a half million dollars, on the basis of a clip equal to that of 1909, or a loss of upwards of $3,000,000 on the wool actually sold this year. The Territorial wools, so called, produced in the Rocky Mountain and Plains country, comprise approximately half of the wool product of the country. The loss to the wool industry of that region in this year of free trade, as compared with 1909, an average year of protection, has been approximately $12,000,000, if figured on the basis of the 1909 clip, or more than $6,000,000 on the basis of the clip actually shorn.

But these comparisons only take into consideration the present year of free trade, as compared with a normal year under protection. If we carry our comparisons further and apply them to the year 1913, when the passage through the House of the Underwood bill in the month of May, carrying a free-wool provision, put us on a free-wool basis and sent the price of "Ohio fine" and Territorial wools to below 20 cents on the Boston market, and correspondingly lower on the farms and ranges, we will discover a loss even greater than that of 1914, for, while the clip was a trifle heavier, the average price was as low, and particularly in the territorial region considerably lower, than in 1914.

LOSS, 1909 TO 1914.

In order, however, to in any wise adequately measure the loss to the sheep growers of the country and the country at large by reason of the Democratic agitation for free wool, and its final consummation in the Underwood bill, we must consider the steady and progressive reduction in the clip and in prices for the entire period from the normal protection year of 1909 to the time when the evils of free trade were fully consummated by the Underwood bill. The total loss in the reduction of the wool clip of the country in the period from 1909 to 1914, as compared with the clip for 1909, amounts to more than 130,000,000 pounds, which at 1909 prices would have brought about $30,000,000 in Boston; at this year's prices about $[illegible],000,000. This enormous loss not only fell on the woolgrower in the reduction of the amount of his income, but it was a loss to the entire country, because of the fact that we were compelled to pay foreigners $25,000,000 to $30,000,000 which otherwise would have remained in our own country and among our own people scattered over the woolgrowing States. If, now, we figure the actual loss to the wool industry, based on the reduced prices received during this period of agitation for free trade and of actual free trade, as compared with the normal protection year of 1909, we find an average loss of 3½ cents a pound at a most conservative estimate, which, on the total of

1,500,000,000 pounds produced and sold since 1909, amounts to over $64,000,000.

As these figures are necessarily based on the Boston rather than the local prices, it may be claimed that the totals are higher than the actual loss to the grower, but that contention is not sound as to the difference in prices from year to year, for, as I have already stated, while the Boston price is always higher than the average local price it bears the same relation to the local price approximately at all times. It can therefore be stated conservatively that the actual loss to the woolgrowers of the country on wool alone, owing to free-trade agitation and free trade in fact since 1909, has been in reduced product $25,000,000 and in reduction in returns for product actually sold $60,000,000.

These figures, staggering as they are, do not take into consideration any loss to the wool and sheep industry except the loss on wool alone. The loss in numbers and price of sheep has been very great, and when we take into consideration the advancing cost of meat, the loss in sheep is even a greater menace and calamity, if possible, than the loss of wool. In 1909 we had over 42,000,000 sheep other than lambs; in 1914 approximately 34,000,000, a loss of over 8,000,000, or about 20 per cent; thus one of our important sources of meat supply dwindles in face of the hostile attitude of the Democratic Party, and thus the Democratic Party aids in advancing the cost of living while claiming to be laboring for its reduction.

THE PRESENT AND THE FUTURE.

Serious and significant as these figures are, they do not begin to measure the greater losses which a continuation of free trade in wool are certain to bring. The wool free traders are themselves apparently greatly surprised that wool did not go lower than it did this year compared with last year's prices. They had failed to take into consideration the fact that the 1913 clip was also sold under conditions of practical free trade. The Democrats in the woolgrowing regions, underestimating the intelligence of the people, are comparing the prices of these two years in their attempt to excuse free wool on the ground that it does not do any harm. That sort of sophistry will not fool anyone, for even the people who are not interested in the growing of wool will say that there is no reason why the Government should lose $20,000,000 in revenue in seven months if no one is going to be benefited through lower prices. Democrats from nonwoolgrowing districts who promised cheaper wool and cheaper clothing through free wool are explaining to their constituents that free wool did not make wool cheaper in 1914, because conditions were unusual and abnormal. They tell them that if they will only wait another year the promise of cheaper wool for the manufacturer will come true. This is a Democratic contention which is sound, and which will probably be verified. Conditions this year have been unusual and abnormal: First, because we are comparing wool prices with the prices of last year under virtual free trade; and, second, because the manufacturing conditions have affected the domestic wool market in an unusual way.

I have already explained the conditions under which the wool clip of 1913 was sold. Free trade had been decreed by the Democratic caucus and clinched by the passage of the Underwood bill May 8. The manufacturers knew that the goods they made from the wool then bought would not be sold until free trade in wool was a fact and lower rates on woolen goods provided. They therefore bought on a free-trade basis or not at all. American wools thus purchased were, of course, cheaper than foreign wools of the same grades could be laid down duty paid, and this fact led the manufacturers to make up their samples for the fall and winter of 1913 and the spring and summer of 1914 very largely from American wool. When in the spring of this year the manufacturers who had been buying from hand to mouth came to purchase the 1914 clip to make up goods to fill their orders they naturally competed sharply with each other. Their samples having been made largely of American wools, they could not, to a very large extent, substitute foreign wools, and out of this competition, brought about by these unusual conditions, prices this spring and early summer, particularly of fine wool, were maintained several cents a pound higher than they would ordinarily be under free trade in wool.

This brings us right back to the basic principle of the matter. Free trade in wool under normal conditions does and will make wool cheaper than under protection; that has always been the Democratic contention as well as the Republican contention. If it does not, what reason can be found anywhere or given by anyone outside of an insane asylum for the loss to the Government of millions of revenue? The only difference between the Democratic and the Republican contentions have been with regard to the final cost to those who use woolen goods. We have contended that a reasonable protection on wool does help the woolgrower, without injuring the user of woolen goods. In a speech which I made in the House of Representatives March 30, 1912, I expressed the opinion, after careful study of market quotations for years, that the duty which has heretofore been carried on wool gave the domestic woolgrower from 5 to 7 cents a pound more for his wool than he would get under free trade, assuming normal conditions. In other words, our wool has under normal conditions of protection been about that much higher than approximately the same class of foreign wool. No one with any reasonable claim to ordinary horse sense will assert that under normal free-trade conditions American wool laid down in Boston will be worth any more than the same grade of foreign wool. If in the future foreign wool shall be high, American wool, even under free trade, will bring a fair price; but if foreign wool is low, American wool will be correspondingly low. On the basis of the present condition of the world's wool trade and markets the Wyoming clips which I have heretofore referred to as bringing an average of 17½ cents a pound this year would have, under normal conditions of protection, brought from 23 to 25 cents a pound; so that the actual loss this year on the wool clip of the State, based on the difference between the prices received and those our flockmasters would have had under normal protective conditions is certainly not less than two and one-half million dollars. And yet Democratic editors and Democratic politicians wonder why those directly and indirectly interested in this great industry do not like the policies of the Democratic Party. Every year of free wool will cause as great a loss as compared with normal conditions under protection.

IF I WERE A FREE TRADER.

If I were a believer in free trade in wool; if I placed the wool industry in the catagory of industries that were not legitimate, as Mr. UNDERWOOD did in response to my inquiry; if I considered sheep and wool growers "mendicants" and "supplicants for Government favors," as some gentlemen on the Democratic side have called them; if I believed, as the wool free traders claim to, that cheap wool necessarily meant cheap clothes, and therefore the woolgrower should, in the interest of all the people, be left without protection to his industry—if I held these views I believe I would try to have the courage of my convictions and say that we must have free trade in wool whatever the effect on the industry. A few gentlemen on the Democratic side have the courage to do this, but they are very few, for those who feel that way realize that if one advocates action which is intended to reduce the value of the products of a large number of the American people on the theory that it serves the best interest of a larger number of people one is in all fairness bound to prove that the action proposed or taken will or does actually produce benefits that fully compensate for the losses it entails.

Having demonstrated the great losses to those engaged in the wool and sheep industry through the threat and the fact of free trade in wool, the loss to the body of our citizenship by reason of the decline of a great industry, the necessity for sending abroad for what we should produce at home, the reduction of the natural food supply, I now call upon those who favor the policies which produce these results to show how and where, directly or indirectly, anyone has been benefited by the hostile attitude of the Democratic Party to the wool industry and the losses that have come to the industry thereby.

The fact is there have been no benefits in our country through free wool, and if free wool and agitation for it had done no harm it would not be justified, for it has done no good to the people at large, and it is wicked to even put a great industry in jeopardy when the people generally are not helped thereby.

FREE WOOL, TAXED GOAT HAIR.

Before I proceed to demonstrate that the people generally have not been helped by free wool, but large numbers of them besides the woolgrowers injured, I desire for a moment to call attention to the striking difference in the attitude of the Democratic Party toward sheep and wool and some other industries. This Democratic Congress does not all come from the South. Quite a sprinkling of its Members come from free-trade districts in great importing cities like New York, districts composed very largely of people who are handlers and consumers and not producers of articles. But the southern contingent has the important places on committees; they are a majority of the Democratic majority and they control in all things. Wool is not produced in the South to any considerable extent. Goats are raised in Texas. Wool is on the free list; goat hair is protected. The South has no interest in wool, but the South grows rice, and rice is heavily protected, though it really needs no protection, and wool, which does need protection, is on the free list.

WOOL VERSUS COTTON.

The South grows cotton. It is one of our greatest products for export and consumption. It is entitled to every reasonable consideration, and always received it from the Republican Party. But while the Democratic Party as now controlled in Congress has outlawed wool they find it hard to do enough for their great staple. Hundreds of thousands of dollars of the people's money is spent each year to check the ravages of the boll weevil. Legislation is secured for expensive regulation of grades and samples of cotton and for the regulation of dealing in cotton. Vast sums are spent for cotton seed to be distributed by southern Congressmen. Now it is proposed to issue Government notes against cotton in warehouses in order to enable the cotton producer to hold his product indefinitely, in the hope of getting a higher price for it from the consumer. If there ever was a more striking example of prejudice on the one hand and favoritism on the other than this, I do not recall it.

A wool producer is a "mendicant" if he wants fair treatment; a cotton grower is a coddled favorite. A woolgrower is not entitled to any consideration, they say, and his product must be cheapened; but a cotton grower has every encouragement in getting the highest possible price for his product. The cotton-growing industry and region gets all sorts of favors from a Democratic Congress. It required almost superhuman effort to get an appropriation of $10,000 for the importation of some sheep from Australia which, it is hoped, will aid a little in the struggle to keep the industry alive under free trade.

WHO HAS BENEFITED?

I turn now to the consideration of the question of who has benefited by the agitation for and the consummation of free trade in wool. Have the people been getting cheaper woolen cloth, clothing, and goods by reason of free wool? That inquiry would seem to be foreclosed by the claim of Democrats from wool-producing districts that wool has advanced in price since it went on the free list. If that is so, and so far as it is so, it, of course, precludes the possibility of cheaper clothing. In fact, if wool has gone up under free trade, as some claim—and we invoked free trade to make wool and clothing cheaper—what have we accomplished?

Under normal conditions wool is bound to be cheaper, compared with foreign wool, under free trade than under protection. He who advocates free trade in wool and still insists that wool prices will not be reduced as compared with foreign prices simply makes himself ridiculous, for if free trade does not cheapen to the consumer why have free trade and lose the revenue? If it does cheapen to the consumer, of course the producer loses. The trouble with the Democratic editors and politicians in woolgrowing sections is that they want to stand in with and defend their party, which is for free trade, in order to get cheap wool and at the same time with the woolgrower, who does not want cheap wool.

I have taken the trouble to make some careful inquiries. I have even attended some "bargain" sales to learn if the average of prices of woolen goods have been lowered. I find, as everyone else has found, that they have not, but that people are paying substantially the same prices for woolen goods that they paid before the passage of the Underwood bill. In fact, I find the prices of some fancy woolen goods have advanced, and I have been told of cases in which foreign woolen goods, which have been imported in large quantities at the reduced rate of duty fixed by the Underwood bill, have, by reason of their being attractive to the trade, been sold at considerably higher prices than similar values bought a year ago or than American goods of higher manufacturing cost are bringing now.

NO REDUCTION IN LIVING COST.

There has been no reduction in the cost of living, so far as woolen goods are concerned, under the Underwood bill, as there has not been in other lines. Sugar is higher, boots and shoes are higher, leather and harness are higher; automobile tires and golf balls are the only articles that went down, and now automobile tires have gone up again higher than ever. I do not use golf balls, so I do not know about them. If there is to be any reduction in the cost of woolen goods by reason of free trade in wool, it should have come long since, for the threat of free trade in wool sent domestic wool last year—that is, the season of 1913—to a free-trade basis and below, as I have heretofore stated. That being the case the American woolen goods of last winter, as well as of this summer, so far as they were made of domestic wool, were made out of wool bought as cheaply or more cheaply than the same wools are selling for now. Therefore our free-trade friends can not reasonably claim that cheaper goods are coming later as a result of their tariff legislation. Their cheap goods are already long overdue.

THE EFFECT ON LABOR.

How about the effect on labor of free wool and its accompanying lower rates on woolen goods? These lower woolen rates were, with free wool, to make goods cheaper; they have not done so. How has the change affected labor? The wage rates on farms and ranches, so far as they have been affected at all, have been lowered. In fact, no one has heard of any wage rate anywhere that has been increased by the Underwood tariff bill.

In the woolen mills and factories labor has been having a hard time to secure steady employment. A considerable portion of the woolen machinery of the country is idle, and unless the European war shall greatly change the situation many more mills will be idle, owing to the continually increased flood of imports. Already the increased importation of woolen goods represents a loss of employment to labor of not less than four or five million dollars.

LOSS OF REVENUE.

The Democratic leaders are searching about for some means of securing additional revenue, they say, to make up for the lack of importations due to the European war; in fact, to head off a deficit which has been long foreseen and which I prophesied on this floor several months ago would have to be provided for. This situation in which the party in power finds itself emphasizes the amount of revenue the Government has lost by reason of the placing of wool on the free list. Wool went to the free list on December 1, and up to July 1, on a total importation of 207,827,282 pounds of wool, we have lost a revenue of $19,405,901.67, which would have been collected under the Payne bill. Here is an importation of wool in seven months in an amount nearly equal to three-quarters of our domestic clip displacing home-grown wool and bringing no revenue to the Government when it is so badly in need of it.

WESTERN WOOL FREE, EASTERN MANUFACTURERS PROTECTED.

Democratic editors and politicians in woolgrowing States, not having the courage to denounce the action of their party as now controlled in sacrificing a great industry in their region, would have us think that free trade is a good thing for wool and in line with the general party policy. If free trade in the products of woolgrowing regions is good policy, why is it not good policy in manufacturing sections? The Republican tariff rate on class 1 and class 2 wool amounted on an ad valorem basis to about 34 per cent. The Underwood bill placed wool on the free list, but placed duties averaging 35 per cent on woolen goods and as high as 50 per cent on some. Manufacturing industries need protection, but how can Democrats in woolgrowing States defend high tariff rates on the products of the eastern manufacturer while approving free trade for the products of their own people? Nothing but thick-and-thin partisanship, which places party success above the prosperity and happiness of our own neighbors, can approve such an attitude.

THE EFFECT IN BRIEF.

The Democratic Party, while adhering to a haphazard, hit-or-miss, and wholly illogical protective policy in spots and places and in regard to certain favored products and sections, has declared war on the wool industry and placed all its products on the free list.

The result of this Democratic free-wool agitation since 1909 and its actual consummation in 1913 has been—

To reduce the number of sheep in the United States more than 8,000,000—a value of over $32,000,000;

To reduce the wool clip of the United States more than 130,000,000 pounds, or over $30,000,000;

To reduce the income of growers of "Ohio" wool more than $6,000,000 on the 1914 free-trade clip and prices as compared with the 1909 protection clip and prices;

To reduce the income of Territorial woolgrowers more than $12,000,000 on the 1914 clip and prices under free trade as compared with the 1909 clip and prices under protection;

To reduce the income of the wool producers of the country during this period of agitation and consummation of free trade at least $85,000,000;

To reduce the income of the Nation on loss of revenues on imported wool in seven months nearly $20,000,000; and

To deprive textile workers of at least $5,000,000 of wages on account of increased importations of woolen goods.

Does anyone know of any good which has been accomplished by or through these losses? I will yield to any Democrat who knows of anyone on our side of the Atlantic who has been benefited. I know of no such. I could, however, fill the CONGRESSIONAL RECORD with accounts—all before the present war—of foreign mills and factories running overtime to supply goods for the American market, while 30 to 35 per cent of our wool manufacturing machinery stands idle. How long will the American people tolerate a policy which produces such results? Not for long, in my opinion. [Applause on the Republican side.]

The following are the tables referred to in the early part of my remarks:

WOOL PRICES.

[National Association of Wool Manufacturers.]

Territorial staple, fine and fine medium, unwashed.

	Cents.
1909.	
January	23
February	23.5
March	23.7
April	24
May	24.5
June	26
July	27
August	28
September	28
October	28
November	28
December	27.6
1910.	
January	27
February	26.8
March	26
April	25
May	23
June	22.4
July	22.4
August	22.7
September	22.7
October	23
November	23
December	23
1911.	
January	24
February	22
March	20.5
April	19.5
May	19
June	19
July	19.5
August	20
September	22
October	22.5
November	23
December	23
1912.	
January	23
February	23
March	23
April	23
May	23
June	23
July	23.5
August	25
September	25
October	25
November	24.5
December	24.5
1913.	
January	24.5
February	24
March	22
April	21
May	21
June	20
July	20
August	20
September	20
October	20
November	20
December	19.5
1914.	
January	19.5
February	20.5
March	21
April	21.5
May	22
June	22.2

WOOL PRICES.

[Farmers' Bulletin 575, Department of Agriculture.]

Ohio fine, unwashed.

Year.	Low.	High
1905	23	30
1906	24	28
1907	25	28
1908	19	27
1909	23	28
1910	20	28
1911	18	22
1912	21	25
1913.		
January	24	24
February	24	24
March	23	24
April	21	23½
May	20	21
June	20	21
July	20	21
August	20	21
September	20	21
October	20	21
November	20	21
December	20	21
1914.		
January	20	21½
February	21½	22
March	22	.....
April	22	.....
May	22	23

Imports of unmanufactured wool into the United States by classes and months during the 7 months' period ending June 30, 1914.

Month.	Class 1.		Class 2.		Class 3.	
	Pounds.	Dollars.	Pounds.	Dollars.	Pounds.	Dollars.
December	6,004,047	1,415,122	2,096,842	528,190	13,297,838	2,345,123
January	14,205,750	3,279,762	2,104,937	509,738	9,549,316	1,653,918
February	18,413,057	4,400,042	2,741,720	691,795	9,643,028	1,687,964
March	21,872,566	5,253,229	2,506,018	616,845	12,053,190	2,036,013
April	26,925,230	6,581,569	1,673,988	445,869	10,382,074	1,799,657
May	16,580,562	4,353,487	2,137,436	578,275	11,378,152	1,857,502
June	14,031,885	3,639,394	2,007,768	486,411	8,221,888	1,334,593
Total imports	118,033,097	28,922,605	15,268,709	3,857,123	74,535,486	12,744,757

Total imports, 207,837,282 pounds imported free. If duty had been paid at Payne bill rates, it would have amounted as follows:

Class 1	$12,963,640.67
Class 2	1,832,245.00
Class 3	4,590,016.00
Total	19,405,901.67

WOOL CLIP OF THE UNITED STATES.

Figures of Department of Agriculture for 1909, 1910, 1911, and 1912, and National Association of Wool Manufacturers for 1913 and 1914:

1909	328,110,749
1910	321,302,750
1911	318,547,900
1912	304,043,400
1913	296,175,300
1914 (estimated)	270,000,000

SHEEP IN THE UNITED STATES.

Figures of Department of Agriculture:

1909	43,293,205
1910	41,999,500
1911	39,761,000
1912	38,481,000
1913	36,319,000
1914 (estimated)	34,600,000
Loss since 1909	8,293,205

Mr. BARNHART. Mr. Chairman, I ask that the Clerk begin the reading of the bill.

The Clerk read as follows:

Be it enacted, etc., That there shall be a Joint Committee on Printing, consisting of three members of the Committee on Printing of the Senate and three members of the Committee on Printing of the House of Representatives, to be designated by the Committee on Printing of the Senate and by the Committee on Printing of the House of Representatives, respectively.

Mr. MANN. Mr. Chairman, I move to strike out the last word. We are now commencing to read the bill for amendment under the five-minute rule, and I think that the Members of the House ought to receive reasonable notice, so that they may be here, and I make the point of order there is no quorum present.

The CHAIRMAN. The gentleman from Illinois makes the point of order there is no quorum present. The Chair will count. [After counting.] One hundred gentlemen are present, a quorum, and the Clerk will read.

Mr. MANN. Mr. Chairman, I move to strike out the last two words. I notice in this section it provides for the Joint Committee on Printing, to be designated by the Committee on Printing of the Senate and by the Committee on Printing of the House of Representatives. And I do not see that there is any objection to the use of the word "designated." In the next section of the bill it says that the members of the joint committee who are so designated shall continue members of said committee until their successors are chosen as provided for in that section. Of course the word "chosen" has a variety of meanings, and I suppose would be fairly apt in this connection if it were necessary to use it. The word "chosen" as used in the Constitution of the United States refers invariably to an election. Electors are chosen, and various other officers of the Government are chosen, but wherever the term "chosen" is used in the Constitution it refers, not to an appointment or a designation, but to an election.

Now, I hope the gentleman from Indiana [Mr. BARNHART], with his usually nice use of the English language, will make these two words comport with each other. If "designated" is used in paragraph 1, then, when you reach paragraph 2 it ought to read:

Until their successors are designated as provided for herein.

Mr. BARNHART. Mr. Chairman, so far as the committee on the House side is concerned, it is really appointed, as the committee understands it, and on the Senate side it is neither chosen nor appointed, but designated.

Mr. MANN. But the Committee on Printing of the House, of course, is elected by the House under the existing rules, and this section requires that out of that committee, which consists of only three members, the committee shall designate three members to go on the Joint Committee on Printing. This is the language:

That there shall be a Joint Committee on Printing, consisting of three members of the Committee on Printing of the Senate and three members of the Committee on Printing of the House of Representatives, to be designated by the Committee on Printing of the Senate and by the Committee on Printing of the House of Representatives, respectively.

Mr. BARNHART. But does not the gentleman from Illinois concede that it might be possible that it could be the duty of a committee to designate, and after this committee was designated, it would be chosen?

Mr. MANN. I have no objection to the use of the word "designated." But you provide that the three Members of the House shall be designated by the House Committee on Printing. And when you use that term in that way it seems to me that is the term you ought to use in paragraph 2—namely, "designated."

Mr. BARNHART. That might be if the methods of choosing in both the House and the Senate were the same, but that does not necessarily follow. We elect our committee here; that is, our membership on the Joint Committee on Printing. On the Senate side there are 9 of the Senate Committee on Printing. We have 3 and the Senate has 9, and from that 9 they choose 3. In the House we designate these 3, and we do not elect them at all, because by virtue of their being on the Printing Committee they become members of the joint committee.

Mr. MANN. You do not elect them at all. Under the terms of the law, which I presume are never complied with technically—this is the existing law—you designate three members of the House Committee on Printing as members of the Joint Committee on Printing. Of course, as there are three members of the House committee you go without any designation at all.

Mr. BARNHART. The gentleman will observe on page 2 it is said they are chosen "as provided herein."

Mr. MANN. As provided in this section.

Mr. BARNHART. As provided previously, as a matter of course.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. MANN] has expired.

Mr. MANN. Mr. Chairman, I ask unanimous consent for a minute more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MANN. Why not, to make it just as clear or clearer and avoid any question as to the meaning of the word "chosen," and not changing the meaning of the word as it is in the Constitution, say "until their successors are designated as provided for in this section"?

Mr. BARNHART. I would not have any objection, but I do not see that it is material.

Mr. MANN. I do not say that it is material, and yet where we have certain words used in the Constitution of the United States with a fixed meaning, and there is no occasion for changing that meaning, I think it is wisest in legislation to take the meaning in the Constitution of those words and retain them.

Mr. BARNHART. I am perfectly willing when we come to paragraph 2 in section 1 that we shall take that matter up. But I think the word "designated" should be left in the opening chapter of the bill.

Mr. MANN. I do not see anything against that at all, I will say to the gentleman.

Mr. BARNHART. And when we come to paragraph 2 in section 1, if it is thought best to change the word "chosen" to "designated," I do not believe the committee would have any material objection.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 1. PAR. 2. The members of the Joint Committee on Printing who are reelected to the succeeding Congress shall continue as members of said committee until their successors are chosen as provided for in this section: *Provided*, That the President of the Senate and the Speaker of the House of Representatives shall, on the last day of a Congress, appoint Members of their respective Houses who have been elected to the succeeding Congress to fill the vacancies then about to occur on said committee, and such appointments shall continue until their successors are chosen as provided for herein. The Joint Committee on Printing as constituted by this section shall exercise all the powers and duties devolving upon said committee under the law, and it may authorize one or more of its members to exercise such of its functions as necessity shall require when Congress is not in session.

Mr. BARNHART and Mr. KINKEAD of New Jersey rose.

The CHAIRMAN. The gentleman from Indiana [Mr. BARNHART] is recognized.

Mr. BARNHART. Mr. Chairman, I ask unanimous consent that, in line 8, the word "chosen" shall be stricken out and the word "designated" substituted therefor.

Mr. MANN. Also in line 2.

The CHAIRMAN. The gentleman from Indiana [Mr. BARNHART] offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 2, line 2, strike out the word "chosen" and insert in lieu thereof the word "designated."

Page 2, line 8, strike out the word "chosen" and insert in lieu thereof the word "designated."

The CHAIRMAN. The question is on agreeing to the amendments.

The amendments were agreed to.

Mr. KINKEAD of New Jersey. Mr. Chairman, I move to strike out the last two words for the purpose of asking unanimous consent to insert in the RECORD a speech made by my colleague and my good friend, Mr. ALLAN B. WALSH, of New Jersey, on July 4, at Basking Ridge, Somerset County, N. J., the subject being the Declaration of Independence.

The CHAIRMAN. The gentleman from New Jersey [Mr. KINKEAD] asks unanimous consent that he may extend his remarks in the RECORD by inserting a speech of his colleague, Mr. WALSH, delivered on the 4th of last July. Is there objection?

There was no objection.

The address is as follows:

ADDRESS OF HON. ALLAN B. WALSH, OF NEW JERSEY, ON JULY 4, AT BASKING RIDGE, SOMERSET COUNTY, N. J.

"I consider it one of the very best signs of our times, ladies and gentlemen, that the people all over the country are taking a genuine interest in the sane celebration of the Fourth of July.

"It has practically ceased to be a day of noisy boastfulness and somewhat rowdy enthusiasm and is fast coming to be what it ought to be—a day for the manifestation of intelligent and enthusiastic patriotism. It is most fitting that our celebrations take into account the education of the rising generation. The purpose of the day's observance should be made plain to them in every possible way, so that even the youngest may grasp the meaning of it and develop a more patriotic spirit through its yearly observance. Not all the day should be given over to mere jollification. Some little time at least should be set apart for historic consideration, through which we may arrive at a better understanding of the declaration which forms the very beginning of our history as a nation. This will serve largely to keep us in touch with it, and we must remember that it is a mighty important document, not only for us who pride ourselves on our American citizenship but also for the whole world.

"When we pause to consider the purpose of our celebration to-day our minds most naturally travel back to that other 4th of July, 138 years ago, when we had the courage and audacity to get up on our own feet and proclaim ourselves an independent people, fully capable of taking care of ourselves, fully determined to tolerate no longer the oppressive conditions to which we had been reduced by England, and ready to prove our determination, if need be, by force of arms. Well, we had to prove it, and we succeeded in doing so, and it is a matter of history of which we can be justly proud that we not only have stayed on our own feet ever since, but have in the short space of 138 years advanced to the very forefront of the nations of the earth in power, in population, and in prosperity, as well as in that ardent love of liberty and manhood which inspired the great declaration of our independence. And, please God, we shall continue to occupy this proud position.

"Only those who are deep students of the history that has been made since the Declaration of Independence on July 4, 1776, can give you any adequate idea of the influence it has had on the history of the whole world, even to the present day. It is a document that should be read and pondered over by every genuine American citizen, for it concerns us all; and we of the present day, just as truly as our fathers in the past, reap the benefits of its proclamation to the world. While it is true that the Nation has not always lived up to the full content of the document, still it must be admitted that the spirit of the declaration was always there, always understood, and always animating the people in their struggle toward better government. Not only that, but its spirit was breathed abroad upon the peoples of the earth and the eyes of all the oppressed of the world turned longingly toward the new Nation as to a refuge—a blessed land, where every man, no matter how humbly born, might stretch himself up to the full height of his manhood, where the man born in the log cabin might one day be the occupant of the White House.

"We are rather prone to believe that the Declaration of Independence was a statement of conditions already existing in the American Colonies. It was very far from being that, however. As a matter of fact, it was a challenge and a protest against oppressive conditions which existed under the British rule. It was, I might say, a platform or a promise of better

conditions to be realized, if possible, under an independent government, which recognizes the inherent dignity of man and proclaims all free and equal before the law with a right to a voice in the government. And it was our brave proclamation of these principles to the world as the foundations on which we were to build as a Nation that has made this 'the day we celebrate' beyond all others in our national calendar.

"It seems to be a fact of history that in times of great human need great men arise; and the bitter struggle for our liberty as a Nation which followed fast on our Declaration of Independence brought into prominence one of the greatest men of all time whose name will ever be associated with the day. In the history of the world there have been many wise men, many great statesmen, many great soldiers and great philanthropists, but I doubt if you can find anyone among them all who measures up so thoroughly to all the conditions of greatness as our own George Washington. 'First in war, first in peace, and first in the hearts of his countrymen,' is a eulogy, simple but expressive, which can be spoken of him as it can be spoken of no other man, for his whole life was an embodiment of the principles of the great Declaration of Independence. Now, the examples of the lives of great men have an abiding influence on the lives of subsequent generations, and when all the details of the life of any great man are edifying it becomes our duty to keep the memory of that life perpetually green among us so that as citizens we may be influenced by it.

"As a Nation we have not forgotten Washington. We have enshrined his name forever in the great, growing, and beautiful city which is the Capital of our country and the seat of our National Government. But the very best way of all to give him the honor he deserves is for each of us individually to model our activities as citizens upon his.

"Before we had rounded out the first century of our history as a Nation we were plunged into that dreadful catastrophe, the Civil War, which threatened national disruption. Here again, in the time of pressing need, a great man stood revealed—a man who was the genuine product of democracy, a man tender of heart and sympathetic without weakness, who guided the Nation through the dark days of peril with such success that 'no star from our flag was lost' and the principle of national unity was established forever. I believe, ladies and gentlemen, that Abraham Lincoln will live in the history of our Nation and of the world as one of the greatest of men, and his speech at Gettysburg will remain as a classic in the English language—a simple, short, but ringing restatement of the principles of the Declaration of Independence.

"And now, after 138 years, how do we stand to-day in the light of the words of that declaration?

"To-day, ladies and gentlemen, more than ever before do we hold the essential equality of men before the law; to-day more than ever before do we recognize that certain inalienable rights belong alike to the highest and the lowest citizens of the land; to-day more than ever before it is a part of our gospel and of our practice that nothing can be more sacred than the life, liberty, and happiness of the people as a whole; and to-day more than ever before is the truth being driven home in all corners of the world that Governments derive their just powers from the consent of the governed.

"Embodied for the first time in its distinct modern form in our Government of the United States, this idea has gone clear around the world, stirring up the oppressed everywhere to demand an audible voice in the affairs of government; the actual establishment of a Republic among the 400,000,000 inhabitants of China being the very latest manifestation of its influence.

"We have had grave problems to face during our short history as a Nation, and in these, our own days, they developed to such an acute degree that we seemed really on the verge of some catastrophe. Indeed, it did look for a time as if we had slipped back to conditions resembling those against which the Declaration of Independence was a protest. The rumblings of dissatisfaction were becoming more and more widespread in the land, when behold here again in our hour of national need a leader appeared whose true greatness grows more evident to the Nation every day. More, perhaps, than anyone ever before, he has stirred up the conscience of the people, pointed out clearly to them the real dangers which threatened the country, and roused them to a sense of their own responsibility for the very existence of those dangers. His utterances have brought us back to sane, sound common sense, and no man with the red blood of an American citizen in his veins can listen to that voice and yet stand idly by and tolerate any going back to the un-American conditions of the immediate past. For my own self, ladies and gentlemen, I cherish daily stronger sentiments of gratitude toward those of my fellow citizens who by their confidence in me conferred on me the distinguished honor of serving in Congress under a leader who has raised statesmanship to such a high level and who has made us all realize that we are in Washington for the sole purpose of laboring for the best interests of the people, and that in doing this our own interests and personal conveniences are to be considered as of secondary importance. You yourselves, from your knowledge of current events, are fully aware that President Wilson is the very first to set the example of self-sacrifice in this matter for the sake of working out without delay the much-needed reforms to which our party had pledged itself.

"We have grown used to the ways of the political quacks and the newspaper editors who, perhaps, have other interests to serve than purely patriotic ones. We can afford to watch with some amusement while they hurl at our distinguished President their darts of criticism; and whatever our political creed may be we can not help but admire the strength and calmness with which he goes on his appointed way, impervious alike to applause as to clamor and ridicule, determined at any cost to carry out his purpose of making America a good place to be in for all. Great men have occupied the presidential chair, but I believe none of them has realized more fully in himself or lived more completely up to the obligations of American citizenship than our present distinguished President; and I believe, further, that none has been to any more complete extent a President of the people and for the people.

"His Mexican policy has been exposed to almost constant ridicule; even Members of Congress stamp their feet in indignation and hurl forth the hot shot of denunciation against the Mexican policy of the administration, but I am among those who believe Woodrow Wilson is right; that his 'watchful waiting' policy will eventually win and that in the end a crowning victory will be marked to his credit, and I thank God that he has the courage and the patience in the teeth of bitter criticism to withhold intervention with arms in that troubled country. We are too far removed from the terrible days of the Civil War to realize to any great extent the horrors of that war or the curse of war in any shape or form, but it is providential that we have a man at the helm who realizes it and who is determined to save you from it if that can possibly be done without compromising the Nation's prestige or sacrificing her honor.

"Ah, gentlemen, when I think of the millions of our loyal, patriotic, and peace-loving American citizens, who are just about to begin to reap the benefits of improved conditions in this country, and then look forward into a future which would follow for them close upon the heels of war, I hope and pray with all the powers of my heart and soul that the great God of peace will strengthen the hand of Woodrow Wilson by enabling him to work out the solution of this problem by peaceful means without dragging our people through the deeps of the hell of war; for if he can succeed in doing this with honor, exercising the patience of conscious strength, President Wilson will have placed our country in an enviable position among the nations of the earth, will have given a new and a powerful impulse to the cause of universal peace, will have enshrined himself in the hearts of the American people, and 'generations yet to come will call him blessed,' while the calamity howlings and criticisms, denunciations, and jingoisms of the present time will have sunk into the insignificance of the chattering of magpies."

The Clerk read as follows:

SEC. 2. PAR. 1. The Joint Committee on Printing shall have power to adopt and employ such measures as in its discretion may be deemed necessary to remedy any neglect, delay, duplication, or waste in the execution of the public printing and binding and the distribution of Government publications.

Mr. MANN. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Illinois [Mr. MANN] moves to strike out the last word.

Mr. MANN. I do not now recall whether this is substantially the provision of the existing law or whether this is a new authority to be conferred on the Joint Committee on Printing. It seems to me a very broad authority to give to any committee "to adopt and employ such measures as in its discretion may be deemed necessary to remedy" almost anything. They could override, under the terms of this section, any provision of the law. This provision is not a provision that they may adopt and employ such measures as are not inconsistent with the terms of this act, but they may adopt and employ such measures as in its discretion may be deemed necessary. In other words, the fiat of the Joint Committee on Printing can do anything, on the ground that they give—and it is wholly within their power and discretion—that will "remedy any neglect, delay, duplication, or waste in the execution of the public printing and binding and the distribution of Government publications."

The Joint Committee on Printing, as I am informed and believe, is of the opinion that there is a great waste in the dis-

tribution of Government publications; that Members of Congress have more publications to distribute than they ought to have; that a large share of the publications which are distributed by Members of Congress go into the wastebasket. Having that opinion, under the terms of paragraph 1 of section 2 the Joint Committee on Printing may reduce the number to be issued, although the law provides otherwise, and may direct the suspension of any distribution, and do anything else that it wants to do.

Of course, the present Joint Committee on Printing, with the assistance of the able gentleman from Indiana, in charge of the bill, would not do anything that was improper; but you can not always tell who may be on the Committee on Printing in the course of time.

Mr. BARNHART. Mr. Chairman, I move to strike out the last two words.

The CHAIRMAN. The gentleman from Indiana [Mr. BARNHART] moves to strike out the last two words.

Mr. BARNHART. The only change in this paragraph, Mr. Chairman, from existing law is the addition of the words "duplication and waste." The law has never been abused by any Joint Printing Committee, and probably never will be. The fact of the matter is the Printing Committee is largely subject to the will of the House, and it is the same with the Senate Committee on Printing, which is largely subject to the will of the Senate. But the importance of this feature of the bill consists in the fact that many departments of the Government are continually indulging in duplication of publications. I might show numerous instances of that duplication, but I will use only a few. For instance, we have the "Sanitary survey of the schools of Orange County, Va." That is published by the United States Bureau of Education. We have a publication practically the same, by the United States Public Health Service, on rural schools, "Sanitary survey of schools in Bartholomew County, Ind.," probably made by the same individual. In the Department of Commerce we have issued a publication called "Canned salmon cheaper than meat, and why." Then we have an extract from the Yearbook of the Department of Agriculture on supplementing our meat supply with fish—canned salmon. We have the United States Department of Agriculture issuing Bulletin No. 118, entitled "The school garden." The Bureau of Education publishes practically a duplicate of this and calls it "Cultivating the school grounds of Wake County, N. C." The Department of Agriculture issues a bulletin entitled "How to prevent typhoid fever." The Public Health Service issues a bulletin entitled "Causation and prevention of typhoid fever." Here again we have the United States Department of Public Health issuing a document entitled "Sanitary survey of schools in Bartholomew County, Ind."

Here are three departments issuing practically the same publications. Nobody is especially responsible for this duplication of work; but the committee believes that the law as it stands is working well, and this additional strengthening by the insertion of these words will enable the committee to designate some competent authority or compel the heads of the departments to submit their wants in the matter of publication of public documents to some authoritative head, at least to some authority whereby there may be a compilation which will prevent the possibility of each and every department publishing whatever they choose.

Further, Mr. Chairman, some time ago the Public Health Service printed a bulletin on "The care of the baby." The Census Bureau might have published that if it had the statistics or the suggestions. I understand the Childrens' Bureau asked for an appropriation to publish practically a duplication of this work. This would surely be a waste, because each of these departments doubtless will ask in its estimates for a sufficient number to supply the demand in that respect and too many would be published by the duplication.

I trust, Mr. Chairman, that this section may be allowed to stand as it is. It is only a slight change from the original. It will give the committee the authority, as is augmented further on in the bill, to prevent the possibility of these duplications, which do amount to a great waste.

Mr. MANN. Mr. Chairman, I rise to oppose the motion of the gentleman from Indiana.

The CHAIRMAN. The gentleman from Illinois is recognized.

Mr. MANN. I think the gentleman from Indiana is mistaken if he thinks that this provision would give the Joint Committee on Printing any practical jurisdiction over the question whether the Public Health Service should publish a document and the Children's Bureau should publish precisely the same thing. The Joint Committee on Printing will not know anything about it until after it is published. They do not publish unlimited numbers. They have a very limited quota, which they live up to; and so far as I am concerned, if the Public Health Service and the Labor Bureau shall publish advice, each of them, as to how to avoid typhoid fever, I am in favor of having it published by them and 40 other bureaus of the Government and put into the hands of the people. But, as I say, they publish very limited numbers.

Now, the gentleman is again slightly in error as to what this paragraph does. It has two additions from the existing law. The existing law gives to the Joint Committee on Printing power to adopt any measures necessary to remedy any neglect or delay in the printing and binding of documents or in the public printing and binding. That is to give them the power to remedy neglect and delay only as to public printing and binding. But this paragraph adds to their power the subject of duplication or waste and adds also "and the distribution of Government publications." Under the terms of the existing law the Joint Committee on Printing has no power to cut down the quota of Members of Congress of publications where the number is fixed by the law.

But under the terms of this paragraph the Joint Committee on Printing, if in their discretion they think it will be a waste to distribute public documents, have the authority to cease to give them to Members of Congress for distribution, and knowing the sentiment of many members of the Joint Committee on Printing in the past that Members ought not to have a large share of the documents which they obtain, I doubt the propriety or the desirability of submitting even to so amiable and excellent and able a gentleman as the gentleman from Indiana [Mr. BARNHART] the question whether Members of Congress shall have these public documents which they are now authorized to distribute, or whether my friend from Indiana shall cut us out.

Mr. TAVENNER. Mr. Chairman, the Committee on Printing have found that there is a great waste in public printing, but that is not because Members of Congress are getting more documents than they are entitled to, but because documents are being printed that the Members of Congress do not draw out, because they have no use for them. For instance, we are printing at great expense not only carloads but a trainload of costly documents every year that are going absolutely to waste, being sold as old junk, and the object of this bill and of the Committee on Printing is not to give Members of Congress fewer documents, but to give them the documents they want and that their constituents have use for, and to prevent the assignment to them of documents they have no use for. For instance, there is placed to my credit in the folding room every now and then a report on spirit leveling in California. That document is of absolutely no use to any person in my district, and we propose to save money by not publishing documents that are of no use to the Members, and to give the Members the advantage of taking in their stead documents that are needed in their districts.

Mr. GOLDFOGLE. Mr. Chairman, is not the abuse to which the gentleman refers taken care of in a subsequent section of this bill?

Mr. TAVENNER. Yes; but that is the general thought all the way through the bill. Now, as to this particular paragraph, we find, for instance, in the Agricultural Yearbook every year the annual report of the Secretary of Agriculture. That report is being printed in four or five different forms. It does not add to the attractiveness of the Agricultural Yearbook, but, on the contrary, detracts from it. The Joint Committee on Printing would like to have the authority to prevent this duplication and to take out of the Agricultural Yearbook that dry, long report which takes up one-third of the book. Those who desire the annual report of the Secretary of Agriculture can get it as such. This simply gives the committee the authority to cut out of that Agricultural Yearbook the duplication of the annual report of the Secretary, so as to make the book more attractive and valuable to the farmer, and to save the Government a large sum of money annually.

Mr. GOLDFOGLE. Mr. Chairman——

The CHAIRMAN. Debate on this section is exhausted.

Mr. GOLDFOGLE. I move to strike out the last three words. I am inclined to agree with the gentleman from Illinois [Mr. MANN] in opposing this section. It seems to me that in its present form it confers broad legislative powers on this Joint Committee on Printing, powers that the joint committee ought not to possess. It is true that the committee is a most excellent one. I have the highest regard for the distinguished chairman of the House Committee on Printing, and believe much that he said concerning the necessity for economy has been well said, but I think no committee of this House ought to possess the broad legislative powers that this section would confer.

It is suggested that the Joint Committee on Printing might curtail the departments in the issuance of documents. I would not like to see the committee clothed with such power that it could clash directly with one of the executive departments of this Government. I would prefer that the Committee on Appropriations should have the right, as it now has, to supervise the estimates that come in, and recommend to this House the appropriations that are to be made, out of which come the expenditures for printing the documents issued by the departments. Why should this Joint Committee on Printing or the House Committee on Printing have broader, greater legislative powers than any other committee of this House is possessed of? Every other committee of this House is compelled to come here and submit to the action of the House. Every other committee of the House must come here to have its reports confirmed or rejected. But now it is proposed by this section that this Joint Committee on Printing shall be vested with such legislative powers as will permit them to act without regard to what the majority of this House may desire.

Mr. BARNHART. Will the gentleman yield?

Mr. GOLDFOGLE. With a great deal of pleasure.

Mr. BARNHART. Does the gentleman from New York understand how the Joint Committee on Printing is created and what its duties are under the law?

Mr. GOLDFOGLE. I have some idea, of course.

Mr. BARNHART. I will be glad to have the gentleman state how the joint committee is created and what its duties are under the law.

Mr. GOLDFOGLE. I do not know that it makes much difference how it is created.

Mr. BARNHART. Oh, but it does.

Mr. GOLDFOGLE. Or what its duties are under the law. I do know that it is a committee of the Congress. I do know that it is composed of Members of the Senate and House, and know that Congress should be supreme in the exercise of its right and discretion to regulate the appropriations for the departments. I also know that this section is so broadly drawn that the time will come when the Joint Committee on Printing may clash with executive departments of the Government and when documents required for the use of Members of the House may not be furnished because the Joint Committee on Printing think differently from the departments, either as to the necessity of printing them at all or as to the number required for distribution.

Mr. KINKEAD of New Jersey. Mr. Chairman, I want to ask my friend from New York if he is content to leave this matter in the hands of the Committee on Printing? I have heard my friend from New York [Mr. GOLDFOGLE] on many occasions say that he regards this committee as one of the best and most efficient of the working committees in the House.

Mr. GOLDFOGLE. I have said that before.

Mr. KINKEAD of New Jersey. Yes; and repeated it; and is it not fair now to leave that committee some discretionary power?

Mr. GOLDFOGLE. We are legislating not only for this Congress but for future time; and, while I repeat that I have the highest regard and the greatest respect for this Joint Committee on Printing, the time may come when this section may produce the effect to which I have before alluded, especially if there be a change in the personnel of the committee.

Mr. KINKEAD of New Jersey. Will my friend yield for a further question?

Mr. GOLDFOGLE. I yield to the gentleman.

Mr. KINKEAD of New Jersey. There is absolutely no difference of opinion between the gentleman from New York and myself. Both of us are agreed on that subject. Both of us realize that this committee has done its best in the preparation of this measure, and only this morning——

The CHAIRMAN. The time of the gentleman has expired.

Mr. KINKEAD of New Jersey. I ask unanimous consent that the time of the gentleman from New York be extended five minutes.

The CHAIRMAN. The gentleman from New Jersey asks unanimous consent that the time of the gentleman from New York be extended five minutes. Is there objection?

Mr. DONOVAN. Mr. Chairman, reserving the right to object, I think the gentleman from New York ought to be allowed to speak for 35 minutes. He has not had much opportunity to address the House lately. I think he should be allowed to speak until he completes his remarks. He has been a most valuable Member of this body.

The CHAIRMAN. The gentleman from New Jersey asks unanimous consent that the gentleman from New York may continue for five minutes more. Is there objection?

Mr. DONOVAN. Reserving the right to object, I wish to amend that request and ask that the gentleman from New York may be allowed to address the House until he finishes, on account of the lack of opportunity that he has had to address the House.

The CHAIRMAN. The gentleman from Connecticut asks that the gentleman from New York may proceed to the conclusion of his remarks. Is there objection?

Mr. BARNHART. I object.

The CHAIRMAN. The gentleman from New Jersey asks unanimous consent that the gentleman from New York may proceed for five minutes. Is there objection?

Mr. DONOVAN. I object.

Mr KINKEAD of New Jersey. Mr. Chairman, I ask unanimous consent to address the House on this matter for three minutes.

The CHAIRMAN. The gentleman from New Jersey asks unanimous consent to proceed for three minutes. Is there objection?

There was no objection.

Mr. KINKEAD of New Jersey. Mr. Chairman, when my good friend from Connecticut [Mr. DONOVAN] interrupted, I was about to ask my friend from New York [Mr. GOLDFOGLE] if in view of the repeated declarations that he has made—and, I think, conservatively and wisely made—that the Printing Committee, so ably presided over by the gentleman from Indiana [Mr. BARNHART], has not only done its work well but has done it efficiently, intelligently, and ably; that in a matter requiring discretion of the committee, instead of being criticized for bringing in this section of the bill, covering so completely the matter, that it should be complimented and not criticized

I now say to the gentleman from Indiana that I compliment him and the members of his committee on this matter, and I hope this afternoon when I ask unanimous consent for the consideration of the measure that I have introduced and referred to his committee—namely, the printing of the memorial exercises on the Barry Monument—they will use that wide and wise discretion that they have always used and will allow me to have this bill taken up after his measure is disposed of. I have no desire at this time to put the gentleman from Indiana on record in regard to the measure; but after it is read to the House and explained intelligently, as I do everything [laughter and applause], I am sure that no Member on this side of the House, and certainly none of my good friends on the other side, will interfere with a measure that is for the public good.

Mr. BARNHART. Mr. Chairman, I ask unanimous consent to proceed for 10 minutes in an explanation of some of the abuses that have crept in and which were the cause of drafting this measure.

The CHAIRMAN. The gentleman from Indiana asks unanimous consent to proceed for 10 minutes. Is there objection?

There was no objection.

Mr. BARNHART. Mr. Chairman, section 2, paragraph 1, is really more fully set out on page 122 of the bill in section 81, but I wish especially to call attention of the House at this particular time to some suggestions of my friend from New York [Mr. GOLDFOGLE] because it will be necessary sooner or later that you understand some of the things that have been happening in years past which certainly necessitate the importance of there being some guide and staying hand over the Public Printing Office with which Congress has very largely to do.

The Government Printing Office is the servant of the Congress. It is really ours to have and to hold. It does, most of the time, congressional printing, and we ought to have the right, and always have had for a half century, to govern and control the Government printing.

The fact of the matter is that about the year 1905 some very grave abuses were discovered in the Government Printing Office, and a commission was appointed to make investigation. When that commission commenced the investigation the resignations and reappointments in the Government Printing Office head were so rapid that we had four different Government Printers in one year. Now I will tell you why. If you look into the report you will find, for instance, that during the four and a half years prior to the joint committee's beginning of the investigation Public Printers had expended a total of $2,303,703.30 for machinery and improvement of the printing plant. Of this sum $1,621,423.15 was expended for machinery alone, which the Public Printer purchased without being accountable to any one.

This expenditure for machinery was occasioned partly for the installation of typesetting machines. The commission discovered that in the purchase of these machines employees of

the Government had relatives who owned stock in the companies from which machines were purchased, and the Public Printer bought typesetting machines to such an extent that even to this day there are some 50 machines in the Government Printing Office, at an original expense to the Government of $50,000, that have scarcely been used and are now so obsolete that they never will be used.

Mr. REED. Will the gentleman yield?

Mr. BARNHART. Yes.

Mr. REED. Was that under the present administration?

Mr. BARNHART. No. I may say that since about the year 1908 or 1910, since the Joint Committee on Printing became actively engaged in this investigation, the Government Printing Office has been administered quite economically, so far as the Printing Office itself is concerned; but the same law that enabled the former Government Printers, either mistakenly or intentionally, to indulge in this extravagance is on the statute book to-day, and it is that law that this bill seeks to correct.

Another Public Printer decided to change the furniture in the composing room. That is where the type is set. Any newspaper man will admit that it is a workshop. That composing room had substantial white-oak furniture, and the Government Printer, on his own volition, not accountable to anybody, threw the oak furniture away and purchased mahogany, brass-finish furniture instead at an expense of $20,000 to the Government. And there are many more items of extravagance like that. Another Public Printer installed what he called an auditing system. He did it of his own volition; he was not accountable to anybody, but he spent on that auditing system $138,110 in less than two years; and when it was discovered that his auditing system was of no account, the Government Printer resigned and the auditing system was thrown out, with a loss to the Government of something like $140,000 on the scheme.

Had the joint committee or some other board of overseers been authorized to exercise any control over the Government Printer, or had he been required to report to any committee or board of directors, these extravagances would not have been indulged in. Gentlemen of the committee, this joint committee is nothing more than a board of directors for the Government Printing Office.

Mr. HOWARD. Mr. Chairman, will the gentleman yield?

Mr. BARNHART. Yes, sir; briefly.

Mr. HOWARD. In the last clause of section 2 I notice that it gives the right to the Joint Committee on Printing of being practically a board of censorship of our public documents.

Mr. BARNHART. In the last clause of paragraph 1?

Mr. HOWARD. Paragraph 1, on page 2, section 2. Is it the intention of the Joint Committee on Printing to pass on Government publications in the sense of a censorship, to see whether or not there is a duplication? For instance, take the poultry industry. A public bulletin on the poultry industry in the North has been issued, and there is a public bulletin on the poultry industry in the South. There are two separate conditions under which poultry is raised. Would the gentleman say that because a bulletin has been published on poultry conditions in the North you could not publish another one on poultry conditions in the South?

Mr. BARNHART. Mr. Chairman, I am very glad the gentleman has asked me that question, and I thank him for it. It is one of the important features of the bill. If the gentleman had read the bill more thoroughly, he would have discovered that further on the bill provides that each department of the Government must each year make a report of its publications. It will then be the duty of the joint committee, or of its clerk, to look through these reports and see if there are any duplications, and suggest to these departments from time to time the duplications that have been made. Thus they will understand that they must report to somebody what is published, and it is probable that thereafter when one department presumes to assume the prerogative of another it will first make inquiry. For instance, the Children's Bureau may undertake to publish a bulletin on the public health. Before doing so I take it that that bureau would, if this provision be enacted, call up the other department and see if that department has a publication of similar nature. The Joint Committee on Printing, under the provisions of the bill as it has been drawn, is nothing more than the board of directors or trustees which we have in every bank in the United States, in every corporation, in every county organization where you have a county council, and in every township corporation where estimates of executive officials must be made to boards of investigation for approval. The gentleman from New York, in his suggestion that this committee had undertaken to legislate, is wrong. It does not undertake to do anything of the kind. It simply undertakes to act in the capacity of insisting that the Government departments and the Government Printer must have some head to which all these matters can be referred and adjusted.

Mr. GOULDEN. Mr. Chairman, will the gentleman yield?

Mr. BARNHART. Yes.

Mr. GOULDEN. I have discovered, according to your statements, that there has been considerable waste of money, or, to put it mildly, a great extravagance in the Government Printing Office under former administrations. Will the gentleman inform us how the Printer secured this money at the time, and from whom?

Mr. BARNHART. Mr. Chairman, the money is appropriated by the Committee on Appropriations for the Government Printing Office.

Mr. GOULDEN. Does not the Committee on Appropriations look into these matters pretty carefully?

Mr. BARNHART. I might say that sometimes it does and sometimes it does not. For instance, within the not very distant past, as I said to the gentleman's colleague in the discussion the other day, the House, with approval of the Appropriations Committee, increased wages of certain Printing Office employees over others of similar union wage scales, to the dissatisfaction of the latter, as would be the result from a standpoint of fairness. The wages of this particular class of men were increased and many others doing a class of work for which like wages are paid all over the country did not get the increase. We believe that it is important that some committee of competent authority, or some legislative enactment, shall be provided that would relieve the Committee on Appropriations from haphazard wage-scale making in the Government Printing Office.

Mr. GOULDEN. I agree with the gentleman thoroughly and am in accord with the bill; but as I understood the gentleman, he stated that there was a yearly loss of some $50,000 on some machinery which was standing idle in the Government Printing Office. To what does the gentleman allude?

Mr. BARNHART. Oh, no; not yearly.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. GOULDEN. If there is any explanation of that, I would like to have it, as this is an interesting matter.

Mr. HOWARD. Mr. Chairman, I ask unanimous consent that the time of the gentleman be extended for five minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HOWARD. The question that I desire to ask my friend from Indiana is this: This gives wider scope of authority to the Joint Committee on Printing over the administration of the Government Printing Office. The gentleman spoke about these men that had their wages increased. Does it not necessarily follow that if this authority is given to the Joint Committee on Printing it will give them practically the power, if they so desire to use it, to act as a censor of who will get the promotions in the Public Printing Office? In fact, would it not be the "whole cheese" down there?

Mr. BARNHART. Far from it. On the other hand, the bill means the very reverse. The bill gives no authority to the Joint Committee on Printing to do anything of the sort. It fixes a scale of wages that at this time seems to be proper, and that is all it does, and it asks for Congress to pass upon that just the same as it would pass on it if any other committee brought it to the floor of the House.

Mr. KINKEAD of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. BARNHART. Yes.

Mr. KINKEAD of New Jersey. Mr. Chairman, I am afraid that I must apologize to my good friend from New York [Mr. GOLDFOGLE]. In reading this paragraph more closely I find that his contention is absolutely correct, and that my statement was wrong, and I want to correct whatever impression I made with regard to it.

Now, Mr. Chairman, I would like to ask the chairman of the committee whether he or the Public Printer is better qualified to make the rate of wages for the men who are employed in the Government Printing Office. The present Public Printer has been a practical workman employed on the Hudson Observer in the city of Hoboken——

Mr. BARNHART. In what capacity?

Mr. KINKEAD of New Jersey. As foreman. He started in as call boy, and by perseverance, hard work, industry, sobriety, and intelligence he worked himself up until he became foreman of that magnificent plant, and if there is any man in America who is capable of saying what rate of wages shall be paid not only to the pressmen, not only to the feeders, but to every man or woman in the Printing Office, it is that good son of Hudson County, Hon. Cornelius Ford, and I hope that the gentleman from Indiana, using that wise discretion on which I compli-

mented him this afternoon, will allow the House to speedily vote to strike out of the bill this paragraph which mars it, and in sitting down I want to say again to my good friend from New York [Mr. GOLDFOGLE] that his contention was right, and that in answering his contention I was wrong.

Mr. BARNHART. Mr. Chairman, I will answer the interrogatory. I assume that the gentleman from New Jersey has had some sudden information from the outside. I am sorry that this matter comes to a point where it is necessary for me to make some response now that I did not care to indulge in. The present Public Printer has made probably the best showing in economy of any Public Printer the Government has had for many years. He is an industrious, capable man, but he has urged a certain scale of wages in which he reached the climax by asking that his own wages be increased $2,500 a year.

Mr. KINKEAD of New Jersey. Will the gentleman permit me to say——

Mr. BARNHART. I can not yield further.

The CHAIRMAN. The gentleman declines to yield.

Mr. BARNHART. No; I will not yield, but——

Mr. KINKEAD of New Jersey. That is not so, Mr. Chairman; the gentleman in wrong about that. He asked $500 a year.

The CHAIRMAN. The gentleman from New Jersey is out of order.

Mr. BARNHART. I do not care to have my authority questioned, and if the gentleman will look at the hearings——

Mr. KINKEAD of New Jersey. That is where it is taken from——

Mr. BARNHART. The gentleman will find he asked for $7,500 a year, and we give him an increase of $500, making $8,000. He has $5.500 a year now.

Mr. KINKEAD of New Jersey. He asked for how much?

Mr. BARNHART. Seventy-five hundred dollars a year.

Mr. KINKEAD of New Jersey. If he is receiving $5,500, that is only an increase of $2,000.

Mr. BARNHART. If I said $2,500, I meant $2,000.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. GOLDFOGLE. Mr. Chairman, I ask unanimous consent that the time of the gentleman from Indiana be extended for five minutes.

The CHAIRMAN. The gentleman from New York asks unanimous consent that the time of the gentleman from Indiana be extended five minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. BARNHART. Mr. Chairman, I might say the committee has appreciated the fact that there is going to be opposition to this bill from one given source, and that is from the Government Printing Office. All Government Printers who have preceded insist that they ought to have the largest authority possible; that they ought to have full control. I want to say to you, gentlemen, that the Government Printer is the only head in any department of the Government who has an expenditure of more than $2,000,000 in his own care and keeping. We believe it is too much authority, notwithstanding the fact I believe we do have now one of the best Government Printers the Government has ever had. As I said before, I believe he is honest, competent, energetic, and is making a wonderful showing in economy; but that is not any reason why some other Government Printer in time to come might not make the mistakes that have been made heretofore. At the present time the joint committee is proceeding in harmony with the Government Printer in the matter of purchases, and so forth; but the law as proposed will fix it so that it will be necessary for any succeeding Printer, whoever he may be, whether competent or incompetent, to submit his proposed proceedings in purchases to some authority which I have previously alluded to as being virtually a board of directors.

Mr. GOLDFOGLE. Will the gentleman yield?

Mr. BARNHART. I will.

Mr. GOLDFOGLE. This has occurred to me, and I would like to be enlightened by the distinguished chairman of the committee. Suppose between the final adojurnment of Congress and the convening of the next Congress one of the departments of the Government sees fit on the request of Senators or Representatives or some citizens to issue a particular document. Now, how will the Joint Committee on Printing, under the section of this bill as now framed, act? The Joint Committee on Printing will have no meeting in all probability. They will be away from Washington, just like any other Representatives and Senators will be. Now, then will come the clash and there will be no way of regulating or settling it. The document may be required. It may be of the highest importance that the document shall be reprinted and issued without much delay. There may be an honest difference of opinion between the department and the chairman of the committee, if indeed the chairman be communicated with. Now, how is that to be settled during the period to which I have referred, namely, between the final adjournment of Congress and the convening of the next Congress?

Mr. BARNHART. Mr. Chairman, I tried to explain that to the gentleman from New York before, and I take it that he was not listening to what I said, because I explained it in this way: This provision of the bill, or this section, does not fix any authority for the joint committee to say what shall or shall not be done, but the bill further on provides there shall be a report of the heads of departments each year on publications issued, and that the Joint Committee on Printing will take these reports and ascertain whether there has been duplication.

And if there has been to such an extent that it has been wasteful, of course the joint committee will report to some higher authority and try to arrange that the same thing will not occur again. It is suggestive rather than directory.

Mr. GOLDFOGLE. I understand all that; but I am afraid I have not made myself clear to the distinguished gentleman from Indiana [Mr. BARNHART]. I am referring to the action of the department ordering the reprinting of some document, some bulletin, or some other paper, usually issued from the department. Now, suppose the question arises as to whether or not that is an undue duplication, or whether or not it constitutes waste, as has already been suggested by the gentleman from Indiana. How is it to be settled? The committee will not be here in Washington to act on the matter or settle the matter in difference.

Mr. BARNHART. Will the gentleman yield there?

Mr. GOLDFOGLE. Certainly.

Mr. BARNHART. That is merely presumption, Mr. Chairman. For several years there has been no adjournment of Congress; and since the Congress in its wisdom has increased its membership to nearly 440 Members, the probability is that we shall be here year after year practically all the time.

Mr. KINKEAD of New Jersey. The gentleman knows we will have no special session next fall.

Mr. LINTHICUM. I understood the gentleman a while ago to say that the Public Printer has asked for an increase of $2,000 a year in his salary?

Mr. BARNHART. Yes, sir.

Mr. LINTHICUM. He now receives $5,500?

Mr. BARNHART. Yes.

Mr. LINTHICUM. I thought you were going to make some statement as to how much increase he recommended for the employees. Do you know whether he recommended that much or how much he recommended?

Mr. BARNHART. I think he recommended a total for employees of about $87,000.

Mr. LINTHICUM. About what percentage would that be of increase for employees?

Mr. BARNHART. I can not tell.

The CHAIRMAN. The time of the gentleman from Indiana [Mr. BARNHART] has again expired.

Mr. KINKEAD of New Jersey. Mr. Chairman, I move to strike out the last four words.

Mr. Chairman, the chairman of the committee states the Public Printer asked for an increase in his salary from $5,500 a year to $7,500 a year, and I find from a copy of the Senate hearings, which I have here, that he did ask for such increase. Whatever little success I have had in life, Mr. Chairman, has come from the fact that I am mostly willing to believe the other fellow.

Mr. MADDEN. Will the gentleman yield for a question?

Mr. KINKEAD of New Jersey. I always yield to the gentleman from Illinois.

Mr. MADDEN. I suppose the gentleman referred to is a very high class man and he is worth all that he asks, is he not?

Mr. KINKEAD of New Jersey. Of course the gentleman from Illinois states exactly the truth. Any first-class printer who comes to Washington from the county that I have the honor to represent in part and takes upon himself the manifold duties incumbent upon the office of Public Printer of the United States, and who asks the modest sum of $7,500 is, in my judgment to be complimented, and if I were a member of the Printing Committee I would do myself the honor, and I would do the man at the head of that magnificent plant the justice, to vote that his salary be increased to $7,500. [Applause.]

But aside from that, Mr. Chairman, the all-important fact that confronts this House this afternoon relating to this section is that the present Public Printer of the United States, despite the fact that we have been in session a greater number of days than any other session of Congress since the establishment of

the Government Printing Office, has reduced the running expenses of that plant in round figures $52,000 a year. And I want to submit to the membership of this House——

Mr. TAVENNER. Will the gentleman yield?

Mr. KINKEAD of New Jersey. Not now. I will be glad to do so before I finish if I have the time.

I want to submit to the membership of this House that any man who has intelligence enough, who has industry enough, to save this Government in one year $1,000 for every week that his plant has been running, ought to have an increase in his salary of $2,000 a year, and we ought to vote for it as a unit, even though it amounts to 36 per cent, as my mathematical friend from Maryland [Mr. LINTHICUM] indicated.

Mr. LINTHICUM. Will the gentleman yield?

Mr. KINKEAD of New Jersey. Not at the present time.

Now, there is a great deal of misunderstanding regarding the gentleman who occupies the position of Public Printer at this time. I remember that some of our newspapers criticized him during the holiday season because, forsooth, he gave Democrats a place or two in his office. Now, I want to ask my good friend from Illinois [Mr. MADDEN], who is square on every proposition that comes before this House, what he would do if he was a Public Printer and had opportunity to place a Republican? He would do as my friend Ford did. If I were Public Printer what would I do if a Democratic Member asked me to try to take care of a friend? Why, I would take care of him. And if a Republican came down that I liked, I would try to help him, too.

Mr. BUTLER. Would you take care of mine?

Mr. KINKEAD of New Jersey. Yes; I would—always.

Mr. Chairman, another thing I want to draw the attention of the House to this afternoon is this: That in these days of economical administration of affairs there is only one way to arrive at economy in the public service, and that is to have men at the head of your institutions in whom you can repose every confidence.

I am not going to vote here this afternoon, simply because in the future some man of a different type than Ford may be Public Printer, and he may say he wants some increases that are not warranted by facts. Let the future take care of itself. Let us say to the people of this Nation that this House, both Democratic and Republican, reposes the utmost confidence in that valiant little man who has wrought a saving of $1,000 a week despite the 25 per cent increase in the work of his office.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. KINKEAD of New Jersey. Mr. Chairman, I ask unanimous consent for two minutes more.

The CHAIRMAN. Is there objection?

Mr. LINTHICUM. Reserving the right to object, I would like to know if the gentleman will yield part of that time to answer a question?

Mr. KINKEAD of New Jersey. If you will get five minutes for me, I will.

Mr. LINTHICUM. Mr. Chairman, I ask that the gentleman have five minutes more.

The CHAIRMAN. Is there objection?

Mr. BARNHART. Reserving the right to object, as this section we are now on has not anything to do with the question of wages, I am going to ask unanimous consent that all debate on this paragraph close at the end of five minutes.

The CHAIRMAN. The gentleman from Indiana [Mr. BARNHART] asks unanimous consent that the debate on this paragraph close at the end of five minutes. Is there objection?

Mr. LINTHICUM. I object, Mr. Chairman.

The CHAIRMAN. The gentleman from Maryland objects.

Mr. KINKEAD of New Jersey. Mr. Chairman, I ask unanimous consent that I may proceed for three minutes.

The CHAIRMAN. The gentleman from New Jersey [Mr. KINKEAD] asks unanimous consent to proceed for three minutes. Is there objection?

Mr. LINTHICUM. Reserving the right to object, Mr. Chairman, will the gentleman yield to me?

Mr. KINKEAD of New Jersey. Surely; of course I will. [Laughter.]

The CHAIRMAN. Is there objection?

There was no objection.

Mr. KINKEAD of New Jersey. Mr. Chairman, in behalf of——

Mr. LINTHICUM. Mr. Chairman, will the gentleman yield for a question?

Mr. KINKEAD of New Jersey. Surely.

Mr. LINTHICUM. The gentleman a moment ago, referring to his "mathematical friend from Maryland," insinuated that I opposed the increase of salary because it was 36 per cent.

Mr. KINKEAD of New Jersey. The gentleman is wrong in his inference. I know that the gentleman from Maryland is intelligent, and I know that he agrees with me in this contention, as every other intelligent gentleman does.

Mr. LINTHICUM. I may admit that I am intelligent, but what I wanted to ask was this, whether the Public Printer recommended 36 per cent increase for the employees, because I am in favor of the employees receiving the same proportionate increase as the Public Printer receives. [Applause.]

Mr. KINKEAD of New Jersey. Mr. Chairman, that is a fair question, and I want to say to my good friend from Maryland that the Public Printer of the United States carries in his pocket a union card, and every man that is in the employ of the Public Printer of the United States—or in the employ of the United States Government under him—is receiving union wages or better, and that is satisfactory to the men and also satisfactory to the membership of this body as a whole.

Fifty-two thousand dollars in salaries was saved, and not a single man over there lost his position; I mean of the workmen; some sinecures were done away with. The increase in the output has been during the past year 25 per cent; and I call this to the attention of my friend from Indiana [Mr. BARNHART], that notwithstanding that increase—a tremendous increase, one-fourth more than they ever did before in the history of the Public Printer's office—notwithstanding this increase, Mr. Ford has been able to reduce the running expenses of his plant $1,000 each week. I say to the gentleman from Indiana that if I were in his place, with the facts before me as I have presented them to him this afternoon, I would rise in my place and ask that a vote be had on this paragraph, and that it be stricken from the bill. Otherwise, in my judgment, the measure is all right.

Mr. BARNHART. Mr. Chairman, will the gentleman yield?

Mr. KINKEAD of New Jersey. Certainly.

Mr. BARNHART. The gentleman does not know what he is talking about. There is not anything in this paragraph pertaining to the wages of the Public Printer.

Mr. KINKEAD of New Jersey. Of course, I am not talking about the wages of the Public Printer, and the gentleman knows it. I settled that long ago. I am talking about the paragraph in question; and in case the gentleman does not know what paragraph we have in hand, I want to read it to him. It provides:

> The Joint Committee on Printing shall have power to adopt and employ such measures as in its discretion may be deemed necessary to remedy any neglect, delay, duplication, or waste in the execution of the public printing and binding and the distribution of Government publications.

Why, the insinuation there is as clear as the noonday sun, and I resent it on behalf of my worthy constituent, a young man who has always helped me in every fight I was ever in. [Applause and laughter.] And I say to the membership of this House this afternoon that whenever the young man in question is in a fight I hope to be here present on the floor of the House and take up the fight in behalf of him as manfully, if not as intelligently, as he has taken it up in my behalf; and I hope when this question is presented to this body this afternoon that without exception the membership of it will vote to strike this iniquitous clause from the measure.

Mr. Chairman, how much of my time remains?

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. KIESS of Pennsylvania. Mr. Chairman, it seems to me very unfortunate that at the beginning of the consideration of this bill so much time should be wasted by gentlemen who apparently have not read the bill. We have just been talking about something which the section under discussion does not touch in any way. I want to say for the committee that the committee has the most kindly feeling for the Public Printer. In fact, we take some credit for helping him save that $52,000 a year, because in the past year we have been working in harmony with the Public Printer.

Later on in this bill the salaries of the different officials, as well as employees, will be fixed. The committee does not have the fixing of the salaries to be paid. You will find that every printer is receiving the full union scale, and probably more, and the rate of pay will be fixed in the bill, and can not be changed again except by Congress. We have taken the position that too much power should not be given to one man, and we have fixed the amount of compensation in this bill.

Mr. KINKEAD of New Jersey. Mr. Chairman, will my friend yield right there?

Mr. KIESS of Pennsylvania. In a moment. In another section the amount of salary to be paid to the Public Printer is fixed, and we have raised the salary from $5,500 to $6,000. If my friend from New Jersey thinks that is not enough, later on he will have an opportunity to offer an amendment to make it

$7,500 or any amount he thinks fit. The gentleman should get out of his mind any idea that we are making an attack upon the present Public Printer.

Mr. KINKEAD of New Jersey. I know that my friend from Pennsylvania is not making any attack upon the Public Printer, and I listened with great pleasure to the words of praise that fell from his lips regarding Mr. Ford this afternoon. But he is taking the argument advanced by the chairman of the committee, who states that he does not want too much power conferred upon the Public Printer. This is taking away powers now possessed by the man that they regard as the most intelligent Public Printer that the office has ever had, and I submit to the House that since this is not conferring any greater power upon the Public Printer, and it does deprive him of the powers that he now possesses, by virtue of which, despite the fact that the increase in the work has been 25 per cent, he has been able to reduce the running expenses of that magnificent plant $52,000 a year, or $1,000 for each week of the calendar year; therefore I hope this paragraph will be stricken from the bill.

Mr. KIESS of Pennsylvania. Mr. Chairman, in reply to the gentleman's remarks I will say, as has been stated before, that this particular section is practically the existing law.

Mr. KINKEAD of New Jersey. If it is, I submit that there is no need of repeating it here in the bill. What is the necessity, if it is the existing law?

Mr. KIESS of Pennsylvania. We are revising and codifying the printing laws.

Mr. KINKEAD of New Jersey. If, as the gentleman says, they have the power now, what is the good of writing it into law? I am sure the gentleman agrees with me. I can tell from the way the gentleman is talking with regard to this measure that he agrees with me on it. [Laughter.]

Mr. LINTHICUM. Will the gentleman yield for a question?

The CHAIRMAN. Does the gentleman from Pennsylvania yield to the gentleman from Maryland?

Mr. KIESS of Pennsylvania. Certainly.

Mr. LINTHICUM. I understand from the gentleman from Pennsylvania that the salary of the Public Printer is increased by giving him $500 more, making his salary $6,000. Are the wages of the employees under the Public Printer increased in porportion to that?

Mr. KIESS of Pennsylvania. Mr. Chairman, in answer to that question I will say that some of the employees receive increases. The scale of wages named in this bill is based upon the figures secured from the Department of Labor, showing what printers doing the same kind of work in the different sections of the country receive. I would say to the gentleman that the printers in the Government Printing Office are receiving equally as much or more money than anyone else in the same line of work in any printing establishment.

Mr. LINTHICUM. Mr. Chairman, I ask unanimous consent for one-half minute.

The CHAIRMAN. The gentleman from Maryland asks unanimous consent to proceed for half a minute. Is there objection?

There was no objection.

Mr. LINTHICUM. Mr. Chairman, I merely want to say to the gentleman from Pennsylvania that I am not objecting to the increase in the pay of the Public Printer. I think he deserves it, and I think the employees under the Public Printer who work behind the linotype machines and in other places in that establishment ought also to receive a proportionate increase in their compensation. It is noticeable that the higher officials in the Government experience very much less difficulty in having their compensation adjusted to a point where the service rendered and the salary paid correspond than the ordinary employees. The latter are compelled to put forth almost heroic efforts if they desire a change from a salary basis established perhaps some 20 or 30 years ago. I am not criticizing the proposed increase in this instance, but what I do wish to call attention to is that we are in duty bound to treat the lesser employees with the same attention and consideration that we do the greater ones.

Mr. GOLDFOGLE. Mr. Chairman——

The CHAIRMAN. The Chair will say to the gentleman that debate on this amendment is exhausted.

Mr. KINKEAD of New Jersey. I move to strike out the paragraph.

The CHAIRMAN. The gentleman from New Jersey moves to strike out the paragraph.

Mr. KINKEAD of New Jersey. Tellers, Mr. Chairman.

The CHAIRMAN. The gentleman from New Jersey asks for a division.

Mr. KINKEAD of New Jersey. No; I ask for tellers, Mr. Chairman.

The committee divided; and there were—ayes 16, noes 25.

Mr. KINKEAD of New Jersey. Tellers, Mr. Chairman.

Tellers were refused, 15 Members—not a sufficient number—seconding the demand.

Mr. KINKEAD of New Jersey. Mr. Chairman, I make the point of no quorum.

The CHAIRMAN. The gentleman from New Jersey makes the point of order that there is no quorum present. The Chair will count.

Pending the count,

Mr. MANN. Mr. Chairman, I call the attention of the Chair to the fact that a number of gentlemen who have been counted once are now holding up their hands and asking to be counted again.

The CHAIRMAN. The point made by the gentleman from Illinois is well taken. If the Members will stand still for a few moments, the Chair will count. [After counting.] Eighty-seven gentlemen present—not a quorum. The Clerk will call the roll.

The Clerk proceeded to call the roll, when the following Members failed to answer to their names:

Adair	Doremus	Johnson, S. C.	Peters
Aiken	Driscoll	Johnson, Utah	Peterson
Ainey	Eagle	Kelley, Mich.	Phelan
Ansberry	Elder	Kennedy, Conn.	Plumley
Anthony	Esch	Kennedy, R. I.	Porter
Aswell	Estopinal	Kent	Powers
Austin	Fairchild	Key, Ohio	Prouty
Baltz	Faison	Kindel	Rainey
Barchfeld	Ferris	Kirkpatrick	Reilly, Conn.
Barkley	Fess	Knowland, J. R.	Riordan
Bartholdt	Finley	Konop	Rogers
Bartlett	Fitzgerald	Korbly	Rubey
Beall, Tex.	Flood, Va.	Kreider	Russell
Bell, Ga.	Foster	Lafferty	Sabath
Blackmon	Fowler	Langham	Saunders
Borland	Francis	Langley	Shackleford
Brockson	French	Lazaro	Sherley
Broussard	Gallivan	L'Engle	Sherwood
Brown, N. Y.	Gard	Lenroot	Shreve
Browne, Wis.	Gardner	Levy	Sisson
Browning	George	Lewis, Pa.	Smith, Md.
Brumbaugh	Gerry	Lindquist	Smith, N. Y.
Bryan	Gill	Loft	Stanley
Bulkley	Gittins	McAndrews	Steenerson
Burke, Pa.	Glass	McGillicuddy	Stephens, Tex.
Byrnes, S. C.	Graham, Ill.	McGuire, Okla.	Stout
Calder	Graham, Pa.	McKenzie	Stringer
Campbell	Green, Iowa	Mahan	Switzer
Carew	Gregg	Maher	Talbott, Md.
Church	Griest	Martin	Taylor, Colo.
Clancy	Guernsey	Merritt	Thacher
Clark, Fla.	Hamill	Metz	Townsend
Cooper	Hamilton, Mich.	Miller	Tuttle
Copley	Hamilton, N. Y.	Morgan, La.	Underhill
Covington	Hardwick	Morin	Vare
Cramton	Hayes	Mott	Walker
Crisp	Helm	Murdock	Wallin
Curry	Hensley	Murray, Mass.	Watkins
Danforth	Hill	Neeley, Kans.	Whaley
Decker	Hinds	Nolan, J. I.	Whitacre
Dickinson	Hinebaugh	O'Brien	White
Dies	Hobson	O'Leary	Willis
Dillon	Hoxworth	Padgett	Wilson, N. Y.
Dixon	Hulings	Paige, Mass.	Winslow
Dooling	Igoe	Parker	Woodruff
Doolittle	Johnson, Ky.	Patton, Pa.	Woods

The committee rose; and the Speaker having resumed the chair, Mr. PAGE of North Carolina, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 15902, and finding itself without a quorum had caused the roll to be called, when 244 Members responded to their names, and he presented a list of the absentees.

The committee resumed its session.

Mr. KINKEAD of New Jersey. Mr. Chairman, I ask unanimous consent to make a short statement of two minutes regarding the paragraph in question. Some of the Members in the meantime have come in.

Mr. BARNHART. I shall not object, Mr. Chairman, if I am permitted to follow for three minutes.

Mr. KINKEAD of New Jersey. I ask for three minutes also.

The CHAIRMAN. When the committee found itself without a quorum the question was on an amendment offered by the gentleman from New Jersey [Mr. KINKEAD], and that gentleman now asks that he be allowed to proceed for three minutes by unanimous consent. Is there objection?

Mr. SLAYDEN. Mr. Chairman, is it not a fact that tellers were ordered?

The CHAIRMAN. Tellers were not ordered for the lack of a quorum. Is there objection to the request of the gentleman from New Jersey? [After a pause.] The Chair hears none.

Mr. KINKEAD of New Jersey. Mr. Chairman, the paragraph in question will be found on page 2 of the bill H. R. 15902. In effect it takes from the Public Printer the powers which he now possesses and places them in the hands of a committee of this

House. During the past year your Public Printer increased the output of that plant, which is under his immediate direction, 25 per cent. Notwithstanding that fact he reduced the running expenses of the Government Printing Office no less than $1,000 a week. The saving to the United States Government in the aggregate was $52,000 a year.

The chairman of the Committee on Printing, who should really precede me and I answer him, states that he desires this enacted into law in order to prevent a future Public Printer from committing any acts that he knows the present Public Printer would not be guilty of. I submit to you that this is an insinuation against a man who is now using his powers wisely, using good discretion with regard to the powers that have been conferred upon him, and by the use of those powers has been enabled to save to the people of this country $52,000 a year and to increase the output of that magnificent plant 25 per cent. We ought to say to him: "Go on, continue intelligently directing this governmental office, and every man of us, whether we are Democrats or whether we are Republicans, will stand by you."

I want to say to my friends on the Republican side that there will be a few friends on our side of the House who are going to vote against my proposition because the Public Printer would not fire out of office some men who are down there. He has given to the men on the Republican side of the House more places than any other man in the Government service.

Mr. BARNHART. Mr. Chairman, that part of the remarks by the gentleman from New Jersey relative to the work and merit of the present Public Printer I agree to, except, possibly, in this: That all of the saving of the $50,000 claimed by the gentleman from New Jersey may not have been effected by the Public Printer. The members of the Joint Committee on Printing have been acting in conjunction with the Public Printer, and it has aided in selecting stock and letting contracts for paper and machinery, and it claims some little part in the saving, whatever it may have been.

Another matter for your consideration is that this section is practically the reenactment of existing law. The Public Printer is not especially concerned in this; it is merely an effort to break down the bill because it seeks to strengthen, by the amendment of a law that already exists, supervisory control over the Government Printing Office by the House and the Senate. It is our Printing Office, and you have a right by selecting your membership of the joint committee to oversee this Printing Office, and you have a right to exercise some judgment as to what is going to be done and what not. This paragraph provides that the joint committee shall, in conjunction with the Public Printer, exercise the best judgment of the combined efforts of the two to provide for you such documents as you and your constituents will need and in distributing them in the most economical and efficient way possible.

Mr. CARLIN. Will the gentleman yield?

Mr. BARNHART. Yes.

Mr. CARLIN. I understood the gentleman to say that the committee shall, in connection with the Public Printer, do so-and-so. There is no such provision in the paragraph.

Mr. BARNHART. I want to say to the gentleman from Virginia that this paragraph is further emphasized and amplified in section 81 of the bill.

Mr. KINKEAD of New Jersey. Well, let us strike this out now.

Mr. BARNHART. I decline to yield to the gentleman; the gentleman has had his time. I want to say that this enactment is largely a reaffirmation of existing law. The committee believes that we ought to have some control over the printing in which you are all interested. It merely undertakes to establish the fact that we have a right in this House, through our Committee on Printing, to print such documents as we choose and to exercise control over Government printing so as to prevent possible scandals such as once arose and gave us four Public Printers in a single year because of purchases that were made, to the discredit of the Government officers involved.

Mr. KINKEAD of New Jersey. Will the gentleman yield?

Mr. BARNHART. Yes.

Mr. KINKEAD of New Jersey. I understood the chairman of the committee to say that he was perfectly satisfied with the manner in which the present Public Printer had conducted his office.

Mr. BARNHART. I am; he has conducted it well, with the aid of the joint committee.

Mr. KINKEAD of New Jersey. What is the necessity of writing this into the law, and by inference saying that the man who has saved the Government this great sum of money and has increased the efficiency of the office——

Mr. BARNHART. Mr. Chairman, I do not care to have my time taken up by the gentleman from New Jersey, who has already had his full time. The paragraph insinuates nothing of the kind.

Mr. KINKEAD of New Jersey. If the gentleman will read the paragraph, he will see that it does.

The CHAIRMAN. The time of the gentleman from Indiana has expired, and the question is on the amendment offered by the gentleman from New Jersey to strike out section 2, paragraph 1.

The question was taken; and on a division (demanded by Mr. KINKEAD of New Jersey) there were 54 ayes and 59 noes.

Mr. KINKEAD of New Jersey. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chair appointed as tellers the gentleman from Indiana [Mr. BARNHART] and the gentleman from New Jersey [Mr. KINKEAD].

The committee again divided; and the tellers reported that there were 66 ayes and 76 noes.

So the amendment was lost.

The Clerk read as follows:

SEC. 2. PAR. 2. The Joint Committee on Printing is hereby authorized to inquire at any time into all matters pertaining to the public printing and binding and the distribution of publications for Congress, the various executive and judicial departments, independent offices, and establishments of the Government, to report to Congress from time to time any abuses in the public printing and binding and the distribution of Government publications, and to recommend such remedial legislation as in its judgment may seem proper.

Mr. BARNHART. Mr. Chairman, I offer the following committee amendment.

The Clerk read as follows:

Page 2, line 25, at the beginning of the line, strike out the words "and judicial."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. SELDOMRIDGE. Mr. Chairman, I move to strike out the last word. I was unable to secure any time from the chairman of the committee in general debate, but I desire to call the attention of the House to a matter in connection with the distribution of Government documents which perhaps is well known to the older Members of the House, but which perhaps may not be known to those who have recently come into the body. On March 11, 1914, I introduced House resolution 435, requiring an investigation by the Committee on Printing of the manner in which the publication known as the Messages and Papers of the Presidents was being sold to the public. After introducing the resolution, I made inquiries to ascertain if the subject had ever been brought to the attention of any prior Congress and learned that it had been investigated during the year 1900 and that a full report thereon was made to the Senate, which report can be found in the CONGRESSIONAL RECORD of the proceedings of the Fifty-sixth Congress, page 5834. But, Mr. Chairman, it seems that, notwithstanding the investigation which was made by the Senate at that time, the public are still being deceived with reference to the sale of this Government publication.

I am perfectly aware of the fact that Congress, when the publication was authorized, did convey to the gentleman who arranged the matter for the publication the plates that were used in the publication, and that Congress has not since that time authorized any further printing of the sets at public expense. But I wish to advise the House that the company or individuals who are now representing themselves to be the owners of these plates and authorized to sell the sets are taking advantage of the fact that the publication was authorized by Congress originally. They are imposing upon the public and securing their patronage largely by the representations they are making that Members of Congress are in some way responsible for and are interested in its present sale and distribution.

In other words, agents are going into my district and into the districts of many Representatives, and are saying to prospective customers that they have secured their names from Members of Congress; that particular selection has been made of these names in each of the districts in order that this work of great national interest may be distributed among those who are particularly favored. I have in my hand letters which I have received from people living in Colorado, Maryland, Indiana, and in other States, complaining about the deception and imposition which have been practiced upon them by those who are at the present time endeavoring to sell this publication. I wish to state, Mr. Chairman, that it is possible to secure a set of the Messages in some of the secondhand book stores throughout the country at a price as low as three or five dollars per set. The superintendent of documents informs me that he has

many sets for sale at eight or ten dollars a set. Notwithstanding this, contracts are being procured throughout the country calling for the delivery of these volumes for as high as $59.50 per set. The method pursued by the gentlemanly agent when he arrives in a city is to interview the prominent men, present the attractiveness of the volumes, and mention the fact that the Congressman from that district has selected a few influential persons to be the recipients of the publication, secure a small payment down, and then take notes or contracts from the purchasers for the balance. In many sections of the country there is evidence of this campaign of misrepresentation, and it is injurious to Members of Congress. People are complaining that the names of Congressmen are being used to facilitate the false and misleading sale of this publication, and I am satisfied from my investigation of the subject that there should be some general publicity given to the fact that this publication can be had at such a small price, and that Members of Congress have no connection whatever with the distribution or sale of the work.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. SELDOMRIDGE. Mr. Chairman, I ask unanimous consent to be permitted to proceed for two minutes.

The CHAIRMAN. The gentleman asks unanimous consent to proceed for two minutes. Is there objection?

There was no objection.

Mr. SELDOMRIDGE. Mr. Chairman, I wish to read a paragraph from a letter which I received from a gentleman in the State of Colorado, in which he says:

I was told how highly Congressmen value this work as a reference, and was even shown parts of a discussion where Congressmen had discussed the advisability of distributing this work free of charge in the interest of higher education, and was told that it was finally decided that each Congressman should be allowed to designate a certain number of persons in his district who should receive this work, but that the recipients should be allowed to pay the actual expenses of publishing and distribution.

Mr. Chairman, I think the recital that I have made demonstrates the necessity for close supervision on the part of a duly authorized and empowered committee of Congress of the work of distributing public documents, especially those that are of particular value. I believe that Congress was to blame for parting with the plates from which this publication was made, and without making any criticism whatever of the party who received the plates, I am inclined to think that it would have been much better for Congress to have made an appropriation to pay for the preparation of this valuable work, and thus have relieved itself of the imputation against it created throughout the country by the false and misleading statements that have been made by those who are directing and controlling its sale.

Mr. Chairman, in order that the membership of the House may have some knowledge of the course being followed by the agents of parties who are interested in the sale of the Messages and Papers of the Presidents I desire to insert the following letters in the RECORD:

BALTIMORE, *March 14, 1914.*

Representative SELDOMRIDGE,
House of Representatives, Washington, D. C.

DEAR SIR: I notice by the Baltimore Evening News, under date of March 12, 1914, that you have introduced a resolution in Congress asking for an investigation of the private sales of the publication known as Messages and Papers of the Presidents.

I write this to congratulate you on taking this action and to say that I as a member of the bar of this city have many cases where suits have been entered by the Army and Navy Magazine, a crowd operating in the city of New York, but using, as far as I am advised and can understand, the name of the Government in the sale of these books. I can give you the detailed history of a half dozen cases in the city of Baltimore in regard to their sale. If you are interested and care to have the information I will send the same to you, as it does seem to me that it has been the use of the name of the Government that has enabled these gentlemen to sell these books.

Yours, truly,

JOHN L. G. LEE.

—

CRIPPLE CREEK, COLO., *March 17, 1914.*

Hon. H. H. SELDOMRIDGE, M. C.,
Washington, D. C.

DEAR SIR: Recent press dispatches have it that you have introduced a resolution asking that the method of sale and distribution of a certain set of books entitled "Messages and Papers of the Presidents," published by the Army and Navy Magazine, of New York and Washington, be investigated. I realize that this resolution can not impair any contract which has been made, but it appears to me, since I am one of the many who purchased this set of books at $59, that there was some fraud practiced in making the sale.

When the salesman asked me to buy he said that my name had been given by some Congressman and that there were but 11 names in town. Since that time I have ascertained that some 20 sets of books were sold.

In view of the above it might establish sufficient fraud on the part of the Army and Navy Magazine to have the contract set aside. Awaiting any suggestions you might make, I am,

Yours, very truly,

H. C. DENNY.

COLORADO SPRINGS, COLO., *October 11, 1913.*

Mr. H. H. SELDOMRIDGE,
Colorado Springs, Colo.

MY DEAR MR. SELDOMRIDGE: I did not find the statement regarding the publication of the Messages from the Presidents in 11 volumes that I spoke to you about. I only have the subscription blank which I first had made out and which I had canceled, as I told you and which I am inclosing herewith.

The agent's name was James B. Wooster, jr. He first reached me with the statement that the selected list of names in Colorado Springs as beneficiaries was suggested by some one or more of the Congressmen or Representatives in Washington, although he did not know who they were as the information came to him in a letter from the President of the Army and Navy Magazine Co. With this he had some circulars which contained the resolution of Congress granting to Col. Richardson the plates, type, vignettes, etc., from which all of the copies of the messages and papers had been printed for Congress, and granting this without consideration other than in recognition of his services in compiling these. He further told me that they were issuing 85,000 sets of these books, which at $59.50 would mean nearly $5,000,000, of which it is safe to say from a view of the books that 50 per cent is profit less the agents' commissions. It would appear that in some way this matter which has been compiled for the Government and probably at very great expense is being exploited for private ends. That part of the matter, while I consider it wrong, is of less importance to me than the fact that the agents who have been going around the country representing the publication as a Government publication and securing the attention of possible subscribers by the unauthorized method used by this Mr. Wooster, who came to see me. If he had represented himself as a book agent or bookseller he probably knew as did also the officers of the Army and Navy Magazine that he could not get the ear of the usual business man, and therefore they were fortified with the letters and statement of which I have told you representing the whole matter as emanating from Congress and the Government instead of from a private concern and exploiting the matter for private ends.

Yours,

E. C. VAN DIEST.

—

DENVER, COLO., *March 14, 1914.*

Representative SELDOMRIDGE, of Colorado,
Washington, D. C.

DEAR SIR: Some time ago I was called upon by a representative of the Army and Navy Magazine, who described to me a political and economical history of the United States prepared for the special benefit of Congressmen for their enlightenment on the questions of State, at the expense of the Government.

I was told that this work contained valuable information on the science of government, besides giving a complete history of the United States, from the landing of the Pilgrim Fathers until the present time. I was told how highly Congressmen valued this work, as a reference, and was even shown parts of a discussion where Congressmen had discussed the advisability of distributing this work free in the interests of higher education, and was told that it was finally decided that each Congressman should be allowed to designate a certain number of persons in his district who should receive this work, but that the recipient should be allowed to pay the actual expenses of publishing and distribution.

I was told that my employer was designated by the Representative from this district to receive this great work, and as it happened that he was out of town, the salesman took the liberty of allowing me to subscribe.

Imagine my feelings when this work arrived and I found it to be the Presidents' Messages to Congress, bound in book form.

After examining the work, I notified the Army and Navy Magazine that I had very carefully repacked each volume and held them for shipping instructions.

They immediately notified me that at the time I subscribed and paid $8 in cash to the salesman, I had signed a note for $59.50 and that they proposed to collect it.

What do you advise? Shall I simply keep quiet and allow them to sue me or shall I consign the books to them charges collect and begin suit against them for the $8 which I paid before receiving books?

Thanking you very cordially in advance for your reply, I remain,

Yours, very truly,

J. J. LITTON.

—

WORCESTER, MASS, *March 15, 1914.*

Hon. HARRY H. SELDOMRIDGE, M. C.,
Washington, D. C.

DEAR SIR: I am glad to notice that you have started an inquiry into the private sale of Messages and Papers of the Presidents.

That set of books is being exploited in this vicinity, and several cases of sales through misrepresentation have come to my attention, so that a few weeks ago I sent to our local papers a note of warning. I inclose a copy of it, with my best wishes for the success of your effort both to get at the facts and to bring it about that the mistake made by Congress in giving the plates of this public document to a private individual may not soon be repeated.

Yours, very truly,

GEORGE H. HAYNES.

The following letter was printed in the Worcester Evening Post, of Worcester, Mass., in its issue of March 5 last:

SET OF BOOKS THAT HAVE SOME HISTORY—PROF. HAYNES TELLS OF "MESSAGES OF PRESIDENTS."

MARCH 4, 1914.

To the Editor of the Post.

SIR: At the present time eloquent agents are taking subscriptions in Massachusetts for a notable set of books. The Messages and Papers of the Presidents have an interesting history, with which the prospective buyer may do well to familiarize himself before being stampeded into signing the subscription blank.

July 27, 1894, Congress authorized the compilation of all the messages and papers of the Presidents, placing the work in the hands of the Joint Committee on Printing. That committee requested the Hon. James D. Richardson, then a Congressman from Tennessee, to make the compilation. He expended much time on this work, and later, at an expense of some $3,600, indexed the series.

Three editions of the "Messages," aggregating 36,000 sets of 10 volumes each, were "printed by the Government Printing Office and distributed free by Members and officers of the two Houses of Congress."

The printing act of 1895 made it illegal to copyright any Government publication. It is a question for acute lawyers to determine how—in the face of that prohibition—a copyright within three years did get issued to James D. Richardson. Formal congressional inquiry has been directed upon that question, with unsatisfactory results.

The sundry civil bill, which became a law June 4, 1897, contained this provision: "That the Public Printer be, and is hereby, authorized and directed to make and deliver to James D. Richardson, the compiler of Messages and Papers of the Presidents, without cost to him, duplicate electrotype plates from which the compilation of Messages and Papers of the Presidents is published."

The incidents to which this unprecedented act gave rise are set forth in a special investigation by the Senate Committee on Printing (CONGRESSIONAL RECORD, vol. 33, pp. 5834–5835, May 22, 1900). The committee declares that in making this grant to James D. Richardson Congress "made a mistake." If anything more than a gracious public acknowledgment of the value of his work was due to Mr. Richardson, it should have been paid in money, duly appropriated for the purpose.

The report states that soon after this grant a contract was entered into under which, for a royalty to James D. Richardson of 75 cents per set for all sets sold, a certain publisher obtained "the exclusive use of the plates." A few months later this publisher abandoned his former trade name and assumed for his new enterprise the name, "committee on distribution," and in booming his wares used many expressions "such as necessarily to mislead the public into the belief that the Government was in some way identified with the publication and sale of his books. * * * Persons addressed as prospective purchasers were told that the 'committee on distribution' had been 'appointed to distribute the work' and that Congress had 'granted the privilege of printing a limited edition' and that the 'distribution' was to be made by 'congressional districts' and that the 'number of sets' had been 'apportioned' in accordance with a 'ratio.'"

The report declared that Richardson's receipts from royalties on sales thus promoted, up to the period of the investigation, had amounted to $11,320.50. It concluded: "Congress has it in its own power to avoid a repetition of the false representations of which it has been the victim by not again placing Government plates at the disposition of private persons. The language of the statute forbidding the copyrighting of Government publications appears to the committee to be as strong as it can be made."

March 1, 1901, this set of books figured again in Senate debate when Senator GALLINGER advocated the printing of a new edition, 6,000 to be distributed by Senators and Representatives and 10,000 to be held by the superintendent of public documents and sold at the actual cost of publication. In urging the importance of this last provision he said: "Here are gentlemen going over the country imposing upon the people of this country by selling a public document for $35 that can be published for about $9 or $10, and they have brought themselves into such disrepute that a judge, Justice Childs, of the Supreme Court of the State of New York, said the other day: 'The plain purpose of the person who originated this system of obtaining subscribers for these books was to defraud the public. Such a scheme, permeated with fraud from start to finish, should not be permitted by sanction of any court to succeed.'"

Senator GALLINGER continued: "I have a mass of documents here which show that a gigantic fraud is being perpetrated upon the people of this country."

Such are some of the salient points in the history of this work down to 1901. The writer had no difficulty in securing, gratis for the W. P. I. and for his own library, sets of this work from a Member of Congress at the very time when subscribers in this city were being induced to pay $35 and over for the sets put out by the "committee on distribution." That 10-volume set, covering the "Messages and papers of the Presidents" from Washington to McKinley, inclusive, is now on sale by the supecintendent of public documents—as he assured me February 12, 1914—at $9 a set.

In recent months "Messages and papers of the Presidents" have again come upon the scene in the hands of eloquent agents. It is now put out by the Army and Navy Magazine, but in none of its circulars or letterheads do the names of persons connected with it appear. Is the "committee on distribution" operating under a new name?

It should be distinctly noted for all that it is worth that there has now been added an eleventh volume, not a part of any Government publication, including the State papers of Presidents Roosevelt and Taft, and an "encyclopedic index" now makes cross-reference easily possible between these messages, etc., and those of the earlier Presidents. The prospective purchaser would do well to determine whether, aside from the inclusion of these most accessible papers of the last two administrations and the consequent changes in the index, any other modification whatever has been made in these sets of books.

A 50-page pamphlet is used to boom these books. It contains some 400 flattering comments, largely from former Congressmen. Not one of them now bears a date. It would be interesting to know how large a proportion of them appeared after the above-mentioned report was submitted in the Senate.

The prospective purchaser is again being assured that this rare and never-to-be-repeated opportunity comes to him because his name chances to be on the agent's list, there being but a limited number of sets assigned to each congressional district.

The minimum price is now about $50, and as much more as the purchaser wants to invest in fancy binding.

Now, before the prospective purchaser is stampeded into the patriotic act of signing a subscription blank for these books, he may do well to consider whether the addition of the State papers of Presidents Roosevelt and Taft, with a suitable index, increases by $40 the value of a public document which he can buy at any time for $9.

The earlier set is accessible in every public library of any size and literally in tens of thousands of private libraries. It can never be a "rarity," for 36,000 sets have been put out by the Public Printer, while—if the Senate report is accurate—15,000 more sets had been sold, subject to royalty, before 1901.

The 11 volumes make a stately procession on the purchaser's shelves. As Abraham Lincoln said, under similar circumstances, "This is a very good kind of a book for the man who wants this kind of a book."

GEORGE H. HAYNES,
Worcester Polytechnic Institute.

Prof. George H. Haynes, of the department of economics and political science in the Worcester Polytechnic Institute, does a real public service in his warning, elsewhere, against the subscription-book exploitation of what is, to the extent he explains, a governmental publication.

The CHAIRMAN. The time of the gentleman from Colorado has again expired.

Mr. MANN rose.

The CHAIRMAN. The gentleman from Illinois moves to strike out the last two words.

Mr. MANN. No, Mr. Chairman; I oppose the motion of the gentleman, I do not think it ought to be stricken out.

Mr. Chairman, the fraud and deceit referred to by the gentleman from Colorado [Mr. SELDOMRIDGE] has been running for a great many years. I have not heard of it recently, although I should think 10 or 12 years ago they were having some of this in my district, and they may be yet, for all I know. The whole case is an illustration of the need that Congress ought to be very careful with what it possesses. Mr. Richardson, of Tennessee, recently deceased, was the ranking Democrat on the Committee on Printing of the House and was the minority or Democratic leader of the House. He had a very high standing in the House when he was a Member of the House, and has since had a high standing in the country in the position that he occupied. He edited the Messages and Papers of the Presidents, I believe, in the main, because he was a member of the Committee on Printing, and had been for a considerable time the authority in the House on printing, and at the time even when he was on the minority side of the House Congress ordered the Messages and Papers of the President printed twice, as I recall it, for distribution. There was one distribution ordered after I became a Member of the House. There had been another distribution ordered before I became a Member of the House. Mr. Richardson had received no pay for editing those reports. I do not know how much work there was involved in the editing of the reports; I assume not very much work, so far as he was concerned, but some work and some responsibility, and in the closing days of one of the Congresses, the Fifty-fifth or Fifty-sixth, I think, Mr. Richardson suggested that having received no pay, and he did this privately, and the Government having finished its publication of the set, it might very properly present to him the plates, which were lying in the Government Printing Office, of no value to anyone except for the metal contained in them, so far as the Government was concerned, and in a spirit of generosity and fairness the House inserted a provision in one of the bills presenting those plates to Mr. Richardson.

Mr. BARNHART. Mr. Chairman, will the gentleman yield?

Mr. MANN. Yes.

Mr. BARNHART. I think the gentleman might have given a mistaken impression in the statement that the Government gave the plates to Mr. Richardson. There was a duplicate set of plates, and one was given over to him and the other is still kept in the possession of the Government, and the Government is now ready to print these documents as there may be demand for them. They are for sale at the document room at $10 per set.

Mr. MANN. I did not even know there were duplicate sets; that was not my understanding at the time. I do not deny, of course, the gentleman's authority.

Mr. BARNHART. That is my information.

Mr. MANN. My recollection is, we presented the plates in the Government Printing Office to Mr. Richardson. Maybe there were duplicate plates; very likely there may have been several sets of plates in printing so large an edition of that work. Shortly thereafter a company or association was organized with a title intending to make people believe that it was composed of Congressmen or Congress itself, and Mr. Richardson, I think—foolishly, as I think he would have said himself, probably, after his experience with the matter—improperly turned those plates over to this association for some compensation. What that was I know nothing about. I think he had no control over the matter, had no part in the deceit and fraud which was practiced; but whoever had charge of this association immediately started out to lie to the public. I am afraid we never will be able through legislation to compel all book agents to confine themselves strictly to the truth. [Laughter.]

Mr. SELDOMRIDGE. Will the gentleman yield?

Mr. MANN. I yield to the gentleman from Colorado.

Mr. SELDOMRIDGE. The records show that Mr. Richardson received a royalty of 75 cents per set from this company, and that his total receipts from the use of the plates was something like $11,250.

Mr. MANN. Well, he made an agreement and I do not know what the agreement was. I know this, that if Congress were as careful as it ought to be it would not through a spirit of generosity present anything to any Member of the House who is not entitled to it under the law, and even now we have become so stingy that most of the gentlemen on that side of the

House are going to lose most of their August salary. [Laughter and applause.]

The Clerk read as follows:

SEC. 3. PAR. 1. The Joint Committee on Printing shall appoint a clerk, an inspector, and a stenographer, at $3,000, $2,000, and $1,000 per annum, respectively, to be appropriated for and paid by the Secretary of the Senate. The clerk and inspector as provided for in this section shall each give bond for the faithful performance of their respective duties in the sum of $5,000, to be approved by the Joint Committee on Printing.

Mr. MANN. Mr. Chairman, I move to strike out the last word. Would the gentleman from Indiana [Mr. BARNHART] have any objection to an amendment to strike out the language "Secretary of the Senate" and insert in lieu thereof "Clerk of the House of Representatives"?

Mr. BARNHART. Mr. Chairman, I do not know that it makes any difference whatever, so that they receive their money. The purpose of fixing it in that way was that the pay responsibility should not be divided. It all comes out of the general fund, anyhow. This simplifies matters.

Mr. MANN. In the main I am in favor of the pending bill, but it seems to me that we ought not to entirely eliminate the House of Representatives when it comes to the term "Congress." Here is a proposition to give to the Joint Committee on Printing absolute power over the expenditure of $5,000,000 which is expended in the Government Printing Office. The Joint Committee on Printing is presided over by a Senator. He, in effect, names the clerk of the Joint Committee on Printing. The clerk practically acts as the Joint Committee on Printing during vacations of Congress, if we ever have any more, and has a great influence and must have great influence on the Joint Committee on Printing when Congress is in session.

Now, heretofore he has felt somewhat under obligations to the House because he received half of his pay, as he does now, from the Clerk of the House. He is obliged to be courteous at least to the Clerk of the House, if not to the Members of the House. Now, he proposes in this bill to have his salary paid to him entirely by the Secretary of the Senate. He serves under a Senator; he is named by a Senator; he is paid by the Senate. He is considered, and necessarily, as an employee of the Senate. Now, the clerk of the Joint Committee on Printing—the very efficient present one, and very capable and very courteous—is only human. I have noticed through an experience of some years that a man is always more courteous to the person from whom he receives his pay than he is to anybody else. Yet we propose here to deliberately cut out even in name the House of Representatives and to have this clerk paid by the Secretary of the Senate.

You say it is a matter of convenience to have him paid by one person. All right. As he is named by the Senate, let him be paid by the Clerk of the House instead of the Secretary of the Senate. Then he would be very courteous to the Members of the House who go to see him, because he gets his pay from the House. He will be courteous to the Senate, because he gets his appointment from the Senate, but if he gets both from the Senate he will tell us to "go to."

Mr. BARNHART. Mr. Chairman, I move to strike out the last two words.

It is immaterial to the committee as to who will be the paymaster of the clerk of the Joint Committee on Printing and its other employees. But I want to correct the impression that the gentleman from Illinois [Mr. MANN] has doubtless unintentionally given, and that is that the selection of the clerk of the Joint Committee on Printing is done by any Senator. The clerk of the Joint Committee on Printing under the law is elected by a vote of the membership of the joint committee, composed of three Members of the House and three Members of the Senate. Therefore no Senator has any authority or any right to name the clerk of the committee. But this position is an especially important one. It requires a man who has expert knowledge of paper, and he must really be the referee for the Joint Committee on Printing in many of these matters that come before the committee, and under the provision of this law there has been an enlargement to the extent that he is placed under a $5,000 bond for the faithful performance of his duty in the matter of aiding the Joint Committee on Printing in passing upon the kind of paper and material that is purchased for the Government Printing Office.

Mr. Chairman, if the gentleman from Illinois wants to make a motion to amend the bill by changing the paymaster from the Secretary of the Senate to the Clerk of the House of Representatives, the committee will accept the amendment.

The CHAIRMAN (Mr. WEEB). Does the gentleman from Indiana withdraw his pro forma amendment?

Mr. BARNHART. Yes.

Mr. MANN. Mr. Chairman, I move to amend, page 3, line 9, by striking out the words "Secretary of the Senate" and inserting in lieu thereof "Clerk of the House of Representatives."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 3, line 9, strike out the words "Secretary of the Senate" and insert in lieu thereof the words "Clerk of the House of Representatives."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. MANN].

The amendment was agreed to.

The Clerk read as follows:

SEC. 4. PAR. 2. The Joint Committee on Printing shall fix upon standards of paper of every description which, in its judgment, will be required by the Government Printing Office for all the purposes of the public printing and binding for the several executive departments, independent offices, and establishments of the Government, and the Public Printer shall, under the direction of the said committee, advertise in two newspapers or trade journals published in each of the cities of Boston, New York, Philadelphia, Baltimore, Washington, Cincinnati, St. Louis, Chicago, and San Francisco and secure proposals to furnish the Government with paper, as specified in the schedule prescribed by the Joint Committee on Printing and to be furnished to applicants by the Public Printer, setting forth in detail the quantities and qualities required for the public printing and binding, and the Public Printer shall furnish samples of the standards of papers fixed upon to applicants therefor who may desire to bid.

Mr. BARNHART and Mr. GOOD rose.

The CHAIRMAN. The gentleman from Indiana [Mr. BARNHART] is recognized.

Mr. BARNHART. Mr. Chairman, I desire to offer three committee amendments to this paragraph.

The CHAIRMAN. The gentleman from Indiana offers three committee amendments. The Clerk will report the first amendment.

The Clerk read as follows:

Page 4, line 19, after the words "San Francisco," strike out the words "and secure" and insert the words "for sealed."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Also the following committee amendment was read:

Page 4, lines 21 and 22, after the word "printing" in line 21, strike out the words "and to be furnished to applicants by the Public Printer."

The amendment was agreed to.

Also the following committee amendment was read:

Page 4, line 24, after the word "furnish," insert the words "a schedule and."

The amendment was agreed to.

Mr. BATHRICK. Mr. Chairman, will the gentleman yield?

Mr. BARNHART. Yes.

Mr. BATHRICK. Mr. Chairman, I desire to ask the chairman of the committee this question: I presume the purpose of advertising for bids in this paragraph is to secure numerous applicants for the contracts. Is that it?

Mr. BARNHART. Yes; to secure by advertisement and specific notice bids on contracts to be let.

Mr. BATHRICK. Are there any large trade journals circulating among those establishments that provide paper? Are they not particularly published in trade journals that circulate among those establishments?

Mr. BARNHART. It says "trade journals or newspapers."

Mr. BATHRICK. It says "advertise in two newspapers or trade journals" in the cities named. What is the object of saying "newspapers," ordinary newspapers?

Mr. BARNHART. There might not be a trade journal in a locality where there is a large paper manufacturing or paper selling industry.

Mr. BATHRICK. Has the gentleman ever calculated the possible cost of naming a schedule of the quality and quantity of the paper he desires to buy and the cost of advertising?

Mr. BARNHART. The total cost will be something like $1,000 a year as proposed and that is a reduction from the present number of publications.

Mr. BATHRICK. The gentleman thinks it will be less than a thousand dollars?

Mr. BARNHART. Yes; I think it will be less than that. But I want to explain further to the gentleman from Ohio, who is a business man and understands that these contractors are patrons of clipping bureaus. They have clipping bureaus that provide them with all sorts of notices having to do with their business. The purpose of this variety of publicity localities is to secure advertisements all over the United States in such places as would produce the best results possible.

Mr. BATHRICK. I will say that the gentleman's explanation is very satisfactory. I had no idea that the cost of advertising could be so little.

Mr. BARNHART. These advertisements merely announce that there will be a letting of contracts, and that the plans and specifications may be had upon application.

Mr. SELDOMRIDGE. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD by inserting a few letters and a newspaper article on the subject of the distribution of the Messages of the Presidents.

The CHAIRMAN. The gentleman from Colorado asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. GOOD. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Iowa [Mr. GOOD] moves to strike out the last word.

Mr. GOOD. This section provides for advertisements in two newspapers or trade journals published in each of the cities of Boston, New York, Philadelphia, Baltimore, Washington, Cincinnati, St. Louis, Chicago, and San Francisco for proposals to furnish the Government with paper. Not more than six months ago, at an expense of about $70,000, a committee composed of the Secretary of the Treasury and the other members of the organization committee of the Federal Reserve Board made a trip over this country to locate the various Federal reserve banks, and they selected certain cities that were regarded as the great commercial centers of the United States. It seems to me that if that information is worth anything—if it is worth anything like what it cost—it ought to be followed by a committee in bringing out a great bill like this.

I am surprised to see that the committee has inserted the city of Washington and the city of Baltimore, cities not mentioned by the organization committee of the Federal Reserve Board, but has failed to insert the city of Richmond and the city of Atlanta. [Laughter on the Republican side.] Why is it that all of the cities named in this provision are cities of the North? Why is it that you have not named Richmond, or New Orleans, or Kansas City, or Galveston, or Dallas, or some of the other southern cities where the Government should insert in the newspapers advertisements for bids? Is it possible that advertisements in the newspapers for paper in those cities would be worthless? The Government purchases a large amount of paper from the South, especially from West Virginia. Is it possible that the Committee on Printing does not regard those cities as of sufficient importance to even insert a newspaper advertisement there?

I want to congratulate the city of Baltimore that it is again placed upon the map. But what of Richmond? Where are the gentlemen from Virginia to-day at this home-coming of the House [laughter], when the great city of Richmond is being discriminated against, and has been entirely left out of consideration in this bill? The newspapers of that city will not be permitted to publish and therefore to receive pay for publishing advertisements for paper? Where is Atlanta, placed on the map by the organization committee of the reserve board? Even great Atlanta is not mentioned.

Mr. SELDOMRIDGE. Mr. Chairman, will the gentleman yield?

Mr. GOOD. Certainly.

Mr. SELDOMRIDGE. Will not the gentleman pay a tribute of appreciation to the generosity of Atlanta and Richmond in yielding to Baltimore and these other cities some matters of commercial importance?

Mr. GOOD. Yes; and I was wondering about Colorado. I fail to see Denver on the map as reported by the gentleman's committee.

Mr. SELDOMRIDGE. We have relinquished our claims to Kansas City.

Mr. GOOD. But Kansas City is not on the list. I simply wished to call the attention of the committee to this matter. I suppose the committee had some good explanation for this discrimination, but I do not know what it is. The discrimination calls for an explanation.

Mr. BARNHART. Mr. Chairman, in reply to the very entertaining but far-fetched remarks of the gentleman from Iowa, I had explained in a previous statement that the advertisements in these cities are not based upon their being commercial centers or financial centers, but upon the fact that they are the cities in which are located some of the largest paper manufacturers and paper dealers, and they are located so we could probably get the broadest advertisement in those localities. For instance, San Francisco is a great coast city and Chicago and St. Louis are centers of the great West. We omitted some of the cities from the former list that we had because we received few replies from advertisements in papers published in those cities.

Mr. GOOD. Mr. Chairman, will the gentleman yield?

Mr. BARNHART. Yes.

Mr. GOOD. How about Washington? Is there a paper manufacturer in the city of Washington?

Mr. BARNHART. No; but there are some of the most extensive paper dealers in the United States represented here.

Mr. GOOD. Does the gentleman mean to say that the newspapers——

Mr. BARNHART. As I understand it, many paper manufacturers in the country have agents in Washington. Now, Mr. Chairman, this little notice, of which the gentleman is making much ado, is about a 6 or 7 inch single-column advertisement, and it is of little consequence really, because the world at large sees very little of it. It is purely a paper-trade matter.

Mr. J. M. C. SMITH. Mr. Chairman, I should like to know whether the committee, in considering the cities where this printing should be done, considered the city of Kalamazoo, which has the largest book-print paper mills in the world?

Mr. BARNHART. I will say to the gentleman that the committee did consider it, but the committee understands that most of the product of the Kalamazoo mills is marketed through the city of Chicago and other big commercial centers. There are many paper agencies in the city of Chicago and elsewhere, and we could not extend this to all the cities that have paper mills. In fact, we cut out about four cities that we had used heretofore, because very small or inconsequential results had been obtained from advertisements published therein.

Mr. HUMPHREY of Washington. I will ask the gentleman if he considered putting the advertisement in the Portland or Seattle papers?

Mr. BARNHART. I do not know that we considered that, but we decided that a San Francisco publication would reach those cities through the trade journals and clipping bureaus to which I have referred.

Mr. HUMPHREY of Washington. I will say to the gentleman that I think he is mistaken about the paper mills of the Pacific coast being in the neighborhood of San Francisco. They are on the Columbia River and on Puget Sound, and one of the largest manufacturers in the United States of print paper used in the publication of books is located at Everett, in the State of Washington. I do not understand why you did not provide for printing the advertisement at a place in some one of those Northwestern States.

Mr. BARNHART. I have no explanation of it, except that which I have stated, just as I explained to the gentleman from Michigan [Mr. J. M. C. SMITH], that these are the same cities that have been on the list heretofore. The fact that there are a number of paper mills on some river in the Northwest does not necessarily indicate that the agents of those mills are not located at San Francisco or some other great commercial center.

Mr. HUMPHREY of Washington. Is it a fact that the gentleman made no investigation about the matter, but simply followed the old list, because he saw San Francisco there, and made no investigation about the Northwest?

Mr. BARNHART. The committee followed it for the reason that the cities mentioned in this bill have been used for this advertising purpose for a good many years, and the results have been eminently satisfactory, so we saw no occasion for changing. But, on the other hand, we did see the lack of necessity for using as many cities as had been used before, and with the consent of the Public Printer and agreement of all concerned we decided that it would be just as well to drop about four of the cities that we have been using heretofore, because we realized that the few bids from these cities would come through other notices anyway.

Mr. J. M. C. SMITH. I will ask the gentleman if the committee would be willing to include Kalamazoo?

Mr. BARNHART. I think it is hardly necessary to do that.

Mr. J. M. C. SMITH. I move to insert in line 17, after the word "of" and before the word "Boston," the word "Kalamazoo."

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Michigan.

The Clerk read as follows:

Page 4, line 17, after the word "of" where it occurs the second time, insert the word "Kalamazoo."

The question being taken, on a division (demanded by Mr. J. M. C. SMITH) there were—ayes 23, noes 35.

Accordingly the amendment was rejected.

Mr. HUMPHREY of Washington. I move to amend by inserting the word "Seattle" after the words "San Francisco" in line 19, page 4.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 4, line 19, after the words "San Francisco," insert the word "Seattle."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington.

Mr. HUMPHREY of Washington. Mr. Chairman, I want to be heard on this amendment for a moment.

I offer this amendment because of the fact that the great timber region of this country on the Pacific coast is not at San Francisco. I do not have the facts at hand, but I have no doubt myself that most of the wood pulp and paper of the Pacific coast is made in the States of Oregon and Washington. I know the great paper supply of the Pacific Northwest is in that portion of the country. I know there are paper mills on the Columbia River, very large ones, and in other portions of the States of Washington and Oregon. I do not understand why the advertisement should be inserted at San Francisco, a thousand miles away from the timber region where paper is produced.

The gentleman from Indiana is mistaken about San Francisco papers circulating much in the Northwest. I want the gentleman from Indiana to recollect that it is fully a thousand miles by rail from San Francisco to Seattle.

At Everett, where the gentleman from Washington, my colleague, Mr. FALCONER, lives, they have a large mill producing book paper exclusively. I can not understand why you should not have an advertisement in the region which produces the paper, instead of a thousand miles away, and I suppose the only reason is that the committee followed the custom without making any investigation whatever.

Mr. FALCONER. Will the gentleman from Indiana yield to me?

Mr. BARNHART. Certainly.

Mr. FALCONER. What method outside of newspaper advertisement does the Government have for bringing to the attention of paper concerns the quality of the paper desired for the purposes of the Government?

Mr. BARNHART. The Government Printing Office has a list of every concern in the country that it can secure, and sends to them notice of these lettings and the specifications besides.

Mr. FALCONER. The specifications are bound in pamphlet form, something like what the gentleman has on his desk?

Mr. BARNHART. Yes.

Mr. FALCONER. I want to say that a few months ago I sent the Everett Paper & Pulp Mill, which is a large manufacturing paper plant, turning out the finest quality of book paper, a list and specifications required, and I received a letter saying that they were glad to get it, as it gave them a better idea than any trade journal had given them before. That was probably two months ago.

Mr. BARNHART. If those gentlemen had read the advertisement, if they had seen the trade paper, it was their fault if they have not received the schedules, because they are invited to send for them.

Mr. FALCONER. The gentleman from Indiana said that they were sent out by the department.

Mr. BARNHART. I said they were sent to all paper contractors.

Mr. FALCONER. Then they do not send them to the mills?

Mr. BARNHART. Yes; they send to all that are on their list.

Mr. FALCONER. Does not the gentleman think it would be advisable to insert advertisements in papers that are less than a thousand miles from the plant?

Mr. BARNHART. Does not the mill referred to by the gentleman have an agency at San Francisco and also at Chicago?

Mr. FALCONER. Why have an agency at San Francisco or Chicago?

Mr. BARNHART. If the gentleman has had any experience in buying paper, he will know that we rarely buy it of the mills that manufacture it, but of jobbers. I know in newspaper and job stock, and very largely the Government purchases, we buy of agents, jobbing and wholesale houses, and not direct from the mills. In some instances large mills do furnish it direct by contract, but ordinarily they have jobbing houses that take all the product of the mills. The product of the mills, as I understand it, is sold very largely in advance. The paper agents take the whole product of the mill. I remember for many years during my business experience I bought of the J. W. Butler Paper Co., of Chicago, Kalamazoo paper.

Mr. FALCONER. I have no interest in a paper getting an advertisement; it is a matter of efficiency in getting the supply. It occurs to me that when paper is manufactured from raw material in a locality it might be advisable to advertise in that vicinity. I am glad to have the explanation of the gentleman from Indiana, but I see no reason why we should not advertise in the Seattle papers and in the Everett papers.

Mr. BARNHART. Mr. Chairman, by way of explanation, we might place advertisements in towns and cities all over the United States where there is a paper agent and where there is a paper mill, but it has been the experience of the committee that we get the same results in the present method, because this is merely an announcement of letting, and these agents, I think—those who contract on an extensive scale—are patrons of commercial clipping bureaus and get the notices of lettings through them.

Mr. HUMPHREY of Washington. Will the gentleman yield?

Mr. BARNHART. Certainly.

Mr. HUMPHREY of Washington. I would like to call the attention of the gentleman to the fact that you have not designated a single city in that portion of the country where the great timber supply is, and not only that, but in all that great Northwest where two-thirds of the paper supply of the United States is, you have not designated a single city.

Mr. BARNHART. Neither have we as to the supply of strawboard or bristol board or the finest quality of writing paper.

Mr. CLINE. Mr. Chairman, will the gentleman yield?

Mr. BARNHART. Certainly.

Mr. FALCONER. Mr. Chairman, I have the floor, as I understand it.

The CHAIRMAN. The gentleman from Washington has the floor.

Mr. FALCONER. Mr. Chairman, I want to say to the gentleman that San Francisco is not the whole Pacific coast. The city of Seattle is some nine hundred and odd miles distant from San Francisco. Baltimore and Washington are 40 miles apart, and yet there are advertisements in the respective papers of those two cities. Apparently to the limited mental horizon of an easterner from the State of Indiana a thousand miles on the Pacific coast does not amount to as much as 40 miles in this part of the country. It seems to me the gentleman ought to enlarge his mental vision a little and get some idea of the great western country.

Mr. COADY rose.

The CHAIRMAN. Does the gentleman yield?

Mr. FALCONER. No; I have not the time. I think the gentleman ought to give some consideration to a country about which he knows so little. He should study the map and get some idea of the natural resources and the products of the mills in that country and then give those people fair play and bring to their attention the product the Government desires, and in doing that I think he would make a better presiding officer over his committee than he does at the present time.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. BARNHART. Mr. Chairman, the chairman of the committee profoundly apologizes for not being familiar with the conditions of the United States, like his more intelligent friend from Washington. However, this matter has been gone over carefully by the committee, and I hold in my hand a list of 255 addresses of paper manufacturers and jobbers throughout the United States to whom notices of lettings are regularly mailed. In addition to that, practically every trade paper in the United States, if it is not in one of these cities where notices are officially published, carries these notices as matters of news, and thereby we get the widest dissemination of this information.

Mr. FALCONER. Where does the gentleman get this list?

Mr. BARNHART. This is a list used by the Joint Committee on Printing.

Mr. FALCONER. Showing the mills manufacturing paper in the United States?

Mr. BARNHART. No; the jobbers and the mills both. If the gentleman from Washington finds that he has a mill in his district that is not represented upon this list, I know the joint committee would be delighted at any time to see that it gets on the list.

Mr. FALCONER. Will the gentleman then please see that there is placed on the list the name of Everett Pulp & Paper Mill, the finest paper manufacturing concern in the United States.

Mr. BARNHART. Certainly.

Mr. GOOD. Mr. Chairman, will the gentleman yield?

Mr. BARNHART. Yes.

Mr. GOOD. Is it not a fact that most of the Government purchases of coated papers are from mills in Pennsylvania and West Virginia?

Mr. BARNHART. No. On the other hand, I think we get most of it now from Ohio.

Mr. GOOD. Is not the freight rate from a long distance very great?

Mr. BARNHART. Oh, that would be true, no doubt, as to the far West.

Mr. GOOD. As I understand it, the West Virginia Pulp & Paper Co. is one of the largest concerns that furnishes the Gov-

ernment with coated paper. That being true, I wondered why some advertisements were not inserted in that section of the country.

Mr. BARNHART. Mr. Chairman, I could not explain the matter more fully and more intelligently than I have already done.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington.

The question was taken, and the amendment was rejected.

Mr. BARNHART. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly, the committee rose; and the Speaker having resumed the chair, Mr. PAGE of North Carolina, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 15902, and had come to no resolution thereon.

LEAVE OF ABSENCE.

The SPEAKER. The Chair lays before the House the following personal requests, which the Clerk will report.

The Clerk read as follows:

Mr. STAFFORD requests leave of absence for Mr. BROWNE of Wisconsin until September 7, 1914, on account of sickness in his family.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read as follows:

Mr. FITZGERALD requests leave of absence, on account of illness.

The SPEAKER. Is there objection?

Mr. MANN. Is the gentleman from New York ill over at the New York convention? I am sorry that he was taken sick there.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

The SPEAKER laid before the House a request for leave of absence for Mr. POWERS indefinitely, on account of the illness of his wife and of himself—physician's certificate forwarded.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

PHILIPPINE ISLANDS.

Mr. JONES. Mr. Speaker, I desire to file a report from the Committee on Insular Affairs on the bill H. R. 18459, and to ask that permission be given such members of the minority who desire to do so to file minority or individual reports within five days.

Mr. MANN. The report goes in the basket.

The SPEAKER. The Chair understands that. The gentleman from Virginia asks that the minority have five days in which to file a report. Is there objection? [After a pause.] The Chair hears none.

EXTENSION OF REMARKS.

Mr. BURKE of Wisconsin. Mr. Speaker, I desire to ask unanimous consent that I may be permitted to extend my remarks in the RECORD on a review of the record of the Democratic Congress and the administration.

The SPEAKER. The gentleman from Wisconsin asks leave to extend his remarks on the record of the Democratic Congress and administration. Is there objection——

Mr. MANN. While I blush for the gentleman, I will not object.

The SPEAKER. The Chair hears none.

ADJOURNMENT.

Mr. BARNHART. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 18 minutes p. m.) the House adjourned to meet to-morrow, Thursday, August 27, 1914, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. LOGUE, from the Committee on Public Buildings and Grounds, to which was referred the bill (S. 3342) for the enlargement, etc., of the Wall Street front of the assay office in the city of New York, reported the same with amendment, accompanied by a report (No. 1114), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. JONES, from the Committee on Insular Affairs, to which was referred the bill (H. R. 18459) to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands, reported the same without amendment, accompanied by a report (No. 1115), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. SMITH of Minnesota: A bill (H. R. 18529) providing for the erection of a statue in memory of the life and public service of Gen. John A. Logan; to the Committee on the Library.

By Mr. WINGO: A bill (H. R. 18530) providing for the issuance of circulating notes to producers of cotton, and for other purposes; to the Committee on Banking and Currency.

By Mr. BROUSSARD: A bill (H. R. 18531) to authorize the Secretary of the Navy to certify to the Secretary of the Interior, for restoration to the public domain, lands in the State of Louisiana not needed for naval purposes; to the Committee on Naval Affairs.

By Mr. KINDEL: A bill (H. R. 18532) to regulate the employment of Government employees by officials, etc.; to the Committee on Reform in the Civil Service.

By Mr. KETTNER: A bill (H. R. 18533) making an appropriation for the protection of Imperial Valley, Cal.; to the Committee on Rivers and Harbors.

By Mr. HOWARD: Resolution (H. Res. 605) to amend Rule XV of the House of Representatives; to the Committee on Rules.

By Mr. GARRETT of Tennessee: Resolution (H. Res. 606) for the consideration of House bill 18459; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ASHBROOK: A bill (H. R. 18534) granting an increase of pension to Sylvester Clemings; to the Committee on Invalid Pensions.

By Mr. BOWDLE: A bill (H. R. 18535) granting a pension to Patrick Lysaght; to the Committee on Pensions.

By Mr. BUCHANAN of Illinois: A bill (H. R. 18536) granting a pension to William H. Mayo; to the Committee on Pensions.

By Mr. DONOHOE: A bill (H. R. 18537) granting an increase of pension to Christiana Hoffman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18538) granting an increase of pension to Mary Coffee; to the Committee on Invalid Pensions.

By Mr. HULL: A bill (H. R. 18539) for the relief of the estate of Wade Baker; to the Committee on War Claims.

By Mr. MOSS of West Virginia: A bill (H. R. 18540) granting a pension to Cora C. O'Neil; to the Committee on Invalid Pensions.

By Mr. RAUCH: A bill (H. R. 18541) granting a pension to Charles W. Beck; to the Committee on Pensions.

Also, a bill (H. R. 18542) granting an increase of pension to Emiline Farrar; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18543) granting an increase of pension to Daniel G. Gallion; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18544) granting an increase of pension to Orlando A. Newton; to the Committee on Invalid Pensions.

By Mr. RUPLEY: A bill (H. R. 18545) granting an increase of pension to Sallie K. Burkholder; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18546) granting an increase of pension to Carrie Sanno; to the Committee on Invalid Pensions.

By Mr. SMITH of Idaho: A bill (H. R. 18547) granting an increase of pension to Anna Robbins; to the Committee on Invalid Pensions.

By Mr. WALLIN: A bill (H. R. 18548) granting a pension to Mary E. Wilcox; to the Committee on Invalid Pensions.

By Mr. WALSH: A bill (H. R. 18549) for the relief of Frederick Coutier; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Petition of the American Importers' Association of the United States of America, favoring passage of bill for American merchant marine; to the Committee on the Merchant Marine and Fisheries.

Also (by request), petition of N. C. Newerf, offering suggestions for the disposition of the Philippines and a solution of the Japanese problem; to the Committee on Insular Affairs.

Also (by request), petition of N. C. Newerf, relative to bill for Government merchant and naval marine; to the Committee on the Merchant Marine and Fisheries.

By Mr. BAILEY (by request): Petition of sundry citizens of New York City, favoring enactment of a measure prohibiting the export of food and clothing during the European war; to the Committee on Foreign Affairs.

By Mr. BELL of California: Petition of the General Contractors' Association of San Francisco, Cal., protesting against the passage of House bill 14288, relative to mechanical equipment of Government buildings being segregated; to the Committee on Public Buildings and Grounds.

Also, petition of the Pasadena (Cal.) Board of Labor, relative to the establishment of food stations in all the important cities of the United States; to the Committee on Agriculture.

Also, petition of the Building Trades Employers' Association, the Sheet Metal Contractors' Association, the Master Housesmiths' Association, the Master Roofers and Manufacturers' Association, all of San Francisco, Cal., protesting against the passage of the Clayton bill; to the Committee on the Judiciary.

Also, petitions of Montezuma Tribe, No. 77, Improved Order of Red Men, of San Francisco, and San Francisco Parlor, No. 49, Native Sons of the Golden West, and Ralph W. Black, of Monrovia, all in the State of California, favoring the passage of House bill 5139, relative to retirement of aged employees of the Government; to the Committee on Reform in the Civil Service.

By Mr. BRUCKNER: Petition of William Hickey, of New York City, favoring passage of American merchant-marine bill; to the Committee on the Merchant Marine and Fisheries.

Also, petition of the Champion Iron Co., of Merton, Ohio, protesting against the passage of Senate bill 5147, to investigate the claims of the Clinton-Marshall Construction Co.; to the Committee on Claims.

By Mr. DAVENPORT: Petition of the Keetonah Society of Cherokee Indians, asking for an accounting between the Indians and the United States; to the Committee on Indian Affairs.

By Mr. GARDNER: Petition of Patrick F. Creed and 50 other citizens, of Haverhill, Mass., protesting against the rise in the price of foodstuffs; to the Committee on Agriculture.

By Mr. GRAHAM of Pennsylvania: Memorial of the Federal Council of the Churches of Christ in America, expressing to President Wilson its profound gratitude of his action in offering the services of the United States in mediation between the European powers; to the Committee on Foreign Affairs.

By Mr. GRIEST: Memorial of the Ephrata (Pa.) Branch of the Socialist Party, protesting against European war, etc.; to the Committee on Foreign Affairs.

By Mr. KENNEDY of Rhode Island: Petition of Alva E. Belmont, of Newport, R. I., favoring the submitting of amendment for woman suffrage at this session of Congress; to the Committee on Rules.

By Mr. LONERGAN: Petition of the city council of the city of Bristol, Conn., for thorough investigation regarding the high prices of foodstuffs since the commencement of the European war; to the Committee on Agriculture.

By Mr. O'SHAUNESSY: Petition of William Pestel, of Providence, R. I., protesting against the passage of House bill 17353, relating to use of the mails in effecting insurance on persons and property, etc.; to the Committee on the Post Office and Post Roads.

By Mr. RAKER: Petition of the General Contractors' Association of San Francisco, Cal., protesting against the passage of House bill 14288, relative to segregating mechanical equipment of United States Government buildings; to the Committee on Public Buildings and Grounds.

Also, memorial of San Francisco Parlor, No. 49, Native Sons of the Golden West, and Montezuma Tribe, No. 77, Improved Order of Red Men, favoring the passage of House bill 5139, relative to retirement of aged employees of the Government; to the Committee on Reform in the Civil Service.

Also, petition of the Western Association of Retail Cigar Dealers, protesting against any further taxation on cigars, tobacco, or cigarettes; to the Committee on Ways and Means.

By Mr. WATSON: Petitions of sundry citizens of Dinwiddie, Sussex, Amelia, Greensville, Lunenberg, and Prince Edward Counties, all in the State of Virginia, relative to rural credits; to the Committee on Banking and Currency.

By Mr. WEAVER: Petitions of sundry citizens of Gracemont, Yeager, Lookeba, Walter, Colbert, Lamar, Coalton, Allen, and Dewar, and of the counties of Ottawa, Oklahoma, and Lincoln, all in the State of Oklahoma, favoring national prohibition; to the Committee on Rules.

SENATE.

THURSDAY, *August 27, 1914.*

(Legislative day of Tuesday, August 25, 1914.)

The Senate reassembled at 11 o'clock a. m. on the expiration of the recess.

PROPOSED ANTITRUST LEGISLATION.

The VICE PRESIDENT. The Senate resumes the consideration of the unfinished business, which is House bill 15657.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes.

Mr. SMOOT. Mr. President, there are about half a dozen Senators in the Chamber, and I think we ought to have a quorum. I therefore suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Dillingham	Myers	Sterling
Bankhead	Fletcher	Norris	Thornton
Brady	Gallinger	Overman	Vardaman
Bryan	Jones	Perkins	Walsh
Burton	Kenyon	Pittman	West
Camden	Kern	Poindexter	White
Clapp	McLean	Sheppard	
Culberson	Martin, Va.	Smith, Ga.	
Cummins	Martine, N. J.	Smoot	

Mr. THORNTON. I was requested to announce the necessary absence of the junior Senator from New York [Mr. O'GORMAN] and to state that he is paired with the senior Senator from New Hampshire [Mr. GALLINGER]. I ask that this announcement may stand for the day.

The VICE PRESIDENT. Thirty-three Senators have answered to the roll call. There is not a quorum present. The Secretary will call the roll of absentees.

The Secretary called the names of the absent Senators, and Mr. RANSDELL, Mr. SIMMONS, and Mr. THOMPSON answered to their names when called.

Mr. SMOOT. I desire to announce the unavoidable absence of my colleague [Mr. SUTHERLAND]. He has a general pair with the senior Senator from Arkansas [Mr. CLARKE]. I will allow this announcement to stand for the day.

Mr. CHILTON, Mr. SHIELDS, and Mr. REED entered the Chamber and answered to their names.

Mr. DILLINGHAM. I desire to announce the continued absence of my colleague [Mr. PAGE], he being detained in Vermont on account of illness in his family.

Mr. GORE entered the Chamber and answered to his name.

The VICE PRESIDENT. Forty Senators have answered to the roll call. There is no quorum present. The Sergeant at Arms will carry out the instructions of the Senate heretofore given and request the attendance of absent Senators.

Mr. SMITH of Michigan, Mr. HUGHES, Mr. FALL, Mr. SHAFROTH, Mr. HOLLIS, Mr. THOMAS, Mr. MCCUMBER, Mr. LANE, Mr. POMERENE, Mr. LEE of Maryland, and Mr. HITCHCOCK entered the Chamber and answered to their names.

The VICE PRESIDENT. Fifty-one Senators have answered to the roll call. There is a quorum present. The Secretary will state the pending amendment.

Mr. CULBERSON. On page 10 of the bill, an amendment, proposed by the committee, to strike out the penalty clause, was passed over at the suggestion of the Senator from Tennessee [Mr. SHIELDS].

The VICE PRESIDENT. It will be stated.

The SECRETARY. In section 8, on page 10, the committee amendment proposing to strike out lines 22, 23, 24, and 25 was passed over. The lines read as follows:

> A violation of any of the provisions of this section shall be deemed a misdemeanor, and shall be punishable by a fine not exceeding $5,000, or by imprisonment not exceeding one year, or by both, in the discretion of the court.

Mr. REED. Mr. President, I have just returned to the Chamber, and I heard only the latter part of the proposition now before the Senate read, but as I understand that proposition it is to strike out the language on lines 22 to 25, on page 10, which reads:

> A violation of any of the provisions of this section shall be deemed a misdemeanor and shall be punishable by a fine not exceeding $5,000, or by imprisonment not exceeding one year, or by both, in the discretion of the court.

Mr. WHITE. Mr. President——

Mr. REED. I wish to inquire if that is the proposition before the Senate.

The VICE PRESIDENT. It is the pending question. Does the Senator from Missouri yield to the Senator from Alabama?

Mr. REED. I do.

Mr. WHITE. I ask the Senator to yield to me long enough to offer an amendment that I shall propose when section 4 of the bill is reached in the Senate.

Mr. REED. I yield for that purpose.

Mr. WHITE. I am afraid I did not make myself clearly understood yesterday in my suggestions with reference to section 4. I should like to submit an amendment as a substitute for section 4, and have it printed, that Senators may consider it before the bill is finally disposed of. I also ask that the amendment may be printed in the RECORD.

The VICE PRESIDENT. The amendment will be printed and lie on the table for the present, and will also be printed in the RECORD, at the request of the Senator from Alabama.

The amendment is as follows:

Amendment intended to be proposed by Mr. WHITE to the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes, viz: On page 4, line 13, strike out all of section 4 and insert in lieu thereof the following:

"SEC. 4. That it shall not be lawful to embody a condition in any contract relating to the sale or lease of or license to use any article or process protected by a patent or patents the effect of which will be to prohibit or restrict the purchaser, lessee, or licensee from using any article or class of articles, whether patented or not, or any patented process, supplied or owned by any person whomsoever, or the effect of which will be to require the purchaser, lessee, or licensee to acquire from any person whomsoever any article or class of articles not protected by the patent, and all contracts embracing any such conditions shall be null and void; and any person other than the purchaser, lessee, or licensee violating the provisions of this section shall be deemed guilty of misdemeanor, and upon conviction thereof shall be fined not exceeding $5,000 or by imprisonment not exceeding one year, or by both, in the discretion of the court."

Mr. REED. I understand the proposition now is to strike out the language I have referred to. Mr. President, I am opposed to striking out that penalty clause. I am opposed to it for all the reasons advanced in the argument regarding section 4.

To my mind a corporation ought not to be permitted to own the capital stock of another corporation, with the single exception that a corporation might be permitted to become the owner of capital stock in the same way that corporations are permitted to become the owners of real estate, where they are obliged to take it for debt; but in such an instance the corporation ought not to be permitted to vote the stock in the other corporation. We are not dealing with that specific question now, because the immediate amendment relates simply to the question of penalty.

I shall occupy the attention of the Senate only a few moments. I want to know that this proposition is thoroughly understood, and to make it understood is about all that I intend to attempt to do.

Section 8 provides in effect that no corporation engaged in commerce shall directly or indirectly acquire the capital stock of "another corporation engaged also in commerce where the effect of such acquisition is to eliminate or substantially lessen competition between the corporation whose stock is so acquired and the corporation making the acquisition, or to create a monopoly of any line of commerce."

The committee agrees to that doctrine; and you will observe that it is limited in its operation simply to the acquisition of stock where the effect of it is to eliminate or substantially lessen competition or to create monopoly. I do not know why we should not as to that kind of act prescribe the same kind of penalty as we do for the commission of those acts prohibited by the Sherman law. The Sherman law makes every combination in restraint of trade, every attempt to restrain trade, punishable by fine and imprisonment. The right is also reserved to the civil court to prevent the wrong. My attention has also been called to the fact that the second paragraph of section 8 covers holding companies. The provision is:

No corporation shall acquire, directly or indirectly, the whole or any part of the stock or other share capital of two or more corporations engaged in commerce where the effect of such acquisition, or the use of such stock by the voting or granting of proxies or otherwise, is to eliminate or substantially lessen competition between such corporations, or any of them—

And so forth.

If it is right to retain in the Sherman law a provision that any attempt to restrain commerce shall be punished by fine and imprisonment, why should not that same penalty be attached to these particular acts, the necessary and inevitable effect of which, if carried to any considerable extent, is to lessen competition? Why should we make a different classification here? Why should we, as to these particular practices, deal with them any differently than we do with the other practices or devices, all of which are employed by those seeking to restrain commerce? I do not intend to take the time of the Senate to repeat all that was said yesterday in regard to section 4, but every word of it with reference to section 4 is equally applicable here.

There is no chance for a mistake. The corporation that goes out and acquires the capital of another corporation, and begins to use it for the purpose of controlling that other corporation and lessening the competition between itself and that other corporation knows exactly what it is doing, just as much as men know what they are doing when they engage in any conspiracy in restraint of trade. The gentleman who goes out and organizes a holding company, and gathers into that holding company a large number of competitive corporations, knows that by and through the organization of that holding company he is building a monopoly in this land; he knows that he is doing it for the very purpose of restraining trade; and that that is about the only reason why he ever adopts such a device.

This proposed law does not apply to the holding company for one corporation; that is permissible; it applies only when there is brought together in a holding company two or more corporations, the object being, through the holding company, to control two or more corporations and thus build up a monopoly.

I do not know to what extent Senators have studied the question of holding companies; but I say to the Senate that it is one of the favorite methods now employed by those who build monopoly. Instead of combining them together in one corporation, or instead of pooling the stock of a number of corporations and putting it in the hands of voting trustees—instead of resorting to the old, crude device of the builder of monopoly—they have now adopted the method of the holding company. I could by sending to my office and getting my memoranda and documents, I think, make this so plain that no one would doubt it, and I will do so if it is necessary; but I will say that the common practice that is now being employed is this: Here are two or three competing concerns in one community, two or three competing concerns in another community, and a half dozen other competing concerns in other communities, all of them to a greater or lesser extent in competition with each other. Accordingly, some enterprising gentleman proceeds to organize what is known as a holding company. It is a separate corporation, and its assets consist of the stock of these various independent and competing companies. It gathers a majority of that stock in these competing companies into its treasury, and against that capital thus acquired it proceeds to issue its own stock and its own bonds.

It follows, therefore, that the officers of the holding company become the dominant force in each one of the companies, the majority of the stock of which has been covered into the treasury of the holding company; and at once the competition has been ended between those companies, because the common stockholder of the majority of the stock of each of the formerly competing companies is not going to permit competition to go on which will lessen profits.

Why should that not be punished? Why should we deal gently with this device? Why should we not meet it by a penalty that will arrest it? We have started in here saying that we were going to select those well-known devices employed by monopolists the natural effect of which is to restrain trade, and that we propose to stop those practices. As I said yesterday, the President has told us in his message of last January that certain of these practices are now well known, and none is better known than the one to which I refer.

I know of an instance in the State of Iowa, so well and so ably represented by my friend upon the other side, where one of these holding companies, having acquired large interests in various cities in the State, has through its agents threatened with annihilation institutions that have refused to sell to it. I understand it to be a fact that something like 200 concerns in the State of Michigan have been united under one management in this way; but I do not care to take the time more than to state the facts in this brief way.

I insist, Mr. President, that as to this section the penalty clause should be retained. It was put here by the House of Representatives and ought to stay here, and I shall at the proper time ask for the yeas and nays on the amendment striking it out.

Mr. CUMMINS. Mr. President, I can not concur with the Senator from Missouri with respect to this section, for several reasons, which I will state with the utmost brevity. Wherever a stockholding interest amounts to a restraint of trade or is an attempt to monopolize or is a monopolization of any trade or commerce the offense is already punishable under the antitrust act, with which the section now under consideration does not interfere in any way.

The Senator from Missouri was not quite accurate in saying that the antitrust law condemned and made criminal an attempt to restrain trade. I do not recall the statute in that way. I

think it makes unlawful any restraint of trade or commerce, and it makes unlawful any attempt to monopolize or any monopolization, but does not include the attempt to restrain trade, unless it is also an attempt to create a monopoly. Therefore, wherever intercorporate stockholding results in a restraint of trade or results in monopoly it is already punishable in the criminal courts.

I have always very much doubted whether we needed any additional legislation with regard to what are ordinarily known as holding companies; that is, where one company holds the stock or controls the stock of two or more corporations which are engaged in a competitive business. The decision of the Supreme Court of the United States in the Northern Securities case, which presented directly the simplest form of a holding company, seems to have put that question in a position where it can be little helped by any additional legislation.

Mr. POINDEXTER. Mr. President——

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Washington?

Mr. CUMMINS. I yield.

Mr. POINDEXTER. I should like to ask the Senator if the Supreme Court in that case held that any holding by a corporation of the stock of two other competing corporations was illegal under the Sherman Antitrust Act?

Mr. CUMMINS. It did not so declare in express terms.

Mr. POINDEXTER. So, it seems to me, when we remember the rule laid down by the Supreme Court in the Standard Oil and the Tobacco Trust cases, in which they expressly held that every restraint of trade was not a violation of the Sherman Antitrust Act, but that some of them were reasonable and some were unreasonable, and that the restraint condemned was an unreasonable restraint of trade, that the rule laid down in this proposed statute is quite a different one from the rule of the Sherman antitrust law as construed by the Supreme Court. This proposed statute would make any holding, whether it was reasonable or unreasonable, of the stock of competing corporations by a holding company unlawful. It may not be unlawful under the Sherman Antitrust Act.

Mr. CUMMINS. No; the Senator from Washington is entirely mistaken with regard to the section that we are now considering, although that is what the section ought to do. I am not opposing additional legislation with regard to holding companies. The Northern Securities case presented this situation: A company organized under the laws of New Jersey, called the Northern Securities Co., became the owner of a controlling interest in the stock of the Northern Pacific Railroad Co. and the Great Northern Railroad Co., and the Supreme Court held that, inasmuch as these two railroads were and are competing companies, it was a restraint of trade for one company, even though it did not enter into the operation at all of the property, to own a controlling interest in both. I only suggest that for the purpose of indicating that wherever a holding company does actually restrain trade or does establish a monopoly or attempts to establish a monopoly we have a penal statute which applies to it.

That, however, is not my chief reason for believing that it is not wise to attach a criminal penalty to this section. I intend to offer a substitute for this section, and I necessarily argue the case from the standpoint of the substitute I shall offer. I do not believe in the section as it is, and I would have a good deal of trouble in voting for it, although I suppose I might as a last resort. I believe that instead of strengthening the law it rather weakens the law.

The amendment which I shall propose includes the existing situation as well as the future situation; that is to say, it makes it unlawful for one corporation to own the stock of another, the two being competing corporations, no matter when the stock was acquired.

We shall do very little to help the business of this country unless we can readjust the holdings which now exist; for, as I said yesterday, the business of this country is so completely crystallized, the lines have been so thoroughly established, that unless we can introduce competition where it is now substantially suppressed we shall not afford the people of the country the relief for which they are asking, and to which they are entitled. If the Senate adopts the amendment which I shall offer and which will apply to existing holdings as well as to future acquisitions, then, of course, it is clear that we ought not to make those holdings criminal offenses if they were lawful at the time they were acquired. Indeed, we probably could not if we would, and it would not be fair and just to do it if we could.

I believe that with the section as it is now proposed it would be unjust to attach a criminal penalty. See how it reads:

That no corporation engaged in commerce shall acquire, directly or indirectly, the whole or any part of the stock or other share capital of another corporation engaged also in commerce where the effect of such acquisition is to eliminate or substantially lessen competition * * * or to create a monopoly of any line of commerce.

Of course, that is already absolutely taken care of, and it would be absurd, if I may be permitted to use that word, to retain that phrase, "or to create a monopoly of any line of commerce." If we are to put that in, of course there ought to be a penalty, because we already have penalized that offense, and we must not disturbe the antitrust law. I am anticipating, however, the argument which I shall briefly make when I shall come to offer my amendment. It ought to be obvious to anybody that if we redeclare the very offense that is declared in the antitrust law, and do not attach a penalty to it, we shall have repealed the antitrust law to that extent; and I think no one desires to do that.

But the further difficulty about the section as it is, as I view it, arises from the paragraph on page 9. If we are to give that latitude to this practice, I am not willing to say that a man who makes this mistake in applying it to his own affairs shall become a criminal.

This section shall not apply to corporations purchasing such stock solely for investment and not using the same by voting or otherwise to bring about, or in attempting to bring about, the substantial lessening of competition.

That is reasonably clear.

Nor shall anything contained in this section prevent a corporation engaged in commerce from causing the formation of subsidiary corporations for the actual carrying on of their immediate lawful business—

I challenge anybody to give such an illustration or definition of the clause I have just read as will make it clear so that it furnishes any real guide to men in conducting their business—

or the natural and legitimate branches or extensions thereof, or from owning and holding all or a part of the stock of such subsidiary corporations, when the effect of such formation is not to eliminate or substantially lessen competition.

When we attach a penalty to an act, it ought to be much more clearly understood than it would be understood under the language of this section.

Mr. WALSH. Mr. President——

Mr. CUMMINS. I yield to the Senator from Montana.

Mr. WALSH. It occurred to me that the framer of the bill doubtless had in mind the very common case of the establishment of branch stores. The parent corporation would like to establish a branch store in some distant city. Suppose they are engaged in the dry-goods trade, for instance. Claflin & Co. are an instance of what we have in mind.

Mr. CUMMINS. Yes.

Mr. WALSH. They have a store in Chicago, as I understand. They have a store in St. Louis. Those two stores, I take it, do not substantially compete.

Mr. CUMMINS. I can not quite appreciate that view, although it undoubtedly was the view of the authors of the section. We forbid, in the first place, intercorporate stockholding where the effect would be to substantially lessen competition as between two corporations. We proceed to make an exception to that rule in this proviso that eliminates subsidiary corporations. Therefore it is evident that the framers of the section thought there were some subsidiary corporations which would fall within the operation of the first part of the section unless expressly withdrawn. I do not understand that phase of it.

Mr. WALSH. No; let me show the Senator that is not quite accurate, because that likewise is qualified in the same way:

Nor shall anything contained in this section prevent a corporation engaged in commerce from causing the formation of subsidiary corporations for the actual carrying on of their immediate lawful business, or the natural and legitimate branches or extensions thereof, or from owning and holding all or a part of the stock of such subsidiary corporations, when the effect of such formation is not to eliminate or substantially lessen competition.

If it is, the subsidiary corporations are equally condemned.

Mr. CUMMINS. If the effect is not to eliminate or substantially lessen competition, it does not come within the original condemnation.

Mr. WALSH. I agree with the Senator.

Mr. CUMMINS. Then why should there be the exception? I have been utterly at a loss, in endeavoring to discover the application of the paragraph to which we have just referred, to know to what case it would apply. I assume it must be intended to apply to a case or a class of cases; but it is unnecessary for me to extend my remarks upon that subject. If the amendment I shall propose is adopted—and I hope it will be—then I do not think there ought to be, and probably there could not be, a penal provision attached to it, and I intend to work in my votes toward the accomplishment of that purpose.

Mr. REED. Mr. President——

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Missouri?

Mr. CUMMINS. I yield. Does the Senator desire to ask me a question?

Mr. REED. I wish to make a suggestion. The first thing to do is to perfect this section and, in perfecting it, to deal with this section. When it is perfected, then if the Senator desires to offer a substitute we have the choice between his substitute and the amendment in its completed form. I do not think the Senator means to say that he proposes to vote against the penalty clause in this section because the section that he proposes to put in as a substitute—which may not be accepted—will be so drawn that a penalty should not be attached to it.

Mr. CUMMINS. Mr. President, that is one of the reasons I would not vote for a penalty attached to this section, because it is utterly impossible for anybody to determine what this section means or to what cases it would apply; and I think the Senator from Missouri agrees with me that before you penalize a person you ought to make it reasonably certain to him what he can do and what he can not do. The corporation that is here called upon to act must undertake to say, first, whether the acquisition of the stock of another corporation will substantially lessen competition between them. It must first undertake to say whether they are competitive in character, then whether the acquisition of stock will substantially lessen the rivalry between them. Then it must undertake to decide whether the one is a subsidiary corporation, whether it is really a branch or carrying forward of business in which the parent corporation, if I may use that term, is engaged. When you have surrounded a declaration of invalidity with all those indefinite exceptions and contingencies, I do not think it is fair to attach a criminal penalty.

Mr. REED. Mr. President, the Senator says this is a meaningless section. That is the amount of it. That is pretty nearly what his language means. Does the Senator think we ought to enact any law that is a miserable jumble of indefiniteness, if I may use that sort of an expression? If that is true, the objection of the Senator ought to be to the whole section.

Mr. CUMMINS. It is to the whole section, because I intend to offer a substitute for it.

Mr. REED. I do not think the Senator ought to take the position that he will vote against a penal clause in this section upon the theory that he is going to offer a substitute of an entirely different nature. The question we are now considering is whether or not a penal clause should be attached to this section, and I do not think that ought to be determined by the fact that somebody proposes to offer a substitute for the section.

I think it is a little unfortunate that we are proceeding with this particular amendment to this section before we go through the section, but it appears to me that every argument that has been made here as to why a penal clause should not be attached is simply an argument in favor of its attachment.

Mr. VARDAMAN. Mr. President——

Mr. REED. If this section is, as the Senator from Iowa intimates, so drawn that it covers those practices already covered by the Sherman law, then clearly the penalty ought to be attached; and the Senator agrees to that. There is one part of this section that is not clearly covered by the Sherman law, and that is the holding company; and a man dealing with a holding-company proposition just as much knows that he proposes to restrain trade as any man does who adopts any other device.

Mr. CUMMINS. Mr. President, I think the Senator from Missouri has misunderstood me a little. I do not think all the things contained in the first paragraph of the section are embraced in the Sherman law. What I said was that the last clause—namely, "or to create a monopoly of any line of commerce"—is clearly a repetition of the offense created in the Sherman law.

Mr. VARDAMAN. Mr. President, I rose to suggest to the Senator from Iowa that the question before the Senate is the amendment of this section which is proposed to be stricken out. I wish to vote intelligently upon this matter, and I want the law to mean something when it is enacted. It seems to me the Senator from Iowa should introduce his amendment or substitute with a view of perfecting this section before it goes out. It may be that it will not go out when it is perfected by the Senator's proposition; and now is the time to do it, rather than waiting until after this matter is acted upon. If his amendment is proposed and acted upon, it may be that certain amendments may be made to it which would be accepted by the Senate; and I submit to the Senator that now is the time to propose his amendment to this section.

Mr. CUMMINS. That would seem to be logical; but we are proceeding under a rule which requires the consideration of committee amendments first. I have more than once made inquiry with regard to it, and I do not feel that under the parliamentary situation I can offer my substitute now. If I can——

Mr. VARDAMAN. What is the committee amendment—striking it out?

Mr. CULBERSON. The committee amendment is to strike out the penalty provision.

Mr. CUMMINS. The committee amendment is to strike out the lines which contain a penalty.

Mr. CULBERSON. The other committee amendments to this section have been already adopted.

Mr. VARDAMAN. I was under the impression it was a motion to strike out the section.

Mr. CUMMINS. I can test the situation by offering it.

Mr. VARDAMAN. I think it would be well for the Senator from Iowa to offer his amendment.

The VICE PRESIDENT. There is not any doubt about the parliamentary situation. The committee amendments must be first considered. There is no question about it.

Mr. GALLINGER. But may not a substitute for the text which is proposed to be stricken out by the committee be offered?

The VICE PRESIDENT. Undoubtedly.

Mr. GALLINGER. That is what the Senator from Iowa proposes.

The VICE PRESIDENT. It is not a substitute for the text proposed to be stricken out. It is a substitute for the entire section, the Chair understands.

Mr. CUMMINS. What I propose to offer is a substitute for the entire section.

Mr. GALLINGER. That is a different proposition.

The VICE PRESIDENT. If it were a substitute for the part proposed to be striken out by the committee, it would be in order.

Mr. CUMMINS. If I were at liberty to do so, of course I would offer it now.

The VICE PRESIDENT. The Chair is clearly of the opinion that the committee amendment must first be voted upon, and then a substitute for the entire section may be considered.

Mr. POINDEXTER. Mr. President, in this connection I do not know, of course, what the proposed amendment of the Senator from Iowa is, but I propose to offer an amendment to the section—or, rather, two amendments. I should like to state at this time, before offering the amendment——

Mr. GALLINGER. I will ask the Senator from Washington if he would not permit the proposed substitute of the Senator from Iowa to be read. It is a very involved question now, and for myself I should like to know what the proposed substitute is.

Mr. CUMMINS. I read it a day or two ago; but, of course, some Senators now present were not here. I send to the desk the substitute, which I shall offer at the proper time.

Mr. GALLINGER. Let it be read for information.

The VICE PRESIDENT. It will be read.

The SECRETARY. In lieu of section 8, as amended and as proposed to be amended, insert:

It shall be unlawful for any corporation to acquire, own, hold, or control, either directly or indirectly, the whole or any part of the capital stock or other share capital, or any other means of control or participation in the control, of two or more corporations engaged in commerce and carrying on business of the same kind or competitive in character: *Provided*, That the foregoing shall not be construed to prevent corporations not engaged in commerce acquiring, owning, and holding capital stock or other share capital solely for investment and not using the same in bringing about, or attempting to bring about, a common control of the corporations whose stock or other share capital it owns and holds.

It shall be unlawful for any corporation engaged in commerce to acquire, own, hold, or control, either directly or indirectly, the whole or any part of the capital stock, or other share capital, or any other means of control or participation in the control of any other corporation also engaged in commerce and carrying on a business of the same kind or competitive in character: *Provided*, That this section shall not apply to banks, banking institutions, or common carriers: *Provided further*, That no order or finding of the court or commission in the enforcement of this section shall have any force or effect nor be admissible as evidence in any suit, civil or criminal, brought under the act of July 2, 1890, entitled "An act to protect trade and commerce against unlawful restraints and monopolies."

Mr. CLAPP. Mr. President, I wish to ask the Senator from Iowa a question. Of course, on hearing the proposed substitute read one may not get it exactly correct, but as I heard it it makes two provisions—one prohibiting a corporation from owning stock, broadly stated, of course, in two or more corporations, and the other is a prohibition against a corporation holding stock in any other corporation.

Mr. CUMMINS. There is one discrimination which possibly the Senator from Minnesota did not catch. The first paragraph covers the holding company. The holding company may not be engaged in commerce, and there is no limitation in the first

paragraph that the corporation must be engaged in commerce; that is, any corporation which holds the stock of two or more corporations which are engaged in commerce. That is the first paragraph. The second paragraph covers the case where the corporation engaged in commerce holds the stock of another corporation also engaged in commerce.

Mr. CLAPP. I caught the latter part, but in the reading the first did not appear plain. The explanation of the Senator from Iowa makes it very plain.

Mr. CULBERSON. I understood the Chair to rule that the committee amendment must first be acted upon.

The VICE PRESIDENT. The Chair did so hold.

Mr. REED. Mr. President, when the interruption came I had about completed what I was going to say.

The Senator from Iowa agrees that wherever a holding company exists and its tendency or natural effect is to restrain trade it should be treated as a crime and punished, as I understand him.

Mr. CUMMINS. That is the antitrust law. I do not desire to withdraw any of its efficiency.

Mr. REED. I know. We all go back always to the antitrust law. We continue to do things here, and every time we discuss them, however, we say they are all covered by the antitrust law. If they are covered by the antitrust law, we have no business to fool with them or to do anything with them.

I do not think that that question is yet quite understood. If the Government brings an action against an institution and charges it with being a trust or a monopoly, the Government must prove the fact that it is a trust or monopoly and that it has actually restrained trade. I think these sections go a little further in that where the effect of the stock purchase is to eliminate or substantially lessen competition.

The difficulty is that we have changed the language of the House bill. The language of the bill as passed by the House had a distinct meaning and a distinctly different meaning from the bill as reported by the Senate committee. I am inclined to think that under the language as it is here reported by the Senate committee we may not have covered as to the second paragraph of the section anything that is not covered by the Sherman law, but as the bill came to us from the House it did cover, I think, more than the Sherman law, because as the bill came here from the House in both paragraphs 1 and 2 of the section the language was "or to create a monopoly of any line of trade in any section or community."

There is a difference between a general restraint of trade and the creation of a general monopoly and the restraint of trade in a particular community or section. However that may be, I put this question——

Mr. WALSH. Before the Senator passes from that, section 2 of the Sherman Act denounces monopoly of any part of commerce. It is held——

Mr. REED. Geographically.

Mr. WALSH. Geographically as well as in quantity. So that so far as monopoly is concerned there can be no distinction.

Mr. REED. If that is true, Mr. President, and I confess there is much force in it, then what we are doing by this section is, first, to provide that under certain terms and conditions things can be done which are now condemned by the Sherman Act and, second, we are repealing the criminal clause of the Sherman Act. It seems to me that is just where we are left.

Mr. CUMMINS. Mr. President——

Mr. REED. Let me follow that just a moment if the Senator will permit me.

Mr. CUMMINS. I agree with that. The Senator from Missouri must not understand me as saying that I think all these things are covered by the antitrust law; but when you take the last clause in the first paragraph of section 8, "where the effect of such acquisition," and so forth, "or to create a monopoly of any line of commerce," of course that is covered by the Sherman law. Likewise with regard to the last clause of the paragraph which covers the holding company, "or to create a monopoly of any line of commerce." Those two things are covered by the Sherman law.

Mr. WALSH. If the Senator from Missouri will permit me, I am quite in accord with that idea, and I think likewise that the first paragraph of section 8 might very properly be amended by excising the words "eliminate or," because if one corporation acquires stock in another corporation and thereby eliminates competition between them I have no doubt that such a transaction would fall within the condemnation.

Mr. CUMMINS. I can not quite agree with the Senator from Montana. Suppose there were a hundred corporations engaged in a certain kind of business scattered all over the United States. I do not believe it would be a violation of the antitrust law for one corporation of the hundred to sell out to another. There still would remain, in all probability, that full and substantial competition which the antitrust law requires. I do not think that the antitrust law condemns every lessening of competition; otherwise it would have to be construed to mean that one concern could not under any circumstances buy or absorb another. I think it depends on circumstances whether such a transaction can lawfully occur or not.

Mr. WALSH. That, of course, is qualified by the clause where the effect is to "substantially lessen competition."

Mr. CUMMINS. It would lessen competition as between the two, but, of course, if one had a right under the law to buy out the other it could not be any offense against the law, as it is now, for one to acquire the control of the other. It is just that case that we want, as I think, to prohibit, so that if a consolidation can lawfully occur under the antitrust law it shall be an open, public consolidation, so that everybody can know what is transpiring.

Mr. REED. Mr. President, an open and public consolidation does not help us a bit. We want to stop trusts and monopolies. We must not undertake to do it by publicity. The monopolist to-day does not hide his light under a bushel. He does not proceed in secret. He comes boldly to the front. He creates his monopoly and declares that he has a monopoly, and sells his stock on the strength of it. That is, in effect, true. The statement may seem a little exaggerated; but take the Steel Trust. Did they conceal at all the fact that they were undertaking to create a gigantic monopoly?

Mr. CUMMINS. I can not understand the Senator from Missouri. He certainly is not directing those remarks to anything I said.

Mr. REED. I was directing them to the last remark of the Senator.

Mr. CUMMINS. I know the Senator from Missouri certainly does not believe that the antitrust law forbids, under all circumstances, one business man from buying the business of another. That can not be true.

Mr. REED. No; but I undertake to say that the law ought to be that one corporation can not acquire the stock of another corporation and thus remove the competition between the two institutions.

Mr. CUMMINS. I agree with that. That ought to be our policy. But suppose there are a dozen drug stores in the city of Washington, does the Senator from Missouri believe, assuming that they affect interstate commerce, that one of the stores could not be bought by the proprietor of another unless the transaction is accomplished with a practical destruction of competition in the community in which they do business?

Mr. OVERMAN. I should like to give the Senator a case that occurred in my State. We had a great independent manufacturer of tobacco. He made a great deal of money. He had fought the trust for years. About a year ago he died. He made a valuable brand of tobacco. The executor of the will is trying to dispose of the plant. There is an estate worth perhaps $250,000 or $300,000, it may be $500,000. He can not sell it at all because the great corporations, such as the Liggett & Myers Co. and the American Tobacco Co., say we can not buy you out, and there is absolutely perhaps $500,000 worth of property belonging to the children which can not be sold. Why should they not be able to buy this property?

Mr. CUMMINS. I do not believe that is the proper construction of the antitrust law; otherwise there could be no sale of business. I think there can be, but wherever the law permits the sale of the business then it ought to be open and public, and a corporation ought not to acquire control of a business simply through the purchase of the stock of a company which continues under its own name and, so far as the public knows, is independent in its management. That is what I think this section is inteded in the main to prevent.

Mr. REED. Mr. President, I want to say this final word and then, so far as I am concerned, I am ready to have the section voted upon.

I do not propose to go back and discuss the merits of the section. We would get into every kind of controversy and there would be every sort of new argument. The purpose of the section is to strengthen the antitrust act. It seems we have gone so short a distance that it is a debatable proposition whether we have added anything to the antitrust act. Under those circumstances I insist that the criminal penalty ought to be attached at this time, and that we should not deal with subjects so closely allied to the antitrust act that they may be within it and not attach the same penalties that are provided in the antitrust act.

The VICE PRESIDENT. The question is on the amendment of the committee.

Mr. POINDEXTER. Mr. President, I am opposed to the proposition of the committee to strike out the penal clauses of the section. I do agree, however, very largely with what the Senator from Iowa [Mr. CUMMINS] has said, that if the offense denounced in the section is made criminal it ought also to be made definite and certain. I think the amendment which the Senator from Iowa has submitted improves the section in that regard, but his amendment, as well as the section in the bill, contain a number of exceptions to the proposed rule prohibiting corporate ownership of stock of competing corporations. I do not think there is any necessity for exceptions. So far as ownership of stock is concerned in the corporation—leaving out of consideration for the time being the proposition which is spoken of by the Senator from Iowa of the acquirement of the property itself and confining our consideration to the evil of the multiplication of the corporations under one head and control—I believe that the prohibition of the corporate ownership of stock in competing corporations ought to be absolute and without exception.

I do not see any occasion for excepting common carriers; in fact, one of the most common abuses of monopoly, by means of corporate ownership of stock of competitors, is in the railroad business. The very Northern Securities case, to which the Senator from Iowa referred, is an illustration of that.

Mr. CUMMINS. Mr. President——

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Iowa?

Mr. POINDEXTER. In just a moment I shall do so. The proposition here, as I undertook to say before, is an entirely different one from the rule laid down by the court under the Sherman Antitrust Act. Here it is proposed to specify a certain definite transaction and prohibit it, namely, the corporate ownership of stock in a competing corporation or the holding of stock in two competing corporations by a holding company. The Sherman Antitrust Act simply prohibits an unreasonable restraint of trade, which is a much more indefinite and vague proposition. Now I yield to the Senator from Iowa.

Mr. CUMMINS. The reason that my amendment excepts common carriers is that I think that any regulation of this subject affecting common carriers ought to be made a part of the next bill, which we shall shortly, I suppose, consider. It ought to be made an amendment of the interstate-commerce law in order to preserve continuity and opportunity for thorough familiarity with the law.

I agree with the Senator from Washington [Mr. POINDEXTER] that there ought to be a regulation applying to common carriers; but I have an amendment of a similar nature, although not exactly like this, which I intend to offer when the interstate-commerce law comes before the Senate for amendment; and it will come before many days, I assume.

With regard to the exception as to a company not engaged in commerce holding stock of two or more corporations for investment, the case intended to be covered and taken care of by that exception is this: Insurance companies find it very difficult to invest their money profitably, and in some States they are permitted to own the stock of corporations. There are a great many insurance companies which now own stock in many corporations. Likewise the savings banks of the country are permitted in some quarters to own capital stock. It would be, I think, unfortunate if we were to deny the savings banks and insurance companies and like investment companies the privilege of owning stock in two or more corporations, provided, of course, that they do not acquire it or hold it for the purpose of controlling the corporations or of destroying their independence.

Mr. POINDEXTER. Mr. President, there are ample opportunities for investment and an ample number of corporations issuing securities to afford sufficient investment for the savings banks and insurance companies without modifying and weakening this prohibition of the corporate ownership of competing corporations. It is not necessary to allow savings banks and the other institutions to which the Senator from Iowa [Mr. CUMMINS] has referred to own the stock of two or more competing corporations. Under this provision they may own all of the stock—we are not specifying the percentages of the stock which they may own. Under the Senator's exception they might own all of the capital stock of two competing corporations. To go into the vague and uncertain field of their intention and purpose, to ascertain whether they invested in it for the purpose of controlling the business, would be to render the whole act uncertain, with possibilities of entire evasion of its object, and to make possible every evil which it is intended to prevent.

Mr. President, after the amendment of the Senator from Iowa has been disposed of, I propose to submit an amendment which is very simple, as a substitute for section 8, simply providing that no corporation engaged in interstate commerce shall own the stock of a competing corporation likewise engaged in commerce, and that no corporation shall own the stock of two other corporations competing with each other in interstate commerce.

I fail to see any necessity for any exception or provisos attached to that proposition; and if there are no provisos, it is capable of easy enforcement. Any man or corporation who violates it knows exactly what they are doing; and it would be perfectly feasible and proper and reasonable to attach a penal clause to the section and punish by imprisonment the man who violates it.

Mr. GALLINGER. Mr. President——

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from New Hampshire?

Mr. POINDEXTER. I yield.

Mr. GALLINGER. I will inquire of the Senator precisely what application his proposed amendment has to the investment of savings-bank funds. That is a pretty important matter, and the Senator from Iowa [Mr. CUMMINS] has called attention to it. Take the savings banks of New England, and the hundreds of millions of dollars upon which they are obligated to pay 4 per cent interest; I think we ought to be careful not to narrow the field of their investment. I do not exactly understand whether or not the Senator's amendment does so.

Mr. POINDEXTER. The amendment which I intend to propose would not, in my opinion, injure the savings banks in any way whatsoever. The only effect upon their investments would be that it would prohibit a savings bank from acquiring or holding or owning the stock of two competing corporations. It might own the stock of all other corporations.

Mr. GALLINGER. Take, for instance, two railroad corporations. If a savings bank should invest in the New York Central and the Southern Pacific, we will say, that would not come under the inhibition of the amendment?

Mr. POINDEXTER. Not at all. A savings bank could invest in Pennsylvania Railroad stock and invest in the stock of every other railroad except one competing with the Pennsylvania Railroad or two competing with each other. The same rule applies to other stocks, and it seems to me that that affords an ample field of investment.

Mr. GALLINGER. I quite agree to that, and I see no possible objection to the Senator's amendment.

Mr. POINDEXTER. Before we vote upon the motion of the committee to strike out the penal clause of the section, I will read the substitute which I intend to propose in lieu of that section as it now stands:

SEC. 8. That no corporation engaged in commerce shall own, hold, or acquire, directly or indirectly, the whole or any part of the shares of capital stock of a competing corporation engaged also in commerce.

No corporation shall own, hold, or acquire, directly or indirectly, the whole or any part of the capital stock of two or more corporations engaged in commerce in competition with each other.

A violation of any of the provisions of this section shall be deemed a misdemeanor, and shall be punishable by a fine not exceeding $5,000 or by imprisonment not exceeding one year, or by both, in the discretion of the court.

I only desire to add that I fail to see a sufficient reason for excluding common carriers from the provisions of this bill merely because there are other bills pending dealing with them. The bill in most of its other features deals with railroad companies; they are not excepted from its general provisions, and there is no reason why we should complicate the situation by dissecting out of this bill, which is intended to prevent the formation of monopolies, one class of corporations which have been the favorite subjects and agents of monopoly.

The VICE PRESIDENT. The question is on the amendment proposed by the committee.

Mr. REED. Mr. President, I raise the question of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bankhead	Hitchcock	Norris	Smith, Mich.
Borah	Hollis	Overman	Smoot
Brady	Hughes	Owen	Sterling
Bryan	Johnson	Perkins	Swanson
Burton	Jones	Poindexter	Thomas
Camden	Kenyon	Pomerene	Thornton
Chamberlain	Lane	Ransdell	Vardaman
Clapp	Lea, Tenn.	Reed	Walsh
Culberson	Lewis	Shafroth	West
Cummins	McCumber	Sheppard	White
Dillingham	McLean	Shields	Williams
Fall	Martin, Va.	Simmons	
Fletcher	Martine, N. J.	Smith, Ga.	
Gallinger	Newlands	Smith, Md.	

The VICE PRESIDENT. Fifty-three Senators have answered to the roll call. There is a quorum present. The ques-

tion is on the amendment, on page 10, proposed by the committee.

Mr. VARDAMAN. Mr. President, I shall consume but a moment of the time of the Senate in discussing this matter, but I believe that if we are to prevent combinations in restraint of trade and eliminate trusts from the economy of this Government we have got to enact criminal statutes, and visit penalties sufficiently severe to make it unprofitable for the violators of the law. I believe that in cases of that character—

> The fear o' hell 's a hangman's whip
> To haud the wretch in order.

I can see no possible harm that is going to result to the American people from the punishment of men for the violation of this economic principle and very proper and necessary law. If we are not going to do that we might just as well have nothing. There is no twilight zone in the realm of morality. Men know when they are doing wrong. They know when they are violating the law, and when they deliberately violate the law they ought to be punished for it. If the trusts were writing this bill they would not oppose the committee's amendment.

I am very heartily in favor of the penalty which was prescribed by the House of Representatives in this bill, and I shall vote against striking it out.

Mr. LEWIS. Mr. President, I should like to call attention to the fact that I fear there has been an error, either of my own, unintentionally, or of the RECORD, on page 15574. The RECORD discloses a vote of mine, being a vote "yea," upon a motion made to strike out a section prescribing a criminal penalty. I had previously voted for the insertion of the very same section, and if I did vote "yea" it was certainly not intentional. I am inclined to think that in the confusion possibly the recording clerk recorded me erroneously.

My comrade here, the Senator from Oregon [Mr. LANE], tells me that I voted in the manner in which I am recorded. If so, it was an inadvertence, and I should like to have it changed unless it is too late.

Mr. REED. Mr. President, the form of this motion, as I understand, is such that a vote "yea" would be a vote to strike out the penal clause; a vote "nay" would be a vote to retain the penal clause. Those who want these practices prohibited without any penalty will vote "yea," and those who want a penalty will vote "nay."

I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. SMITH of Georgia. Mr. President, I only wish to say, in voting for the committee amendment, that this prohibition is one against conduct that eliminates or substantially lessens competition between the corporation whose stock is acquired and the corporation making the acquisition. It is not a definite and specific act that is named in such a way that I think punishment by a criminal process ought to follow. It seems to me that when there is sufficient room for doubt as to what is and what is not a violation of the law, the fairest course to pursue is by legal procedure to ascertain and enjoin the violation.

That was the view of the majority of the Judiciary Committee, and that was why we thought it was harsh to proceed by criminal statute to punish on conviction when the act itself was not one absolutely specific, and where there was a line of violation and nonviolation open for investigation and consideration.

Mr. REED. Mr. President, I should like to ask the Senator a question. Is this law a particle more indefinite in any respect than the term "restraint of trade, or monopoly," was at the time the Sherman Act was passed?

Mr. SMITH of Georgia. I am not sure that it is; and I also know that for a long time nothing was accomplished along the line of criminal procedure under the Sherman Act. I believe the better plan is, as to this act, which moves on to new lines of prohibition, at least for the present to proceed against them in the civil courts, rather than to undertake to do so in the criminal courts.

Mr. BORAH. Mr. President, we are engaged in making a law, and we ought to make it sufficiently certain to enable those who must come in contact with the law to know when they are within its inhibitions and when they are not. It is an indefensible thing to make a law which is so indefinite and so uncertain that no one shall know he has violated it until he has an injunction served upon him to prevent his going further in the direction in which he was going.

We have had some experience for the last 10 or 12 years with these matters, and my view is that if we have not made the bill sufficiently definite and certain for business to know when it is violating the law, we ought to turn our attention to making it certain, and we ought to have it so absolutely certain that the man who violates it may be justly punished.

I would rather spend my time during the next few days in trying to make this section sufficiently specific to advise the business world, so that, as the President said, they may know with certainty what they may do, and then punish them if they do not obey the law, than to pass an ambiguous, uncertain proposition concerning which they know nothing, and which they will disregard if there is no punishment attached thereto.

We owe it to the business men of this country to make the law sufficiently clear to inform them of what is expected, and we owe it to the public to punish those who violate the law. I am in favor of holding the penal clause, and then I will cooperate with those who think it indefinite to make it definite.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. CHAMBERLAIN (when his name was called). In the absence of my pair, the junior Senator from Pennsylvania [Mr. OLIVER], I withhold my vote.

Mr. CULBERSON (when his name was called). Again announcing my pair, and its transfer to the junior Senator from Arizona [Mr. SMITH], I vote "yea."

Mr. FLETCHER (when his name was called). I have a pair with the junior Senator from Wyoming [Mr. WARREN], which I transfer to the senior Senator from Indiana [Mr. SHIVELY], and will vote. I vote "yea."

Mr. GALLINGER (when his name was called). I transfer my pair with the junior Senator from New York [Mr. O'GORMAN] to the junior Senator from Vermont [Mr. PAGE] and will vote. I vote "yea."

Mr. HOLLIS (when his name was called). I announce my pair with the junior Senator from Maine [Mr. BURLEIGH] and withhold my vote.

Mr. JOHNSON (when his name was called). I have a general pair with the junior Senator from North Dakota [Mr. GRONNA]. In his absence I withhold my vote.

Mr. LEA of Tennessee (when his name was called). I announce my general pair with the senior Senator from South Dakota [Mr. CRAWFORD]. In his absence I withhold my vote. I desire to be counted to make a quorum.

Mr. McLEAN (when his name was called). I have a pair with the senior Senator from Montana [Mr. MYERS]. In his absence I withhold my vote.

Mr. KERN (when Mr. SHIVELY's name was called). I desire to announce the unavoidable absence of my colleague [Mr. SHIVELY]. This announcement may stand for the day.

Mr. SMITH of Georgia (when his name was called). I have a pair with the senior Senator from Massachusetts [Mr. LODGE]. Unless I can get a transfer, I will withhold my vote.

Mr. WALSH (when the name of Mr. SMITH of Maryland was called). The senior Senator from Maryland [Mr. SMITH] has been called from the Chamber on official business.

Mr. THOMAS (when his name was called). I have a general pair with the senior Senator from New York [Mr. ROOT]. In his absence I withhold my vote.

Mr. TOWNSEND (when his name was called). I have a pair with the junior Senator from Arkansas [Mr. ROBINSON] and therefore withhold my vote.

Mr. WALSH (when his name was called). I am paired with the senior Senator from Rhode Island [Mr. LIPPITT]. I transfer that pair to the junior Senator from South Carolina [Mr. SMITH] and will vote. I vote "yea."

Mr. WEEKS (when his name was called). I have a general pair with the senior Senator from Kentucky [Mr. JAMES]. I transfer that pair to the junior Senator from Illinois [Mr. SHERMAN] and will vote. I vote "yea."

Mr. WILLIAMS (when his name was called). I have a general pair with the senior Senator from Pennsylvania [Mr. PENROSE]. Being unable to secure a transfer, I must withhold my vote, but I shall request to be counted as present to constitute a quorum. If I were at liberty to vote, I would vote "yea."

The roll call was concluded.

Mr. PITTMAN. The junior Senator from Delaware [Mr. SAULSBURY] is absent on account of sickness. He is paired with the junior Senator from Rhode Island [Mr. COLT].

Mr. MYERS. Has the junior Senator from Connecticut [Mr. McLEAN] voted?

The VICE PRESIDENT. He has not.

Mr. MYERS. I have a pair with him. In his absence I withhold my vote.

Mr. WALSH. I desire to announce that the Senator from Oklahoma [Mr. GORE] is paired with the Senator from Wisconsin [Mr. STEPHENSON].

Mr. JOHNSON. I am informed that my pair, the junior Senator from North Dakota [Mr. GRONNA], if present, would vote as I would vote. Therefore I vote "nay."

Mr. WILLIAMS. I transfer my pair with the senior Senator from Pennsylvania [Mr. PENROSE] to the senior Senator from Arizona [Mr. ASHURST] and will vote. I vote "yea."

Mr. SMITH of Georgia. I have been relieved from my pair with the senior Senator from Massachusetts [Mr. LODGE], and therefore will vote. I vote "yea."

Mr. DILLINGHAM (after having voted in the negative). I observe that the senior Senator from Maryland [Mr. SMITH] is not in the Chamber. Having a pair with him, I withdraw my vote.

Mr. GALLINGER. I have been requested to announce the following pairs:

The senior Senator from Wyoming [Mr. CLARK] with the senior Senator from Missouri [Mr. STONE];

The junior Senator from West Virginia [Mr. GOFF] with the senior Senator from South Carolina [Mr. TILLMAN];

The junior Senator from Utah [Mr. SUTHERLAND] with the senior Senator from Arkansas [Mr. CLARKE].

Mr. OWEN. Mr. President, I should like to know whether a quorum has voted?

Mr. GALLINGER. Mr. President, I do not desire to be technical, but it seems to me the declaration ought to be made by the Chair, and then, if a Senator wishes to vote, notwithstanding his pair, he might do so.

Mr. OWEN. I have the right, under my arrangement, to vote in case it is necessary to make a quorum; and I wish to exercise that right if it is necessary to make a quorum.

The VICE PRESIDENT. The Chair is informed that it is not necessary.

Mr. CLAPP. I desire to say that the junior Senator from North Dakota [Mr. GRONNA] is unavoidably absent from the Chamber. If he were here, he would vote "nay."

The result was announced—yeas 29, nays 22, as follows:

YEAS—29.

Bankhead	Gallinger	Perkins	Walsh
Bryan	Hitchcock	Pomerene	Weeks
Burton	Hughes	Ransdell	West
Camden	Kern	Simmons	White
Chilton	Lee, Md.	Smith, Ga.	Williams
Culberson	Martin, Va.	Smith, Mich.	
Cummins	Newlands	Swanson	
Fletcher	Overman	Thornton	

NAYS—22.

Borah	Jones	Norris	Shields
Brady	Kenyon	Pittman	Sterling
Bristow	Lane	Poindexter	Thompson
Clapp	Lewis	Reed	Vardaman
Fall	McCumber	Shafroth	
Johnson	Martine, N. J.	Sheppard	

NOT VOTING—45.

Ashurst	Gore	Oliver	Smoot
Brandegee	Gronna	Owen	Stephenson
Burleigh	Hollis	Page	Stone
Catron	James	Penrose	Sutherland
Chamberlain	La Follette	Robinson	Thomas
Clark, Wyo.	Lea, Tenn.	Root	Tillman
Clarke, Ark.	Lippitt	Saulsbury	Townsend
Colt	Lodge	Sherman	Warren
Crawford	McLean	Shively	Works
Dillingham	Myers	Smith, Ariz.	
du Pont	Nelson	Smith, Md.	
Goff	O'Gorman	Smith, S. C.	

So the amendment of the committee was agreed to.

Mr. CULBERSON. Mr. President, I call attention to the amendment proposed by the committee on page 17, which was passed over at the request of the Senator from Tennessee [Mr. SHIELDS.]

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 17, the committee proposes to strike out all of lines 3, 4, 5, 6, 7, and 8, which read as follows:

That any person who shall violate any of the provisions of this section shall be guilty of a misdemeanor and shall be punished by a fine of not exceeding $100 a day for each day of the continuance of such violation, or by imprisonment for such period as the court may designate, not exceeding one year, or by both, in the discretion of the court.

Mr. BURTON. Mr. President, may I ask on what page that is?

The VICE PRESIDENT. Page 17. The question is on agreeing to the committee amendment.

Mr. LANE. What page is it, please?

The VICE PRESIDENT. Page 17.

Mr. WALSH obtained the floor.

Mr. LANE. Mr. President, I offer an amendment to that amendment.

The VICE PRESIDENT. The Senator from Montana has the floor.

Mr. LANE. Very well.

Mr. WALSH. I did not desire to address myself particularly to this motion, but before we pass section 8, while it is in mind, I desire to say that at the proper time I shall myself, on my own account and not for the committee, unless the committee shall later conclude to coincide with me in my views, move a number of amendments to section 8. I shall ask to take out the words "eliminate or," in line 17, as, to say the least, being entirely unnecessary, because if competition is entirely eliminated it must, of course, be substantially lessened. Likewise I shall move to strike out the words, in lines 19 and 20, "or to create a monopoly in any line of commerce," and that for the reason that if one corporation acquires the stock of another corporation, and the effect is to create a monopoly, it is already made punishable by the Sherman Antitrust Act. I can not quite understand why the language should ever have found a place in the bill. I read section 2 of the Sherman Act:

Every person who shall monopolize, or attempt to monopolize, or combine or conspire with any other person or persons to monopolize any part of the trade or commerce among the several States, or with foreign nations, shall be deemed guilty of a misdemeanor, and on conviction thereof shall be punished by a fine not exceeding $5,000, or by imprisonment not exceeding one year, or by both said punishments, in the discretion of the court.

That is, everybody who attempts to set up a monopoly in any manner or by any other means—and this would be one means. The same provision is found in the next clause:

Or granting of proxies, or otherwise, is to eliminate or substantially lessen competition between such corporations, or any of them, whose stock or other shares capital is so acquired, or to create a monopoly of any line of commerce.

Of course, if by virtue of a holding company a monopoly is created, it is punishable by section 2 of the Sherman law.

In this connection I desire to say also that, in order to quiet an apprehension which seems to exist in the minds of some lest some provisions of this act should operate to repeal or to amend the Sherman Antitrust Act, I shall offer an amendment which I have prepared to offer for the committee at the close of the bill, which is to the effect and substance that nothing contained in this act shall be deemed either to repeal or to amend or modify the Sherman Act, except as it is herein specifically stated. For instance, in section 7 it is specifically stated the Sherman Antitrust Act shall not extend to labor, agricultural, or horticultural organizations.

I make these suggestions now for the consideration of members of the committee. I am inclined to think that they ought to be adopted. My own view as to the second clause, ending with the word "commerce," in line 23—

No corporation shall acquire, directly or indirectly, the whole or any part of the stock or other share capital of two or more corporations engaged in commerce.—

That is to say, the holding company—is that many industrial corporations have no purpose except to establish a monopoly. Of course, the legitimate cases will be taken care of by the next paragraph, which provides that—

This section shall not apply to corporations purchasing such stock solely for investment and not using the same, by voting or otherwise, to bring about, or attempting to bring about, the substantial lessening of competition.

I trust these matters will have the earnest consideration of my colleagues and possibly the indorsement of the committee.

Mr. CHILTON. Before this matter is passed I wish to call the attention of the Senate to page 10, line 20, that the word "heretofore" should be inserted between the words "anything" and "prohibited." The amendment reads:

Nothing contained in this section shall be held to affect or impair any right heretofore legally acquired: *Provided*, That nothing herein shall be held or construed to authorize or make lawful anything prohibited and made illegal by the antitrust laws.

This statute we are passing is an antitrust law. Therefore it would be a sort of legislative cancellation process or legislating in a circle if we did not insert the word "heretofore." We mean to say that nothing herein shall be held or construed to authorize or make lawful anything heretofore prohibited and made illegal by the antitrust laws. Of course, in so far as this makes anything illegal we mean to have it illegal. I will ask unanimous consent that the word "heretofore" may be inserted in line 20, page 10, before the word "prohibited." That is clearly what it means. We do not mean to say that notwithstanding we pass a law it shall not have any effect. The law we are now passing is an antitrust law and we do not mean to say that it shall not have any effect. The word "heretofore" should clearly be inserted, and I hope it will be done by unanimous consent.

Mr. REED. I have no objection to it. I think we ought to open the whole thing to amendment.

Mr. CHILTON. I ask unanimous consent that the word "heretofore" may be inserted.

Mr. WALSH. I have no objection to it.

Mr. CULBERSON. The amendment has been agreed to.

The VICE PRESIDENT. By unanimous consent the vote heretofore taken will be reconsidered.

Mr. LEE of Maryland. I object.

The VICE PRESIDENT. There is objection.

Mr. WALSH. I think the committee had agreed, in line 20, on page 10, to change the word "and" to "or."

Mr. CULBERSON. The pending amendment is on page 17.

The VICE PRESIDENT. The pending amendment is on page 17.

Mr. SHIELDS. Mr. President, the motion just voted on was to strike out the penal clause of section 8. Has section 8 been adopted as amended? Is it not still open to amendment?

Mr. CULBERSON. It is my understanding that section 8 has not yet been adopted, but the committee amendments to section 8 have been adopted, and with the understanding that amendments of individual Senators shall be considered when the committee amendments are disposed of.

Mr. VARDAMAN. Following all the committee amendments.

Mr. SHIELDS. I was raising the question so that the amendment offered by the Senator from West Virginia [Mr. CHILTON] might be considered.

The VICE PRESIDENT. It has been the invariable rule, and it was so ordered in this case, that the amendments of the committee should be first considered. After they have been disposed of other amendments will be in order.

Mr. SHIELDS. My only inquiry was with a view of considering the amendment proposed by the Senator from West Virginia, which seemed to be obviously necessary to perfect the section. However, I have no objection to its going over.

Now, referring to section 9, the objection to the penal clause of section 9, which is the section which prohibits interlocking directorates in corporations engaged in interstate commerce, seems to be largely on account of comparatively small corporations engaged in trade and manufacture. As now written, the section does not apply to corporations with a capital stock of less than $1,000,000. In order to remove that objection as far as possible to this penal clause, if it is now in order to perfect the section, I move to amend the section, on page 15, line 25, by striking out "1" and inserting "5," so as to make it read "$5,000,000."

The object of this whole section, Mr. President, is to prevent the common and well-known evil of interlocking directorates, and thus a practical combination of different corporations engaged in commerce, which inevitably results in restraint of trade and monopoly. This question has been elaborately discussed on several days of this week. I have said all about the evil that I desire to say, and believing that this amendment will or ought to remove the objections of most Senators to it, and all real objections to it, and thus leave the statute in a situation to prevent the great monopolies which the legislation is really intended to prevent, I hope the Senate will adopt the amendment I have offered and then allow the penal clause to remain.

The VICE PRESIDENT. The Chair thinks it must be and always has been the parliamentary decision that the committee amendment must first be passed upon by the Senate. Of course it is always in order to propose an amendment to an amendment of the committee, but the amendment proposed by the Senator from Tennessee is not an amendment to the committee amendment. It is an amendment to the text of the bill, and will be in order when the committee amendments have been finally passed upon. If the committee amendment proposing to strike out the penalty should meet with the approval of the Committee of the Whole and it should be stricken out, and if subsequently the Senator from Tennessee should propose his amendment, and if it should be carried, changing the amount from $1,000,000 to $5,000,000, when the bill passes from the Committee of the Whole to the Senate the Senator from Tennessee can reserve the question to be voted upon separately whether the Senate will concur in the amendment of the committee which had been adopted in Committee of the Whole by striking out the language. The Senator from Tennessee can lose no rights by the ruling of the Chair. The Chair thinks that at the present time the amendment is not in order and it will not be in order until the committee amendments have been finally disposed of.

Mr. WALSH. Mr. President, I wish to call the attention of the Senator from Tennessee to the fact that in a list of so-called trusts which was put in the RECORD a few days ago there are many appearing, the combined capital stock of which is not more than a million, many of them not more than two million, and I should say that at least 25 per cent of them are less than five million. For instance, the American Woodworking Machine Co., alleged to be a trust—I suppose that means that it is a combination of various constituent companies or it owns properties theretofore owned prior to its organization by different competing companies—has a capital stock of $1,850,000. The American Wringer Co. has a capital stock of $1,750,000. The Chicago Railway Equipment Co. has a capital stock of $2,485,000. The Continental Cotton Oil Co. has a capital stock of $3,250,000. That is the combined capital of all.

It does seem to me that if you make this provision in relation to interlocking directorates apply only to corporations having a capital stock of upwards of $5,000,000 you will reach only those great combinations that are perhaps already existing in violation of the law and will not reach the lesser corporations that are being so adjusted as that they will eventually become a constituent part of some enormous combination.

It seems to me that if the amount is to be altered in any respect it ought to be reduced, not increased. I should certainly say that there should not be interlocking directorates in any corporations having a capital stock of more than a quarter of a million. I should like very much to hear the views of the Senator from Tennessee.

Mr. SHIELDS. Mr. President, I was perfectly aware of the capital stock of the corporations referred to by the Senator from Montana. I placed the list in the RECORD myself a day or two since. In my opinion it would be better to strike out the amount, $1,000,000, and have no limit. I agree with the Senator from Montana upon that. However, there seems to be much opposition to the penal clause applying to the smaller corporations, and since the greater corporations, those of capital amounting to from five million up even to a billion are the ones that do the greatest evil, in order to get some legislation against them I was willing to exempt others. It was not because I believed there ought to be interlocking directorates in any corporation, but in an effort to get the evil reduced and prohibit it in those that are doing the greatest wrong. It was only for that reason that I made the motion.

I reserve the right, as suggested by the presiding officer, to offer an amendment when the bill is in the Senate.

The VICE PRESIDENT. It may be offered in Committee of the Whole after the committee amendments have been either agreed to or disagreed to.

Mr. SHIELDS. I will do that.

The VICE PRESIDENT. The question is on the committee amendment.

Mr. REED. Mr. President, just so that the RECORD will be clear as far as I am concerned, this is another proposition to strike out the penal clause. At this time we propose to solemnly prohibit corporations engaged in competition from having a common control through the same officers, the most patent, barefaced method employed by combinations, an abuse that every man in this Chamber knows exists and knows has been employed by nearly every proprietor of monopoly in the land.

The section further provides, as it came from the House, a very mild penalty of $100 a day. It is proposed to strike that out and leave nothing in its place. There is not a trust magnate on this earth and there is not one of them that has passed from this earth who would not if he were here vote to strike out the penal clause. So far as I am concerned I propose to vote to keep it in and I ask for a roll call.

The VICE PRESIDENT. The Senator from Missouri demands the yea and nays on agreeing to the amendment of the committee.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CULBERSON (when his name was called). Again announcing my general pair and its transfer, I vote "yea."

Mr. FLETCHER (when his name was called). I make the same announcement as to my pair and transfer as before and vote "yea."

Mr. HOLLIS (when his name was called). I announce my pair as before and withhold my vote.

Mr. MYERS (when his name was called). I announce my pair with the Senator from Connecticut [Mr. MCLEAN] and withhold my vote.

Mr. THOMAS (when his name was called). I again announce my pair and withhold my vote.

Mr. WALSH (when his name was called). Making the transfer heretofore announced, I vote "yea."

The roll call was concluded.

Mr. GALLINGER. I transfer my pair with the junior Senator from New York [Mr. O'GORMAN] to the junior Senator from Vermont [Mr. PAGE] and vote "yea."

Mr. CHAMBERLAIN. I again announce my pair with the Senator from Pennsylvania [Mr. OLIVER]. In his absence I withhold my vote.

Mr. COLT. I have a general pair with the junior Senator from Delaware [Mr. SAULSBURY]. In his absence I withhold my vote.

Mr. WEEKS. I have a general pair with the senior Senator from Kentucky [Mr. JAMES]. I transfer my pair to the Senator from Illinois [Mr. SHERMAN] and vote. I vote "yea."

Mr. LEA of Tennessee. I again announce my pair and withhold my vote.

Mr. WALSH. I announce a pair between the Senator from Oklahoma [Mr. GORE] and the Senator from Wisconsin [Mr. STEPHENSON].

Mr. CLAPP. I desire to state that the junior Senator from North Dakota [Mr. GRONNA] is unavoidably absent. If present, he would vote "nay" on this vote.

Mr. WILLIAMS. I have a pair with the senior Senator from Pennsylvania [Mr. PENROSE], and being unable to secure a transfer I must withhold my vote unless my vote is necessary to make a quorum. If at liberty to vote, I would vote "yea."

The Secretary recapitulated the vote.

Mr. WILLIAMS. Mr. President, a parliamentary inquiry. Is a quorum developed by the roll call thus far?

The VICE PRESIDENT. The Chair will announce the vote to the Senator. Senators can vote after that is done, if they have a right to vote.

Mr. WILLIAMS. After the vote has been announced Rule XII prevents a Senator from voting.

The VICE PRESIDENT. The Chair does not think so.

The result was announced—yeas 28, nays 19, as follows:

YEAS—28.

Ashurst	Cummins	Martin, Va.	Smoot
Bankhead	Fletcher	Newlands	Swanson
Bryan	Gallinger	Overman	Thornton
Burton	Hitchcock	Perkins	Walsh
Camden	Hughes	Pomerene	Weeks
Chilton	Kern	Ransdell	West
Culberson	Lee, Md.	Simmons	White

NAYS—19.

Brady	Kenyon	Pittman	Shields
Bristow	Lane	Poindexter	Sterling
Clapp	McCumber	Reed	Thompson
Fall	Martine, N. J.	Shafroth	Vardaman
Jones	Norris	Sheppard	

NOT VOTING—49.

Borah	Gronna	Oliver	Smith, S. C.
Brandegee	Hollis	Owen	Stephenson
Burleigh	James	Page	Stone
Catron	Johnson	Penrose	Sutherland
Chamberlain	La Follette	Robinson	Thomas
Clark, Wyo.	Lea, Tenn.	Root	Tillman
Clarke, Ark.	Lewis	Saulsbury	Townsend
Colt	Lippitt	Sherman	Warren
Crawford	Lodge	Shively	Williams
Dillingham	McLean	Smith, Ariz.	Works
du Pont	Myers	Smith, Ga.	
Goff	Nelson	Smith, Md.	
Gore	O'Gorman	Smith, Mich.	

The VICE PRESIDENT. The Senator from Mississippi.

Mr. WILLIAMS. Under Rule XII I can not vote after the announcement of the vote. There is a positive rule that a vote can not be changed after it has once been announced.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Hollis	Norris	Smith, Mich.
Bankhead	Hughes	Overman	Smoot
Brady	Jones	Owen	Sterling
Burton	Kenyon	Perkins	Swanson
Camden	Lane	Pittman	Thomas
Chamberlain	Lea, Tenn.	Poindexter	Thompson
Chilton	Lee, Md.	Ransdell	Thornton
Clapp	Lewis	Reed	Vardaman
Culberson	McCumber	Shafroth	Walsh
Cummins	Martin, Va.	Sheppard	Weeks
Fall	Martine, N. J.	Shields	West
Fletcher	Myers	Simmons	White
Gallinger	Newlands	Smith, Ga.	Williams

The VICE PRESIDENT. Fifty-two Senators have answered to the roll call. There is a quorum present. The pending question is on the amendment of the committee, on page 17, to strike out from line 3 to line 8, inclusive. The yeas and nays have been ordered, and the Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. CHAMBERLAIN (when his name was called). Again announcing my pair, in his absence I withhold my vote, unless it be necessary to make a quorum.

Mr. CULBERSON (when his name was called). Again announcing my pair and its transfer, I vote "yea."

Mr. FLETCHER (when his name was called). Announcing my pair and its transfer as before, I vote "yea."

Mr. GALLINGER (when his name was called). Announcing the same transfer of my pair as on the previous vote, I vote "yea."

Mr. HOLLIS (when his name was called). I again announce my pair.

Mr. LEA of Tennessee (when his name was called). I again announce my pair with the Senator from South Dakota [Mr. CRAWFORD], and in his absence withhold my vote.

Mr. MYERS (when his name was called). I announce my pair with the junior Senator from Connecticut [Mr. MCLEAN], who is absent. I therefore withhold my vote.

Mr. THOMAS (when his name was called). I again announce my pair and withhold my vote.

Mr. WALSH (when his name was called). Again announcing my pair and its transfer as heretofore, I vote "yea."

Mr. WEEKS (when his name was called). I again announce my pair with the senior Senator from Kentucky [Mr. JAMES], which I transfer to the Senator from Illinois [Mr. SHERMAN], and vote "yea."

Mr. WILLIAMS (when his name was called). Mr. President, I have a pair with the senior Senator from Pennsylvania [Mr. PENROSE]. Being unable to secure a transfer, I must withhold my vote. If I were at liberty to vote, I should vote "yea." I wish also to say that I have an understanding with the senior Senator from Pennsylvania that when it is necessary to make a quorum I am at liberty to vote. If, therefore, it should develop that my vote is necessary, I request that I be recorded as voting "yea."

The roll call was concluded.

Mr. DILLINGHAM. In the absence of the senior Senator from Maryland [Mr. SMITH], with whom I have a pair, I withhold my vote.

Mr. WALSH. I desire to again announce the pair of the Senator from Oklahoma [Mr. GORE] with the Senator from Wisconsin [Mr. STEPHENSON].

The VICE PRESIDENT. The Secretary will call the name of the Senator from Mississippi [Mr. WILLIAMS].

The Secretary called the name of Mr. WILLIAMS.

Mr. WILLIAMS. Under my agreement with the Senator from Pennsylvania [Mr. PENROSE] I have a right to vote in order to make a quorum. Understanding that it is necessary for me to vote in order to make a quorum, I vote "yea."

Mr. HOLLIS. In accordance with my understanding with the junior Senator from Maine [Mr. BURLEIGH], I may vote to make a quorum. I vote "yea."

The result was announced—yeas 29, nays 20, as follows:

YEAS—29.

Bankhead	Gallinger	Perkins	Walsh
Bryan	Hollis	Ransdell	Weeks
Burton	Hughes	Simmons	West
Camden	Kern	Smith, Ga.	White
Chilton	Lee, Md.	Smith, Mich.	Williams
Culberson	Martin, Va.	Smoot	
Cummins	Overman	Swanson	
Fletcher	Owen	Thornton	

NAYS—20.

Borah	Kenyon	Norris	Sheppard
Brady	Lane	Pittman	Shields
Clapp	Lewis	Poindexter	Sterling
Fall	McCumber	Reed	Thompson
Jones	Martine, N. J.	Shafroth	Vardaman

NOT VOTING—47.

Ashurst	Goff	Nelson	Smith, Ariz.
Brandegee	Gore	Newlands	Smith, Md.
Bristow	Gronna	O'Gorman	Smith, S. C.
Burleigh	Hitchcock	Oliver	Stephenson
Catron	James	Page	Stone
Chamberlain	Johnson	Penrose	Sutherland
Clark, Wyo.	La Follette	Pomerene	Thomas
Clarke, Ark.	Lea, Tenn.	Robinson	Tillman
Colt	Lippitt	Root	Townsend
Crawford	Lodge	Saulsbury	Warren
Dillingham	McLean	Sherman	Works
du Pont	Myers	Shively	

So the amendment was agreed to.

Mr. CULBERSON. Mr. President, I suggest that we proceed with the consideration of the amendment under discussion on yesterday to section 9b, on page 17, proposed by the Senator from Montana [Mr. WALSH] on behalf of the committee.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. Mr. WALSH, on behalf of the Committee on the Judiciary, proposes an amendment to section 9b——

Mr. WALSH. Mr. President, the amendment which the Secretary is about to read has heretofore been read and the nature of it explained to the Senate. As will be recalled, it refers to the procedure prescribed by the interstate trade commission bill, and provides that sections 8 and 9 shall be enforced by the procedure prescribed in that act. The committee, however, reached the conclusion that it would be, perhaps, inadvisable thus to refer to an act not yet in existence, the exact nature and terms of which we have no means of knowing until it has been finally disposed of by both Houses. It was accordingly deemed the part of wisdom to repeat in this bill the provisions of that bill as they were finally adopted. Therefore, Mr. President, with the permission of the Senate, I ask leave to withdraw the amendment tendered, and I offer the amendment which I send to the desk in its stead, which is substantially the same, except

that instead of making the provisions of that proposed act applicable the provisions are herein set out.

Mr. WILLIAMS. That course is agreed to by the committee?

Mr. WALSH. It is agreed to by the committee.

The SECRETARY. It is proposed to strike out all after line 3, on page 18, and to insert in lieu thereof the following words:

Whenever the commission vested with jurisdiction thereof shall have reason to believe that any person, partnership, or corporation is violating any of the provisions of sections 8 and 9 of this act it shall issue and serve upon such person, partnership, or corporation a complaint stating its charges in that behalf and at the same time a notice of hearing upon a day and at a place therein fixed. The person, partnership, or corporation so complained of shall have the right to appear at the place and time so fixed and show cause why an order should not be entered by the commission requiring such person, partnership, or corporation to cease and desist from the violation of the law so charged in said complaint.

Upon such hearing the commission shall make and file its findings, and if the commission shall find that the person, partnership, or corporation named in the complaint is violating any of the provisions of said sections it shall thereupon enter its findings of record and issue and serve upon the offender an order requiring that within a reasonable time and in a manner to be stated in said order the offender shall cease and desist from such violations and divest itself of the stock held by it or rid itself of the directors chosen contrary to the provisions of sections 8 or 9, as the case may be. The commission may at any time set aside, in whole or in part, or modify its findings or order so entered or made. Any suit brought by any such person, partnership, or corporation to annul, suspend, or set aside, in whole or in part, any such order of a commission shall be brought against the commission in a district court of the United States in the judicial district of the residence of the person or of the district in which the principal office or place of business is located and the procedure set forth in the act of Congress making appropriations to supply urgent deficiencies and insufficient appropriations for the fiscal year of 1913, and for other purposes, relating to suits brought to suspend or set aside, in whole or in part, an order of the Interstate Commerce Commission shall apply.

Persons, partnerships, or corporations filing or causing to be filed complaints before a commission shall have the right to appear and be made parties to the case and be represented before the courts by counsel, under such regulations as are now permitted in similar circumstances under the rules and practice of equity courts of the United States.

If within the time so fixed in the order of a commission the person, partnership, or corporation against which the order is made shall not cease and desist from the violations found to exist, and divest itself of stock held or rid itself of directors chosen, in the manner ordered by the commission, and if in the meantime such order is not annulled, suspended, or set aside by a court, the commission may bring a suit in equity in a district court in any district wherein such person or persons reside or wherein such corporation has its principal office or place of business to enforce its said order, and jurisdiction is hereby conferred upon said court to hear and determine any such suit and to enforce obedience thereto according to the law and rules applicable to suits in equity. All the provisions of the law relating to appeals and advancement for speedy hearing in suits brought to suspend or set aside an order of the Interstate Commerce Commission shall apply in suits brought under this section: *Provided*, That neither the orders of a commission nor the judgment of the court to enforce the same shall in anywise relieve or absolve any person or corporation from any liability under the act entitled "An act to protect trade and commerce against unlawful restraints and monopolies," approved July 2, 1890, or for violations of any of the provisions of this act other than those contained in sections 8 and 9 thereof.

The PRESIDING OFFICER (Mr. HOLLIS in the chair). The question is on the amendment proposed by the Senator from Montana.

Mr. REED. Mr. President, I desire to ask the Senator from Montana if he intends to leave in section 9b all that precedes his amendment? I call his attention to the fact that section 9b reads:

SEC. 9b. That authority to enforce compliance with the provisions of sections 2, 4, 8, and 9 of this act by the corporations, associations, partnerships, and individuals respectively subject thereto is hereby vested: In the Interstate Commerce Commission where applicable to common carriers and in the Federal Trade Commission where applicable to all other character of commerce, to be exercised as follows:

Mr. WALSH. It will be necessary, of course, to strike out "two" and "four." That will be done immediately upon the adoption of the amendment I have offered.

Mr. REED. Now, does the Senator mean by this amendment to exclude the right of a court in any way to interfere to enforce this section? I call attention to this: We declare certain things here to be unlawful. Having declared them to be unlawful, if we stopped at that point, the authority to enforce them would be in some court in some way, by an injunction or mandamus or other appropriate process; but if we provide, as we do here, that a thing is wrongful and follow that with a provision that the authority to enforce it is vested in a certain board, it seems to me that would be an exclusive authority that no court could interfere with until that authority had first acted. I want to know if that is the case?

Mr. CULBERSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Texas?

Mr. REED. I do.

Mr. CULBERSON. I remind the Senator from Missouri that section 14 by an amendment expressly provides that aggrieved parties may proceed to secure relief by injunction for violations of the provisions under sections 2, 4, 8, and 9. That will be changed to meet the bill as passed of course, but it will still include sections 8 and 9.

Mr. REED. With that provision in the bill it is all right so far as that is concerned.

Mr. CULBERSON. The Senator remembers the amendment?

Mr. REED. I remember it now. I understand the Senator from Montana, then, will propose, as soon as the amendment he has offered is acted upon, to change the preceding language of the section?

Mr. WALSH. Yes.

Mr. REED. I have nothing further to say.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. WALSH. Mr. President, a parliamentary inquiry. The amendment just adopted provides for the enforcement of sections 8 and 9; indeed, it covers sections 2, 4, 8, and 9, but I shall offer an amendment to take out sections 2 and 4. The amendment refers to those sections which appear in the bill numbered 8 and 9, but sections 2 and 3 having been stricken out, the subsequent sections of the bill will, I assume, be renumbered. I inquire of the Chair whether, if the language of the amendment is inappropriate, it may be changed to conform to the numbering when the renumbering is done?

Mr. WILLIAMS. I suggest that the Senator ask unanimous consent that that may be done.

Mr. WALSH. Or whether the numbers themselves will be changed?

The PRESIDING OFFICER. The Chair rules that the amendment will take effect as it now reads, but that if the Senator asks for unanimous consent, the numbers will be changed to correspond to the evident intention of the Senate.

Mr. CULBERSON. It was the intention, Mr. President, of course, when we finish the bill to number the sections consecutively.

Mr. WALSH. Then, Mr. President, I ask unanimous consent that upon the completion of the bill the numbers "8" and "9" in the amendment just adopted shall be changed so as to designate those sections now numbered in the bill 8 and 9.

Mr. WILLIAMS. Changed to whatever the new numbers may be.

Mr. WALSH. To whatever the new numbers may be.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. JONES. Mr. President, as I understand, the amendment just adopted provides for the enforcement of section 8. Section 8 has not yet been adopted. While we have adopted the committee amendments to it, notices have been given here that substitutes will be offered. I take it that if a substitute should be adopted the section might be enforced by an entirely different method than that proposed here.

Mr. WALSH. Undoubtedly. If the penal provision, for instance, should be adopted, I should naturally think that it would be the logical course for the Senate to eliminate section 9b altogether.

Mr. JONES. Of course we could reconsider the vote whereby the amendment has been agreed to; but I merely want to suggest that situation and ask the Senator if he does not think it would be better to withhold the amendment until section 8 is finally disposed of?

Mr. WALSH. I should say not, Mr. President, because, according to the rule under which we are proceeding, we will not be able to take up amendments offered by the Senators from the floor until the committee amendments have been disposed of.

Mr. JONES. Mr. President, it simply illustrates the inadvisability of considering a bill as we have been considering this one; that is, to consider committee amendments before any other amendments can be offered. While that rule may be all right with reference to appropriation bills, I think that it is a rule that we ought not to follow hereafter in connection with other measures.

Mr. GALLINGER. Mr. President, I will suggest to the Senator that, going back a little way in our parliamentary procedure, when we agreed to consider committee amendments first we had in mind committee amendments reported by the committee and not amendments offered by individual Senators upon the floor, stating they were committee amendments.

Mr. JONES. The point I had in mind is this: For instance, in section 8 there were several committee amendments adopted, but notice has been given that substitutes will be offered for the whole section.

Mr. GALLINGER. I understand that.

Mr. JONES. It seems to me it would be much better to act upon the committee amendments to a section and then upon any other amendments that a Senator may propose before we pass on to another section.

Mr. GALLINGER. I quite concur in that view.

Mr. JONES. I simply suggest that with a view hereafter of not consenting to the consideration of a bill in the manner in which we have been going along with this bill.

The PRESIDING OFFICER. The question is now on the adoption of the committee amendment, being section 9b, as amended.

Mr. WALSH. I move now that the words "two, four," be stricken from the section, on page 17, line 23.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 17, line 23, after the word "sections," it is proposed to strike out the words "two, four," and the comma after "four."

The PRESIDING OFFICER. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question now recurs on the amendment of the committee, being section 9b, as amended.

Mr. REED. Mr. President, I am going to call attention to the fact that the substitute offered by the Senator from Montana for the language of section 9b as originally reported by the committee does not contain the penalty provision reported by the committee in the first instance. For instance, the bill as reported by the committee contained the language:

> Disobedience to any order or decree which may be made in any such proceeding or any injunction or other process issued therein shall be punished by a fine not exceeding $100 a day during the continuance of such disobedience—

And so forth. That is taken out. That does not appear in the proposition just adopted. Indeed, as I understand, there is now no penalty anywhere for any violation of this law we are enacting, except as to section 4.

I have made my protests upon these matters, and I do not intend to take the time of the Senator further than to say that I think we have made a great and a fundamental error. I shall continue to entertain that opinion until time shall demonstrate its incorrectness.

I repeat what I have already said: There is not a trust magnate nor a trust attorney in the United States who has not been clamoring that the penalties of the criminal laws should not be laid upon him, who has not been insisting that the penalties of every character should be made light; and we have dealt with them here in so generous a manner, so kindly and so considerately, that it seems to me they ought to give us a vote of thanks.

Mr. WALSH. Mr. President, I desire that the matter shall be entirely understood, and to call the attention of the Senator from Missouri, as well as the Senate, to the fact that the penalties in relation to which he has just spoken are quite different from those in relation to which he has heretofore addressed the Senate. They are not of the same character at all.

The amendment was offered, as I stated, to make the proceedings to enforce sections 8 and 9 before the trade commission exactly the same as the proceedings before that commission to enforce any order that it may make under the provisions of section 5 of the trade-commission bill. That section provides that the commission may make the order. If it is disobeyed, the commission goes before the court and procures an order requiring compliance with the order of the commission. There are no penalties attached to that at all; but the general law takes hold of it, and there is a penalty prescribed by the general law for the violation of any injunction issued by a Federal court. So, Mr. President, it is not necessary to add penalties; but, so far as I myself am concerned, I am perfectly willing to add to this provision of the bill a penalty other than and different from that prescribed by the general law in relation to contempt of any order of a Federal court. I must confess, however, that I do not see the need of it.

Whenever an order is thus made—not by the commission, for the penalties do not refer to the order of the commission, they refer to the order of the court—whenever an order is made by the court the court has unlimited power to enforce obedience thereto. The statute offers no restriction or limitation whatever. The man against whom the order goes may be imprisoned for the term of his natural life until he does comply with the order of the court. That is to say, the executive power of the court is something different from its punitive power. Not only has the court unlimited power to wield its executive force to compel obedience, but the statute authorizes the court, even though obedience is afterwards given, to impose a penalty for contempt of the order of the court.

So I feel quite sure that my friend the Senator from Missouri, on reflection, will feel that these penalties do not stand upon the same footing. However, I feel this way about it: That whenever the order is made by the court it will be obeyed, and that there never will arise a case in which it shall become necessary to appeal to the contempt provision and to the provision prescribing penalties for disobedience; but if the Senator from Missouri cares to add to the bill a provision substantially like this, speaking for myself, I shall not oppose it.

Mr. CUMMINS. Mr. President, I desire to call to the attention of the Senator from Montana and to the attention of the Senator from Missouri as well the fact that the language in the section as it was originally reported by the committee is a limitation upon the court and not an extension of the power of the court. If it were not there, the court could fine the person who disobeyed the order a thousand dollars a day and imprison him for five years, whereas under the original report of the committee the fine could not exceed $100 a day and the imprisonment could not exceed one year.

I look upon it as an unnecessary curtailment of the power of the court. Instead of adding any penalty that would insure obedience to the order, we invaded the power of the court and limited the fine to $100 a day. It might be one cent per day, or it might be one minute imprisonment. I do not see in the original provision any evidence of a desire to be unusually harsh or severe with one who disobeys the order of the court.

Mr. REED. No, Mr. President; I called attention to this striking out in connection with all the other eliminations that had been made of penal clauses; and I call the attention of the Senator from Montana to the fact that a court, under the law as it will exist when this bill is passed, has limits placed upon its power to punish for the violation of any injunction issued by the court.

In section 20 the bill provides:

> In all cases within the purview of this act such trial may be * * * upon demand of the accused, by a jury—

And, following that—

> If the accused be found guilty, judgment shall be entered accordingly, prescribing the punishment, either by fine or imprisonment, or both, in the discretion of the court. Such fine shall be paid to the United States or to the complainant or other party injured by the act constituting the contempt, or may, where more than one is so damaged, be divided or apportioned among them as the court may direct, but in no case shall the fine to be paid to the United States exceed, in case the accused is a natural person, the sum of $1,000, nor shall such imprisonment exceed the term of six months.

Does not the Senator understand that that applies?

Mr. WALSH. My recollection is that that is a reenactment of the existing law. I have sent for the act, but my recollection is that the present law so limits the power of a Federal court to punish in cases of contempt.

Mr. REED. I am only addressing myself to the statement of the Senator that the power of a Federal court to punish for contempt for violating its decree is practically unlimited. I so understood the Senator.

Mr. WALSH. The Senator understood me aright.

Mr. REED. This is a limit.

Mr. WALSH. No; by no means. If a district court of the United States commands one to execute a deed, he can not escape the execution of that deed by paying a fine of a thousand dollars or undergoing imprisonment for six months. The court will imprison him, as I say, for his natural life, until he executes that deed; but, in addition to that, in addition to forcing compliance with its order by imprisonment, as long as his recalcitrancy exists, this punishment may be imposed.

Mr. POINDEXTER. Mr. President, I understood that the Senator from Montana substituted the amendment which was adopted this morning for the one he offered yesterday because the Federal trade commission referred to had not yet been established. I notice that the amendment he offered this morning sets out the specific procedure; but it still vests the jurisdiction in the Federal trade commission, and there is no such institution. I just thought I would call the Senator's attention to that, in view of the fact that he has been dealing with that general subject.

Mr. WALSH. Mr. President, the fact had not been overlooked. We have indulged the expectation, or at least the hope, that a Federal trade commission will be created with some powers.

Mr. POINDEXTER. I hope the Senator's expectation will be realized, but I much prefer the amendment he had on yesterday, as being simpler in form, rather than repeating in a second statute the details of procedure. If you are going to anticipate you might as well anticipate in one case as in the other.

The PRESIDING OFFICER. The question is on the committee amendment, section 9b, as amended.

The amendment as amended was agreed to.

The PRESIDING OFFICER. The Secretary will state the next amendment of the committee.

The SECRETARY. In section 10, page 21, line 11, after the word "or," the committee proposes to strike out the words "has an agent" and insert "transacts any business; and all process in such cases may be served in the district of which it is an inhabitant, or wherever it may be found," so as to make the section read:

SEC. 10. That any suit, action, or proceeding under the antitrust laws against a corporation may be brought not only in the judicial district whereof it is an inhabitant, but also any district wherein it may be found or transacts any business; and all process in such cases may be served in the district of which it is an inhabitant, or wherever it may be found.

The amendment was agreed to.

The SECRETARY. In section 11, page 21, after line 19, it is proposed to strike out:

Provided, That in civil cases no writ of subpœna shall issue for witnesses living out of the district in which the court is held at a greater distance than 100 miles from the place of holding the same without the permission of the trial court being first had upon proper application and cause shown.

The amendment was agreed to.

The SECRETARY. In section 12, page 22, line 1, after the word "that," it is proposed to strike out "whenever a corporation shall violate any of the provisions of the antitrust laws, such violation shall be deemed to be also that of the individual directors, officers, or agents of such corporation who shall have authorized, ordered, or done any of the acts constituting in whole or in part such violation, and such violation" and to insert "every director, officer, or agent of a corporation which shall violate any of the penal provisions of the antitrust laws, who shall have aided, abetted, counseled, commanded, induced, or procured such violation."

Mr. ASHURST. Mr. President, I should like to know if this will be open later to amendments offered by individual Members of the Senate.

The PRESIDING OFFICER. It will be open later.

Mr. ASHURST. It is not open at this time?

The PRESIDING OFFICER. Not at this time.

Mr. CLAPP. Mr. President, I should like to ask the Senator in charge of the bill the reason for changing the language. Technically speaking, at least, a penal provision of law must be a provision prohibiting a certain act and prescribing a punishment. That, at least, is the technical definition of a penal law. Under the House provision, assuming that that technical definition is a limitation, there was no limintation. It read:

That whenever a corporation shall violate any of the provisions of the antitrust laws, such violation shall be deemed to be also that of the individual directors, officers, or agents of such corporation who shall have authorized, ordered, or done any of the acts constituting in whole or in part such violation, and such violation shall be deemed a misdemeanor, and upon conviction therefor—

And so forth. Now, this amendment strikes out all down to and including line 6, except the word "every" inserted at the end thereof, and inserts:

That every director, officer, or agent of a corporation which shall violate any of the penal provisions of the antitrust laws, who shall have aided, abetted—

And so forth.

Now, technically, I repeat, a penal law would be a law not only prohibiting an act, but providing a punishment for the act. If the punishment is already provided for, and limited only to those cases where it is provided for, I am at a loss, without any further light upon the subject, to understand why the change has been made.

Mr. CULBERSON. Mr. President, I do not think the substance of the section is changed by the amendment; but it was thought by the committee that the language employed by the committee was more direct. Instead of visiting on the officers the guilt of the corporation by the use of the word "deemed," the language in the amendment was proposed so that it would read:

That every director, officer, or agent of a corporation which shall violate any of the penal provisions of the antitrust laws—

That is, any corporation which shall do that—

who shall—

Referring to the director, officer, or agent—

have aided, abetted, counseled, commanded, induced, or procured such violation shall be deemed guilty of a misdemeanor.

This is the personal-guilt section of the bill. The committee thought that the language employed by the amendment was the more direct way of reaching the same result as that contemplated by the House provision.

Mr. CLAPP. That may be as to the officers, directors, agents, and so forth, but what I am inquiring about is, why insert the word "penal"? Why not let it read as the House had it:

Every director, officer, or agent of a corporation which shall violate any of the provisions of the antitrust laws.

Mr. CULBERSON. This is a criminal statute, and it only affects acts of a penal nature committed under the antitrust law of 1890 or any subsequent antitrust law.

Mr. CLAPP. That is just the trouble. I am not going to take the time of the Senate to discuss that question. I have felt a most intense sympathy with the Senator from Missouri [Mr. REED] in his long struggle to retain some force in this law by retaining penal provisions. I have not felt called upon to enter into the discussion, much as my sympathy was with him, because I have felt that it would be utterly useless, after the test vote that was taken yesterday afternoon, but section by section, as we go along here, we find this bill in its real, vital features emasculated.

I think the Senator from Missouri was well justified in saying that the trust magnates of this country might well rejoice at the progress that is being made in the development of this bill. We have gone on here and have taken out these penal provisions, and then, while we have heard it asserted upon the floor of the Senate that section 12 supplies the deficiency occasioned by taking out these others, we now find—which, of course, upon consideration, would appear evident—that it does not extend the scope of this section except where already some act is made a penal act, not only by prohibition but by penalty, for I think no one will challenge the correctness of my statement that, strictly speaking, a penal statute must be a statute combining a prohibition and a penalty.

It is not for me to address any admonition to anyone here. The ranks of those to whom I could appeal on a party basis are somewhat attenuative; but it does seem to me that, after passing the trade commission law—which I very much fear will prove to fall far short of being the effective instrument which some have hoped it would—now, in taking up the House bill, we have gradually eliminated these forceful features until all that is left is one provision relating to the making of patent contracts.

As I said before, I am not going to deliver any lecture or admonition; but it strikes me that there will be sore disappointment when the American people come to learn, after all this talk of a "trust program," that we have narrowed the thing down to leaving the trust offenders to the doubtful powers of the trade commission.

Mr. KENYON. Mr. President, the chairman of the committee has said that section 12 is the personal-guilt section; and I have heard it suggested in other parts of the discussion, as to other parts of the bill, that the personal-guilt question might be met by section 12. Now, as the Senator from Minnesota suggests—I do not know that he suggested this point, but I call it to his attention and to that of the chairman of the committee—section 12 does not apply to persons except as they may be connected with corporations.

Mr. CLAPP. Of course.

Mr. KENYON. So that section 12, if that is the personal-guilt section, does not in any way apply to individuals except as the individuals are officers or directors of corporations.

Mr. CLAPP. Mr. President, I briefly stated that in the broad statement I made that this did not broaden the penal provisions at all; but I did not state it so fully as the Senator is now stating it.

Mr. KENYON. Of course the penal provisions of the Sherman Act, sections 1 and 2, carry a penalty within themselves and are complete within themselves, and this section would add nothing to that.

Mr. CULBERSON. The Sherman Act provides the penalty where the corporation acts, and it is against the corporation. This provision penalizes the individuals who act for the corporation and is, as it has been very often termed, the personal-guilt portion of this bill.

Mr. KENYON. The Senator does not claim that section 1 of the Sherman Act does not penalize the individual?

Mr. CULBERSON. What I mean to say is this: Heretofore, under the Sherman Act, if a corporation were guilty of a violation of that act, the guilt of that corporation would not be visited upon the individual director or agent or officer who authorized or committed or induced the act. This section is intended to supply that deficiency and to visit upon the officers and agents of the corporation responsible for the conduct punishment for the act of the corporation.

Mr. KENYON. I think that is a good purpose, if it is carried out.

I only want to say just a word, Mr. President. I feel, with the Senator from Minnesota [Mr. CLAPP], that we are gradually dropping out the teeth of this measure. I want to vote for this measure, if it will do any good; but if, when we come to the conclusion of it, criminal section after criminal section or portion thereof is left out, I shall hesitate very much to vote for it.

I have a very great admiration for the hopeless fight that the Senator from Missouri [Mr. REED] seems to have been making. I have always believed that guilt should be personal; that the fining of corporations is nothing but a farce, as that fine is merely transferred to the consumer; but jail sentences are not farces, and jail sentences can not be transferred to the banks of the consumers.

Fines accomplish nothing. I have heard it said that criminal penalties made impossible the enforcement of the Sherman Act; that if we had a mere jail sentence without fine, which I have always favored, it would be impossible to convict. Mr. President, I believe it would be a good deal better if in this bill we got rid of the fines and if in the Sherman Act we got rid of the fines.

Mr. JONES. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Washington?

Mr. KENYON. Certainly.

Mr. JONES. I wish to ask the Senator in this connection if he does not think the fear of conviction and imprisonment would be a great deterrent of a violation of the law?

Mr. KENYON. There is no doubt about it. It has not been much of a deterrent if we could assume there had been any fear, for I think there has been little fear in the past, though the Senator from Kansas [Mr. THOMPSON] suggested that there had been no trusts formed under this administration at all, which may perhaps be because of the fear to which the Senator refers.

Mr. JONES. Of course heretofore they escaped punishment by a jail sentence, even though they might be convicted. They might be fined, and that would be the end of it.

Mr. KENYON. Yes; the fine is an absolute farce.

Mr. POMERENE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Ohio?

Mr. KENYON. Certainly.

Mr. POMERENE. If the sole penalty was a jail sentence, might there not be a great fear entertained by the Department of Justice that somebody would have to go to jail in the event of a prosecution, and therefore there might be no prosecution?

Mr. KENYON. That may find some basis in the mind of the Senator. Certainly he would not suggest it as to the present administration.

Mr. POMERENE. I am in entire sympathy with the view of the Senator from Iowa that a lot of these malfeasants ought to have been sent not to jail but to the penitentiary, and I think if that had been done in the earlier history of the Sherman law we would not have any trust question now to deal with.

Mr. KENYON. I know the Senator's view along that line, and it rather surprised me when he voted against the amendments of the Senator from Missouri [Mr. REED].

Mr. POMERENE. I did vote against several of those amendments because of this fact: The sections to which the penal provisions were added were rather indefinite and left the matter so largely to an administrative board that I doubted the wisdom of attaching a penalty to the statute in the form in which it is here. If it had been made specific, if it could have been made clear as to just what holding of stock might interfere substantially with competition, I should have felt differently about the penalty clauses.

Mr. KENYON. I remember the Senator was very earnest in his endeavor soon after entering the Senate to have the Standard Oil Co. prosecuted criminally for a violation of the Sherman Act, which Sherman Act, it seems to me, is just as uncertain as are the provisions of these other acts.

I rose, however——

Mr. POMERENE. I can not agree with the Senator on that phase of the question. It does seem to me that the provisions of the Sherman law are entirely clear, as clear as any statute can be made applied to the multifarious affairs of mankind. I do not think that these are so clear that there ought to be a penal feature attached.

Mr. KENYON. It seems to me they are fully as clear if not clearer than those provisions of the Sherman Act.

But I rose merely to say in explanation of whatever vote I may cast that I feel discouraged at the vote which has been cast on the various amendments of the committee striking out the criminal features of many of the sections. Party platforms have been declaring for years, as the Senator from Missouri says, and as most of us talked on the stump, of making guilt personal. Now, we have a chance to help do it. I do not believe we ought to handle the trusts or any of the elements entering into the trusts lightly or by a mere slap-on-the-wrist policy. It is not easy to convict them. Everybody knows that. But to-day there are convictions under the Sherman Act. Officers and directors of the Cash Register Co., for instance, have been convicted and a jail sentence imposed upon them, and that kind of business has more to do with restraining the formation of trusts and monopoly than anything else which could be done.

I shall vote all through the bill to retain the criminal features of the bill, and I hope it will be in such shape at its conclusion that something will be left in the bill to justify a vote for it.

Mr. MARTINE of New Jersey. Mr. President, this has been largely a lawyers' discussion, and yet the evil that comes from these vast organizations is not confined to lawyers. There are a good many lawyers, but there are a good many other people besides lawyers, who have seen the evil of this trust system. It is a fact, as we all know and it has been reiterated here many times, that my own Commonwealth has been the birthplace, the spawning pool, I may say, of trust organizations, and they have acquired fabulous riches in the main. Many of them live in my own midst. We saw the evil of it; and I have said while they spend money lavishly yet the great moral evil that is done through the acquisition of wealth and the methods of these gigantic trusts has been appealing to everybody who came into any contact with them.

I felt gratified when the opportunity came to me that I might have some little voice, and I will say just what I felt. I damned them a thousand times, and I have ached for an opportunity when I might in a tangible way vote to visit some real tangible punishment on them. I have sat here with the greatest discomfort, and I have voted with the greatest relish "nay," when many of my own good friends and my own colleague have voted "yea" to perpetuate this system, and it has been sad to me. I say the people of my Commonwealth, the people of this broad land, will not hold this body guiltless for simply salving over the sins of these corporations, with no penal provision, with no penalty that is tangible.

I do not think it is extravagant to say that I have heard the President of the United States a hundred times, when I have been stumping with him in our own little Commonwealth and at other times, say in most vociferous tones, "We want to establish personal guilt." I want to place these men behind the bars. It seems to me that is the only way punishment can be visited on them. As has been said, to visit a fine on the Standard Oil, what does it amount to? A quarter of a cent a gallon or less will outdo the fine a thousand times, and the poor seamstress sitting in yonder cottage sewing by the glimmer of a lamp pays the fine as she stitches her life away.

What is true of the Standard Oil is true of every other interest that is controlled by these great corporations.

I believe it would be the mistake of our day, the mistake of the Senate, and it will prove disastrous to public sentiment and disastrous to those who vote to perpetuate this sin and wrong. I shall vote for punishment for these men. I have no animus in my heart to punish a man simply for the sake of punishing him. I want that fairness and justice may be done. I want that these men henceforth shall see the way and steer clear of the evils if they do not want to be punished. If they do not want to be punished, all they have to do is to obey the law, and they will go as free as the free air of the universe.

I will vote for establishing the personal guilt and for the personal punishment of these men as I would vote for the punishment of a murderer. They have done the greatest possible wrong. They have dragged the ermine of the courts in the mire. They have fattened and grown rich on the tears, the miseries, and the sorrows of thousands of men and women. Oh, I plead, Senators, let this be the day of exterminating them. Let this be the day when we shall write in our laws and in the history of this country that the evil has passed from and beyond us henceforth forevermore.

Mr. JONES. Mr. President, I voted for the retention of the penal provisions of the bill not only because I am strongly in favor of such provisions for the many reasons given by those who have expressed themselves, but I also did it in the hope that if we retained them in the bill it would lead us to go on and make the provisions of various sections more definite and certain. For instance, I think that section 8 is almost meaningless, or if it does mean anything, that it impairs the efficiency of the Sherman law. So I was in hopes that if we could retain that penal provision the Senate would proceed to make that section clear and definite and make it mean something and make it accomplish something.

Personally I would like to see in these penalty provisions the word "or" stricken out, so as not to leave it discretionary with the court as to the amount of the fine and as to the term of the imprisonment, but make it so that anyone who may be tempted to violate this law will know very well that if he does it he will be convicted, and convicted with a penitentiary sentence or a jail sentence.

I think, of course, there is some force in the proposition that juries will not convict under such a condition of things, but the very existence of such a provision would prevent far more violations than the cases which would escape being prosecuted and convicted.

By section 12, as I understand the House provision, they intended to make any violation of the Sherman law by a corporation if the act was ordered or abetted by any officer of a corporation a misdemeanor. It does not make any difference what provision of the law might be violated under the conditions named that would be a misdemeanor.

I understood from the Senator from Texas the idea of the committee was practically the same thing, and they used what they thought was a little better language. If that is correct, then I think the word "penal" ought to be stricken out, because that does limit it in some way different from the House provision. The House provision is, "That whenever a corporation shall violate any provisions of the antitrust laws," whether they are penal provisions or whatever provisions they may be, and the Senate committee says whenever they shall violate "any of the penal provisions of the antitrust laws." There is certainly a very substantial difference between the House provision and the Senate committee provision in that respect. Mr. President, I desire to offer an amendment in line 8 of section 12 in the committee amendment, to strike out the word "penal."

Mr. CHILTON. Mr. President, it is with a good deal of interest and yet with some little irritation that those of us who have been investigating these questions for five or six weeks and have heard all sides of these matters thrashed out before the committee and within the committee see Senators endeavor to put a part of the Senate, who deem it wise to look at these amendments as a whole and not at each one as an isolated case, in a position antagonistic to proper punishment to be visited upon those who violate the law. I do not want to detain the Senate for more than a moment, but I wish simply to resent any such construction as that which may have been put upon the action of the committee.

Mr. President, it is easy to denounce a trust; it is easy to defeat a trust in any court in the land, either by a criminal prosecution or by a civil prosecution, if you have a case. It is easy to enact laws that make traps that will catch a trust. But owing to the fact, sir, that our jurisdiction extends only to those who may be engaged in interstate commerce, and the further fact that we have 48 States in the Union, setting a trap to catch trusts involves two difficulties. One of them is that we may invade the rights of the States, which they would resent. The second is that we may do more mischief to the little man who must be relied upon to transact the business of the country in the place of the trust than we will do to the trust. There may be power in interlocking directorates, but there is more power in the very size of the corporation which may be transacting business. There may be power in the ownership of stock in subsidiary companies, but it is nothing like so much power as is involved in the very fact of the great size and the fine organization of the trust.

You can take one man transacting business with $10,000 of capital. He must be at a disadvantage with a man having $10,000,000 of capital. The man with $10,000,000 of capital, without violating any law, can put the other man at a disadvantage.

If I understand those who scientifically endeavor to do something against the trusts, those who intelligently look at this question in a desire to meet this great evil, they want what? Not to destroy large business in this country or stop it, but to create competition, to fix it so that there is an incentive for the little man to come in and take the field or a part of the field which is now occupied absolutely by these gigantic corporations.

Now, let me give a little illustration. There was before us the other day—or, rather, he came to see me and other members of the committee—a man who represents an independent pipe-line company, one that the Standard has no connection with whatever. It is really furnishing an outlet for the oil of the independent operators, taking it to the southern market—the operator of the pipe line. He said that this bill as it came from the House would break up his business, and he convinced me that it would. His people control a pipe line. The pipe line was built to carry or convey oil. The oil was discovered and developed, and that made a necessity for the pipe line. Without either the other would be useless. The pipe-line company is interested in the oil production. Who on earth is going to build a pipe line unless he has something to put in it? Who would build a pipe line, costing millions of dollars, running hundreds of miles from the fields in Oklahoma down to some southern port—to New Orleans or to Port Arthur—and take the chance, the long chance, of somebody drilling oil wells or gas wells to furnish him a product to transport through the pipe line from which he can make a return upon his money? Of course, the pipe line comes after the oil is discovered and after the gas has been struck. The pipe line becomes a necessity after one has gotten the oil or the gas. Here is a great field that has been occupied heretofore, at least before the Supreme Court decision, by what we have termed the Standard Oil Co. If that be an evil to correct, for which all these tears are shed, we want to get at it intelligently, not to kill it and break up the oil business and not to break up the pipe-line business, but rather let us, in an intelligent and effective way, do something to create competition, so that you and I and our children hereafter may be permitted to engage in this business and not subject to be stricken, not only by interlocking directorates and the ownership of stock, but by the very power of the organization and the very power of its unification of capital and its perfection of organization.

If we are going to create competition, we must fix it so that the little man, right in the start, will not be hampered. If a man has a pipe line and has a product from oil or gas wells to go into it, if he can not form or buy or concentrate these little companies to give him a product upon which he can rely, he can not go into business in competition with the Standard Oil Co. The Standard now has gone forward and made its organization. It has made its situation. It has it now. If you do not allow the little oil operators and the little gas companies in some kind of a way to start in and make an organization, what are you going to do?

This question has been discussed here in relation to our strike. I can take you to West Virginia, where there are a hundred little coal operators. You call them here big coal operators, but put every one of them together and they do not amount to as much in production as one single operation that I can name. I can put my hand on four or five in the United States each one of whose combined product in coal amounts to more than every operation in the Kanawha (W. Va.) field; more than all in the Paint Creek field; more than all in the Cabin Creek field; more than all in the New River field; more than all in the Fairmont field; more than all in the Pocahontas field.

Now, what are you going to do? This business is conducted in certain well-known ways. The coal business consists not alone in the production of coal. It consists in finding a market for that coal and in transporting it to that market. You have to run a coal business in a large way. You must have docks and selling agencies.

Mr. President, the little coal operator of West Virginia is charged from 10 to 15 cents just to sell his coal. The big corporation can sell its coal for about 2 cents a ton. The difference between the 2 cents that it costs the big man to sell it, because he is big and because, without violating any law, he has organized his business, gotten it together in a legal way, and the 10 cents or 15 cents that it costs any little West Virginia operator to sell his coal is a big profit, and a profit that every operator in that State would be perfectly willing to take. Is that your idea of an intelligent solution of this great question? Would you fix it so that those small operators could not get together to have a sale agency or that one of them may not buy another interest, or when he would be willing to do so, may not buy some stock in another company? They can put three or four companies together, and by combining their selling agencies they would have an organization not one-half as big as one of these great corporations, yet this might take off some of the cost of selling and handling and producing the coal. The big concern buys the property outright. The small producer is not able to do so. Let us not make an honest effort at competition impossible. Recollect that the man who is opposing these little operators is already organized by virtue of his money, his wealth, his good sense or luck in combining his business. Are you going to paralyze the hand of the little man who wants to compete with him? That is the view that the Senator from Iowa [Mr. CUMMINS] has been presenting to you here. That was the view that was presented to the Committee on the Judiciary. We are asking you here to approach this question in a sensible and intelligent way. Do not waste the time of the Senate by trying to put somebody who looks upon both sides of this question in a position of defending any trust. I would wipe out every one of them in a minute if I could, but I do not want to wipe out the business of the United States.

What I want to do is to approach this question in all its forms, realizing that it is not easy. The great minds of this country have been dealing with it and they find it difficult. They find that these questions involve State rights. I, sir, am not yet satisfied that I have a right to go down and say to a

State, "You shall not incorporate a company, you shall not allow a company to be there and engage in interstate commerce that has stock issued in a certain way." I do not know but what the court will hold it to be beyond the power that is conferred upon us under the interstate-commerce law.

We have studied this question from every standpoint. Do we want to put little businesses all over this country in fear? Do we want them to stand trembling before they take a step? One man has a little coal company, with an output of, perhaps, 50,000 tons, another one of 100,000 tons, and another of 100,000 tons. That amounts to 250,000 tons. There is one corporation operating in the fields of West Virginia that produces 12,000,000 or 15,000,000 tons. He passes the cost of selling his product through 12,000,000 tons of coal. This little combination, owned by the little man who has probably come up from the mines and earned his property, has to pass the cost of selling through only 250,000 tons. The object was to curb the gigantic trust and encourage the small producer. We approached these questions with caution and with care and thought. We ought not to go out in an uncertain field and probably do greater injury to the little man than we could do in the way of correction against the big corporation.

Mr. President, the first and chief proposition that the people laid down to us and that all of us have agreed upon is that we will not touch a line or a section of the Sherman antitrust law. It must remain as it is. We had to consider certain things which have never of themselves been held to be a violation of that law, but which in connection with other things have been held to be a part of a conspiracy to violate it. We have started out upon the plan of stopping these things in their incipiency by the use of the injunction, by the use of the corrective hand of the trade commission. By this plan we can keep the trust hatchery from working in the future; but we fear that if we make all steps criminal offenses it may be construed to be, and might be to that extent, a modification of the Sherman antitrust law; and we do not want to do that. Certainly, whether it is or not, if we put in here an exception, we do not want to be, as I said this morning, engaged in that kind of legislation which might be called "legislative cancellation"; that is, to put a thing in the bill and then put in another section that shall cancel it. We want to adjust each step and try it, and by proceeding slowly let the Federal trade commission block out the way.

We want to stop interlocking directorates as far as we can. But we do not want to injure the small man in the savings bank. We do not want to injure the little coal operator or the little oil operator. We do not want to destroy or to frighten legitimate business. We do not want the little business man to come up trembling whenever he makes a contract. We are just trying to build up, if we can, a bulwark against these trusts. If the Federal trade commission shall say a thing is going too far, they can enjoin it and have the thing stopped. We do not meddle with the greater things that are already held to be under the Sherman antitrust law a crime. In that way we will proceed intelligently, having regard to all the ramifications and complications of American business. We must keep in mind that it is the little man in the end who must take care of the trusts by his own exertion and by building up a bulwark against them.

Mr. President, I am just as much an antitrust man as anyone here. I have no interest in any trust whatever, nor in anything that looks like one. I have engaged in this campaign against them, and I am proud of it. I want to wipe them all out, but I want to do it in an intelligent way, and I want the Senate to understand that we have pondered over these things prayerfully. We have done it day in and day out, trying to bring to the Senate a measure that would square with the intelligent, advanced uplift idea of meeting the greatest question before the American people. The trusts want time. Nothing gains time like litigation. The friend of reform must guard against untried expedients, and he must remember that the trust question is a condition, not a theory. Why shall we set a trap that may ensnare more legitimate than illegitimate business? The violation of the Sherman law is already a crime. This law does make crime personal. We have made the offense of a corporation also the offense of every officer aiding, abetting, or voting for the criminal act. But we can not make things crimes, punishable at once by imprisonment, which the world has long recognized as legitimate. We have made interlocking directorates illegal; holding of stock by one corporation in another illegal; but since these things have heretofore been considered proper and legal, we think it safe to administer this law through the trade commission, and where there is doubt let that commission first decide the question before business shall be punished. This law has teeth in it, all right. It will correct the evils at which it is aimed. After its passage legitimate business will take on renewed vigor. Only the dishonest corporations will stand in fear.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Washington [Mr. JONES] to the amendment of the committee. It will be stated.

The SECRETARY. Strike out the word "penal," in the committee amendment, where it appears on page 22, line 8, before the word "provisions."

Mr. JONES. I do not know how the committee feel with reference to this amendment. I do know, however, that when Senators come in here and are told that it is an amendment offered by Senator So-and-so they seem impressed with the idea that the committee is not favorable to the amendment. I want to suggest the absence of a quorum before we reach a vote on the amendment to the amendment. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum is suggested, and the Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Gore	Martin, Va.	Shields
Bankhead	Hollis	Martine, N. J.	Simmons
Brady	Hughes	Norris	Smoot
Bryan	Johnson	Overman	Sterling
Burton	Jones	Owen	Swanson
Camden	Kenyon	Perkins	Thomas
Chamberlain	Kern	Pittman	Thornton
Chilton	Lane	Poindexter	Vardaman
Clapp	Lea, Tenn.	Pomerene	White
Culberson	Lee, Md.	Reed	Williams
Cummins	Lewis	Shafroth	
Gallinger	McCumber	Sheppard	

The PRESIDING OFFICER. Forty-six Senators have answered to their names. There is not a quorum present. The Secretary will call the roll of the absentees.

The Secretary called the names of absent Senators, and Mr. RANSDELL answered to his name when called.

The PRESIDING OFFICER. Forty-seven Senators have answered to their names. There is not a quorum present. Under the standing order of the Senate, the Sergeant at Arms will request the attendance of absent Senators.

Mr. DILLINGHAM and Mr. WEST entered the Chamber and answered to their names.

The PRESIDING OFFICER. Forty-nine Senators have answered to their names. There is a quorum present. The question is on the amendment offered by the Senator from Washington [Mr. JONES] to the amendment reported by the committee.

Mr. GALLINGER. Mr. President, before the vote is taken, I want once more to emphasize the situation in which we find ourselves. One House of Congress is apparently being run by the police force and the other House is losing almost half its time in drumming up absent Members. I have no power to make it otherwise, nor has any individual Senator; but it is an imposition that we are called here each day at 11 o'clock, while two days ago at the opening we spent 50 minutes in getting a quorum, and we average from 15 to 20 minutes each morning in that way. We lose valuable time, as we have just now lost it, in hunting up Senators who are, I suppose, engaged in business that interests them.

Personally, Mr. President, I have no responsibility for the condition that exists, but the situation impresses me as one that ought to be remedied. I do not know whether I shall vote for this bill or not, but I do want the debate to end and to have the bill voted on and determined by a majority of this body. I presume I ought not to say this, but I feel it so profoundly that I can not restrain myself from once more calling attention to a situation which, I repeat, ought to be remedied in some way.

Mr. CUMMINS. Mr. President, it seems to be assumed that those of us who believe that there are some regulations of commerce that can be better enforced by civil process than through indictment and trial in a criminal court are actuated by the desire to be tender of trusts and monopolies. I assume that every Senator has the same object in view, namely, the better regulation of commerce; and I assume that he desires to maintain what competition we have and to restore some of the competition we have lost.

I am not conscious of any desire to see people in the penitentiary; that is not my principal object. There was a time when England, I think, had more than 100 offenses that were punishable by death; and I have sometimes wondered how we escaped from that system of law. The proposition now made by the Senator from Washington [Mr. JONES] is directed, of course, to sections 8 and 9. If adopted it will have no other effect than to make the officers and directors of corporations

which violate the provisions of sections 8 and 9 criminally liable, although the Senate has just voted that the corporations themselves shall not be criminally liable.

Section 8 is not directed wholly against trusts. We already have a statute against trusts and monopolies. Section 8 forbids a corporation purchasing the stock of another and competing corporation. In my State, small as it is commercially, I venture to say that there are hundreds of little corporations which own some stock in other little corporations. I do not believe in the policy, and I desire to end it; but the suggestion that this controls and governs the big trusts and the great corporations which those Senators who have spoken have in view is entirely a misapprehension. It is a general readjustment of the commercial policy of the United States; it is an inhibition upon a policy that has been authorized by the laws of nearly every State in the Union. I want to change that policy; I think it is for the public good that it shall be changed; but because I do not believe that a corporation which may in the future purchase the stock of another corporation which it may believe honestly not to be in competition with it should be punished criminally, I hope will not be regarded as any evidence that I am not earnest and sincere in my desire to bring to justice through the criminal courts the obvious offenders against an acknowledged policy.

I would be perfectly willing to supplement the civil processes which we have provided for with a criminal process, if the offense was defined with that clearness and certainty which we always ought to observe before we denounce a citizen as a criminal. I assert again, as I asserted this morning, that I can not bring my conscience to the position that one who might be found to be an offender under section 8 should be punished criminally. I do not understand what it covers; I would be utterly unable to apply it with anything like certainty and with anything like a feeling that I had not misapplied it. I will not vote to make a man a criminal who may exercise an honest judgment upon a complicated and intricate and somewhat involved statute until somebody is given the authority to say to him, "This transaction is one which the law forbids."

I stated yesterday that if we were to appoint a tribunal, as we have appointed a tribunal in the bill already passed, to investigate these matters I would be willing, more than willing, anxious, to attach criminal punishment to the one who having been warned, who having been ordered to discontinue a practice that has been found to be unlawful under the statute, persisted in that unlawful course. There is something fair about that; but it hardly seems to me to be fair to put upon a citizen the hazard of determining at his own risk whether a corporation with which he is connected may lawfully purchase stock in another corporation, when the test is, first, does the purchase of the stock substantially lessen competition as between the two corporations, and to put upon him the necessity of applying the test, is the purchase of the stock of a subsidiary corporation forbidden by the law an extension of or belonging to the corporation of which he is a part?

I submit, Senators, that we must preserve some fairness in dealing with the people of this country, and I therefore can not vote to attach a criminal penalty to section 8 as it now is or to section 9 as it now is. I am opposed to both those sections on the ground that neither of them furnishes a rule of conduct, neither of them furnishes a standard that can be applied with that certainty that all criminal laws ought to be applied.

Let us see if my original statement is sustained by the facts, namely, that striking out the word "penal" in the proposed amendment of the committee would affect only criminal transactions under sections 8 and 9. The antitrust law which is one of the laws to which reference is made has a penal provision. There is attached to it a punishment for every violation of the law. Section 4 has a penal provision, and very properly so; it does describe an offense, a very serious offense, and one which, unfortunately, has been altogether too prevalent, and I voted to attach a criminal penalty to it. Section 12 as it now is makes the officers and directors and the agents of a corporation responsible, criminally, for every act committed by the corporation in violation of the antitrust law; it makes them criminally responsible for every act committed in violation of section 4, and the only other prohibitions against corporate actions in this bill are the prohibitions contained in sections 8 and 9. Therefore, when the word "penal" is stricken out, we have said that for any violation by a corporation of the provisions of sections 8 and 9 we render the officers, directors, and the agents of such corporations criminally liable. It can have no other effect.

If the Senate will do, as I hope it will do before we have finished this subject, reform sections 8 and 9 so that they mean something and so that those who are interested in their construction may reasonably know what they mean, then I will vote to attach a criminal penalty; but even then I would insist upon it being made supplemental to or at least to accompany the civil remedy worked out through the commission, just as the civil remedy under the antitrust law is worked out through the courts.

These are the reasons, Mr. President, that make it impossible for me to vote for the amendment proposed by the Senator from Washington.

Mr. WALSH. Mr. President, I feel impelled to say something along the line of the remarks just made by the Senator from Iowa [Mr. CUMMINS]. I appreciate very well that some degree of approval will be had in some quarters for those who vote for penalties in a bill of this kind for any and all violations of its terms, and I very much fear that some of my colleagues who are voting to incorporate these penalties do so rather unreflectingly.

At the common law, as has been stated here repeatedly, one corporation was not entitled to hold stock in another corporation. That was found very efficacious at the common law, although there was no penalty attached to the acquisition by one corporation of stock in another corporation. It was simply made unlawful, and no title at all to the stock was acquired by the transfer; and accordingly, at the common law, one company did not acquire stock in another company.

That rule still obtains in many of our States. It prevailed in my State until about five or six years ago, when an act was passed authorizing corporations to hold stock in other corporations. The act was roundly condemned by public sentiment in my State, and very justly so, because it was a departure from the rule of the common law when the drift of sentiment was against granting power to corporations to acquire stock in other corporations. That is to say, until five years ago no corporation in my State was entitled to hold stock in another corporation; but we did not have to affix any penalty to it. The law itself took care of it merely by the absence of a provision authorizing a corporation to hold stock in another corporation. The mere want of the power was sufficient to accomplish the entire purpose, and everybody can appreciate how it would be.

Here is a corporation that pays out $100,000 and acquires stock in another corporation, and under the law it has no power at all to hold that stock. It has no title to that stock. Any creditor of the original owner of the stock may go and levy an attachment upon it and seize it to satisfy any obligation he may have. In a contest over the election of the directors of a corporation holding stock of that character that stock can not be voted, because the corporation has no title at all to it, having no power to acquire stock.

Mr. President, if that policy never had been departed from, we would not have the difficulties that we are endeavoring to reach by this bill. Those individuals who desired to accumulate a vast number of corporations and then consolidate them into a great trust, or to have one corporation acquire the stock of half a dozen other corporations, simply incorporated under the statutes of some State, like the State of New Jersey, which tolerated that kind of thing. They did not come to Montana and organize under our law, because their organization would fall of its own weight. It would be a rope of sand that would fall to pieces.

So, Mr. President, if we did nothing more in this act than merely to declare that it should be unlawful for one corporation to acquire stock in another corporation, the two being competitors, we would probably then have a statute which would be entirely adequate to reach this evil.

Why, just think of it! Suppose we should leave our statute that way—"It shall be unlawful for one corporation to hold stock in another corporation"—how could a corporation be organized such as we seek to get at here? Do you imagine for a moment that anybody would organize a holding corporation and endeavor to put in that corporation the title to the stock of half a dozen competing corporations? He could not acquire the stock at all in the face of a statute declaring a thing of that kind unlawful, and the projectors simply would not risk their money in an enterprise of that character.

I am sorry the Senator from Missouri [Mr. REED] seems to have gone away. But, Mr. President, we not only do that in this statute; we not only say to every man who desires to organize a trust or a combination of this character, "You can not get any title at all to stock of that character," but we further go on and say, "If you actually do get it, you are liable to be haled before the Federal trade commission, if you are not brought to book in any other way, and have the stock taken away from you."

So we have accomplished by the provisions of this bill all that it is necessary to do in that regard without the imposition of any penalties; and in the imposition of the penalties we go further than the common law went, when upon all hands it was conceded that it was entirely efficacious to prevent the accomplishment of the wrongs which we seek to redress here.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Washington [Mr. JONES].

Mr. JONES. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CHAMBERLAIN (when his name was called). I again announce my pair with the junior Senator from Pennsylvania [Mr. OLIVER], and in his absence I withhold my vote.

Mr. CULBERSON (when his name was called). Again announcing my pair and its transfer, I vote "nay."

Mr. FLETCHER (when his name was called). I make the same announcement as before as to my pair and its transfer and vote "nay."

Mr. GALLINGER (when his name was called). Transferring my pair with the junior Senator from New York [Mr. O'GORMAN] to the junior Senator from Vermont [Mr. PAGE], I vote "nay."

Mr. GORE (when his name was called). I desire to announce my pair with the junior Senator from Wisconsin [Mr. STEPHENSON]. I withhold my vote, but I desire to be counted as present.

Mr. HOLLIS (when his name was called). I announce my pair and withhold my vote.

Mr. JOHNSON (when his name was called). I announce my general pair with the junior Senator from North Dakota [Mr. GRONNA] and withhold my vote. I wish to be recorded as present.

Mr. OWEN (when his name was called). If necessary to make a quorum, I have the right to vote. I withhold my vote until that is ascertained.

Mr. SMITH of Georgia (when his name was called). I have the right to vote in case it is necessary to make a quorum. I will vote, and withdraw my vote if necessary. I vote "nay."

Mr. THOMAS (when his name was called). I transfer my pair with the senior Senator from New York [Mr. ROOT] to the senior Senator from Nevada [Mr. NEWLANDS] and will vote. I vote "nay."

Mr. WALSH (when his name was called). I transfer my pair with the senior Senator from Rhode Island [Mr. LIPPITT] to the junior Senator from South Carolina [Mr. SMITH] and will vote. I vote "nay."

The roll call was concluded.

Mr. LEA of Tennessee. I transfer my pair with the senior Senator from South Dakota [Mr. CRAWFORD] to the senior Senator from Nebraska [Mr. HITCHCOCK] and will vote. I vote "nay."

Mr. HOLLIS. I inquire whether a quorum has voted?

The VICE PRESIDENT. Not yet.

Mr. HOLLIS. Under the terms of my pair I have a right to vote in that event. I vote "nay."

Mr. OWEN. I vote "nay."

Mr. WILLIAMS. I desire to be recorded as present to constitute a quorum.

The result was announced—yeas 18, nays 31, as follows:

YEAS—18.

Ashurst	Jones	McCumber	Sterling
Borah	Kenyon	Norris	Thompson
Brady	Lane	Reed	Vardaman
Clapp	Lee, Md.	Shafroth	
Fall	Lewis	Sheppard	

NAYS—31.

Bankhead	Hollis	Overman	Smoot
Bryan	Hughes	Owen	Swanson
Camden	Kern	Perkins	Thomas
Chilton	Lea, Tenn.	Pittman	Thornton
Culberson	McLean	Pomerene	Walsh
Cummins	Martin, Va.	Ransdell	West
Fletcher	Martine, N. J.	Simmons	White
Gallinger	Myers	Smith, Ga.	

NOT VOTING—47.

Brandegee	Goff	Oliver	Smith, Mich.
Bristow	Gore	Page	Smith, S. C.
Burleigh	Gronna	Penrose	Stephenson
Burton	Hitchcock	Poindexter	Stone
Catron	James	Robinson	Sutherland
Chamberlain	Johnson	Root	Tillman
Clark, Wyo.	La Follette	Saulsbury	Townsend
Clarke, Ark.	Lippitt	Sherman	Warren
Colt	Lodge	Shields	Weeks
Crawford	Nelson	Shively	Williams
Dillingham	Newlands	Smith, Ariz.	Works
du Pont	O'Gorman	Smith, Md.	

So Mr. JONES's amendment to the amendment of the committee was rejected.

The VICE PRESIDENT. The question now recurs on the amendment of the committee.

The amendment was agreed to.

The VICE PRESIDENT. The Secretary will state the next amendment of the committee.

The SECRETARY. On page 22, line 10, after the word "deemed," it is proposed to insert the words "guilty of," so as to read "shall be deemed guilty of a misdemeanor," and so forth.

Th amendment was agreed to.

The SECRETARY. On page 23, line 15, after the word "laws," the committee proposes to insert the words "including sections 2, 4, 8, and 9 of this act."

Mr. CULBERSON. I move to amend the amendment by striking out the word "two," as that section has been stricken from the bill.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The SECRETARY. On page 23, line 23, after the word "issue," the committee proposes to strike out the colon and the proviso, all down to and including the words "Interstate Commerce Commission," in line 6, page 24.

Mr. REED. Mr. President, the clause proposed to be stricken out was not read. I ask that it may be read.

The SECRETARY. It is proposed to strike out the following words:

Provided, That nothing herein contained shall be construed to entitle any person, firm, corporation, or association, except the United States, to bring suit in equity for injunctive relief against any common carrier subject to the provisions of the act to regulate commerce, approved February 4, 1887, in respect of any matter subject to the regulation, supervision, or other jurisdiction of the Interstate Commerce Commission.

Mr. REED. Mr. President, my purpose in calling attention to that section was to state that later I intend to offer an amendment expressly conferring upon the several attorneys general of the States the right to bring suit to enforce this trust act and to bring it in the name of the United States.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The SECRETARY. On page 24, line 13, after the words "result to," the committee proposes to strike out the words "property or a property right of," so as to read:

No temporary restraining order shall be granted without notice to the opposite party unless it shall clearly appear from specific facts shown by affidavit or by the verified bill that immediate and irreparable injury, loss, or damage will result to the applicant—

And so forth.

Mr. ASHURST. Mr. President, I am opposed to striking out the words in line 13, section 15, which are proposed to be stricken out. I would offend the proprieties and offend the intelligence of Senators if I stated the reason why. I take it that most of the Senators have studied the bill more closely than I have; but I do ask for a vote on the question of striking out those words.

The VICE PRESIDENT. Does the Senator request the yeas and nays?

Mr. ASHURST. I think I will ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BORAH. May I ask if this is an amendment proposing to strike out?

The VICE PRESIDENT. The amendment is to strike out, on page 24, line 13, the words "property or a property right of." The Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. CHAMBERLAIN (when his name was called). I again announce my pair and withhold my vote.

Mr. CULBERSON (when his name was called). Again announcing my pair and its transfer, I vote "yea."

Mr. FLETCHER (when his name was called). Making the same announcement as before as to my pair and its transfer, I vote "yea."

Mr. GALLINGER (when his name was called). Making the same transfer as on previous votes to-day, I vote "yea."

Mr. LEWIS (when Mr. GORE's name was called). I desire to announce a pair existing betwen the junior Senator from Oklahoma [Mr. GORE] and the junior Senator from Wisconsin [Mr. STEPHENSON], and to have this announcement remain for the day.

Mr. JOHNSON (when his name was called). I again announce my pair and withhold my vote.

Mr. THOMAS (when his name was called). I again announce the transfer of my pair with the senior Senator from New York [Mr. ROOT] to the senior Senator from Nevada [Mr. NEWLANDS] and vote "yea."

Mr. WALSH (when his name was called). I transfer my pair as heretofore and vote "yea."

Mr. WILLIAMS (when his name was called). I have a pair with the senior Senator from Pennsylvania [Mr. PENROSE]. Being unable to get a transfer of the pair, I must withhold my vote. If I were at liberty to vote, I would vote "yea." Furthermore, I announce that if necessary to constitute a quorum I will vote "yea" anyhow.

The roll call was concluded.

Mr. HOLLIS. I vote "yea," understanding that it is necessary to make a quorum.

Mr. LEA of Tennessee. I make the same announcement as heretofore as to the transfer of my pair and vote "yea."

Mr. OWEN. I wish to inquire whether a quorum has voted?

The VICE PRESIDENT. A quorum has not voted.

Mr. OWEN. Then I have the right to vote. I vote "yea."

The result was announced—yeas 36, nays 14, as follows:

YEAS—36

Bankhead	Hollis	Perkins	Smith, Ga.
Borah	Hughes	Pittman	Sterling
Bryan	Kern	Pomerene	Swanson
Camden	Lea, Tenn.	Ransdell	Thomas
Chilton	Lee, Md.	Reed	Thompson
Culberson	Lewis	Shafroth	Thornton
Fall	Martin, Va.	Sheppard	Vardaman
Fletcher	Overman	Shields	Walsh
Gallinger	Owen	Simmons	West

NAYS—14.

Ashurst	Jones	Myers	Smoot.
Brady	Kenyon	Norris	White
Clapp	Lane	Poindexter	
Cummins	Martine, N. J.	Smith, Mich.	

NOT VOTING—46.

Brandegee	Goff	Newlands	Smith, S. C.
Bristow	Gore	O'Gorman	Stephenson
Burleigh	Gronna	Oliver	Stone
Burton	Hitchcock	Page	Sutherland
Catron	James	Penrose	Tillman
Chamberlain	Johnson	Robinson	Townsend
Clark, Wyo.	La Follette	Root	Warren
Clarke, Ark.	Lippitt	Saulsbury	Weeks
Colt	Lodge	Sherman	Williams
Crawford	McCumber	Shively	Works
Dillingham	McLean	Smith, Ariz.	
du Pont	Nelson	Smith, Md.	

So the amendment of the committee was agreed to.

Mr. WALSH. Mr. President, I hesitated about making an explanation on behalf of the committee of the reason for the taking out of this language until the yeas and nays were called for. If the Senate will pardon me for just a moment, I desire to say that section 15 deals with the subject of injunctions generally. It is provided there that no preliminary injunction shall be issued except in cases involving property and property rights. Of course, you might desire an injunction in a case not involving a property right. You might desire an injunction in a case involving a political right. You might desire an injunction to restrain the taking of a child out of the jurisdiction of the court. You might desire an injunction for many other purposes than to protect property. However, section 18 deals with controversies between employers and employees, and in that section it is provided—and the committee left that—

That no restraining order or injunction shall be granted by any court of the United States, or a judge or the judges thereof, in any case between an employer and employees, or between employers and employees, or between employees, or between persons employed and persons seeking employment, involving, or growing out of, a dispute concerning terms or conditions of employment, unless necessary to prevent irreparable injury to property, or to a property right.

Mr. POMERENE. Mr. President, if I may ask the Senator from Montana a question, I note that section 18, to which he has referred, provides for the issuance of a restraining order to prevent irreparable injury to property or to property rights. Suppose there was threatened personal violence or that actual personal violence or discomfort was in progress; was it the intention of the committee that in such a situation as I have indicated the person could not be protected against the personal violence or personal discomfort, but at the same time you protect property against irreparable injury?

Mr. BORAH. Mr. President, we can add further to that proposition. Suppose a man desires to avail himself of the injunctive process of a court and is so unfortunate in this world as to have no property; is he to be deprived of the equity power of the court because he has no property to protect, although he may in person be molested in every conceivable way? Are the nonproperty class of our citizens, pretty large and growing larger, to be put in a class and ostracized from our courts of equity as to the injunctive relief which they are authorized to grant to those who have property?

Mr. POMERENE. The question of the Senator from Idaho is very pertinent. That one matter has caused me a great deal of trouble in trying to determine it.

The VICE PRESIDENT. The next amendment of the committee will be stated.

The SECRETARY. In section 15, page 24, line 14, after the word "notice," strike out "could" and insert "can."

The amendment was agreed to.

The SECRETARY. In the same line, after the word "served," strike out the word "or" and insert the words "and a."

The amendment was agreed to.

The SECRETARY. On page 24, line 21, after the word "fix," insert the words "unless within the time so fixed the order is extended for a like period for good cause shown, and the reasons for such extension shall be entered of record."

The amendment was agreed to.

The SECRETARY. On page 25, line 6, strike out the word "his," the first word in the line, and insert "the."

The amendment was agreed to.

The SECRETARY. On the same page, line 7, after the word "dissolve," strike out "his" and insert "the."

The amendment was agreed to.

The SECRETARY. In section 16, page 25, line 23, after the word "That," strike out the comma and the words "except as otherwise provided in section 14 of this act."

The amendment was agreed to.

The SECRETARY. In section 17, page 26, line 11, after the word "their," at the end of the line, insert "officers."

The amendment was agreed to.

The SECRETARY. In page 26, line 13, after the word "concert," insert the words "or participating."

The amendment was agreed to.

The SECRETARY. In section 18, page 27, line 4, after the word "persons," insert "whether singly or in concert."

The amendment was agreed to.

The SECRETARY. In line 7, after the words "so to do" and the semicolon, strike out the words "or from attending at or near a house or place where any person resides or works or carries on business or happens to be, for the purpose of peacefully obtaining or communicating information."

Mr. ASHURST. Mr. President, on page 27 lines 7 to 10 are proposed to be stricken out. The subject comprehended in those lines has been widely discussed in the Senate. The origin was traced to the act of December 21, 1906, of the British parliamentary enactments. It would be a work of supererogation for me or any other Senator to say anything further in favor of the subject. I ask for a vote by a roll call upon the amendment striking out the words.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CHAMBERLAIN (when his name was called). I again announce my pair, and in the absence of a transferee I withhold my vote.

Mr. CULBERSON (when his name was called). Again announcing my pair and its transfer, I vote "yea."

Mr. FLETCHER (when his name was called). I announce my pair and transfer as before, and vote "yea."

Mr. GALLINGER (when his name was called). Making the same transfer of my pair as previously announced, I vote "yea."

Mr. LEA of Tennessee (when his name was called). I again announce my pair and its transfer, and I vote "nay."

Mr. THOMAS (when his name was called). I again announce my pair and the same transfer and vote "yea."

Mr. WALSH (when his name was called). Again transferring my pair as heretofore announced, I vote "nay."

The roll call was concluded.

Mr. JOHNSON. I again announce my pair and withhold my vote.

Mr. OWEN. I would like to ask whether a quorum has voted?

The VICE PRESIDENT. The Chair is going to make a statement now in order to settle the question and to make a ruling. Rule XII provides that—

When the yeas and nays are ordered, the names of Senators shall be called alphabetically; and each Senator shall, without debate, declare his assent or dissent to the question, unless excused by the Senate; and no Senator shall be permitted to vote after the decision shall have been announced by the presiding officer.

The Chair rules that hearing the number of votes that have been cast for or against a proposition, if the same does not constitute a quorum of the Senate, it does not constitute a decision upon the part of the Chair that the amendment has been lost or that the amendment has been carried. The Chair rules that Senators in the Chamber who have a right to vote, if the vote does not disclose a quorum, have a right to vote before the Chair decides the question. On the amendment the yeas are 32 and the nays are 15. The Senator from Oklahoma.

Mr. OWEN. I vote "yea."

Mr. NEWLANDS. I vote "yea."

Mr. THOMAS (after having voted in the affirmative). The Senator from Nevada [Mr. NEWLANDS] having entered the Chamber and voted, I desire to withdraw my vote.

The VICE PRESIDENT. The yeas are 33, the nays 15, and Senators CHAMBERLAIN and JOHNSON having announced their pairs and being present in the Senate, the Chair declares the amendment carried.

The vote by yeas and nays, the result of which was announced by the Vice President, was as follows:

YEAS—33.

Bankhead	Gallinger	Owen	Smith, Mich.
Borah	Hughes	Perkins	Smoot
Bryan	Jones	Pomerene	Sterling
Camden	Kenyon	Ransdell	Swanson
Chilton	Martin, Va.	Reed	Thornton
Culberson	Myers	Shafroth	West
Cummins	Newlands	Shields	
Fall	Norris	Simmons	
Fletcher	Overman	Smith, Ga.	

NAYS—15.

Ashurst	Lea, Tenn.	Pittman	Vardaman
Clapp	Lee, Md.	Poindexter	Walsh
Kern	Lewis	Sheppard	White
Lane	Martine, N. J.	Thompson	

NOT VOTING—48.

Brady	du Pont	McLean	Smith, Md.
Brandegee	Goff	Nelson	Smith, S. C.
Bristow	Gore	O'Gorman	Stephenson
Burleigh	Gronna	Oliver	Stone
Burton	Hitchcock	Page	Sutherland
Catron	Hollis	Penrose	Thomas
Chamberlain	James	Robinson	Tillman
Clark, Wyo.	Johnson	Root	Townsend
Clarke, Ark.	La Follette	Saulsbury	Warren
Colt	Lippitt	Sherman	Weeks
Crawford	Lodge	Shively	Williams
Dillingham	McCumber	Smith, Ariz.	Works

So the amendment of the committee was agreed to.

Mr. CUMMINS. In order that the subject may not be forgotten or lost sight of, I desire to say that at the proper time I intend to offer an amendment to take the place of that which has just been stricken out, and I will read it:

Or from attending at any place where any such person or persons may lawfully be for the purpose of peacefully obtaining or communicating information.

I make this announcement because Senators might think that the whole subject had been disposed of.

Mr. REED (to Mr. CUMMINS). Offer it now.

Mr. CUMMINS. I do not understand that I am at liberty to offer it now.

Mr. REED. I think so. Mr. President, a parliamentary inquiry. The language just voted upon having been stricken out, is it not now in order to offer other language to take its place?

The VICE PRESIDENT. Not at the present time. If the amendment had been to strike out and insert, it would have been in order, but it was not so treated. The Secretary will proceed to state the committee amendments in their order.

The SECRETARY. In section 18, page 27, line 10, at the end of the line, after the word "or," strike out "of" and insert "from."

The amendment was agreed to.

The SECRETARY. On line 12, after the word "from," strike out the words "ceasing to patronize or to employ" and insert "withholding their patronage from."

The amendment was agreed to.

The SECRETARY. On line 15, after the word "peaceful," insert the words "and lawful."

The amendment was agreed to.

The SECRETARY. In line 18, after the word "assembling," strike out the words "at any place."

The amendment was agreed to.

The SECRETARY. In line 22, after the word "held," strike out the word "unlawful" and insert "to be violations of the antitrust laws."

Mr. REED. Mr. President, there is a great deal of objection to this change. The provisions of the section we are just now considering are aimed at the limitation of the power of injunction with reference to certain things. I do not intend to pause to argue the question as to whether the section itself is wise or unwise. I will simply say in passing that I have favored it, but those matters dealt with concern labor organizations and laboring men, and we propose to give them the unqualified right to terminate their relation of employment, to cease from work, and to recommend or advise others by peaceful means so to do.

We propose to give them the further right of "peacefully persuading any person to work or to abstain from working," and the further right of "withholding their patronage from any party to such dispute, or from recommending, advising, or persuading others by peaceful and lawful means so to do," and the further right of "paying or giving to, or withholding from, any person engaged in such dispute, any strike benefits or other moneys or things of value," and the further right of "peaceably assembling in a lawful manner, and for lawful purposes; or from doing any act or thing which might lawfully be done in the absence of such dispute by any party thereto."

Mr. President, those are specific things we are dealing with. We are conferring a specific right and nothing else, and in order to cover the question by a general clause the House added the language limited now to the particular things which we are proposing to stipulate may be done. I quote:

Nor shall any of the acts specified in this paragraph be considered or held unlawful.

That language is properly there, because we are making the acts lawful; we are specifying the particular acts. The committee, after a good deal of debate, substituted for the word "unlawful" the words "to be violations of the antitrust laws." The words "nor shall any of the acts specified in this paragraph be considered or held to be violations of the antitrust laws" seem to imply that they might be violations of some other law, although we have already declared them to be lawful.

In my opinion the bill would much better conserve the rights we have above specified if the phrase "nor shall any of the acts specified in this paragraph be considered or held to be violations of the antitrust law" were left out entirely, because, as it is written, it amounts to a limitation upon the preceding words instead of an expansion or a fortification of the preceding words

Mr. CHILTON. Mr. President——

Mr. REED. Just one moment. My desire is—and I shall vote accordingly—to retain the language as it came to us from the other House. Retained as it comes to us from the House the final clause would read:

Nor shall any of the acts specified in this paragraph be considered or held unlawful.

It would amount to a reaffirmation of the language which precedes it; it would be a general clause embracing it; and I think the bill would be better in that form.

Mr. CHILTON. Mr. President, I will not ask the Senator from Missouri a question, but I will take the floor in my own right for just one observation.

As the Senator says this clause deals with nine different acts; but it legalizes nothing, and is not intended to legalize anything. This section simply deals with the jurisdiction or power of the Federal courts. So far as I am concerned, I am not so particular about that, because, being a citizen of West Virginia, I must bring my suit in the State courts. So must all the other million and a half of people of my State. All that this provision does is to prevent, in certain specified cases, nonresidents of West Virginia from bringing suit in the Federal courts of West Virginia to enjoin certain things. I speak, of course, from my standpoint. That applies, of course, to every other State. We simply say that because of certain abuses of the right of injunction well known and often discussed, we see fit to limit that right in these nine specific instances where labor disputes may be involved.

Mr. President, I want to call the attention of the Senator from Missouri to a statement which he made that was so general that I think when his attention is more particularly drawn to the provisions of this section he will modify the position which he has announced. The demand of labor organizations is intended to be met in this section. I say frankly that is what it is intended to be done, and it was granted, thoroughly understanding that fact; we do not want to deceive the country or the people. We felt that there have been abuses in this matter and that we ought to grant this relief. No one, however, asked us to declare that anything should be lawful unless we had power to say so. We have not any power to declare things lawful or unlawful in the States; but we have the power to deal with the jurisdiction and the practice in the Federal courts. We have the right to limit the writ of injunction in the Federal courts. We can not declare a certain act to be unlawful in a State; we can not declare an act lawful in a State.

The agitation resulted from the fear of labor organizations that they would be brought under the Sherman antitrust law or under these proposed antitrust laws, and be thereby declared illegal. This section says that that shall not be done by a Federal court. That is as far as we can go. For instance, take one of these inhibitions, No. 7, as I have numbered them. We prevent the Federal courts—

from paying or giving to, or withholding from, any person engaged in such dispute, any strike benefits or other moneys or things of value.

We have nothing to do with whether the labor organization would withhold such benefits rightfully or wrongfully. We simply say that the Federal courts shall not have the power

to deal with that subject by injunction; but if the amendment is not agreed to and we merely leave in the word "unlawful," then we say that even though the labor organization might withhold the benefit wrongfully and the beneficiary be a nonresident, he can not sue for it in a Federal court, and no Federal court would have power to say thereafter that it had been unlawfully withheld, although it might have jurisdiction of the law case brought by the man who is entitled to the money.

Let me see if my meaning is clear. Here is a labor organization which withholds strike benefits from a nonresident citizen who would now have the right to go into the Federal court. Shall we say in this section that in a suit properly brought to recover the money no Federal court shall have the right to hold that act of the labor organization unlawful? We do not mean to say that; we do not need to go that far. We simply mean to say that labor organizations shall not be brought under the ban of the antitrust laws or of the laws of the United States. That was all that was asked and all that was contended for.

This might apply to other things. It might be that a citizen would have a right to complain because of some of the other acts mentioned here, and jurisdiction of his complaint might lie in a Federal court. That law should not be that as to any kind of litigation involving any kind of a right of any citizen in a State, even though it be conceded that the act complained of was unlawful and that it did take from a man a right, he shall not sue for it in the Federal court. The purpose of the law is not to declare that in an injunction suit or a lawsuit or in any other kind of litigation a Federal court can never hold that the act was unlawful. That would be to invade the rights of the States and to create needless and class legislation. It does seem to me that language would be going too far.

I will go as far as anybody here to break up what has been alleged to be a wrongful handling of labor disputes by Federal courts. So far as I am concerned, if I become involved in litigation growing out of a labor dispute in West Virginia, I have to go, and the other 1,500,000 people of West Virginia have to go, into the State courts. This provision will not prevent a nonresident who has a litigation with the labor people from going into the State courts of West Virginia. He can do as I have to do and as the other 1,500,000 people of West Virginia must do; that is, apply to the State courts.

I am not very particular about preserving this right for a few foreign corporations or a few foreigners who might happen to come to West Virginia; I do not think I am violating any public duty when I restrict them in this respect, recognizing, as I do, that Federal courts have in some instances gone further than the public conscience would permit them to go; but to ask me still further to say that under all circumstances the nine acts mentioned in this section shall by a Federal court be held to be lawful, no matter whose rights may be involved, that no matter how the question may arise, in suits in equity or actions at law or criminal prosecutions, they shall be in all respects lawful in the Federal jurisdiction, is not my conception of a just demand. It does seem to me that is going too far and is going further, even, than the labor people have asked us to go.

Mr. REED. No, Mr. President; the labor people have very distinctly asked and very urgently asked for a restoration of this language as it came from the other House. There can be no disputing that fact.

The Senator very artfully argues that if we say in this bill that the acts enumerated shall not be held to be unlawful, that would sometimes prevent the collection by somebody of a strike benefit. If he is really alarmed about that, I call his attention to his own statement that the courts of West Virginia will still be open, and nothing that we can do here will take away the right of the man entitled to $4 a week strike benefits to sue for them in those courts if he wants to do so.

Mr. CHILTON. If the Senator will allow me to interrupt him there, that is quite true. The answer of the Senator, so far as it goes, is perfectly proper and tenable; but, by the same sign, if that be true, what right have we to say that a thing which is lawful in a State shall be unlawful?

Mr. REED. We can not say that. Nothing we can say in this bill will deprive a State court or a State legislature of any of its authority. All that we can do is to deal with Federal courts and Federal procedure and Federal law.

Mr. CHILTON. With all respect to the Senator, is not that an artful answer?

Mr. REED. No.

Mr. CHILTON. If we have no jurisdiction to declare a thing unlawful, by what right shall we do so?

Mr. REED. Well, we are not undertaking to declare it unlawful, except in so far as we do have jurisdiction. We do have that jurisdiction when we deal with certain particular questions, and just so far as the Government's authority goes it will be declared unlawful, but it does not mean that it shall be held to be unlawful where the Government's authority does not extend. To illustrate, we have authority here to pass certain laws and we do pass them, but we do not add "this shall not affect the laws of other countries." Our law is limited by the jurisdiction which obtains on behalf of the Federal Government. So that when we use the term "shall not be declared unlawful," that can affect nothing except those matters about which the Federal Government has the right to legislate.

Mr. CHILTON. Let me ask the Senator one other question right there. Among other things, we say in this section that an injunction shall not be used to prevent anyone "from recommending, advising, or persuading others by peaceful" and lawful means to quit work.

Suppose one coal operator might advise the men of another coal operator to cease work; suppose that that should involve a loss to the second coal operator—it is a matter in which labor is not interested one way or the other—and the latter should afterwards sue for damages for that act; is it possible that we want to say here that in no Federal court shall that act ever be held unlawful, or, in other words, that a suit could not be instituted to recover damages occasioned in that way? If that act can not be held to be unlawful, it can not be held that the aggrieved party is entitled to recover damages. It does seem to me now, when we think it over a second time, that we are going a little too far and are doing what we really have not a right to do.

Mr. REED. I call the Senator's attention to the fact that some of the injunctions issued by Federal courts in this country that have been most loudly complained against have not been issued under the Sherman law at all.

Mr. CHILTON. Oh, certainly not; that is what I am talking about.

Mr. REED. When we provide that injunctions shall not issue, and then we undertake to add this qualifying clause:

Nor shall any of the act specified in this paragraph be considered or held to be violations of the antitrust laws—

By implication we say that they might be held to be violations of other laws under which the Federal courts have already acted and issued injunctions of a very drastic nature.

Mr. CHILTON. I think not. We say that a Federal injunction shall not extend to these nine enumerated acts. Then we add a substantive provision, totally independent of that, that none of those acts shall be held to be violations of the antitrust laws.

Mr. SHIELDS. Mr. President, I wish to ask the Senator a question to see if I understand this proposition.

Mr. CHILTON. I yield to the Senator with pleasure.

Mr. SHIELDS. Section 18 is not for the purpose of enacting any substantive law, but is to limit the operation of injunctions issued by Federal courts, as I understand.

Mr. CHILTON. That is right; clearly so.

Mr. SHIELDS. The concluding part of the last sentence, from the semicolon on, does, however, relate to substantive rights, as I understand the Senator?

Mr. CHILTON. Yes.

Mr. SHIELDS. It provides that certain things shall not be unlawful; therefore they shall be lawful. We must bear in mind that section 18 has no reference to interstate commerce and is not authorized by the commerce clause of the Constitution. The acts which section 18 provides shall not be enjoined in the Federal courts do not concern interstate commerce or any subject over which Congress has jurisdiction.

Mr. CHILTON. Certainly; we are dealing with the jurisdiction of the courts which we have created.

Mr. SHIELDS. I understood the Senator then correctly.

Mr. CHILTON. Absolutely.

Mr. SHIELDS. Then, are we not endangering the constitutionality of the section when we are proposing to legislate upon a subject over which we have no power? We do not want to endanger the validity of this section by legislating upon a subject beyond the power of Congress. This particular section covers both intra and inter state acts, and under the case in Two hundred and seventh United States, the first employers' liability act case, it would be invalid. I think this is a matter to which we ought to give careful attention. We do not want section 18 to be declared invalid.

Mr. CHILTON. No; we do not. However, I would be of the opinion that this would be such a separable matter that even if the court should declare part of it without our power it could sustain the other part of the section. I am not so sure about that, but I would be inclined to view it in that way.

Mr. SHIELDS. I wish to refresh the Senator's mind. My recollection of why the Committee on the Judiciary struck out

the word "unlawful" and inserted the words "to be violations of the antitrust laws" was that Congress has power over that subject but not the jurisdiction to say all these things shall be unlawful.

Mr. CHILTON. That was one of the considerations. I think the Senator is right.

The exceptions which we have made have been attacked on the ground that this is class legislation. I do not think so. He who looks to the future for the best that is in us as a Nation and a people must recognize that force can not bring labor and capital together. The recent happenings in many of the States must warn us that when this country shall be divided into two warring camps, then the Federal injunction is impotent. The time is near at hand when the best that is in every man will be demanded. As the "rule of the people" shall bring greater responsibilities to each citizen, so will his better impulses and higher motives guide and direct him.

Hide it as may be done, it is nevertheless true that there is a feeling among laborers and the people generally that their Government is not near enough to them. They want to participate more in everything that concerns their Government. This demand will soon be granted in every State. The Federal injunction is looked upon with a great deal of disfavor. Right or wrong, this fact must be kept in mind. No injunction can settle a labor dispute when it assumes proportions such as those conflicts which have recently threatened industry. There is no way to change man's nature by laws, injunctions, or arrests. The world is recognizing organized labor, and there is no use to attempt to fight the judgment of civilization. We must deal with this subject as it is, and there is no power that can take from its consideration the fact that millions of men are organized, and that the question of women and children and the demands of every prompting of humanity will enter into its solution. I want to see these industrial wars come to an end. I am not afraid to say that I want labor to have a fair share of the income of industry.

This country must look for relief for him from that desolation which finds him in his old age without means and without strength to work. The first thing to do is to treat labor as a human agency and not as a commodity. Whether the laborer works or not, he is a human being, a citizen, a voter, a part of this Government. He resents an injunction by wholesale in a labor dispute, if it be issued by a Federal court. It is needless to inquire why, and all sufficient to know that such is the fact. I want to restrict these Federal injunctions and relegate as far as possible everything in these labor disputes to the State courts. A better understanding, a getting together, will be the result. An American who feels that he is mistreated is a dangerous thing to deal with, but give him a fair chance to be heard, permit him to discuss his grievance, and you have a compromising citizen who is put upon his responsibility to do right, and then he will do right. Both sides to these disputes must realize that the country has rights and that society demands industrial peace. This law does not go so far as England and Australia have gone in recognizing the difference between the human machine and property rights. Surely free America wants to be in the lead in recognizing manhood. I have studied this question from every standpoint, desiring only to be right and to take the course which will best tend to bring industrial peace. There was little disagreement in the Judiciary Committee as to the provision reported. It is clearly right, and should not be opposed. The proposed amendment to reinsert the word "unlawful" is a mistake. I would be willing to vote for an amendment that would say "unlawful under the laws of the United States," and that is as far as we can go, in my judgment.

Mr. THOMAS. Mr. President, I do not like to take up the time of the Senate at this late hour in any extended discussion of section 18, and I promise the Senate that I shall not do so.

I have been very much interested in the remarks of the Senator from Missouri [Mr. REED] and those of the Senator from West Virginia [Mr. CHILTON] concerning the first clause of this section, and I have given it a great deal of personal consideration. I am unable, however, to coincide with the view of the Senator from Missouri, for whose opinion I have the highest respect, that the clause of section 18, upon page 27, declares in substance, or at all—unless you take the last clause of the sentence—that the acts and things which are exempt from the operation of the Federal injunction are in themselves lawful or that the statute makes them lawful. Of course the last clause of the sentence as it came over from the House does assume to do so; but if that clause were not added to the sentence at all, then surely the only effect of this sentence would be to prevent the extension of the Federal writ of injunction over and inclusive of them, and nothing more.

The Senator also said, and I wish to call his attention to this particularly, that these exemptions—of course I do not pretend to use his exact language—were designed to reach and cover certain claims or desires of labor organizations and to relieve them from the operation of existing laws, which have frequently been abused through the injunctive processes of the Federal courts. Now, I have no doubt this legislation originated from that source; but that, as drawn, it is confined to the purposes enumerated seems to me to be a wholly untenable proposition.

I have heard this section spoken of as class legislation. If it were class legislation, it would be open, perhaps, to a great many objections; but I am unable to perceive that it is class legislation at all, as it would be if it were confined to and designed for the benefit of some specific portion of the community or some specific organizations of the community.

It seems to me that as drawn this section in its operation may result in defeating the purpose of the entire bill. If we turn to the first section, we find the word "person" construed as embracing "corporation." Wherever the word "person" occurs in the bill I think it may be safely assumed, because of the definition on page 2, that it includes corporations and associations. Hence the words "person or persons" on the fourth line of page 27 mean corporations or associations as well as individuals, and the paragraph gives to these artificial persons the same rights, the same exemptions, the same authority, that are conferred upon individuals.

Let us see:

> And no such restraining order or injunction shall prohibit any person or persons, whether singly or in concert, from terminating any relation of employment—

The corporation therefore has the same authority as the individual under this clause to terminate relations of employment—

> from recommending, advising, or persuading others by peaceable means so to do—

The corporation has the same authority as the individual to cease to perform work or labor and to recommend, advise, or persuade others by peaceable means to do so—

> or from peacefully persuading any person to work or to abstain from working—

The corporation has the same authority as the individual to exercise that authority without any danger of the restraining processes of injunction—

> from withholding their patronage from any party to such dispute, or or from recommending, advising, or persuading others by peaceful and lawful means so to do—

And so forth.

Mr. President, under this provision as it is drawn there is just as much power given to the corporation lawfully to discriminate against the organization as is given to the organization lawfully to discriminate against a particular employer or employee, and of course that involves the idea and the possibility of combination. A corporation may, as it frequently does, unite with certain labor organizations and direct their common purposes against a competitor which is offensive to both, and, by reason of the combined attack, either injure or wholly destroy it. What is there in the practical operation of this statute, especially if the language of the House be employed, to prevent such a condition being lawfully carried on as would result in the destruction of competition, and at the same time with no possibility of remedy except such remedy as might exist in the State courts, or independently of the antitrust law?

It seems to me, therefore, if this provision is adopted, in view of the fact that no exceptions whatever are made as to those who may obtain the benefit of the statute itself, that both in the interest of labor, in the interest of capital, and in the interest of the public the amendment that is proposed to be made here by the committee should stand. I am unable, therefore, to discern the existence of any class legislation in the part of the measure which is now under discussion.

Mr. SMITH of Georgia. I wish to call the attention of the Senator from Colorado to this suggestion: In the first part of this paragraph, page 27, lines 3 and 4, it is declared:

> And no such restraining order or injunction shall prohibit any person or persons from terminating any relation of employment,

If no restraining order can be issued to prevent the termination of an employment——

Mr. THOMAS. Either against the employer or the employee.

Mr. SMITH of Georgia. On either side—then that is one of the acts referred to.

Mr. THOMAS. Yes.

Mr. SMITH of Georgia. If we add to that the provision "nor shall any of the acts specified in this paragraph be considered or held unlawful," would not the legal effect be that a corporation could terminate the employment of its men when

they were under contract or the employment of a man under contract?

Mr. THOMAS. Absolutely.

Mr. SMITH of Georgia. Having hired him for 12 months, could it not break the contract in 2 weeks and then be free from liability under the contract?

Mr. THOMAS. Absolutely. Why, the paragraph is reciprocal. I do not believe the original framers of the measure took into consideration the fact that it would be impartial in its operation. I think their desire to favor a class of people who have suffered from abuses of injunctions has blinded their eyes to the fact that in this particular section they have proposed legislation which will have not only the effect which the Senator declares, but which will also have the effect of legalizing a boycott against those people.

Mr. SMITH of Georgia. But it undoubtedly would free every employer from liability under a contract that he made with his employees if he broke it long before the term expired.

Mr. THOMAS. I think so, Mr. President, and I think it would also legalize combinations of employers as against labor organizations; that it would not only legalize them, but it would take away all remedies which are designed to be summary in their character, no matter how great the exigency may be for their exercise.

This is not a matter of surprise to me, perhaps, because I have had a similar experience in one or two matters of State legislation. Take the initiative and referendum: That was designed to overcome the inertia of legislatures, and also to overcome the refusal of general assemblies to carry out the wishes of the people and become obstacles instead of agencies for the transaction of public business. Of course, however, the initiative and referendum are embodied in a general constitutional amendment and privilege, one of which all classes and conditions of men can take advantage—the laboring man and the capitalist, the black man and the white man—but the advocates of the initiative and referendum have for the most part advocated it from the standpoint of its remedial effect and benefit to certain elements of society only.

Let me give an illustration of the manner in which it can operate and has been operating impartially. The legislature of my State enacted a statute which was called an eight-hour law. It was not satisfactory, and it was referred by the workingmen of the State under the initiative and referendum amendment to the constitution of my State. The corporations immediately initiated a statute and the labor organizations initiated another. We had, therefore, three statutes upon the subject before the people, and upon which they voted. While the legislative act was rejected, both of the initiated acts were adopted by majority votes, and they were so irreconcilable with each other that the legislature was compelled to call upon the supreme court to ascertain whether it had the power to repeal an initiated law; and, the supreme court having held that it did have that power, the exigency of the situation made it necessary for them practically to repeal both of these statutes and enact one that was substantially correct.

Mr. OVERMAN. Is that the general result of laws initiated in the Senator's State?

Mr. THOMAS. No; that is not the general result, but it may be the general result, because, as I have stated—perhaps the Senator did not hear me—provisions of that kind, although advocated for certain purposes and for certain ends, nevertheless become shields as well as swords.

Mr. OVERMAN. But I understood the Senator to say that the legislature initiated one plan, the corporations another, and the laboring people another; that the legislative act was defeated, the one initiated by the corporations was carried, and the one initiated by the laboring men was carried, although inconsistent with each other.

Mr. THOMAS. The Senator understood me correctly; whereupon the legislature was obliged to take hold of and unravel that tangle, and did so.

Take the public-utilities law passed by the general assembly of my State—a most excellent law; a very desirable one. It was referred by the corporations, and as a consequence it does not and can not go into effect until the people shall pass upon the referendum at the coming election; and such will be the operation of this paragraph if it becomes a part of the laws of the country. I do not want it to become so—and hence I have taken up this comparatively small portion of time—without emphasizing in advance the fact that it is going to be a weapon against as well as a protection for the laboring classes of the country.

Mr. CULBERSON. Mr. President, in view of the fact that an executive session is desired, and it is impossible to get through with the committee amendments this afternoon, I desire at this time to proffer a proposal for a unanimous-consent agreement with reference to the pending bill.

The VICE PRESIDENT. The Secretary will read the proposed unanimous-consent agreement.

The Secretary read as follows:

It is agreed by unanimous consent that at not later than 2 o'clock p. m. on Saturday, August 29, 1914, the Senate will proceed to vote upon any amendment that may be pending, any amendment that may be offered, and upon the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes, through the regular parliamentary stages to its final disposition; and that after the hour of 2 o'clock on said day no Senator shall speak more than once or longer than 15 minutes upon the bill or upon any amendment offered thereto.

The VICE PRESIDENT. The Secretary will call the roll.

Mr. SMITH of Georgia. Mr. President, before the roll call is commenced, does the Senator urge that the proposal be presented at this time, or would it suit——

Mr. CULBERSON. I present it now. We must have a quorum anyway for the executive session.

Mr. JONES. I want to say to the Senator that I shall not consent to that proposition. I say that just to save the time to call the roll.

The VICE PRESIDENT. Then there is no necessity for calling the roll. The Senator from Washington objects.

Mr. CULBERSON. The Senator from Washington objects?

The VICE PRESIDENT. Yes.

Mr. CULBERSON. Is it not out of order for him to object at this time?

Mr. JONES. I simply wanted to state that I would object. I thought that would save the calling of the roll.

The VICE PRESIDENT. The Senator from Washington says he will object. If the Senator from Texas desires to have the roll called, it will be called.

Mr. CULBERSON. I simply presented the matter under the rule.

The VICE PRESIDENT. It is, however, perfectly apparent that it is idle to call the roll.

Mr. CULBERSON. Very well. I do not insist upon it, then.

Mr. JONES. I wish to say to the Senator that I would not object to a proposition to begin, say, at 2 o'clock, and under the regular parliamentary procedure, with a certain amount of debate on each amendment or proposition presented, have the bill disposed of; but I would not want to set a time when we shall begin to vote on the bill and amendments without permitting any debate thereafter. That is all.

EXECUTIVE SESSION.

Mr. KERN. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After one hour and five minutes spent in executive session, the doors were reopened.

PETITIONS AND MEMORIALS.

Mr. PERKINS presented a petition of Montezuma Tribe, No. 77, Improved Order of Red Men, of San Francisco, Cal., and a petition of San Francisco Parlor, No. 49, Native Sons of the Golden West, of San Francisco, Cal., praying for the enactment of legislation to provide pensions for civil-service employees, which were referred to the Committee on Civil Service and Retrenchment.

Mr. BURLEIGH presented a petition of sundry citizens of Gorham, Me., praying for national prohibition, which was referred to the Committee on the Judiciary.

Mr. POINDEXTER presented a petition of the board of directors of the Spokane & Eastern Trust Co., of Spokane, Wash., praying for a reduction of governmental expenses rather than increased taxation to meet the emergencies of the present situation, which was referred to the Committee on Finance.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. POINDEXTER:

A bill (S. 6396) granting an increase of pension to Elizabeth Otis; to the Committee on Pensions.

By Mr. OWEN:

A bill (S. 6397) to amend section 13 of an act approved December 23, 1913, and known as the Federal reserve act;

A bill (S. 6398) to amend section 1 of an act approved May 30, 1908, entitled "An act to amend the national banking laws"; and

A bill (S. 6399) to amend section 9 of an act approved December 23, 1913, and known as the Federal reserve act; to the Committee on Banking and Currency.

PRESIDENTIAL APPROVALS.

A message from the President of the United States, by Mr. Latta, executive clerk, announced that the President had approved and signed the following acts:

On August 25, 1914:

S. 5197. An act granting public lands to the city and county of Denver, in the State of Colorado, for public park purposes;

S. 5673. An act to amend an act entitled "An act to protect the locators in good faith of oil and gas lands who shall have effected an actual discovery of oil or gas on the public lands of the United States, or their successors in interest," approved March 3, 1911; and

S. 5739. An act to present the steam launch *Louise*, now employed in the construction of the Panama Canal, to the French Government.

On August 20, 1914:

S. 6315. An act to authorize the Great Western Land Co., of Missouri, to construct a bridge across Black River.

RECESS.

Mr. KERN. I move that the Senate take a recess until to-morrow at 11 o'clock a. m.

The motion was agreed to; and (at 6 o'clock p. m., Thursday, August 27, 1914) the Senate took a recess until to-morrow, Friday, August 28, 1914, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate August 27 (legislative day of August 25), 1914.

PROMOTIONS IN THE ARMY.

CAVALRY ARM.

Lieut. Col. Lloyd M. Brett, First Cavalry, to be colonel from August 25, 1914, vice Col. Daniel H. Boughton, unassigned, who died August 24, 1914.

Maj. James A. Cole, Cavalry, unassigned, to be lieutenant colonel from August 25, 1914, vice Lieut. Col. Lloyd M. Brett, First Cavalry, promoted.

PROMOTIONS AND APPOINTMENT IN THE NAVY.

The following-named lieutenant commanders to be commanders in the Navy from the 1st day of July, 1914:

John V. Klemann,
James J. Raby,
Kenneth M. Bennett, and
Edward H. Watson.

The following-named lieutenants to be lieutenant commanders in the Navy from the 1st day of July, 1914:

William H. Allen,
Jesse B. Gay, and
Guy W. S. Castle.

Lieut. (Junior Grade) James J. Manning to be a lieutenant in the Navy from the 20th day of June, 1914.

Lieut. (Junior Grade) Rufus W. Mathewson to be a lieutenant in the Navy from the 1st day of July, 1914.

The following-named ensigns to be lieutenants (junior grade) in the Navy from the 5th day of June, 1914:

Thomas E. Van Metre,
James B. Glennon, and
Lemuel E. Lindsay.

First Lieut. Emile P. Moses to be a captain in the Marine Corps from the 12th day of July, 1914.

William A. Brams, a citizen of Illinois, to be an assistant surgeon in the Medical Reserve Corps of the Navy from the 15th day of August, 1914.

POSTMASTERS.

ARIZONA.

C. B. Wood to be postmaster at Phoenix, Ariz., in place of J. H. McClintock. Incumbent's commission expired March 5, 1914.

CALIFORNIA.

John J. Blaney to be postmaster at Weaverville, Cal., in place of Albert L. Paulsen, resigned.

Myrtle A. Haycock to be postmaster at Lakeport, Cal., in place of Allen H. Spurr, removed.

ILLINOIS.

Frank W. Freeman to be postmaster at Grant Park, Ill., in place of Albert Bothfuhr, resigned.

E. S. Patterson to be postmaster at Stockton, Ill., in place of Isaac W. Parkinson, removed.

IOWA.

John E. McHugh to be postmaster at Lisbon, Iowa, in place of William F. Stahl. Incumbent's commission expired April 21, 1914.

Richard O'Connor to be postmaster at Neola, Iowa, in place of John G. Bardsley. Incumbent's commission expired April 15, 1914.

John Vanderwicken to be postmaster at Grundy Center, Iowa, in place of W. E. Morrison. Incumbent's commission expired April 21, 1914.

KENTUCKY.

J. N. Rule to be postmaster at Falmouth, Ky., in place of Frank W. Stith, removed.

MINNESOTA.

James McGinn to be postmaster at Minneota, Minn., in place of Herman N. Dahl, deceased.

NEW MEXICO.

George Hoffman to be postmaster at Belen, N. Mex., in place of John Becker, resigned.

W. L. Radney to be postmaster at Roswell, N. Mex., in place of Arthur H. Rockafellow, resigned.

NORTH CAROLINA.

William Cannon to be postmaster at Saluda, N. C. Office became presidential July 1, 1914.

PENNSYLVANIA.

Jacob L. Hershey to be postmaster at Youngwood, Pa., in place of John W. Gardner, deceased.

Milton J. Porter to be postmaster at Wayne, Pa., in place of Albert M. Ehart, removed.

SOUTH DAKOTA.

George Winans to be postmaster at White Rock, S. Dak., in place of Howard Squires. Incumbent's commission expired January 10, 1914.

TENNESSEE.

William P. Chandler to be postmaster at Knoxville, Tenn., in place of Cary F. Spence, resigned.

TEXAS.

W. T. Jackman to be postmaster at San Marcos, Tex., in place of John M. Cape, resigned.

CONFIRMATIONS.

Executive nominations confirmed by the Senate August 27 (legislative day, August 25), 1914.

SUPERINTENDENT OF THE UNITED STATES ASSAY OFFICE.

Verne M. Bovie to be superintendent of the United States assay office at New York, N. Y.

PROMOTIONS IN THE ARMY.

ADJUTANT GENERAL'S DEPARTMENT.

Lieut. Col. Eugene F. Ladd to be adjutant general with rank of colonel.

CAVALRY ARM.

Lieut. Col. Franklin O. Johnson to be colonel.
Maj. George W. Read to be lieutenant colonel.
Capt. Louis C. Scherer to be major.
First Lieut. William B. Renziehausen to be captain.
Second Lieut. William C. McChord to be first lieutenant.

INFANTRY ARM.

Lieut. Col. Everard E. Hatch to be colonel.
Lieut. Col. David C. Shanks to be colonel.
Maj. David J. Baker, jr., to be lieutenant colonel.
Maj. Benjamin A. Poore, to be lieutenant colonel.
Capt. William Newman to be major.
Capt. Frank A. Wilcox to be major.
First Lieut. John S. Chambers to be captain.
First Lieut. James Regan to be captain.
First Lieut. Gilbert M. Allen to be captain.
Second Lieut. Robert E. O'Brien to be first lieutenant.

COAST ARTILLERY CORPS.

Second Lieut. Richard F. Cox to be first lieutenant.

APPOINTMENTS IN THE ARMY.

INFANTRY ARM.

John W. Hyatt, of Virginia, to be second lieutenant.

MEDICAL RESERVE CORPS.

To be first lieutenants with rank from August 6, 1914.

Grover Cleveland Buntin.
George Davies Chunn.
Frank Henry Dixon.
William Daniel Heaton.
Augustus Benjamin Jones.

Harry Dumont Offutt.
Thomas Iliff Price.
Lloyd Earl Tefft.
Herman Gustave Maul.

To be first lieutenants with rank from August 15, 1914.

Frank Ernest Winter.
Eveleth Wilson Bridgman.
William Daugherty Petit.
Frank Humbert Hustead.
Francis Eugene Prestley.
Paul Frederic Martin.
John Randolph Hall.
George Matthew Kesl.
Clyde Dale Pence.
William Howard Michael.

To be first lieutenant with rank from August 19, 1914.

Charles Mallon O'Connor, jr.

PROMOTIONS AND APPOINTMENT IN THE NAVY.

Lieut. Commander Franklin D. Karns to be a commander.
Lieut. Owen H. Oakley to be a lieutenant commander.
Lieut. (Junior Grade) Charles C. Gill to be a lieutenant.
The following-named ensigns to be lieutenants (junior grade):
Cummings L. Lothrop, jr.,
Roland M. Comfort,
George N. Reeves, jr.,
Thalbert N. Alford,
Solomon Endel,
Lawrence Townsend, jr., and
Dennis E. Kemp.
Midshipman Paul W. Fletcher to be an ensign.
Asst. Surg. Chester M. George to be a passed assistant surgeon.
Charles F. Glenn to be an assistant surgeon.

POSTMASTERS.

MASSACHUSETTS.

F. J. Sullivan, Monson.

NEW YORK.

Eugene M. Andrews, Endicott.

PENNSYLVANIA.

Josephine R. Callan, Cresson.

TENNESSEE.

William P. Chandler, Knoxville.

HOUSE OF REPRESENTATIVES.

THURSDAY, *August 27, 1914.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Almighty and most merciful God, our heavenly Father, we bless Thee for every great thought, for every noble deed, for every passion slain, for every moral victory, for every true friendship, for the love that never faileth, for every upward help which brings mankind nearer to each other in the bonds of brotherhood and nearer to Thee, our God and our Father. And we pray that the genius of the Christian religion may be fulfilled in a world-wide peace. And glory and honor and praise be Thine forever. Amen.

The SPEAKER. The Clerk will read the Journal.

Mr. BUTLER. Mr. Speaker, I do not see how any Member can conscientiously draw his salary unless he listens to the reading of the Journal, and I make the point that there is no quorum present.

Mr. UNDERWOOD. Mr. Speaker, I suppose a quorum is not present now, and I therefore move a call of the House.

Mr. MANN. The Speaker has not yet announced it.

The SPEAKER. The Chair announces that there is no quorum present.

Mr. UNDERWOOD. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The SPEAKER. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll.

The roll was called, and the following Members failed to answer to their names:

Adair	Aswell	Bartholdt	Browne, Wis.
Aiken	Austin	Bartlett	Browning
Ainey	Baltz	Beall, Tex.	Brumbaugh
Ansberry	Barchfeld	Bell, Ga.	Calder
Anthony	Barkley	Brown, N. Y.	Church
Clancy	Gill	Lafferty	Peterson
Cooper	Gittins	Langham	Plumley
Copley	Glass	Langley	Porter
Covington	Graham, Ill.	Lazaro	Powers
Crisp	Graham, Pa.	L'Engle	Rainey
Decker	Griest	Lenroot	Riordan
Dickinson	Guernsey	Lewis, Pa.	Rogers
Dies	Hamill	Lindquist	Rubey
Dillon	Hamilton, Mich.	Linthicum	Russell
Dixon	Hamilton, N. Y.	Loft	Sabath
Dooling	Hardwick	McGillicuddy	Shackleford
Doolittle	Hayes	McGuire, Okla.	Sherley
Eagle	Heflin	McKenzie	Smith, Minn.
Elder	Hensley	Mahan	Smith, N. Y.
Esch	Hill	Maher	Steenerson
Estopinal	Hinds	Martin	Stout
Fairchild	Hinebaugh	Merritt	Stringer
Faison	Hobson	Metz	Sumners
Fess	Hoxworth	Miller	Switzer
Finley	Igoe	Montague	Taggart
Fitzgerald	Johnson, Ky.	Morgan, La.	Thacher
Flood, Va.	Kennedy, Conn.	Mott	Townsend
Foster	Kent	Murdock	Underhill
Fowler	Kindel	Neeley, Kans.	Wallin
Francis	Kirkpatrick	Nolan, J. I.	Watkins
Gallivan	Knowland, J. R.	Padgett	Whaley
Gardner	Konop	Patten, N. Y.	Wilson, N. Y.
George	Kreider	Peters	Winslow

The SPEAKER. On this roll call 290 Members have responded—a quorum. [Applause.]

Mr. UNDERWOOD. Mr. Speaker, I move to dispense with further proceedings under the call.

The question was taken, and the Speaker announced that the ayes seemed to have it.

Mr. BUTLER. I demand a division, Mr. Speaker.

The House divided; and there were—ayes 153, noes 76.

Mr. BUTLER. I demand the yeas and nays.

Mr. UNDERWOOD. Mr. Speaker, I make the point of order that that motion is dilatory. There is no question as to the result of the vote to dispense with further proceedings under the call. And there can be no question but that the gentleman from Pennsylvania makes his motion for no other purpose than to delay the House in its proceedings. If it was a vote of moment, of course the gentleman would be entitled to a roll call. But a quorum being here, it is absolutely necessary to dispense with further proceedings under the call in order that the House may transact business. There can be no purpose in the motion of the gentleman from Pennsylvania except to delay by dilatory tactics.

Mr. BUTLER. Mr. Speaker, I do not propose that the gentleman shall question my motive. I am a Member of this House, and have a right to demand the yeas and nays.

Mr. UNDERWOOD. I do not question the gentleman's motives. They are so apparent that nobody could question them.

The SPEAKER. The gentleman from Alabama [Mr. UNDERWOOD] has a perfect right to insist that the motion is dilatory, if he wishes to do so. It is not a personal reflection on the gentleman from Pennsylvania.

Mr. MANN. Mr. Speaker, the gentleman from Alabama [Mr. UNDERWOOD], in his efforts to maintain a quorum, introduced a resolution, which the House passed a few days ago, for the purpose of getting Members back to Washington.

Now, this side of the House has the right to make an effort to have the Sergeant at Arms bring them back. It is not a dilatory proposition at all. Whether it ought to be done or not is for the House to determine. The gentleman from Alabama [Mr. UNDERWOOD] proposes one way to get them back, by deducting pay. We may propose another way to get them back by having the Sergeant at Arms not merely telegraph for them, but to issue warrants for their arrest and have them come back. [Applause on the Republican side.]

I call the attention of the Speaker to the fact that the right of demanding the yeas and nays is a constitutional right which can not be swept away by a gesture.

The SPEAKER. The last roll call showed that there were 290 Members present, very much above a quorum; and yet the demand for the yeas and nays is a constitutional right. It does not make any difference what the gentleman is up to [laughter]; that is one of the things that the Speakers of the House have always been very careful about. Those in favor of calling the yeas and nays will rise and stand until they are counted. [After counting.] Fifty-eight gentlemen have risen—a sufficient number—and the Clerk will call the roll. Those in favor of dispensing with further proceedings under the call will answer "yea"; those opposed will answer "nay."

The question was taken; and there were—yeas 226, nays 69, answered "present" 5, not voting 131, as follows:

YEAS—226.

Abercrombie	Baker	Booher	Broussard
Adamson	Barnhart	Borchers	Brown, W. Va.
Alexander	Barton	Borland	Bruckner
Allen	Bathrick	Bowdle	Buchanan, Ill.
Ashbrook	Beakes	Brockson	Buchanan, Tex.
Bailey	Blackmon	Brodbeck	Bulkley

Burgess	Garrett, Tex.	Lloyd	Sells
Burke, Pa.	Gerry	Lobeck	Sherwood
Burke, S. Dak.	Gilmore	Logue	Sims
Burke, Wis.	Godwin, N. C.	Lonergan	Sinnott
Burnett	Gocke	McAndrews	Sisson
Byrnes, S. C.	Goldfogle	McClellan	Slayden
Byrns, Tenn.	Goodwin, Ark.	McCoy	Slemp
Callaway	Gordon	McKellar	Small
Candler, Miss.	Gorman	Maguire, Nebr.	Smith, Md.
Cantor	Goulden	Mann	Smith, Minn.
Cantrill	Gray	Metz	Smith, Saml. W.
Caraway	Gregg	Mitchell	Smith, Tex.
Carew	Griffin	Montague	Sparkman
Carlin	Gudger	Moon	Stafford
Carr	Hamlin	Morgan, Okla.	Stanley
Carter	Hammond	Morrison	Stedman
Casey	Hardy	Moss, Ind.	Stephens, Miss.
Clark, Fla.	Harris	Mulkey	Stephens, Nebr.
Claypool	Harrison	Murray, Mass.	Stevens, N. H.
Cline	Hart	Murray, Okla.	Stone
Coady	Hay	Neely, W. Va.	Talbott, Md.
Collier	Hayden	Norton	Talcott, N. Y.
Connelly, Kans.	Helgesen	O'Brien	Tavenner
Connolly, Iowa	Helm	Oglesby	Taylor, Ala.
Conry	Helvering	O'Hair	Taylor, Ark.
Cox	Holland	Oldfield	Taylor, Colo.
Crosser	Houston	O'Leary	Taylor, N. Y.
Cullop	Howard	O'Shaunessy	Ten Eyck
Curry	Hughes, Ga.	Page, N. C.	Thomas
Davenport	Hull	Palmer	Thompson, Okla.
Davis	Humphreys, Miss.	Park	Thomson, Ill.
Deitrick	Jacoway	Patten, N. Y.	Townsend
Dent	Johnson, S. C.	Payne	Tribble
Dershem	Jones	Phelan	Tuttle
Difenderfer	Keating	Post	Underwood
Donohoe	Keister	Pou	Vaughan
Donovan	Kelly, Pa.	Quin	Vollmer
Doremus	Kennedy, Conn.	Ragsdale	Walker
Doughton	Kettner	Raker	Walsh
Driscoll	Key, Ohio	Rauch	Watson
Eagan	Kinkead, N. J.	Rayburn	Weaver
Edwards	Kitchin	Reed	Webb
Evans	Korbly	Reilly, Conn.	Whitacre
Fergusson	La Follette	Reilly, Wis.	White
Ferris	Lee, Ga.	Rothermel	Williams
FitzHenry	Lee, Pa.	Rouse	Wilson, Fla.
Floyd, Ark.	Lesher	Rucker	Wingo
Gallagher	Lever	Rupley	Witherspoon
Gard	Levy	Saunders	Young, Tex.
Garner	Lewis, Md.	Scully	
Garrett, Tenn.	Lieb	Seldomridge	

NAYS—69.

Anderson	French	Lindbergh	Smith, Idaho
Avis	Gillett	McLaughlin	Smith, J. M. C.
Bell, Cal.	Good	MacDonald	Stephens, Cal.
Britten	Green, Iowa	Madden	Stevens, Minn.
Bryan	Greene, Mass.	Manahan	Sutherland
Butler	Greene, Vt.	Mapes	Temple
Campbell	Haugen	Mondell	Towner
Cary	Hawley	Morin	Treadway
Chandler, N. Y.	Howell	Moss, W. Va.	Vare
Cramton	Hughes, W. Va.	Paige, Mass.	Volstead
Danforth	Humphrey, Wash.	Parker	Walters
Drukker	Johnson, Utah	Patton, Pa.	Willis
Dunn	Johnson, Wash.	Platt	Woodruff
Edmonds	Kahn	Roberts, Mass.	Woods
Falconer	Kelley, Mich.	Roberts, Nev.	Young, N. Dak.
Farr	Kennedy, Iowa	Scott	
Fordney	Kennedy, R. I.	Shreve	
Frear	Kinkaid, Nebr.	Sloan	

ANSWERED "PRESENT"—5.

Dupré	Henry	Hulings	Stephens, Tex.
Fields			

NOT VOTING—131.

Adair	Eagle	Hobson	Neeley, Kans.
Aiken	Elder	Hoxworth	Nelson
Ainey	Esch	Igoe	Nolan, J. I.
Ansberry	Estopinal	Johnson, Ky.	Padgett
Anthony	Fairchild	Kent	Peters
Aswell	Faison	Kiess, Pa.	Peterson
Austin	Fess	Kindel	Plumley
Baltz	Finley	Kirkpatrick	Porter
Barchfeld	Fitzgerald	Knowland, J. R.	Powers
Barkley	Flood, Va.	Konop	Prouty
Bartholdt	Foster	Kreider	Rainey
Bartlett	Fowler	Lafferty	Riordan
Beall, Tex.	Francis	Langham	Rogers
Bell, Ga.	Gallivan	Langley	Rubey
Brown, N. Y.	Gardner	Lazaro	Russell
Browne, Wis.	George	L'Engle	Sabath
Browning	Gill	Lenroot	Shackleford
Brumbaugh	Gittins	Lewis, Pa.	Sherley
Calder	Glass	Lindquist	Smith, N. Y.
Church	Graham, Ill.	Linthicum	Steenerson
Clancy	Graham, Pa.	Loft	Stout
Cooper	Griest	McGillicuddy	Stringer
Copley	Guernsey	McGuire, Okla.	Sumners
Covington	Hamill	McKenzie	Switzer
Crisp	Hamilton, Mich.	Mahan	Taggart
Dale	Hamilton, N. Y.	Maher	Thacher
Decker	Hardwick	Martin	Underhill
Dickinson	Hayes	Merritt	Wallin
Dies	Heflin	Miller	Watkins
Dillon	Hensley	Moore	Whaley
Dixon	Hill	Morgan, La.	Wilson, N. Y.
Dooling	Hinds	Mott	Winslow
Doolittle	Hinebaugh	Murdock	

So the motion to dispense with further proceedings under the call was agreed to.

The Clerk announced the following pairs:

Until further notice:

Mr. FIELDS with Mr. LANGLEY.
Mr. RIORDAN with Mr. POWERS.
Mr. UNDERHILL with Mr. STEENERSON.
Mr. IGOE with Mr. BROWNE of Wisconsin.
Mr. FLOOD of Virginia with Mr. COPLEY.
Mr. DIXON with Mr. COOPER.
Mr. RAINEY with Mr. BARCHFELD.
Mr. AIKEN with Mr. ANTHONY.
Mr. HARDWICK with Mr. J. R. KNOWLAND.
Mr. DICKINSON with Mr. GRAHAM of Pennsylvania.
Mr. PETERSON with Mr. PETERS.
Mr. SHERLEY with Mr. PORTER.
Mr. FRANCIS with Mr. FESS.
Mr. ELDER with Mr. WINSLOW.
Mr. BELL of Georgia with Mr. CALDER.
Mr. MORGAN of Louisiana with Mr. LINDQUIST.
Mr. SHACKLEFORD with Mr. GRIEST.
Mr. RUBEY with Mr. LANGHAM.
Mr. RUSSELL with Mr. LA FOLLETTE.
Mr. KONOP with Mr. HAMILTON of Michigan.
Mr. CHURCH with Mr. MCGUIRE of Oklahoma.
Mr. MCGILLICUDDY with Mr. GUERNSEY.
Mr. SABATH with Mr. SWITZER.
Mr. CLANCY with Mr. HAMILTON of New York.
Mr. ASWELL with Mr. AINEY.
Mr. HENRY with Mr. HINDS.
Mr. GALLIVAN with Mr. KREIDER.
Mr. ADAIR with Mr. AUSTIN.
Mr. BALTZ with Mr. DILLON.
Mr. BARKLEY with Mr. FAIRCHILD.
Mr. BARTLETT with Mr. HAYES.
Mr. DECKER with Mr. BROWNING.
Mr. DOOLITTLE with Mr. HINEBAUGH.
Mr. ESTOPINAL with Mr. KIESS of Pennsylvania.
Mr. FINLEY with Mr. MCKENZIE.
Mr. FITZGERALD with Mr. MILLER.
Mr. FOSTER with Mr. MARTIN.
Mr. FAISON with Mr. LAFFERTY.
Mr. GLASS with Mr. MOTT.
Mr. HEFLIN with Mr. MOORE.
Mr. GRAHAM of Illinois with Mr. PLUMLEY.
Mr. HENSLEY with Mr. NELSON.
Mr. PADGETT with Mr. MERRITT.
Mr. STEPHENS of Texas with Mr. BARTHOLDT.
Mr. TAGGART with Mr. J. I. NOLAN.
Mr. WATKINS with Mr. ROGERS.
Mr. WHALEY with Mr. WALLIN.

The result of the vote was announced as above recorded.

The SPEAKER. The Doorkeeper will open the doors. The Clerk will read the Journal.

The Journal of the proceedings of yesterday was read and approved.

LEAVE OF ABSENCE.

By unanimous consent, leaves of absence were granted as follows:

To Mr. TAGGART, on account of sickness.

To Mr. FOWLER (at the request of Mr. BOOHER), indefinitely, on account of sickness.

To Mr. RAINEY, for two weeks, on account of sickness in his family.

To Mr. ADAIR, indefinitely, on account of sickness.

ACTS OF SEVENTH LEGISLATIVE ASSEMBLY OF PORTO RICO.

Mr. JONES. Mr. Speaker, on the 22d of this month the President of the United States transmitted to the Congress copies of the acts and resolutions of the extraordinary session of 1913 and regular and extraordinary sessions of 1914 of the Seventh Legislative Assembly of Porto Rico, and stated in his message transmitting these copies that they had not been printed. I therefore ask that they be printed as a House document.

The SPEAKER. The gentleman from Virginia [Mr. JONES] asks to have printed as a House document the acts and proceedings of the last Porto Rico Legislature.

Mr. JONES. Of the extraordinary session of 1913 and the regular and extraordinary sessions of 1914.

The SPEAKER. Is there objection?

Mr. BARNHART. Mr. Speaker——

Mr. MANN. Reserving the right to object——

Mr. BARNHART. I yield to the gentleman from Illinois.

Mr. MANN. Has the gentleman from Virginia a printed copy of the document?

Mr. JONES. There are, I believe, only one or two printed copies, and they came from Porto Rico.

Mr. MANN. The law requires them to send several copies. What good will it do for us to print the Porto Rican laws, they having been printed in Porto Rico, and being in possession of the people of Porto Rico who need to make use of them?

Mr. JONES. I am informed by the War Department that there are many requests for these laws. My attention was called by the War Department to the fact that the message transmitting this document had been sent to the House, and that while it had been referred by the House to the Committee on Insular Affairs no order was made looking to printing the acts.

Mr. MANN. I remember a few years ago we did order some such document printed——

Mr. JONES. I think it has been the custom in the past.

Mr. MANN. And there were a large number printed, and they were absolutely useless. I suggest to the gentleman that he introduce a resolution to print the document and have the resolution go before the Committee on Printing. It will be a privileged matter, and in that way the committee will have an opportunity to ascertain what copies are needed.

Mr. JONES. Mr. Speaker, I will say to the gentleman that copies of the laws of the Philippines have been published recently as a Senate document, and that the War Department is very anxious to have this printing done as soon as possible. My attention has been called to it twice. I have no personal interest at all in the matter, but the War Department is very anxious that this shall be done. There are demands in this country for copies of these laws, and they are not by any means useless documents.

Mr. MANN. Naturally, the War Department is very anxious to have the House print, out of the congressional printing fund, documents for the use of the War Department instead of having them printed out of the War Department fund.

Mr. JONES. Of course, the gentleman understands that the War Department has jurisdiction over Porto Rican matters.

Mr. MANN. Oh, I understand that.

Mr. JONES. And he understands, of course, that applications are constantly being made to the War Department for documents of this sort.

Mr. MANN. And I understand—although I may be mistaken about it—that the War Department has full power to print this; but it would have to pay for it out of the appropriation for the War Department printing.

Mr. JONES. I am not able to speak positively as to that; but I should not think that the War Department ought to pay for this printing, even if it has a printing fund and authority to use it for this purpose. This printing is for the use of Congress. The War Department should not be required to have it done out of its funds, even if it could do so, as to which I have no information.

Mr. BARNHART. Mr. Speaker, will the gentleman yield? The War Department, like all other departments, makes up its estimates each year for the appropriation bill. The War Department certainly knew of this extraordinary session of the Legislature of Porto Rico, and it had ample time before the passage of the appropriation bill to estimate for this printing. But it is the custom of many of the departments to make their estimates and then get just as much printing out of Congress as they possibly can, and until I can have some further information on it than that the department wants it and that it has no provision to pay for it I shall object.

Mr. JONES. Mr. Speaker, if the gentleman is going to object, I shall be very glad to get this information and call the matter up at a later date.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES.

A message in writing from the President of the United States was communicated to the House of Representatives by Mr. Latta, one of his secretaries, who also informed the House of Representatives that the President had, on August 27, 1914, approved and signed bill of the following title:

H. R. 92. An act to extend the general land laws to the former Fort Bridger Military Reservation, in Wyoming.

OFFICE OF INFORMATION, DEPARTMENT OF AGRICULTURE.

The SPEAKER. The Chair has a report from the Secretary of Agriculture in response to a resolution of inquiry asking about a press agency in the department. If there be no objection, this report will be printed in the RECORD.

There was no objection.

The report is as follows:

DEPARTMENT OF AGRICULTURE,
Washington, August 21, 1914.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor of complying with the request and direction of the House of Representatives that I furnish detailed information called for in House resolution 573.

First. A press agency, as defined and commonly understood, is one which looks after newspaper advertising for any sort of enterprise. There is not under the administration of the Department of Agriculture any such agency. As a matter of fact, the department, by specific rule, strictly prohibits the employment of any press agent or publicity expert for the purpose of advertising the department, any bureau, or any individual connected with the Department of Agriculture, and chiefs of bureaus and heads of offices and divisions are instructed to see that no work of this character is performed by any of the employees under them.

There is under the administration of the Department of Agriculture an Office of Information. The facts concerning this office are a matter of record. Its purpose is discussed in the Report of the Secretary of Agriculture for 1913.

The reasons for its establishment and its function were set forth by Assistant Secretary Galloway before the House Committee on Agriculture in December.

This work was entered upon in pursuance of the organic act creating a Department of Agriculture, "the general design and duties of which shall be to acquire and to diffuse among the people of the United States useful information on subjects connected with agriculture in the most general and comprehensive sense of that word," and in efficient execution of the purposes of the department.

The Nation is spending through the department many millions of dollars in acquiring agricultural information. It would seem to be little short of criminal to spend millions of dollars to acquire information and not to use every possible efficient agency available for placing it at the disposal of the people as promptly as possible. It is the purpose of the office with as little delay as possible, through every proper medium, to give the knowledge which the department possesses as the result of investigations and field work to all the people who desire it or should have it. The office undertakes to deal solely with facts, with suggestions of remedies, and of methods of applying them in every field of agriculture.

Up to a comparatively short time ago the printed matter conveying information was in the form of bulletins and circulars limited to issues of from two to forty thousand copies. Not infrequently much time was required for the final preparation of the bulletin, for its printing, and for its distribution. In the nature of things, the bulletins could not reach a great mass of the farmers. Many farmers did not even know of the existence of the department, and knew nothing of the service it could render. They did not know of the existence of bulletins which would be helpful to them or how to secure them, and in many cases they could secure them only with considerable inconvenience and some expense. Furthermore, the bulletins were not infrequently difficult to interpret, to understand, and to apply. One particular duty of the office is to prepare matter which frequently comes from the bureau in technical or scientific form in simple language more readily understood by the great mass of lay readers. Again, it seemed easier through this office to select matter of special value to particular districts or sections of the Union and to prepare and have it distributed to such sections quickly. Emergencies frequently arise in which information to be of value must be placed within a few hours in the hands of the farmers. The delay in issuing official printed bulletins and mailing them often defeated the possibility of service. In case of distant States the mailing time to and from Washington caused from 12 days to 2 weeks to elapse before the desired information could be delivered. In many cases, where the department's supply of printed publications was exhausted, it was necessary to inform the farmer that he must send 5 or 10 cents to the superintendent of documents to obtain the desired publications. This involved on the farmer's part the writing of a second letter to the superintendent of documents and another delay of 12 days or 2 weeks. In cases actually worked out, where the publication desired was not available from the department, farmers in Pacific Coast States have been unable to obtain the information in less than 30 days. In short, it seemed a matter of great urgency to make available through every proper channel at the earliest possible moment to the 6,000,000 farm families of the Union the knowledge which the department had acquired and was increasingly acquiring, and to do this in as simple language as possible.

As the result of long observation, as well as of careful survey, the department reached the conclusion that, aside from the conveying of information by competent persons directly to farmers on their farms, the most efficient medium for reaching the farmers was the agricultural press, and that next to this the most efficient mediums were the daily and weekly press which devoted space to agricultural matters. It was ascertained that these journals would gladly use material if it were furnished to them in such form as to be readily available. It seemed desirable to have an office which could do this, because through it the matter could be more accurately and efficiently presented. It was also discovered that representative journals would telegraph to their home offices items giving important and urgent agricultural information bearing upon pressing problems.

This whole matter was made the subject of a conference with the chiefs of bureaus, other officers of the department, and expert writers and journalists. As the result of this conference the plan described was agreed upon.

RESULTS OF THE WORK OF THE OFFICE.

Not only has the establishment of this office resulted in a fuller knowledge on the part of the farmers of the fact that they can get assistance and that bulletins are available, but it has led to a much larger call for bulletins and supplied a vast amount of information to the journals to which reference has been made.

During the fiscal years 1913 and 1914 the staff of the Office of Information prepared and issued in mimeograph form to the agricultural press and newspapers 512 summaries or condensed statements of facts and 30 special items to the press associations covering quarantine notices and supplementary statements regarding crop estimates. In addition, each week from 10 to 20 pages of typewritten material have been prepared specially and supplied to rural weekly papers. In each case the summary was circulated only to editors in the geographic or agricultural territory to which the information is directly applicable. The office also has cooperated with many editors or their representa-

tives, who write or telephone or call in person for special information needed by them in the preparation of agricultural articles. The office has answered daily from 20 to 40 letters requesting information not covered directly by existing publications or not falling within the province of any one of the department's bureaus or offices.

While no effort has been made to keep a complete account of the use of material by publications, a rough estimate of the circulation has been made. It is established that the material issued by the Office of Information has appeared at least on the following number of printed pages in the public press during the months indicated:

	Monthly circulation.
November, 1913	137,993,802
December, 1913	179,075,030
January, 1914	218,239,313
February, 1914	243,175,625
March, 1914	275,697,536
April, 1914	288,331,997
May, 1914	270,686,427
June, 1914	303,783,190
July, 1914	310,376,171

These figures do not accurately represent the total circulation of this material. They do not include the department's material which appears in the pages of nearly every agricultural journal and much special material on practical farming carried by weekly country papers.

As a result of this service many daily papers which heretofore had given no attention to agriculture are now devoting considerable space to publishing the department's brief, simple statements as to improved methods of farming or as to control of crop pests of direct local value. These reach the farmers promptly through the Rural Free Delivery Service.

Second. Twelve persons are employed in the Office of Information. These are under the direction of George W. Wharton, as Chief of the Office of Information.

The following list gives the name of each employee of the office, the salary that he receives, and roll upon which he is carried:

Name and salary.	Title.	Roll.
Wharton, George W. ($3,000)	Chief, Office of Information.	Chemistry (any lump).
Mitchell, Edward B. ($2,000)	Assistant chief	Do.
Dunlap, Maurice ($1,600)[1]	Clerk, class 3	Secretary (statutory).
Brennan, Robert T. ($1,400)	Clerk, class 2	Bureau of Animal Industry (any lump).
Hafford, Thomas A. ($1,200)	Clerk, class 1	Office of Experiment Stations (any lump).
Anderson, M. N. ($1,200)	do	Secretary (statutory).
Anderson, A. S. ($1,020)	Clerk	Chemistry (statutory).
Higgins, Hugh ($1,000)	do	Secretary (statutory).
Hill, Ira B. ($900)	Stenographer-typist	Chemistry (statutory).
Clark, John H. ($900)	Clerk-typist	Forestry (statutory).
Connors, John J. ($840)	Skilled laborer	Secretary (statutory).
White, Maurice B. ($480)	Messenger boy	Do.

[1] Writer.

Third. George W. Wharton is employed in the Department of Agriculture as Chief of the Office of Information. His duties are:

(a) To organize and direct the work of the Office of Information, and to translate the scientific and technical discoveries, reports, and orders of the department into simple, practical statements of facts, so as to make them readily intelligible to lay readers and so as to secure their widespread publication in the agricultural and other publications.

(b) To prepare the material for and issue the Weekly News Letter to Crop Correspondents, and to serve as a member of the editorial committee of the farmers' bulletin known as the Agricultural Outlook, published monthly during the crop season.

(c) On the order of the Secretary, to conduct special inquiries, such as that recently addressed to the housewives of farmers, and to prepare special reports, bulletins, and other publications for the office of the Secretary.

(d) To collect or direct the collection of special agricultural data for special districts, and to aid in the preparation and dissemination of information specifically adapted to the agriculture of different localities. This has resulted in a complete card index, giving the agricultural production and summaries of information for each congressional district in the United States.

Mr. Wharton receives a salary of $3,000 per annum, payable as follows:

July 1 to October 1, 1914, by the Bureau of Chemistry.
October 1, 1914, to January 1, 1915, by the Bureau of Plant Industry.
January 1 to April 1, 1915, by the Bureau of Animal Industry.
April 1 to July 1, 1915, by the Weather Bureau.

These bureaus furnish the greater part of the material which the office prepares for publication.

Mr. Wharton was temporarily appointed, with the consent of the Civil Service Commission, as Chief of the Office of Information, at a salary of $2,500 per annum, on June 7, 1913.

When the Office of Information was created, on May 16, 1913, the Civil Service Commission had no list of eligibles from which a chief of the office could be appointed. On May 24, 1913, the department requested the Civil Service Commission to hold an examination at the earliest practicable date to establish a list of eligibles for this position, and in order that the work might be begun at once the Civil Service Commission was requested to authorize a temporary appointment. On May 26, 1913, the Civil Service Commission authorized the department to appoint temporarily a Chief of the Office of Information. The letter of the department to the commission and the commission's reply are attached hereto, marked, respectively, Exhibits "A" and "B."

On August 18, 1913, the Civil Service Commission announced a competitive examination for the position of Chief of the Office of Information. A copy of the notice of examination is attached hereto, marked "Exhibit C." Mr. Wharton took this examination and passed at the head of the list. On October 20, 1913, the Civil Service Commission forwarded to the department certificate No. 9016, a copy of which is attached hereto, marked "Exhibit D," giving a list of eligibles from which to make a permanent appointment of Chief of the Office of Information. On November 5, 1913, Mr. Wharton was given a probationary appointment, at a salary of $2,500 per annum, and at the conclusion of the probationary period of six months Mr. Wharton's appointment was made permanent. On July 1, 1914, as a result of service performed, Mr. Wharton's salary was increased to $3,000 per annum.

Fourth. Edward B. Mitchell is employed in the Department of Agriculture as Assistant Chief of the Office of Information. He was temporarily appointed March 17, 1914, with the consent of the Civil Service Commission, at a salary of $2,000 per annum, on the miscellaneous roll of the Bureau of Chemistry.

Mr. Mitchell prepares for publication statements of the results of the department's work. He assists the Chief of the Office of Information in the direction of its work and serves as acting chief in the absence of the chief.

The growth of the work of the Office of Information early in 1914 made it necessary to appoint an assistant possessing executive and editorial ability. Of the three eligibles remaining on the Civil Service list for the position of chief after the appointment of Mr. Wharton, one declined the position of assistant chief; one had already been appointed to a subordinate position in the office, and the third was deemed not to have had sufficient training and experience to warrant his appointment as assistant chief. The department, accordingly, on March 7, 1914, requested the Civil Service Commission to hold an examination to establish an eligible register from which an Assistant Chief of the Office of Information could be appointed, and at the same time requested the commission to authorize a temporary appointment. On March 12, 1914, the Civil Service Commission granted permission to make the appointment. Copies of the department's letter to the commission and the commission's reply are attached hereto, marked Exhibits "E" and "F."

On March 17, 1914, Mr. Mitchell was temporarily appointed Assistant Chief of the Office of Information, and on May 18 the Civil Service Commission announced a competitive examination for this position. A copy of the notice of examination is attached hereto, marked "Exhibit G." On June 10, 1914, the Civil Service Commission furnished the department with certificate No. 10601 (copy of which is attached hereto, marked "Exhibit H"), giving a list of eligibles for appointment to the position of Assistant Chief of the Office of Information. Mr. Mitchell was No. 1 on the list, and on June 16, 1914, he was given a probationary appointment as Assistant Chief of the Office of Information for a period of six months at a salary of $2,000 per annum, on the miscellaneous roll of the Bureau of Chemistry.

Fifth. This office is not now being used and never has been used for private interests, either directly or indirectly. As has been stated, it limits itself to the discussion of established facts and approved information. It has refrained from discussing personnel, entering into controversies, or commenting on legislation. It has not dealt with the policies of the department, discussed future measures, or praised individuals or organizations.

Respectfully, D. F. HOUSTON, *Secretary.*

[Inclosures.]

EXHIBIT A.

MAY 24, 1913.

The honorable the PRESIDENT OF THE UNITED STATES CIVIL SERVICE COMMISSION.

SIR: I would respectfully request that a special examination be held at the earliest practicable date for the purpose of establishing an eligible list from which selection and appointment may be made of a male chief of the Office of Information in this department, at a salary at the rate of $2,500 per annum. Pending the establishment of such an eligible list it is respectfully requested that the commission issue an approval certificate authorizing a temporary appointment.

The Office of Information, about to be created in this department, is to act as a clearing house of information between the scientific sources and the public direct and through the press, for the purpose of increasing the amount of printed agricultural information developed by the Department of Agriculture and to heighten the direct educational value of published matter. Through this work the following general results will be sought:

1. A wider dissemination of information concerning the scientific discoveries and researches of the department through the extraction from technical bulletins of material of popular interest or practical value, and its presentation in a form that will be understandable and usable by the general public.

2. A better understanding on the part of the public of the work of the Department of Agriculture, of the functions of its various bureaus and offices, of the processes on which it bases recommendations, and thus to bring about a closer cooperation between the department and the people.

The special examination referred to should be limited to males between 30 and 45 years of age, and consist of the following subjects and weights:

1. Education: A degree from a college of good standing is a prerequisite	20
2. Experience in educational extension work	40
3. Editorial experience	20
4. Published papers or magazine articles, prepared by applicant, tending to show fitness for work of this particular type	20
	100

In view of the fact that it is desired to inaugurate this new line of work immediately, it is respectfully requested that as prompt action as possible be taken on this request.

Very respectfully, B. T. GALLOWAY, *Acting Secretary.*

EXHIBIT B.

UNITED STATES CIVIL SERVICE COMMISSION,
Washington, D. C., May 26, 1913.

The honorable the SECRETARY OF AGRICULTURE.

SIR: In reply to the department's letter of May 24, 1913, the commission has the honor to state that prompt attention will be given to the matter of holding an examination to provide eligibles for filling the position of Chief of Office of Information at a salary of $2,500 per annum.

Authority is granted under section 2 of rule 8 for the appointment of a person pending the establishment of a register, on condition that he make application for the examination.

By direction of the commission.

Very respectfully, JOHN C. BLACK, *President.*

EXHIBIT C.

(No. 708.)

UNITED STATES CIVIL-SERVICE EXAMINATION—CHIEF, OFFICE OF INFORMATION (MALE).—AUGUST 18, 1913.

The United States Civil Service Commission announces an open competitive examination for chief, Office of Information, for men only. From the register of eligibles resulting from this examination certification will be made to fill a vacancy in this position in the Office of Information, Department of Agriculture Washington, D. C., at $2,500 a year, and vacancies as they may occur in positions requiring similar qualifications, unless it is found to be in the interest of the service to fill any vacancy by reinstatement, transfer, or promotion.

The Office of Information will act as a clearing house of information between the scientific sources and the public, direct and through the press, for the purpose of increasing the amount of printed agricultural information developed by the Department of Agriculture and to heighten the direct educational value of published matter. An effort will be made to gain a wider dissemination of information concerning the scientific discoveries and researches of the department through the extraction from technical bulletins of material of popular interest or practical value and its presentation in a form that will be understandable and usable by the general public, and a better understanding on the part of the public of the work of the Department of Agriculture, thus bringing about a closer cooperation between the department and the people.

It is desired to secure the services of a man who has had experience in the preparation of special articles for publication, presenting the results of scientific investigations in a popular form.

Competitors will not be assembled for examination, but will be rated on the following subjects, which will have the relative weights indicated:

Subjects.	Weights.
1. Education and training	30
2. Practical experience and fitness	40
3. Published papers or magazine articles	30
Total	100

An educational training equivalent to that required for graduation from a college or university of recognized standing is a prerequisite for consideration for this position.

Under subject 2 consideration will be given to experience in editorial or magazine work; or in educational extension work in connection with experiment stations or agricultural colleges; or in any line of work which tends to fit the applicant to perform the duties outlined in the second paragraph.

Statements as to education, training, experience, and fitness are accepted subject to verification.

Applicants must have reached their thirtieth but not their forty-fifth birthday on the date of the examination.

Under an act of Congress applicants for this examination must have been actually domiciled in the State or Territory in which they reside for at least one year previous to the date of the examination.

This examination is open to all men who are citizens of the United States and who meet the requirements.

Persons who meet the requirements and desire this examination should at once apply for Form 304 and special form to the United States Civil Service Commission, Washington, D. C.; the secretary of the board of examiners, post office, Boston, Mass.; Philadelphia, Pa.; Atlanta, Ga.; Cincinnati, Ohio; Chicago, Ill.; St. Paul, Minn.; Seattle, Wash.; San Francisco, Cal.; customhouse, New York, N. Y.; New Orleans, La.; Honolulu, Hawaii; old customhouse, St. Louis, Mo.; or to the chairman of the Porto Rican Civil Service Commission, San Juan, P. R. No application will be accepted unless properly executed and filed with the commission at Washington, with the material required, prior to the hour of closing business on August 18, 1913. In applying for this examination the exact title as given at the head of this announcement should be used.

Issued July 23, 1913.

EXHIBIT D.

Departmental. (Confidential.) Certificate 9916.

UNITED STATES CIVIL SERVICE COMMISSION,
Washington, D. C., October 29, 1913.

To the SECRETARY OF AGRICULTURE.

SIR: In response to your request, No. —, of May 24, 1913, for males eligible for probational appointment to a vacancy existing in class $2,500 per annum, Chief Office of Information, Department of Agriculture, certification is hereby made under the civil service rules of the following-named eligibles: 80–5980

Name.	State.	Examination.	Grade.	Number of times previously certified.	Post-office address.
George W. Wharton	New York	Chief Office of Information.	85.50	.....	195 Union Street, Flushing, L. I., N. Y.
Bristow Adams	California	.....do.....	80.60	.....	2923 South Dakota Avenue, Washington, D. C.
Maurice Dunlap	Minnesota	.....do.....	71	.....	1737 T Street NW., Washington, D. C.

together with those not appointed whose names appear on certificate No. —.

You are authorized to select and appoint one of the eligibles thus certified.

By direction of the commission.

T. P. CHAPMAN, *Acting Secretary.*

Certification at a salary materially less than the usual entrance rate is made on condition that the person selected shall not be promoted within six months after selection unless during this period his name would be reached for certification at the salary to which promotion is proposed.

The commission requests that the examination papers sent with this certificate be promptly returned with the report of selection, in order that the eligibles not selected may not lose opportunity for appointment to other vacancies.

EXHIBIT E.

MARCH 7, 1914.

The UNITED STATES CIVIL SERVICE COMMISSION,
Washington, D. C.

GENTLEMEN: I have the honor to request that a special examination be held at the earliest practicable date for the purpose of establishing an eligible register from which an Assistant Chief of the Office of Information may be appointed in this department, at a salary at the rate of $2,000 per annum. For this position we desire to secure a man who has a degree from a college of good standing, who has had experience in educational-extension work and in editorial work, and who has written articles that have been published as papers or as magazine articles. His services are needed to assist the Chief of the Office of Information in the general work of the office, which was established for the purpose of increasing the amount of printed agricultural information developed by the Department of Agriculture and to heighten the direct educational value of published matter, and which acts as a clearing house of information between the scientific sources and the public direct and through the press. The special examination requested should be limited to males between 30 and 45 years of age, and should consist of the following subjects and weights:

Subjects.	Weights.
1. Education and training	30
2. Practical experience	40
3. Published papers or magazine articles	30

Pending the establishment of this register and the certification of eligibles therefrom, it is respectfully requested that authority be issued authorizing the department to make a temporary appointment.

We would use to fill this position the register resulting from the special examination held on August 18, 1913, for Chief of the Office of Information, but this examination resulted in but four eligibles, Mr. George W. Wharton and Mr. Maurice Dunlap, who have been appointed therefrom; Mr. Bristow Adams, who is now receiving a salary of $2,100 per annum in the Forest Service of this department and who has declined to accept the position of Assistant Chief of the Office of Information; and Mr. O. C. Gillette, of Madison, Wis., who has been carefully considered for the place. Mr. Gillette made a trip from Madison, Wis., to Washington for conference regarding the work, but after carefully considering this man we do not believe that he would meet our requirements.

Very respectfully,

B. T. GALLOWAY,
Acting Secretary.

EXHIBIT F.

UNITED STATES CIVIL SERVICE COMMISSION,
Washington, D. C., March 12, 1914.

The honorable the SECRETARY OF AGRICULTURE.

SIR: In reply to the department's letter of March 7 the commission has the honor to state that prompt attention will be given to the matter of holding an examination to provide a register from which the position of Assistant Chief of the Office of Information may be filled, at a salary of $2,000 per annum.

Authority is granted under section 2, of Rule VIII, for the appointment of a person outside the register on condition that he make application for the examination when it is announced. The name of the person appointed under this authority should be reported to the commission by letter when the appointment is made.

By direction of the commission.

Very respectfully,

CHAS. M. GALLOWAY,
Acting President.

EXHIBIT G.

No. 410.

UNITED STATES CIVIL-SERVICE EXAMINATION—ASSISTANT CHIEF, OFFICE OF INFORMATION (MALE), MAY 18, 1914.

The United States Civil Service Commission announces an open competitive examination for assistant chief, Office of Information, for men only. From the register of eligibles resulting from this examination certification will be made to fill a vacancy in this position at a salary of $2,000 per annum, in the Office of Information, Department of Agriculture, Washington, D. C., and vacancies as they may occur in positions requiring similar qualifications, unless it is found to be in the interest of the service to fill any vacancy by reinstatement, transfer, or promotion.

The duties of this position will be to assist the Chief of the Office of Information in the general work of the office, which was established for the purpose of increasing the amount of printed agricultural information developed by the Department of Agriculture and to heighten the direct educational value of published matter, and which acts as a clearing house of information between the scientific sources and the public direct and through the press.

Competitors will not be assembled for examination, but will be rated on the following subjects, which will have the relative weights indicated:

Subjects.	Weights.
1. Education and training	30
2. Practical experience and fitness	40
3. Published papers or magazine articles	30
Total	100

An educational training equivalent to that required for a bachelor's degree from a college or university of recognized standing is a prerequisite for consideration for this position.

Under the second subject experience in educational extension work and in editorial or magazine work will receive consideration.

Statements as to education and experience will be accepted subject to verification.

Applicants must have reached their thirtieth but not their forty-fifth birthday on the date of the examination.

Under an act of Congress applicants for this position must have been actually domiciled in the State or Territory in which they reside for at least one year previous to the date of the examination.

This examination is open to all men who are citizens of the United States and who meet the requirements.

Persons who meet the requirements and desire this examination should at once apply for Form 304 and special form to the United States Civil Service Commission, Washington, D. C.; the secretary of

the United States Civil Service Board, post office, Boston, Mass.; Philadelphia, Pa.; Atlanta, Ga.; Cincinnati, Ohio; Chicago, Ill.; St. Paul, Minn.; Seattle, Wash.; San Francisco, Cal.; customhouse, New York, N. Y.; New Orleans, La.; Honolulu, Hawaii; old customhouse, St. Louis, Mo.; or to the chairman of the Porto Rican Civil Service Commission, San Juan, P. R. No application will be accepted unless properly executed, excluding the medical certificate, and filed with the commission at Washington, with the material required, prior to the hour of closing business on May 18, 1914. In applying for this examination the exact title as given at the head of this announcement should be used.

Issued April 14, 1914.

EXHIBIT H.

Departmental. (Confidential.) Certificate No. 10601.

UNITED STATES CIVIL SERVICE COMMISSION,
Washington, D. C., June 10, 1914.

SIR: In response to your request No. —, of March 7, 1914, for males eligible for probational appointment to a vacancy existing in class $2,000 per annum, Assistant Chief of the Office of Information, Washington, D. C., Department of Agriculture, certification is hereby made under the civil-service rules of the following-named eligibles:

Name.	State.	Examination.	Grade.	Number of times previously certified.	Post-office address.
Edward B. Mitchell	New York.	Assistant Chief, Office of Information.	80.80	.....	244 Whitestone Avenue, Flushing, N. Y.
Maurice Dunlap....	Minnesota.	.....do.....	74.50	.....	Department of Agriculture, Washington, D. C.
Elias Robert Stevenson.	Massachusetts.	.....do.....	73.50	.....	58 Thompson Street, Springfield, Mass.

together with those not appointed whose names appear on certificate No. —.

You are authorized to select and appoint one or more of the eligibles thus certified.

By direction of the commission.

T. P. CHAPMAN, *Acting Secretary.*

The commission requests that the examination papers sent with this certificate be promptly returned with the report of selection, in order that the eligibles not selected may not lose opportunity for appointment to other vacancies.

LEAVE TO EXTEND REMARKS.

Mr. DAVIS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD concerning the agricultural, dairying, lumbering, and binding-twine industries of the third congressional district of Minnesota, including also the State of Minnesota.

The SPEAKER. The gentleman from Minnesota asks unanimous consent to extend his remarks in the RECORD on the subject of agriculture, dairying, lumbering, and binding twine in the third district of Minnesota. Is there objection?

There was no objection.

Mr. HELVERING. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of the tariff effect on agriculture, dairying, and farming generally.

The SPEAKER. The gentleman from Kansas asks unanimous consent to extend his remarks in the RECORD on the subject of the effect of the tariff on agriculture, dairying, and farming in general. Is there objection?

There was no objection.

THE MERCHANT MARINE.

Mr. ALEXANDER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. ALEXANDER. Is it in order to proceed with debate on the seamen's bill—S. 136?

The SPEAKER. It is.

Mr. ALEXANDER. Will the gentleman from Massachusetts [Mr. GREENE] please occupy some of his time?

The SPEAKER. The gentleman from Massachusetts [Mr. GREENE] is recognized for an hour.

Mr. GREENE of Massachusetts. Mr. Speaker, when I have occupied five minutes, I will thank you to notify me.

This proposition which is before the House, the House amendment to Senate bill 136, has had long and faithful consideration before the House Committee on the Merchant Marine and Fisheries. During the absence of the chairman of the committee, at the time he was attending the meetings of the international conference at London, last year, hearings upon the bill were held, which were conducted by the gentleman from Texas [Mr. HARDY] as acting chairman, in which all the parties interested in the Senate bill which was then before the committee were heard. There are some features of the amendment under consideration to which I do not fully agree, but I wish to record here the fairness shown by the gentleman from Texas [Mr. HARDY] in presiding over that committee, and his extreme liberality to persons who desired to be heard before the committee, in order that all the facts might be presented. The amendment as proposed is in my judgment a vast improvement over the bill which came to the House from the Senate.

I hope if this amendment is adopted by the House that we shall finally be able to secure an improved bill, which will be greatly in the interest and advancement of the merchant marine of the United States. There are many features in this bill that are great improvements over the existing law. It provides increased facilities for taking care of human life on all passenger steamers and greater opportunities for men employed on the vessels in all classes of the maritime service.

There are some conditions in the amendment which in my opinion are detrimental to the men who furnish the capital and who own the steamers, and I think it puts a greater burden on these steamship owners than they ought to be called upon to bear. But it was the judgment of the majority of the committee that these requirements should be made, and some of them were assented to by the vessel owners.

Mr. GOLDFOGLE. Will the gentleman yield?

Mr. GREENE of Massachusetts. Yes.

Mr. GOLDFOGLE. Is there any provision in the bill as it is now drawn which will permit the running of the New York boats—for instance, the Coney Island boats——

Mr. GREENE of Massachusetts. That is all provided for.

Mr. GOLDFOGLE. The Rockaway Beach boats and boats of that character?

Mr. GREENE of Massachusetts. That is provided for in the bill under the Steamboat-Inspection Service.

Mr. GOLDFOGLE. So that these boats will be relieved from the provisions that the gentleman spoke of?

Mr. GREENE of Massachusetts. Many of the objectionable provisions in the bill, as the bill came from the Senate, have been removed by the House committee, and the amendment now under consideration in general meets the conditions as presented to the committee by the New York steamship owners. I wish to say that, while I do not think it gives all the privileges it ought to have given to the men who own the steamships, it gives a great many more benefits than were provided in the Senate bill. The Senate bill would practically have stopped navigation if it had been adopted by the House and received the approval of the President. This bill affects all the vessels that may be admitted to American registry under the law that has already been adopted, known as Public Law 175, H. R. 18202, except for the fact that there are some exceptions in this law by which the President can relieve foreign-built vessels, but there are no exceptions that would relieve American-built vessels.

I have noticed in the regulations which have been published as to what the Department of Commerce has recommended to the President, that it makes no reference to relief for American-built vessels or for American-operated vessels, from any condition whatever, but it does provide for all the various merchant vessels for all the countries of Europe if admitted to American registry, and gives to owners of such vessels extensive privileges not allowed to American vessels. If the President issues the orders as recommended by the Department of Commerce, all vessels will be subject, in addition to whatever law may be enacted finally, as the result of our action to-day. In so far as it will be especially burdensome on the American vessel owners, it will become so because of the allowances made to foreign vessels and those practically in foreign ownership, because the law above referred to provides that vessels bearing the American flag which have been built in foreign shipyards, admitted to American registry, and manned by foreign officers and watch officers will be allowed privileges denied to vessels owned by Americans and built in American shipyards by American workmen.

Mr. MOORE. Will the gentleman yield?

Mr. GREENE of Massachusetts. Yes; but I trust the gentleman will be brief.

Mr. MOORE. Does the statement the gentleman has made, that we can accept foreign ships under the law passed the other day, include foreign measurement and foreign inspection?

Mr. GREENE of Massachusetts. If the President issues the order.

Mr. MOORE. There must be an American inspection and survey for vessels built in the United States?

Mr. GREENE of Massachusetts. There is no provision of law exempting American-built vessels, but the law does provide for the exemption of foreign-built vessels which may be granted American registry to help take care of our foreign trade.

Mr. MOORE. Does the gentleman mean to say that the law referred to favors the foreign shipbuilder against the American shipbuilder?

Mr. GREENE of Massachusetts. Certainly.

Mr. MOORE. How does that apply to vessels on the inland waterways?

Mr. GREENE of Massachusetts. They would not be affected, because the foreign-built vessels would not have the right to enter inland waterways.

Mr. MOORE. In the matter of protection of life we must take foreign inspection?

Mr. GREENE of Massachusetts. The law provides as follows:

That the President of the United States is hereby authorized, whenever in his discretion the needs of foreign commerce may require, to suspend by order, so far and for such length of time as he may deem desirable, the provisions of law prescribing that all the watch officers of vessels of the United States registered for foreign trade shall be citizens of the United States.

Under like conditions, in like manner, and to like extent the President of the United States is also hereby authorized to suspend the provisions of the law requiring survey, inspection, and measurement by officers of the United States of foreign-built vessels admitted to American registry under this act.

And, furthermore, in the statement made by the Department of Commerce a regulation is proposed to relieve the foreign vessels that may be admitted to American registry in whatever port they may be located abroad, they may not be subjected to our measurement laws, but may be accepted as American vessels by United States consuls in any port of the world and be subject to the law of measurement established by foreign Governments.

Mr. MOORE. Even under this law a foreign purchased vessel has a preference over an American vessel?

Mr. GREENE of Massachusetts. The regulations proposed by the Department of Commerce so provide.

Mr. GOULDEN. Will the gentleman yield?

Mr. GREENE of Massachusetts. I will.

Mr. GOULDEN. This is really an emergency measure?

Mr. GREENE of Massachusetts. I hope it may become so.

Mr. GOULDEN. Does not the President have the right to give the same benefits to American-built ships that he has to foreign-built ships?

Mr. GREENE of Massachusetts. It is not so provided under the law, as I understand it. I submit the following article taken from the New York Sun of Wednesday, August 26, 1914, which explains itself:

NEEDN'T REMEASURE SHIPS FOR REGISTRY—DEPARTMENT OF COMMERCE ADOPTS REGULATION TO EXPEDITE CHANGE—CONSULS MAY DO THE WORK—PLACING OF VESSELS UNDER AMERICAN FLAG NOW DEPENDS ON PRESIDENT.

WASHINGTON, *August 25.*

Edmund F. Sweet, Acting Secretary of Commerce, has taken steps to expedite the registering of foreign-built ships under the American flag. It has been decided that it will not be necessary for these vessels to be physically present at American ports to be registered. This, it is believed, will materially shorten the time needed for the registering of many vessels. Arrangements are being made so that consuls of the United States can perfect the registry of vessels after application has been made to the Department of Commerce.

Acting Secretary Sweet to-day issued a regulation to remove a mistaken idea that there is a wide difference between American regulations for measuring vessels and the regulations of other maritime nations. It is stated that there are slight differences in some features, but to a great extent these offset one another. The principal difference is in the interpretation of the words "shelter decks," the British authorities construing them somewhat more liberally than American authorities. But the British collect tonnage and lighthouse duties on deck cargoes, while the United States does not. The regulation issued to-day to collectors of customs is as follows:

"Merchant vessels of Great Britain, Belgium, Denmark, Austria-Hungary, the German Empire, Italy, Sweden, Norway, Spain, the Netherlands, Russia, Finland, Portugal, Japan, and France will be deemed to be of the tonnage denoted in their certificates of register or other national papers, and it shall not be necessary for such vessels to be remeasured at any port of the United States, the measurement law of these countries being substantially similar to the laws of the United States. This regulation supersedes the department's regulations included in article 85, Customs Regulations, 1908, and so much of article 87 as may conflict with this order."

This new regulation will remove one obstacle to American registry, as many shipowners have been contending that the American rules for measuring tonnage added materially to the cost of operation as compared with the rules of other countries.

How many foreign vessels will register under the American flag depends now on the action of the President. The Department of Commerce has recommended that the President suspend the present law, which requires that the watch officers on all vessels of American registry shall be citizens of the United States. The recent registry act leaves this to the President's discretion.

Mr. SHREVE. Will the gentleman yield?

Mr. GREENE of Massachusetts. Yes; if the gentleman will be brief.

Mr. SHREVE. Will the gentleman explain if this will apply to boats sailing from Duluth to Liverpool loaded with grain?

Mr. GREENE of Massachusetts. Mr. Speaker, the gentleman may ask the chairman of the committee, who is an able lawyer, and if he has no more time I will yield him additional time later if he wishes it. I am not a lawyer, and I am not going to undertake to quote the law.

Mr. Speaker, how much time have I used?

The SPEAKER. The gentleman has used 10 minutes.

Mr. GREENE of Massachusetts. Mr. Speaker, I yield now 10 minutes to the gentleman from Washington [Mr. BRYAN].

Mr. BRYAN. Mr. Speaker, the seamen's bill has had quite a history. There has been quite a lot of agitation, there has been quite a deal of interest manifested in this particular measure. The bill that was sent over by Senator LA FOLLETTE in most of its features met with my approval, and I believe it meets with the approval of those who seek safety at sea and who seek to benefit the seamen, those who are engaged in work on vessels upon the ocean. I know that bill S. 136 suits them better than the substitute we are now considering, but after the London conference, and after great and careful consideration on the part of the chairman of this committee and the committee, it was deemed advisable to materially amend the safety provisions as well as other features of the La Follette bill, which is, in fact, practically the original Wilson bill, and all sides have agreed, so far as I know, that the best that can be done for all interests at this particular time is for the Members of this House to vote for this bill and pass it, and let it go to conference in the state that it is in. I am quite sure that before the debate is concluded, although it is to be quite brief, a different position will be taken as to foreign vessels, and the argument will be advanced here that this bill instead of favoring foreign nations will offend foreign nations, so that the House will have both sides of the argument to consider, and Members may take their choice of the two arguments. Some will be just as pronounced and as positive as the gentleman from Massachusetts [Mr. GREENE], who is very learned and experienced in this particular line and whose fighting qualities I very much admire, in stating exactly the opposite argument, so that we will have to determine the matter from the very best judgment of the membership and on the advice of those who have considered the matter.

I believe that it is absolutely essential that we become very positive in the matter of regulating the shipping, by water, of this country. I believe these shipowning interests have had their own way in matters too long and too exclusively, and that the giving to such an interest its own way is injurious to all concerned. I believe the water shipping of this country illustrates that particular proposition. We have our railroads under regulation, and we are proud of our railroad system, and the more we regulate that system and the nearer we get to Government ownership of the railroads the prouder we will be, but the ships of the ocean are not under regulation. They are freer from Government control or the authority of any Government than any other industry, and the result is that this great interest has become the spoiled child of industry. These shipowners come in here and make all kinds of demands from the Government whenever they need help, but at all other times they fly in the face of all regulation, and have little regard or consideration for anything else than the matter of profits. To illustrate, we have now the shipping interest entirely broken down. They have entirely fallen down upon the ocean in the matter of carrying our commerce and our passengers abroad, and they want all kinds of protection and aid. The requests toward paternalism that they are asking now are almost revolutionary when compared with what those gentlemen generally stand for in matters of governmental activity. The rankest socialism these suggestions would be called if they came from an ordinary public man. They want the United States Government to enter into war-risk insurance, and we are going to have to do it, no doubt, because they can not assume the risks incident to the traffic that is assigned them, notwithstanding the fact that in times of peace they have come before this Congress and asked to be relieved of all liability, and have had their requests so nearly granted that the liability laws of this country are such that a ship can go on the ocean, become a wreck, sink to the bottom of the sea, and the owners, no matter how negligent they are, thus oftentimes make actual profit out of their wrecks; even the insurance money for the full value of the ship they are permitted to pocket, notwithstanding valid claims of ordinary liability. They say our laws in this country are not liberal to the shipping interests, but when the *Titanic* went down in the Atlantic Ocean her liability under British laws was something like $3,000,000, but under American laws only about $96,000, and we had the spectacle of the English officers of that corporation begging for American liability tests rather than English, although it floated the English flag.

In other words, our law provides that when a ship goes down the owner is responsible only for the current freight and passenger charges and for the value of the ship. Of course, if the ship is at the bottom of the sea, it is valueless; and under American laws, which are criminally liberal, that condition prevails. I will refer to this further, later on.

They want us now to go into the Government ownership of a lot of ships; but it is proposed that those ships shall not participate in the coastwise trade. We are going to have to consider these things; and the bill that is offered provides that the United States Government shall invest twenty-five or thirty million dollars, as a starter, in ships for freight and passenger traffic, but that these ships shall not have the right to engage in the coastwise trade, except to the Philippine Islands and certain islands of the Pacific Ocean. That is the kind of arrangements the shipping interest is always asking. The spoiled child of industry, it wants everything in sight.

The other day we passed an emergency law which provided for American registry of certain foreign-built but American-owned ships; but when the bill came back from the Senate it provided that these ships should have the right to take part in coastwise traffic, and this feature was further amended in conference. One would naturally expect an American-owned American-registered ship, carrying the American flag, would have that right; but no, the proposition of admitting those American-owned and American-registered ships to the coastwise traffic brought on such a storm of protest from multimillionaires who own that monopoly that it was defeated in the Senate.

That is the kind of protection the shipowners have been asking all along, and they have been getting that kind of protection, too; but the sailors, the seamen—the men who work upon the ships—have been neglected, and the reason why the seamanship of our country has been degraded, one of the great reasons, is because we accept the standards of foreign nations, because we permit foreign nations to fix the rules under which men may work on the vessels, and then, as they come into our ports, we enforce their laws. The various party platforms adopted last time proclaimed against the arresting of sailors and permitting seamen to be arrested for desertion; this promise was especially implied in the Progressive and Democratic platforms. This bill wipes that mediæval system out and redeems that promise that was made not only by the Democrats but by other parties for a number of years back, and for that reason the bill ought to pass. We are breaking a little bit—not very much, it is true—into the privileges that have always been given to the vessels that sail the ocean. We go to work and chart the seas, and build lighthouses, and make every arrangement to protect them in case of wreck, and then we organize our Navy to protect them against the enemy in all of the ports of the world at public expense.

We license the officers of the vessels, and with every kind of Government aid and the expenditure of Government money we protect the traffic of those vessels; and yet, when it comes to the matter of fixing rates, when it comes to the matter of regulating them, or the matter of saying what kind of rates they shall pay, to say how the ships when in our ports shall be manned, there comes a cry from some who believe we are working an injustice and trying to break down the American merchant marine. The reason why the American merchant marine has been broken down is because we have not established American standards, but have permitted the foreign ships to fix the standard. We permit them to come to our ports with any kind of labor, and if a man quits the vessel and refuses longer to work under the contract under which he has been employed, if he desired to have a little of the freedom that everybody else has under the American flag and under the American Constitution, we use our United States marshals and our courts and the judges upon the benches in our courts to put those men back on the ships or arrest them and put them in jail because they did not want any longer to work under that kind of employment. We have provided in any other employment that a man can quit if he wants to do so, that anywhere else they can select their master, but on a ship they can not. This bill will work a benefit to the seamen of the country in wiping out that practice. I believe the requirements here as to safety will be such as will make the American ships more safe, and if we enforce these rules and enforce them in our ports as to the carrying of lifeboats and the way they have to be manned, we will be able to maintain for American ships a standard and get for them the shipping and passenger traffic that they will not get in any other way.

It is futile to say a ship because it flies some other flag can do as it pleases in our ports. We do not allow anybody else to do as he pleases in our ports simply because he is a foreigner. We require the foreigner to obey our laws. We require foreign nations to recognize our sovereignty when they come here, and when these shipowners come and advertise for passengers, when they propose to take Americans abroad, they ought to be required to leave our ports under a standard of safety established by our sense of right and our sense of justice. We ought to stand in all cases for American standards, because foreign nations are able to employ men and make contracts that are not recognized under our Constitution. We have found that American shipowners are very patriotic until it comes to the proposition of profit. When it is found that an American ship can make a little bit more by going under the Japanese flag or the Russian flag or the Belgian flag they at once forget their patriotism, the shipowner forgets the land of his birth, forgets his obligation to his native land, dries up about Old Glory and "my flag and your flag," and runs up a foreign flag because he can make more pennies by hiring men who do not have the privileges of American liberty and the American Constitution. Are we, as an American Nation, going to enforce that kind of unconstitutional, revolting, and outrageous—except to toll takers—arrangements? Not at all. We are going to require Mr. Shipowner to obey our laws while in our ports, or else stay out.

Under the privilege of extension in the RECORD I desire to discuss further some of the privileges which I believe are unjustly granted to shipowners, and to emphasize the necessity of going further along several lines not touched by this bill.

The "twilight zone" between State and Federal authority has been so narrowed by recent laws and public sentiment that special interests do not find so safe a retreat within its boundaries. The authority of the Federal Government under the commerce clause of the Constitution is finding expression and enforcement in Federal statutes that effectively interfere with the operation of some of those who have prospered most as denizens of this zone.

There is another area over which the authority of the Federal Government is unquestioned that has become a refuge—a sort of bad man's realm—where privilege stalks unbridled and unrestrained. Big business in interstate commerce has been made to yield to Federal control. The great railroad system, with its more than 260,000 miles of road and its $20,000,000,000 of stocks and bonds, has been humbled before the majesty and power of the law, and that gigantic organization must await the order of the people through the Interstate Commerce Commission. A Federal employers' liability law took from the railroad its defenses against liability for the injuries of employees, and before long we will have a Federal workman's compensation law that will further protect the employees, or, in case of death, their dependents, in case of injuries in interstate commerce on land.

But "the mighty main" has become a haven of privilege. The moment one becomes an employee on a launch, a barge, a tugboat, a steamship, or an ocean vessel, or in any navigable waters, he must look to the admiralty court and the Federal law, if there is any, for his protection. Of course, if there is no law governing his case, he can resort to State law under certain conditions.

NO COMPENSATION FOR DEATH THROUGH NEGLIGENCE.

If an employer through negligence injures an employee so as to maim him or cause him pain and suffering, he must pay such damages as are assessed by due process of law, but if an employer through negligence kills an employee there shall be no recovery. What do you think of that kind of law?

That used to be the law all over the civilized world. It is now and, to the time "beyond which the memory of man runneth not to the contrary," has been the common law of England. It was the law in the United States until statutes were passed creating a right of action in favor of dependents for loss of life through negligence on land. Louisiana in a sense is an exception to the rule, for that State has never been subjected to common law.

There is a Federal employers' liability law that changes the rule, but the framers of that act were particular to limit its scope to deaths and injuries by common carriers by railroad. An interstate common carrier by steamboat or by any other means does not come under its provisions. It has no application to the sea. State laws are limited in application to their own territorial jurisdictions. Then it follows that there is no American law for recovery for death at sea or on the navigable waters of the United States, except in so far as it is to be found in State statutes.

ENGLAND SUBSTITUTED STATUTE GIVING COMPENSATION FOR COMMON LAW.

As long ago as 1846 England enacted the Lord Campbell's act, which supplanted the common law in this regard both in England and on English vessels at sea, for there is no territorial restrictions in that act. A ship flying an English flag is a part of English territory, and Lord Campbell's act has always applied to English ships at sea as well as in inland waters.

Why is it that our Congress has failed to pass an act providing for such liability and has permitted this spoiled child of industry to have its way so long? As early as 1851, under the leadership of Senator Hamlin, of Maine, there was forced

through the Senate a few days before adjournment the indefensible act for limiting the liability of shipowners to the value of the ship and the pending freight charges. Senator Hamlin explained that it was merely an act to make American law gibe with English statutes on the same subject. When the act was finally approved, however, it was much more liberal than the English statute in that it based the liability of the shipowner on the value of the ship at the termination of the voyage, while the English liability was based on value before the injury or loss. Of course, where the ship goes down it has no value at the termination of the voyage—that is, after it reaches the bottom.

CONGRESS HAS TAKEN GOOD CARE OF SHIPOWNERS' LIABILITY.

But this was a limitation of liability, not a creation of liability. The purpose of this act was to improve the conditions, to increase the profits, of shipowners. It had no consideration for the human rights of passengers and seamen. There was one redeeming feature about the statute as passed—it was especially exempted from application to rivers and inland waters. But in 1886 they passed an amendatory act making this outrageous liability statute "apply to all vessels used on lakes or rivers or in inland navigation, including canal boats, barges, and lighters."

In the debate when the original act was passed it was stated repeatedly that it was necessary to adopt the measure to put our shipping on an equal basis with that of England. Of course, that was not true at any time; but when the amendment was enacted extending its provisions to smaller vessels engaged in inland navigation, of course, no such excuse could be offered.

NO CONSIDERATION GIVEN BY CONGRESS TO HUMAN SAFETY AND LIABILITY.

While all this legislation was being enacted to help protect profits, no consideration was given for the human rights of those involved. The American lawmakers ignored Lord Campbell's act of 1846, which provided for damages to dependents for death at sea.

Under Lord Campbell's act the English seamen or the passengers had the benefit of jury trial, but our lawmakers did not subject American shipowners to any such burden. A more recent compensation act has further advanced the status of English seamen, but our Congress has not given consideration to this side of the case.

RELIEF THROUGH STATE LAWS AND COURT DECISIONS.

The general proposition of the sovereignty of the ship's flag is well laid down in Lindstrom *v.* International Navigation Co. (123 Fed., 475), Judge Wallace speaking for the circuit court:

> The territorial sovereignty of a State extends to a vessel of the State when it is upon the high seas, the vessel being deemed a part of the territory of the State to which it belongs; and it follows that a State statute which creates a liability or authorizes a recovery for the consequences of a tortious act operates as efficiently upon the vessel of a State when it is beyond its boundaries as it does when it is physically within the State.

I have already mentioned the fact that practically every American State had passed a law supplanting the common law and creating liability to dependents for death through negligence, and it can readily be seen that if this sovereignty of the flag doctrine could be made applicable to an American State then there would be a remedy, notwithstanding the failure of Congress to act, for every American ship is registered at some American port and every American port is a part of some American State, and every American State has a law creating this liability.

This question came up time and again in Federal courts until finally Judge Addison Brown, of the United States District Court of the Southern District of New York, reviewed the precedents in a learned opinion and gave personal judgment in a libel suit for a death which occurred on the navigable waters of the State of New York, basing his judgment on a New York State death statute. A little later Judge William H. Taft rendered judgment for like cause, basing his findings on a Canadian statute, the death having occurred in Canadian waters and Canada having a death statute. These cases were within territorial waters. Later two Delaware vessels collided off the coast of Virginia. Five passengers and three mariners were drowned. Suit was brought under the Delaware statute on the ground that these ships were legally a part of the State of Delaware, although they were at the time on the high seas. The contention was sustained and judgment rendered, and it has become the established policy of the courts to apply State statutes in such cases.

NOW THE SHIPOWNERS WANT A FEDERAL STATUTE.

The State laws are inconsistent one with the other, and there are a multiplication of complications that may arise, but the shipowners are now willing to cooperate in the enactment of a Federal death statute. I believe Congress should not take any action till an act can be passed that measures up to present standards. I interposed an objection to a proposed makeshift recently and prevented its passing the House by unanimous consent.

The act should be a Federal workman's compensation act for all carriers, both by water and rail, which, of course, would include a provision for compensation in case of death. The present complications between State and Federal jurisdiction are, to say the least of it, very exasperating. The un-American and inhuman liability statutes have already been referred to, but court rules authorized by these statutes are very much against the interest of the claimants in the application of the State statutes. It would seem that if State laws can be applied the right of jury trial would follow. Jury trial, though permissible in certain cases, is rarely granted in an admiralty court. It breaks the shipowner's heart to have to face a jury; he likes the ordinary assessment of damages by a Federal judge so much better than by jurors in a State court, so now he wants a Federal act.

Rules 54 and 56 in admiralty, prescribed by the Federal court under authority of Congress, do about as much enacting as the statutes themselves. These rules provide that when a shipowner shall file suit to limit his liability in an admiralty court the judge of such court may at once stop all pending suits against him in any other court in the United States and order them all assembled before him, and he may issue an injunction prohibiting any person from suing the shipowner before any judge but himself. This, of course, enables the shipowner to pick his judge and then compel all claimants to bring their claims to the forum thus selected and abide the decrees or await orders of this particular judge, including all delays for appeals to higher courts touching the question of limiting liability. By this injunction process this Federal judge in admiralty is enabled to supersede all other judicial forums wherein claimants may have preferred to file their claims. And, of course, the liability decree of the admiralty court is binding on all parties.

These court rules add to the statute matter which no doubt Congress would have refused to enact, notwithstanding the rush of a last day of emergency and unanimous-consent legislation such as was going on when Senator Hamlin put through his liability statute. By this court rule the extraordinary writ of injunction is conferred to supersede all other State or Federal jurisdiction. Congress would have spurned a statute providing for such an injunction, but an admiralty judge passed the necessary legislation in his study.

THE "TITANIC" AVOIDS ENGLISH JUSTICE.

The pending cases against the Oceanic Steam Navigation Co. (Ltd.) for loss of life and property on the *Titanic*, to which I have already referred, illustrates the injustice both of this limitation of liability statute and the injunction against other suits provided by enactment of the Federal judge through the rules of court.

The incidents connected with the *Titanic* disaster are fresh in the minds of all. The *Titanic*, a ship of British register, was built in Belfast and launched in 1911 under the ownership and control of the Oceanic Steam Navigation Co. (Ltd.), also known as the White Star Line. On April 10, 1912, the *Titanic*, with passengers and cargo on board, left Southampton on her maiden voyage bound for New York. On April 14, at about 11.40 p. m., in midocean, latitude 41 degrees 46 minutes north and longitude 50 degrees 14 minutes west, the ship came into collision with an iceberg, and at 2.20 a. m. on April 15, 1912, she sank, a complete loss, except 14 lifeboats, which were saved. Seven hundred and eleven persons of her crew and passenger list were saved and a large number perished, as well as her entire cargo, including freight, baggage, and mails.

THE "TITANIC" OWNERS ARE SUED IN MANY COURTS.

In due course a large number of suits and claims were filed against the owners of this vessel in American courts. These complainants sought to hold the *Titanic* owners under the law of the flag, but the English company became very American all of a sudden.

There is an English liability law governing shipowners, but even the reputed selfishness of John Bull had not permitted any such liability limitation as the United States had provided. The British act provides a limitation of £15 per ton of ship and cargo. In the case of the *Titanic* English liability law would render the owners of the vessel liable for an amount aggregating $3,000,000. The American statute would limit the liability to $96,000, plus the value of the *Titanic*, as it now lies at the bottom of the ocean, and allow the English company to pocket the insurance for the full value of the vessel.

The Oceanic Steam Navigation Co. (Ltd.) had offices in several cities of this country, and hoping to apply the English statute, as the Taft decision had applied Canadian law, proceedings had been brought against the owners for damages sustained by reason of the *Titanic* disaster, as follows:

In the United States District Court for the Southern District of New York: By Louise Robins, as administratrix, and so forth, of George Robins, deceased, for damages for loss of the life of George Robins.

In the supreme court, New York County, N. Y.: By Frederick W. Shellard, as administrator, and so forth, of Frederick B. Shellard, deceased, for damages for loss of the life of Frederick B. Shellard.

In the superior court, Cook County, Ill.: By John Devine, as administrator, and so forth, of A. Willard, deceased, for damages for the loss of life of A. Willard.

In the district court, Ramsey County, Minn.: By Carl Johnson, for damages for alleged personal injuries sustained and for loss of baggage. By Oscar Hedman, for damages for alleged personal injuries and for loss of baggage.

ENGLISH DEFENDANTS CHOOSE THE COURT AND NAME THE JUDGE.

Of course, the wise English shipowners did not want these American passengers and employees and their dependents to carry on these proceedings in these several American courts. Why, they would have jury trials there just like they have in England—quick trials, too. They have already had their trials before juries in England and judgments paid long ago.

They naturally wanted all such cases tried in some court of their own selection, before some judge of their own selection, and, of course, without a jury. They wanted the court domiciled in a convenient place. They preferred the hill to come to Mahomet rather than for Mahomet to go to the hill, and they could go Mahomet one better, for they could have their way and Mahomet could not. They selected a Federal judge who has recently withdrawn from the bench because he could not afford to lose his lucrative practice any longer.

Then they wanted American liability law applied, if possible, so as to let them off on $96,000 liability rather than English law, with $3,000,000.

All of a sudden, like a bolt of lightning out of a clear sky, these litigants and all other claimants that can be found, and, of course, the shipowning company had the whole list, were searched out by a United States marshal, and an order of this learned Federal judge of the Southern District of New York is served upon them, each and every one, and they are commanded to quit suing these English shipowners in any court but that of the said judge. And all who have not yet commenced suit are ordered to come before this particular judge with their complaint. Here we have the spectacle of an English corporation which has already been compelled by a jury in England to pay up English claims compelling American citizens on American soil to go across the country to a forum of its own selection to have their cases tried. Congress could not have been forced to pass such a law, but the court's rules were sufficient.

THE STANDARD OF LIABILITY SHOULD BE IDENTICAL ON SEA AND LAND.

The United States Supreme Court has finally ruled on this case, and decided that American liability law is to be applied, and not English liability law. This decision makes it so much more imperative that the antiquated and uncivilized standards of American liability for shipowners be abandoned and the same standard applied on the water as on the land. It is absurd to hold jury trial as an inestimable boon of liberty in civil disputes on the land, but deny it in disputes arising on the water. The seaman's bill is designed to free sailors and seamen from arrest for desertion. A farm hand can quit and work in a sawmill or a factory if he wants to. Why should a human being working on a boat have less privilege?

The day of wiping out this haven of lawless big business on the mighty main is at hand. It is imperative that the legislation be enacted, not by the shipping rings and the steamboat companies but by those who get their orders from the people direct. There is pending now in the National House of Representatives a bill, introduced by me, House bill 12807, which would extend the principle of the employers' liability law so it would apply to all the jurisdiction of the United States, whether on land or water. There is no reason why it should be restricted to interstate commerce by railroad, as is now the case. I ask for the help of the public in the passage of this bill. It is now before the Judiciary Committee.

There is pending an absurd shipowners' bill for compensation in case of death at sea—House bill 6143. It is a lame attempt. It harks back to days of uncivilized industrial conditions and ought not to have a moment's consideration. Yet it was presented in the most plausible way, indorsed by leading proctors in admiralty and the American Bar Association. It would probably have passed the House recently by unanimous consent except for my persistent objection. One section of this shipowners' bill for relief from the effect of State laws now in force reenacts and reaffirms the present infamous liability protection for shipowners. Another section provides for damages for "pecuniary loss sustained" only. Another section protects the shipowner with the doctrine of "comparative negligence." Another section shuts out jury trial by forcing all such cases exclusively into admiralty courts. Before such a relic of barbarism could be enforced on the railroad employees of this country there would be a revolution. Yet the shipowners will do their best to put through Congress just such a makeshift.

I am unalterably opposed to ship subsidies. I do not believe in holding up one man for the benefit of another. I believe President Wilson has discovered the real germ, he has the bug that causes all the trouble, when he puts his hands on the steamboat owners' profit. I want Government ownership of the coastwise traffic. I want a Federal monopoly; but I want the Government to collect the freights and the fares, as well as to bear all the expenses and assume all the risks. I have introduced a bill that really means Government ownership of vessels. It would help shippers and manufacturers by transporting our goods to South America at cost. Steamboat owners' profits would be at an end, and our labor would be benefited by increasing the exports and the volume of the manufactured goods. Our trade would be wonderfully extended in South America if my bill were adopted. It involves humane conditions and carries the provisions of the seamen's bill, which are needed in order to do simple justice.

The plan for the Government to invest in vessels and then forbid these Government owned and operated vessels from carrying freight from port to port and from ocean to ocean in our coastwise trade is an unthinkable proposition, and will surely have all the opposition I can give it.

The bill I have introduced is as follows:

A bill (H. R. 18313) to authorize the President of the United States to acquire, own, operate, and maintain an American merchant marine.

Be it enacted, etc., That the President of the United States be, and he is hereby, authorized, empowered, and directed, without unnecessary delay, to purchase, lease, construct, or acquire, either by purchase of stock of owning or controlling corporations or otherwise, such vessels as may be necessary to handle such portions of the coastwise passenger and freight traffic of the United States and of the Great Lakes and between ports on the Western Hemisphere as may be induced to ship or take passage on such vessels so acquired.

SEC. 2. That such vessels as may be acquired under this act shall be operated by the United States Government under such schedules, rules, and regulations as may be provided subject to the terms of this act: *Provided*, That the rates and schedules shall be so fixed and regulated from time to time, as near as may be possible, to pay all expenses of operation and create a sinking fund of not less than 2½ per cent of the total investment of the United States in such vessels and other necessary equipment until all of said investment is repaid into the United States Treasury, together with 3 per cent interest on such sum.

SEC. 3. That no privately owned vessel hereafter constructed or registered under the laws of the United States shall engage in the coastwise traffic of the United States, except traffic in inland waters (not the Great Lakes) or between such ocean ports or ports on the Great Lakes as in the opinion of the commission created by this act the United States Government is not prepared to operate or where such private operation may be deemed advisable by such commission. In all such cases license for such operation shall be given in writing: *Provided*, That this act shall have no reference whatever to traffic on inland waters except the Great Lakes, it being the purpose of this act to establish and maintain a Government owned and operated monopoly of all coastwise and Great Lakes shipping between ports of the United States in the Western Hemisphere and of all other shipping on American vessels between ports in the Western Hemisphere: *Provided further*, That the rights of vessels now engaged in such traffic shall be preserved until such vessels are acquired by the United States, or shall cease to be seaworthy, under such laws or rules and regulations as may be or become applicable from time to time.

SEC. 4. That in time of war, whether the United States Government be directly involved therein or not, the President shall have the right and authority to transfer any vessel to the Navy for such use as may be deemed necessary.

SEC. 5. That the President is hereby authorized and directed to transfer to the service provided for by this act such vessels of the Navy as, in his discretion, are available from time to time without impairment of the paramount duties of the Navy and are appropriate for such service.

SEC. 6. That the said vessels and the entire service provided for by this act shall be managed and controlled by a commission, to consist of the President, the Secretary of Commerce, and the Secretary of the Navy. The entire service shall be known as the American Marine Transportation Service, and the said commission shall have authority to sue and be sued under said designation. Said commission shall designate a chief, subject to removal by the said board, who shall have no power or duty other than the operation of the service herein provided. The duties of inspection, supervision, fixing of rates, schedules, and wages, and all rules and regulations authorized or provided for by this act shall devolve upon the said chief, acting under authority of the said commission.

SEC. 7. That all operations under this act shall be governed by further provisions, as set forth in this section:

The hours of labor of all persons employed shall not exceed 48 per week, save in emergencies wherein life or property is in imminent danger.

A minimum wage scale shall be fixed by the commission herein provided, and no wage shall be paid upon a scale of hourly wages lower than the minimum wage scale fixed by the President, as provided in this act.

No person under the age of 16 years shall be employed for any purpose.

SEC. 8. That the commission shall make general rules and regulations—

To insure the safety of operatives employed in the enterprises provided for in this act.

To provide for detailed reports upon all accidents or occupational diseases.

To provide for just and reasonable compensation in the case of all operatives in any enterprise who may be injured or killed or who may contract any occupational disease in the course of their work, without regard to negligence of such operative, in any case where compensation shall inure to the benefit of dependents.

To provide for a system of insurance of operatives employed under this act in cases of sickness, injury, or death.

To provide for an adequate system of sanitation, housing, and general living conditions for the operatives engaged under this act.

To carry out and enforce the provisions and ultimate purpose of this act, said purpose being to provide transportation of freight and passengers at the lowest price consistent with the maintenance of the welfare of all operatives, the stimulation of efficient service, and the maximum and at the same time most economical utilization of said properties.

SEC. 9. That in all vessels of the service therein provided of more than 100 tons gross the sailors shall, while at sea, be divided into at least two and the firemen, oilers, and water tenders into at least three watches, which shall be kept on duty alternately for the performance of ordinary work incident to the sailing and management of the vessel, and seamen serving in one department of a vessel shall not be required to do duty in another department; but these provisions shall not limit either the authority of the master or other officer or the obedience of the seamen when, in the judgment of the master or other officer, all the sailors or all the firemen or the whole crew is needed for the maneuvering of the vessel or the performance of work necessary for the safety of the vessel or her cargo or for the saving of life aboard other vessels in jeopardy. While the vessel is in a safe harbor no seaman shall be required to do any unnecessary work on Sundays or legal holidays, but this shall not prevent the dispatch of a vessel on regular schedule or when ready to proceed on her voyage; and at all other times while the vessel is in a safe harbor, nine hours, inclusive of the anchor watch, shall constitute a day's work.

SEC. 10. That the masters of all vessels shall pay to each seaman his wages within two days after the termination of the agreement under which he was shipped, or at the time such seaman is discharged, whichever first happens; and in case of vessels making foreign voyages, or from a port on the Atlantic to a port on the Pacific, or vice versa, within 24 hours after the cargo has been discharged, or within four days after the seaman has been discharged, whichever first happens; and in all cases the seaman shall be entitled to be paid at the time of his discharge on account of wages a sum equal to one-third part of the balance due him.

SEC. 11. That every seaman shall be entitled to receive, within 48 hours after demand therefor, from the master of the vessel to which he belongs one-half part of the wages which shall be due him at every port where such vessel, after the voyage has been commenced, shall load or deliver cargo before the voyage is ended; and all stipulations to the contrary shall be void. And when the voyage is ended every such seaman shall be entitled to the remainder of the wages which shall then be due him under such conditions as are applicable to payment of wages to other Government employees.

SEC. 12. That on all merchant vessels of the United States the construction of which shall be begun after the passage of this act, except yachts, pilot boats, or vessels of less than 100 tons register, every place appropriated to the crew of the vessel shall have a space of not less than 100 cubic feet and not less than 16 square feet, measured on the floor or deck of that place, for each seaman or apprentice lodged therein, and each seaman shall have a berth for his exclusive use, and not more than one berth shall be placed one above another; such place or lodging shall be securely constructed, properly lighted, drained, heated, and ventilated, properly protected from weather and sea, and, as far as practicable, properly shut off and protected from the effluvium of cargo or bilge water. And every such crew space shall be kept free from goods or stores not being the personal property of the crew occupying said place in use during the voyage.

All merchant vessels of the United States, the construction of which shall be begun after the passage of this act, having more than 10 men on deck must have for the use of the sailors at least one light, clean, and properly ventilated washing place. There shall be provided at least one washing outfit for every 2 men of the watch. The washing place shall be properly heated. A separate washing place shall be provided for the firemen and engine-room men, if their number exceed 10, which shall be large enough to accommodate at least one-sixth of them at the same time, and have hot and cold water supply and a sufficient number of washbasins, sinks, and shower baths.

SEC. 13. That whenever any seaman who has been lawfully engaged or any apprentice to the sea service commits any of the following offenses he shall be punished as follows:

First. For desertion, by forfeiture of all or any part of the clothes or effects he leaves on board and of all or any part of the wages or emoluments which he has then earned.

Second. For neglecting or refusing without reasonable cause to join his vessel or to proceed to sea in his vessel or for absence without leave at any time within 24 hours of the vessel's sailing from any port, either at the commencement or during the progress of the voyage, or for absence at any time without leave and without sufficient reason from his vessel and from his duty, not amounting to desertion, by forfeiture from his wages of not more than two days' pay or sufficient to defray any expenses which shall have been properly incurred in hiring a substitute.

Third. For quitting the vessel, without leave, after her arrival at the port of her delivery and before she is placed in security, by forfeiture from his wages of not more than one month's pay.

Fourth. For willful disobedience to any lawful command at sea, by being, at the option of the master, placed in irons until such disobedience shall cease, and upon arrival in port by forfeiture from his wages of not more than four days' pay, or, at the discretion of the court having legal jurisdiction, by imprisonment for not more than one month.

Fifth. For continued willful disobedience to lawful command or continued willful neglect of duty at sea, by being, at the option of the master, placed in irons, on bread and water, with full rations every fifth day, until such disobedience shall cease, and upon arrival in port by forfeiture, for every 24 hours' continuance of such disobedience or neglect, of a sum of not more than 12 days' pay, or by imprisonment for not more than 3 months, at the discretion of the court having legal jurisdiction.

Sixth. For assaulting any master or mate, by imprisonment for not more than two years.

Seventh. For willfully damaging the vessel, or embezzling or willfully damaging any of the stores or cargo, by forfeiture out of his wages of a sum equal in amount to the loss thereby sustained, and also, at the discretion of the court, by imprisonment for not more than 12 months.

Eighth. For any act of smuggling for which he is convicted he shall be liable to imprisonment for a period of not more than 12 months.

Ninth. In no case shall any seaman be imprisoned, except while at sea, and until the vessel arrives at its home port, except by due process of law, which shall include jury trial.

SEC. 14. That flogging and all other forms of corporal punishment are hereby prohibited on board of any vessel, and no form of corporal punishment on board of any vessel shall be deemed justifiable, and any master or other officer thereof who shall violate the aforesaid provisions of this section, or either thereof, shall be deemed guilty of a misdemeanor, punishable by imprisonment for not less than three months nor more than two years. Whenever any officer other than the master of such vessel shall violate any provision of this section, it shall be the duty of such master to surrender such officer to the proper authorities as soon as practicable.

That it shall be lawful for any seaman to stipulate in his shipping agreement for an allotment of any portion of the wages he may earn to his grandparents, parents, wife, sister, or children, under such regulations as may be established by the proper officer, and no wages due or accruing under this act shall be subject to attachment or arrestment.

SEC. 15. That the crews of all vessels, as near as may be practical, shall be American citizens who speak the English language, but in no case shall any vessel have on board a crew less than 75 per cent of which, in each department thereof, are able to speak the English language, nor unless 40 per cent in the first year, 45 per cent in the second year, 50 per cent in the third year, 55 per cent in the fourth year after the passage of this act, and thereafter 65 per cent of her deck crew, exclusive of licensed officers, are of a rating not less than able seaman: *Provided*, That every such vessel carrying passengers shall be provided and equipped with a sufficient number of seaworthy lifeboats to carry and transport at one time every passenger and every member of the crew licensed to be carried on board such vessel and that she shall have a sufficient crew to man each lifeboat with not less than two men of the rating of able seaman or higher, who shall be drilled in the handling and lowering of lifeboats under rules and regulations to be prescribed by the board of supervising inspectors with the approval of the Secretary of Commerce: *Provided further*, That the board of supervising inspectors be, and are hereby, authorized and directed to prescribe rules and regulations, to be approved by the Secretary of Commerce, to provide, in harbor and at sea, for lifeboat drill and fire drill to be held for the training of the crew in fighting fire, in abandoning the vessel, and in caring for the passengers.

No person shall be rated as an able seaman unless he is 19 years of age or upward and has had at least three years' service on deck at sea or on the Great Lakes. Any person may make application to any board of local inspectors for a certificate of service as able seaman, and upon proof being made to said board by affidavit, under rule approved by the Secretary of Commerce, showing the nationality of the applicant and the vessel or vessels on which he has had service and that he has had at least three years' service on deck at sea or on the Great Lakes, the board of local inspectors shall issue to said applicant a certificate of service, which shall be retained by him and be accepted as prima facie evidence of his rating as an able seaman.

Each board of local inspectors shall keep a complete record of all certificates of service issued by them and to whom issued and shall keep on file the affidavits upon which said certificates are issued.

SEC. 16. That vessels under the service herein provided shall, except as herein provided, be subject to the laws and rules of navigation affecting privately owned merchant vessels of the United States of America.

SEC. 17. That the sum of $25,000,000 is hereby appropriated, to be paid out of any money in the Treasury of the United States not otherwise appropriated, to be expended in the discretion of the commission created by this act, for the purpose of acquiring such vessels and incurring such expenses as may be deemed necessary in organizing, inaugurating, and carrying on the service provided for in this act and in defraying the operating expenses incident thereto: *Provided*, That all money received for the transportation of passengers and freight, and from all other sources incident to the operation of the said line or lines, is hereby made available, in addition to the aforesaid sum of $25,000,000 herein appropriated, for expenses incident to the establishing and conducting of the business contemplated in this act: *Provided further*, That any sum of money herein appropriated which remains unexpended at the end of the fifth fiscal year after the passage of this act, and at the end of each fiscal year thereafter, shall be covered into the Treasury of the United States.

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent that all those who speak on the bill may have leave to revise and extend their remarks in the RECORD.

The SPEAKER. The gentleman from Missouri asks unanimous consent that all who speak on this bill may have five legislative days in which to extend their remarks on the bill. Is there objection? [After a pause.] The Chair hears none.

Mr. ALEXANDER. Mr. Speaker, I yield one minute to the gentleman from New York [Mr. CANTOR].

Mr. BUTLER. Mr. Speaker, the only way to earn your salary is to be here. I think the audience is small, and I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Pennsylvania makes the point that there is no quorum present; evidently there is not.

Mr. ALEXANDER. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The SPEAKER. The Doorkeeper will close the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Adair	Esch	Howell	Peters
Aiken	Estopinal	Hoxworth	Platt
Ainey	Fairchild	Johnson, Ky.	Plumley
Ansberry	Falson	Jones	Porter
Anthony	Fess	Kent	Powers
Aswell	Finley	Kindel	Rainey
Austin	Fitzgerald	Kirkpatrick	Riordan
Barchfeld	Flood, Va.	Knowland, J. R.	Rogers
Barkley	Foster	Konop	Rubey
Bartholdt	Fowler	Lafferty	Rucker
Bartlett	Francis	Langham	Sabath
Beall, Tex.	Frear	Langley	Saunders
Bell, Ga.	Gallivan	Lazaro	Seldomridge
Brown, N. Y.	Gardner	L'Engle	Shackleford
Browne, Wis.	George	Lenroot	Sherley
Browning	Gill	Levy	Sherwood
Brumbaugh	Glass	Lewis, Pa.	Slemp
Bulkley	Godwin, N. C.	Lindquist	Smith, Md.
Calder	Gordon	Linthicum	Smith, N. Y.
Cantrill	Gorman	Loft	Steenerson
Church	Graham, Ill.	McGillicuddy	Stephens, Tex.
Clancy	Graham, Pa.	McGuire, Okla.	Stout
Cooper	Griest	McKenzie	Stringer
Copley	Guernsey	Mahan	Switzer
Covington	Hamill	Mann	Taggart
Crisp	Hamilton, Mich.	Martin	Thacher
Decker	Hamilton, N. Y.	Merritt	Underhill
Dickinson	Hardwick	Miller	Vare
Dies	Hayes	Morgan, La.	Walker
Dillon	Heflin	Mott	Wallin
Dooling	Hensley	Mulkey	Watkins
Doolittle	Hill	Murdock	Whaley
Dupré	Hinds	Neeley, Kans.	Wilson, N. Y.
Eagle	Hinebaugh	Padgett	Winslow
Elder	Hobson	Patton, Pa.	Witherspoon

The SPEAKER. On this roll call 291 Members have answered to their names—a quorum.

Mr. ALEXANDER. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The SPEAKER. The Doorkeeper will open the doors.

Mr. ALEXANDER. Mr. Speaker, I yield to the gentleman from New York [Mr. CANTOR].

Mr. CANTOR. Mr. Speaker, during the past few days meetings have been held in New York attended by many of the leading exporters of manufactured articles, and all of them doing business in foreign countries. They have had under consideration the question of the moratorium which has been declared by those countries now engaged in armed conflict. This renders it impossible for these merchants to secure payment of the moneys due them by residents of those countries, while they are compelled to pay all their obligations due abroad.

The result of these meetings was the adoption unanimously of a resolution which I have been requested to present to this House and which I will ask the Clerk to read.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

We are informed that foreign acceptances payable in England, France, or Germany are subject to the provisions of the moratoriums promulgated in these countries, respectively, if the acceptances were made before the moratoriums became effective; and we are also informed that the moratorium operates to extend the due date of the draft until the expiration of the extension provided for thereunder, and that payments can not be made until such expiration.

We have been advised by counsel and by leading domestic bankers, and it is the sense of this meeting, that such drafts or acceptances must be regarded as not maturing until the expiration of the extension under the moratorium, and that payment before that date can not be made or required. Payment of such drafts can not in any event be safely made except upon the surrender of the original draft.

Mr. CANTOR. Mr. Speaker, this is a matter of extreme importance to many of our business men engaged heavily in the export trade. It is impossible to estimate how many millions of dollars are due these merchants upon which they had a right to rely for the payment of their own obligations, both here and abroad. It was suggested that our Government also declare a moratorium similar in character to those declared abroad; but it is a question whether we have the right under the Constitution to do it or whether it would be a wise policy for the United States to pursue, even if we had the right to do so. It is possible that the individual States would have the right, but it is almost clear to me that the Federal Government did not possess the power. It was for these reasons that I have hesitated to introduce a resolution or bill in this House in relation to this subject, and for the additional reason that being a question of national policy of almost the highest character, the matter would more justly and properly belong to some other department of our Government. I do not believe that the emergency is great enough now to warrant such action. I ask that the resolution be referred to the appropriate committee for such consideration or action as it may deem proper.

The SPEAKER. The resolution will be referred to the Committee on Banking and Currency.

Mr. RAKER. Mr. Speaker, during the Sixty-second Congress when the seamen's bill was before the House I then supported that measure, and have been in favor and am in favor of the seamen's bill at this time.

I shall vote for this substitute because it agrees with the Senate bill in changing the status of the seamen from that of serfdom to freedom. Altogether too long have we maintained laws that come to us from the early Middle Ages that are at variance with the concepts inculcated by modern education and at variance with our own fundamental law. Our own countrymen began quitting the sea more than 50 years ago, and for a long period of years we have been dependent upon European nations not only for our sailors and firemen, but also for officers to man our merchant vessels.

The same underlying cause that has discouraged seamanship here in the United States has of late years seized upon and is doing the same thing in European countries. The underlying cause is the same in all. The results flowing from it are the same, and as the white man is quitting the sea the oriental is employed already to such extent that a very large number of cargo-carrying vessels coming to our ports are manned by men from India, China, and the Malay Islands.

The breaking out of the present European war and what has taken place in our own ports indicate clearly the want of wisdom for any nation in depending upon alien races and alien nationalities in the manning of their merchant vessels. All the vessels held in our ports by the war are in one way or another seeking to get rid of such of their men as are alien in nationality and race, and this shows how unfortunate would be our own position if at any time we should be placed in a position in which we must depend upon our own people. The policy followed for nearly a hundred years has been such as to discourage both capital and labor from seeking the sea.

The ocean is free except for such combinations as are formed, and the competition will under normal conditions deliver the world's freight-carrying business into the hands of those who can do it cheapest. The indispensable condition for the participation in any over-sea commerce, therefore, is equal cost of construction, equal cost of operation. Excepting some obstructions which I expect to see removed in the conference, my opinion is that the passage of this bill will equalize the cost of operation.

There is, however, a more compelling, because a moral, reason for the enactment of this legislation. This is expressed in the following petition, which was adopted by the seamen of the United States in December, 1909, and by the representatives of the organized seamen of Europe at an international conference held at Copenhagen in August, 1910:

To those who govern nations, to those who make the laws, to humanitarians, democrats, Christians, and friends of human freedom everywhere, do we, the seamen, the yet remaining bondmen, humbly yet earnestly submit this our petition, that we be made free men, and that the blighting disgrace of bondage be removed from our labor, which once was considered honorable, which is yet needed in the world of commerce, and which has been held to be of great importance to nations with seacoasts to defend.

Existing maritime law makes of us seamen, excepting in the domestic trade of the United States, the property of the vessel on which we sail. We can not work as seamen without signing a contract which brings us under the law. This contract is fixed by law or authorized by Governments. We have nothing to do with its terms. We either sign it and sail, or we sign it not and remain landsmen.

When signing this contract, we surrender our working power to the will of another man at all times while the contract runs. We may not, on pain of penal punishment, fail to join the vessel. We may not leave the vessel, though she is in perfect safety. We may not, without our master's permission, go to a mother's sick bed or funeral, or attend to any other duties of a son, brother, a Christian, or a citizen, excepting in the domestic trade of the United States.

If the owner thinks he has reason to fear that we desire to escape, he may, without judicial investigation, cause us to be imprisoned for safe-keeping until he shall think proper to take us out. If we have escaped, he may publish our personal appearance along with a reward for our apprehension and return. He may, through contracts between nations, cause the peace officers and police to aid him in recovering his property. The captain may change, the owner may change—we are sold with the vessel—but so long as the flag does not change, there is nothing except serious illness or our master's pleasure that will release us from the vessel.

The master, acting for the vessel, may release himself and the vessel by paying a few dollars, with no alternative.

He that owns another man's labor power owns his body, since the two can not be separated.

We stand in the same relation to the vessel as the serf did to the estate, as the slave to his master. When serfdom was abolished in western Europe we were forgotten by the liberators and our status remained. When the slaves of the United States and Brazil were emancipated our status continued. When serfdom was abolished in Russia no change came to us.

We now raise our manacled hands in humble supplication and pray that the nations issue a decree of emancipation and restore to us our

right as brother men; to our labor that honor which belonged to it until your power, expressing itself through your law, set upon it the brand of bondage in the interest of cheap transportation by water.

We respectfully submit that the serfdom of the men in our calling is of comparatively modern origin. Earlier maritime law bound, while in strange countries and climes, the seaman to his shipmates and the ship, and the ship to him, on the principle of common hazard. In his own country he was free—the freest of men. We further humbly submit that, as the consciousness of the seaman's status penetrates through the population, it will be impossible to get freemen to send their sons into bondage or to induce freemen's sons to accept it, and we, in all candor, remind you that you, when you travel by water, expect us—the serfs—to exhibit in danger the highest qualities of freemen by giving our lives for your safety.

At sea the law of common hazard remains. There must be discipline and self-sacrifice, but in any harbor the vessel and you are safe, and we beseech you give to us that freedom which you claim for yourself and which you have bestowed on others, to the end that we may be relieved of that bitterness of soul that is the heavy burden of him who knows and feels that his body is not his own.

On the subject of safety at sea the bill is not satisfactory, but I have faith that the committee of conference will so improve this measure as to make it more like the Senate bill, and thus make it more conservative, more practical in its operation, and more tending to the safety of the traveling public. On this subject I desire to put into the RECORD a resolution that was adopted by the Consumers' League when it met here in Washington, and which has been indorsed by a very large number of similar organizations throughout the country.

Whereas it has become clearly evident that passenger vessels which will not sink or burn are not now and can not be built; and

Whereas the several nations have up to the present failed to provide an adequate number of seaworthy lifeboats for all persons on board with a sufficient number of real seamen to manage such boats; and

Whereas the loss of the *Titanic*, with nearly 1,600 lives, furnished conclusive proof that shipowners will accept more passengers than can be given any protection in emergencies, and that national regulations, both as to lifeboats and men, were then wholly inadequate; and

Whereas the loss of life in the burning of the *Volturno* furnished additional proof by showing an insufficient number of real seamen to manage the lifeboats on board of her; and

Whereas the loss of life caused by the sinking of the *Monroe* proves that nothing effective has so far been done, either by the Governments or the shipowners themselves, to properly care for the safety of passengers; and

Whereas the London conference on safety of life at sea made recommendations in some instances ineffective, in other instances legalizing existing unsafe practices; and

Whereas the number of persons permitted to be carried by vessels in the domestice passenger trade being subjected to the unrestricted discretion of the United States inspectors has resulted in the vessels being so crowded with passengers that according to the shipowners' testimony they can not carry lifeboats for all persons on board; and

Whereas the Supervising Inspector General in explaining the policy of the Steamboat Inspection Service admitted that only 8 or 9 square feet on deck for each passenger is all that is generally allowed on excursion steamers, and that vessels while within 5 miles from shore, but any distance from harbor, may sail with 3,600 passengers, although having lifeboats for only 90 persons and rafts for only 270 persons. The "safety" offered the other 3,240 people is, in case of fire or sinking, under present regulations, to put on life preservers, take their children in their arms, and jump overboard; and

Whereas the La Follette bill for safety of life at sea, which passed the United States Senate on the 23d of October last, provides seaworthy lifeboats for all persons on board and a crew sufficient to man each lifeboat with at least two able seamen or men of higher rating—surely reasonable and conservative safety provisions—is now being resisted in its passage through the House of Representatives by the combined influence of American and European shipping companies: Therefore be it

Resolved, That we urge upon Congress the immediate passage of the La Follette bill for safety of life at sea, and that pending such measure we advise the public to refrain from any but necessary travel by water; and be it further

Resolved, That we advise those who must travel, either on the ocean or on the Great Lakes, to carefully investigate the equipment and manning of passenger vessels, comparing the same with the standard set by the La Follette seamen bill, before purchasing tickets.

This resolution was adopted before the loss of the *Empress of Ireland*, the loss of which seems to me to furnish the absolute proofs of untrustworthiness of the contentions of those who oppose proper safety legislation. The loss took place near the mouth of the river, but little over a mile from shore; the wireless was working until she sank; help came within two hours, and yet more than 1,000 people were drowned.

Keeping in mind that the purpose of this legislation is threefold—namely, to give freedom to the seamen, promote safety at sea, and to promote the growth of an American merchant marine by equalizing the cost of operation of foreign and American vessels trading from and to American ports—it must be said that this substitute will not accomplish the purposes intended in the way that it ought to.

It is to be hoped and expected that the conferees of the Senate and the House together will succeed in agreeing to a report which will finally make a practical, workable, efficient law.

The differences between the Senate bill and the committee substitute are of such nature that there is ample opportunity for an agreement such as will accomplish the purposes intended and results desired. I have confidence that the conferees will come to such understanding and agreement or I should very seriously hesitate voting for the bill.

The two bills are alike in this, that they repeal statutes and provide a means of abrogating or amending treaties under which American seamen are arrested, detained, and surrendered back to their vessels under treaties with foreign nations, and under which the United States arrests, detains, and delivers to their vessels any foreign seamen who may desert—that is, violate their contract to labor—within the jurisdiction of the United States. They are further alike in this, that the seamen on foreign vessels in American ports and American seamen in foreign ports have a right to demand and receive one-half of the wages earned, excepting in this, that the Senate bill provides that the money shall be paid within two days after demand therefor in any port where a vessel loads and discharges cargo, while the substitute has no such provision, but provides that such demand may not be made oftener than every sixth day. Thus the substitute may be so construed that half pay may be withheld until the vessel is about to leave, thus leaving no time to have the right in force.

The Senate bill provides for the absolute prohibition against payment of advance or allotment to original creditor, and makes it applicable to all vessels within the jurisdiction of the United States. The substitute adds the following proviso:

Provided, That treaties in force between the United States and foreign nations do not conflict therewith.

It is to be hoped that the conferees will strike this proviso out, because it will permit some merchant vessels to pay advance in ports of the United States while it will be prohibited to American vessels and to some foreign vessels, and the vessels who have this right will always be able to obtain cheaper crews than those who have not. It is a special privilege conferred upon some nations' vessels that will work to the disadvantage of other nations' vessels, including American vessels, and it is a serious and crying evil, under which the seamen have too long suffered and under which the crimping system has flourished. To strike it out means equalizing the condition to all vessels and to wipe out the crimping system, in so far as American ports are concerned. (Sec. 11, p. 35.)

Section 1 in the Senate bill is sections 1 and 2 in the substitute. Section 2 of the substitute deals with the hours of labor and working conditions, both at sea and in port. The exemption of bays or sounds, on page 22, line 19, will, unless modified or stricken out, permit the undermanning and overworking of a large number of vessels trading along the coast. Bays and sounds are indefinite terms. A bay may be nearly sheltered or wide open to the ocean. It may be small or large. One need but look at the map of the United States to realize that this expression should be stricken out. It was evidently put in to preserve the present working conditions in those places, but the present working conditions has been responsible in the past for such disasters as the *General Slocum*, the *Monroe*, and others.

The Senate bill provides there shall be no unnecessary work on Sundays or legal holidays. The committee substitute provides specific days as holidays, leaving out very many State holidays. This will cause friction that might much better be avoided by permitting to the men the enjoyment of such holidays as shall be celebrated in ports of the United States where the vessel happens to be at the time.

Section 13 of the substitute corresponds to section 12 of the Senate bill. In dealing with individual efficiency the difference between the two does not seem material. But in the matter of safety the difference is so great that I should hesitate to vote for the bill if I did not believe that the committee on conference will deal with this matter from the point of view solely of the safety of the traveling public.

The Senate bill provides lifeboats for all and two able seamen or men of higher rating for each lifeboat. The substitute leaves this matter out of section 13 and introduces a section 14 in which it seems to deal with vessels of the United States. And then it goes on to determine what is a seaworthy lifeboat, what is a proper pontoon raft, the number of boats that are to be carried, the number of rafts that are to be carried, specifying the waters, and treating the open sea differently within the 20-mile limit than outside of the 20-mile limit, permitting vessels within the 20-mile limit a certain time of the year; that is, from May 15 to September 15, to run with 30 per cent of its passengers and crew without either boats or rafts. For the same period it provides 20 per cent of boats, 30 per cent of rafts, and 50 per cent of the passengers to be without either means of safety on the Lakes. And this in spite of the experience of the *Monroe*, the *Empress of Ireland*, and the tremendous losses of human life on the Lakes within the last five years.

In place of two able seamen or men of higher rating for each boat, there is on pages 65 and 66, a provision for what is called

"Certificated lifeboat men." This is an innovation on shipboard, so radical and fraught with such consequences, both from the point of view of safety and of discipline, that I look upon it with the greatest apprehension. The preparation and training of the certificated lifeboat men is such that the qualifications may be attained after a week's training in smooth water drilling with an empty boat, manifestly an ineffective preparation for the most difficult and most important of the work that a seaman has to perform, namely, the saving of human life in case of disaster. Industrially and from the point of view of discipline, I feel sure that the burden upon the shipowner will be greater under the substitute than under the Senate bill, and I do hope that both for the sake of safety to the public and expense to the shipowner, the conferees may give to this particular point earnest and painstaking consideration.

On page 67, "a licensed officer or able seaman" is to be placed in charge of every boat or raft. This means that an engineer will be placed in charge of a lifeboat. There is nothing in his work that prepares him for this. It will be done over his protest and to the serious endangering of human life. It should read "a licensed deck officer or able seamen." There surely ought at least to be one man in the boat who is accustomed to the sea and knows enough about it to work with it for the safety of himself and those who are in the boat with him.

Mr. ALEXANDER. Mr. Speaker, I yield eight minutes to the gentleman from Ohio [Mr. BOWDLE].

Mr. BOWDLE. Mr. Speaker, what irony and fatuity seem to preside over some of the efforts of us men. Warring nations are trying to make the sea unsafe, while we are to-day trying to make the sea safe.

The expression "safety at sea" gives us a thrill. We actually think that we, with ink and paper, are the makers of it. We are not. Experience makes such safety, at sea and elsewhere, as may be obtainable, and then the law follows after, declaring to be necessary the thing found to be sensible. In this the law, as usual, is a kind of ex post facto performance—but good at that.

About 90 per cent of all good things in this bill are actually in maritime practice now, as the result of the *Titanic* disaster—I mean in relation to life-saving apparatus.

But the bill is good simply in that it tends to unify the practices touching safety. The *Titanic* disaster started this whole subject. The criminal neglect disclosed there aroused the world in never-to-be-forgotten fashion. What happened so startled the companies that in their advertisements and literature they are now careful to accent the fact that "there are lifeboat accommodations for all." The *Titanic* was a good deal like the individual life; it had everything aboard but lifeboats.

How much safety at sea can we get? Well, compared with the number of persons carried, safety at sea is greater right now than safety on land. Time would fail me to list those companies, commencing with the Cunard Co., which show pompous lists of millions carried and not a life lost. But the two late disasters—*Titanic* and *Empress of Ireland*—aroused us. We are now determined to prevent certain negligences which some claim were at the bottom of those accidents.

But, how much safety can be created at sea?

The question really is, What is the best apparatus for saving life when it becomes necessary to abandon the vessel after a disaster? This, I insist, is the real question. But some will say, Why not prevent those accidents just as doctors are trying to prevent disease? Well, everybody is now trying to prevent accidents at sea and elsewhere, and a good deal of progress is being made; but this bill before us has to do with methods of getting away after a disaster; that is, we are trying to make such accidents as are still likely to occur safe accidents.

How to make maritime accidents safe—this is the question. But why not abolish accidents, when we have so much paper and ink still idle?

Let men consider this: We can not abolish fog by law. Icebergs will not melt under the heat of congressional wrath. And great vessels will continue to make records through fogs and mists; and, without making records, vessels will sometimes continue to strike each other amidships and wound themselves in a way that will allow but few to be saved—which was the *Empress's* case—and such disasters will continue to be fearful and more fearful as we continue to build and use these insane leviathans.

I must pause to nail some widely diffused misstatements in relation to the responsibility for the loss of the *Volturno* and the *Empress of Ireland*, done by inexpert and thoroughly irresponsible writers and done for the purpose of reflecting on our committee.

It has been said that the loss of life on the *Empress* was due to lack of life-saving facilities and lack of competent seamen. The statement is false.

The 800 drowned dead still locked in their staterooms, many of whom did not even awaken, are mute witnesses to this untruth. The boat sank in some nine minutes in 140 feet of water, and when the first passengers got on deck the list was so terrible that the boats were unusable in the main and it was almost impossible to cling to the deck. No amount of apparatus could save life under such appalling conditions. Some persons have aspersed the crew because so many were saved. As the watch was up and vigilant, they were the only men who could have been saved in that rush of water. Indeed, that accident was of a character which actually crushed and killed outright hundreds in their rooms.

There is not a thing in this bill, nor could there be a thing in any bill, which would have prevented what happened to the *Empress* or her passengers.

As to the *Volturno*, it has been charged by certain persons that the loss of life there was due simply to lack of competent seamen. This is not true. For hours great liners stood by trying in vain to launch boats in the boisterous sea. Finally some six steamers went to windward of her and formed a wind and wave break. This was quite effective.

When the *Kroonland*, whose crew Congress has thanked for bravery and seamanship, reached the scene, so great was the danger to those who would attempt to go to the rescue that the captain, instead of ordering his men to go, asked for volunteers, agreeably with the law of the sea. I speak of this simply to indicate that there are times when no boats and no seamanship can prevent disaster, when no congressional enactment can stay the protean hand of destruction of "Old Ocean's grey and melancholy wastes."

I observe, by the way, that Members in this House, in rising to speak, sometimes have a modest way of recommending what they are about to say by telling of whatever peculiar qualification they possess for speaking on this or that subject. Business men always advise us as business men. During the tariff debate manufacturers assured us that they should be listened to because they were manufacturers. Bankers, during the currency debate, gave "an atmosphere of verisimilitude to what was otherwise a bald and unconvincing argument" by saying that they spoke as bankers. Let me therefore emulate them in this wise course, and say that I am familiar with ships and maritime engineering, serving as an apprentice in one of the great shipyards of this country. I know seafaring men and something of seafaring matters, though I have not been to sea; I know ships, their weaknesses, and the dangers which menace them. Men who work around shipyards are usually men who have been to sea in some capacity or other, and though my own modest work was wholly with marine engines, I know the ships which they propel and the accidents which befall them.

When one boards a ship the first thing that impresses him is that the sea is not safe. The great lines of boats in their davits tell him that it may become perfectly convenient to quit the ship.

Entering his stateroom, the life preserver accents the idea he met on the deck, namely, that the ocean has perils.

Wherever he goes he sees evidences of the fact that man, not being an aquatic animal, is in danger at sea—great bilge pumps, fire extinguishers, smoke detectors, hose lines, and a thousand things all say in chorus "On the sea you are in an unnatural position; beware."

But do not lifeboats make the sea safe? By no means, my friend. If lifeboats made the sea safe, it would be well for us to go to Europe in lifeboats. Little boats are not a tithe as safe as big boats at sea. Lifeboats are simply the lesser of two terrible evils—that is all.

A lifeboat is available only under some rather exceptional conditions. For instance:

The disaster to the vessel must be of a character which will allow passengers and crew time to enter the boats without panic.

A vessel struck as was the *Empress* must involve the death of almost the entire passenger list, no matter what the boatage may be.

The sea must not be too rough to launch the boat.

The SPEAKER. The time of the gentleman has expired.

Mr. BUCHANAN of Illinois. Mr. Speaker, I ask unanimous consent that the gentleman be given 10 minutes more.

The SPEAKER. Under the special order fixing the time the only way to get at it would be to ask unanimous consent that the time for debate be extended.

Mr. BOWDLE. I can finish in five minutes.

Mr. ALEXANDER. Under the rule the debate is limited to two hours, and I regret very much to object.

Mr. BUCHANAN of Illinois. Mr. Speaker, I ask unanimous consent that the time be extended five minutes beyond the time which has already been fixed.

Mr. GREENE of Massachusetts. It has been adopted by rule, has it not?

The SPEAKER. It has been adopted by unanimous consent.

Mr. GREENE of Massachusetts. I do not object.

The SPEAKER. The gentleman from Illinois [Mr. BUCHANAN] asks unanimous consent that the time for general debate be extended from 2 hours to 2 hours and 5 minutes, and that the gentleman from Ohio [Mr. BOWDLE] have the 5 minutes. Is there objection?

There was no objection.

Mr. SAMUEL W. SMITH. Will the gentleman answer a question?

Mr. BOWDLE. I would like to finish my speech first, please.

Mr. SAMUEL W. SMITH. Very well.

Mr. BOWDLE. The season for the accident ought to be summer, for in winter large numbers of boats become in a short time coated with ice, tons of it in fact, so that many of them are unusable. The wind should not be blowing hard, for in addition to making the sea boisterous it makes launching the windward boats impossible.

The accident should not be a collision which carries away, as many accidents do, large numbers of boats.

The accident should not be fire, for this at once renders it impossible to get at many boats.

The accident, if a collision with a berg, should be one in which the berg is side swiped, rather than struck head-on, for this will probably allow time for the boats. But if the impact is head-on every boiler will leave its fastenings, and in an instant of time all decks will be blown off, all boats destroyed, and probably all passengers roasted. This is precisely what would have occurred had the *Titanic* struck head-on. The 36 mammoth boilers would have accomplished just this.

I have tried to make it clear, Mr. Speaker, that the accident at sea, in order to make lifeboats effective, must be an exceedingly polite and proper accident, occurring under fairly good and unusual conditions.

I should like to make accidents at sea and elsewhere as safe as possible, and the boats properly manned are the best we can do, but let us not deceive ourselves with the idea that this or any legislation can make the sea safe.

In trying to make accidents safe, or safer than they are at present, I want to call attention to some facts which must continue to make the accidents which do occur more and more appalling.

The great size of boats tends to danger.

Effective control of the captain becomes impossible in boats of such length.

In the matter of fire at sea we have, with steel ships and steel housings and metal furniture, reduced the danger to a minimum. But this is the internal danger, when the great dangers of which we have been speaking are external dangers, due to fog, collision, stranding, and so forth. And mark you, Mr. Speaker, the reduction of these internal dangers—fire and explosion—has in a very curious way actually increased certain external dangers. Let me explain. In days when everything was wood a sinking vessel left the sea strewn with a vast mass of wreckage, some of it approximating to small rafts. To-day a liner prides herself on almost the entire absence of wood. If the accident to-day precipitates numbers into the water without time for preservers, there is no hope even for swimmers unless the coast is near and safe. Even if preservers can be put on, there is no wreckage from the modern liner's deck which would allow the unfortunate to raise himself sufficiently out of the water for an hour, and thus help him to retain enough heat to support life for that two or three hours within which help might come. What a boon it would have been to the *Titanic's* passengers if, at that awful moment—a moment whose awfulness is without parallel in the history of horrors—there might have been a simple load of common lumber on her deck, which floating off with those heroes cast into the sea would have afforded rafts for the support of hundreds of the stronger. Indeed, a few nails and a load of lumber would have made a good raft in that last hour when every boat had gone. But, no, that boat of enervating and idiotic luxury had no simple thing aboard. And for lack of simple things it and they died, as many others have died for lack of simple things.

But my point, I think, is clear, that all-steel vessels, with all-metal equipment, while reducing internal dangers often serve to increase external dangers. In other words, it is a very curious fact that a kind of permanent ratio of marine danger seems to be maintained.

It comes to this: How can a mad race for luxury and speed be made safe? Of course it can not be made safe, on sea or land or in the air. No legislation can make it safe. We can create a sort of poor relative safety only.

If men and women demand 23 knots speed to Europe, they must accept certain dangers which science can but little abate.

If they demand a welter of foolish luxuries on land or sea, they must accept that danger which always attends the lack of simple things and simple living.

Great vessels with Russian baths, and Turkish baths, and plunge baths, and squash courts, and racquet courts, and lounges, and palm rooms, and Pompeiian rooms—with the hideous size and power required for all this—must present dangers to those who use them past comprehension. For me, I should not, with my observation of ships, ride a nautical knot on one of them. And I blush for that enervated life of my countrymen which demands them.

Of course in discussing this matter I have not touched upon the vast waste of our best coal now going on, for these ocean racers require trainloads of hundreds of cars of coal for a single voyage, a waste never to be replaced, and all in order to push our luxury-loving people at breakneck speed over the seas and into Paris a day or two sooner.

But I think I see signs of returning sanity. Several forces are operating. First. Our people are becoming conscious of the dangers. Second. The great cost of operating these monsters is troubling their owners. Third. Our rich are pausing to consider whether their riotous display of luxury has not in it elements of danger in this democracy of ours. Fourth. The inability of these great ships to use the ports of the world—outside of two or three ports—and the general desirability of having ships which can be easily switched onto any route—a desirability now accented by this war. Fifth. The difficulty of managing in times of danger a vast concourse of passengers distributed over 500 feet of a 900-foot vessel, increasing danger to life—a thing very observable to one who studies the loss of the *Titanic*. All these things, I say, are tending to a return to sanity. Meanwhile we can help by refusing to use such vessels.

To those who look to the House's Committee on the Merchant Marine for the creation of safety at sea, I say, "Gentlemen, we have done our best under the circumstances of a wild desire on the part of our people for great size, great speed, great luxury, and great everything. It is the best that we can do, and at that we have been able to require but little more than experience has already induced vessels to adopt."

I trust that marine accidents will henceforth all be as polite as that recent one between the *Practoria* and the *New York*, where they came together in the daytime, almost bow on, so that they kissed hard, sheered off, one leaving her anchor on the deck of the other as a memento of a warm contact.

I can not end this address, Mr. Speaker, without a word of admiration for Mr. Andrew Furuseth, who has represented the seamen of this country throughout our long hearings. We are indebted to him for much information. I know lawyers, a plenty, with incomes of ten thousand a year and much more, whose advocacy of any cause has never been as forceful as the advocacy of plain, hard-handed Andrew Furuseth. I did not at first agree with many of his propositions, but since reading the account of the *Titanic's* loss, especially that in the remarkable book of Col. Gracie, I have come to see the meaning of his position. And these words may be applied with the same propriety to Mr. Olander and Capt. Wescott, his associates. [Applause.]

Mr. ALEXANDER. Will the gentleman from Massachusetts [Mr. GREENE] use some of his time?

Mr. GREENE of Massachusetts. Mr. Speaker, I yield 10 minutes to the gentleman from Minnesota [Mr. MANAHAN].

Mr. MANAHAN. Mr. Speaker, the difficulty of getting comparative safety at sea under modern conditions as the result of intelligent legislation is not as great, in my judgment, as might be indicated by the address of the distinguished gentleman from Ohio [Mr. BOWDLE] to which we have just listened. Nor do I concur in his view that, left to themselves, the shipowners have, as a matter of voluntary care, approximately met the requirements of this bill. I believe that the shipowners, to a certain degree, have met the demands of the public for a greater degree of safety, but nevertheless I am convinced that it is of very great importance that we legislate in a way that will compel men who undertake to transport passengers at sea to do their plain duty.

Now, I am in favor of this bill and propose to vote for it, but not on the theory that as regards the safety at sea it is an improvement on the La Follette bill, for which it is a substitute.

I think in that respect this bill is still weak in certain portions, and I am hopeful that when the matter goes to conference with the Senate that this weakness will be removed.

Regarding the provisions of the bill as they affect the life of the seamen, inasmuch as they lift the seamen from a condition of serfdom to that of liberty and a fair condition of life as laboring men, the bill is a splendid tribute to the intelligence and the patriotism of the men who undertook to formulate it. But regarding safety at sea, some provisions ought to be modified and, as I say, I hope they will be modified in conference.

The provision of the bill which exempts from its terms vessels operating in bays and sounds is, to my mind, a dangerous provision, because there are bays and sounds, as a simple scrutiny of the map of the United States will disclose, in which there is quite as much danger to navigation as there is upon the open sea. I believe that provision ought to be modified.

Regarding lifeboats, too much generosity has been shown to the shipowners. It is not, in my opinion, fair to the traveling public, who are obliged to use the Great Lakes, to provide during the season of greatest travel, in the summer time, as this bill does, that only 20 per cent of the passengers shall have lifeboat provisions and only three-tenths of the passengers shall have pontoon or life-raft provisions, leaving the balance without any protection whatever. I come from the Northwest and am familiar with conditions on the Great Lakes, and when I say that the waters of Lake Superior all the year around are practically ice cold, it is obvious that a provision for 20 per cent of lifeboats in case of accident is entirely insufficient.

I believe also that the provision which limits the application of the law to vessels sailing outside of the 20-mile limit is an unreasonable concession to shipowners, because there is, in my judgment, quite as much danger in the open sea 19½ miles from shore as there is 100 miles from shore. But as I say, outside of these provisions, which are concessions to the stern demands, as I may express it, of shipowners, the bill is a very good bill, and the substitute is entitled to the vote of this House.

Regarding the difficulty of making the bill I might express this thought: That any remedial legislation will always be difficult while we permit men engaged in large business to exercise influence against legislation which will in the slightest degree cut off the dividends of that business.

The opposition to the La Follette bill and to this bill regarding the lifeboat provision has not been opposition based upon an intelligent consideration of the dangers at sea, but opposition which has its support in the matter of the earning capacity of the vessels. Without question if it were not for the greedy desire of these men who own these ships, regardless of public safety, to increase their dividends, they would not undertake to carry more passengers than they could protect and provide for in case of accident; but for the sake of dividends they sacrifice the rights of the public to a competitive degree of safety, and I have little sympathy with arguments that are based upon the proposition that the business requirements of these great companies require a certain degree of jeopardy to be borne by the traveling public.

And that is why I am so much in sympathy with the project, now shortly to be called before the House, of having this Government itself undertake to place upon the sea vessels of its own, either directly under it or by some corporation which it controls, because I am satisfied that if this Government intelligently and patriotically provides for a line of vessels to ply between our coasts and foreign shores and between the cities of our own coasts it will demonstrate in a few years that it will be possible for great companies operating as private corporations not only to carry passengers at a cheaper rate than they now charge but to provide for every essential thing necessary to protect the public and passengers who are compelled to travel upon the seas. I believe that the rates have been excessive, and that the safety provisions have been inadequate under the private ownership of these great steamship companies, solely as a result of greed, and not as a matter of construction or intelligent operation.

Therefore I welcome the opportunity brought upon us by the war abroad of having our Government as a Government undertake the public service of transportation, and undertake it under such conditions as will make a demonstration that the great private-ownership carriers upon the sea, as upon the land, have been exploiting the public as a result of greed, without regard to necessity, and with scant respect for the ordinary rights of man. [Applause.]

Mr. Speaker, I yield back the balance of my time.

The SPEAKER. The gentleman yields back three minutes.

Mr. GREENE of Massachusetts. Mr. Speaker, I yield to the gentleman from Kansas [Mr. HELVERING].

The SPEAKER. The gentleman from Kansas [Mr. HELVERING] is recognized.

Mr. HELVERING. Mr. Speaker, ever since this legislation was proposed in the other Chamber I have given to it considerable attention, an attention which was enhanced by a study of the legislation along this line which was passed by this body in the years gone by and which failed of enactment for reasons which at this time it is unnecessary to refer to.

And accordingly I have given the greatest attention to the arguments of those who have opposed and those who are opposing this measure. I was desirous of approaching this subject with an open mind, but I freely admit that if arguments were not forthcoming to show the futility or the impracticability of this legislation I would be ultimately inclined to favor it for humanitarian reasons.

Now, what do we find? Stripped of all of the nonessentials, you will discover that all of the arguments advanced finally come around to one of increased cost to the vessel owner. He does not want to remodel his vessel so as to provide for necessary lifeboat equipment; he objects to the alteration of the lines of beauty in his craft; objects to the employment of more able seamen and less of the riffraff, who will work for small wages in the hope that tips will add to their total receipts, and they object to everything and anything which would mean the expenditure of an extra dollar.

We have met just such objections before; in fact, we can not move here in the direction of legislating for humanity that we do not hear a wail from the men whose sacred dollar is assailed and who are so intent upon its worship that their ears are closed to the cries of suffering humanity. We hear it every time a workingmen's compensation act is proposed; every time that we strive to secure steel cars for railway mail clerks; every time that we insist upon safety appliances, more stringent mine regulations, and necessary equipment for the greater safety of human life on the sea and upon land.

On the one side, then, we have the men who oppose this bill because they want their dollars protected, and in advocacy of the bill we have the plea of those whose business it is to spend the best part of their lives on the sea, as well as the plea of those who have lost loved ones in the past few years owing to causes which could have been prevented and will be prevented if this bill becomes a law.

It is said that only the seamen's union is really behind this legislation. That I deny. The press of the civilized world in April, 1912, called for measures to prevent a duplication of the loss of life caused by the wreck of the *Titanic* and the burning of the *Volturno* and accompanying human sacrifices emphasized the fact that we have left all of these months pass by and have failed to heed the lesson which the wreck of the *Titanic* brought home to us.

In the history of navigation we have seen progress made in the effort to protect human life and in the improvement in the conditions surrounding the men who sail the sea, but every step has been resisted by the shipowner until public opinion has forced him to give each successive inch. Flogging at sea, manhandling of sailors, wormy biscuit, rotten meats, and an absence of vegetables, which resulted in scurvy, have all been a part of the record of the history of navigation within a reasonable time. There has been a betterment in conditions, we all admit, but is it not a fact that every improvement has been reluctantly given by the shipowner in response to an irresistible public demand?

On the other hand, look at the money spent in catering to the pleasure of the carrying trade. The salons of our trans-Atlantic passenger steamers are a cause for wonder. Money has been lavishly expended and the appointments of the various suites, the arrangements made for play, the palm gardens, the spacious walks for the promenaders, and the music provided for those who dance all testify to what extent the comfort of the passengers calls for heavy expenditures.

Everything is done to cater to the joys of existence—music, laughter, drinking, gaming, playing, all going on below, while above there is a lack of lifeboats, and that lack is accentuated by the fact that when the time comes to use these lifeboats the vessel owner, who has spent so much to cater to the pleasure loving, has only waiters, bartenders, and stewards to do the work of sailors in handling these boats so that the lives of the passengers may be saved. Oh, yes; he caters to the pleasures of the travelers, but over every entrance to the cabins and saloons he should have the inscription plainly shown: "Eat, drink, and be merry, for to-morrow you may die."

The two points covered by this bill are, first, an assurance of greater safety for those who travel on ships, and, second, an assurance of more humane treatment for those who have to man the ships.

This bill realizes the difference between those who labor upon land and those whose labors carry them upon the sea, but with all differences allowed for and admitted, we see no reason why the sailor is not entitled to every protection due to a free man. We have abolished slavery on land, and we can not and will not tolerate it longer on the sea—at least, it will not be protected under the American flag.

That is the sum total of this legislation. We have paid heed to the tears and to the agony of the relatives of those who went down with the *Titanic*; we keenly felt our negligence when the *Volturno* holocaust caused so many to ask, "How much longer?" And now the question is up to us, shall we delay longer, and shall we continue to make dollar rights superior to human rights?

Nobody believes that this legislation will accomplish all that we desire, but it is a step in the right direction, and while there are in this bill things which I do not approve, yet I will gladly vote for it, because I believe it to be right in the main, and it marks the most advanced step ever taken by any nation in the way of throwing safeguards around human life.

The things to which I object are in reality of but little moment as regards the essential features of the bill. The fear of not being able to secure enough able-bodied seamen to man our vessels has no weight with me. Labor, skilled or unskilled, will inevitably follow the road which leads to the greater financial reward, and while this bill will, I believe, surely lead to an increase in wages, that increase will afford the needed stimulus to men to turn to the sea for a livelihood.

There is one thing in this bill to which I do object, and I will now briefly refer to it.

In section 12 the amendment proposed to section 4536 of the Revised Statutes of the United States is vicious in so far as it will give encouragement to the dead beat. I can well imagine the case where a penniless sailor is taken ill while out of employment. He is cared for and nursed, because the parties so caring for him rely upon the time when he will be able to earn and pay for services rendered. Now, if we are going to protect the dead beats by such legislation as this and enable them to evade payment of just debts, is it not reasonable to believe that the honest seaman will be the real sufferer in the end, for he will not be able to secure succor and the means to live at a time when sickness or lack of employment prevents him from being able to pay his way? I am of the belief that the greatest protection you can give to the honest man is to put a penalty upon dishonesty, for by so doing we give some assurance that honesty will be the rule.

In the debate on this measure in the other branch of Congress it was stated that section 13 of this act would not necessarily require that 75 per cent in each department on a vessel would have to understand the English language, as under the terms of that section such per cent would have "to understand any order given by the officers of such vessel," and that as these orders might be conveyed by signs or by the taps of a bell, such knowledge of the language would not be demanded.

As far as routine orders go I can see where such a construction would apply; but the language of this bill reads "any order given," and that of necessity would compel a knowledge of the language in which the order is given, for no human understanding could provide signs or bell taps which would govern every emergency or insure understanding of "any order given" unless the language in which it was given was understood and the intent of the order fully comprehended.

The one serious objection raised is in regard to the abrogation of treaties, and I can appreciate the honesty and sincerity of those who advance such objection. But the passage of this act need not lead to any complications. If we pass this bill, there will be one feature in many of our treaties which will contravene the terms of this act, and we simply say to the nations of the world: "Our treaties with you are agreeable to us in every feature, save one. If you wish your vessels to trade with us, if you wish to profit by having a part of our ocean-carrying trade, then we ask that you arrange with your vessel owners whose ships do business in our ports that they shall see to it that they comply with our rules and regulations."

The bulk of our trade was carried on the vessels of a few, a very few, foreign nations, and it is not likely that they will give up that trade because this legislation does not please them. Will they not be far more likely to consent to the amendment of the treaties so that they will conform to the requirements of our legislation? And if they refuse, will it not inevitably lead to our taking care of our own carrying trade and thus bring about the very thing which we all believe to be of such great importance to our Nation?

I have not the slightest fear as to what the result will be. We have what these nations greatly covet, and we have the right to put reasonable restrictions around it, knowing that those who seek to get it must play the game according to our rules.

There are those who would have us delay in the enactment of this legislation until such time as we can confer with the nations of the earth and formulate satisfactory rules. Nothing is to be gained by such delay. The nations most interested have a selfish interest in the prevention of any legislation not satisfactory to the shipowners. They have coddled, nursed, and subsidized them in an endeavor to secure a larger percentage of the trade of the world, and they will not aid in restrictions which will be opposed by such owners. The United States is the only Nation in position to take the lead in such legislation, and we will be untrue to ourselves if we fail to take advantage of our opportunity. We have the carrying trade which these nations covet. We have the right to lay down the rules; and if we delay now and wait until we can get a mutual agreement, it will follow that we will have another toll of human life sacrificed and another arousing of public opinion before we reach the vantage ground upon which we stand to-day.

It is a great opportunity this which is offered to America. We have by our votes here on a day not long ago shown to the world how earnestly we desire not only to live in peace with all of the nations of the earth, but also to restrict as far as possible the chance to carry on war. That was a splendid act and reflects credit upon this body. Now we have another opportunity—the opportunity to head the procession of nations in the work of putting human life and human rights above aught else and compelling dollar rights to take their place in the rear. That we may utilize this opportunity by passing this legislation, and that, too, by an overwhelming majority, is my earnest hope, and to that end my vote shall be cast, for I feel certain that by so doing we will give an impetus toward securing needed humanitarian legislation which will have a beneficial effect in all parts of the world.

Mr. GREENE of Massachusetts. Mr. Speaker, I yield five minutes to the gentleman from Pennsylvania [Mr. BUTLER].

The SPEAKER. The gentleman from Pennsylvania [Mr. BUTLER] is recognized for five minutes.

Mr. BUTLER. Mr. Speaker, am I confined to the subject of this bill?

The SPEAKER. Not especially.

Mr. BUTLER. Then, Mr. Speaker and Members of the House, permit me to speak of something that is personal.

I have been convinced that the leader of the majority [Mr. UNDERWOOD] is right; that it is the business of Members of Congress to maintain a quorum upon this floor.

Mr. SAMUEL W. SMITH. Then, Mr. Speaker, I make the point of order that there is no quorum present.

Mr. BUTLER. I will yield the floor, Mr. Speaker, and finish my remarks later. [Laughter.]

The SPEAKER. The gentleman from Michigan [Mr. SAMUEL W. SMITH] makes the point of no quorum. The Chair will count. [After counting.] One hundred and thirty-one Members are present—not a quorum.

Mr. ALEXANDER. Mr. Speaker, I move a call of the House.

The SPEAKER. The gentleman from Missouri [Mr. ALEXANDER] moves a call of the House. The question is on agreeing to that motion.

The motion was agreed to.

The SPEAKER. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Adair	Cooper	Gardner	Johnson, Ky.
Aiken	Copley	Garner	Johnson, S. C.
Ainey	Covington	George	Johnson, Utah
Ansberry	Crisp	Gerry	Jones
Anthony	Danforth	Gill	Kent
Aswell	Decker	Gittins	Kiess, Pa.
Austin	Dickinson	Glass	Kindel
Barchfeld	Dies	Graham, Ill.	Kinkead, N. J.
Barkley	Dillon	Graham, Pa.	Kirkpatrick
Bartholdt	Dooling	Griest	Knowland, J. R.
Bartlett	Doolittle	Guernsey	Konop
Beall, Tex.	Dupré	Hamill	Lafferty
Bell, Ga.	Eagle	Hamilton, Mich.	Langham
Broussard	Elder	Hamilton, N. Y.	Langley
Brown, N. Y.	Esch	Hardwick	Lazaro
Brown, W. Va.	Estopinal	Harrison	L'Engle
Browne, Wis.	Evans	Hart	Lenroot
Browning	Fairchild	Haugen	Lewis, Pa.
Brumbaugh	Faison	Hayes	Lindquist
Calder	Fess	Heflin	Linthicum
Candler, Miss.	Finley	Hensley	Loft
Cantor	Fitzgerald	Hill	McGillicuddy
Cantrill	Flood, Va.	Hinds	McGuire, Okla.
Church	Foster	Hinebaugh	McKenzie
Clancy	Fowler	Hobson	Mahan
Clark, Fla.	Francis	Hoxworth	Martin
Claypool	Gallivan	Humphreys, Miss.	Merritt

Miller	Post	Slemp	Vare
Morgan, La.	Powers	Smith, N. Y.	Walker
Mott	Prouty	Steenerson	Wallin
Murdock	Rainey	Stephens, Nebr.	Watkins
Neeley, Kans.	Riordan	Stout	Weaver
Nelson	Rogers	Stringer	Whaley
Padgett	Rubey	Switzer	Whitacre
Patton, Pa.	Sabath	Taggart	Wilson, N. Y.
Peters	Sells	Taylor, N. Y.	Winslow
Plumley	Shackleford	Thacher	Woods
Porter	Sherley	Underhill	

The SPEAKER. On this roll call 278 Members—a quorum—have answered to their names.

Mr. ALEXANDER. I move to dispense with further proceedings under the call.

The motion was agreed to.

The SPEAKER. The gentleman from Pennsylvania [Mr. BUTLER] has the floor, and the Chair desires to read to him the agreement under which we are proceeding:

That to-morrow, immediately after the approval of the Journal, it shall be in order to move to suspend the rules upon the bill S. 136, the seamen's bill, with certain committee amendments, and if a second is demanded, that the second shall be considered as ordered, and that two hours of debate on the bill shall be in order.

Mr. MANN. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania may proceed in the time allotted to him and talk upon any subject.

The SPEAKER. The gentleman from Illinois asks unanimous consent that the gentleman from Pennsylvania be allowed to proceed for five minutes to talk about anything he chooses to talk about. Is there objection?

There was no objection.

Mr. BUTLER. Mr. Speaker, I am much obliged to the gentleman from Illinois [Mr. MANN] for making this request. When I was taken off my feet by my conscience-stricken friend from Michigan [Mr. SAMUEL W. SMITH]—he, too, has become a reformer, like the rest of us. How long reform will remain with him I do not know, but it has come to me to stay, and I give the House notice that Members will push their trunks back under the bed. [Applause and laughter.] This is not personal with me. I am simply performing, as I understand it, conscientiously a duty that has been imposed upon me. My attention has been called to what constitutes a performance of duty commended by the people, and that is an enforcement of the law. On last Tuesday, when I was unfortunate enough not to be here, and so could not have the pleasure of voting against this resolution—because, if you will permit the statement, that I never voted for such a resolution, as I have endeavored to serve without embarrassing one Member of this House. I believe each Member is responsible to the country and to his constituency and not bound by any particular rule [applause] of this House for his guidance. The leader of the majority said on this floor:

Now, I think, Mr. Speaker, it is far better for this House and the country for us to stay here and to attend to business and keep a quorum on the floor of the House, so that business may be attended to by a majority of the House.

Listen:

Applause on the Democratic side.

Mr. Speaker, we have been here three hours to-day and we have done nothing. No work has been accomplished except a little general debate. It is not the fault of the gentleman from Missouri [Mr. ALEXANDER], who attends to his business strictly and conscientiously. It was because a quorum was absent from the floor. That lack of a quorum was caused by the absence of Members who, like myself, have been seeking the joys and companionship of their homes; and I want it understood that whenever I go home the Sergeant at Arms is at liberty to deduct the day pay from my salary.

Mr. GORDON. You will be docked $20 a day.

Mr. BUTLER. Twenty dollars and forty-five cents a day. I know it is not easy to lose that much if you need it; but permit me to say that I serve my constituents for two reasons: First, because I want to and through their forbearance and toleration, and, secondly, because of the salary attached to the office. [Laughter.] Without the salary I can not live. But the House has been wise. It has provided, as I understand, that I shall be docked for the days in the month I am absent. The leader of the majority has made me wise, and I shall be absent no more. [Laughter.] I want the gentlemen of this House to understand that there is nothing personal in the position I have taken when I propose to see that a quorum is present, and if you want to do business you will remain where you are now for the remainder of the session. I am here to stay. [Laughter and applause.] If I have any time left, I will be glad to yield it to somebody.

The SPEAKER. The gentleman yields back two minutes.

Mr. ALEXANDER. I yield five minutes to the gentleman from Wisconsin [Mr. BURKE].

Mr. BURKE of Wisconsin. Mr. Speaker, the principal points of difference between the Senate bill and the substitute offered by the House committee relate to lifeboats and able seamen. The Senate bill provides that there shall be seaworthy lifeboats to afford accommodations for all on board, passengers and crew. The Senate bill in relation to able seamen says that lifeboats shall be manned by at least two able seamen each, and that the qualifications of an able seaman shall consist of three years' service at sea or on the Great Lakes.

After fair and impartial hearings and consideration of those two points the Committee on the Merchant Marine and Fisheries thought it wise to change them in some respects.

The Senate bill makes no provision for a lessening of the number of lifeboats or of able seamen in the summer during the excursion seasons. Our substitute makes provision for full life-saving accommodations on all ocean-going passenger and cargo vessels. At least 75 per cent of those accommodations are to be in lifeboats and the balance in life rafts or collapsible boats. It has been found by experience that a provision for all lifeboats and no rafts is an unwise provision. There are times, exigencies and emergencies, in which lifeboats can not be used to the same advantage as can life rafts. The Senate bill made no provision for the carrying of life rafts. In view of the fact that the testimony showed us that life rafts in certain emergencies were the only available means of life saving, we thought it wise to make provision for the carrying of a portion of the life-saving apparatus in the shape of life rafts. This provision for safety accommodations for passengers and crew in the case of ocean-going steamers prevails the entire year. The other provisions of the substitute, in relation to accommodations for the saving of passengers and crew, provide that there shall be full accommodations for passengers and crew all the year round, except in the case of the lakes, bays, and sounds and vessels going not more than 20 miles off the coast during the four summer months. It is only in the case of the excursion season when full provisions for life saving are not required to be carried.

The evidence before us showed that in the case of very many large vessels on the Great Lakes it would be impossible for them to comply with the provisions of the Senate bill which required full lifeboat accommodation for all passengers and crew on board. It was shown that to comply with these provisions of the bill it would be necessary to overhaul the large vessels at a cost nearly as great as the original cost of the vessel, or else the lifeboats would have to be stored on the upper decks and would make the vessel topheavy and easily capsized, thus rendering travel at sea more dangerous than if there were less lifeboats. This dangerous feature can be easily surmised by anyone familiar with steamboats.

Mr. J. M. C. SMITH. Will the gentleman yield?

Mr. BURKE of Wisconsin. Certainly.

Mr. J. M. C. SMITH. I understood from the remarks of the chairman of the committee that the rules for carrying lifeboats would be suspended on some boats running from Buffalo to Cleveland and Detroit. I would like to ask the gentleman from Wisconsin if that is true?

Mr. BURKE of Wisconsin. In the first place, I doubt very much if the chairman made any such statement, because there is no such provision in the bill.

Mr. J. M. C. SMITH. I understood him to say that that was because they passed some other boat every six or seven minutes, and that the provision in those cases would be waived.

Mr. BURKE of Wisconsin. I think he did make the statement that they passed other boats often, but that was to show that the travel on the Great Lakes was not so dangerous as it is on the ocean.

Mr. J. M. C. SMITH. Would that apply to boats between Ludington and Chicago and Milwaukee and St. Joe?

Mr. BURKE of Wisconsin. It applies to all ports on the Great Lakes. The rule under the same conditions is uniform.

The SPEAKER. The time of the gentleman from Wisconsin has expired.

Mr. GREENE of Massachusetts. Mr. Speaker, I yield 10 minutes to the gentleman from Washington [Mr. HUMPHREY].

Mr. HUMPHREY of Washington. Mr. Speaker, it was my privilege to be a member of the Committee on the Merchant Marine and Fisheries for a period of 10 years, and during that time this bill or one similar to it was considered a great portion of the time. Now, in so far as this bill has a tendency to increase safety at sea, in so far as it is any benefit to the American sailor, I am in favor of it. I think I am well within the facts when I say that there has not been any time in the

last six or eight years when a bill to abolish arrest for desertion of American seamen could not have passed this House. There are, however, some provisions in this bill that I wish were not in it; but it is much better than the Senate bill.

I think section 13 should be stricken out. The purpose of that section is admirable, and if it would accomplish what it was intended to accomplish, I would support it. The purpose is to do away with Chinese crews, something that every American citizen would like to see done.

But how will it work on the Pacific coast? You take the Pacific Mail Steamship Co., which employs Chinese crews. It means $100,000 for the round trip to each one of those vessels, according to a statement of the manager of that company. They run to-day in competition with Japanese vessels, which are subsidized for $100,000 each trip in gold by the Government. The result will be that you will not do away with the Chinese crew, but you will put the Japanese flag on these vessels or put them entirely out of business. I understand that arrangements have already been made by these vessels to take down the American flag if this bill is passed.

On Puget Sound the effect of this bill will be the same. Take the steamship *Minnesota*, for illustration, which is the largest vessel now on the Pacific Ocean. If this bill goes into effect, the American flag will undoubtedly be taken from that ship. It would increase the cost of the operation of the *Minnesota* more than $100,000 each round trip. This vessel is now running in competition with Japanese competitors that are heavily subsidized by their Government. If the *Minnesota* was subsidized in the same proportion, it would receive $150,000 in gold for each round trip. Under this tremendous handicap, if you place the additional one that will come with this bill, it takes no prophet to say that this great vessel will either quit running or go under the Japanese flag. It is my information that arrangements have already been made, if this bill becomes law, for the *Minnesota* to either quit the ocean or take a foreign flag. The result of this bill, then, will be, so far as the Pacific is concerned, that it will simply change the American flag for the foreign flag on the *Minnesota* and the Pacific Mail vessels. It will result in American officers being displaced by foreign officers. It will benefit no American citizen. It will not give an additional job to any American sailor, but, on the contrary, it will lose these great vessels to this country and will replace American by foreign officers.

Another result will come to Seattle following the passage of this bill that will not so vitally affect other portions of the country. There are several foreign lines running into Seattle. This bill will greatly increase the burdens of these vessels. When they come into Seattle their crews will be permitted to desert. If they go to Vancouver, only a short distance away in British Columbia, they will avoid this trouble. This bill tells them the character of sailors they shall employ and the language that they shall speak and how they shall be paid, the purpose being to get rid of cheap crews. This will increase the cost of every foreign vessel that comes into the port of Seattle from $10,000 to $50,000 each trip. All these burdens can be avoided by these vessels going to Vancouver. There is no reason why a foreign vessel should prefer Seattle to Vancouver. Certainly it can not be one of sentiment or patriotism. The facilities at Vancouver are practically as good as those at Seattle. The Canadian Government is making great improvements in the harbor facilities of Vancouver. The result of this bill, then, will be to drive from the Pacific Ocean the few American vessels that remain and make Vancouver instead of Seattle the great commercial city of the Pacific Northwest, and in doing this we will not be conferring a favor upon any American citizen or upon any American interest.

It has been repeatedly urged that the purpose of this bill is to favor the American sailor. Fairness on the part of those making these statements would suggest that they point out the fact that there are practically no American sailors in the foreign trade; therefore none to be freed. In the coastwise trade the law providing for arrest in case of desertion was abolished many years ago, so that the argument that this bill is in behalf of abolishing involuntary servitude, so far as the American seaman is concerned, is without merit. If it is urged, as it has been, that we should free the sailors of other nations, then my reply is that if these foreign sailors thought enough of our country to become American citizens, then they would have the advantage of our laws. If they do not think enough of this Nation to become American citizens, then I do not think that they should appeal to us to confer favors upon them that the nations to which they owe allegiance will not confer.

I want to call the attention of the House to the inconsistency of the recent legislation in regard to the merchant marine. First comes a bill to purchase foreign ships, which gives the President the power to suspend the laws that now place too heavy burdens on American ships in order that we may be able to put the vessels under the American flag. Here to-day you come with a bill increasing these very burdens that you give the President the power to suspend.

A few days ago you brought in a bill for the purpose of inducing American citizens to purchase foreign vessels and place them under the American flag. You follow that by introducing a bill authorizing the Government to go into the business of buying ships. Now, really, do you believe that any sane American citizen is going to place his money in these ships, even in this great emergency when at the same time you are holding over him the threat of the Government going into the same business? Are private citizens going to compete with the Government? You make an appeal to the American citizen to invest in shipping, and immediately follow it by proposed Government ownership, and then by passing this bill making it impossible for him to profitably run a vessel if he buys it. This utter inconsistency can only be accounted for by the lack of the Democratic Party to entirely understand what is necessary to build up a merchant marine. Now, I want to call the attention of the House to the most objectionable portion of this bill. I hope I may have the attention of the House for a moment, because certainly there can be no politics in this portion of the bill.

Section 13 prescribes the character of the sailor, his qualifications, how old he shall be, what experience he shall have had, and what language he shall speak or understand. If this section only applied to American ships, then it might be unwise, but it would not be dangerous to our national peace, but it applies to foreign ships. Here we stand in this position to-day—the only great nation of the world that lacks the intelligence and patriotism to have a merchant marine of our own, and yet in this bill we propose to tell the other nations of the world that have shown sufficient intelligence to have a merchant marine how they shall run it, how they shall man their ships, what shall be the qualifications of the sailors, and how they shall pay them.

Let me illustrate what will happen if this bill becomes law. Suppose one of the great Japanese vessels comes into the harbor of San Francisco. Under the provisions of this bill, any citizen can file an affidavit that some members of the crew of that vessel do not understand the Japanese language, or that some members of that crew are not 19 years of age, or that they have not had two years' service at sea, or three years upon the Great Lakes, or that any other of the numerous requirements of this bill have not been complied with.

Mr. MADDEN. Three years on the ocean and two years on the Great Lakes.

Mr. HUMPHREY of Washington. It is four on the Great Lakes. It takes four seasons to make a sailor on the Great Lakes, and three on the ocean.

Mr. ALEXANDER. It is three years at sea and two years on the Great Lakes.

Mr. HUMPHREY of Washington. No; it is 24 months.

Mr. ALEXANDER. Two years are 24 months.

Mr. HUMPHREY of Washington. Twenty-four months do not make two years on the Great Lakes in shipping, and the gentleman knows it. Navigation is closed about six months in the year. That provision was put in there intentionally and purposely. There is no mistake about that. I give the committee credit for too much intelligence to say that this provision of "24 months" went in by mistake. As I was saying, the situation will be this: One of these great vessels will come into port and someone will file one of these affidavits. What will be the result? The collector of customs then is required under this law to seize that vessel and muster the crew and not permit that vessel to depart until it has complied with that law.

If the sailors desert, as they will have a right to do under this bill, and it is a Japanese vessel, that vessel can not leave port until it gets another Japanese crew; and, if they desert in an American port, is it possible for that Japanese vessel to secure another crew that will meet the requirements of this bill? Certainly in some ports it will not be possible. Yet this vessel of a friendly nation that has in every way complied with her own laws and with her treaty obligations with us will not be permitted to depart from our harbors until they have complied with the many provisions of this bill. Does anyone believe that any self-respecting nation is going to submit to such indignities? What right have we to tell other nations how they shall treat their own citizens on their own vessels? A vessel of a nation is the soil of that nation. If we can tell them what they shall do with their own citizens on their own vessels, then

we can tell them what they can do with their own citizens in their own country. I am one man from the Pacific coast that has not talked publicly about war with Japan. I think entirely too much has been said upon that question. I think we have not always shown that proud and sensitive people the consideration and courtesy that we should. I do not believe Japan wants war with this Nation; but I do not delude myself by believing that they would not declare war if they thought they had sufficient provocation. This bill is in violation of our treaties; it is in violation of the spirit of fairness and friendship we owe to other nations. I say to this House to-day that if you place this law upon the statute books and attempt to enforce it we will have war with Japan inside of 30 days. Certainly the other nations of the world will look upon us with suspicion if we enact such legislation just now. I have too much confidence in the President of the United States and in his intelligence and patriotism to believe that he will ever sign this bill or attempt to enforce its provisions at this most inopportune time. I believe that when it goes to him he will have the patriotism and courage that President Taft had when a similar bill came to him, and that he will refuse to sign it. Think of those provisions in the bill, in the face of our treaties, and then argue that any of the great nations of the world are going to submit to it without protest. England and Germany may submit to these provisions for a time; but it is an insult to every great shipping nation in the world. They may submit to it while they are in this great struggle, but at the end of the war they will insist that it be abrogated. Who thinks this an opportune time for the denouncing of treaties and the imposition of harsh and unreasonable terms upon the vessels of friendly nations?

Certainly every American citizen feels that this is the time to avoid all friction, that this is the time above all others in our Nation's history when we should do nothing that any other nation could construe as unfriendly or as an attempt to unjustly increase our commercial advantages. What the people of this Nation desire to-day above all things else is that this Nation should do all things honorable to maintain peace with all the other nations of the world. [Applause.]

Mr. GALLIVAN. Mr. Speaker, I make the point of order that there is no quorum present.

Mr. HUMPHREY of Washington. Mr. Speaker, I am very glad the gentleman has exercised such a show of intelligence.

The SPEAKER pro tempore (Mr. RUSSELL). The gentleman from Massachusetts makes the point of order that there is no quorum present. The Chair will count.

Mr. SLAYDEN. Mr. Speaker, a parliamentary inquiry.

Mr. MANN. The gentleman can not interrupt the count.

Mr. SLAYDEN. I desire to make the point of order that that is dilatory, it having been demonstrated within the last 10 minutes that there is a quorum present.

The SPEAKER pro tempore. The point of order is overruled. [After counting.] One hundred and fifty-eight Members present—not a quorum.

Mr. ALEXANDER. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The SPEAKER pro tempore. The Doorkeeper will close the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Adair	Crisp	Glass	Langham
Aiken	Danforth	Godwin, N. C.	Lazaro
Ainey	Decker	Graham, Ill.	L'Engle
Ansberry	Dickinson	Graham, Pa.	Lenroot
Anthony	Dies	Griest	Lewis, Pa.
Aswell	Dillon	Guernsey	Lindquist
Austin	Dooling	Hamill	Linthicum
Barchfeld	Doolittle	Hamilton, Mich.	Loft
Barkley	Dunn	Hamilton, N. Y.	McGillicuddy
Bartholdt	Dupré	Hardwick	McGuire, Okla.
Bartlett	Eagle	Hart	McKenzie
Beall, Tex.	Elder	Hay	Maban
Bell, Ga.	Esch	Hayes	Martin
Broussard	Estopinal	Heflin	Merritt
Brown, N. Y.	Fairchild	Helgesen	Miller
Brown, W. Va.	Faison	Hensley	Morgan, La.
Browne, Wis.	Fess	Hill	Mott
Browning	Finley	Hinds	Murdock
Brumbaugh	Fitzgerald	Hinebaugh	Neeley, Kans.
Calder	Flood, Va.	Hobson	Neely, W. Va.
Candler, Miss.	Foster	Hoxworth	Padgett
Cantrill	Fowler	Humphreys, Miss.	Paige, Mass.
Carter	Francis	Johnson, Ky.	Parker
Chandler, N. Y.	Frear	Johnson, Utah	Patton, Pa.
Church	Gardner	Jones	Payne
Clancy	Garner	Kent	Peters
Clark, Fla.	George	Kindel	Plumley
Cooper	Gill	Kirkpatrick	Porter
Copley	Gillett	Konop	Powers
Covington	Gittins	Lafferty	Prouty
Ragsdale	Shackleford	Taggart	Wallin
Rainey	Sherley	Talbott, Md.	Watkins
Riordan	Smith, Minn.	Taylor, N. Y.	Whaley
Rogers	Smith, N. Y.	Ten Eyck	Whitacre
Rothermel	Steenerson	Thacher	Wilson, N. Y.
Rubey	Stout	Underhill	Winslow
Sabath	Stringer	Vare	
Sells	Switzer	Walker	

The SPEAKER. This roll call shows there are 282 Members present—a quorum.

Mr. ALEXANDER. Mr. Speaker, I move to dispense with further proceedings under the call.

The SPEAKER. The gentleman from Missouri moves to dispense with further proceedings under the call. The Doorkeeper will open the doors.

LEAVE OF ABSENCE.

By unanimous consent, on the request of Mr. EAGAN, Mr. HART was granted leave of absence on account of serious illness.

Mr. DOOLITTLE was granted leave of absence for one week on account of sickness.

LETTER FROM THE PRESIDENT OF THE UNITED STATES.

The SPEAKER laid before the House the following communication from the President of the United States:

THE WHITE HOUSE,
Washington, August 24, 1914.

Hon. SOUTH TRIMBLE,
Clerk House of Representatives.

MY DEAR MR. TRIMBLE: I do not know in what form the generous resolution of the House of Representatives tendering their sympathy to me when the House first learned of the serious character of Mrs. Wilson's illness ought to be answered. I only know that I earnestly hope that you may find some means of conveying to the Members of the House my sense of genuine gratitude to them for their kind thought of me. After all, these human relationships are the real relationships and bind us together.

Sincerely, yours, WOODROW WILSON.

THE MERCHANT MARINE.

Mr. GREENE of Massachusetts. Mr. Speaker, I yield 10 minutes additional to the gentleman from Missouri [Mr. ALEXANDER].

Mr. ALEXANDER. Mr. Speaker, I yield to the gentleman from North Carolina [Mr. SMALL].

[Mr. SMALL addressed the House. See Appendix.]

Mr. ALEXANDER. Mr. Speaker, I yield 10 minutes to the gentleman from Texas [Mr. HARDY].

Mr. HARDY. Mr. Speaker, in 10 minutes it is impossible even to touch the various points that might be discussed, but I want to refer briefly to the statements of the gentleman from Washington of two classes. First, he declares that section 13 of this bill will give all the transoceanic trade on the Pacific Ocean to the Japanese, and, second, that the passage of this bill will so insult the Japanese that it will bring on war with them. I want to say right now that if we give them all this trade they are not going to be insulted or go to war with us by reason of the bill. I want to say in the next place that both those statements are absurd. He argues that our language test will prevent our ships employing any Chinese seamen, and therefore the cheaper Japanese crews will take the whole business. That argument is false, because Mr. Schwerin, the man representing the biggest shipowning business on the Pacific slope, stated under oath before our committee while being cross-examined about section 13, which requires that 75 per cent of the sailors on vessels clearing our ports shall be able to understand the language of the officers, that 90 per cent of the Chinese sailors whom he now employs understand the language of the officers. And his cross-examination shows that this provision will not interfere with a single ship that he has. Mr. Schwerin also undertook to show that his Chinese had stayed with him, and I think also that they were the best seamen on the ocean, so the requirement as to able seamen will not seriously interfere with hiring Chinese. It is not necessary to refer further to that ominous prediction of the gentleman from Washington [Mr. HUMPHREY].

Mr. HUMPHREY of Washington. Will the gentleman yield?

Mr. HARDY. Excuse me. I have not the time. I have other matters to discuss.

I want to say to my distinguished and esteemed friend from South Carolina [Mr. SMALL] that for one I do hope his anticipation of embarking this country on the sea of discriminating duties will not be realized in his lifetime nor in mine, because that sea is the sea of commercial struggle and warfare and cutthroat methods; it is not the field of peaceful and legitimate rivalry between great nations striving for the commerce of the world by superior skill and capacity.

The imposition of discriminating duties or tonnage dues on foreign vessels entering our ports with import cargoes, in order to give our ships an advantage over them, in what would otherwise be competitive transportation, is just another and the last phase of protection. It is seeking to beat our rivals not by excellence or superiority but by putting heavy burdens on them. That was the policy of nearly all nations up to about 1815. When the Union of our States was made permanent by the adoption of our present Constitution that policy was in vogue, and was being used especially by Great Britain very greatly to the detriment of our shipping interests. Our several States, acting separately, were powerless to retaliate, because they could not act uniformly. If Massachusetts imposed heavy tonnage dues on foreign ships, New York would impose less heavy dues, and the foreign ships would go to New York instead of Boston, and the trade of Boston would suffer. Then Boston might underbid New York and take the trade away from New York. While we were thus unable to act together, England laid heavy dues on our ships going to her ports, and thereby nearly destroyed our shipping. One of the first things the United States Congress did after the adoption of the Constitution gave it control over our foreign commerce was to enact a retaliatory law, imposing the same tonnage dues and special duties on foreign vessels and goods carried in them in our ports that were levied on our vessels and goods carried in them in their ports. There was no division of parties or opinion on the subject. Everybody agreed that so long as our vessels were penalized in foreign ports, foreign vessels must be penalized in our ports. This condition persisted until 1815, covering the administrations of Washington, John Adams, Jefferson, and part of Madison's term.

On this foundation of fact, ignorant or unscrupulous advocates of ship subsidies or discriminating dues are constantly declaring that the Democratic Party in its early history and Mr. Jefferson favored discriminating duties and tonnage dues. They ought to know, and do know, if they have read our history, that at all times Mr. Jefferson and those who followed his political teachings were opposed to the policy, except when driven to it in self-defense, and against its practice by other nations. Mr. Jefferson declared that if he could he would have the seas free on equal terms to the ships and commerce of all nations. While all nations were guilty of this policy of obstruction, our commerce and shipping was equally obstructed by it with that of other nations, but no more so, and we held our own. Besides this, from about the beginning of our Government down to 1815 all Europe was rent and torn by the Napoleonic wars, and European ships were nearly all swept from the ocean, so that our merchant marine grew beyond all others in those early years. But no one in 1815 attributed that growth to discriminating dues. As soon as our war of 1812 was ended and peace was made in Europe, we passed our act of 1815, repealing our discriminating dues in favor of those nations who would repeal theirs in our favor, and began earnestly to negotiate treaties with one nation after another having that end in view. England, on account of her colonial possessions, especially her West Indian possessions and her hoped-for advantages therefrom, clung longest to the vicious policy. All parties here were of one mind and worked together preaching the doctrine of free seas. We had a big trade with the West Indies, and England, while admitting our ships to all her other ports, on fair terms, for a long time refused to let them into that trade except on grievous terms. The people of her colonies (West Indian) groaned and complained to her, because they believed and truly believed they shared in bearing the burdens. Still England persisted, and our ships in that trade paid enormous taxes. Finally our controversy with England reached the point where she absolutely closed her West Indian ports to our ships. About that time Andrew Jackson came to the White House and succeeded where so many had failed in breaking down England's resistance, and the fight, waged since 1815, for free seas was won in 1828 or 1829. We enlarged and deepened our harbors and opened them to the ships of all nations in our trade with them on equal terms with our own ships. Their ports were likewise opened to us. Under this policy our merchant marine flourished. We more than held our own with the greatest maritime nations of the earth. From 1800 to 1860, the era in this country of Democratic rule, our merchant marine in the foreign trade was great. It was great because it contended on equal terms with all other nations on the ocean. Under that policy we had the second greatest merchant marine that the world ever saw. And had that policy continued we would have the second greatest, if not the greatest, merchant marine on earth to-day.

I want to reiterate here the statement that I have always made. I am ambitious to see a great American merchant marine built up, but I do not believe the way to do it is to pursue the tactics that have been pursued by the Republican Party for 60 years. I will not attempt to discuss how much the war had to do with the doing away of our merchant marine in 1860. I grant it was harmful, just as the Napoleonic wars harmed the merchant marine of Europe, 1800–1815; but our Republican friends have practically had 60 years of the administration of this Government, and for 10 years of that time the gentleman from Washington has been a leading Member of the Committee on the Merchant Marine. They have surely had ample time to succeed with their policies, their ideas, their notions, but under their policies our flag gradually disappeared from the sea, and at the end of their régime in this good year, when war comes upon Europe, involving the shipping of other nations, we have no merchant marine to carry even our own commerce to the foreign lands that desire it. Their policy has been a failure, and they can not claim that the Democratic Party in any way contributed to that policy. If their policy has been a failure, it is wisdom for us to try another policy. To my mind, that policy ought to be the one which stood us in good stead from 1815 to 1860, when Europe was at peace and the United States was at peace, under which we held our own, and more than held our own, on the ocean with England and every other nation of the earth. That is the policy of free seas on equal terms to us and all other nations. We should do what every other nation under the sun does—let our shipowners buy their ships wherever they can get them, nail the flag of our country to the mast, put officers of our country on deck, and let them sail in what seas, in whatever trade, and to whatever ports they desire, without let or hindrance or limitation, and have an American merchant marine. But we have petted and pampered a certain small interest in this country, our shipbuilding interest, in a way that no other country under the sun has done. Under that petting and pampering the ships that fly our flag must be built by our shipbuilders, and under that privilege our shipbuilders make them cost us 50 per cent more than the ships of other nations. It is time for us to think. Sixty years of that petting and pampering has destroyed our merchant marine, and in the presence of the great war of the European countries we stand helpless and without a vessel to carry our goods across the ocean. And when, in this stress, the conference committee the other day reported a bill that would have given us free ships, the representatives and lobbyists of shipbuilders and their allies the coastwise shipping combination swooped down on the Senate and defeated the bill.

Give us the ships that cost the same money; then permit us to run those ships at the same expense with other ships coming to our ports, and our flag will get on the sea. And this bill is going to accomplish that second, purpose. With free ships this bill will put the navigation of American ships under the American flag on an equality with every other ship. Mr. Speaker, we have had a barbarous law that when a seaman signed articles on the other side of the ocean for a round-trip voyage, he came across——

Mr. GALLIVAN. A point of order, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. GALLIVAN. I make the point of order there is no quorum present.

Mr. ALEXANDER. Mr. Speaker, I make the point of order the gentleman has no right to interrupt the gentleman from Texas while he is speaking.

Mr. HARDY. And I do not yield for that purpose, Mr. Speaker.

Mr. ALEXANDER. I assume the gentleman from Massachusetts [Mr. GALLIVAN] is an enemy to this bill and opposed to it. Am I right? Is the gentleman an enemy of this bill?

Mr. GALLIVAN. Mr. Speaker, I have raised the point of order that there is no quorum present.

The SPEAKER. The Chair will decide it. Evidently there is not.

Mr. BUCHANAN of Illinois. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. BUCHANAN of Illinois. I make the point of order that the gentleman's point is dilatory. It has been only about 10 minutes since a quorum was shown to be present, and the probability is that it is present at this time.

The SPEAKER. The Chair will count in order to ascertain. [After counting.] Before announcing this vote, the Chair wants to make a statement. The Chair has a perfect right to count the Members in the cloakrooms and in these lobbies out here.

Mr. MANN. I take exception to that.

The SPEAKER. It does not make any difference.

Mr. MANN. Well——

The SPEAKER. That has been decided time and again. Speaker Reed did it, and announced he would count everybody in the cloakrooms; and I will do the same, too. [Loud applause on the Democratic side.]

Mr. MANN. And if the Speaker will pardon me, the Democratic Party, including, I think, the present occupant of the chair, termed him a czar for that and other reasons, but that was the extremest reason. I do not think Speaker Reed was justified in it, and I do not believe the present Speaker will be justified in it, nor do I think it will do any good.

The SPEAKER. It does not make any difference what Speaker Reed was called or what this Speaker is called. Speaker Reed counted and announced that he would continue to count gentlemen who absented themselves and tried to hide in the cloakrooms and in the lobbies, and he announced that all of these rules were made for the purpose of expediting business and not for the purpose of retarding business. [Applause on the Democratic side.] And it makes no difference what anybody said about him at the moment, time has vindicated him.

Mr. MANN. Time always vindicates him.

The SPEAKER. I stated that on the floor of the House in 1897, and also that he ought to have a monument built to him for that quorum-counting rule. I was one of the new Members in the Fifty-third Congress who forced a quorum-counting rule to break up filibustering. There are 165 Members present—not a quorum.

Mr. ALEXANDER. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The SPEAKER. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Adair	Elder	Humphreys, Miss.	Platt
Aiken	Esch	Johnson, Ky.	Plumley
Ainey	Estopinal	Johnson, S. C.	Porter
Ansberry	Fairchild	Jones	Post
Anthony	Faison	Kent	Powers
Aswell	Fess	Key, Ohio	Prouty
Austin	Finley	Kindel	Rainey
Barchfeld	Fitzgerald	Kirkpatrick	Riordan
Barkley	Flood, Va.	Kitchin	Rubey
Bartholdt	Foster	Knowland, J. R.	Sabath
Bartlett	Fowler	Konop	Saunders
Beall, Tex.	Francis	Lafferty	Sells
Bell, Ga.	Frear	Langham	Shackleford
Brown, N. Y.	Gardner	Lazaro	Sherley
Browne, Wis.	Garner	Lee, Ga.	Sisson
Browning	George	L'Engle	Slemp
Brumbaugh	Gill	Lenroot	Smith, N. Y.
Calder	Gillett	Lewis, Pa.	Sparkman
Cantor	Gittins	Lindquist	Steenerson
Cantrill	Glass	Loft	Stout
Chandler, N. Y.	Graham, Ill.	McGillicuddy	Stringer
Church	Graham, Pa.	McGuire, Okla.	Switzer
Clancy	Griest	McKenzie	Taggart
Claypool	Guernsey	Maban	Talbott, Md.
Cooper	Hamill	Martin	Thacher
Copley	Hamilton, Mich.	Merritt	Underhill
Covington	Hamilton, N. Y.	Miller	Vare
Crisp	Hardwick	Morgan, La.	Walker
Decker	Hart	Mott	Wallin
Dickinson	Hay	Murdock	Watkins
Dies	Hayes	Neeley, Kans.	Weaver
Dillon	Heflin	O'Hair	Whaley
Dooling	Hensley	Padgett	Whitacre
Doolittle	Hill	Paige, Mass.	Wilson, N. Y.
Driscoll	Hinds	Parker	Winslow
Dunn	Hinebaugh	Patton, Pa.	Woods
Dupré	Hobson	Payne	
Eagle	Hoxworth	Peters	

The SPEAKER. On this roll call 279 Members—a quorum—have responded to their names.

Mr. ALEXANDER. Mr. Speaker, I move to dispense with further proceedings under the call.

The SPEAKER. The gentleman from Missouri [Mr. ALEXANDER] moves to dispense with further proceedings under the call. The question is on agreeing to that motion.

The motion was agreed to.

The SPEAKER. The Doorkeeper will open the doors. The gentleman from Texas [Mr. HARDY] is recognized for five minutes.

Mr. HARDY. Mr. Speaker, in connection with what I said about giving the right to the shipowner to buy ships where he wishes, I know it will be said that that right was granted under the Panama act and has been granted again in a more enlarged sense under the bill which was passed the other day. But I wish to say that when the Panama act was passed I said then that not a ship would be registered under it, for the reasons, first, that while we professed to give the shipowner the right to buy his ship where he pleased, we at the same time denied him, when he put the ship under our flag, any right that he would not have under a foreign flag; and, second, while there was no inducement under that act for him to change his flag, there was some inducement for him not to do it, because by putting his ship under the American flag he gained no right that he did not have under a foreign flag and he lost whatever special rights he might have had under that foreign flag. I do not know just what those rights may be, but doubtless there are many and valuable privileges granted in their domestic trade by all nations to ships under their own flag.

It did not take a prophet to foretell that no foreign-built ship would come under our flag under the terms of the Panama act. None would come in under the amendment to that act we passed the other day but for present war conditions. Mr. Speaker, on the bill before us, which will tend to equalize the cost of operating American and foreign ships, there has been ominous talk of entanglements and war by reason of its provisions with reference to foreign ships. That is a mere will-o'-the-wisp, an idea conjured up in a gentleman's mind, because there is not a burden placed on a foreign ship under this bill that is not also placed on the American ship, and no foreign nation has a right to complain of a burden placed on its ships when that same burden is placed on all the ships that we give the right to enter our ports, our own included. Give us ships of equal cost and operation at equal cost, and American ships will navigate all seas and will carry our commerce; and should the conditions arise in future years that have arisen in the last few weeks, it will not find our country without a flag on the seas or without a ship to carry our products abroad.

Mr. MADDEN. Mr. Speaker, will the gentleman yield there for a question?

The SPEAKER. Does the gentleman from Texas yield to the gentleman from Illinois?

Mr. HARDY. No; I regret I can not yield. I have less than five minutes. The gentleman does not want to take my time now, I know.

Mr. Speaker, this bill is intended to equalize the cost of operation of the ships—the foreign and the domestic ships. Under an antiquated law, applying to almost all nations, there has been a relic of barbarism of the past preserved in the involuntary servitude of the seamen on board the vessels of all nations. When a seaman signs a contract for a voyage he becomes no longer a freeman under our present law, but a slave, subject to arrest if he violates his civil contract. In no other calling under the sun is a man who makes a civil contract and violates it subject to arrest; but let the sailor violate his civil contract by leaving his ship when she is in safe harbor but when he has not completed his contract, perchance to go back with her on her return voyage, and you get after him with the minions of the law. You put handcuffs upon his wrists, and you throw him on board the vessel he has deserted as lumber, as a property subject, not a freeman, not a man.

My countrymen, I come from the South, and I know the time when the so-called last relic of slavery was abolished in this country. I am here to say that to-day, although I did not like and do not like the manner of its ending, I am glad there is no slavery in this country of the black race to-day. [Applause.] I am equally glad that when the sun goes down this good day, so far as the House can express itself upon it, there will be no further slavery among the white men of this land. [Applause.] I remember as a boy that when the slave fled from his master, or even took the liberty to visit a near-by plantation, he had to look out for the patrol or carry a pass. That day in the South, on the plantation, for the black man has passed.

But the day has not passed when the seaman leaving the ship has to look out for the patrol.

History shows that the struggle for freedom has been an upward struggle, and a hard one, from generation to generation. Who does not know the story of John Bunyan, thrust into prison for violation of a civil obligation, or for the failure to pay a debt? In that prison he dreamed such dreams and painted such pictures as made him immortal among the writers of song and story of the earth. [Applause.] We still have among us a relic of the barbarism that threw John Bunyan into prison. But this bill will strike the chain from off the seaman's wrist and make the seaman as other men in this land—a free man. In doing so, it may be that some contract, made in a pauper-labor, pauper-stricken country, for $12 a month or $8 a month, will be permitted to be violated by the desertion of a seaman on our shores who will get better wages when he returns to work under another flag or in another port. But in doing so a great public policy is served, and every vessel that flies our flag is given an equal showing with other vessels upon the ocean trip between this country and Liverpool, or Bremen, or Hongkong, in the rate of wages paid, and the American flag will fly above free

men receiving the same wages that are paid to other seamen, following other flags in our ports, and there is no reason why the American flag should not again compete with every other flag and ride triumphant on every sea under the guidance of American skill and American free manhood. [Applause.]

Mr. GREENE of Massachusetts. I yield 10 minutes to the gentleman from Illinois [Mr. MANN].

Mr. MANN. Mr. Speaker, please notify me at the end of 5 minutes.

I hope that no one will make the point of no quorum during the few minutes in which I address the House. But speaking of quorums, day before yesterday one of the distinguished Members of the House, in discussing the Underwood resolution, passed on Tuesday, stated in his speech:

> Democrats, regardless of the North, East, West, and South, are demanding that the Republicans stay here and perform their duty. We propose to keep you here now to transact the public business and put through measures that are important to the people of this country. We propose to keep you here and make you attend to your duty.

The Republicans are here, as they have been all the time, but the gentleman from Alabama [Mr. HEFLIN], who made these remarks, is not to be found within the precincts of the Capitol. He is good at telling other people what they ought to do. I do not know where he is. Perhaps he has been taken suddenly ill.

Mr. Speaker, I shall vote for the bill which is now before the House, and I want to congratulate the gentleman from Missouri [Mr. ALEXANDER], chairman of the committee, and the gentleman from Massachusetts [Mr. GREENE], the ranking Republican on the committee, as well as the rest of the committee, on bringing before the House a bill unanimously agreed upon.

In the last Congress the House passed the seaman's bill after a long discussion, and with a good many amendments. I supported the bill at that time, as most of the other Members did. It went to the Senate, and the Senate passed the bill in the very last days of the Congress. President Taft gave it a pocket veto. Possibly what is now occurring is a justification of what President Taft did in declining to sign the bill, because the present bill is very different from the former bill. I supported both of them. I supported the bill in the last Congress with more knowledge of what it contained than I have as to the present bill. I do not profess to be qualified to judge of the technique of seamanship or the technique of the requirements of vessels at sea; but I can see that in this measure there is an enlarged liberty to the seamen, whatever effect it may have upon the shipowners.

There is one thing in this bill which I regret has to be in it at this particular time. That is the requirement that this Nation shall cancel or give notice of the end of its treaties relating to foreign ships at our shores. The one thing that concerns me more than all the rest to-day is the desire to keep the United States at peace with the world. [Applause.] Very likely these treaties ought to be canceled. I do not deny that. I do not know; but I fear that nations abroad, who will look askance upon the growth of business in this country at the expense of foreign countries in dealing in the foreign trade, will think this bill is passed now with this provision in it because we think they are not now able to protect themselves, and that they will have a very strong feeling against us for that reason.

The SPEAKER. The gentleman has occupied five minutes.

Mr. MANN. If we keep our heads, if we keep cool, if we do not become hysterical, if we keep nonpartisan in the war that is now occurring, the prosperity of the world will largely fall into our laps. The civilization of the world depends on the attitude which the United States of America takes in the present contest, and we must preserve our temper and preserve the civilization which is coming down to us. [Applause.] Mr. Speaker, I yield back the balance of my time.

Mr. GREENE of Massachusetts. Mr. Speaker, I yield to the gentleman from Washington [Mr. HUMPHREY] the remainder of my time.

Mr. HUMPHREY of Washington. Mr. Speaker, I did not intend to speak further upon this question, and I would not if it were not for a statement made by the gentleman from Texas, my good friend Judge HARDY. He said in his argument that this bill would not do away with the Chinese crew. If that be true, I am greatly disappointed and can not see the purpose of the bill. I can not understand if we are not going to do away with the cheap crews why we should at this inopportune time, as called to your attention by the distinguished gentleman from Illinois [Mr. MANN], pass a bill that is going to be looked upon with suspicion by every other nation of the world. What are we going to accomplish by it if we are not going to be rid of the cheap crews? Nobody objects to that portion of the bill that is going to free the American sailor. I thought, when the gentleman was making his speech, that he should have been fair enough to the American people to say that as far as the coastwise trade was concerned a law abolishing imprisonment for desertion has been on the statute books for many years.

The gentleman from Texas says the reason why the free-ship clause in the Panama Canal bill failed is because we did not admit those ships to the coastwise trade. What my distinguished friend wishes, is to admit foreign-built ships to the coastwise trade. If we did that, and if ever again unfortunately such a condition should come upon us as there is to-day, we could not even send a vessel from New York to Philadelphia. Such action would destroy our shipyards and place the coastwise trade in the same condition we are in to-day on the high seas. That would be the result of admitting foreign-built cheap ships to the coastwise trade, and the foreigners would control that trade as completely as they do to-day on the high seas.

I am sorry the gentleman from Texas injected politics into his argument; but having done so, I can not refrain from calling attention to the fact that he blamed the Republican Party for conditions that exist to-day—and we are largely responsible for it, for my party should have corrected that condition long ago. Many in this House remember that when the Republican Party was in power we did pass a bill through this House. It went to the Senate and it was not defeated by votes; it was defeated by a filibuster by two Democratic Senators. If that bill had been on the statute books to-day, we would have had at least 50 great steamers on the Atlantic Ocean that could bring our stranded people home from Europe. We would also have had several lines on the Pacific.

I want to call the attention of my distinguished friend from Texas to the fact that the only vessels to-day under the American flag, running between this country and Europe, are running under a subsidy law that was placed on the statute books by a Republican Congress and signed by a Republican President. What man in this Nation to-day regrets that that subsidy law is on the statute books? What man dare advocate that this subsidy law be repealed, the law that has kept upon the seas the only vessels which we have under the American flag, running across the Atlantic Ocean? [Applause.]

Mr. ALEXANDER. Mr. Speaker, I yield two minutes to the gentleman from Pennsylvania [Mr. CASEY].

Mr. CASEY. Mr. Speaker, in the short time at my disposal it will be impossible for me to discuss all the provisions of this bill. I believe it is one of the most important measures that has come before this House for consideration. I am of the opinion that the Members of the House, instead of carrying on a filibuster against its passage, should be doing everything in their power to bring about the enactment of this proposed legislation.

The bill before us does not meet with my entire approval, but there are so many good provisions in it I will vote for it, and sincerely trust that the Members of the House will vote for the motion to suspend the rules and pass this measure to-day, thus sending it to conference, where the small inequities which are in it may be straightened out. I am confident that the conferees will report back to this House an amended bill which we will all be satisfied with.

The provisions of the measure under consideration, freeing the seamen from some of the wrongs under which they are compelled to labor, assuring them a greater degree of protection, and giving the traveling public the safety so justly desired, merits the vote of every Member of the House.

Mr. Speaker, I regret that the allotted time will not permit me to say anything further in connection with this important matter. However, I desire to extend my remarks in the RECORD by inserting a petition presented to the President of the United States bearing on this subject [applause]:

BOSTON, *June 4, 1914.*

To the PRESIDENT OF THE UNITED STATES:

Mr. President, on behalf of the seamen of the United States we respectfully bring to your attention the following statement, prepared at the Eighteenth Convention of the International Seamen's Union of America, held at Boston, Mass., June 1–6, 1914, explaining why we believe the seamen's bill, S. 136, should be enacted into law without further delay.

The bill, Senate 136, which passed the Senate on the 23d day of October last and which is now pending in the House of Representatives, is substantially the same as H. R. 23673, which passed the House in the last Congress, except that the present bill, S. 136, has a new clause requiring sufficient lifeboats for passenger vessels.

In the report of the Committee on the Merchant Marine and Fisheries, May 2, 1912, after exhaustive hearings in which all objections were given consideration, the bill is described as follows:

"First. It will give freedom to the sailors.

"Second. It will promote safety at sea.

"Third. It will equalize the operating expenses of foreign and domestic vessels engaged in our over-sea trade and tend to build up our merchant marine."

In our country seamen are the only persons who may be punished for violation of a civil contract to labor by being arrested as deserters—

except in the domestic trade—detained, and finally delivered back to the ship or sentenced to a term in prison for the simple act of quitting the service of an employer.

Modern education and this ancient status exist together. The native American, therefore, has left the sea to such an extent that few now remain, and the white man everywhere is leaving because of the taint of slavery which extends in its influences even into the exempted portions of the calling.

Congress should abolish the slave laws. Let American freedom extend to the decks of the American ship; let American soil become free soil for seamen as it is for all other men; then the United States will have the pick of the world's best seamen while it is developing a much-needed native personnel, a body of native American seamen owing allegiance to our flag and to none other. In short, Congress should enact Senate bill 136.

The hours of labor are discretionary with the owner and master. The seamen must work until exhausted or go to prison for "disobedience to lawful command."

Twelve hours' work every day, seven days a week, at sea, is the minimum often exceeded. In port, 15 or 18 hours a day, sometimes 30 to 40 hours at a stretch are required. Then the vessel proceeds to sea, and, without intervening rest, the men begin their sea watches.

Men who work thus are too much exhausted to attend to safety of ship and passengers. Yet in this condition they go to the lookout, to the wheel, and to other work upon which the safety of all depends.

Men on shore demand and often get the eight-hour day and the six-day working week. Seamen ask simply watch and watch at sea (two on deck, three in fireroom), and a nine-hour workday in port, except in emergencies. Such regulations are provided for in Senate bill 136.

Safety at sea, as everywhere else, depends either upon self-interest or upon law. The present insurance system and the laws limiting liability of shipowners to freight money pending and proceeds from sale of wreck has eliminated self-interest and legal responsibility on the part of the owners except as noted below. Safety, therefore, can only be attained through laws compelling the necessary safeguards.

The courts in the case of In re Pacific Mail Steamship Co. denied the benefits of limited liability because of the proven incompetency of the crew. Such proof is very difficult to make, and the question can not be raised until after the disaster. Shipowners avoid the whole point by organizing one corporation for each vessel, the wreck of which destroys the assets.

At present the shipowner may send his vessel to sea with a crew not one of whom, except the few licensed officers, has had any experience or can understand orders. There is now no limit to the number of passenger decks above the water line, nor to the number of passengers a vessel may carry in the domestic trade, except the conscience of the local inspector, pressed to the limit by the power and persuasion of the shipowners. Thus there is undermanning and lack of skill in the crew, and in many instances dangerous overcrowding of passengers.

Senate bill 136 regulates this by requiring a percentage of able seamen on all vessels over 100 tons; that there shall be two such men, or men of higher rating, for each lifeboat on passenger vessels; that 75 per cent of the crew in all departments must be able to understand orders of the ship's officers, and by basing the number of passengers upon the number and capacity of seaworthy lifeboats.

Opponents of Senate bill 136 claim that some vessels can not carry a sufficient number of lifeboats on account of lack of space. That is true only in cases where steamers are now dangerously overcrowded. If lifeboats are necessary for a part of the passengers and crew, why not for all?

There should be no exemption of the coastwise trade, the Great Lakes, or of bays and sounds. The Great Lakes, for instance, have within the past few months again proven among the most dangerous waters in the world.

Proximity to land, except it be river banks or harbor docks, is not an element of safety. There is the added danger of a lee shore and of crowded navigation.

"Reaching land" means beaching the vessel, and is only done in hopes of saving a few when otherwise all would perish. She may ground in from 12 to 20 feet of water a hundred fathoms to a mile distant from land, or the shore may be steep and rocky. But a collision or a fire may make "reaching land" impossible.

On excursion steamers the greatest danger is from fire. "Beach her, put on life preservers, and jump overboard" is the "safety" offered by opponents of the bill. But how can help then be given without lifeboats?

Assuming that all the "women and children first" have jumped overboard, how long can they remain in the water without perishing? Of whose children were the shipowners thinking when they urged this as a means of safety, and what children were the inspectors considering when they accepted it?

No one will claim it is safe to crowd people into a theater or a shirtwaist factory and then to lock the doors.

Is it not even more dangerous to jam a steamer full of passengers and then to send it out of harbor without having on board the means whereby they may be taken off quickly and safely in case of need? Whether it be an ocean liner or an excursion steamer, the necessity is the same, in that there should be lifeboats for all and skilled men to handle such boats. Other means are of little avail.

Permit us to say here, however, that the great majority of seamen are employed on cargo vessels that do not carry passengers; and cargo vessels, whether sail or steam, regardless of the route, distance from shore, or the season, always carry sufficient lifeboats for all on board. It is only passenger vessels, with their loads of men, women, and children, that do not carry lifeboats for all. To us as seamen, if we thought only of our own interests, a few lifeboats and a few able seamen, more or less, on passenger vessels would make little difference. But we know the danger, and believe it our duty to tell the whole truth about existing conditions on board ship, and to urge as strongly as we can the legislation needed.

Inefficiency in the engine department, aside from its dangers, lessens speed, increases repair expense and consumption of fuel, and is therefore a constant appeal to self-interest.

Service in kitchen and saloon determines comfort; inefficiency there, being continuously apparent, results in loss of patronage, and is guarded against accordingly.

The steadily growing inefficiency in the deck crew results in the increasing loss of life and property. Here the shipowner is secured by insurance and limitation of liability. Lloyd's underwriters faced $35,000,000 liability in year just ended. Safety depends at all times upon the human element, at sea more than elsewhere.

The deck duty is so varied and crowded with emergencies that down through the times four years' experience on deck was required as training for the rating of able seaman. British and Norwegian commissions dealing with existing conditions recommended that a standard of three years' experience on deck be set by law. This now is the law in Great Britain, Germany, Australia, New Zealand, and is the standard set by Senate 136. Safety of the vessel, which is the primary need, requires a sufficient number of these men to attend to their duties without overwork.

When a ship must be abandoned the only safety is in lifeboats, the average crew of which is seven or more. At least two of the men in each lifeboat must have the highest skill and calmest judgment attained by seamen for the purpose of lowering the boat, getting away from the ship's side, attending to the sea anchor, using the steering oar, and guiding the work of the others. Such knowledge and training can not be obtained in the saloon or fireroom or from any occasional "drill." Nor can men from the hot fireroom or sheltered saloon, scantily clothed, long endure the exposure in the bow or stern of a lifeboat.

The sailors' daily work in all kinds of vessels and weather, at the wheel, on the lookout, and on deck teaches them to know the sea and how to work with it. Their work with tackles, lines, and cables, in hoisting and lowering, trains their judgment of strains and distances. Up to their number they are now distributed amongst the lifeboats when all the boats are needed, and they are always the crew of the emergency boat for rescue work at sea.

The claim that able seamen, to qualify under Senate bill 136, are not available is not based on fact. The fact is that the average shipowner now refuses to employ a sufficient number of able seamen for reasonable safety at sea. But he eagerly accepts them into harbor gangs, where, with the skill gained at sea, they prevent much damage in the shipping, hoisting and lowering of expensive and heavy merchandise. Marine insurance covers freight only when it is in the vessel.

After the *Titanic* disaster, under pressure of public opinion and for the purposes of advertisement, the number and capacity of lifeboats were increased in the North Atlantic trade in advance of legal requirements. In other trades no change came until the promulgation of new rules. But in no trade was the number of men increased, and the skill is lower than it was five years ago.

In every large city will be found many men who have left the sea in rebellion at the conditions imposed and who have found that on shore the skill acquired at sea enables them to earn wages that permit of family life.

The real opposition to Senate bill 136 is not because of the increase in size of deck crew. In more than 90 per cent of the vessels no increase in the number will be required. But inexperienced men will be replaced by able seamen, who, having greater skill, will require higher wages.

At present the controlling thought in navigation is cheapness. To get cheap men and to hold them the shipowners insist upon paying wages before they are earned, upon denying part payment in port after it is earned, upon involuntary labor, and imprisonment for desertion. Thus they retard the natural development of skilled seamen and steadily force self-respecting men from the sea.

This must be reversed or shortly there will be no Caucasian seamen. "The prompt alleviation of the very unsafe, unjust, and burdensome conditions which now surround the employment of sailors and render it extremely difficult to obtain the services of spirited and competent men, such as every ship needs if it is to be safely handled and brought to port," must be attained through law. Such law must be made applicable to all vessels sailing in and out of the ports of our country in order to equalize the wage cost of operation or we shall never have a national merchant marine or seamen available for our Navy.

Under treaties and statutes our Government now uses its police powers, at the request of foreign shipowners, to capture and return seamen who attempt to quit the service of their ships. It is by this means that the wage rate of foreign ships is forcibly kept lower than that prevailing at American ports.

This marks the one advantage which foreign ships now hold over the American ships in the foreign trade, and which prevents the proper growth of our merchant marine. Other conditions have been equalized.

The building cost was equalized by a clause in the Panama Canal act, permitting American register to foreign-built ships for purposes of the foreign trade.

The cost of supplies is equal to all. An American ship trading between New York and Antwerp, for instance, purchases her supplies in Antwerp if the cost there is lower than in New York.

The remaining item, and the most important, is that of labor cost on the vessel itself, i. e., the wages of the crew. If conditions can be brought about whereby the wage cost of operation will be equalized, the development of our merchant marine and our sea power will be unhampered.

This is within the power of our Government. The present situation is entirely artificial. The remedy is to set free the economic laws governing wages, economic laws which, in their application to seamen, are now obstructed by treaties and statute law.

There has been a very common misapprehension that wages of seamen depend upon the flag under which they work. Their wages depend upon the port in which they are hired and sign shipping articles, regardless of the nationality of the vessel, and the wages in that port depend upon the standards of living in the country where the port is located. In other words, the economic law governing wages of seamen is exactly the same as that governing wages of any other class of workers.

Imagine two ships, one flying the American flag and the other a foreign flag, moored at the same dock in New York. The crew of the American vessel has been hired in New York at American wages; that of the foreign ship at some low-wage port in the Mediterranean. The two crews come into contact, each discovering the wages and conditions of the other.

What is the natural result? Unless prevented by force, the crew of the foreign vessel would either get the same wages as paid on the American vessel or they would quit. The foreigner would then have to hire a new crew at the wages of the port, not as the result of any organized action by the men, but as the result of individual desire inherent in human nature.

The foreign owner would have gained no advantage by his refusal to pay the higher wages to the crew he brought here. Under such conditions ordinary business sense would quickly induce him to pay his crew in accordance with American standards, in advance of arrival in an American port, as the only way to retain their services and thus avoid the cost involved in delaying his vessel for a new crew.

In 1884 Congress enacted a law intended to enable American shipowners to hire their crews in foreign ports where wages were lowest and to hold these crews in American ports where wages were higher. It was an attempt to force wages down to the foreign standard, but it failed to accomplish its purpose. The whole pressure of American life was against it.

The way to successfully equalize the wage cost of operation is to permit the men on all vessels in our ports to release themselves instead of assisting shipowners to forcibly hold them. Equalization will then follow a natural course upward to the higher level in response to economic conditions. Equalization downward by artificial means is impossible, and results only in men quitting the sea.

Congress should reassert and maintain domestic jurisdiction over all vessels in our ports, enact standards of safety and skill based upon American conceptions, equally applicable to all, and kept under control of our own Government, thus depriving foreign vessels of any special privileges. The wage cost of operation will be equalized and so remain, and there will be no need of subsidies to rebuild the American merchant marine.

American shipowners having money invested in foreign ships, with their partners the European shipowners, understand this to be the inevitable result of Senate bill 136. It will give real American ships proper opportunities in the foreign trade. That is why they oppose it.

This can not be done, however, if the pending international convention on safety of life at sea is ratified. That convention is in direct conflict with the purposes of the seamen's bill. It does not provide adequate safety regulations; it legalizes some of the very worst of existing practices in the matter of equipment; it permits of the employment of the cheapest and least effective men; it makes no provision whatsoever for skilled seamen in the deck crews; it makes doubtful the right of the United States to abrogate that part of existing treaties under which seamen on our shores are now treated as slaves; it permits of overcrowding in immigrant vessels, because it interferes with the passenger act of 1882; it is a concession to foreign ship-owning interests, in that it gives up, in a large measure, the control which our Government now has a right to exercise over vessels of all nations when in American waters; and it will cede to foreign nations a commercial advantage which will prevent the United States from building up a merchant marine that can compete with the vessels of other nations for the over-sea trade of the world.

We ask your assistance, Mr. President, to prevent the ratification of the proposed treaty and to secure the passage of the seamen's bill.

Respectfully submitted.

PERCY J. PRYOR, Boston, Mass.,
H. P. GRIFFIN, New York,
OSCAR CARLSON, Philadelphia,
THOS. CONWAY, Buffalo.
VICTOR A. OLANDER, Chicago,
I. N. HYLEN, San Francisco,
JOHN VANCE THOMPSON, San Francisco,
JOHN CARNEY, Seattle, Wash.,
JOHN H. TENNISON, San Francisco,
JACK ROSEN, San Francisco,
ANDREW FURUSETH, San Francisco,
THOS. J. MCCLINCHEY, San Francisco,
Committee from Convention International Seamen's Union of America.

Attested:

T. A. HANSON,
Secretary-Treasurer, Chicago, Ill.

Mr. ALEXANDER. Mr. Speaker, I yield five minutes to the gentleman from Illinois [Mr. BUCHANAN].

Mr. BUCHANAN of Illinois. Mr. Speaker, we should keep in mind that the purposes of this legislation are to secure the freedom of seamen, to secure safety at sea for the traveling public, and to promote the American merchant marine by equalizing the cost of operation of American and foreign ships trading from and to American ports. The question has been fairly well presented, and it will be impossible for me to say all that I could say as to the importance of this legislation. In passing I want to say, however, that within the next hour I hope, if some one does not make the point of order of no quorum, that this bill will have passed the House, and when it has, then organized labor's grievances, presented to Congress and the President in 1907, will be wiped off the slate, and I desire to thank the House of Congress for their favorable consideration of remedial legislation directly affecting labor.

It has been said here by some that the abrogation or amendment of treaties due to the passage of this bill may complicate us with foreign nations. It has been said by the gentleman from Washington [Mr. HUMPHREY] that Japan is going to become aggrieved, and we will probably come into conflict with her. It seems to me that neither Japan nor any other nation would be justified in complaining when we pass legislation that equalizes conditions under which ships from all nations operate trading to and from American ports.

In regard to complications with other nations it is well known that organized labor sincerely desires the passage of this legislation. Organized labor has always and everywhere exercised its influence for peace and to prevent war. Organized labor does not desire legislation that will complicate this country in war with any other nation, and we believe there is no opportunity for it at this time, because legislation of this sort is going to uplift the condition of foreign workmen as well as the American seamen.

It is to be hoped that the conferees of the Senate and the House together will succeed in agreeing to a report which will finally make a practical, workable, efficient law.

The differences between the Senate bill and the committee substitute are of such nature that there is ample opportunity for an agreement such as will accomplish the purposes intended and results desired. I have confidence that the conferees will come to such understanding and agreement.

The two bills are alike in this, that they repeal statutes and provide a means of abrogating or amending treaties under which American seamen are arrested, detained, and surrendered back to their vessels under treaties with foreign nations, and under which the United States arrests, detains, and delivers to their vessels any foreign seamen who may desert; that is, violate their contract to labor within the jurisdiction of the United States. They are further alike in this, that the seamen on foreign vessels in American ports and American seamen in foreign ports have a right to demand and receive one-half of the wages earned, excepting in this, that the Senate bill provides that the money shall be paid within two days after demand therefor in any port where a vessel loads and discharges cargo, while the substitute has no such provision, but provides that such demand may not be made oftener than every sixth day. Thus the substitute may be so construed that half pay may be withheld until the vessel is about to leave, thus leaving no time to have the right enforced.

The Senate bill provides for the absolute prohibition against payment of advance or allotment to original creditor and makes it applicable to all vessels within the jurisdiction of the United States. The substitute adds the following proviso:

Provided, That treaties in force between the United States and foreign nations do not conflict therewith.

It is to be hoped that the conferees will strike this proviso out, because it will permit some merchant vessels to pay advance in ports of the United States while it will be prohibited to American vessels and to some foreign vessels, and the vessels who have this right will always be able to obtain cheaper crews than those who have not. It is a special privilege conferred upon some nations' vessels that will work to the disadvantage of other nations' vessels, including American vessels, and it is a serious and crying evil under which the seamen have too long suffered and under which the crimping system has flourished. To strike it out means equalizing the condition to all vessels and to wipe out the crimping system in so far as American ports are concerned. (Section 11, p. 35.)

Section 1 in the Senate bill is sections 1 and 2 in the substitute. Section 2 of the substitute deals with the hours of labor and working conditions, both at sea and in port. The exemption of bays or sounds, on page 22, line 19, will, unless modified or stricken out, permit the undermanning and overworking of a large number of vessels trading along the coast. Bays and sounds are indefinite terms. A bay may be nearly sheltered or wide open to the ocean. It may be small or large. One need but look at the map of the United States to realize that this expression should be stricken out. It was evidently put in to preserve the present working conditions in those places, but the present working condition has been responsible in the past for such disasters as the *General Slocum*, the *Monroe*, and others.

The Senate bill provides that there shall be no unnecessary work on Sundays or legal holidays. The committee substitute provides specific days as holidays, leaving out very many State holidays. This will cause friction that might much better be avoided by permitting to the men the enjoyment of such holidays as shall be celebrated in ports of the United States where the vessel happens to be at the time.

Section 13 of the substitute corresponds to section 12 of the Senate bill. In dealing with individual efficiency the difference between the two does not seem material; but in the matter of safety the difference is so great that I should hesitate to vote for the bill, if I did not believe that the committee of conference will deal with this matter from the point of view solely of the safety of the traveling public.

The Senate bill provides lifeboats for all and two able seamen or men of higher rating for each lifeboat. The substitute leaves this matter out of section 13 and introduces a section 14, in which it seems to deal with vessels of the United States. And then it goes on to determine what is a seaworthy lifeboat, what is a proper pontoon raft, the number of boats that are to be carried, the number of rafts that are to be carried, specifying the waters and treating the open sea differently within the 20-mile limit than outside of the 20-mile limit; permitting vessels within the 20-mile limit a certain time of the year—that is, from May 15 to September 15—to run with 30 per cent of its passengers and crew without either boats or rafts. For the same period it provides 20 per cent of boats, 30 per cent of rafts, and 50 per cent of the passengers to be without either means of safety on the Lakes. And this in spite of the experience of the *Monroe*, the *Empress of Ireland*, and the tremendous losses of human life on the Lakes within the last five years.

In place of two able seamen or men of higher rating for each boat there is, on pages 65 and 66, a provision for what is called

"certificated lifeboatmen." This is an innovation on shipboard, so radical and fraught with such consequences, both from the point of view of safety and of discipline, that I look upon it with the greatest apprehension. The preparation and training of the certificated lifeboatmen is such that the qualifications may be attained after a week's training in smooth-water drilling with an empty boat, manifestly an ineffective preparation for the most difficult and most important of the work that a seaman has to perform, namely, the saving of human life in case of disaster. Industrially and from the point of view of discipline I feel sure that the burden upon the shipowner will be greater under the substitute than under the Senate bill, and I do hope that both for the sake of safety to the public and expense to the shipowner the conferees may give to this particular point earnest and painstaking consideration.

On page 67 "a licensed officer or able seaman" is to be placed in charge of every boat or raft. This means that an engineer will be placed in charge of a lifeboat. There is nothing in his work that prepares him for this. It will be done over his protest and to the serious endangering of human life. It should read a licensed deck officer or able seaman. There surely ought at least to be one man in the boat who is accustomed to the sea and knows enough about it to work with it for the safety of himself and those who are in the boat with him.

I here desire to insert an editorial from the Washington Times, July 20, 1914, and also an article from the Chicago Herald, July 18, 1914:

[From the Washington Times, Monday, July 20, 1914.]

THE "MASSACHUSETTS" FIRE.

The *Massachusetts* was on fire in New York Harbor. If the fire had broken out a few hours later, with no fire boats in the vicinity, the 900 persons on board might have had only the choice of burning or drowning. As it was, it came very near being another *Slocum*. In the opinion of those who gave the assistance, the vessel's crew could not have conquered the flames.

Upon whom would the responsibility in such case have rested?

Congress has absolute and exclusive jurisdiction, and Congress, therefore, can not escape complete responsibility.

That vessels are underequipped in actual life-saving appliances is no longer in dispute.

One question is, Shall this condition be permitted to continue?

The other is, To what extent shall boats be furnished?

Third, Shall the vessel be sufficiently manned to meet emergencies, and, if necessary, to lower the boats and get them away from the ship?

About 6,000 persons have lost their lives in passenger vessels in the last half decade. More than two years have passed since the sinking of the *Titanic*. Very few know how long it is since the burning of the *Slocum*. The sinking of the *Empress of Ireland* was but the other day.

Congress has all the information. Investigation after investigation develops the same sordid facts—underequipment, undermanning; and in this case it is stated that the crew could not have conquered the flames.

In the meantime, the seamen's bill is slumbering on the calendar, after having been emasculated in the committee.

There is no telling how quickly we shall witness the horrors of another *Slocum*, another *Titanic*, or another *Empress*. The people are beginning to understand, and will place the blame where it belongs. Members of Congress will have to account to their constituents and to the people as a whole until such means of safety as can be provided by law are commanded.

[From the Chicago Herald, July 18, 1914.]

EXCURSION BOATS HELD MENACE TO THE YOUNG—PERSONAL SAFETY AND MORAL WELFARE ENDANGERED, SAYS REPORT TO BODINE—BOYS AND GIRLS DRUNK—GAMBLING FLOURISHES AND LIQUOR LAWS ARE IGNORED, SAY INVESTIGATORS.

Conditions that are a menace to the personal safety and moral welfare of Chicago school children exist on Lake Michigan excursion boats, according to a report submitted yesterday to Peter Reinberg, president of the board of education, by W. L. Bodine, head of the compulsory education department of the board.

Gambling flourishes openly, he says, and intoxicating liquors are sold to minors without regard for the law. Rowdies are permitted to insult women and children, and a clique of young men infest the boats who look upon unescorted girls as legitimate prey, according to the report.

Mr. Bodine's findings are based upon information gathered by a corps of investigators who rode on the boats plying out of Chicago from June 29 until July 8.

FINDS GIRLS DRUNK.

The report says, in part:

"Boys only 17 years of age and girls under 16 were found drunk during a Fourth of July crush.

"A vicious and degenerate element travels on some of the boats, including a clique of young men who look upon unescorted girls as legitimate prey. Some women, on the other hand, have developed the 'excursion' habit to lure susceptible youths.

"Anyone with the price can obtain a drink or a stateroom on the average steamer, the only exception being the *Eastland*, which has no staterooms.

"Petty gambling, slot machines, wheel and paddle games, and raffles are in full operation on most boats. They are merely marine kindergartens of gambling. A system of mean gambling exists, in which a second-grade child with a nickel or a dime in hand is permitted to take the first lesson if he is big enough to toddle to the front with the small change.

"Poker games, with money in sight, were among the features on one Fourth of July excursion.

CHILDREN DRINK BEER.

"Boys and girls between 15 and 17 years old openly drank beer between Chicago and Michigan City. On the return trip two couples, both under 18 years and intoxicated, sat in the stern of the boat, the boys sitting on the girls' laps.

"On the dance floor there was no restriction to any kind of dancing, and a number of young persons under the influence of liquor were on the floor.

"The stateroom patronage on most of the daylight boats was brisk, especially on the return trips.

"Personal safety of passengers is imperiled by the limited supply of lifeboats and lift rafts on the average excursion boats. Life preservers are available, but many of them are stored on deck ceilings beyond the reach of women and children or even men of short stature. The staterooms are, of course, supplied with life preservers, but are locked up except when the staterooms are in use.

"The question of police jurisdiction beyond the 3-mile limit places the remedy in the hands of the companies operating these boats. The question of patronage rests with the public."

Mr. ALEXANDER. Mr. Speaker, in view of the statement made by my esteemed friend from Washington [Mr. HUMPHREY] with reference to the Pacific coast, I think I should make this statement: If his contention is true—that in the event this bill becomes a law it will give the trade upon the Pacific to the Japanese—I do not know why that should be any occasion for complaint on the part of the Japanese or be cause for war. The language test applied to the Japanese crew would be no embarrassment, because the officers and the crew are of the same nationality and speak the same language, and the crew would certainly be able to understand the orders of the officers. They would not have any trouble in complying with the language test. As applied to American ships it will be different. The officers of American ships must be American citizens. Presumably they speak the English language. If ships flying the American flag employ Chinese or Japanese crews, the crews must either understand the language of the officers or officers must be able to understand the language of the crews sufficiently to impart their orders to the crews in Japanese or Chinese.

Mr. HUMPHREY of Washington. Mr. Speaker, will the gentleman yield?

Mr. ALEXANDER. For a question.

Mr. HUMPHREY of Washington. What I was trying to say was that the mustering of the crew was to ascertain whether they complied with our requirements not only in regard to language, but there are many other requirements in order to show qualification, and it provides, as I understand, upon the filing of an affidavit by any reputable citizen, that the collector of customs shall cause the crew to be mustered, and the ship shall not be permitted to depart until it is shown that they have complied with every law.

Mr. ALEXANDER. That is true, so far as mustering the crew is concerned, and applies to all ships. In England they have enforced the law from time immemorial, that no ship shall leave their ports in an unseaworthy condition, and to be in a seaworthy condition the ship must have a sufficient and efficient crew, and the muster means no more than that it may be shown that the ship had in her crew enough officers and seamen for her safe navigation; the seamen to be of the rating prescribed by section 13; that is to say, at the end of one year 40 per cent, at the end of two years 45 per cent, at the end of three years 50 per cent, and after four years 65 per cent of the crew should be able seamen, as defined in this law.

Since the gentleman from Washington has raised the question as to the muster of the crew, it may be well to explain that provision of section 13 more in detail, so that we may fully understand its scope and the reason for the requirement. Section 13 provides that no vessel of 100 tons gross, with certain exceptions named, shall be permitted to depart from any port of the United States unless she meets the following requirements: First, she shall have on board a crew not less than 75 per cent of which in each department thereof are able to understand any order given by the officers of such vessel; second, nor unless 40 per cent in the first year, 45 per cent in the second year, 50 per cent in the third year, 55 per cent in the fourth year after the passage of this act, and thereafter 65 per cent of her deck crew, exclusive of licensed officers and apprentices, are of a rating of not less than able seamen.

The section defines the persons entitled to the rating of able seaman as follows: For service on the seas a person must be 19 years old or upward and shall have had at least 3 years' service on deck on a vessel or vessels to which the section applies. For service on the Great Lakes and other lakes and on the bays and sounds a person must be 19 years old or upward and shall have had at least 24 months' service on deck on such vessels.

It is made the duty of the Department of Commerce to prescribe rules for the examination of those who seek a rating as able seaman as to their eyesight, hearing, and physical condition. Provision is also made for a rating of able seaman for those who have served 12 months at sea who upon examination

under rules prescribed by the Department of Commerce as to eyesight, hearing, physical condition, and knowledge of the duties of seamanship may be found competent.

The foregoing provisions should be read and considered in connection with the provisions of section 4463 of the Revised Statutes, which provide as follows:

Any vessel of the United States subject to the provisions of this title or to the inspection laws of the United States shall not be navigated unless she shall have in her service and on board such complement of licensed officers and crew as may, in the judgment of the local inspectors who inspect the vessel, be necessary for her safe navigation.

Now, to illustrate. If the local inspectors should designate a crew of 40, exclusive of licensed officers and apprentices, in all the departments of the vessel as necessary for the safe navigation of the vessel, it would be necessary for at least 75 per cent of the crew in each department to understand any order given by the officers of the vessel; in other words, to stand the language test. If 20 of the 40 members of the crew are designated for the deck department, then in the first year 8, in the second 9, in the third 10, in the fourth 11, and thereafter 13 of the deck crew, exclusive of licensed officers and apprentices, must be of a rating of not less than able seaman.

The only limitation upon the power of the local inspectors to designate the complement of the crew, in addition to licensed officers, necessary for the safe navigation of the vessel is found in section 14 of the bill, which provides that a licensed officer or able seaman shall be placed in charge of each lifeboat or pontoon raft. No one interested in safety of life at sea can complain of this provision. Now, the provision of section 13 to which the gentleman from Washington refers, and has expressed the opinion that it may cause friction and vexatious delay to vessels seeking clearance from our ports, does no more than insure obedience to the law. It provides that the collector of customs may on his own motion, and shall on the sworn information of a reputable citizen of the United States, cause a muster of the crew of the vessel to be made that it may be determined whether or not the law is being complied with; and to prevent the vexation and delay to which the gentleman from Washington [Mr. HUMPHREY] refers, it is expressly provided that the collector shall not be required to cause the muster of the crew to be made unless the sworn information is filed with him at least six hours before the vessel departs or is scheduled to depart. It would seem that the provision requiring six hours' notice would be sufficient to deter anyone from making the complaint unless for good cause, and especially as it is further provided that anyone knowingly making a false affidavit for such purpose shall be guilty of perjury. There may be other provisions of the bill about which there may be confusion or misunderstanding, but I do not feel that it is necessary for me to notice them here. My colleagues on the committee who have spoken have gone into the various provisions of the bill in such detail and have explained them so clearly that it is unnecessary to do so.

Mr. Speaker, I now ask for a vote.

The SPEAKER. The question is upon suspending the rules and passing the bill.

Mr. ALEXANDER. Mr. Speaker, if the Speaker will pardon me, I desire to yield one minute to the gentleman from New Jersey [Mr. KINKEAD], which I omitted to do.

Mr. KINKEAD of New Jersey. Mr. Speaker, a few years ago the Masters, Mates, and Pilots' Association of New Jersey did me the honor to elect me the first honorary member of their association, and they have unanimously indorsed this Alexander seamen's bill. Though they are not connected with the other association so ably presided over by my good friend from California, Mr. Furuseth, they are in sympathy with the movement that he has so well in hand for the care and protection of men who risk their lives upon the high seas. I desire to compliment the able chairman of this committee and the membership of the committee under him on this magnificent bill, and I hope now that it will be speedily enacted into law. [Applause.]

The SPEAKER. The question is on suspending the rules and passing the bill.

The question was taken; and in the opinion of the Speaker two-thirds having voted in favor thereof, the rules were suspended, and the bill was passed. [Applause.]

GEORGE P. HEARD (H. DOC. NO. 1152).

The SPEAKER laid before the House the following message from the President of the United States, which was read as follows and ordered to be printed.

The Clerk read as follows:

To the House of Representatives:

I return herewith, without my approval, H. R. 2728, entitled "An act for the relief of George P. Heard," because I believe that its enactment into law would be gravely demoralizing to the administration of the discipline of the Army.

No injustice was done Dr. Heard. The findings of the board of examiners were twice carefully reviewed. Unless all others who similarly fail are to be granted the same special privilege contemplated in this bill, a grave injustice will have been committed. It would constitute a precedent that would most certainly plague both the Department of War and the Congress. It would tend to nullify the good effects of the excellent act of Congress whose purpose was to increase the efficiency of the Medical Department of the Army. It would unfairly affect all the officers who have come into the service since the honorable discharge of Dr. Heard by reducing them one file each.

I can not see my way to giving the bill my approval. Special favors, it seems to me, ought very carefully to be avoided in the administration of the Army and Navy of the United States.

WOODROW WILSON.

THE WHITE HOUSE, *August 27, 1914.*

The SPEAKER. Does the gentleman from Alabama desire to make any motion?

Mr. UNDERWOOD. Mr. Speaker, I desire before making the motion to adjourn to announce to the House——

Mr. MANN. This message has to be disposed of in some way.

Mr. UNDERWOOD. I did not understand the Speaker's remark. Mr. Speaker, I move the message be referred to the Committee on Military Affairs.

The SPEAKER. The gentleman from Alabama moves that the message and bill be referred to the Committee on Military Affairs.

The question was taken, and the motion was agreed to.

POSTAL SAVINGS SYSTEM.

Mr. MOON. Mr. Speaker, I move that the House take up the conference report on the bill H. R. 7967——

Mr. MANN. Mr. Speaker, I understood we were going to adjourn.

Mr. MOON (continuing). To amend an act creating a postal savings system.

Mr. MANN. We understood we were going to adjourn. There is a little time wanted on that, and it can come up to-morrow morning.

Mr. MOON. Mr. Speaker, very well; if the gentleman from Illinois desires some discussion on the matter and is not prepared for it this evening I will withdraw the motion until to-morrow.

WAR-RISKS INSURANCE.

Mr. UNDERWOOD. Mr. Speaker, I desire to announce that an effort will be made to take up a rule to pass the emergency insurance bill, and I hope that the Members of the House will be in their seats at 12 o'clock to-morrow to save a roll call. I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 13 minutes p. m.) the House adjourned to meet to-morrow, Friday, August 28, 1914, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. CARAWAY, from the Committee on the District of Columbia, to which was referred the bill (H. R. 12592) to authorize and require an extension of the street railway lines of the Washington Railway & Electric Co., and for other purposes, reported the same with amendment, accompanied by a report (No. 1117), which said bill and report were referred to the House Calendar.

Mr. TALCOTT of New York, from the Committee on Interstate and Foreign Commerce, to which was referred the bill (H. R. 16640) to authorize the construction of a bridge across the Niagara River in the town of Lewiston, in the county of Niagara and State of New York, reported the same with amendment, accompanied by a report (No. 1118), which said bill and report were referred to the House Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. BATHRICK: A bill (H. R. 18550) empowering and directing the Secretary of the Treasury to convey by quitclaim deed certain lands in the city of Akron, State of Ohio; to the Committee on Public Buildings and Grounds.

By Mr. PROUTY: A bill (H. R. 18551) to amend section 40, chapter 4, title 2, of the Revised Statutes of the United States; to the Committee on the Judiciary.

By Mr. WINGO: A bill (H. R. 18552) providing for the issuance of circulating notes to the producers of cotton, extending the benefits and provisions in the emergency currency act to State banks, and for other purposes; to the Committee on Banking and Currency.

By Mr. MOSS of Indiana: A bill (H. R. 18553) to authorize the Secretary of Agriculture to license grain warehouses, and for other purposes; to the Committee on Agriculture.

By Mr. KETTNER: Joint resolution (H. J. Res. 329) to provide for the detail of an officer of the Army for duty with Panama-California Exposition, San Diego, Cal.; to the Committee on Military Affairs.

By Mr. FREAR: Resolution (H. Res. 607) relating to the proposed war tax; to the Committee on Rules.

By Mr. ASHBROOK: Resolution (H. Res. 608) authorizing the Clerk of the House to pay to E. L. Smith, $60; Edward C. Hauer, $42; Helen Parker, $24; and Lizzie Barrett, $6; to the Committee on Accounts.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BAILEY: A bill (H. R. 18555) granting a pension to Anna R. Burket; to the Committee on Pensions.

Also, a bill (H. R. 18556) granting an increase of pension to Gurdin B. Hotchkin; to the Committee on Invalid Pensions.

By Mr. BURNETT: A bill (H. R. 18557) to remove the charge of desertion from the military record of Jerry Wildman; to the Committee on Military Affairs.

By Mr. GORMAN: A bill (H. R. 18558) granting a pension to Peter V. O'Reiley; to the Committee on Invalid Pensions.

By Mr. LINTHICUM: A bill (H. R. 18559) for the relief of the Eastern Transportation Co., of Baltimore, Md.; to the Committee on Claims.

By Mr. McGILLICUDDY: A bill (H. R. 18560) granting an increase of pension to Roeana F. Duran; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18561) granting an increase of pension to Clara B. Lowell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18562) granting an increase of pension to Abbie E. Taylor; to the Committee on Invalid Pensions.

By Mr. O'HAIR: A bill (H. R. 18563) for the relief and restoration to the rolls of the Army of the volunteer soldiers of the Civil War the name of Henry Marxmiller, who was known as Henry Miller; to the Committee on Military Affairs.

By Mr. RUSSELL: A bill (H. R. 18564) granting an increase of pension to James C. Lewis; to the Committee on Invalid Pensions.

By Mr. SELDOMRIDGE: A bill (H. R. 18565) granting a pension to Hulda Flatt; to the Committee on Pensions.

Also, a bill (H. R. 18566) granting an increase of pension to Harry Dunn; to the Committee on Invalid Pensions.

By Mr. SPARKMAN: A bill (H. R. 18567) for the relief of P. J. McMahon; to the Committee on Naval Affairs.

By Mr. STEPHENS of Texas: A bill (H. R. 18568) to enroll William D. Waybourn, his wife, children, and descendants, as members of the Cherokee Nation of Indians; to the Committee on Indian Affairs.

By Mr. TAVENNER: A bill (H. R. 18569) granting an increase of pension to William Boston; to the Committee on Invalid Pensions.

By Mr. TEN EYCK: A bill (H. R. 18570) granting an increase of pension to Pauline M. Beach; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18571) granting an increase of pension to James F. Kilburn; to the Committee on Invalid Pensions.

By Mr. WEBB: A bill (H. R. 18572) granting permission to Mrs. R. S. Abernethy, of Lincolnton, N. C., to accept the decoration of the Bust of Bolivar; to the Committee on Foreign Affairs.

By Mr. WINGO: A bill (H. R. 18573) to correct the military record of Silas Shepherd; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. BATHRICK: Petition of 250 citizens of Warren, Ohio, favoring national prohibition; to the Committee on Rules.

By Mr. CANTOR: Petition of various American bankers relative to foreign drafts; to the Committee on Banking and Currency.

By Mr. KAHN: Memorial of Montezuma Tribe, No. 77, Independent Order of Red Men, and the San Francisco (Cal.) Parlor Circle, Native Sons of the Golden West, favoring the Hamill retirement bill; to the Committee on Reform in the Civil Service.

Also, petition of Miss J. Oliphant and 128 other residents of the city of Washington, D. C., protesting against the increased cost of food products; to the Committee on Ways and Means.

Also, petition of Thomas C. Fitzpatrick and 35 others residents of San Francisco, Cal., to provide for an adequate defense by land and sea; to the Committee on Naval Affairs.

By Mr. McCLELLAN: Petition of Frank Strobel, of Kingston, N. Y., protesting against national prohibition; to the Committee on Rules.

Also, memorial of the First National Bank of Hudson; the National Ulster County Bank, of Kingston; and the Bank of Richmondville, all in the State of New York, relative to increase of rates to railroads; to the Committee on Interstate and Foreign Commerce.

By Mr. MERRITT: Petition of Mrs. Cora E. Lawrence, of Bangor, N. Y., favoring the appointment of a national motion-picture commission; to the Committee on Education.

Also, petition of Mrs. Cora E. Lawrence, of Bangor, N. Y., favoring national prohibition; to the Committee on Rules.

Also, petition of D. T. Monroe, of Glens Falls, N. Y., favoring national prohibition; to the Committee on Rules.

Also, petition of D. T. Monroe, of Glens Falls, N. Y., favoring the appointment of a national motion picture commission; to the Committee on Education.

By Mr. O'HAIR: Petition of sundry citizens of Danville, Ill., protesting against an increase of the tax on cigars; to the Committee on Ways and Means.

By Mr. REILLY of Connecticut: Petition of the National Child Labor Committee, favoring passage of House bill 12292, relative to child labor; to the Committee on Labor.

Also, petition of the Connecticut State Medical Society, favoring provision by Congress for mental examination of arriving immigrants; to the Committee on Immigration and Naturalization.

Also, petition of the Connecticut Society of Civil Engineers, favoring Newlands amendment to the rivers and harbors bill; to the Committee on Rivers and Harbors.

By Mr. J. M. C. SMITH: Petition of the Auxiliary of Woman's Home Missionary Society of the East Avenue Methodist Episcopal Church, protesting against railroad tracks opposite Sibley Hospital and Rust Hall, Washington, D. C.; to the Committee on the District of Columbia.

Also, petition of 600 members of the Homestead Loan and Building Association, of Albion, Mich., protesting against a stamp tax on building and loan mortgages, releases, and discharges; to the Committee on Ways and Means.

By Mr. WATSON: Petitions of sundry citizens of Brunswick, Sussex, and Mecklenburg Counties, all in the State of Virginia, asking an investigation of the Milliken bill, relative to a personal rural-credit system; to the Committee on Banking and Currency.

SENATE.

FRIDAY, *August 28, 1914.*

(*Legislative day of Tuesday, August 25, 1914.*)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

The VICE PRESIDENT. The Senate resumes the consideration of House bill 15657.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes.

The VICE PRESIDENT. The pending question is the amendment of the committee on page 27.

Mr. CULBERSON. I call up the unanimous-consent agreement which was submitted yesterday.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Jones	Overman	Sterling
Bryan	Kenyon	Perkins	Thomas
Burton	Kern	Shafroth	Townsend
Chilton	Lane	Sheppard	Vardaman
Culberson	Lea, Tenn.	Simmons	Walsh
Gallinger	Martin, Va.	Smith, Ga.	White
Hollis	Martine, N. J.	Smith, Mich.	Williams
Johnson	Nelson	Smoot	

Mr. VARDAMAN. I desire to announce the absence of the Senator from Oregon [Mr. CHAMBERLAIN] on official business.

Mr. SMOOT. I desire to announce the unavoidable absence of my colleague [Mr. SUTHERLAND]. He has a general pair with the senior Senator from Arkansas [Mr. CLARKE]. I will allow this announcement to stand for the day.

I wish also to announce that the junior Senator from West Virginia [Mr. GOFF] is necessarily absent, and that he is paired with the senior Senator from South Carolina [Mr. TILLMAN].

Mr. KENYON. I wish to announce the unavoidable absence of the senior Senator from Kansas [Mr. BRISTOW] on account of illness and of the senior Senator from Wisconsin [Mr. LA FOLLETTE] on account of illness.

The VICE PRESIDENT. Thirty-one Senators have answered to the roll call. There is not a quorum present. The Secretary will call the roll of absentees.

The Secretary called the names of the absent Senators, and Mr. CAMDEN, Mr. MCCUMBER, Mr. NORRIS, Mr. REED, and Mr. THORNTON answered to their names when called.

Mr. CUMMINS, Mr. MCLEAN, Mr. POINDEXTER, Mr. CLARK of Wyoming, Mr. CHAMBERLAIN, Mr. HITCHCOCK, Mr. O'GORMAN, Mr. WEST, and Mr. DILLINGHAM entered the Chamber and answered to their names.

Mr. DILLINGHAM. I desire to announce the continued absence of my colleague [Mr. PAGE] on account of illness in his family.

Mr. CLARK of Wyoming. I wish to announce the unavoidable absence of my colleague [Mr. WARREN]. I ask that this announcement may stand for the day.

Mr. SHIELDS entered the Chamber and answered to his name.

The VICE PRESIDENT. Forty-six Senators have answered to the roll call. There is not a quorum present. The Sergeant at Arms will carry out the instructions of the Senate heretofore given, and request the attendance of absent Senators.

Mr. BRADY, Mr. COLT, and Mr. GORE entered the Chamber and answered to their names.

The VICE PRESIDENT. Forty-nine Senators have answered to the roll call. There is a quorum present. The Senator from Texas presents a proposed unanimous-consent agreement which will be read.

The Secretary read as follows:

It is agreed by unanimous consent that at not later than 2 o'clock p. m. on Saturday, August 29, 1914, the Senate will proceed to vote upon any amendment that may be pending, any amendment that may be offered, and upon the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes, through the regular parliamentary stages to its final disposition; and that after the hour of 2 o'clock on said day no Senator shall speak more than once or longer than 15 minutes upon the bill or upon any amendment offered thereto.

The VICE PRESIDENT. Is there objection to the proposed unanimous-consent agreement?

Mr. REED. Mr. President, I do not think I am prepared to consent to that. There are, as is well known, a large number of amendments to be proposed to this bill after the committee amendments shall have been concluded. We have not yet concluded the committee amendments. All the intervening time might be consumed in discussing them. Some important amendments are to be proposed.

Mr. CULBERSON. Mr. President——

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from Texas?

Mr. REED. I do.

Mr. CULBERSON. I suggest to the Senator from Missouri that we are practically through with committee amendments; we ought to get through with them in an hour. Then we shall have all of to-day and until 2 o'clock to-morrow to discuss the bill generally, and after that to discuss the bill and amendments under the 15-minute rule.

Mr. REED. I suggest to the Senator that he present the request later in the day, when we shall know more about the situation.

The VICE PRESIDENT. Does the Senator from Missouri object?

Mr. REED. I do.

The VICE PRESIDENT. The pending amendment is on page 27. It will be stated.

The SECRETARY. In section 18, page 27, line 22, the committee propose to strike out the word "unlawful" and to insert "to be violations of the antitrust laws."

Mr. CULBERSON. Mr. President, I am in favor of some substantive declaration, such as is included in this paragraph; but I do not favor the broad declaration that nothing shall be considered or held to be unlawful, for that might be construed into a declaration of the United States affecting State laws, which we have no authority under the Constitution to make. I therefore move, as an amendment to the amendment, to strike out the words "the antitrust laws" and to insert "any law of the United States."

The VICE PRESIDENT. The amendment to the amendment proposed by the Senator from Texas will be stated.

The SECRETARY. It is proposed to amend the committee amendment by striking out the last three words at the end of the amendment, being "the antitrust laws," and to insert "any law of the United States"; so that if amended it will read:

Nor shall any of the acts specified in this paragraph be considered or held to be violations of any law of the United States.

Mr. SMITH of Georgia. Mr. President, I wish to call attention to the effect of this last clause as the House sent it to us. I referred to it in a question propounded to the Senator from Colorado [Mr. THOMAS] on yesterday.

The first portion of this paragraph, in lines 4 and 5, declares that—

No restraining order or injunction shall prohibit any person or persons from terminating any relation of employment.

Therefore, if an employer desired to terminate a contract of employment he is not to be restrained or enjoined from doing so; and this is one of the acts specified in the paragraph. The last clause, which we are now considering, adds:

Nor shall any of the acts specified in this paragraph be considered or held unlawful.

That is to say, the act first named of terminating an employment shall not be held to be unlawful. The employer may have contracts with one man or with many men for 12 months; he may terminate these contracts; and his violation of his contract in terminating the employment which he has contracted to continue for a term shall not be considered or held to be unlawful. This last clause, if allowed to remain as the other House sent it to us, would go to that extent.

Mr. GALLINGER. Mr. President, would not that equally apply to the employee?

Mr. SMITH of Georgia. Certainly.

Mr. GALLINGER. If there is an adjudication of the difficulties of the employer and the employee and arrangements made whereby they shall accept a certain wage and conditions of employment, say for 12 months, under this provision that could be absolutely ignored.

Mr. SMITH of Georgia. Undoubtedly; but I was dwelling upon the effect upon the employee, because I was seeking to appeal to those who are especially moved by a desire to serve the employee, and I desired to point out how this language affected the employee.

Mr. HUGHES. Mr. President, I wish to say to the Senator from Georgia that it has been held over and over again that language of that kind would not in any way affect the civil rights of the parties. The first resort of either an employee or an employer whose contract had been violated would be an action to enforce his civil rights. At one time we tried to rely on a statute in the State of New Jersey providing that certain acts were not unlawful, but we were enjoined from doing that on the ground that though they were not unlawful they were the subject of civil contract, that an injunction proceeding was not a criminal proceeding, and that the contract held. There is no difficulty about that. I will say to the Senator that so far as the working people of the United States are concerned he need have no tremors on their account. With reference to that language, they understand the import of it, so far as it affects them, and they are willing to stand and abide by it.

Mr. SMITH of Georgia. I do not recognize the right of the Senator from New Jersey to speak for the working people of the United States any more than I do, and I do not agree with him in his conclusion. There are about as many working people in my State as there are in New Jersey, and I can not vote for a measure which permits a violation of their contracts.

Mr. HUGHES. If the Senator will permit me, I am not asking him to agree with my conclusions, but I am calling his attention to the fact that the courts have so decided in a case in which I, as attorney, represented the laboring people.

Mr. SMITH of Georgia. I do not know the case to which the Senator refers; but if language means anything, this language means what I have said it means. It provides that the acts enumerated in the paragraph "shall not be considered or held unlawful." Your civil right depends upon an unlawful action; your civil right to sue for a breach of your contract of employment is due to the fact that it is unlawful to break a contract of employment. This provision says that such acts shall not be considered or held unlawful. What does that mean? It has no reference to a criminal prosecution. I do not know of any statute anywhere which provides for criminal prosecutions against an employer for declining to pay his employee for the length of time for which he hires him. If I employ a man to work for me for 12 months and at the end of 1 month break my

contract with him and decline to employ him for the remaining 11 months, I know of no criminal statute that would punish me for it; and if my employee contracts to work for me for 12 months and at the end of 1 month he declines to work for me any longer, I know of no criminal statute that would affect it.

Mr. HUGHES. Mr. President, I will enlighten the Senator. There are criminal statutes now, and there were criminal statutes in almost every State of the Union, which would make such an act a crime if done by more than two men; and there can not be the slightest doubt that the aggrieved parties would have their civil remedies. I think I can cite him to authoritative cases, which came as far as the Supreme Court, which have so held on that particular point.

Mr. SMITH of Georgia. The Supreme Court of the United States?

Mr. HUGHES. Yes; the Supreme Court of the United States, although that particular point perhaps was not raised.

Mr. SMITH of Michigan. Does the Senator from New Jersey refer to the case of Bailey against The State of Alabama?

Mr. HUGHES. I am not referring to that case.

Mr. SMITH of Michigan. The Supreme Court of the United States held that to be an unconstitutional statute.

Mr. HUGHES. I am referring to the case of Frank et al. against Herold et al., in the State of New Jersey, which went to every court in that State, and finally went to the United States Supreme Court. It was there decided upon a different ground, but the case went to the United States Supreme Court, although the particular point was not acted upon by that court. It was held, however, by every court in the State of New Jersey which passed upon the question that conduct declared to be permissible by statute could be forbidden if there was a contractual arrangement between the parties which such conduct violated.

Mr. SMITH of Michigan. The State law of Alabama provided that a breach of contract of employment was to be treated as a crime and punishable by imprisonment. The Supreme Court of the United States held that law to be unconstitutional in the case of Bailey against The State of Alabama.

Mr. SMITH of Georgia. I am familiar with that decision, and I think that any statute that undertook to imprison a man for a breach of a contract of employment ought to be held unconstitutional.

Mr. SMITH of Michigan. Undoubtedly.

Mr. SMITH of Georgia. For it would practically amount to imprisonment for a breach of a civil contract.

Mr. SMITH of Michigan. And it would create a reign of terror among employees wherever it was applied.

Mr. SMITH of Georgia. Mr. President, in spite of the views of the Senator from New Jersey I do not doubt the correctness of the position I have taken. I can not conceive of a court under a statute exactly like this having taken the view which the Senator from New Jersey suggests. It might possibly be held that this provision is unconstitutional, because it undertakes to violate the terms of a contract duly made; but I am not sure about that. It could only be relieved from being objectionable by being declared unconstitutional and therefore illegal. I would be utterly unwilling to join in placing upon the statute books an evil proposition in an act the evil of which could only be stopped by constructions on the part of the court setting it aside.

Mr. HUGHES. Mr. President, I am sure the Senator wants to be fair and candid. The court made no such construction as that insinuated by the Senator from Georgia.

Mr. SMITH of Georgia. I do not mean that the court had done so in the case to which the Senator refers, but I was giving my own construction of this provision, and I said I saw no way by which a court could set this provision aside except along the line I had suggested.

Mr. HUGHES. The court had no such difficulty as the Senator seems to have. The court differentiated very clearly between acts which were permitted and for which those who committed them could not be indicted and acts which were violative of contractual obligations. In the latter case the court held that workingmen could be held to the strict letter of that contract by means of injunctions, a violation of which resulted, as an infraction of the law would have resulted, and did result in this case, in the imprisonment of those concerned. That is the ingenious way in which the court got around the statute of New Jersey, which legalized certain acts which were afterwards enjoined. The defendants came into court and said, "We have a statute of the State of New Jersey which says that we may do these things"; but the vice chancellor of the State of New Jersey said, "It is true that no grand jury may indict you, it is true that no court of criminal jurisdiction can try you and punish you, but a court of chancery can compel you to do the things you have agreed to do, whether the contract under which you agreed to do them is express or implied; and once we have ordered you to do them you refuse to do them at your peril." They refused to do them, and it was very much at their peril.

Mr. BORAH. Mr. President, will the Senator from New Jersey cite us to that decision and state where we can find it?

Mr. HUGHES. I am not like my friend from Idaho, and do not carry pages and numbers of reports in my memory; but I will try to get the decision for the Senator. I think it will be found in the New Jersey State Reports under the general heading "Frank et al. *v.* Herold et al." Frank & Dugan were a firm of silk manufacturers in the city of Paterson. The defendant was a man named Herold. He is an employee in the Capitol building now. The doctrine to which I have referred was laid down in the decision, as I recollect, by the vice chancellor on a motion to modify the injunction.

Mr. BORAH rose.

Mr. HUGHES. I might say that he injected something new into the jurisprudence of the State of New Jersey in holding that it was a crime, or at least it was offensive—it was a crime except as the statute took it out of criminal acts—for one man to request another to leave his employment. He said that amounted to the common-law offense of the seduction of a servant, and he enjoined against it.

Mr. CUMMINS. Mr. President, I should like to ask a question of the Senator from New Jersey, if the Senator from Georgia will permit me.

Mr. SMITH of Georgia. I shall be pleased to yield. The Senator from Idaho [Mr. BORAH] was on his feet first, but still——

Mr. BORAH. I was simply trying to get the drift of the discussion. It is difficult to hear over here.

Mr. CUMMINS. I ask the Senator from New Jersey if it be not true that in construing the last clause of section 18 it would be necessary for the court to add the words "or held unlawful under the laws of the United States" in order to render it constitutional at all?

Mr. HUGHES. Undoubtedly. I have said that. I said that before the committee.

Mr. CUMMINS. I know the Senator did.

Mr. HUGHES. I said that if there was any doubt in the minds of Senators I had not any thought that any action we could take here would change the laws of the various States of the Union, and I was willing then, and I am perfectly willing now, to have that language changed.

Mr. CUMMINS. That being true—and I heard the Senator from New Jersey state it before the committee—what difference is there between saying "nor shall any of the acts specified in this paragraph be considered or held unlawful under the laws of the United States" and saying "be considered or held to be violations of any law of the United States"?

Mr. HUGHES. The language here is "violations of the anti-trust laws." I was not in here when any suggestion was made to change that language. I do not suppose there is any difference.

Mr. CUMMINS. Under the proposal of the Senator from Texas, it becomes "be considered or held to be violations of any law of the United States."

Mr. HUGHES. I am willing to accept that language. It was offered during my absence from the Chamber. I just came in. I had a conversation with the Senator last night, and he made some such suggestion to me, and it was satisfactory—not entirely satisfactory, I will say to the Senator, because there are decisions and court practices which attain all the dignity of law. I would have preferred the other language, but I am willing to accept this.

Mr. CUMMINS. The reason I think the language that came from the House is imperfect is this: If it be construed literally, the whole proposal falls, becomes nugatory and unconstitutional, because we can not declare that a particular act is lawful or unlawful except as a regulation of commerce among the States, and the extent of our power is to say that we do not declare it to be unlawful. We can go no further than that.

Mr. HUGHES. I agree perfectly with the Senator. Perhaps, if I had known what had occurred before I came in, I would not have entered into the discussion.

Mr. SMITH of Georgia. Mr. President, having yielded the floor for quite a general discussion, I wish to return to the same view that I was presenting at the time I yielded.

The Senator from New Jersey has shown no decision that would take from this language as it is contained in the bill, without amendment, its objectionable features. If any court has rendered a decision that would relieve it from the criticism I am placing upon it, I would not be willing to follow that decision. I would not be willing to place in a national statute lan-

guage of this kind, relying upon the decision even of the chancellor of New Jersey.

What does the language say?—

Nor shall any of the acts specified in this paragraph be considered or held unlawful.

This is not a criminal statute. The Senator from New Jersey thinks this language only means that no criminal procedure should be had with reference to any of these acts. It does not say so. We are prescribing no criminal penalty. We have no criminal penalty fixed by the statutes of the United States for these acts. If it was intended to apply to Federal statutes, it broadly declares that parties to a contract of employment on either side may violate that contract and that that violation shall not be held or considered to be unlawful.

Mr. BORAH. Mr. President, in discussing this particular section with reference to what is or what is not——

Mr. SMITH of Georgia. I yield to the Senator from Idaho. I have not yielded yet, but I will yield now.

Mr. BORAH. I thought the Senator had yielded.

Mr. SMITH of Georgia. I yield to the Senator.

Mr. BORAH. I was going to say that it is well to keep in mind the fact that the Supreme Court of the United States has decided that a willful violation of an injunction is a crime under the statutes of the United States.

Mr. SMITH of Georgia. But this has no reference to a willful violation of an injunction, because it begins by declaring that there shall be no restraining order or injunction issued against either of these acts.

Mr. BORAH. Mr. President, we are discussing the last three or four lines of section 18.

Mr. SMITH of Georgia. Yes.

Mr. BORAH. When we go back to the beginning of section 18, it says:

That no restraining order or injunction shall be granted by any court of the United States, or a judge or the judges thereof, in any case between an employer and employees, or between employers and employees, or between employees, or between persons employed and persons seeking employment, involving or growing out of a dispute concerning terms or conditions of employment, unless necessary to prevent irreparable injury to property or to a property right of the party making the application.

What does the Senator understand the word "property" there to mean?

Mr. SMITH of Georgia. I am not discussing that part of the section. The last clause of the paragraph has no bearing upon that portion of the section.

Mr. BORAH. It seems to me that it is almost necessary to know something about that in order to arrive at an intelligent conclusion as to what we should do with the last line.

Mr. SMITH of Georgia. I am not discussing that part of the section, and this language does not bear upon that part of the section. This language says:

Nor shall any of the acts specified in this paragraph be considered or held unlawful.

I am discussing the effect of this language upon the first one of the acts named in this paragraph. I am endeavoring to point out that the language at the close of the paragraph as it came to us from the House is highly objectionable. The Senator from New Jersey [Mr. HUGHES] says that the laboring people are satisfied with it. We can not legislate because a class of people are satisfied. A class of people might be satisfied with a piece of legislation, thinking it would accomplish a certain thing, when it would not. Finally the responsibility comes to us; and even though they thought it would do a certain thing for them, if we found that it would do a very different thing to them, we would properly be responsible if we passed the legislation, though they, misapprehending its effect, were satisfied with it.

Under no circumstances could I consent to vote for a bill that undertook to say that the breaking of a contract of employment by an employer should not be considered or held unlawful. The evil effect upon the employee class would be far-reaching. It would apply not only to the laborer with his hands; it would apply to the clerk in the store; it might apply broadly in the United States courts to any kind of contract of employment.

I object to this clause, however, for a still further reason. It undertakes to declare that certain acts shall not be held or considered unlawful. The Senator from New Jersey seems to think that this applies to criminal acts. There are no criminal statutes of the United States that it would affect. If it applies to any criminal acts or criminal statutes, it must apply to State statutes; and it might be held that this was a declaration which was to affect legislation by the States with reference to such acts. It might be held to reach into the police responsibility of the States for the conduct of their internal affairs.

I would be utterly unwilling to vote for a bill with such a provision in it. The truth is, I do not think it ought to be here at all. I do not think any of it ought to be here. We have relieved these acts from restraining orders and from injunctions. I think that is just as far, really, as we ought to go. If the question arises whether we shall strike it out altogether, I shall vote to strike it out; and if it is not stricken out altogether, I shall vote for that character of amendment added to it which will take from it as much as possible of its force. I think we go just as far as we ought to go, and possibly a little further than we ought to go, when we say that the acts shall not be the subject of injunction.

Mr. CUMMINS. Mr. President, may I ask the Senator from Georgia a question?

Mr. SMITH of Georgia. Certainly.

Mr. CUMMINS. I think the arrangement of these paragraphs is wrong. I think the labor organizations ought to be given their distinctive status in section 7, as I have heretofore remarked; but is the Senator sure that if the last paragraph or clause of this section were stricken out the remaining part of it would be constitutional?

Mr. SMITH of Georgia. I think so.

Mr. CUMMINS. Does the Senator think we can take away from the courts all power of issuing injunctions without disturbing or changing the rights of individuals?

I will put it clearly. I do not know that the Senator understands me. Suppose that a certain act is a violation of the antitrust laws. Suppose the remedy for that act, according to the established procedure of the court, is an injunction. Does the Senator think we can take away the power of the court to issue an injunction and still permit the right to remain?

Mr. SMITH of Georgia. I do not think we have left the right. I think section 7 covers that branch of the case, and really went as far as there was any necessity for going. I do not think either one of the things named here is illegal.

Mr. CUMMINS. No; I agree with that statement.

Mr. SMITH of Georgia. And I think that amounts to a declaration that the courts shall not restrain them, because they are not illegal under the Sherman Antitrust Act. Therefore I am willing to let it pass with the provision that it is not a violation of the antitrust laws.

Mr. CUMMINS. Somewhere we must declare that they are not illegal; that it is not a violation of the law for a person or a combination of persons to do the things that are here recited. If that declaration be found in section 7, it would be entirely sufficient; but I doubt it very much. I think whatever declaration we make ought to be in section 7. I have been of the opinion, however, that unless we have in the statute somewhere a declaration that these acts do not constitute a violation of the law of the United States, we could not in all cases constitutionally deprive the courts of their ancient and established power of issuing an injunction.

Mr. SMITH of Georgia. My own view is that section 7 takes these acts, when legally done, out from under the provisions of the antitrust laws and that further legislation upon the subject is unnecessary, and that an injunction could not be properly granted for that reason. Still, we may specify that it can not be done.

My main objection to this last clause, as it was written, was the objection that I stated. It goes far beyond merely preventing a United States court from restraining these acts, and I think it would have the result to which I have called attention. I prefer, certainly, to leave it simply that they shall not be considered or held to be violations of the antitrust laws. I do not think we ought to go to the extent of saying that they shall not be violations of any of the laws of the United States. I do not think we mean to apply it to anything except the antitrust laws.

What might be the effect upon contracts between employers and employees if we declared that a breach of a contract by an employer should not be a violation of any law of the United States? It is the law of the United States that a man shall comply with his contracts.

Mr. CUMMINS. What law of the United States requires that?

Mr. SMITH of Georgia. I do not mean that there is a statutory law on the subject, but in all the courts of the United States contracts are enforced.

Mr. WALSH. Mr. President——

The VICE PRESIDENT. Does the Senator from Georgia yield to the Senator from Montana?

Mr. SMITH of Georgia. I do.

Mr. WALSH. But of course that contract rests upon the State law, does it not, and not upon any United States law?

Mr. SMITH of Georgia. State law or common law.

Mr. WALSH. It is the common law of the State. The Federal court enforces the common law of the State. There is no common law of the United States. The United States law

rests upon statutes. So I feel that the Senator is unnecessarily alarmed. I thought he would be quite willing to accept the amendment now offered by the Senator from Texas [Mr. CULBERSON].

I will say in this connection that I fully agree with the reasoning of the Senator concerning the use of the word "unlawful," but it seems to me that everything he desires is met by the amendment now suggested.

Mr. SMITH of Georgia. Why is it necessary to go further than to say "violations of the antitrust laws"? What is there beyond that that we wish to relieve him of?

Mr. WALSH. I have not the cases in mind myself, and I do not recall having seen them, but I am told that there are one or two other statutes that have occasionally been appealed to by Federal courts as justification for the issuance of injunctions in these labor disputes.

The Senator will remember when this case came up in the first place, in the New Orleans case, the injunction was issued upon two grounds. First, that it was issuable under the general principles of equity; and, second, that the acts were in contravention of the Sherman Antitrust Act, and that an injunction would issue upon that ground. That contention was sustained, and the injunction was issued upon both grounds.

I am told that in the search that some judges have found some other statutes of the United States to which they have appealed in justification for the injunction. It occurs to me that we might very properly say that none of those Federal statutes shall be considered as making these acts unlawful. The general term is then excluded, and the contract is lawful or unlawful, as prescribed by the State law. The Federal court will enforce the common law of the State in which the contract is made.

Mr. SMITH of Georgia. Mr. President, the Senator said that one of the basic grounds for sustaining the injunction was the general principles of equity. Does the Senator mean that those were general principles of equity recognized in the State and growing out of the common law—the general principles of the common law?

Mr. WALSH. Undoubtedly.

Mr. SMITH of Georgia. And were enforced in equity?

Mr. WALSH. Undoubtedly. They appeal to the general principles of equity. I may say that these injunctions have often been sought in the State courts and often issued by the State courts in cases in which no appeal was made whatever to the Federal antitrust statute. They were asked upon general principles of equity and granted upon general principles of equity, upon the principles of equity that have come down to us from the English chancery practice. That was so in the New Orleans case, when first it was held that the acts were justifiable for an injunction not only upon general principles of equity but upon the antitrust act.

Mr. SMITH of Georgia. Does the Senator think, then, when we leave the language as it is, with the change suggested by the Senator from Texas, the United States courts could grant an injunction from these acts on general principles of equity?

Mr. WALSH. Certainly not. We have taken that power away from the court.

Mr. SMITH of Georgia. The suggestion of the Senator from Iowa [Mr. CUMMINS] was that unless the legal right or the equitable right was removed by statute the courts could still enforce it, and that a denial of the right of a restraining order would be invalid.

Mr. WALSH. I do not feel called upon to enter into a discussion, because I am not prepared to admit the soundness of that view.

Mr. SMITH of Georgia. I was not prepared to admit it, although I realized that there was something in the suggestion.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Texas [Mr. CULBERSON] to the amendment of the committee.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. BORAH. Mr. President, I should like to have the view of some of those who may have a more definite idea about it than I as to what we mean here when we say "unless necessary to prevent irreparable injury to property, or to a property right, of the party making the application."

Mr. President, I know the reason for the insertion of that here. My opinion is that if it is construed as those construe it who want it in this bill it will be in violation of the Constitution. It is supposed that it prevents issuing an injunction covering not only material property but the right to employ people, or the right to discharge people, or the right to be employed, and all those things.

I do not know that there is any particular view that can be definitely advanced to clear the matter up, but I do want to say that this provision of section 18, of construed as those who insist on its going into the section would construe it, is in violation of the fifth amendment to the Constitution of the United States.

The VICE PRESIDENT. The next amendment of the committee will be stated.

The SECRETARY. In section 19, page 28, line 5, after the word "or," strike out "at common law" and insert "under the laws of any State in which the act was committed."

The amendment was agreed to.

Mr. WALSH. Mr. President, we now reach section 20, which presents a most interesting principle, the right of trial by jury in cases of indirect contempt, and inasmuch as it introduces a departure in the practice from that which has hitherto obtained, I ask the indulgence of the Senate while I direct some observations to that subject.

The principle embodied in the provisions of the pending bill providing for trial by jury in cases of indirect contempt, when the facts shown constitute a public offense, has been the subject of much heated debate in and out of Congress. It has been denounced as socialistic and anarchistic, terms commonly and quite indiscriminately employed in our day to characterize any effort to curb or control the vast power that accompanies great wealth and concentrated capital. It is insisted with an assurance that assumes that question or contradiction is equally impossible; that its purpose and its necessary effect are to weaken the courts and frustrate them in the performance of their functions. However imposing may be the sources from which emanate criticism of this character, I assert that it can easily be demonstrated that such a departure instead of weakening the administration of justice would extend the power and influence of the courts by assuring to them in greater measure the esteem of the people invited to cooperate in enforcing their decrees.

The power to punish as for contempt is said to be one "arbitrary in its nature." (Batchelder *v.* Moore, 42 Cal., 412.)

Recognizing the liability of judges who are only human, subject to human passions and human weaknesses, to abuse the power, there is scarcely a State in the Union that has not legislated to restrict and limit the exercise of it.

In this country the power of the courts to punish for contempt has always been looked upon with jealousy and a very strong disposition shown to restrict it. (Boyd *v.* Glucklich, 116 Fed., 131–136.)

Even in England this tendency has been exhibited. We are told by Chancellor Kent that "the power of the courts to punish summarily for contempt has lately been much restricted" there. (1 Kent's Commentaries, 330.)

Restrictive Federal legislation is not new. The arbitrary and tyrannical abuse of the power to punish as for contempt once led to the impeachment of a Federal judge—Judge Rice, of Missouri. He was acquitted, but the agitation to which the proceedings gave rise resulted in the passage by Congress of an act in the year 1831, by which Federal judges were deprived of the power to punish as for contempt newspaper comments on their proceedings, even though published during the course of a trial. (Cuyler *v.* Atlantic, 131 Fed., 95.)

The State courts generally hold that such publications may by their character become punishable as contempts, but the people of that day deemed it wise that any abuse of the right to print, as to the Federal courts, should be made triable and subject to punishment in some way other than summarily as a contempt of court. The act remains as the law even unto this day. It was signed by Andrew Jackson, President of the United States, who, perhaps, more prominently than any other figure in our history, stands for the maintenance of the power and authority of every department of the Federal Government.

The law has been made the subject of diatribes, not a few in number, by judges of the inferior Federal courts who have deplored their impotency in consequence of it in opinions, from which the uninformed might gain the impression that all liberty was about to be engulfed with our sacred institutions, its guardian, because of the innovation the statute makes. It has been in force, however, for over 80 years, but the Federal judiciary maintains a reasonable degree of vigor, and if our liberties have suffered any appreciable impairment the loss is not clearly traceable to the statute of 1831 as the cause thereof.

It is doubtful whether the law does or was intended to restrain or limit the power of the Supreme Court; but, with rare good judgment, that tribunal has never been moved to vindicate its honor or to assert its dignity by proceeding as for contempt against a journal or a journalist because of comments on its decisions. Some or all of the judges of that august court have been grossly libeled in connection with cases having a political aspect, notably the Dred Scott decision, the Legal Tender cases,

and, more recently, the Standard Oil and American Tobacco Co. cases, in which the court was said to have read the word "reasonable" into the statute. To all intents and purposes the Supreme Court is restrained from the exercise of powers in connection with contempt cases, to deprive them of which some sensitive State courts have declared would render them contemptible.

Pennsylvania had an experience similar to that which gave rise to the Federal statute. Certain judges of that State were called to the bar for oppressive exercise of their arbitrary power as early as 1807, and a repetition of the offense guarded against by an act passed in 1809, defining what should constitute contempt and fixing the penalty which might be imposed.

And as legislation limiting the power to punish for contempt is not novel, neither is the method of trial by jury in cases of alleged contempt an innovation.

It is to be gathered from the discussions of this subject by more or less eminent jurists that such a procedure was unknown in English or American jurisprudence until unbridled radicalism gave countenance to it in the constitution of Oklahoma. The fact is that trial by jury in cases of contempt has long prevailed in the State of Kentucky, and that it is enjoined by the laws of Virginia, West Virginia, Georgia, Louisiana, and New Mexico. The Georgia statute was passed in conformity to a constitutional provision commanding the legislature to limit by law the power to punish for contempt. The constitution of Louisiana contains a similar provision. The constitution of Arizona, like that of Oklahoma, makes specific provision for trial by jury in cases of indirect contempt.

A statute of the State of Kentucky, in force for many years, denies to any judge of that State the power to impose a severer penalty for contempt than a fine of $30 or imprisonment for 30 days, except upon the verdict of a jury which fixes the punishment.

A most interesting case under this law is Arnold *v.* Commonwealth (80 Ky., 300). The accused assaulted one of the counsel in a case under the eyes of the court in the midst of the trial. The judge called in a jury, who heard the evidence, found the culprit guilty, and sentenced him to pay a fine of $1,000 and to serve a year in the penitentiary.

Who is there that doubts that the influence of this procedure was vastly more salutary than if the judge had himself inflicted such condign punishment upon the offender? The friends of the latter would unquestionably have attributed the action of the judge to some deep-seated malice he bore the subject of his judicial wrath, and would excuse the rashness of their favorite with suggesting that he was goaded by aspersions from his victim, countenanced or permitted from the bench. Thus a spirit of resentment would be aroused and the respect for and confidence in the court, which all ought to labor to promote, would be undermined. The verdict of an impartial jury, chosen from among the body of the citizens, could scarcely fail to silence any suggestion that justice had not been done.

But there is another merit in the Kentucky system even more pronounced. The jury being called into the box, the gravity of the offense is laid before them by the prosecuting officer. They are admonished with every art he can command to bear in mind how essential it is that the solemn orders and decrees of the courts, their courts, the tribunals they have established to administer justice and to protect life, liberty, and property, shall be obeyed, their proceedings be undisturbed by violence, and their dignity and the supremacy of the law maintained. It is only those who have no confidence in the ability or the disposition of the people to govern themselves who harbor any doubt that juries of this country, so appealed to, will be found prompt and eager to visit merited punishment on any contemnor.

Miscarriages of justice will sometimes occur. But so they will under any system, however contrived. The most perfect judicial systems ever known are those of which the jury forms an essential part.

But whatever criticism of trial by jury might be made from a purely judicial point of view, it must be acknowledged that as a political institution it is of inestimable value. It is the greatest school in self-government ever devised by the ingenuity of man.

At every session of court a body of citizens is called upon to aid in administering justice between contending litigants and to pass upon the guilt or innocence of those charged with transgressing the criminal law. They quit their duties very rarely without being impressed with a heightened sense of their obligations as citizens to uphold the law, to aid in the apprehension and punishment of transgressors, and to render justice to those with whom they deal. The eminent French philosopher, De Tocqueville, says:

> I think that the practical intelligence and political good sense of the Americans are mainly attributable to the long use which they have made of the jury in civil causes, and I look upon it as one of the most efficacious means for the education of the people which society can employ.

The State of Kentucky occupies, as indicated, by no means an isolated position in providing for trial by jury in cases of contempts. Its statute was borrowed from Virginia, where it originated, doubtless through the influence of Jefferson, who maintained all his life that cases in chancery should be tried before a jury, even as the law of my State commands that they be.

Are we to understand that the history of the State of Virginia gives any support to the belief expressed by a former President of the United States that trial by jury in cases of contempt "will greatly impair the indispensable power and authority of the courts"? It has been generally believed that if there is one State in the Union entitled to any distinction by reason of the superior reverence its people have for their courts it is the State that gave to us Marshall, Jefferson, Madison, and Henry.

Having remained the unquestioned law of the Old Dominion for nearly, if not quite, three-quarters of a century, the supreme court of that State, in that era when an unusual readiness was exhibited in nullifying legislative acts of a certain character for fancied conflict with constitutional principles, declared this law to be unconstitutional. It was held in Carter *v.* Commonwealth (96 Va., 791), a decision rendered in the year 1899, that the act in question trenched upon the inherent power of a constitutional court to punish for contempt, and that it was consequently void.

The people of that State had become so much attached, however, to the principle expressed in the law that when they wrote a new constitution in the year 1902 they expressly conferred upon the legislature of that State the power expressed in these words:

> The general assembly may regulate the exercise by courts of the right to punish for contempt. (Sec. 63, art. 4, constitution of Virginia, 1902.)

Justified by this provision of the constitution, a statute of that State provides that "No court shall, without a jury, for any such contempt as is mentioned in the first class embraced in section 3768, impose a fine exceeding $50 or imprisonment more than 10 days." The "first class" referred to comprises cases of "Misbehavior in the presence of the court or so near thereto as to obstruct or interrupt the administration of justice." I appeal to the distinguished Senators from the State of Virginia to tell this body whether the structure of republican government appears to be rocking upon its foundation in the State they so ably represent, whether the respect which its people ought to have for their courts is undermined, whether they are to any degree whatever embarrassed in their functions because of this statute, the incorporation of the principle of which in the Federal system has aroused so much apprehension in certain quarters?

The Senators from Kentucky might speak from intimate acquaintance with the actual working of the system in their State. The senior Senator from Georgia [Mr. SMITH], in the light of a long and distinguished career at the bar in his State, and the senior Senator from Louisiana [Mr. THORNTON], who had an honorable career as one of the judges of that State, might tell us how much of substance and how much of excited and ill-ordered fancy there is in the dread, expressed at times, that the system of trying issues of fact in contempt cases will paralyze the courts and bring them into disrespect.

In reason, why should any apprehension exist? An injunction has issued restraining one from taking ore from a mining claim. The judge calls in a jury, saying, in effect, to them: "The court heretofore issued an injunction in this case. The defendant is charged with having violated it. On your oaths I direct you to hear the evidence and to tell me whether he has or has not." If they say he has, he is punished; if they say he has not, he is dismissed. Is it unsafe to intrust the determination of that question to a jury? The rights of the parties in the first instance are intrusted to them. The title and right to the possession of a mining claim is submitted in the first instance to determination by a jury, so far as they depend upon questions in fact. If the jury awards the property to the plaintiff, he may have an injunction restraining the defendant from extracting the ore from it. But while centuries of experience have fully justified the belief that it is not only safe but wise to intrust to the arbitrament of a jury the facts upon which rest the basic rights of the parties, it is said to be unsafe to intrust to another jury the determination of the relatively unimportant question as to whether, as a matter of fact, after those rights are established by a decree, the defendant has violated them by disregarding the injunction contained in it.

An injunction issues only in an action in equity, except possibly by virtue of exceptional statutes. An action in equity is

prosecuted ordinarily for the establishment and protection of property rights. The actions giving rise to the injunctions which precipitated the present discussion were prosecuted to protect property rights. If through an injunction crime is punished, that is incidental. No one undertakes to justify the procedure as a method of punishing crime. The decree in an injunction suit commands the defendant to restrain from doing certain things, being an interference with property rights of the complainant. The question is, "Did the defendant do so or not?" We submit to a jury to say whether a man committed murder or arson; we ask them to adjudicate upon life and liberty. We ask them to say, "Did the defendant fire the shot? Did he act in self-defense?" This is safe; this is a salutary method of resolving the fact. But it is neither safe nor wise to intrust to a jury to answer, "Did the defendant do the thing the injunction commanded him not to do?" And that question touches only a property right.

There is not an argument that can be advanced or thought of in opposition to trial by jury in contempt cases that is not equally an argument against the jury system as we now know it.

Test the plan by what may be considered likely to be its operation in connection with the very class of cases that give rise to the prominence it has attained in present-day thought. An injunction has issued in an industrial dispute. It is charged that it has been violated. If the judge himself assumes to determine whether it has been or has not been, he can scarcely hope to make a decision that will not subject him to the charge, if he finds the prisoner guilty, of subserviency to the capitalistic interests or hostility to organized labor, or if he shall acquit, to pusillanimity or the ambition of the demagogue. In either case his court suffers in the estimation of no inconsiderable body of citizens. How much wiser it would be to call in a jury to resolve the simple question of fact as to whether the defendant did or did not violate the injunction. What good reason is there for believing that a jury will be likely to disregard their oaths, turn a deaf ear to the plain admonitions of duty, and acquit a defendant flagrantly guilty? What cause have we for believing that they would be any more responsive to popular clamor than though they were trying an indictment or other criminal charge? My own firm conviction is that a jury of citizens, selected in the manner provided by law, from among the citizens of the State, representing them in the performance of an important public duty, would not prove recreant. Their verdict would silence cavilling and strengthen in the minds of the people the conviction that the courts are indeed the dispensers of justice and not engines of oppression. Instead of being an attack on the court, the proposal to submit to trial by jury alleged contempts not committed in the presence of the court, is a plan to restore to the Federal courts the confidence and good will which the people ought to bear toward them, but which, unfortunately, by a liberal and sometimes inconsiderate exercise of the power to issue injunctions and to punish as for contempt, has, among certain classes of citizens, been all but forfeited.

It may fairly be demanded that any discussion of the proposed change in the method of the trial of alleged contempts shall proceed upon the assumption that the jury system as it prevails generally with us, in England and her colonies, is an institution to be cherished "as essential," in the language of Judge Story, "to political and civil liberty"; that trial by jury in civil as well as in criminal cases is one of the inestimable privileges of a litigant in our courts.

Either the utter abandonment of the jury system must be asked or some reason must be advanced to establish that, though it is a reliable method for determining the facts upon which rest the primary rights of the party, it is a pernicious method of deciding a controverted fact as to the observance of a decree declaring those rights.

In opposition to the claim that the essential power of the court is weakened by calling a jury to aid in deciding matters of fact, I submit these reflections of the distinguished student of our institutions whose words were quoted above, the author of Democracy in America:

> The jury, then, which seems to restrict the rights of the judiciary, does in reality consolidate its power, and in no country are the judges so powerful as where the people share their privileges. It is especially by means of the jury in civil causes that the American magistrates imbue even the lower classes of society with the spirit of their profession. Thus the jury, which is the most energetic means of making the people rule, is also the most efficacious means of teaching it how to rule well.

This was not written in the heat of political controversy. It was not written to sustain or to combat any political view or theory. The words are the words of a calm and profound philosopher of another country, having no purpose but the purpose of the historian to lay bare to the study of the world the causes that contributed to the success of the experiment in self-government in this hemisphere.

It has been advanced that Congress is without power to make such provision for the trial of cases of indirect contempt as the present bill contemplates. But that question is set at rest, as all the commentators agree, by the decision of the Supreme Court in Ex parte Robinson (19 Wall., 505), a case in which the famous contempt statute of 1831 was considered.

The attack having been made upon the law as an invasion of the inherent power of the court, it was pointed out that the inferior Federal courts are not created by the Constitution, which simply authorizes Congress to ordain and establish them; Congress can give to them such jurisdiction within the limit fixed by the Constitution as it sees fit. It may give them the same unlimited power to punish for contempt as was enjoyed by a court of general jurisdiction at the common law or as would be implied in the establishment of such a court without express limitations in the organic law, or, as was decided in the Robinson case, it may invest them with a limited jurisdiction, and particularly it may limit and restrain them in respect to punishing for contempt of their authority.

If Congress may say that certain acts shall constitute contempt before such court, and certain other acts shall not; if it can declare that not to be a contempt which under well-settled rules is contempt at the common law, it is difficult to conceive upon what basis it can be claimed, much less maintained, that Congress may not say that certain acts shall not be punished summarily as contemptuous unless a jury shall find they were committed. It has been sometimes questioned whether in the case of statutory courts, at least those of inferior jurisdiction, the power to punish as for contempt exists unless specifically conferred. It is a novel doctrine that the legislature which creates the court may not prescribe the procedure which shall be followed in it.

The Court of Appeals of the State of New York regards the Robinson case as holding, in effect, that Congress has plenary power over the courts inferior to the Supreme Court in respect to punishment for contempt. The commentators take the same view. (See notes to Hale v. State, 36 L. R. A., 254–258; notes to C. B. & Q. Ry. Co. v. Gildersleeve, 16 Am. and Eng. Cases, Ann., 749, 759.)

Whether it is within the power of the legislature to limit the authority of a court established by the Constitution as distinguished from one which owes its existence to a statute, though created under a constitutional provision, authorizing the establishment of inferior courts, it is unnecessary in this connection to inquire. Emphasis was placed in the Carter case referred to on the fact that the court whose judgment came under review was created by and derived its jurisdiction from the Constitution. The Supreme Court of Georgia, in commenting on it in Bradley v. State (50 L. R. A., 611), adverted to that feature as justifying the decision, and pointed out the essential difference between the two classes of courts, instancing the Federal tribunal as among those which, because of their statutory origin, are subject to the plenary authority of the legislature.

It is noticeable, however, that there is a strong trend of judicial opinion in favor of the view that even in the case of constitutional courts the legislature has the power to limit the authority to punish for contempt, at least to prescribe the penalty and regulate the procedure. Some recent decisions in the State of Missouri will illustrate this tendency. In the case of State ex relatione Crow v. Shepherd (177 Mo., 205), decided in 1903, a law of that State, in substance much like the Federal act of 1831, was held by a unanimous court to be unconstitutional as an invasion of the judicial power vested in the court by the constitution, the argument being that the power to punish for contempt is inherent in the court and not subject to the regulatory authority of the lawmaking branch of the government.

This decision was affirmed in the case of Chicago, Burlington & Quincy Railway Co. v. Gildersleeve (219 Mo., 170), decided in 1909, but by a divided court, Justice Lamme filing a vigorous dissenting opinion. In 1912, in the case of Ex parte Creasy (243 Mo., 679), these cases were overruled; and in State v. Reynolds (158 S. W., 671–681), decided in 1913, Brown, judge, touching the Shepherd case, said that—

> The doctrines announced in that case have since been repudiated and now have very few defenders either among courts, lawyers, or laymen.

The doctrines referred to are those flowing from the claim of inherent power, upon which the Virginia court decided the Carter case. It is an interesting circumstance that Shepherd was made the victim of the judicial wrath because, as in the case that led to the impeachment of Judge Peck, he had, through the columns of his paper, criticized with some severity the supreme court of that State. The subject of his comment was

a case brought by dependent relatives against a railroad company to recover damages on account of the death of an employee. On its third appearance before the supreme court the right to recover was denied by a bare majority of the judges. It is significant that under the doctrine now firmly established in the State of Missouri, the Federal act of 1831 is justifiable, aside from the consideration to which the supreme court referred in upholding the statute. Even constitutional courts are subject to regulation under the law as it is now administered in Missouri, in the exercise of the power to punish as for contempt, to the extent to which Congress went in the enactment of that law.

The Supreme Court of Appeals of the State of West Virginia held that the power to regulate the punishment for contempt, so completely vindicated by the Missouri court, extends so far as to justify a statute which required resort to the ordinary criminal procedure for the punishment of certain classes of contempt cases.

The law having provided, as in the case of the parent State of Virginia, that no court should, without a jury, in certain cases of contempt impose a fine exceeding $50, or imprisonment for more than 10 days, continued:

SEC. 30. If any person by threats or force attempt to intimidate or impede a judge, justice, juror, witness, or an officer of a court, in the discharge of his duty, or to obstruct or impede the administration of justice in any court, he shall be prosecuted as for a misdemeanor and punished by fine and imprisonment, or either, at the discretion of a jury.

In the case of State v. Frew & Hart (24 W. Va., 416) it was held that this statute did not apply to the appellate court, but was to be restrained in its operation to contempts of the inferior courts. As to them the court said:

They have the right at any time to call before them both grand and petit juries, and under the statute they may, with but little delay—almost as summarily as before the statute—punish such contempts. The statute as to such courts may well be regarded as a regulation, and, perhaps, a necessary and proper limitation. (Diskin's case, 4 Leigh, 685; ex parte Robinson, 19 Wall., 505.)

In the later case of State v. McClaugherty (33 W. Va., 250) the question presented will be gathered from the following, from the opinion:

I think the offense charged in the rule is plainly one within the provisions of the thirtieth section of the statute—quoted above—and therefore punishable only as a misdemeanor by indictment. (Ex parte Robinson, 19 Wall., 505.)

The opinion by Snyder, president, continues:

The statute is, it seems to me, simply a regulation of the proceedings and not a limitation upon the jurisdiction of the courts in contempt cases.

And then referring to the reasoning of State against Frew & Hart, the contempt feature is disposed of in this language:

For these reasons and upon the authorities cited we hold the said statute constitutional and valid as a regulation of the manner by which contempt shall be punished in the circuit courts of this State. From this conclusion it follows that the circuit court had no power to issue the rule for the alleged contempt of the defendant in this case.

The Senate of the United States gave its sanction as long ago as the year 1896 to a bill expressive of the principle of trial by jury in cases of indirect contempt. It was in the charge, during its consideration by this body, of the eminent lawyer, David B. Hill, then Senator from the State of New York. This body numbered among its Members at the time some of the most profound jurists that ever came to it, including among others Bacon, Hoar, George, Gray, and Morgan. It is not difficult at all for anyone conversant with import of parliamentary procedure to understand the significance of various attempts, sometimes successful, again ineffective, through the insistence of Mr. Hill to displace the bill when it finally came before the Senate. But only one voice was raised in opposition, and it eventually passed without the formality of a roll call. Fortunately the RECORD preserves for us the views, as they were there expressed, of the late Senator Bacon, of Georgia, whose recent death removed from among us one who was loved by his colleagues no less for his nobility of character than he was admired for his brilliant talent and mature judgment. I conclude with the following from his remarks in the course of the debate on the Hill bill. He said:

I have been impressed with the importance of such a measure for many years in the course of a not inactive practice of the law. I think the lodgment of the power in any one man to determine whether personal liberty shall be taken is something entirely inconsistent with the genius of this age and with the spirit of our institutions. Every other branch of government has been shorn of the power of despotism—the legislative and the executive—but it is a fact that the judicial authority has the same power for despotism and personal tyranny to-day in all practical effect that it had 300 years ago; and it is time that this legislation should be had.

My experience is not like that of the distinguished Senator from Connecticut [Mr. Platt]. I have seen instances of judicial tyranny where time has not brought me to the conclusion that the power was wisely exercised. On the contrary, the lapse of time has but deepened the conviction which I had that those exercises of power could be denominated as nothing else than personal tyranny.

Mr. President, it is not simply the fact that one man is clothed with this power, which no man ought to have; it is not simply the fact that there never was a man good enough and wise enough to be endowed with the power that judges now have in this regard; but it is the fact that they are frequently called upon to decide these questions when they have personal feelings in the matter. Frequently there is such feeling between the judge and the man whom he punishes; and yet he is judge and jury and prosecutor in the case in which he has this personal feeling.

Mr. BORAH. Mr. President, I do not rise to confute the able argument of the Senator from Montana [Mr. WALSH] as to the right of trial by jury in contempt cases. He has perhaps stated it as clearly and as ably as the cause is capable of being stated; but every argument which the Senator has made in favor of the right of trial by jury upon the part of one citizen of the United States is equally applicable to the right of trial by jury upon the part of every other citizen of the United States. I am wondering whether, after this clear and logical statement appealing to the sense of justice of the American people and their conception of right, if we will apply the principle to one class of people only, and affirmatively deny it to another class of people. I am perfectly aware that no particular class is mentioned, but in the practical operation of the laws we are about to pass the result will be that one class will be tried by one rule and another class by another rule.

I am perfectly willing to go as far as the wisdom of the particular time will suggest in extending rights or in providing measures which would seem to prevent any act of so-called tyranny upon the part of our courts; but I am not willing to single out a class of people and extend to them a fundamental right, and deny to another very large class of people the same right. It offends every sense of justice of which I have any conception, and it offends against every principle of free institutions and equal rights. The laboring man is anxious for a trial by jury in contempt cases, but you can not convince me that he wants to deprive his neighbor or his fellow countrymen of this right.

Mr. President, a few days ago we passed what is known as a trade commission bill, which, I presume, is soon to become a law. Under that bill and under that law, if it becomes a law, we have provided for practically the control of the business of this country through injunctions; we have put the business men of the country under the surveillance of the courts through the injunctive process; and if they violate the law they are not given a right of trial by jury, but must be tried by the court and punished by the court. These suits will be suits by the Government, and are excepted from the operation of the law under section 22 of this bill.

Upon what possible theory do we single out the business men of the country, unless we assume in the beginning that they are all criminals and so dishonest and unworthy as to be placed in an ostracized class and denied even the fundamental rights which we are prepared to grant to others? Upon what theory do we single them out, put them under the surveillance of the injunctive process of the court, and affirmatively deny them the right of a hearing by a jury? Is the business man of this country who employs the laborer any different in his position under the laws of the United States than the laborer who is employed by him? Is one class of citizens to be placed in one category and another class in another? Will the Congress of the United States adjourn with such an inconsistent and incongruous contradiction as that in the law? Will we deny to any man the right of trial by jury where punishment is to follow judgment if we do not deny it to all?

Let me call your attention to what the author of the trade-commission bill said about trial by jury when it relates to business men. He said:

Then there is the power to punish by contempt for disobedience to the mandate of the law, which is much more effective than the criminal prosecution of individuals, bringing them before grand juries and petit juries and submitting all these questions to the varying influences, passions, and prejudices of the hour. I believe that in this way a complete system of administrative law can be built up much more securely than by the eccentric action of grand juries and trial juries. I believe that it is not always necessary to administer the law with the aid of grand and trial juries. The vast body of our law is civil law. The parties have their remedy either in damages or by the summary processes of a court of equity, which can seize hold of a recalcitrant and bring him into subjection to the law, and the administrative tribunal will aid and accelerate the administration of the civil law.

When you are dealing with the vast body of men who give employment to labor, upon whose prosperity depends the prosperity of labor—when you are dealing with him juries are "eccentric" and passion-moved bodies, impractical and worthless. When you deal with those who have a different kind of a suit brought, juries are the "palladium" of American liberty, one of the pillars of free government.

Mr. President, if the trade commission should come to the conclusion that a certain practice was unfair competition, and should go into court to have it enforced against the objection of the man against whom the order was issued, and if, perchance, that business man should violate the injunction, in the complex

and multiplied affairs of the business world, if his conception of obeying the order should be slightly different from that of the court, he would be called before the court and given a trial by the court. I am not speaking now of instances where the act also constitutes a crime; but as I understand the bill, even if the act be also a crime, yet if it is in a Government suit no trial by jury can be had.

Mr. CUMMINS. Mr. President——

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from Iowa?

Mr. BORAH. I yield.

Mr. CUMMINS. As I understand the bill now under consideration, as found in section 22, if the injunction which is claimed to have been violated was issued in a suit brought by the United States, the provision for trial by jury does not apply. Therefore, in any suit brought by the Government to enforce the antitrust laws the trial by jury is not provided. In a suit brought to enforce the unfair-competition section of the trade commission bill the Government is the complainant, and this statute would not apply to it; but the offenders against injunctions under the unfair-competition clause of the trade commission bill and the offenders against the antitrust laws, in so far as they are prosecuted by the Government, stand upon exactly the same footing.

Mr. BORAH. There is no doubt at all about that.

Mr. CUMMINS. I fail, therefore, to see the discrimination which the Senator from Idaho has so well pointed out.

Mr. BORAH. I think I will convince the Senator that the discrimination exists, although not along the line specified by the Senator. Of course, so far as defendants in a Government case are concerned, all are on the same basis; but under the trade commission all suits will be by the Government and all actions will be against business men. So your discrimination is not as to one class of defendants as against another class of defendants in a Government suit, but the discrimination is as to those who violate injunctions issued at the request of private employers and the Government. The Government is the only party who will bring injunctions under the trade commission, and business men are the only people to whom that law—not in terms, but in its practical workings—will apply. The Government brings a suit, and the trial in contempt cases is by the court. A private party brings a suit, and the trial for contempt cases is by the jury.

Mr. CULBERSON. Mr. President——

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from Texas?

Mr. BORAH. I yield.

Mr. CULBERSON. I invite the attention of the Senator to section 19 of the bill, and ask him whether that does not apply to all cases, whether labor cases or not?

Mr. BORAH. I will come to that in a few minutes. I am going to review section 22, section 19, and these other sections connectedly. Does the Senator from Texas mean to say that the right of trial by jury extends to every citizen who violates an injunction which has been issued by a Federal court, whether at the instance of the Government or private parties?

Mr. CULBERSON. That is my construction of section 19.

Mr. BORAH. You will have to strike out section 22, then.

Mr. CUMMINS. The violation must constitute a crime against either the United States or one of the States in order to give trial by jury.

Mr. BORAH. I understand that. Mr. President, my understanding of sections 19, 20, and 22, when construed together and taken in connection with the trade commission bill, makes a clear line of demarcation between a certain class of citizens of the United States and another class of citizens with reference to the right of trial by jury, not, I grant you, by the express language of the statutes, but because of the fact that the trade-commission statute will be enforced by the Government. If the Senator from Montana [Mr. WALSH] and the distinguished chairman of the committee [Mr. CULBERSON] understand that in Government cases as well as in all other cases where injunctions are issued the parties shall be entitled to a trial by jury, the same as in cases between private employers and employees, then I would be inclined to think I was in error. I do not think I am in error, however. I do not believe they will contend for any such thing.

Mr. CUMMINS. I should like to have that understood now. I supposed it was agreed. There can not be any difference between us, I am sure, as to the interpretation of section 22. Government cases are not within the section which gives the right of trial by jury.

Mr. BORAH. And all cases under the trade commission bill would be Government cases.

Mr. CUMMINS. All cases under the trade commission bill brought by the commission would be Government cases.

Mr. BORAH. Exactly.

Mr. CUMMINS. And all cases brought under the antitrust laws by the Department of Justice would be Government cases.

Mr. BORAH. Then the Senator agrees with me that all cases brought by the Government to enforce the trade commission bill and all cases brought by the Government to enforce the Sherman antitrust law are cases in which the right of trial by jury is denied as to contempt cases.

Mr. CUMMINS. I so understand it, and I was about to rise, when the Senator from Idaho rose, to ask why Government cases were excepted. I see no reason in the world why a case brought by the Government in which an injunction is issued the violation of which is a crime against some law should not be governed by the same law by which an ordinary injunction is governed.

Mr. BORAH. Mr. President, if you give the right of trial by jury in your trade-commission case against the business men of this country, if the Congress of the United States is prepared to give those men a right of trial by jury, there will be a reconsideration of the trade-commission bill before it becomes a law, in my judgment. Yet, Mr. President, the argument of the Senator from Montana, which I repeat was so ably and clearly presented, must inevitably apply, if it applies at all, to every man who comes under the inhibition of an injunction. I do not see how you can, under any theory of justice, deny to a man a jury trial because of the business he happens to be engaged in.

What is the situation? Suppose we bring a suit under the trade commission bill against the fruit raisers and fruit marketers of my State, who may be engaged in competition with the fruit raisers just across the river in Oregon, or in the State of Washington. These fruit raisers are all men engaged, as a matter of fact, in actual labor. They are small farmers. Suppose an order is issued against them, and they do not comply with the order, and the Government brings an action to enjoin them. Suppose we see the Federal court of the United States performing the high function of an executive clerk for a trade commission, and they issue an injunction, and those 50 or 100 men in the Payette Valley in the State of Idaho violate the injunction, and they are brought before the court for trial. What kind of a hearing do they get? Why, they get a hearing before the court. If, perchance, every employee that they had, or that any of them had, were brought into a court under an injunction between employer and employee, the employer would be tried in the same court by the court, and the employee in the same court by a jury.

It is not the fact that we extend these rules that I complain of, because I think there is much to be said in support of the argument of the Senator that it will increase confidence in the courts in the minds of the people of this country; but it is the fact that we are unwilling to extend it to all our people.

"Government by injunction" originated in the Debs case. After the Debs case the cry of "Government by injunction" became quite general in this country among a great class of people, and was condemned very generally. Let us look at that case for a moment:

> On July 2, 1894, the United States, by Thomas E. Milchrist, district attorney for the northern district of Illinois, under the direction of Richard Olney, Attorney General, filed their bill of complaint in the Circuit Court of the United States for the Northern District of Illinois against these petitioners and others.
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> The bill further averred that four of the defendants, naming them, were officers of an association known as the American Railway Union; that in the month of May, 1894, there arose a difference or dispute between the Pullman Palace Car Co. and its employees, as the result of which a considerable portion of the latter left the service of the car company.

Then it sets forth the things they were charged with having done, and further says:

> On presentation of it to the court an injunction was ordered commanding the defendants "and all persons combining and conspiring with them, and all other persons whomsoever, absolutely to desist and refrain from in any way or manner interfering with, hindering, obstructing, or stopping any of the business of any of the following-named railroads" (specifically naming the various roads named in the bill) "as common carriers of passengers and freight between or among any States of the United States, and from in any way or manner interfering with, hindering, obstructing, or stopping any mail trains, express trains, or other trains, whether freight or passenger, engaged in interstate commerce or carrying passengers or freight between or among the States; and from in any manner interfering with, hindering, or stopping any trains carrying the mail; and from in any manner interfering with, hindering, obstructing, or stopping any engines, cars, or rolling stock of any of said companies engaged in interstate commerce or in connection with the carriage of passengers or freight between or among the States.
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> This injunction was served upon the defendants—at least upon those who are here as petitioners. On July 17 the district attorney filed in the office of the clerk of said court an information for an attachment against the four defendants, officers of the railway union, and on August 1 a similar information against the other petitioners. A hearing was had before the circuit court, and on December 14 these petitioners were found guilty of contempt.

Mr. President, that was the original case which really gave rise to the earnest discussion in this country of what we call government by injunction. It was a case in which the Government itself went all over the United States and restrained a vast body of employees from doing certain things, and when they refused to obey the injunction brought them into court and punished with contempt upon trial by the court alone.

Mr. Justice Brewer says:

The case presented by the bill is this: The United States, finding that the interstate transportation of persons and property, as well as the carriage of the mails, is forcibly obstructed, and that a combination and conspiracy exists to subject the control of such transportation to the will of the conspirators, applied to one of their courts, sitting as a court of equity, for an injunction to restrain such obstruction and prevent carrying into effect such conspiracy.

Again, on page 594 of the opinion, the court says:

If any criminal prosecution be brought against them for the criminal offenses alleged in the bill of complaint, of derailing and wrecking engines and trains, assaulting and disabling employees of the railroad companies, it will be no defense to such prosecution that they disobeyed the orders of injunction served upon them and have been punished for such disobedience.

Now, the principles and procedure of the Debs case, which gave rise to this demand for a jury trial in contempt cases, are left untouched and wholly intact. The right of the court in all such cases to try the party charged with contempt is carefully protected. In fact, all that class of cases which gave birth to this demand for jury trial are wholly excepted from the operation of this law. So we have, when the trade commission bill and this bill are in their practical workings taken together, a discrimination as to citizens engaged in different occupations; but we have also a discrimination based on the mere question of who is the plaintiff as to labor itself.

This bill provides—

That nothing herein contained shall be construed to relate to contempts committed in the presence of the court or so near thereto as to obstruct the administration of justice.

Under the decision of the courts I do not know how far a thing would have to be away in order not to obstruct the administration of justice, because under the decisions anything that interferes with the decree or the carrying out of the decree interferes with the administration of justice. But we pass that over for the present time.

Nor to contempts committed in disobedience of any lawful writ, process, order, rule, decree, or command entered in any suit or action brought or prosecuted in the name of, or on behalf of, the United States, but the same, and all other cases of contempt not specifically embraced within section 19 of this act, may be punished in conformity to the usages at law and in equity now prevailing.

Mr. President, how does any man defend that discrimination? It is not only a discrimination between the business man and the employee, but take another illustration. Suppose any large employer of men brings a suit in equity and enjoins his men from doing certain things, and they violate it. Suppose at the same time the Government conceives the act of those employees to be interfering with interstate commerce, and the Government brings an action at the same time to enjoin them from interfering with interstate commerce. They violate the injunction which their employer had issued and they violate the injunction which the Government had issued. The laboring man comes into court under one injunction and he is tried by the court. He sits there until the next case is called, and he is tried by a jury. Will it be any particular consolation to this laboring man to know that a jury has acquitted him if the court has convicted him?

It is, in my judgment, an incongruous and indefensible position for us to take because it does not even protect the men whom it is designed to protect.

Now let us look at section 19, Mr. President:

SEC. 19. That any person who shall willfully disobey any lawful writ, process, order, rule, decree, or command of any district court of the United States or any court of the District of Columbia by doing any act or thing therein, or thereby forbidden to be done by him, if the act or thing so done by him be of such character as to constitute also a criminal offense under any statute of the United States, or under the laws of any State in which the act was committed, shall be proceeded against for his said contempt as hereinafter provided.

That is in case his act chances to be a criminal act also, but it does not necessarily follow that it will be a criminal act. These things were general restraints for which the parties were punished in the Debs case. The multitude of their acts were not criminal acts. They were simply distinct violations of the order of the court not to interfere with the running of the train. The vast multitude of things which are restrained in these instances would not necessarily be a criminal act. So the instances in which parties would be restrained under the trade commission act very often would simply be a violation of the order of the court relating to the ordinary business affairs of life, to the things which the business world conceive to be legal and proper.

Mr. President, I appeal to the Senate not to let these two bills go out with this clear, distinct, manifest classification of our citizens into two different classes of people so far as their rights in the case are concerned. If the right of trial by jury in contempt cases is calculated to educate the people, is a great public school in which they can get a clearer and a broader conception of the duties of citizenship, if the right of trial by jury is essential in one instance to see that judicial tyranny does not oppress the citizen, tell me upon what constitutional argument or basis of reasoning we can deny to another man simply because he has engaged in a different line of business?

I shall move, in order to test the sense of the Senate, when the time comes, to strike out section 22 with the exception of one clause in it, and see whether or not we are willing to apply this rule to all alike, to the business man and to the laboring man or whoever he may be.

Mr. CULBERSON. Mr. President, I understand the Senator from Idaho to make the point that section 19 applies only in labor cases. Let me read that section:

SEC. 19. That any person who shall willfully disobey any lawful writ, process, order, rule, decree, or command of any district court of the United States or any court of the District of Columbia by doing any act or thing therein, or thereby forbidden to be done by him, if the act or thing so done by him be of such character as to constitute also a criminal offense under any statute of the United States, or under the laws of any State in which the act was committed, shall be proceeded against for his said contempt as hereinafter provided.

That recognizes no distinction as to classes or as to cases, but it is confined and limited to cases only where the act of any man, whether he be an employee or an employer, shall also be an offense against some statute of the United States or some law of a State in which the act was committed. It applies to all classes of persons, the limitation being as to the act which is enjoined by the writ or process. If that be, as I have said, a criminal offense under the laws of the United States or of the State in which the act was committed, trial by jury is authorized and provided for, but in all cases, whether by employer or employee, or whether that relationship exists or not, the other method of trial for contempt is provided for in section 22. Now let us turn to section 22 and see if that construction is not the proper one:

That nothing herein contained shall be construed to relate to contempts committed in the presence of the court, or so near thereto as to obstruct the administration of justice, nor to contempts committed in disobedience of any lawful writ, process, order, rule, decree, or command entered in any suit or action brought or prosecuted in the name of, or on behalf of, the United States, but the same, and all other cases of contempt not specifically embraced within section 19 of this act, may be punished in conformity to the usages at law and in equity now prevailing.

So, Mr. President, there is no distinction in section 22 between employers and employees or any other class of citizens. The exception is only where the contempt is in the presence of the court, or so near thereto as to obstruct the administration of justice, or where the United States are a party.

I submit to the Senator from Idaho that upon reflection he will agree with me that the distinction as to classes is not made by these two sections as he has indicated in his remarks.

Mr. BORAH. Mr. President, there is no difference of opinion between the Senator from Texas and myself. I agree that no classes are mentioned in the statutes; but the Senator will concede that the cases under the trade commission will be cases by the Government and will operate almost entirely against business men, and that as to those cases no jury can be had.

Mr. CULBERSON. I call the attention of the Senator to the fact that section 19 does not provide for trial by jury except where the act is a criminal offense against any statute of the United States or the laws of any State in which the act is committed. It is only in those cases that trial by jury is provided for in section 19.

Mr. BORAH. Exactly; but now, Mr. President:

SEC. 19. That any person who shall willfully disobey any lawful writ, process, order, rule, decree, or command of any district court of the United States or any court of the District of Columbia by doing any act or thing therein, or thereby forbidden to be done by him, if the act or thing so done by him be of such character as to constitute also a criminal offense under any statute of the United States, or under the laws of any State in which the act was committed, shall be proceeded against for his said contempt as hereinafter provided.

Suppose, Mr. President, that you had a suit under the trade-commission act, and the things which the people did in violation of the injunction were not criminal acts, how would they be tried?

Mr. CULBERSON. They would be tried under section 22.

Mr. BORAH. We will see what section 22 says:

SEC. 22. That nothing herein contained shall be construed to relate to contempts committed in the presence of the court, or so near thereto as to obstruct the administration of justice, nor to contempts committed in disobedience of any lawful writ, process, order, rule, decree, or com-

mand entered in any suit or action brought or prosecuted in the name of, or on behalf of, the United States.

In all suits brought under the trade-commission act by the United States the parties in all suits would be subject to trial as they are. I think that is clear.

Mr. SHIELDS. Mr. President——

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from Tennessee?

Mr. BORAH. In just a minute. Then you have the effect of this act confined practically to an injunction suit between employer and employee.

Mr. CUMMINS. Mr. President——

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from Tennessee?

Mr. CUMMINS. I beg pardon.

Mr. BORAH. I yield to the Senator from Tennessee.

Mr. SHIELDS. I think the real effect of the sections under consideration is simply to exempt from the present law such contempts as involve an offense under the laws of the United States or of any State, except when the United States is a party, and that the law otherwise remains in full force and effect.

Mr. BORAH. Let me ask the Senator a question. Suppose an employer brings an injunction suit and has an injunction issued against his employees, and suppose that they violate that injunction, and he brings them into court to be punished for contempt, if those employees in violating the injunction have not committed a crime, are they triable by the court, without a jury?

Mr. SHIELDS. No, sir; I understand not.

Mr. BORAH. They are tried by a jury.

Mr. SHIELDS. I understand whether it is an employer or an employee that commits the contempt, if the act is also a violation of the criminal laws of the United States or of a State a jury trial is allowed. In other words, there is not a classification of persons, but simply an exemption or exception in certain cases from the present procedure.

Mr. BORAH. Exactly; but the exception of those certain cases are Government cases, and practically all the cases under the trade commission act and all under the Sherman Antitrust Act will be Government cases. So it operates to confine itself to employer or employee, or cases of a private nature.

Mr. SHIELDS. I wish to make one further suggestion concerning cases under the trade commission bill. Nearly every State in the Union has statutes condemning restraints of commerce which are much more drastic, which go much more into detail, than the Sherman Act. Perhaps every act which has been stated here to be unfair competition under the Federal trade commission act is made a criminal offense under the State statutes. The Senator's attention has been directed to those statutes, and to the drastic character of them?

Mr. BORAH. Yes; my attention has been directed to them, and my sympathy has been somewhat excited in behalf of the business men who undertake to conform both to the order and the State statute.

Mr. SHIELDS. Now, all who commit a contempt which involves an offense under the State laws, when proceeded against under the Federal trade commission on account of being guilty of unfair competition, will be entitled to a jury trial?

Mr. BORAH. What I want to get the view of the Senator upon is this proposition, because we may have extended the provision too far: Suppose that a private employer brings an injunction suit and enjoins his employees from doing certain things which they are doing, which are not crimes, and they are brought into court. Are they not tried by a jury or are they tried by the court?

Mr. SHIELDS. If the contempt also constitutes a criminal offense under a Federal statute or State law?

Mr. BORAH. But I leave that out. I say the things which they do are not offenses against the laws of the State or the United States, but simply offenses against the injunction. They are entitled to a jury trial, nevertheless, are they not?

Mr. SHIELDS. I understand not. I understand the present law applies only to cases where a criminal offense has been committed.

Mr. BORAH. I think, Mr. President——

Mr. SHIELDS. But I do not think the Senator fully caught my reference to State laws.

Mr. BORAH. I understand that, Mr. President.

Mr. SHIELDS. I think that the fact that those guilty of violating injunctions granted in cases brought by the trade commission to restrain unfair competition will, by the delays and uncertainties that attend jury trials, greatly weaken the efficiency of the commission. I favor the provisions of this bill concerning contempt proceedings, and will vote for them.

Mr. BORAH. Mr. President, after all refinements are put aside, this plain, notorious fact seems to me to remain, that we have provided here in the trade commission bill for a vast number of suits upon the part of the Government for the purpose of restraining the business world from doing certain things which the trade commission will conceive to be unfair competition. Those men are to be tried by a court and not by a jury.

I understand, if a private employer brings an action against an employee, and he comes into court, he is entitled to a trial by a jury, provided his act amounts to a crime.

Mr. CHILTON. Why does the Senator continue to say employee? There is no employee or employer mentioned in the section at all.

Mr. BORAH. I understand that perfectly.

Mr. CHILTON. It simply applies to anyone who commits a crime which is also a violation of an injunction. He is tried by a jury under those conditions——

Mr. BORAH. Let me ask the Senator this question: Suppose you bring an action under the trade commission act against 40 merchants, an injunction is issued against them, and they violate it, but the thing which they have done does not amount to a crime.

Mr. CHILTON. That does not enter into it. It does not make any difference whether it is a crime or not. They are tried under the law as it is now and under section 22.

Mr. BORAH. Those business men are given a trial before the court.

Mr. CHILTON. Yes; and if a laboring man he would have under those circumstances a trial before a court, and any one of those men or anyone else would have a trial before the court. There is no distinction in these statutes now.

Mr. BORAH. But does the Senator contemplate that there will be very many suits brought to enjoin laboring men from unfair competition?

Mr. CHILTON. I never thought about it except as we considered it under section 7 of this bill.

Mr. BORAH. Do the laboring men of the country understand that this trade commission bill includes jurisdiction to determine whether or not they are unfairly competed against with regard to wages?

Mr. CHILTON. I think we have expressed ourselves in section 7 of that act, whatever it means. There was not a Senator here who voted against it nor did any Member of the other House. We settled that question without a dissenting voice.

Mr. BORAH. We did not settle it. Here is the trade-commission bill which determines the question of unfair competition. It is well known that it is to deal with the business world. There is no contemplation that it is to deal with questions of wages, labor, and so forth. I doubt if it could be made to deal with those questions, because it would not be sufficiently within the power of Congress as to interstate commerce; but you are dealing there with the great business world, and every man who violates an injunction in those instances which you and I have agreed upon is tried by the court.

Mr. CHILTON. Every citizen. I want to call the Senator's attention to another thing in section 22. It was a very difficult and complicated situation that we had to deal with. The Senator must recall that there are many injunctions which are commands really. For instance, take a case where the court directs that a thing shall be done, and it puts a man in jail or prescribes a penalty until he does do that very thing. You can not deal with those things by juries. We do not want to weaken the arm of the Federal courts needlessly; nobody wants to do it, except in certain things where we thought it would possibly be best.

Mr. BORAH. The Senator says "except in certain things." If this fundamental right is not applied to every citizen alike——

Mr. CHILTON. We did not want to do it in so far as we thought it weakens the power of the court in those cases where there was no need of doing it. For instance——

Mr. BORAH. The argument of the Senator from Montana [Mr. WALSH] upon this question was that it does not weaken but strengthens the courts and their administration of justice.

Mr. CHILTON. I call the attention of the Senator to this proposition: There is a violation in the presence of the court. It does not require any jury to ascertain the facts. A man goes near the court and starts a row; you may say he starts a riot right on the outside of the door of the court room.

Mr. BORAH. Suppose he does not start a riot and the court thinks he does?

Mr. CHILTON. That, of course, would be an unfortunate situation, but——

Mr. BORAH. A jury ought to pass on that.

Mr. CHILTON. Suppose the court had commanded one to make a deed. There it is entered on the court records. He is holding property and he will not turn it over. The court com-

mands him to make a deed. He refuses to do it. There is nothing to try there. It would be a farce to empanel a jury to try a case of that kind, because there the record shows that he was commanded to do it after the court had heard the evidence, and he had declined, and the court ought to put him in jail or issue some other kind of process upon him until he does comply with the order of the court. All those cases were taken into consideration. We thought we had met the condition as nearly as we could.

But the Senator from Idaho is mistaken in his construction of section 22. It does not make any difference, in my opinion, whether it is a violation of law or not. In cases brought by the United States all persons everywhere are tried the same way; that is, by the court.

Mr. BORAH. I understand that; but why is it that a man who violates an injunction issued by the United States is in any different position from a man who violates an injunction issued by a private individual?

Mr. CHILTON. There are no injunctions issued by a private individual or by the United States. All must issue from a court.

Mr. BORAH. The Senator understands what I mean; I mean at the instance of the Government of the United States or at the instance of private individuals.

Mr. CHILTON. The distinction is not always clear in every case, but we thought the power of the United States should not be weakened in these trust cases. We wanted teeth in these laws. The Government brings a suit, and we intended to make it effective. There would possibly be so many cases that you could not have trials by juries if the Government should be resisted. We thought possibly people might seek to prolong these trials, and the Government would never get at the end of them.

Mr. BORAH. Does not the Senator see that he is imposing upon private individuals a task and burden and expense which he is not willing to impose upon the great Government of the United States, with its unlimited resources?

Mr. CHILTON. The Senator is talking about these laws having teeth in them. We tried to put that much teeth in them, and we thought it best. All laws so far regarding this thing are, in the opinion of some, arbitrary. You can not in laws cover all circumstances and conditions. A rule is bound in practice to develop exceptions that ought to be made.

Mr. BORAH. The Senator will agree with me that in all such cases as the Debs case, which gave rise to the doctrine of government by injunction, the parties are still entitled to a trial by the court alone and not by a jury.

Mr. CHILTON. I think the principle in the main is correct. I believe in it; that is, where there is a fact not in the knowledge of the court, not clearly ascertainable from the records; and where there is an isolated fact and the ascertainment of that fact would make a man a criminal under the laws of the State or of the United States, I think he ought to be tried by a jury in every case everywhere.

Mr. BORAH. Then the Senator would vote with me to strike out that portion of section 22.

Mr. CHILTON. No; I am going to vote with the committee.

Mr. STERLING. Mr. President, I think the last statement of the Senator from West Virginia [Mr. CHILTON] in connection with the statement of the Senator from Idaho [Mr. BORAH] discloses the evil of the entire provision relative to trial of any class of contempt cases by jury, and I deplore the fact, Mr. President, that this provision is contained in the bill. Why not, if it is right at all, extend the provisions of trial by jury to cases wherein the Government is a party or where the action is brought on behalf of the Government?

Why has the court the power to punish for contempt? Why is it necessary that it have such power? To preserve and maintain the authority of the court, as I take it; to compel, if need be, respect for that authority. It seems to me that if the authority of and the respect for the court in a case where the Government is a party is best subserved without the trial by jury that authority and that respect will be best subserved in the same way in any other case—a case, for example, between individuals where the Government is not a party at all. This is the foundation of the right to punish for contempt—the maintenance of the authority of the court. While I can not on the spur of the moment, Mr. President, answer in detail the able argument of the Senator from Montana [Mr. WALSH] just made, yet some greater reason must be furnished than has yet been stated in order that I may be brought to support a provision which does away with the principles and the practices of more than a century.

Mr. President, I think the tendency is to go to an extreme in this proposed legislation. We infer too much from the isolated case, the very rare case, in modern days, when, perhaps, some judge has abused his authority or has imposed an excessive punishment for contempt of the court. It is hard to recall now any case where within recent years there has been any abuse of the power of the court alone to punish for contempt.

There are various considerations that can be urged against the enactment of a law of this kind, against the change of this ancient practice whereby the courts have maintained their authority. One is the delay of a trial by jury. I think it must be conceded that contempt of court should in the very nature of things and for the purpose of maintaining the authority of the court be visited with summary and speedy punishment. There will be the delay in procuring a jury incident to the trial of criminal cases. It is to be remembered, too, that indirect contempts, for the most part, will arise not in the law court where a jury may be more readily found, or where there is a jury in attendance upon the court, but they will arise, and are expected to arise, in equity cases where there is no jury and where there is no means of procuring a jury for the trial of causes. Such will be the class of cases for the most part in which alleged contempts will arise.

Mr. CHILTON. Mr. President——

The PRESIDING OFFICER (Mr. MCLEAN in the chair). Does the Senator from South Dakota yield to the Senator from West Virginia?

Mr. STERLING. I do.

Mr. CHILTON. The Senator from South Dakota is clearly mistaken, because this provision refers to Federal courts, and all the Federal district courts have juries.

Mr. STERLING. They have juries for the trial of causes at law, but they do not have juries for the trial of cases in equity unless it be in rare instances where a jury may be called to try an issue of fact in an equity case, its decision or verdict then being simply advisory to the court.

There is another thing about this, Mr. President, which makes the bill objectionable to my mind. For what kind of contempts is there a trial by jury? Those involving the commission of a crime, and those alone. Here would be an illustration, for example, of the exercise of this power: A man subpœnaed as a witness or summoned as a juror in a cause negligently, or inadvertently it may be, disobeys the summons of the court or fails or, perchance, refuses to appear, but the negligence or the refusal to obey is accompanied by no crime, nor is any act of violence whatever committed; it is simply an inadvertence or negligence, or, as I say, no more than a refusal to obey the subpœna or summons. On the other hand, the officer with a subpœna in his hand or a summons in his hand is assaulted, and the service of the process of the court is prevented by that assault. A crime has been committed. That man, under this bill, has the benefit of a jury trial, while the man who has committed the contempt through inadvertence or negligence, or without any violence at all, without any crime, is denied the right of a trial by jury. He can be convicted of contempt of court, under the procedure, on a mere preponderance of evidence, whereas the man who has committed the crime in contempt of court has the benefit of the rule that he can not be convicted unless the jury believes, beyond all reasonable doubt, that he is guilty of the contempt. This is the distinction which the bill makes between the man charged with a crime and the man charged with a mere inadvertence, perhaps, or mere negligence in obeying the order of the court; and it is a distinction in favor of the party who has committed the more serious offense.

Mr. President, this is not all in regard to this provision. I claim, further, that the provision of this bill for the trial by jury of cases of contempt, or of a class of cases of contempt, is unconstitutional and an invasion of the judicial power conferred by the Constitution upon the courts. It has been so held in some of the States cited by the Senator from Montana this morning. I briefly want to call attention to what the court has said with reference to this power. I read this extract from an opinion of Chief Justice Ryan, of Wisconsin. I read Bailey on Habeas Corpus, at page 220. The opinion was rendered in the case of In re Pierce (44 Wis., 448):

> The constitution of this State in creating this court and the circuit courts as courts of record vested in them ex vi termini this common-law power to punish for contempt, as an absolute and essential quality of superior courts, as much as the power to sit in judicial order with open doors, in public session.
>
> I do not question but that this power may be regulated by statute. But no statute could be effectual to take it away; no statutory regulation can be effectual so to abridge, impair, or cripple it, as to leave the courts without effectual power, effectually to punish, as for contempt, disregard of the respect due to judicial administration and disobedience to judicial determination.

The Supreme Court of Minnesota has said in State *v.* Court (52 Minn., 283):

> If the whole of chapter 87—

That being the chapter relating to contempts—

were swept away, there would remain unimpaired the inherent power of the court to punish for contempts.

I know, Mr. President, that it is argued that our Federal inferior courts are not courts named in the Constitution, and that this affords some ground for the argument that trials for contempt in such inferior courts can be had by jury; but the judicial power of the United States is "vested in one Supreme Court and in such inferior courts as the Congress may from time to time ordain and establish." What is that judicial power? It is the power to hear and determine the causes brought before the court within its jurisdiction and to enforce its judgments, its orders, and its decrees. That is the judicial power; and though the Federal inferior courts are courts of limited jurisdiction, they have in their creation this inherent power, as a part of the judicial power, to punish as for contempt of their authority disobedience to their orders and decrees. That has been laid down again and again. Calling attention, first, to another State court decision, In re Chadwick (109 Mich., 588; 67 N. W., 1071), the court says:

The power to punish for contempts is inherent in and as ancient as the courts themselves. The contempts that are thus punishable are either direct, which openly insult or resist the powers of the court or the persons of the judges who preside there, or else consequential, which, without such gross insolence or indirect opposition, plainly tend to create a universal disregard of their authority. It is apparent that this power should be lodged in the court. The judicial department is entirely distinct from the legislative, and the Constitution leaves the power existing in the court as it was at common law.

The case of In re Carter, the Virginia case, has been referred to, and I sent for the report containing that case. The court held there that the law of the State providing for trial by jury in contempt cases was unconstitutional. I first merely read from the syllabus, and later shall call attention to one paragraph in the decision which relates to the acts of the legislature limiting the power of the court in contempt cases. This decision and this reference in the paragraph to which I shall call the attention of the Senate will explain the United States law of 1831 relative to contempts, to which reference has been made. The syllabus is to this effect:

There is an inherent power of self-defense and self-preservation in the courts of this State created by the Constitution. This power may be regulated by the legislature, but can not be destroyed or so far diminished as to be rendered ineffectual.

That is exactly in accord with the language of Chief Justice Ryan in the Wisconsin case:

It is a power necessarily resident in and to be exercised by the court itself, and the legislature can not deprive such courts of the power to summarily punish for contempts by providing for a jury trial in such case.

Mr. POINDEXTER. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Dakota yield to the Senator from Washington?

Mr. STERLING. Yes.

Mr. POINDEXTER. Where does the court get the power of which the Senator says the legislature can not deprive it? What is the source of it? This is a matter of very great interest and one which has been the subject of a number of current controversies. I should like to have the Senator's views as to the origin of a power in any department of the Government which is beyond the control of the people of that Government.

Mr. STERLING. Briefly answering the Senator, Mr. President, I will say that the power must be inherent in the constitution of the court itself, without a word in the law or any statute in reference to the power. If a court is created and given certain jurisdiction, it has, as inherent in the judicial power conferred upon it, the power to command obedience to its orders and its decrees. That, to my mind, is the foundation of the power.

Mr. POINDEXTER. Mr. President, will the Senator pardon me just for a remark?

Mr. STERLING. Yes.

Mr. POINDEXTER. This inherent power in the courts, of which we so often hear, sounds to me a great deal like the old claim of the divine right of kings, which had its origin in some place other than the people inhabiting the land and setting up the government.

Courts are constituted by the Constitution, and they have whatever powers are expressly or impliedly given by the Constitution. Of course the legislature has no right to change or modify those powers; but, in so far as the Constitution is not applicable, I fail to understand the reasoning which leads to the conclusion that the legislative power can not regulate and change the structure and jurisdiction of courts.

Mr. THOMAS. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Dakota yield to the Senator from Colorado?

Mr. STERLING. I yield to the Senator from Colorado.

Mr. THOMAS. Mr. President, I think that the power which the Senator is discussing is inherently essential, because without it decrees of the court may be defied and nullified. A court decree is good for nothing unless the tribunal which issues it has the power to enforce it, and among the things which experience has found necessary to the enforcement of judgments and decrees is that of summary punishment of those who disregard or defy them.

I am not prepared to say, as to the question the Senator from Washington is now discussing, that there can be no limitation placed upon the exercise of this power; but as to its origin, I think that it springs from the absolute necessity of the case, since in its absence the decrees of the courts might become as meaningless as an order of the Belgian King and Parliament requiring the Kaiser to retire from its borders. It is an inherent and essential part of the equipment of every court of general jurisdiction.

One might ask where the courts get their equity powers. Certainly not from parliaments or legislatures. They are not based upon statutes, but find their origin in a long line of precedents which have been established by conditions demanding relief which the common law and its machinery did not cover. As a system and branch of jurisprudence, these powers are more far-reaching and extensive than the original common-law power of the courts from which they have been evolved.

Mr. STERLING. Mr. President, I thank the Senator for his statement. He has made a very clear one, and one which I think perhaps is covered by the more general statement made in regard to the power being necessary for the purpose of enforcing the decrees and orders of the court; otherwise, they might be absolutely nugatory.

Mr. POINDEXTER. Mr. President——

Mr. STERLING. I yield to the Senator.

Mr. POINDEXTER. The statement of the Senator from Colorado is very logical and very clear, and, of course, everyone must agree that if the court has jurisdiction it has an implied power to do those things that are necessary to exercise its jurisdiction; but I fail to see how that proposition can be carried to the extent of limiting the power of the legislature to change the jurisdiction of the court.

Mr. THOMAS. Mr. President, I do not so assert. I simply sought to answer the question as to the origin of the power. The matter of its limitation as to indirect contempts by legislative authority is an entirely different proposition. That has been done by Congress in the act of 1831, which relieves criticisms of the judiciary by the press or by word of mouth, and not in the presence of the court, of the element of contempt.

Mr. POINDEXTER. The power as to the origin, of which I inquired of the Senator from South Dakota, is the asserted inherent power in the court, which is above the legislature and apparently above constitutions. I do not direct the question to any particular claim that has been made here just now, but to the argument bearing upon that general subject. I have a number of cases in mind where courts have set aside or held void acts of the legislature because they were alleged to be in conflict with what they called the inherent powers of the courts. I deny that there are any inherent powers of the courts that are not derived from the Constitution and the statutes.

Mr. THOMAS. Mr. President, I think the Senator will admit that the power to punish for contempt committed in the presence of the court is not only an inherent but an absolutely essential power.

Mr. POINDEXTER. I agree to that.

Mr. THOMAS. And I do not believe it is one which the legislature could take away from the courts, because otherwise they might be reduced to a condition of subserviency and worthlessness that would result in destroying their usefulness.

Mr. POINDEXTER. I agree entirely with what the Senator says, but that is an argument that must be addressed to the law-making power.

Mr. THOMAS. I think not; not in so far as it applies to contempts committed in the presence of the court, because if the court can not summarily prevent and punish such contempts it would necessarily cease to be an effective agency of government. The insolence or the animosity of an individual or a number of individuals manifested toward the courts in contemptuous and utter disregard of their commands and authority in their immediate presence would lead as certainly to their dissolution, if their power to punish such conduct were taken away or minimized, as the day follows the night.

Mr. POINDEXTER. That may be true, and it is inconceivable, if the Senator from South Dakota will pardon me for a second, that any legislature or any constitution-making body would deprive a court of the power summarily to punish for contempts committed in the presence of the court, but, never-

theless, I fail to understand the argument which denies the power to the law-making body to do so if it should see fit. The very argument of the Senator must convince him, if he applies it, that that is the case. His argument is that the absence of such a power would lead to the destruction of the court.

Mr. THOMAS. If the Senator will allow me——

Mr. POINDEXTER. Just a second—the law-making power of the Government has the power to destroy the court. It created the court; it can destroy it; and, if it sees fit to do so, if it deems it wise to do so, may deprive it of the essential powers necessary for its existence.

Mr. THOMAS. Of course, the Senator in making that remark refers to Federal courts; but if the Senator from South Dakota will indulge me for a moment, I can illustrate the effect of the absence of this authority to punish direct contempts by an incident occurring under my own observation.

In 1904 there was a strike in the Cripple Creek mining district in my State. The militia was mobilized by the governor, at the request of the authorities, and a number of miners were arrested and deprived of their liberty by the military authorities upon information that they were disregarding the laws; that their attitude was dangerous and tended to riotous conditions. The district court thereupon issued a writ of habeas corpus commanding the general of the forces to bring those men before him and to show cause, if any existed, why they should not be restored to their liberty. A response was made to the writ, and the court, after hearing all the testimony, decided that these men had been unjustly and unlawfully deprived of their liberty, and ordered their release; whereupon the general commanding the militia rose in full uniform, saluted the court, and declared that under the authority vested in him by the governor he would do no such thing, and marched out with his prisoners in absolute defiance of the court and its processes. The men were afterwards released, but upon the order of the governor.

That is a good illustration of the utter imbecility to which a court can and will be reduced if it has not the power to punish such contempts as are committed immediately in its presence and in defiance of its authority. Hence I say that it is impossible to conceive of the existence, much less the usefulness, of a court unless it has the power to punish contempts of its authority and of its decrees that are committed in its immediate presence.

Mr. STERLING. Mr. President, it seems to me that the Senator from Washington does not distinguish between jurisdiction and judicial power. I agree that the legislature may limit as it pleases the jurisdiction of any court relative to subject matter, relative to parties, and so on, but having conferred the jurisdiction, whether limited or not, the legislature by the mere creation of the court confers this judicial power. So in every court of the United States is vested the judicial power, a part of which is the necessary power to enforce its orders and decrees.

Mr. President, reverting to what the Senator from Colorado has said in regard to the power of the court to punish for direct contempts those committed in the presence of the court, and the necessity for the existence of such a power, because otherwise the court itself might be destroyed, permit me to say that, perhaps not so immediately but just as effectually, might the power of the court and the authority of the court be destroyed, and in effect and substance the court itself destroyed, if by indirect contempts the authority and orders of the court could be set aside and rendered of no effect by the party against whom they were made; for why a court at all and the existence of a court unless its orders and decrees rendered within its jurisdiction may be enforced?

Now, a paragraph here from a decision in an Ohio case, Hale v. The State (55 Ohio, 36 L. R. A.), which points out the distinction between jurisdiction and the inherent power of the courts; it is pertinent to the inquiry of the Senator from Washington.

> The difference between the jurisdiction of courts and their inherent powers is too important to be overlooked. In constitutional governments their jurisdiction is conferred by the provisions of the constitution and of statutes enacted in the exercise of legislative authority. That, however, is not true with respect to such powers as are necessary to the orderly and efficient exercise of jurisdiction. Such powers, from both their nature and their ancient exercise, must be regarded as inherent. They do not depend upon express constitutional grant, nor in any sense upon the legislative will. The power to maintain order, to secure the attendance of witnesses to the end that the rights of parties may be ascertained, and to enforce process to the end that effect may be given to judgments, must inhere in every court or the purpose of its creation fails. Without such power, no other could be exercised.

And we shall see that the power naturally and necessarily extends as well to indirect contempts, or those committed out of the presence of the court, as to those committed in the presence of the court.

Recurring now to the paragraph from Carter's case, cited by the Senator from Montana [Mr. WALSH], and the court's view in that case of the United States statute of 1831, with reference to which comment was made, the court declares unconstitutional the Virginia statute providing for trial by jury in contempt cases. The court then goes on to say, in commenting on the case of Ex parte Robinson, which arose under the United States statute of 1831, limiting the cases which could be punished for contempt by United States courts, as follows:

> It may be remarked, also, with respect to the case of Ex parte Robinson, that, although the United States statute of 1831 carefully enumerates the subjects for which courts may punish summarily for contempt, that enumeration is so comprehensive as to afford complete protection to the courts in the performance of their duties and contains no limitation whatever upon the power to punish in the enumerated cases, and that, while punishment which courts may inflict is limited to fine and imprisonment, their discretion is without limit as to the amount of the fine or the duration of the imprisonment.

Notwithstanding the statute of 1831, there were still left, by the very terms of the statute, all the powers necessary for the court to maintain its authority with reference to any act committed in its presence or with reference to any disobedience of its order or decree out of the presence of the court.

Just one further quotation, and that is from the Gompers case, found in Two hundred and twenty-first United States. Justice Lamar says:

> For while it is sparingly to be used, yet the power of courts to punish for contempts is a necessary and integral part of the independence of the judiciary, and is absolutely essential to the performance of the duties imposed on them by law. Without it they are mere boards of arbitration whose judgments and decrees would be only advisory.
>
> If a party can make himself a judge of the validity of orders which have been issued, and by his own act of disobedience set them aside, then are the courts impotent, and what the Constitution now fittingly calls the "judicial power of the United States" would be a mere mockery.
>
> This power "has been uniformly held to be necessary to the protection of the court from insults and oppressions while in the ordinary exercise of its duties, and to enable it to enforce its judgments and orders necessary to the due administration of law and the protection of the rights of suitors."

Mr. President, these are the views of the highest authority in the land, and I think we ought to hesitate long before we make this great innovation upon the practice, as I say, of more than 100 years. There is neither occasion nor general demand for it. There is no ground for it in abuses arising out of the present practice nor as the practice has been for many years. The cases of abuse of authority on the part of the courts in punishments for contempt or in the imposition of excessive fines are few and far between. With the progress of society, with the advancement of our jurisprudence, the courts themselves have become more considerate, and the tendency is to fit the administration of the law to the needs and conditions of the times and in accordance with public opinion. I have no fear that hereafter there will be any abuse—or if any, but rare abuse—of this power conferred upon the courts.

Mr. President, one further consideration, and that is this: I referred to the procedure, to the delays in jury trials, to the difficulty in getting a jury, to the difference in the rules of evidence between cases where the party has not committed a crime and cases where the party has committed a crime. The man who has committed no assault in his act constituting contempt of court is convicted on a preponderance of the evidence. The man who has assaulted or, it may be, killed an officer in resistance to the service of process is given all the benefits of the rules in regard to the trial of criminal cases, such as that his contempt must be proved beyond a reasonable doubt, and so on.

But, further, in addition to the procedure and besides the constitutional question, there is the question of public policy. What issue will be tried when the party charged with contempt, especially in a certain class of cases, is brought before the court? The fear, the grave fear, is—and the fear is not without foundation—that the issue will not be alone as to whether a crime was committed in the act constituting the contempt. But the fear is that the issue will be whether or not there was sufficient cause for the "strike." That will be the question; and under the latitude taken by or allowed to the lawyer in a criminal defense, that issue, just as far as possible, will be brought into the case to confuse and prejudice the jury trying it. In the interest of society and good government we ought not to invite such a condition.

Mr. President, I know of no better way to bring discredit upon and disrespect for the authority of the courts, on which we must so largely rely for the permanence and the safety of our institutions, than to provide for trial by jury the great class of contempt cases to which this provision is meant to apply.

Mr. CULBERSON. Mr. President, only two committee amendments remain undisposed of. I hope they will be taken up

and agreed to. The first one, a mere verbal amendment, is on page 29, in line 7.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 29, line 7, after the word "accused," the committee propose to strike out the word "person."

The amendment was agreed to.

The SECRETARY. On page 30, line 6, after the word "months," the committee proposes to strike out the period and to insert a colon and the following words:

Provided, That in any case the court or a judge thereof may, for good cause shown, by affidavit or proof taken in open court or before such judge and filed with the papers in the case, dispense with the rule to show cause, and may issue an attachment for the arrest of the person charged with contempt; in which event such person, when arrested, shall be brought before such court or a judge thereof without unnecessary delay and shall be admitted to bail in a reasonable penalty for his appearance to answer to the charge or for trial for the contempt; and thereafter the proceedings shall be the same as provided herein in case the rule had issued in the first instance.

Mr. GALLINGER. Mr. President, I do not know how important this amendment may be; but whether it is important or not, I think we ought to have more than 13 or 14 Senators present. I make the point of no quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Hitchcock	Nelson	Smith, Ga.
Bankhead	Hollis	Norris	Smith, Md.
Borah	Hughes	O'Gorman	Smoot
Brady	Johnson	Overman	Swanson
Burton	Jones	Perkins	Thomas
Camden	Kenyon	Pittman	Thornton
Chamberlain	Kern	Poindexter	Townsend
Chilton	Lane	Pomerene	Vardaman
Clark, Wyo.	Lee, Md.	Ransdell	Walsh
Culberson	Lewis	Reed	Weeks
Cummins	McCumber	Shafroth	Williams
Fall	McLean	Sheppard	
Gallinger	Martine, N. J.	Shields	
Gore	Myers	Simmons	

The PRESIDING OFFICER. Fifty-three Senators having answered to their names, a quorum of the Senate is present. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

Mr. THOMAS. Mr. President, I wish to inquire whether that concludes the committee amendments?

The PRESIDING OFFICER. It does, as printed in the bill.

Mr. THOMAS. If it is in order, I desire to offer an amendment as section 24, and I call the attention of the committee to it.

The PRESIDING OFFICER. The amendment is in order, and it will be stated.

The SECRETARY. It is proposed to add at the end of the bill a new section, to stand as section 24, and to read:

SEC. 24. If any clause, sentence, paragraph, or part of this act shall, for any reason, be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, or part thereof directly involved in the controversy in which such judgment shall have been rendered.

Mr. THOMAS. Mr. President, I may say I submitted that amendment to the chairman of the committee a few days ago and he approved of it. It was inserted in the revenue bill and also in the banking and currency bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Colorado.

Mr. TOWNSEND. What is the amendment?

Mr. CULBERSON. Let the amendment be stated.

Mr. BORAH. Are we through with committee amendments?

The PRESIDING OFFICER. We have finished the committee amendments printed in the bill. The Secretary will again state the amendment.

The Secretary again stated the amendment.

Mr. CULBERSON. So far as I know, the Committee on the Judiciary have no objection to the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. BORAH. I offer an amendment to section 22, as follows:

After the word "justice," in line 7, page 31, I move to strike out the following words:

Nor to contempts committed in disobedience of any lawful writ, process, order, rule, decree, or command entered in any suit or action brought or prosecuted in the name of, or on behalf of, the United States, and all other cases of contempt not specifically embraced within section 19 of this act.

So that section 22 will read as follows:

That nothing herein contained shall be construed to relate to contempts committed in the presence of the court, or so near thereto as to obstruct the administration of justice, but the same may be punished in conformity to the usuages at law and in equity now prevailing.

I ask for the yeas and nays on the adoption of the amendment.

Mr. WALSH. Mr. President, before the vote is taken I think the Senate is entitled to know the considerations which induced the committee to leave this provision in the bill, and I desire to say in this connection that I can not agree with the Senator from Idaho that there is anything about this that is in the nature of class legislation, or the granting to one class of rights and privileges not enjoyed by other classes.

Section 19 provides that the trial shall be by jury in case of those contempts which constitute a violation of some Federal or State law, so that it does not make any difference whether it is the employer or the employee who has violated the injunction; the trial is by jury. Of course, so far as our experience goes, we do not have very many injunctions by the employee against the employer, but if such a condition should arise the same right would exist. Likewise, by the provisions of section 22, the proceedings outlined are not made applicable in actions brought by the Government of the United States.

I desire to say simply a word with reference to that, to explain it to the Senate—not that I indorse the principle which it embodies. It was argued that there is a proper basis for a distinction. If you will recur to section 15, it will be observed that considerable formality is thrown about the issuance of a preliminary injunction or a temporary restraining order. Requirements are exacted not now insisted upon, making it more difficult than heretofore to obtain an injunction; or, if not more difficult, at least more definite proof must be made. Delays may follow in some instances. For instance, it is provided that "no temporary restraining order shall be granted without notice to the opposite party unless it shall clearly appear from specific facts shown by affidavit or by the verified bill that immediate and irreparable injury, loss, or damage will result"; and then the temporary restraining order "shall be indorsed with the date and hour of issuance, shall be forthwith filed" with a recital of the reasons why it is issued, and so on.

It was urged, however, that an action might be brought by the Government of the United States against parties who, as in the case referred to by the Senator from Idaho [Mr. BORAH], were interfering with the passage of the mails, and immediate action would be necessary. There is a proper distinction between a suit brought by a private individual or a private corporation for the vindication and establishment of a mere private right and a suit brought by the Government, representing the whole body of the people, to safeguard and protect a public right. Section 22 gives expression to that difference, which everybody will recognize. Whether or not it constitutes a sufficient reason for making a distinction in the procedure in case of injunction I do not undertake to say; but that is the reason for the existence of section 22.

Mr. REED. Mr. President, I wish to make a suggestion to the Senator from Idaho. I understand that the Senator from Indiana [Mr. KERN] is about to make a motion to go into executive session. The amendment offered by the Senator is an important one, and it ought to be printed. If he would consent to let this motion lie over until to-morrow, the amendment could then be before the Senate.

Mr. GALLINGER. Mr. President, I would further suggest that as the bill is to go over I think it ought to be printed with the amendments as agreed to, so that we can better understand it to-morrow. Will the Senator agree to that suggestion?

Mr. REED. It certainly would be satisfactory to me. I have no authority to speak for anyone but myself.

In this connection I desire to offer now or to give notice now of certain amendments which I propose to introduce and have them take the same course and be printed.

Mr. GALLINGER. Let them be printed in the bill with some distinctive mark.

Mr. REED. I ask that they be printed as amendments, so that they can be offered then.

Mr. BORAH. The Senator from Indiana [Mr. KERN] has informed me that he desires to move an executive session, and I am willing that this question shall go over until to-morrow, if that is the desire.

Mr. SHIELDS. I wish to call the attention of the Senator from Idaho to the object of certain words contained in the bill, and which, as I understand, he proposes to strike out as follows:

And all other cases of contempt not specifically embraced within section 19 of this act.

I understand the amendment proposes to strike out these words.

Mr. BORAH. Yes; the motion which I made proposes to strike out all after the word "justice" except the words "but

the same may be punished in conformity to the usages at law and in equity now prevailing."

Mr. SHIELDS. The words I have referred to are intended to provide for contempts covered by section 258 of the Judicial Code in these words:

> Misbehavior of any of the officials of said court in their official transactions and the disobedience or resistance by any of such officers, or by any juror, witness, or other person to any lawful writ, process, order, rule, or command of said court.

The Senator will readily see that a great many of the acts here referred to may be committed out of the presence of the court and concern matters absolutely necessary in order to proceed with a trial of a case. For instance, an officer may refuse to summon witnesses or execute other process, jurors may leave the court, a witness may fail to obey a summons, and thus stop a trial. I think, with the Senator's attention called to these matters, he will modify his amendment so as not to exclude the words to which I have referred.

Mr. BORAH. As the measure is going over, I will consider the matter.

Mr. CUMMINS. May I ask the Senator from Indiana whether it is the purpose to reassemble in legislative session after the session has concluded?

Mr. KERN. Keeping in mind the statement of the Senator from Nebraska [Mr. NORRIS] yesterday as to the length of time he would occupy, I would say that there can be no further legislative session to-day.

Mr. CUMMINS. That being the proposition, I desire to present certain amendments, which I shall offer when the bill is again under consideration. First, I call attention to the amendment I have already presented as a substitute for section 7. It is printed. I ask that the amendment I sent to the desk yesterday as a substitute for section 8 be printed and lie on the table.

The PRESIDING OFFICER. Both amendments, proposing substitutes for sections 7 and 8, have been printed.

Mr. CUMMINS. I present a substitute for a part of section 9 that I desire to have printed and lie on the table.

The PRESIDING OFFICER. It will be so ordered, without objection.

Mr. CUMMINS. I present also two amendments, which I shall propose to the last paragraph of section 18.

Mr. GALLINGER. Mr. President, I will venture to suggest—though, perhaps, it is not necessary, as the clerks at the desk are always accurate in these matters—that the amendments agreed to be printed in the bill, when it is reprinted so that we can understand them, and that the amendments which are offered be printed with a different designation, either in small capitals or in some other way, so that when we come——

Mr. CULBERSON. I hope the Senator will not ask that amendments offered and not adopted shall be printed with the bill.

Mr. GALLINGER. I think it would be much better for us to have the amendments directly in front of us in the bill. We have often done it.

Mr. CULBERSON. Such a print is very confusing, I think.

Mr. GALLINGER. I have an impression that it is less so than to have them on the table where we do not see them as they are called up individually.

Mr. CULBERSON. They will be on the desks of Senators.

Mr. GALLINGER. Of course, whatever the Senator from Texas desires on that subject I will agree shall be done.

Mr. CULBERSON. I ask that the bill be reprinted with the amendments as agreed to by the Senate up to this time.

The PRESIDING OFFICER. Without objection, it will be so ordered.

Mr. GALLINGER. Then I ask that all amendments which have been submitted as amendments to be offered be printed together as a pamphlet, so that we may have them before us in one print.

Mr. CULBERSON. There is no objection to that.

Mr. GALLINGER. With the names of the Senators proposing them.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. POMERENE. I send to the desk several amendments to the pending bill, and I give notice that I shall offer them to-morrow. I ask that they be printed and lie on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REED. I send to the desk certain amendments which I shall offer to-morrow and which I ask to have printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. POINDEXTER. I submit an amendment to the pending bill and I give notice that I shall offer it to-morrow. I ask that it may lie on the table and be printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House had passed the bill (S. 136) to promote the welfare of American seamen in the merchant marine of the United States; to abolish arrest and imprisonment as a penalty for desertion and to secure the abrogation of treaty provisions in relation thereto; and to promote safety at sea, with an amendment, in which it requested the concurrence of the Senate.

PETITIONS AND MEMORIALS.

Mr. NELSON presented a memorial of sundry citizens of St. Paul, Minn., remonstrating against an increased tax on cigars, etc., which was referred to the Committee on Finance.

Mr. TOWNSEND presented a petition of the Woman's Christian Temperance Union of Clyde, Mich., and a petition of sundry citizens of Grandville and Byron Center, Mich., praying for national prohibition, which were referred to the Committee on the Judiciary.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. TOWNSEND:

A bill (S. 6400) to provide for the erection of a public building in the city of Sturgis, Mich.; to the Committee on Public Buildings and Grounds.

By Mr. O'GORMAN:

A bill (S. 6401) granting an increase of pension to Joseph H. Dawson (with accompanying paper); and

A bill (S. 6402) granting an increase of pension to Grace W. Post (with accompanying paper); to the Committee on Pensions.

By Mr. OVERMAN:

A bill (S. 6403) donating the old iron fence around Vance Park, Charlotte, N. C., to the Mecklenburg Declaration of Independence Chapter, to be placed around Craighead Cemetery, near Sugar Creek Church, in Mecklenburg County; and

A bill (S. 6404) to provide for sale of portion of post-office site in Gastonia, N. C.; to the Committee on Public Buildings and Grounds.

AMENDMENT TO RIVER AND HARBOR BILL.

Mr. BRADY submitted an amendment intended to be proposed by him to the river and harbor appropriation bill, which was ordered to lie on the table and be printed.

DEVELOPMENT OF WATER POWER.

Mr. JONES. Mr. President, I wish to ask permission to have referred to the Committee on Printing a letter from Mr. M. O. Leighton, with reference to the Adamson power bill, in which he makes some very important suggestions with reference to it. While I do not vouch for all the suggestions contained in the letter, I think it contains some very valuable suggestions with reference to the bill. I ask that the letter may be referred to the Committee on Printing, with a view to having it printed as a public document.

The PRESIDING OFFICER. Without objection, that will be done.

THE MERCHANT MARINE.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 136) to promote the welfare of American seamen in the merchant marine of the United States; to abolish arrest and imprisonment as a penalty for desertion and to secure the abrogation of treaty provisions in relation thereto; and to promote safety at sea.

Mr. CHAMBERLAIN. In the absence of the chairman of the committee I move that the Senate disagree to the amendment of the House, request a conference with the House on the disagreeing votes of the two Houses thereon, the conferees on the part of the Senate to be appointed by the Chair.

The motion was agreed to; and the Presiding Officer appointed Mr. CLARKE of Arkansas, Mr. FLETCHER, and Mr. NELSON conferees on the part of the Senate.

SECOND HOMESTEAD AND DESERT-LAND ENTRIES.

Mr. MYERS submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1657) providing for second homestead and desert-land entries.

having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, and 3, and agree to the same.

H. L. MYERS,
C. S. THOMAS,
REED SMOOT,
Managers on the part of the Senate.
SCOTT FERRIS,
EDWARD T. TAYLOR,
BURTON L. FRENCH,
Managers on the part of the House.

The report was agreed to.

RESERVATION OF PUBLIC LANDS.

Mr. MYERS. Before the motion for an executive session is made I desire to state that the conferees appointed upon the bill (S. 657) to authorize the reservation of public land for country parks and community centers within reclamation projects in the State of Montana, and for other purposes, were Senators MYERS, SMITH of Arizona, and SMOOT. The Senator from Arizona [Mr. SMITH] has gone away and will be gone some weeks. Before he left he told me he could not serve as one of the conferees and that he would like to be relieved and have some one else appointed in his place. Therefore I ask unanimous consent that the Senator from Arizona [Mr. SMITH] be relieved from further service on the conference and that the Senator from Nevada [Mr. PITTMAN] be substituted in his stead.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

OPTIMISM AND OPPORTUNITY.

Mr. MARTINE of New Jersey. Mr. President, I understand it is the purpose of the leader, the Senator from Indiana [Mr. KERN], to move that we go into executive session. Just previous to that I ask the unanimous consent of the Senate that I may read a very short article. It will take me but a minute, and I should like to have it go into the RECORD.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New Jersey? The Chair hears none.

Mr. MARTINE of New Jersey. I beg to say as a preface to that which I shall read that these are troublesome times throughout the world. We are wont too often to bewail our lot. I feel it is most refreshing and sustaining in these days to read and spread before the country the sentiments which I find in a daily newspaper. They are from a most extensive and responsible firm.

OPTIMISM AND OPPORTUNITY.

As we said in our advertisement of August 16, "It is very good these days to be an American."

During this month our country has encountered a trying experience in which our finances, our foreign trade, and even our domestic business have been disturbed by the sudden and tremendous wars in our ancestral countries.

Yet we are coming out of it well.

The President, with his Cabinet and the Congress and the cooperation of bankers and business men called to Washington for the purpose, have promptly and nobly met the emergency by sensible rulings and wise laws, which will largely free our industries and commerce from restraint.

They have arranged for the issuance of emergency currency, through amendment of the Aldrich-Vreeland law, under which national banks can obtain all the currency needed for legitimate business.

They have organized the Federal Reserve Board which will insure the opening of the 12 new Federal reserve banks inside of 60 days, thus giving ample banking facilities for business to every section of our country.

They have amended the ship-registry laws so that American capital will buy foreign ships, which together with the large number of ships already owned by Americans will fly the flag of the United States and furnish ample carrying capacity for our foreign trade.

They have opened the Panama Canal, and thus provided shorter routes for our commerce with South America, Australia, and the Far East.

They have under consideration a plan of financing the surplus cotton crop, so that our southern planters will be enabled to hold their cotton until normal markets are restored.

The Studebaker Corporation, with its 62 years of business experience, its thousands of employees, and its millions of capital invested appreciates the patriotic work that has been done and the opportunities thereby afforded.

Speaking from our experience and immediate forecast of possibilities, we feel cheerful and optimistic over the outlook for profitable business and steady employment of labor with increasing developments of foreign trade in neutral countries.

America is to-day the clearing house of the world.

The great nations of the earth are depending upon the integrity of her friendship, the safety and saneness of her diplomacy, the extensiveness of her trade, and the soundness of her finance.

It is a time for Americans to show their optimism, their patriotism, and their aggressive earnestness.

The foundations of our national prosperity have been laid too deep and too strong to be seriously disturbed even by so great a catastrophe as the war of all Europe.

We regret deeply and sincerely that the war must be, yet we are in nowise to blame and are happily far removed from the theater of activities.

Friendship we feel for all, and toward all we must remain in both thought and action entirely neutral.

Our duty to ourselves and our moral obligation to the rest of the world compel us Americans to be up and doing, to maintain a cheerful and hopeful spirit, to operate our industries and enterprises, to pay our bills as usual, and to conduct our affairs generally on conservative but enthusiastic lines.

This is from the great firm of South Bend, Ind.—the Studebaker Corporation. I feel it should commend itself to every American citizen, regardless of what may be his political affiliation.

Mr. GALLINGER. It is a very fine advertisement, and I think it is proper that Studebaker should have the benefit of having it circulated in the CONGRESSIONAL RECORD.

Mr. MARTINE of New Jersey. I offer it with no spirit to advertise the Studebaker concern or any other concern, but I realize, as the Senator from New Hampshire must, that where there is a disposition in some sections of our country and on the part of some individuals—I would not lay it to the distinguished Senator from New Hampshire—to cry "mad dog," a firm of that character, issuing sentiments of that kind, should at least have the credit of being patriotic.

Mr. GALLINGER. I think they will sell more wagons and automobiles.

Mr. MARTINE of New Jersey. I do not care whether it has that effect or not; and the sentiment is good, whether the Senator approves it or not.

LEAVE OF ABSENCE.

Mr. KERN. Mr. President, I regret to be obliged to ask the Senate for a leave of absence for myself until next Monday or Tuesday, on account of illness in my family.

The PRESIDING OFFICER. The Senator from Indiana asks unanimous consent for leave of absence until Monday or Tuesday of next week. Is there objection. The Chair hears none.

EXECUTIVE SESSION.

Mr. KERN. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After 3 hours and 15 minutes spent in executive session, the doors were reopened.

RECESS.

Mr. KERN. I move that the Senate take a recess until to-morrow at 11 o'clock a. m.

The motion was agreed to; and (at 6 o'clock p. m., Friday, August 28, 1914) the Senate took a recess until to-morrow, Saturday, August 29, 1914, at 11 o'clock a. m.

CONFIRMATIONS.

Executive nominations confirmed by the Senate August 28 (legislative day of August 25), 1914.

POSTMASTERS.

ARIZONA.

C. B. Wood, Phoenix.

MICHIGAN.

Thomas H. Sawher, St. Clair.

OHIO.

A. A. Lathrop, Swanton.

HOUSE OF REPRESENTATIVES.

FRIDAY, *August 28, 1914.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Our Father in heaven, we thank Thee that there are so many good hearts and true in this old world of peace and turmoil, victories and defeats, doubts and uncertainties, joys and sorrows, for which we for the most part are responsible. "Man's inhumanity to man makes countless thousands mourn." Hence, we most fervently pray for more strong, pure, noble, generous, true, brave hearts, that we may have less war, more peace; less hate, more love; less criminations and recriminations, more charity and brotherly kindness, that the old world may rejoice in the things which make for righteousness. In the spirit of the Master. Amen.

The SPEAKER. The Clerk will read the Journal.

Mr. BUTLER. Mr. Speaker, I desire that a quorum may be present here this morning.

The SPEAKER. The gentleman from Pennsylvania makes the point that there is no quorum present, and evidently there is not. The Clerk will call the roll.

Mr. UNDERWOOD. Did I understand that the point of no quorum has been made, Mr. Speaker?

The SPEAKER. Yes.

Mr. UNDERWOOD. Mr. Speaker, I move a call of the House, and on that I demand a division.

The motion was agreed to.

The House divided; and there were—ayes 63, noes none.

The SPEAKER. The ayes have it. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll.

The roll was called, and the following Members failed to answer to their names:

Adair	Eagle	Hinds	Plumley
Aiken	Elder	Hinebaugh	Porter
Ainey	Esch	Hobson	Post
Ansberry	Estopinal	Hoxworth	Powers
Anthony	Fairchild	Hulings	Rainey
Aswell	Faison	Johnson, Ky.	Riordan
Austin	Finley	Jones	Rogers
Barchfeld	Fitzgerald	Kent	Rubey
Barkley	Flood, Va.	Kiess, Pa.	Sabath
Bartholdt	Foster	Kindel	Shackleford
Bartlett	Fowler	Kirkpatrick	Sherley
Beall, Tex.	Francis	Knowland, J. R.	Smith, Md.
Bell, Ga.	Gardner	Lafferty	Smith, N. Y.
Brown, N. Y.	George	Lazaro	Smith, Tex.
Browne, Wis.	Gill	L'Engle	Stanley
Browning	Glass	Lenroot	Steenerson
Brumbaugh	Goeke	Lewis, Pa.	Stevens, N. H.
Calder	Gordon	Linthicum	Stout
Carter	Graham, Ill.	Loft	Stringer
Church	Graham, Pa.	McGillicuddy	Switzer
Cooper	Griest	McKenzie	Taggart
Copley	Guernsey	Mahan	Townsend
Covington	Hamill	Martin	Underhill
Crisp	Hamilton, Mich.	Merritt	Vare
Decker	Hardwick	Morgan, La.	Wallin
Dies	Hart	Mott	Watkins
Dillon	Hayes	Murdock	Whaley
Dooling	Heflin	Padgett	Whitacre
Doolittle	Hensley	Paige, Mass.	Wilson, N. Y.
Dupré	Hill	Peters	Winslow

The SPEAKER. On this roll call 311 Members have answered to their names—a quorum. [Applause.]

Mr. UNDERWOOD. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The SPEAKER. The Doorkeeper will open the doors, and the Clerk will read the Journal.

The Journal of the proceedings of yesterday was read and approved.

ORDER OF BUSINESS.

Mr. UNDERWOOD. Mr. Speaker, next Monday is the fifth Monday of the month. The Unanimous Consent Calendar is far behind. I am hoping it will not be many Mondays before we get an adjournment. I rise for the purpose of asking unanimous consent that business that is in order on the first and third Mondays of the month may be in order on next Monday, so that the Unanimous Consent Calendar can be taken up.

The SPEAKER. The gentleman from Alabama [Mr. UNDERWOOD] asks that on next Monday, which is the fifth Monday, business that is in order on the first and third Mondays shall be in order. Is there objection?

Mr. MANN. I object, Mr. Speaker.

The SPEAKER. The gentleman from Illinois [Mr. MANN] objects.

Mr. MOON, Mr. GARRETT of Tennessee, and Mr. RUSSELL rose.

The SPEAKER. The Chair will first recognize the gentleman from Tennessee [Mr. MOON].

POSTAL SAVINGS SYSTEM.

Mr. MOON. Mr. Speaker, I call up for consideration the conference report on the bill (H. R. 7967) to amend the act approved June 25, 1910, authorizing a postal savings system.

The SPEAKER. The Clerk will report it.

The Clerk read the title of the bill, as follows:

A bill (H. R. 7967) to amend the act approved June 25, 1910, authorizing a postal savings system.

Mr. MOON. Mr. Speaker, I ask that the conference report be read.

The SPEAKER. The Clerk will read the conference report.

The Clerk read the conference report, as follows:

CONFERENCE REPORT (NO. 1108).

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill H. R. 7967, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1 and 4 and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: Insert in lieu of the words "but the balance to the credit of any person, exclusive of accumulated interest, shall not exceed $1,000" the following: "but the balance to the credit of any person, upon which interest is payable, shall not exceed $500, exclusive of accumulated interest"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows: Insert in lieu of the words "*Provided*, That no interest shall be paid on such part of the balance to the credit of any person as is in excess of $500" the following: "*Provided*, That the board of trustees may, in its discretion, and under such regulations as such board may promulgate, accept additional deposits not to exceed in the aggregate $500 for each depositor, but upon which no interest shall be paid"; and the Senate agree to the same.

JOHN A. MOON,
S. W. SMITH,
Managers on the part of the House.
JOHN H. BANKHEAD,
N. P. BRYAN,
JOSEPH L. BRISTOW,
Managers on the part of the Senate.

Mr. MOON. Mr. Speaker, I ask that the Clerk read the accompanying statement.

The SPEAKER. The Clerk will read the statement.

The Clerk read the statement, as follows:

STATEMENT.

Amendment No. 1, to strike out words in line 5, "provides that," and insert the words "reads." "but," is a mere change in phraseology and is agreed to by the House managers.

The second amendment is agreed to with an amendment, as shown in the report. The effect of this amendment is to limit the deposit of any one person to a thousand dollars, exclusive of accumulative interest.

The third amendment is agreed to with an amendment, the effect of which is to limit payment of interest on deposits by any one person to the amount of $500, but authorizes the board of trustees to receive an additional $500 from such person, upon which no interest shall be paid.

The fourth amendment is agreed to. It amends a portion of section 9 of the postal saving act, Public Law No. 268, by reenactment of that section, leaving out that part which provides that "not exceeding 30 per cent of the amount of postal funds may at any time be withdrawn by the trustees for investment in bonds or other securities of the United States," and so on, and inserting "when in the judgment of the President war or other exigencies involving the credit of the United States so requires, the board of trustees may invest all or any part of the postal savings fund, except the reserve fund of 5 per cent herein provided for, in bonds or other securities of the United States," and so on. This amendment also provides that postal savings funds may be deposited in solvent National or State banks, whether member banks or not of a reserve bank created by the Federal reserve act, approved December 23, 1913. This last-named act is construed to require all postal savings deposits to be placed in a bank that is a member of a reserve bank. This provision would therefore operate to that extent as a repeal of that part of the Federal reserve act which requires deposits to be placed in a reserve bank. The main purpose of the creation of a Postal Savings System was to draw money out of hiding by giving the control of it, on deposit, to the Government and rendering the depositors safe and retaining the fund as far as practicable in solvent banks in the community where it was collected. There are many localities where there are no banks that are members of the reserve banks. Money deposited in the Postal Savings System in such places would have to be removed, perhaps a great distance from the localities where it was collected, and taken to a reserve bank to be deposited. If this section does not become a law. This, we think, would be unfair, both to the people in such localities and the Postal Savings System, and we therefore recommend the adoption of the conference report.

JOHN A. MOON,
S. W. SMITH,
Managers on the part of the House.

The SPEAKER. The question is on agreeing to the conference report.

Mr. STAFFORD. Mr. Speaker, will the gentleman yield some time?

Mr. MOON. I will yield after I have made a short statement myself.

The SPEAKER. The gentleman from Tennessee [Mr. MOON] is recognized for one hour.

Mr. MOON. Mr. Speaker, the postal savings bank was created and went into operation in 1911. It has been very difficult on the part of the department to get the system into full and effective operation so as to prevent loss to the Government. There was a considerable loss for the first two years, but I am advised now that the postal savings bank is running at a slight profit.

The trouble that this special department of the Postal System has had has arisen from the limitations that have been placed upon the right of depositors to deposit money in the banks. The purpose of the bill that is now before the House on the conference report is to raise the limit. The House suggested that all limit be taken away on deposits on which no interest should be paid except the sum of $1,000. The Senate does not agree to that and has offered a proposition of $500 instead of $1,000 upon which interest may be paid, with the provision that the trustees may, in their discretion, under such general rules as they may promulgate, accept $500 more by a single depositor, without interest. After considerable conference and discussion of the matter, in the interest of the service the House managers agreed to it, because it is a policy that looks to the ultimate perfection of the system and is designed to make it not only self-sustaining but, in a manner, remunerative to the Government. It was not just what we wanted, but it was the best we could get.

Under the Federal reserve bank act it was provided that all funds of the postal savings banks should be placed in some reserve bank or member bank in the reserve system. An amendment was offered that provides a repeal, so far as that provision of the Federal reserve bank act is concerned, so as to enable deposits to be placed not only in reserve banks, but in State banks, trust companies, and savings banks that do not belong to that system. The conference committee thought that that was just both to the localities where the money was collected and to the proper operation of the system, and reported in favor of accepting that amendment.

Now there are on deposit—and I give round figures as of date July 31—about $45,000,000, which has been gathered up and placed in the postal savings bank upon which the Government is paying 2 per cent interest and loaning the money under the provisions of that law at 2½ per cent. There are 397,000 of these postal savings depositors in the United States. The postal savings fund deposits are at the present time in 3,600 national banks and 3,100 State banks, savings banks, and trust companies. The State banks, savings banks, and trust companies hold about $17,000,000 of these deposits. The balance is in national banks. The average deposit in all banks is about $109. Five hundred and eighty thousand dollars of postal savings bonds have been redeemed by the Board of Trustees at the request of the owners. The total postal savings bonds issued under the provisions of the act are about $5,000,000 in all.

The department is of the opinion from the various communications that have been received from the postmasters of the United States who have charge of these depositaries that these deposits will be very greatly enlarged if the limit is taken off, as provided in this conference report.

Mr. HOWARD. Mr. Speaker, will the gentleman yield for a question, if it will not break the continuity of his talk?

The SPEAKER. Does the gentleman from Tennessee yield to the gentleman from Georgia?

Mr. MOON. Yes.

Mr. HOWARD. On how much is interest paid?

Mr. MOON. On not over $500.

Mr. HOWARD. Not over $500, and no one person is allowed to deposit over $1,000 under any conditions?

Mr. MOON. Interest can not be paid on over $500 to any one person, and the deposit may exceed that by $500 more. It involves the keeping of two accounts—an interest-bearing account and a noninterest-bearing account.

Mr. HOWARD. Will the gentleman please state to the House, for its information, how much was appropriated for the maintenance of the system for this fiscal year? For the present fiscal year was it not $600,000?

Mr. MOON. I do not recollect the precise figures, but that is near it.

Mr. HOWARD. Then the Government is really losing under this system, whereunder $45,000,000 of deposits are held, a sum equivalent to $375,000 this year?

Mr. MOON. The Government was losing up to six months ago, when the figures were $350,000, but now the savings banks are running at a slight profit, owing to the changes, and possibly making a profit of $100,000.

Mr. HOWARD. I was trying to conjure in my mind how they could arrive at that conclusion, when one-half of 1 per cent on $45,000,000 would not be anything like the amount appropriated for the maintenance of the system this year.

Mr. MOON. It will be arrived at by an estimate of the cost of the maintenance and operation of the system. We have not as yet any details, and therefore can not give it in detail.

Mr. BORLAND. Will the gentleman yield for a question?

Mr. MOON. I yield to the gentleman from Missouri.

Mr. BORLAND. I would like to ask the gentleman whether the banks are taking this money pretty rapidly from the postal savings bank?

Mr. MOON. The banks heretofore have not been very eager to take this money, but in the last few months they are making more demands than the department can supply.

Mr. BORLAND. Is not the opportunity coming pretty soon to raise the rate from 2½ to 3 per cent and make the system pretty nearly self-supporting?

Mr. MOON. It is possible that that opportunity will come later on. It is not reported, however, in this measure before the House. When you come to consider the fact that this money is loaned to banks at a profit of one-half of 1 per cent, and that the banks have to go out and buy the collateral and put it up with the Government, and that the Government has the right to call this money at will, and that there is no risk in these loans made by the Government to the banks, it will clearly appear that 2½ per cent interest will possibly pay the Government more than if the machinery were provided by which this sum could be loaned to individuals through the country at even 3 or 3½ per cent.

Mr. BORLAND. The withdrawals from the postal funds are not very numerous, are they—less than they would be from an ordinary banking account?

Mr. MOON. Not so much as they would be from an ordinary banking account, because they are put there for the purpose of saving.

Mr. BATHRICK. Will the gentleman yield?

Mr. MOON. I yield to the gentleman from Ohio.

Mr. BATHRICK. In this bill it is set forth that the interest shall not be less than 2½ per cent. Does the gentleman believe that a lower rate of interest will be paid by the banks to this Postal Savings System?

Mr. MOON. The interest that is actually paid to the Government is 2½ per cent.

Mr. BATHRICK. I know; but the bill says that the interest paid by the banks to the Government shall not be less than 2½ per cent.

Mr. MOON. Two and one-half per cent is actually paid.

Mr. BATHRICK. Is any less rate than 2½ per cent paid by the banks now?

Mr. MOON. No.

Mr. BATHRICK. Why does it say 2½ per cent in this bill if 2½ per cent is actually paid?

Mr. MOON. That was just the discretion that was allowed in the act. The department in the execution of the act exacts 2½ per cent.

Mr. BATHRICK. Was that the discretion allowed in the original act?

Mr. MOON. Yes; that was my recollection.

Mr. BATHRICK. It was 2½ per cent in the original act?

Mr. MOON. Yes.

Now, Mr. Speaker, I do not desire to take up the time of the House in the discussion of some other features connected with this matter, but this is a question of considerable interest to the membership of the House, and I have prepared here some matter that I will ask to place in the RECORD, so that those who want to study this system in comparison with the systems of other countries may do so. I will first put in the RECORD the following statement of the disposition made of the deposits in the postal savings banks of the British Empire:

DISPOSITION MADE OF THE DEPOSITS IN THE POSTAL SAVINGS BANKS OF THE BRITISH EMPIRE.

United Kingdom: Remitted to head office for reduction of national debt.

New Zealand: Principally invested in Government securities.

New South Wales: Invested in national securities of New South Wales or of any other State in the Commonwealth, debentures specified, etc.

Western Australia: Invested either at fixed deposit with any one of the incorporated banks in Western Australia or loaned to the agricultural bank or for the purchase of Government securities.

Tasmania: Invested in Government securities.

British India: Invested in Government cash balances (Journal Royal Statistical Society, 1897).

Ceylon: Invested in securities of the Governments of the United Kingdom, India, and Ceylon, and such other British colonies as are approved of by the governor in council.

Straits Settlements: Invested in same way as trustee funds—in first-class securities.

Federated Malay States: Deposited with director posts and telegraphs and carried to a separate account.

Canada: Remitted to the postmaster general at Ottawa.

British Guiana: Invested in Government bonds, principally of the British colonies.

Bahamas: Generally invested in approved securities in England, but may be invested locally by governor in council.

Cape of Good Hope: Invested in government stock and treasury bills or in such manner as the governor will approve or require.

Transvaal: Remitted to department of finance for investment.

Orange River Colony: Administered by the treasury.

Sierra Leone: Paid into the colonial treasury for investment in securities yielding interest as the secretary of state (London) may name.

Southern Rhodesia: Invested in trustee stocks.

Gold Coast: Invested in guaranteed securities.

I place this in the RECORD, so that there may be comparison of that with our own. Then I place in the RECORD a statement of the rate of interest, the maximum deposits, the maximum amount drawing interest, and the limitation on the amount deposited for a week, month, or year in the United Kingdom, New Zealand, Canada, Italy, Belgium, Russia, the Netherlands, Hungary, Sweden, Egypt, France, Austria, Japan, Bulgaria, and the Philippine Islands:

Country.	Rate of interest (per cent).	Maximum deposit.	Maximum amount drawing interest.	Limitation on amount deposited per week, month, or year.
United Kingdom	2½	$973.30	$973.30	(1)
New Zealand	3 and 3½	No limit.	(2)	None.
Canada	3	3,000.00	3,000.00	(3)
Italy	(4)	No limit.	772.00	(5)
Belgium	2 and 3	No limit.	(6)	(7)
Russia	4	515.00	515.00	(8)
Netherlands	2.64	No limit.	482.40	None.
Hungary	3	812.00	812.00	
Sweden	3.6	No limit.	536.00	None.
Egypt	2½	988.60	988.60	(9)
France	2½	289.50	289.50	(10)
Austria	3	406.00	406.00	(11)
Japan	4.2	498.00	498.00	None.
Bulgaria	4	386.00	386.00	None.
Philippine Islands	2½	No limit.	500.00	(12)

[1] Not to exceed $248.32 in any one year.
[2] 3½ per cent on amounts up to $1,459.95; 3 per cent on amounts from $1,459.95 to $2,919.90.
[3] Not to exceed $1,000 per year except in special cases.
[4] 2.04 per cent in 1910. Fixed annually according to earnings; 3 per cent is average.
[5] Not to exceed $772 in any one year.
[6] 3 per cent on amounts up to $579; 2 per cent on amounts over $579.
[7] Not to exceed $965 in any one fortnight without authority.
[8] Not to exceed $25.75 at any one time.
[9] Not to exceed $247.15 in any one year.
[10] Not to exceed $289.50 in any one year.
[11] Not to exceed $121.80 in any one year after deducting withdrawals.
[12] Varies according to class of office.

I also place in the RECORD a statement showing the statutory restrictions on the amounts that savings banks may receive from depositors, by States.

STATEMENT SHOWING THE STATUTORY RESTRICTIONS ON THE AMOUNT THAT SAVINGS BANKS MAY RECEIVE FROM DEPOSITORS, BY STATES.

Alabama: None.
Arizona: None.
Arkansas: None.
California: None.
Colorado: None.
Connecticut: Savings banks may receive on deposit from any one individual, in his own name, or in the name of another, in any one year, a sum not exceeding $1,000.
Delaware: None.
District of Columbia: None.
Florida: And every savings bank may receive deposits from any person, until the sum amounts to $2,000, and may allow interest upon such deposits, and upon the interest accumulated thereon, until the principal with accrued interest, amounts to $3,000, but the limitation contained in this section shall not apply to deposits by religious or charitable societies, or corporations.
Georgia: None.
Idaho: None.
Illinois: None.
Indiana: Every savings bank shall be authorized to receive on deposit any sum or sums of money that may be offered for that purpose, by any person or persons, or by any religious or charitable corporations or societies, or that may be ordered to be deposited by any court of this State, and to invest the same, and to declare credit, and to pay dividends thereon, as hereinafter authorized and not otherwise; provided that such savings banks shall not be compelled to receive sums less than $1 or exceeding $500, in any one year, and from any one depositor, unless provision therefor is made in the by-laws thereof.
Iowa: None.
Kansas: None.
Kentucky: None.
Louisiana: None.
Maine: Savings banks and institutions for savings shall not receive from any one depositor, directly or indirectly, any sum over $2,000, and no interest shall be paid to any one depositor for any amount of deposit, all dividends included, exceeding said sum, except for deposits of widows, orphans, administrators, executors, guardians, charitable institutions, and as trust funds.
Maryland: None.
Massachusetts: Savings banks may receive on deposit from any person not more than $1,000; and may allow interest upon such deposits, and upon the interest accumulated thereon, until the principal, with the accrued interest, amounts to $2,000; and thereafter upon no greater amount than $2,000; but the provisions of this section shall not apply to deposits by religious or charitable corporations, or labor unions, or credit unions, or in the name of a judge of probate, or by order of any court, or on account of a sinking fund of a city or town in this Commonwealth.
Michigan: None.
Minnesota: That every such corporation shall have the right to limit the aggregate amount which any one person or society may deposit to such sum as they may deem expedient to receive.
Mississippi: None.
Missouri: Every such corporation shall have the right to limit the aggregate amount which they will receive from any one person or society to such sum as they may deem expedient, and may, in their discretion, refuse to receive the sum offered, and may also at any time return all or any part of any sum received: *Provided*, That the aggregate amount that may be received from any one individual or corporation shall not exceed $4,000, inclusive of dividends; but this limitation shall not apply to moneys arising from judicial sales, or trust funds, or if received pursuant to order of a court of record, or to moneys or property received as bailee for safe keeping and storage only.
Montana: None.
Nebraska: None.
Nevada: None.
New Hampshire: None.
New Jersey: The deposits to the credit of any one individual or corporation must never exceed $5,000, exclusive of accrued interest, except in the case of deposits ordered by a court.
New Mexico: None.
New York: Every such corporation may limit the aggregate amount which they will receive from any individual at any time: *Provided*, That the aggregate amount received shall not exceed $3,000, exclusive of of deposits arising from judicial sales or trust funds or interest, and to the credit of any society or corporation at any time shall not exceed $5,000, exclusive of accrued interest, unless such deposit was made prior to May 17, 1875, or pursuant to an order of a court of record.
North Carolina: None.
North Dakota: None.
Ohio: None.
Oklahoma: None.
Oregon: None.
Pennsylvania: Every such corporation shall have the right to limit the aggregate amount which any one person or persons or societies may deposit to such sum as they may deem it expedient to receive, and may, in their discretion, refuse to receive a deposit, and may also at any time return all or any part of a deposit; nor shall the aggregate amount of such deposits to the credit of any one individual or corporation at any time exceed $5,000, exclusive of accrued interest.
Rhode Island: None.
South Carolina: None.
South Dakota: None.
Tennessee: None.
Texas: And every such corporation shall have the right to limit the aggregate amount which they will receive from any one person or society to such sum as they may deem expedient, and may, in their discretion, refuse to receive the sum offered, and may also at any time return all or any part of any sum received: *Provided*, That the aggregate amount that may be received from any one individual or corporation shall not exceed $4,000, inclusive of dividends. But this limitation shall not apply to moneys arising from judicial sales or trust funds, or if received pursuant to order of a court of record, or to moneys or property received as bailee for safe keeping and storage only.
Utah: None.
Vermont: A savings bank may receive on deposit, for use or benefit of depositors, sums of money offered for that purpose; but trustees may refuse deposits, in their discretion, and may also at any time return all or part of a deposit.
Virginia: None.
Washington: None.
West Virginia: None.
Wisconsin: Such mutual savings banks may receive on deposit from any person, in his or her own name or in the name of another, in any one year a sum not exceeding $1,000.
Wyoming: None.

Mr. BUCHANAN of Illinois. Mr. Speaker, will the gentleman yield?

The SPEAKER. Does the gentleman from Tennessee yield to the gentleman from Illinois?

Mr. MOON. I do.

Mr. BUCHANAN of Illinois. Does the gentleman know any reason why the banks should not pay the Government the rate of interest that they pay other depositors? I believe the minimum is 3 per cent. Why should not the Government get that?

Mr. MOON. I have just stated the reason for that in answer to the inquiry of some gentleman, I think the gentleman from Missouri [Mr. BORLAND].

Mr. BUCHANAN of Illinois. Probably I did not catch the gentleman's answer.

Mr. MOON. I said this, in effect, that while 2½ per cent may be regarded as a low rate of interest for the loaning of money on mortgages and ordinary bonds and securities to individuals, yet when the money is loaned under the guaranties provided in this act and one bank takes it all, or such part as it may desire, the bank has to go into the market and buy securities for the purpose of protecting the Government. The Government runs no risk. It can call back the money when it desires it, and under any other system——

Mr. FALCONER. Mr. Speaker, I make the point of order that no one can hear the little dialogue that is going on across the aisle. Gentlemen ought to talk loudly enough so that we can hear.

Mr. MOON. There might be a little better order, but I think I talk loudly enough.

The SPEAKER. The House will be in order.

Mr. MOON. It is the difference in the customer, that is all, and the matter of the security, and the right of the Government to loan in bulk instead of in smaller amounts. If this money were loaned to individuals on ordinary notes, securities, or mortgages, the enforcement of collections where there was nonpayment would cost the Government, it is estimated, more than the additional one-half of 1 per cent. But I fully agree with the gentleman from Illinois that after this system is perfected we possibly may provide some rules and regulations by which this money may go to others than banks, and perhaps at a higher rate of interest. It should be done, but these questions are not and could not have been involved in the conference on this bill. This whole system is in embryo. It is an imperfect system as yet. The Government has not been able to make out of it what it expected. That has been done which many of us thought would be done. It was a failure for a while, and it has lost a good deal of money, but it is now upon a self-sustaining basis, and we believe that the adoption of this law will make it more thoroughly self-sustaining than it has been before.

Mr. BUCHANAN of Illinois. It is my opinion that the limitations and restrictions put upon this postal savings bank law, which is a failure, and only a postal savings bank in name—restrictions and limitations have made it a failure. It is a depository with a limit of depositing only $100 at a time, and not to exceed $500, and there are other restrictions, all of which would indicate that the banking interests of the country have had influence in preventing a real postal savings bank for the benefit of the people of the country; and while I do not raise any objection at this time, I think that in the very near future Congress ought to give the people a real postal savings bank that will be of some benefit to the masses of the people.

Mr. MOON. Mr. Speaker, I do not know what the gentleman means by the influence of the banks upon Congress. I am sure that the banks have made at no time any suggestions to this committee upon the subject, nor have they made any to the conferees.

Mr. BUCHANAN of Illinois. I did not intend to infer that they had any influence upon this committee, but the fact is that the people have been demanding for years a postal savings bank, and instead of being given a comprehensive postal savings bank that really amounts to something we have handed them out something that is not of very much value.

Mr. MOON. Mr. Speaker, personally I was of opinion, when this law was enacted, that it was not the kind of law that it ought to be, that it did not have the restrictions that it ought to have, that the powers which were vested were not what they ought to be, and I thought that this measure in many respects was unconstitutional, and I have doubt of its constitutionality in part to-day. But, while I was opposed to the whole system to begin with, it has been established by Congress, and it becomes our duty now in obedience to the law of Congress to make it an effective system that will not leave the Government in debt but will enable the Government to obtain revenue from it, and step by step this committee has undertaken to improve it to that end, and that is one of the purposes—the very purpose, so far as it may go, of the bill that is now pending.

Mr. BUCHANAN of Illinois. Mr. Speaker, I am in favor of making it so effective that we will take the limitations off and loan this money to the people and the farmers who will give real estate security instead of giving the banks the privilege of collecting the interest upon it.

Mr. MOON. That may come later on. I hope it may, if it can be done under proper restrictions.

Mr. GOULDEN. Mr. Speaker, will the gentleman yield?

Mr. MOON. Certainly.

Mr. GOULDEN. What amount of these deposits, if any, upon which the Government is paying 2 per cent is idle, not drawing the 2½ or 2¼ per cent provided by the law?

Mr. MOON. Practically none of it. It is covered in practically as fast as it is obtained, as I am advised, within the provisions of existing law.

Mr. GOULDEN. How do they do that, if the banks fail to make any demand for it?

Mr. MOON. They are making demands for it, more than they can get, I am told.

Mr. GOULDEN. Then the Government has no trouble upon that score, and I am pleased to learn that fact, as I believe the Government savings banks to be a wise law.

Mr. MOON. None whatever, I think.

Mr. GOULDEN. In having the money taken by the banks on which they pay an interest of 2½ or 2¼ per cent?

Mr. MOON. Yes; 2½ per cent.

Mr. GOLDFOGLE. Mr. Speaker, will the gentleman yield?

Mr. MOON. Certainly.

Mr. GOLDFOGLE. If, as the gentleman from Tennessee stated, the amounts now bearing interest are taken up at a profit, why is it that the additional sums—that is, the sum of $500 for each depositor—are not bearing interest?

Mr. MOON. Mr. Speaker, the Government gets the advantage upon that. It is holding this fund for the purpose of securing the depositor and can not pay profitably—to itself—interest on the full deposits.

Mr. GOLDFOGLE. Would it not encourage the bringing in of additional money?

Mr. MOON. It might encourage the bringing in of additional money, but it might discourage the condition of the Treasury. They do not think it wise to pay interest on more than one-half of the amount deposited. This bill provides for interest on $500, and then provides that $500 may be deposited, without interest, for each depositor.

Mr. Speaker, when I was interrupted in introducing some papers in the RECORD, I had reached a letter from the Third Assistant Postmaster General upon the subject that we were just discussing. That letter I will insert at this point, calling especial attention to the extracts from reports received from postmasters which are quoted in the letter. The letter is as follows:

POST OFFICE DEPARTMENT,
THIRD ASSISTANT POSTMASTER GENERAL,
Washington, August 11, 1914.

Hon. JOHN A. MOON,
Chairman Committee on the Post Office and Post Roads,
House of Representatives.

MY DEAR JUDGE MOON: Let me call your attention to the urgency for speedy action on the bill now in conference to increase the amount that may be accepted from a postal savings depositor. Late reports from postmasters show that, while deposits are increasing rapidly, large sums are being rejected on account of the statutory restrictions on deposits. This is not only disappointing to intending depositors, but denies business an enormous amount of hidden money, every dollar of which is especially needed at this time on account of chaotic conditions abroad.

The following extracts from reports received from postmasters in the past few days show the embarrassments and disadvantages of the present limitations on deposits:

Kansas City, Mo., August 6:

"There are indications of the existence of a little uneasiness on account of the war scare. Inclosed is a copy of my monthly statistical report for July, which shows the average number of new accounts opened per day to be 14, including the stations. On Monday, the 3d instant, 56 new accounts were opened at the main office and yesterday 38 were opened. Most of these new depositors deposited the maximum amount of $100 and probably 75 per cent of them wanted to deposit from $200 to $4,000."

On August 6 Chicago reported postal savings deposits aggregating $81,000 for the first four days of the month. During the corresponding period last year $38,132 was received.

New York City, August 3:

"I have to say that not fewer than 20 persons came to this office on Saturday with sums aggregating $16,800, which could not be accepted on account of the present restrictions on deposits. Fifty-three new accounts were opened on Saturday, amounting to $3,800, an average of over $71 for each deposit. A Hungarian and his wife wanted to deposit $500 each. A German wanted to deposit $1,000. Several others desired to deposit $500 and over. To-day, up to 2 p. m., $7,700 had to be refused for the same reason."

South St. Joseph, Mo., August 6:

"I had a Russian depositor this week who wanted to deposit $265, but I could only take $100. A Russian Jew offered $300 for deposit some time since; we took $100, and he carried the other $200 for over 60 days until he could get certificates for the same. We had another customer with $1,100 who took it all away as we could only take $100 of the amount. I might give other instances to show that we do not receive money that the banks can get, and the desirability of accepting the largest amount that may be offered so as to get the money out of hiding and into the channels of business."

Gulfport, Miss., August 3:

"As information I have to report that within the last three days there has been offered by foreigners at this office for deposit in the postal savings bank about $2,500, the tenders being made by four persons, three of whom are Greeks. I presume the war news from Europe has something to do with it. Of course under present conditions we could only take $100 from each of the patrons."

Newark, N. J., August 7:

"The receipts for August 1 were $2.135; for August 3, $6,004; total, $8,139. Corresponding period of 1913 deposits amounted to $1,189. Fifty-five new accounts have been opened so far this month."

Philadelphia, Pa., August 6:

"I beg to report that on the 3d of this month there was refused by the postal savings depository of this office the sum of $2,850, offered for deposit, by reason of the $100 a month limit; and on the 4th instant, for a like reason, the sum of $1,900 was refused."

On August 6 the postmaster at Buffalo reported that deposits aggregating $7,363 were received the first three days in August, as against $4,053 during the last three days in July. In explaining the increase he said:

"Various reasons were advanced by depositors many of whom were anxious to deposit sums in excess of the limit. It is estimated that as much money was refused as was deposited."

Allentown, Pa., August 10:

"This office is compelled to frequently decline deposits of postal savings in excess of the maximum amount allowed to be deposited at one time under the existing regulations, it having been necessary to decline such deposits ranging from $300 to $650 from 10 patrons of this office during the past week."

Seattle, Wash., August 6:

"It is being demonstrated almost daily that the greatest obstacle for improving this service more rapidly is the limited amount of the deposits permitted. We turned away a depositor on the 4th of this month with $16,000, and yesterday two other applications with $1,000 and $2,000 each. This is occurring here so often that I beg to refer to it."

Detroit, Mich., August 6:

"I wish to bring to your attention exceptionally heavy deposits in the postal savings bank during the last few days. The deposits at the main office for the first five business days in August amounted to $27,445, while the deposits for the same period last month were $12,867, or an increase in amount of over 110 per cent. Our withdrawals for the same period have fallen off slightly, the total being $17,080 for the first days in July and only $14,421 for August, making the net gain even greater.

"In addition to the money which we have been able to accept, thousands of dollars have been offered for deposit which we are obliged to refuse on account of the one hundred and five hundred dollar limit. Many of our depositors, or intending depositors, have expressed keen disappointment when they learn of this limit, and it is very hard to convince some that we are unable to accept the money which they are so anxious to intrust to the care of the postal savings. Many times a day intending depositors either come in the office or make inquiries over the phone for information, and in nearly every case surprise is expressed that the statutory limit is so low."

Danville, Ill., August 5 (telegram):

"Greek foreman railway construction gang called office to-day asking if savings department would accept $36,000 deposited in various sums by members gang who are in panic regarding banks. Each individual deposit probably exceeds amount set by law as maximum deposit. If not taken, money will be withdrawn from circulation and may be sent abroad. Is there any emergency clause whereby we can accept deposits in excess of $100?"

Scores of other reports corroborate the urgency for congressional relief and show similar conditions throughout the country. The Postal Savings System, if unfettered without delay, can render a very great public service in the present exigency.

Very respectfully,

A. M. DOCKERY,
Third Assistant Postmaster General.

This all shows that very large amounts have been desired to be deposited, but the department was powerless to accept the money under the law.

I now yield to the gentleman from Wisconsin [Mr. STAFFORD].

Mr. STAFFORD. Mr. Speaker, I would like to have the gentleman from Tennessee yield me 15 minutes.

Mr. MOON. Very well, Mr. Speaker, I yield 15 minutes to the gentleman from Wisconsin [Mr. STAFFORD].

Mr. STAFFORD. Mr. Speaker, this bill passed the House last December. It changed the existing law in two or three particulars. It lifted the amount of $500 that could be deposited by any depositor and provided an unlimited amount that might be deposited. It, however, limited the interest that would be paid to $1,000. It also lifted the restriction of a depositor being allowed to deposit only $100 in one month. The bill that comes before you is virtually here with all of those restrictions reinserted, except the last one, permitting the depositor to deposit more than $100 in any one month. Under the bill as it is now before the House he is permitted to deposit only $500. The Senate, by an amendment that was adopted, limited the amount to $1,000 that might be deposited. The conferees, for some unknown reason, struck out the limitation of $1,000 and restored the original amount of $500 that might be deposited and granted the depositors the privilege, in the discretion of the board of trustees, whenever they saw fit, to deposit another $500, which was not to bear interest. I had thought that the House had expressed itself positively enough that it was the wish to let the postal savings depositors have the right to deposit funds without any limit at all. The Senate limited that amount to $1,000, and yet the House conferees go further backward to the original amount of $500, with the privilege that the board of directors may allow the depositors to deposit another additional $500 if they saw fit.

Mr. MOON. The gentleman, I suppose, does not mean to say to the House that the conferees denied the right both as to interest and nonbearing interest——

Mr. STAFFORD. Why, the House conferees went right backward to the position taken by the Senate, and even further backward. Now, if the gentleman will permit, I will make my position clear. The Senate restricted the amount that might be deposited by any depositor to $1,000 and allowed interest on $500.

Mr. MOON. The gentleman gets it wrong; the Senate struck out the $500——

Mr. STAFFORD. I read the report, and I read it carefully, and I am not in error. It says:

Insert in lieu of the words—

And this is the Senate amendment—

"but the balance of the credit of any person, exclusive of accumulated interest, shall not exceed $1,000" the following: "but the balance to the credit of any person, upon which interest is payable, shall not exceed $500, exclusive of accumulated interest"; and that the Senate agree to the same.

Mr. MOON. Yes.

Mr. STAFFORD. Following this is the next amendment:

That the House recede from its disagreement to the amendment of the Senate No. 3, and agree to the same with an amendment as follows: Insert in lieu of the words "*Provided*, That no interest shall be paid on such part of the balance to the credit of any person as is in excess of $500," and insert the following: "*Provided*, That the board of trustees may, in its discretion, and under such regulations as such board may promulgate, accept additional deposits not to exceed in the aggregate $500 for each depositor, but upon which no interest shall be paid."

Mr. MOON. That makes $1,000.

Mr. STAFFORD. That confirms what I originally stated—that the Senate placed a limitation on the amount to be deposited of $1,000, and the conferees in conference agreed to striking out the absolute right to deposit $1,000 and restricted it to the original amount of $500, with the permission to deposit an additional $500 if the board of trustees of postal savings banks would permit.

Mr. MOON. I take it that the gentleman from Wisconsin means to convey this idea—that so far as the $500 was concerned, upon which no interest was to be paid, that was in the discretion of the board of trustees.

Mr. STAFFORD. I mean to convey the idea that the individual depositor has no right to deposit more than $500 in a savings bank unless the board of trustees give him permission to increase the deposits by another $500, whereas the Senate amendment, as the bill came over to the House, provided giving to the individual depositor the absolute right to deposit to the extent of $1,000, with the limitation of interest on $500 of deposits. I am not in error in what I said originally as to the position the House conferees took on this matter.

Mr. HOWARD. Will the gentleman yield?

Mr. STAFFORD. My time is limited, and I want to get to a more important matter.

Mr. HOWARD. Just to get the gentleman's opinion.

Mr. STAFFORD. I yield.

Mr. HOWARD. In the gentleman's opinion, would not complications arise from this limitation? Would it not necessitate the keeping of two accounts against each individual, one on which it had to pay interest and on the other on which it did not pay interest?

Mr. STAFFORD. Oh, yes; it is a confusing proposition; there is no reason for it. America is the only Government with a postal savings banks institution that pays the lowest rate of interest to the postal savings depositors. This bill is in the interest of the private banks throughout the country.

When the postal savings bank bill was originally presented to this House we had a struggle as to whether all of the deposits should be for the use of the private banks or whether some of those funds should be for the use of the Government. At that time we provided that 30 per cent of these deposits should be at any time at the use of the board of trustees of these postal savings banks. Sixty-five per cent was to be deposited in private banks, State and National, but which could be utilized whenever the President thought that the public welfare demanded it. As the bill comes before us, by section 2 it wipes away that limitation, and permit me before I take up that question to say that these banks, the private, State, and National banks, receive these funds for 2½ per cent. The Government pays 2 per cent, turns that over to the bank, and receives the paltry sum of a quarter of a cent for the use of these funds.

Mr. MOON. No; the gentleman knows the Government pays 2 per cent and loans it at 2½——

Mr. STAFFORD. I meant to say 2½ per cent. The bill authorizes the postal-bank trustees to loan these deposits to the banks at not less than 2½ per cent, and the rate the banks pay is 2½ per cent. Paying the Government only 2½ per cent when in New York the prevailing rate to individual depositors for savings funds is 3½ to 4 per cent. I now wish to direct attention to this very material change, and it is of pressing importance just at the present time when the Government may have need of these postal deposits, totaling $45,000,000, in the purchase of ships to carry our products abroad. There is more in this proposition than you think of at first glance.

Let me read to you the existing law, and then let me read this modification of the law as found on page 3, lines 22 to 25, and following. This is the restriction of the present law, which is not incorporated in this bill, as to the deposit of these funds in the various banks:

Not exceeding 30 per cent of the amount of such funds may at any time be withdrawn by the trustees for investment in bonds or other securities of the United States, it being the intent of this act that the residue of such funds, amounting to 65 per cent thereof, shall remain on deposit in the banks in each State and Territory willing to receive the same under the terms of this act, and shall be a working balance

and also a fund which may be withdrawn for investment in bonds or other securities of the United States, but only by direction of the President and only when, in his judgment—

And mark these words:

The general welfare and the interests of the United States so require.

Now, what are the words substituted in this bill which is about to be offered for adoption? These words are eliminated and the following are substituted:

When, in the judgment of the President, war or other exigency involving the credit of the United States so requires.

There are the words of limitation I wish to lay emphasis on. Not the general welfare of the country, but—

war or other exigency involving the credit of the United States so requires, the board of trustees may invest all or any part of the postal savings funds, except the reserve fund of 5 per cent herein provided for, in bonds or other securities of the United States.

Can there be any question whatsoever but that this proposed language is much more restrictive of the use of these $45,000,000 now on deposit in the various banks throughout the country than the original law, which says that 65 per cent may be used any time in the discretion of the President and when, in his judgment, the general welfare and the interests of the United States shall require?

So eminent a business man as former Postmaster General Wanamaker, in a recent published letter, made the proposal that these $45,000,000 of funds should be utilized for the purchase of ships by the Government to transport our products abroad. And yet no war is confronting us, no exigency involving the credit of the United States is before us. The credit of the United States is sound, and yet we are surrendering by this provision the right of the President when the general welfare of the country requires it to avail ourselves of the use of 65 per cent of the Government postal savings funds in all the banks throughout the country and also of the 30 per cent that the board of trustees now have the right to invest in Government securities. That is the purport and purpose of this amendment. It is restrictive of the powers of the President to-day in the exigency that confronts this Government.

Mr. MOORE. Will the gentleman yield?

Mr. STAFFORD. I yield.

Mr. MOORE. As to this large fund in the postal savings bank belonging to the people who have deposited there, I should like to ask how, if the people wanted to draw their money, the Government would pay it if it invested this money in ships?

Mr. STAFFORD. Well, we know, as the gentleman well knows from his acquaintance with Philadelphia Savings Society's funds, that these savings funds are not to any great amount withdrawn. They are largely lodged there for permanent investment. I would not assume that the President or any department that has charge of these funds would take the 95 per cent of them, but I believe he would be perfectly safe to use at least 50 per cent, because when this Government is not involved in war everyone knows that, with the credit of the Government back of it, there is not going to be any clamor or call for these funds.

Mr. MOORE. Will the gentleman yield for one more question?

Mr. STAFFORD. My time is rapidly going. Mr. Speaker, how much time have I used?

The SPEAKER. Ten minutes.

Mr. MOORE. The gentleman knows that land or ships are not easily negotiable and can not readily be disposed of. People are withdrawing their funds now——

Mr. STAFFORD. The fact is, there is more money in the postal savings banks now than ever before, because people have greater confidence in the Government of the United States than in private banks.

Mr. MOON. I was going to ask the gentleman a similar question to that which was so well put by the gentleman from Pennsylvania [Mr. MOORE]. On this very proposition you complain that certain language has been taken out of the act, being part of section 9 of the act that created the Postal Savings System, and that certain other language, more restrictive in its character, has been placed in this law.

Mr. STAFFORD. I do.

Mr. MOON. Well, in both instances the discretion is absolutely resting with the President. There can be no difference so far as that is concerned. The language is different; but the President, after all, has the discretion of exercising his judgment as he sees fit. Now, the difference, and the only difference, or the practical difference, is that instead of 35 per cent being withdrawn, he would be allowed to withdraw it all, except the 5 per cent reserve.

Mr. STAFFORD. At the present time the board of trustees has absolute right to withdraw for governmental purposes 30 per cent of these funds. Under certain conditions the President has the right to withdraw 65 per cent. What are those conditions? When in his judgment the general welfare and the interests of the United States require. That is the wording of the existing law. He has not unlimited discretion, because we restrict him. These are the restrictive words in the proposal of the committee:

When in the judgment of the President war or other exigency involving the credit of the United States so requires.

There is no war confronting this Government at the present time. There is no exigency involving the credit of the United States. He could make an investment in Government ships to transport our products abroad under the existing phraseology, and yet under this provision he would not have that authority.

Mr. MANN. Will the gentleman yield?

Mr. BUCHANAN of Illinois. I want to ask the gentleman in connection with the question of the gentleman from Pennsylvania [Mr. MOORE] if he does not think if those restrictions and limitations were taken off the Government would have sufficient money to build all the ships necessary without making any great inroads on the deposits in our postal savings banks?

Mr. STAFFORD. This section 2 that is incorporated in this bill is in the identical phraseology, with one minor exception, as section 9 of the existing law, except as changed in the manner pointed out. There is no reason for restricting it.

The SPEAKER. The time of the gentleman from Wisconsin has expired.

Mr. MOON. Mr. Speaker, I want to say a word in reply to the gentleman from Wisconsin [Mr. STAFFORD].

The section he complains of, as vesting the discretion in the President, is but a reproduction of the section which vests in the President discretion except as to the amount. The language is somewhat different, possibly more restrictive; but, appealing alone to the judgment and discretionary power of the President, discretion in both sections is vested strictly in the President, and it is immaterial what the language may be if the discretionary power is granted and is vested and can be controlled and can not be dislodged. That is the fact here.

The gentleman from Wisconsin [Mr. STAFFORD] says that there is no sense in this measure. It is hardly necessary for me to say—leaving out the part that the managers on the part of the House have had in the consideration thereof—that it is somewhat of a reflection on the managers on the part of the Senate for him to State that there is no sense in a proposition of this sort. The truth is, my friend from Wisconsin is the best hand to make a "chinquapin point" and conceal a real point I ever met. [Laughter.]

Mr. MADDEN. Mr. Speaker, will the gentleman yield?

Mr. HOWARD. Will the gentleman yield to me?

Mr. MOON. I will yield first to the gentleman from Illinois [Mr. MADDEN], and then to the gentleman from Georgia [Mr. HOWARD].

The SPEAKER. The gentleman from Illinois [Mr. MADDEN] is recognized for five minutes.

Mr. MADDEN. Mr. Speaker, this bill is a very simple piece of legislation. It increases the amount that a man can deposit in a postal savings bank from $500 to $1,000, and limits the amount on which interest may be paid to $500, and authorizes the President to use all of such deposits, except the 5 per cent redemption fund, in case of emergency for governmental purposes. That is all there is to it.

Mr. RAKER. Mr. Speaker, will the gentleman yield right there?

The SPEAKER. Does the gentleman from Illinois yield to the gentleman from California?

Mr. MADDEN. No; I will not yield. That is a simple statement of fact.

The SPEAKER. The gentleman from Illinois declines to yield.

Mr. MADDEN. The people deposit their money in the local postal savings banks and the Government pays 2 per cent for it. The Government then deposits the money in the designated depositories and receives 2½ per cent interest thereon. Under the present law the board of managers or the board of trustees, or whatever you call them, are authorized to invest 30 per cent in securities which they have for sale to depositors, who can take their money out of the banks and buy these securities. And now we are authorizing the President to take all of the money, instead of 65 per cent of it; to take 95 per cent of it, and use it, instead of borrowing money by issuing bonds.

That is a simple proposition. It enlarges the powers given to the President. It is a good thing in case of emergency. It is a clear-cut business proposition. It will increase the deposits in the postal savings banks, and it will not increase the amount

upon which interest must be paid to any individual. It will encourage more people to deposit their money in the postal savings banks. We shall have more money on deposit there. We shall thereby be able to make the postal savings banks a paying institution instead of a losing one, and we shall at the same time have given to the President of the United States the right to use the money that is there for governmental purposes in case of any great emergency.

Now that is the whole story. It is a thing that there ought not to be any question about, and it ought to be adopted unanimously.

Mr. PLATT. Mr. Speaker, will the gentleman yield for a question?

The SPEAKER. Does the gentleman from Illinois yield to the gentleman from New York?

Mr. MADDEN. Yes.

Mr. PLATT. Does not the gentleman think it is rather mean to take the money of the poor people and invest it in Government bonds at a time when the credit of the Government is involved? It seems to me that is the time when it ought not to be done.

Mr. MADDEN. What you ought to do is to encourage the people to loan money to the Government in any great emergency.

Mr. PLATT. Not the poorest people.

Mr. MADDEN. Oh, any people who are willing to loan their money to the Government of the United States ought to be encouraged to do it. The Government is paying interest on it, and the Government ought to be able to use it for any purpose.

Mr. REILLY of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. MADDEN. Yes.

Mr. REILLY of Wisconsin. Under the present conditions would not the President have the right to purchase ships with the money?

Mr. MADDEN. He would have the right to purchase ships from any money in the Treasury if Congress authorized him to do it. He could use this money.

Mr. REILLY of Wisconsin. Under the law as it is to-day would the President be authorized to use it for the purpose of ships?

Mr. MADDEN. Under the law to-day the President can use the money for an emergency, and the money could be used for that purpose to-day under this bill in the discretion of the President of the United States.

Mr. RAKER. In addition to the good features that the gentleman has pointed out, there is another feature of this bill that requires the committee to loan the money in the localities where the money is deposited?

Mr. MADDEN. Yes; of course.

Mr. CARLIN. Mr. Speaker, will the gentleman yield?

Mr. MADDEN. Yes.

Mr. CARLIN. I want to get this thing straight. The discretion is still in the power of the United States to withdraw the money?

Mr. MADDEN. Yes. This gives the President the discretion to withdraw all the funds, instead of 65 per cent of the funds. Now I yield the floor, Mr. Speaker.

Mr. MANN. Mr. Speaker, will the gentleman from Tennessee give me some time?

Mr. MOON. How much time have I, Mr. Speaker?

The SPEAKER. The gentleman has 15 minutes left.

Mr. MOON. I shall have to divide up the time differently, then, Mr. Speaker. I will yield five minutes to the gentleman from Illinois [Mr. MANN], and then I will yield three minutes and one minute as I promised.

The SPEAKER. To whom does the gentleman yield first?

Mr. MOON. I will yield five minutes to the gentleman from Georgia [Mr. HOWARD].

The SPEAKER. The gentleman from Georgia [Mr. HOWARD] is recognized for five minutes.

Mr. HOWARD. Mr. Speaker, to discuss this question intelligently within five minutes is almost an impossibility. I had hoped that the House bill would be adopted by the Senate as it left the House.

I wanted to point out just a few limitations that are put upon postal savings deposits that I think will never make the Postal Savings System of this Government profitable, but will always make it run at a loss. For instance, it is said we have $45,000,000 on deposit. Now, $45,000,000, even at one-half of 1 per cent, is only $225,000 a year, and we have appropriated for the current fiscal year $600,000 for this system.

Now, the sensible and sane thing for the Government of the United States to do is to do what every country that has had any experience in dealing with postal savings has done—make this system useful to the American people. The other day the two houses of the British Parliament in 48 hours appropriated $1,025,000,000 to meet an emergency. The other day the Republic of France converted for the use of the Government over $500,000,000 of its postal savings that it had accumulated by the sale of postal savings bonds for years in that country. The opportunity presents itself to the United States Government to build up and make one of the most effective arms of Government support in the Postal Savings System and stabilize the low rate of interest heretofore maintained for our bonds. And yet by the act of 1910 and by amendments thereto they have thrown every limitation and restriction around the use of these banks that would drive investors away instead of inducing them to invest in them.

For instance, let me give you one illustration. Suppose my friend from Colorado [Mr. SELDOMRIDGE] had on deposit $100 in Denver, and he looked at his certificate and saw that his interest was due, how could he collect it? Could he go to the post office in Washington and collect his interest? No; he would have to go down and get a lawyer, if he was not a good enough one himself, to draw a power of attorney, and send that certificate, with the power of attorney, to Denver, Colo., designating a specific person to collect his interest; and that person would return it by money order, which would practically consume the interest. Now, under the present system, this bank will never be used extensively. This year it will be run at a loss of $300,000, and I am willing to wager a burned ginger cake on that proposition. This legislation is not going to bring any more money into the Postal Savings System——

Mr. MOON. Will the gentleman allow me to interrupt him?

Mr. HOWARD. I yield to the gentleman.

Mr. MOON. I want to give the gentleman the information that the department has given to me, that there will be no loss at the end of this fiscal year.

Mr. HOWARD. I have heard that statement made before, and I say, after four years' close study of the Postal Savings System, that the department is dead wrong, and the future will prove it. Now, who uses the postal savings bank? Foreigners use it, because they are accustomed to using this system in their own country. Practically every country in Europe has a postal savings system, and the foreigners understand it and know how to use it; but when you come to use the system of the Government of the United States there is every restriction and everything on the face of the earth to prevent a man's using it and nothing to encourage it.

What class of American citizens use the postal savings bank? Those who are skeptical of the stability of the savings institutions of the country use it. These people want a simple, everyday, common-sense method of depositing and withdrawing money.

Now, in the State of New York, from which very many distinguished gentlemen hail who are on the floor of this House, they have savings deposits of $2,368,000,000 this minute. One bank—the Bowery Savings Bank, in New York City—has over $100,000,000 on deposit this minute. The Savings Bank of Boston, Mass., has on deposit over $100,000,000.

Mr. BUTLER. Mr. Speaker, I doubt very much whether there is a quorum on the floor of the House, and I will ask the Speaker to ascertain. I make the point of no quorum.

Mr. MOON. I will ask the gentleman to withhold that for a few minutes, until we get through with this.

Mr. BUTLER. I can not do it if the gentleman voted for the resolution the other day.

The SPEAKER. The gentleman from Pennsylvania makes the point that there is no quorum present. The Chair will count. [After counting.] One hundred and thirty-seven Members present—not a quorum.

Mr. UNDERWOOD. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The SPEAKER. The Doorkeeper will lock the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll.

The Clerk proceeded to call the roll, and the following Members failed to answer to their names:

Adair	Browne, Wis.	Dies	Flood, Va.
Aiken	Browning	Dillon	Foster
Ainey	Brumbaugh	Dooling	Fowler
Ansberry	Calder	Doolittle	Francis
Anthony	Candler, Miss.	Eagle	Frear
Aswell	Church	Edmonds	Gardner
Austin	Clancy	Elder	George
Barchfeld	Claypool	Esch	Gill
Barkley	Cooper	Estopinal	Glass
Bartlett	Copley	Fairchild	Gordon
Bell, Ga.	Covington	Faison	Graham, Ill.
Brown, N. Y.	Crisp	Finley	Graham, Pa.

Gregg	Kent	Morgan, La.	Smith, Md.
Griest	Kettner	Mott	Smith, N. Y.
Guernsey	Kless, Pa.	Murdock	Smith, Saml. W.
Hamill	Kindel	Neeley, Kans.	Steenerson
Hamilton, Mich.	Kirkpatrick	Padgett	Stevens, N. H.
Hardwick	Knowland, J. R.	Paige, Mass.	Stout
Hart	Lafferty	Peters	Stringer
Hayes	Lazaro	Platt	Switzer
Heflin	L'Engle	Plumley	Taggart
Helgesen	Lenroot	Porter	Underhill
Hensley	Lewis, Pa.	Powers	Vare
Hill	Linthicum	Rainey	Wallin
Hinds	Loft	Riordan	Watkins
Hinebaugh	McGillicuddy	Rubey	Whaley
Hobson	McKenzie	Sabath	Wilson, N. Y.
Hoxworth	Mahan	Scully	Winslow
Johnson, Ky.	Martin	Sells	
Jones	Merritt	Shackleford	
Kennedy, R. I.	Miller	Sherley	

The SPEAKER. On this call 309 Members have responded to their names—a quorum.

Mr. UNDERWOOD. Mr. Speaker, I move to dispense with further proceedings under the call.

The SPEAKER. The gentleman from Alabama moves to dispense with further proceedings under the call.

The motion was agreed to.

The doors were opened.

The SPEAKER. The gentleman from Tennessee has 11 minutes remaining.

Mr. MOON. Mr. Speaker, I yield three minutes to the gentleman from New York [Mr. OGLESBY].

Mr. OGLESBY. Mr. Speaker, I am opposed to the limitation of $1,000. There might be some reason for limiting the amount that a man may deposit within a special period—a month or two months—in order to prevent funds used or required for business purposes, and which would naturally be deposited in commercial banks, from going into these savings banks. But where a man deposits his savings only I can see no good reason for limiting the amount. It simply results in the man putting in the amount he is allowed to deposit and then the additional amount in the name of some other member of the family.

It seems to me that there can be no excuse for the nonpayment of interest on the second $500. This postal savings bank is not established for the benefit of the Government, but for the benefit of poor people.

The chairman of the committee tells us that this year the difference between the 2½ per cent which the banks are required to pay the Government and the 2 per cent which the Government pays the depositors is sufficient to pay the expenses of the administration of these banks. Naturally the profit of one-half per cent on the amount on deposit will increase as the deposits increase. If we can encourage these deposits we will enlarge the amount of the expense fund, and it will be very much easier for the Government to administer it.

Mr. BORLAND. Will the gentleman yield?

Mr. OGLESBY. Yes.

Mr. BORLAND. The gentleman says that the postal savings bank was established for poor people; does not he think that there is a limit to the amount that poor people would deposit? After you get above $1,000 deposit, would not that be made by people of accumulated wealth?

Mr. TOWNSEND. I understood the gentleman to say that the bank was established for the people and not for the Government.

Mr. BORLAND. I understood him to say it was established for the poor people.

Mr. OGLESBY. The man of means who has money to invest will make an investment which will return him more than 2 per cent. If he wants to use it commercially it would be of no use to deposit it in the postal savings bank, and especially if he is limited to $50 or $100 a month he would not use the postal savings banks to get that small return.

Mr. BORLAND. If a man has more than $1,000 saved up he is apt to find some other place to invest it.

Mr. OGLESBY. That may be, but it does not necessarily follow. It is the proposition that on the second $500 no interest is to be allowed that seems to me to be particularly objectionable. I see no reason why, if the Government takes on deposit $1,000, it should not pay interest on the second $500 the same as on the first. It receives interest from the banks on the total deposits. The more money deposited the larger the expense fund and the less proportionate cost to administer the postal savings bank. I think deposits should be encouraged.

Mr. GOLDFOGLE. Will the gentleman yield?

Mr. OGLESBY. Certainly.

Mr. GOLDFOGLE. I quite agree with what my colleague has said. I want to ask him whether, in view of the fact that we have had failures of many private banks such as we had on the east side of New York, it would not be right that the postal savings bank pay interest on the entire thousand dollars, especially, too, in view of the fact that so much has been said in the press that there are so many people who keep money hidden away or hoarded up in secret places, whereas they might be induced to deposit in the postal savings bank if they would get 2 per cent on the additional $500 which, under the agreement of the conferees, is not to bear interest.

Mr. OGLESBY. That is my view.

A great majority of the deposits in the postal savings bank are made by people of foreign birth—people who are largely ignorant of our laws and unfamiliar with our language. They have had unfortunate experiences with so-called private bankers who have gotten their confidence through being able to speak their language, only to abuse it. These experiences have made them suspicious of all banking institutions. This leads to the hoarding of money or the sending it out of the country. It would not be deposited in any of our banks directly, but can be kept in the country and in circulation through the medium of a Government-administered postal savings bank, for all of the people have absolute confidence in the solvency and integrity of Uncle Sam. The postal savings bank should not, and, if properly conducted will not, be a burden on our National Treasury, and can and should be so conducted that it will be of great benefit, especially to our laboring classes. To refuse interest on deposits in excess of $500 will be to erect a serious barrier to its success by discouraging deposits, and without reason.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. MOON. Mr. Speaker, I yield one minute to the gentleman from Ohio [Mr. BATHRICK].

Mr. BATHRICK. Mr. Speaker, in this short time I wish to call attention again to that which has been already said, namely, that while we have raised the amount that can be deposited to $1,000 we have limited the interest which will be paid to $500, and that of itself is a limitation upon the thousand-dollar deposit. The experience of the past has shown that very little money is deposited on which no interest is paid; that if you limit the interest paid on the second $500 it is in fact a complete limitation on the amount that will be deposited. I hope this amendment will be arranged so that interest can be paid on the second $500, and that we will offer this inducement to the people of this country to put their money in the postal savings banks.

Mr. MOON. Mr. Speaker, I yield to the gentleman from Washington [Mr. FALCONER].

Mr. FALCONER. Mr. Speaker, the postal savings bank is a live subject from one end of this country to the other. The first and original purpose of its establishment was to serve the public and bring more closely together the loaning and borrowing public. It is the desire of the country to eliminate as much as possible the expense that generally attends the transaction of this exchange. The fact is that the man who owns and deposits the money with the Government gets only 2 per cent, while the man who borrows that same money pays 6 or 8 per cent. The institution that acts as the agent of exchange makes more money out of the transaction than the owner of the money. Why not enlarge the scope and usefulness of this Government institution?

This bill, from all appearances, is in the hands of its enemies. I understand the chairman of the committee to say that he does not favor the postal savings bank.

I can not subscribe, Mr. Speaker, to the limit of $500 on which interest shall be paid. Why not take the limit off of the amount of deposit and pay interest on all money placed in the postal savings bank? No man is going to put $1,000 on deposit if he gets interest on only $500.

The tendency and the effect will be to lessen the amount of money deposited in postal savings banks. I would oppose this bill if I had anything better to vote for. It is a sorry disappointment to the country. Many men in the country hoped for greater deposits, even at an increase of interest paid.

The banks would gladly pay 3 per cent for this money, if left on deposit for any length of time. In my State the banks fight for State money, and pay interest on daily balances. And, sir, if the banks will not pay more than the amount of interest suggested by the conference committee, I am certain safe and legitimate avenues for loans can be developed by Government farm-loan banks. The Government owes this to the country. The much-talked-of 30 and 50 year term farm loans are not desired in this country. Five or ten years is long enough in America under our land conditions, and would suit the American farmer.

If I may use the expression, the "psychological" effect of a 30 to 50 year loan would be disquieting to a live American, but the 5 or 10 year term would fit in in connection with the

postal savings bank. The Government might loan the money, not to a commercial bank, but to a farm-loan bank. I regret, Mr. Speaker, that the administration does not show a disposition to meet the demands of the country.

Mr. MOON. Mr. Speaker, I yield to the gentleman from Illinois [Mr. MANN] five minutes.

Mr. MANN. Mr. Speaker, I would like first to congratulate the House and the country upon the speedy recovery to full health of our friend the gentleman from New York [Mr. FITZGERALD], who appears on the floor to-day.

The present law permits the deposit of $500 in the postal savings bank at interest. The House passed the bill to take off the limit on the amount which could be deposited, but as to the limit of $500 on the amount which could draw interest we raised it to $1,000. The Senate passed the bill making the limit on the amount which could be deposited $1,000, and reduced the limit on the amount to receive interest to $500. You see there was a gradual descent from what the House did. The conferees make the deposit of $1,000 dependent on the will of the trustee.

For myself I am in favor of the position which the House took, taking off the limit on the amount which could be deposited entirely. But I do not criticize the conferees for not having secured an agreement with the Senate conferees to that effect, because the Senate conferees probably are not as enthusiastic for postal savings banks as I am or as the House is, although I think the conferees made a mistake in agreeing to the provision in the form that it is.

Under the existing law the President may at any time invest 30 per cent of the deposits in Government bonds. There was a strong contest in this House when the original postal savings bank bill was passed. The bankers wanted all of the deposits placed in the banks. Many of us wanted to give the Government the power to invest all the funds in Government bonds, and a compromise was finally effected by which the Government might at any time invest 30 per cent in Government bonds and deposit 65 per cent in the banks. I would be in favor of giving the Government the power to invest more than 30 per cent in Government bonds, but this conference report takes away entirely the power of the Government, under ordinary circumstances, to invest one cent in Government bonds.

The existing law permits the President, when public interests require, to invest all of the money in Government bonds; but this bill as now presented only permits any of the money to be invested in Government bonds in case of an exigency.

Mr. TOWNSEND. In case of war or other exigency.

Mr. MANN. In case of war or other exigency. They might just as well have left the "war" out, but an exigency does not mean usual conditions. An exigency does not mean that the President can keep the funds invested in Government bonds. An exigency in the very nature of it is not continuous and can not last. It is only in case of an exigency, and the President must find that there is an exigency involving the credit of the United States before he can invest any of the money in Government bonds. I do not know whether it would be possible to reject the conference report, because we have such a large attendance in the House now for voting purposes, which is not in the House for listening purposes, and even if one could convince all who heard him, he would not win when it came to a vote. If it were possible, it ought to be rejected, and the conferees should go back to conference and secure and preserve the right on the part of the Government to invest a portion of these funds at all times in Government bonds, because the requirement that all of the money in ordinary circumstances shall be invested in the banks is purely in the interest of the banks. They have been fighting for that proposition all of the time. I am not in favor of turning it over to the private banks of the country. [Applause.]

Mr. MOON. Mr. Speaker, I yield half a minute to the gentleman from New York [Mr. GOLDFOGLE].

Mr. GOLDFOGLE. Mr. Speaker, within the moment allotted to me I can not state more fully than I did when I undertook to interrupt my colleague [Mr. OGLESBY] the reasons why I would advocate that interest be allowed on the entire $1,000, which under the conference agreement may be deposited, and why, in my opinion, a larger sum than $1,000 should not be receivable by the postal savings banks from any individual depositor. So I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. MOON. Mr. Speaker, I move the previous question on the adoption of the report.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

Mr. BATHRICK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BATHRICK. Is it not in order now to offer an amendment to this report?

The SPEAKER. It is not.

Mr. HOWARD. Mr. Speaker, I desire to sumbit a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HOWARD. As I understand the situation, the House either agrees to the conference report or not. What would be the result if the House failed to agree to the conference report?

The SPEAKER. It would disagree to it.

Mr. HOWARD. Would there be a further conference on the part of the conferees?

The SPEAKER. The House could do what it pleased. It could ask for a further conference, and it could instruct the conferees, and so on.

The question is on agreeing to the conference report.

The question was taken; and on a division (demanded by Mr. MOON) there were—ayes 97, noes 63.

Mr. BATHRICK. Mr. Speaker, on that I demand the yeas and nays.

The SPEAKER. The gentleman from Ohio [Mr. BATHRICK] demands the yeas and nays. Those in favor of ordering the yeas and nays will rise and stand until counted. [After counting.] Nineteen members have risen—not a sufficient number—and the yeas and nays are refused.

Mr. BATHRICK. Mr. Speaker, I make the point of order that there is no quorum present.

Mr. FITZGERALD. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. FITZGERALD. Mr. Speaker, the House having refused to order the yeas and nays, is not the conference report adopted?

The SPEAKER. The Chair thinks it is.

Mr. BATHRICK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BATHRICK. If the point of order is not withdrawn, will I not get a vote automatically upon this proposition?

The SPEAKER. The Chair thinks not.

Mr. BATHRICK. Then I withdraw the point of order that there is no quorum present.

So the conference report was agreed to.

ORDER OF BUSINESS.

Mr. GARRETT of Tennessee. Mr. Speaker, I ask unanimous consent to address the House for not exceeding 10 minutes upon a matter with respect to the business of the House.

The SPEAKER. The gentleman from Tennessee asks unanimous consent to address the House for not exceeding 10 minutes on a matter pertaining to the business of the House. Is there objection?

Mr. MANN. I object.

EXTENSION OF REMARKS.

Mr. OGLESBY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD upon the postal savings banks bill.

The SPEAKER. The gentleman from New York asks unanimous consent to extend his remarks in the RECORD upon the postal savings banks bill. Is there objection?

There was no objection.

PERSONAL EXPLANATION.

Mr. FITZGERALD. Mr. Speaker, I ask unanimous consent to address the House for three minutes.

The SPEAKER. The gentleman from New York asks unanimous consent to address the House for three minutes. Is there objection?

Mr. MANN. I object. I am afraid the gentleman might tax his strength.

Mr. FITZGERALD. Mr. Speaker, then I rise to a question of personal privilege.

The SPEAKER. The gentleman will state it.

Mr. FITZGERALD. Mr. Speaker, through a misunderstanding, for which I am wholly responsible, a request was made to the House that I be excused from attendance upon the House on account of illness. I have not been ill, and the request should not have been submitted to the House. The request was due to a misunderstanding for which I am personally responsible. I left the city on Sunday night for two purposes, one to arrange for the circulation of petitions in my district in order to have my name submitted for nomination upon the Democratic ticket in the coming primary in the State of

New York, and the other to attend a Democratic conference at Saratoga, N. Y., which was held in lieu of a State convention. Those were the only reasons for my absence. During my absence the House adopted an order directing the Sergeant at Arms to deduct from a Member's salary, under the law, the pro rata amount due each Member per day, for each day that he is absent. As I do not come within the exceptions made in the order, and as the leave of absence to me was granted by a misunderstanding, there will be no advantage attempted to be taken by me of the order, excusing me from attendance in the House. I thought, perhaps, it proper to make this statement, to avoid any misapprehension or misunderstanding.

Mr. Speaker, since this session of Congress convened in December last I have been absent up to last Sunday night, as nearly as I can estimate up to the present time, 5 legislative days. Two of them were during a period I had intended to include in a week's vacation, starting about 10 days or 2 weeks ago. After I had been absent 2 days I was recalled by an urgent message, because of the European situation requiring action by the Committee on Appropriations on certain legislation. Outside of those 2 days I believe my entire absence from the House since December was for a period of 3 legislative days. I have no apology to make for my absence during the past few days. [Applause.] But I think I voice the somewhat prevailing sentiment in the State of New York when I say that there was some criticism of the action of the House adopting the order which it did adopt at the particular time it adopted it, in view of the fact that the unofficial State convention of the Republican Party had just ended in the State of New York, for which most of the 10 Republican Members of the House had been away for the purpose of attending, while this order was adopted the day preceding the convening of the Democratic conference, at which it was the desire of the 32 Democratic Members from the State of New York to be present. However, so far as I am concerned and the other members of the Democratic delegation from the State of New York are concerned, we have no complaint to make at any action necessary to enforce the attendance of a quorum to transact the business of this House. [Applause.]

ORDER OF BUSINESS.

Mr. GARRETT of Tennessee. Mr. Speaker, the remarks I desired to make were in a measure in the interest of the enforcement of the recent order by the Sergeant at Arms. I renew my request that I may be permitted to speak for not exceeding 10 minutes.

Mr. MANN. I shall object. Go ahead with your other public business.

EXTENSION OF REMARKS.

Mr. LIEB. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting correspondence between S. L. May, president of the National Contract Co., of Evansville, Ind., and Lieut. Col. F. R. Shunk, of the Goverment Corps of Engineers, Pittsburgh, Pa., who is in charge of some work on the Ohio River.

The SPEAKER. The gentleman from Indiana asks leave to extend his remarks by inserting in the RECORD the correspondence to which he referred.

Mr. MANN. Is there a map in connection with it?

Mr. LIEB. There is no map. This relates to a contract that is now in existence and contains some valuable information of the House.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Carr, one of its clerks, announced that the Senate had disagreed to the amendment of the House of Representatives to the bill (S. 136) to promote the welfare of American seamen in the merchant marine of the United States; to abolish arrest and imprisonment as a penalty for desertion and to secure the abrogation of treaty provisions in relation thereto; and to promote safety at sea, asked for a conference with the House on the disagreeing votes of the two Houses thereon, and had appointed Mr. CLARKE of Arkansas, Mr. FLETCHER, and Mr. NELSON as the conferees on the part of the Senate.

The message also announced that Mr. SMITH of Arizona had been excused from further service as one of the conferees on the bill (S. 657) to authorize the reservation of public lands for country parks and community centers within reclamation projects in the State of Montana, and for other purposes, and Mr. PITTMAN appointed in his place.

The message also announced that the President of the United States had approved and signed bill of the following title:

S. 5198. An act to reserve certain lands and to incorporate the same and make them a part of the Pike National Forest.

CORRECTING ERROR IN H. R. 12045 (PENSION BILL).

Mr. RUSSELL. Mr. Speaker, I ask unanimous consent to discharge the Committee on Invalid Pensions from the further consideration of House joint resolution 327, and to pass the same. It is to correct an error in a bill which was passed.

The SPEAKER. The gentleman from Missouri asks unanimous consent to take up and pass, or to consider, House joint resolution correcting an error in a pension bill. Is there objection? [After a pause.] The Chair hears none. The Clerk will report the joint resolution.

The Clerk read as follows:

House joint resolution 327.

(To correct error in H. R. 12045.)

Whereas by error in printing H. R. 12045, reported by the House Committee on Invalid Pensions, act approved July 1, 1914 (Private, No. 50), makes the designation of the military service of one David Taylor, late of Company B, Fourth Regiment Michigan Volunteer Infantry, to read "Company B, Fourteenth Regiment Michigan Volunteer Infantry": Therefore be it

Resolved, etc., That the paragraph in H. R. 12045, approved July 1, 1914 (Private, No. 50), granting an increase of pension to one David Taylor, be corrected and amended so as to read as follows:

"The name of David Taylor, late of Company B, Fourth Regiment Michigan Volunteer Infantry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving."

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. RUSSELL, a motion to reconsider the vote by which the joint resolution was passed was laid on the table.

WAR-RISK INSURANCE.

Mr. HENRY. Mr. Speaker, I offer a privileged resolution from the Committee on Rules, which I send to the Clerk's desk.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

House resolution 609 (H. Rept. 1119).

Resolved, That immediately upon the adoption of this resolution the House shall resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 6357, to authorize the establishment of war-risk insurance in the Treasury Department; that there shall be not exceeding two hours' general debate, one-half of such time to be controlled by the gentleman from Georgia, Mr. ADAMSON, and one-half by the gentleman from Minnesota, Mr. STEVENS. At the conclusion of such general debate the bill shall be considered for amendment under the five-minute rule. After the bill shall have been perfected in the Committee of the Whole the same shall be reported to the House with such recommendations as the committee may make. Whereupon the previous question shall be considered as ordered upon the bill and amendments thereto to final passage without intervening motion, except one motion to recommit: *Provided*, That the adoption of this resolution shall suspend the operation and effect of H. Res. 536, agreed to August 11, 1914, only and until the final disposition of S. 6357.

Mr. METZ. Mr. Speaker, I ask unanimous consent to address the House for three minutes on a matter of interest to the Members, in reference to the condition of manufactures in this country at this time owing to the war abroad, which I think will give some information which Members may desire to convey to their constituents.

The SPEAKER. The gentleman from New York asks unanimous consent to address the House for three minutes. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from Texas [Mr. HENRY] if it is his intention to report a rule for the consideration of the war-risks bill this afternoon?

Mr. HENRY. It is; and I am ready to do so now.

Mr. MANN. Is it expected to adopt the rule and pass the bill to-day?

Mr. HENRY. I think so.

Mr. MANN. Well, I am not willing to stay here until midnight, and I ask that these gentlemen make their requests tomorrow.

The SPEAKER. The gentleman from Illinois objects until to-morrow.

Mr. RAKER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD upon the question of: Is there a shortage of cattle in the United States?

Mr. MANN. Mr. Speaker, I object to any of these requests until this other matter is disposed of.

The SPEAKER. The gentleman from Illinois objects. The gentleman from Texas is recognized.

Mr. HENRY. Mr. Speaker, I think it is proper I should explain the terms of the special rule. It provides that immediately upon the adoption of the resolution the House shall resolve itself into the Committee of the Whole House on the state of the Union for the purpose of considering what is known as the war risks insurance bill. It provides for not exceeding two hours' general debate, to be divided equally between the two

sides of the House. Thereupon, the bill is open to amendment and we allow the utmost freedom of debate on those amendments. Whereupon the previous question shall be considered as ordered upon the bill and all amendments thereto, allowing the usual motion, which the rule permits, to recommit the bill, and it supersedes the resolution which was adopted providing for the consideration of the conservation bills only until this resolution is disposed of and the Senate bill which we are to consider is finally decided by the House. Those are the provisions of the special rule. Now, I will yield——

Mr. ADAMSON. Will the gentleman yield to me?

Mr. HENRY. Yes.

Mr. ADAMSON. The rule, I observe, states that the House will resolve itself into the Committee of the Whole House on the state of the Union, and I would like to know if the committee thinks it means it automatically goes into the Committee of the Whole House or would we have to move to go into the Committee of the Whole House?

Mr. HENRY. I think undoubtedly the House resolves itself automatically into the Committee of the Whole.

Now, how much time does the gentleman from Kansas [Mr. CAMPBELL] desire?

Mr. CAMPBELL. I desire 30 minutes.

Mr. HENRY. I yield to the gentleman 30 minutes of my time, and I ask that it be understood that he shall use 30 minutes and I reserve the balance of my time.

The SPEAKER. The gentleman from Texas yields 30 minutes to the gentleman from Kansas, and reserves the balance of his time, which is 27 minutes.

Mr. CAMPBELL. Mr. Speaker, after I have used five minutes I would like to have it called to my attention.

The bill, Mr. Speaker, provided for in this rule is not a subject for partisan consideration. The world is to-day witnessing the greatest tragedy in human history. The flower of the manhood of Europe is being sacrificed by thousands every day in cruel war. Life is being given up without stint, and in the track of war there is waste of every kind. Widows and orphans are multiplying by thousands, poverty and hardship of every kind are being increased, and there is no prospect of a cessation of the hostilities that make these most deplorable conditions.

The war is not abating; on the contrary those engaged in war are increasing in numbers. The belligerents include practically all the East and a part of the Far East. This is a time for the most serious consideration by the American people and by the American Congress of what they do. There has been no such time in the United States for years.

Mr. Speaker, I read with no satisfaction of the opportunities for extending American trade under these circumstances at this time. If the real cause for the war, of the human slaughter that is daily occurring in Europe, were sought, it would perhaps be found in jealousy because of the extension of the commercial influences of nations. In view of this, it occurs to me that we should proceed most cautiously with the steps that we now take for the extension of the commercial interests of the American people. I take it that no American citizen to-day, no matter how much he may be interested in the extension of our commerce, would take a step that might tend in the remotest degree to involve the American Nation in this almost universal war. Here is the situation: We are the one great Nation of the earth to-day that is neutral, and our neutrality is real. There is no partiality in the United States to-day for any of the belligerents in Europe or Asia. The blood of every nation at war in Europe flows in our veins.

If, then, we extend by affirmative legislation the commerce of our country within the zones heretofore controlled by those now at war, in what light do we stand with those people? That is the first question that suggests itself to me. The second is, that most of the commerce in which we would engage is contraband of war. Our wheat, our corn, our meat of every character, our products of manufacture of almost every variety are, under the London agreement, contraband of war. And both the British and German Governments have so announced to the Secretary of State since this war began.

The SPEAKER. The gentleman has used five minutes.

Mr. CAMPBELL. Thank you, I shall use some more time, Mr. Speaker. Since this war began the London agreement has been accepted by each of those Governments touching contraband of war. Are we not therefore in danger of inviting, not the friendship of the world, but its enmity by taking steps at this time, as we now propose, for extending our commerce? I am anxious for the extension of American commerce, and we have extended it when the world was at peace. But I am fearing that we have not given this subject sufficient consideration. It might have been well—it might be well yet—to have conventions with the belligerent powers and, indeed, to court invitations from these belligerent powers to supply them at this time, when their own industries are prostrated, with the necessities of life. Our State Department has not done this, while two of the belligerents have declared that the products that we propose to take into their markets are contraband of war. These products go upon the high seas at the risk of the shipowner and the owner of the goods. This bill is to guarantee the shipowner and the owner of the goods by the United States. I shall vote for the rule and for the bill, but do so fearing that the administration has taken a step in the wrong direction.

Mr. MOORE. Mr. Speaker——

The SPEAKER. Will the gentleman from Kansas yield to the gentleman from Pennsylvania?

Mr. CAMPBELL. I yield for a question.

Mr. MOORE. This bill is intended to provide a Government guaranty for exports of cotton and grain that shall leave the American shores in foreign bottoms? That is the purpose of it, is it not? It is intended to guarantee exports?

Mr. CAMPBELL. Of every character that is contraband of war. Cotton and cotton goods are not contraband of war under the London agreement nor, as I understand, under the announcement made by the British and German nations to the Secretary of State recently.

Mr. MOORE. May I ask the gentleman this? Cotton and grain are to be protected as war risks under this bill?

Mr. CAMPBELL. But cotton does not have to be protected, because it is not contraband of war. The purpose of this bill is to protect contraband of war on the high seas.

Mr. MOORE. Will imports coming into northern ports be protected likewise? Some of them have already been seized and are now in the prize courts.

Mr. CAMPBELL. It is not a question of protection. It is not a question of insurance. We have not gone so far as to accompany a cargo going out nor to meet a cargo coming in with a man-of-war for the purpose of protecting it.

Mr. MOORE. This is a money protection, as I understand.

Mr. CAMPBELL. It is an insurance.

Mr. MOORE. An insurance system that the Government is organizing because, apparently, some private companies are not prepared to take over this kind of business. In other words, the Government is going into the insurance business by reason of the emergency of the war. My question is, In view of the fact that exports of cotton and grain are to be insured, whether those imports coming into northern ports, some of which have already been seized and are now the subject of prize courts, are to be protected by this kind of insurance, and whether the Government stands back of them?

Mr. CAMPBELL. This resolution is to make in order a bill providing for war risks in the transportation, not of cotton and grain alone—it does not have to protect cotton, because cotton is not contraband of war, nor are cotton goods.

Mr. MOORE. But it would be under certain circumstances?

Mr. CAMPBELL. Not at all. It is not so declared by the London agreement nor by the Governments of Great Britain or Germany to our Secretary of State since the war began.

Mr. PAYNE. Mr. Speaker, will the gentleman yield?

The SPEAKER. Does the gentleman from Kansas yield to the gentleman from New York?

Mr. CAMPBELL. Yes.

Mr. PAYNE. Will the gentleman allow me to refer to the language of the bill?

Mr. CAMPBELL. The bill mentions cotton.

Mr. PAYNE. The language of the bill is—

American vessels, their freight and passage moneys, and cargoes shipped or to be shipped therein, against loss or damage by the risks of war, whenever it shall appear to the Secretary that American vessels, shippers, or importers in American vessels are unable in any trade to secure adequate war-risk insurance on reasonable terms.

It insures everything shipped in American bottoms.

Mr. CAMPBELL. Or in foreign bottoms, if they come from the United States?

Mr. PAYNE. It says "American bottoms."

Mr. BORLAND. There is nothing about foreign bottoms there.

Mr. BRYAN. It says nothing about foreign bottoms.

Mr. CAMPBELL. The reason for the Government giving the insurance proposed is because the risk is so great that private insurance companies that have heretofore given this insurance are unwilling to issue insurance on such a risk.

Mr. MOORE. Mr. Speaker, will the gentleman pardon me for just this one interruption?

Mr. CAMPBELL. Yes.

Mr. MOORE. We have already voted to take over foreign bottoms and give them American registry. We are about to be called upon to expend $30,000,000 in buying foreign ships.

Mr. CAMPBELL. I have not the time to yield for anything but a question.

Mr. MOORE. And this is to insure them?

Mr. CAMPBELL. That is the proposition.

Mr. BORLAND. Mr. Speaker, I want the gentleman to yield to me at that point, if he will.

The SPEAKER. Does the gentleman from Kansas yield to the gentleman from Missouri?

Mr. CAMPBELL. I will yield to the gentleman for a question.

Mr. BORLAND. I just wanted to know, so that the gentleman might call to the attention of the gentleman from Pennsylvania [Mr. MOORE] section 2, which says this insurance is confined to American vessels. It does not extend to foreign bottoms at all.

Mr. MOORE. We have already provided for that.

Mr. BORLAND. It includes cargoes as well as ships, so that the gentleman's question is fully answered by section 2.

Mr. BUTLER. Mr. Speaker, will the gentleman yield?

The SPEAKER. Does the gentleman yield?

Mr. CAMPBELL. I yield to the gentleman from Pennsylvania.

Mr. BUTLER. Does not this proposed legislation offer us a most excellent opportunity to get into a complication with one or more of these foreign powers?

Mr. CAMPBELL. Yes. That is what I fear. But I am disposed to trust the administration that is responsible to the country at this time for the policies it shall adopt. [Applause.]

I reserve the remainder of my time, Mr. Speaker.

The SPEAKER. The gentleman from Kansas reserves 16 minutes.

Mr. HENRY. Mr. Speaker, I will ask the gentleman from Kansas if he has anyone else who wishes to address the House?

Mr. CAMPBELL. I want 10 minutes, and I yield 6 minutes to the gentleman from Texas.

Mr. HENRY. I do not think I shall need it. I will yield 10 minutes to the gentleman from Pennsylvania [Mr. KELLY].

The SPEAKER. The gentleman from Pennsylvania [Mr. KELLY] is recognized for 10 minutes. The Chair desires to ask the gentleman from Kansas if he yields back 6 minutes to the gentleman from Texas?

Mr. CAMPBELL. No. The gentleman from Texas does not desire it. I reserve the remainder of my time.

The SPEAKER. The gentleman from Pennsylvania [Mr. KELLY] is recognized for 10 minutes.

Mr. KELLY of Pennsylvania. Mr. Speaker, the most interesting and eloquent thing I have witnessed during this term of Congress is this exhibition of the ease and facility with which the unwieldy and almost immovable wheels of governmental machinery may be set in motion by the magic power of private profits. The boasted checks and balances of our governmental system which were guaranteed by the founders as ample safeguards against hasty and ill-considered action, and which have served mainly to prevent the passage of humanitarian measures, are like gossamer strands before this urgent demand that certain property interests be insured from possible loss.

The magic power here evidenced is truly wonderful. Everything gives way before it. The bill provided for in this rule is in direct opposition to the fundamental ideas of the majority of the Members of this House. They believe that the Government should keep entirely out of the realm of business which they consider private business, but this measure puts the Government in the insurance business, which they regard as a purely private function.

I confess that I do not hold that view. I do not believe that the Government should keep its hands off everything except the preservation of peace and the maintenance of order. I am in favor of the Government putting its hands on everything where such action means the welfare of all the people.

But I call attention to the fact that the remarkable power which declares that this measure is absolutely necessary is able, first of all, to overcome the fundamental views of the very men whose votes will assure its enactment.

But that is not all, for still other difficulties have been overcome. Every cog and wheel of governmental machinery have been set to whirring with precision at a moment's notice. The Treasury Department has prepared the bill; it has been introduced and referred to the Committee on Interstate and Foreign Commerce; hearings have been held and the testimony printed; a favorable report has been made; the bill has been placed on the calendar ready for consideration.

Still that is not all. The Rules Committee for two months has been a cavern with an immovable stone before its entrance, and no frenzied plea or frantic demand has caused a tremor in its obstructing security. But this measure was the "open sesame" of more than Arabian Nights power, and before it the rock moved aside and an instant entrance was effected. Supporters of woman's suffrage and other measures now on the calendars have tried for months without avail to accomplish what has been done in a moment on behalf of this war-risk insurance bill.

What is the power that is able to work these transformations and revolutions? I find the answer in the report of the hearings before the Committee on Interstate and Foreign Commerce. Mr. Kirlin, of New York City, is testifying and giving the reason for immediate action. He says:

> I shall not claim much time in the discussion of the question of the sufficiency of the American market to take care of this insurance, for the reason that 62 gentlemen who assembled in the office of the Secretary of the Treasury and who represented the chambers of commerce, clearing-house committees, and some shipping organizations all through the West and South, as well as the East, told the Secretary that they could not get their risks insured, as a practical matter, upon any terms that would enable them to sell their products.

When the chairman of the committee asked Mr. Seth Low, of New York City, the chairman of the conference that appeared before the committee, as to what would be the result in the future, Mr. Low said:

> I think the ships will come under the American flag with the ship-registry bill you have passed and with this bill, if it is enacted into law, and the President, of course, under the ship-registry bill has the authority to suspend some features of the navigation laws which at present are very embarrassing. I am not able to say that our American ships will permanently stay under our flag, unless the competition is made even and we are free from all disabilities. If we are, I think you can believe that American energy and American enterprise will keep our ships under our flag.

The chairman, Mr. ADAMSON, then asked:

> They will stay under our flag if the business pays, and if it does not they will not?

Mr. Low answered, "That is it exactly."

Here, then, is the answer. The magic power which starts the governmental wheels of machinery to work under such an emergency as this is the demand for the guaranty of private profits.

I am not saying that no emergency confronts us, nor am I saying that the different steps taken in the rapid consideration of this bill are not justified. But I do declare that this exhibition of what can be done should be an inspiration to those who see in less lurid events and conditions than the war in Europe the presence of an emergency and the need of prompt governmental action.

This is a war-risk insurance bill, and its entire purpose is to protect cargoes of American products shipped on the high seas. It is a dollar-and-cent proposition, and its entire appeal is from that standpoint. What will it do? The testimony before the committee is that its passage will mean that some 200 vessels will be brought under the American flag to take advantage of its provisions. The testimony further shows that the average cargo is valued at $1,500,000. Taking it for granted that these 200 vessels, containing cargoes of that value, will be insured against war risks by the Government under this bill, taking it further for granted that each and every one of the vessels are captured and their cargoes confiscated, the total loss would amount to $300,000,000. These are fanciful suppositions, but we may take them as the very maximum of possible loss.

Early in this term I introduced a measure providing for a social insurance commission. Its purpose is to secure collective action in insuring against accidents, sickness, unemployment—misfortunes which affect the whole Nation as well as the particular individuals who suffer directly. On August 1, 1913, in a speech in the House I urged action, and said:

> The duty of defining the responsibility in each of these sources of waste must rest with Government. Voluntary action has not and can not meet the problems and deal with them. Social and industrial justice will never come voluntarily from great corporations. None of the great combinations of capital, engaged in vast industrial enterprises, will uphold justice when it lessens the golden stream into the strong box. Of the few and halting steps made by certain corporations, and which are pointed out by the forces of reaction as seven-league strides, not one but has been a frankly avowed attempt to increase earnings and dividends.
>
> It requires a power greater than business and industry, a power that represents the interests of all classes, to define justice and to maintain it, and that power in this Nation can be nothing save the power of the people's Government.

Since the day I uttered those words more than 100,000 Americans have given up their lives in accidents on railroads, in mines, and mills, and in the myriad of ways which make up the carnage of peace. Five hundred thousand Americans have been seriously injured at their daily work, with the uncounted toll such accidents levy upon dependent ones. The cost of such a toll in dollars and cents can only be measured approximately, but George E. McNeill, of the International Underwriters' Association of America has evolved a system of computation which, if followed out, would indicate that the annual loss of earnings alone to the workers of this Nation through accidents is

$350,000,000. That is a greater loss than all the cargoes of all the ships planned for under this bill. Why should not such a loss, occurring every year, be recognized as an emergency which would set all the wheels of governmental machinery into motion?

Sickness and unemployment cause even greater loss. One million two hundred thousand persons between the ages of 20 and 65 have been continuously ill during the past twelvemonth. Figuring their earnings at the average yearly income of all wage earners, $435, the direct dollar-and-cent loss would be $500,000,000 and more. Unemployment during the most prosperous times affects one out of every five wage earners, and the loss in earnings from that source alone every year approaches $900,000,000. Why is not such a ruthless waste sufficient to stir governmental action as quickly as a threatened loss on the high seas?

I believe the passage of this war-risk insurance bill will hasten the passage of a social-insurance measure. I believe that the people will realize that if it is advisable to take collective action to insure cargoes against loss it is far more advisable to take collective action to insure justice and equity and a fair chance to human beings. It may seem a far cry from this step to the one advocated in my bill for social insurance, but the trend is the same. Even the emergencies which come upon us by chance and without direction may lead to action which should rightfully have been taken long ago. It is to be regretted that statesmen allow such vital action to be taken only in emergency and do not seek to control and direct a logical trend toward justice and the protection of human rights as well as property rights.

I believe that this admission on the part of great private concerns that they can not perform the task that confronts them and must have the helping hand of Government is something well worth noting by every American. These interests do not cry out against paternalistic action when the benefits come to them. It should be the part of Congress to see that this function once undertaken be continued. The Government should not take all the risk during such times as these and then when the hazards are over turn the insurance back to those who retreated in time of danger and stress. The Government can continue this business permanently and efficiently, as it does the parcel post, and in a way to promote the welfare of the American people.

Mr. GOLDFOGLE. Will the gentleman yield for a question?

The SPEAKER. Does the gentleman from Pennsylvania yield to the gentleman from New York?

Mr. KELLY of Pennsylvania. I have not time to yield. I have only a moment.

The SPEAKER. The gentleman declines to yield.

Mr. KELLY of Pennsylvania. Mr. Speaker, I believe that out of this remarkable exhibition of governmental celerity will come something that will be still more eloquent. We will see that if it is possible to set all the machinery into motion—if it is possible to turn completely from theorizing to action, on the ground of emergency which endangers private profit—it is possible and advisable to do all this for the sake of the human interests of this Nation. [Applause.]

The SPEAKER. The time of the gentleman has expired.

Mr. HENRY. Mr. Speaker, I yield four minutes to the gentleman from New York [Mr. GOLDFOGLE].

The SPEAKER. The gentleman from New York is recognized for four minutes.

Mr. GOLDFOGLE. Mr. Speaker, the purposes of the bill for the immediate consideration of which the rule is offered must be obvious to the membership of this House. It is an emergency measure, and the existing war conditions call for the immediate passage of the bill. I congratulate the gentleman from Kansas [Mr. CAMPBELL], my colleague on the Rules Committee, for his patriotic expressions and his fair statement that there is no partisanship or politics in the measure. Our cotton, wheat, corn, and other products are awaiting shipment to the other side, yet private companies and private capital will not or can not adequately undertake to insure the cargoes against the risks that are now, in view of the European war, incident upon the sea.

It is proposed that our Government's undertaking to insure against war risks is to be only temporary and to meet the present emergency. But the gentleman from Pennsylvania [Mr. KELLY] suggested that the bill and the insurance it contemplates was in the interest of private capital. In this he is, I feel certain, seriously mistaken. If private capital can not or will not undertake to insure against these war risks—and they surely are great and many—why should the Government hesitate to lend its aid in the effort to transport our products across the sea and thus expand our commerce, promote our trade, facilitate our business interests, and bring back to our land gold for our commodities?

Mr. KELLY of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. GOLDFOGLE. I have not time now.

The SPEAKER. The gentleman declines to yield?

Mr. GOLDFOGLE. The gentleman from Kansas [Mr. CAMPBELL] inadvertently, I think, said this bill was intended to effect insurance upon contraband of war, among other things. I desire to correct that statement. The gentleman in making it was in error. The insurance is not to be on contraband goods. It is to be against loss or damage of American vessels, their freight, passage moneys, and cargoes shipped or to be shipped therein.

We all keenly appreciate and deplore the awful and terrible conditions that have arisen out of the war. Let us here who happily dwell in peace do whatever lies in our power to relieve our people from the stagnating effects the war may have upon our international commerce and our trade abroad. The measure proposed will to a great extent meet a most pressing need. The conference that recently met to consider this problem of war-risk insurance was composed of some of the most representative and best-informed men in the business, commercial, and financial world. They have approved the system which the bill provides. I am indeed glad that the administration favors the immediate passage of the bill, and it seems to me that every consideration of American patriotism, every consideration of business interest and necessity, every earnest desire to benefit our people by promoting trade and commercial activity, should move the Members of this House, without a dissenting vote, to pass the rule.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. HENRY. Mr. Speaker, I yield three minutes to the gentleman from Missouri [Mr. BORLAND].

Mr. BORLAND. Mr. Speaker, this bill is needed by the country, whether we regard it from the narrower standpoint of the necessity for an outlet of our own trade and the extension of a market for our own products, in view of the present condition abroad, or whether we regard it from the broader standpoint of humanity—that of the need of foreign nations for those products. To me commerce is reciprocal in its beneficence. I have never seen the sinister phase of commerce that the gentlemen here have referred to.

I congratulate the gentleman from Kansas [Mr. CAMPBELL] on some of the broad sentiments expressed in his speech and upon his determination to support the measure, but I realize that he does it feeling that under the doctrine of the party in which he is such a conspicuous member the extension of the American trade is not a desirable thing; that we ought, for some reason or other, to include America in some sort of a Chinese wall. I also sympathize with the gentleman from Pennsylvania [Mr. KELLY] in his desire to extend the benefits of governmental activity to the wage-earning class; and yet I can not agree with the doctrines of his party, if they are the doctrines, that a profit made by American business men is necessarily and inherently sinister. I do believe in the doctrine of the Democratic Party and the Democratic administration—that the thing for Congress to do in this emergency is to set American business free, and that is what we are trying to do in this bill.

Mr. KELLY of Pennsylvania. Will the gentleman yield?

Mr. BORLAND. Yes.

Mr. KELLY of Pennsylvania. The gentleman favors the proposition for war-risk insurance?

Mr. BORLAND. Yes.

Mr. KELLY of Pennsylvania. Would you continue it in case it works well beyond the time of the war?

Mr. BORLAND. I am not at all sure but that I would.

Mr. KELLY of Pennsylvania. After the emergency is over, if it does the business more efficiently than the private interests would do it, would the gentleman continue it?

Mr. BORLAND. I am not at all certain but that I would, although I have not considered the question. To-day we are confronted with cargoes of American products waiting in the harbors to set sail for places where the world needs those products. When we say that this measure sets commerce free we mean not only men who stand at the head of the commercial interests of the world, but every honest producer and wage earner. The producer whose labor has entered into these great products is under the protection of this bill. Commerce is widespread in its beneficial interests. It is universal in its ramifications. Every man who takes a dinner pail and goes to a factory and puts in eight hours' work is entering into commerce and creating the material wealth of the world. Every

farmer who produces a crop is entering into commerce, and this measure is for the benefit of all. [Applause.]

Mr. CAMPBELL. Mr. Speaker, I yielded four minutes to the gentleman from Missouri [Mr. BARTHOLDT].

Mr. BARTHOLDT. Mr. Speaker, I am frank to confess that I have serious misgivings regarding this legislation. I am not quite sure whether if this bill is put upon the statute books it will not indirectly involve us in the danger of violating our neutrality, and for this reason: Of course I am in favor of extending and expanding American trade, but it is questionable in my mind whether that extension should be had at the risk of jeopardizing our neutral position, and whether it will be a beneficial thing if we know in advance that the bill would have a one-sided or partial effect. I am quite certain that these American ships which are to carry our grain and cotton to Europe will land exclusively in British ports. They will, of course, make the excuse that the channel being mined and the North Sea being mined they could not proceed any farther than British ports. Consequently this extension of the American trade must result in succor to belligerent nations and only the belligerents on one side, and not on the other. It will benefit England and France to the exclusion of Germany and Austria. I merely wish to submit these considerations to the careful thought of the House.

It is well known, Mr. Speaker, that for a hundred years American diplomacy has tried to secure immunity of private property at sea in time of war. At every peace conference we have iterated and reiterated our position in favor of such immunity. Is it not strange, Mr. Speaker, that not a word is said in the newspapers how necessary such immunity is to-day? The only nation on the globe which has prevented an international agreement in favor of immunity of private property at sea is Great Britain. She has contended for a continuation of the piracy which, unfortunately, is now the rule in the world.

Mr. STAFFORD. Will the gentleman yield?

Mr. BARTHOLDT. No; I have only a few minutes.

Mr. STAFFORD. The gentleman is in error.

Mr. BARTHOLDT. I am not in error. The United States Government has gone on record for a hundred years in favor of it. At the first and the second Hague conferences our delegates demanded an agreement in reference to the immunity of private property at sea in time of war, and all other nations were willing to join hands with us. England prevented that agreement.

Mr. KINKEAD of New Jersey. Will the gentleman yield?

Mr. BARTHOLDT. Yes.

Mr. KINKEAD of New Jersey. I had the honor to be a delegate with my colleague from Missouri; and I want to verify the statement that he is now making in regard to the conference at The Hague. [Applause.]

Mr. BARTHOLDT. Mr. Speaker, I thank my colleague from New Jersey for affirming my statement. Again I call attention to the fact that these ships sailing under the American flag will under no circumstances be able to reach Germany or Austria, and the practical effect of this legislation will simply be to feed England.

The SPEAKER. The time of the gentleman from Missouri has expired.

Mr. HENRY. Mr. Speaker, I hope the gentleman did not intend to criticize any of the belligerents in the troubles now going on over on the European Continent. If he did so, I regret very much that he saw fit to go that far.

Mr. Speaker, in this great crisis of the world it is properly and entirely wise, I think, that we should pass this emergency bill, and in view of what has been said here I do not think I can better state the purpose of the bill that is to be considered after the resolution is adopted than to read several lines from the splendid report accompanying the bill. This report is lucid, strong, and, I think, a most convincing document, and I read this part of it:

> This bill is rendered necessary by reason of conditions arising from the state of warfare existing among different nations at the present time. It is an emergency measure to continue in force only so long as the emergency exists. It creates in the Treasury Department a bureau of war-risk insurance for the purpose of insuring American ships and cargoes shipped therein against loss or damage by the risks of war.
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> A conference called by the Secretary of the Treasury to consider the grain export and the foreign exchange and shipping situation met in the Treasury Department August 14, 1914, with 62 representatives of business, trade, shipping, and banking attending. It was the consensus of opinion at the conference that one of the pressing questions of the present time was the provision of means for transporting grain, cotton, and other merchandise abroad and war-risk insurance.
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> The enlarged registry of American ships and action by the Government supplementing what private companies might be able to do in connection with insurance would rapidly solve the question of exports of grain and cotton and of foreign exchange. Foreign exchange, it was declared, will find its equilibrium when the United States gets the ships and moves the grain. To illustrate the pressing need, representatives at the conference called attention to the congestion of American grain and other staples at the seaports and in the interior awaiting transportation. It was pointed out that Great Britain, France, and Belgium are now insuring the vessels and cargoes flying their respective flags against war risks.

That states the case, and I believe that the emergency calls for action, and that this bill should be speedily passed. Therefore, Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The question was taken; and on a division (demanded by Mr. BUTLER) there were—ayes 114, noes 2.

So the resolution was agreed to.

The SPEAKER. The House will automatically resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 6357, the war-risk insurance bill, and the gentleman from Tennessee, Mr. GARRETT, will take the chair.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 6357, with Mr. GARRETT of Tennessee in the chair.

The CHAIRMAN. The Clerk will report the bill.

The Clerk reported the bill by title.

Mr. ADAMSON. Mr. Speaker, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. ADAMSON. Mr. Speaker, I yield to the author of the House bill, the gentleman from Missouri [Mr. ALEXANDER], such part of 20 minutes as he desires to use.

Mr. ALEXANDER. Mr. Chairman, the conditions confronting us at this time grow out of the war in Europe. We have had no agency in creating the conditions, but we are the victims of the war in Europe. Many emergencies have arisen, and will continue to arise while this war is in progress, that may demand emergency legislation on the part of Congress. It would be a reproach to our form of government if there were a lack of power in the Government to frame legislation to meet these emergencies. This same committee of 62 business men, representing the commercial, shipping, and banking interests of the country, to which attention has been called, came to Washington and urged the passage of the ship-registry bill, admitting foreign-built ships to be registered under the American flag for the foreign trade. It is a matter of common knowledge that about 92 per cent of our commerce has been for many years past carried in foreign ships, and the most of it in ships belonging to the belligerent nations, Great Britain being our principal carrier. When war ensued in Europe the German ships, the British ships, the French ships, and those of other maritime nations in Europe now engaged in war, with some few exceptions, were compelled to suspend operations. The result has been a paralysis of our foreign commerce. It has been said that we should exercise caution; that we should avoid international complications; that we should be careful to observe the laws of neutrality. I thoroughly agree with those who express that opinion; but in view of the fact that in the past 92 per cent of our foreign commerce has been carried in foreign ships, and the merchant ships of other nations now involved in war are no longer available for our commercial purposes, emphasis is given to the necessity for us to provide a merchant marine of our own.

In years past we were content to let the merchant marine of foreign nations carry our commerce, although many thoughtful men knew the time would come when it would be necessary for us to have a merchant marine of our own, and this present crisis only emphasizes the great importance of our providing a merchant marine for ourselves in peace, if we would meet and provide for such emergencies as confront us at the present time. It is an object lesson to the American people that should not be forgotten as soon as the present emergency passes. We are the victims of conditions in Europe, and, as I said, without any fault of our own. It was thought by some that if we passed the shipping bill American capital would invest in foreign ships and bring them under our flag and meet present conditions and open up the way for our commerce in the foreign trade. Capital is always timid; it is not inclined ever to take any unnecessary risks. No sooner had we passed the ship-registry bill than the same gentlemen—and, I think, with much reason, in view of the action of the belligerent nations in Europe in undertaking to carry the war risk on their own vessels—insisted that Congress should pass an act authorizing the Government to carry the war risk on vessels under the American flag and their cargoes. It was urged that a bureau of war-risk insurance be created in the Treasury Department or some other department

of the Government to carry the war risk on vessels under our flag.

Mr. MOSS of West Virginia. Mr. Chairman, will the gentleman yield?

Mr. ALEXANDER. Yes.

Mr. MOSS of West Virginia. I noticed in the registry bill that the term "foreign-built ships" is used. I notice in section 2 of the bill under consideration the expression is used, "make provisions for the insurance by the United States of American vessels." Does the gentleman not think that is somewhat ambiguous and that it would be better to use an expression something like this: "Vessels which properly and legally fly the American flag"? Otherwise it might be confined to American-built ships or vessels owned by Americans, strictly.

Mr. ALEXANDER. Mr. Speaker, I hardly think it is necessary to do that, for if they are American vessels they must be vessels registered under the law of the United States. If I were to use technical language, I would have said "vessels of the United States," but I think the term is sufficiently clear and is free from any ambiguity. If they are American vessels, they can be such only if they are registered under the laws of the United States, and that would include American-built vessels and foreign-built vessels admitted to American registry under the act that we have recently passed.

Mr. MOORE. Mr. Chairman, will the gentleman yield?

Mr. ALEXANDER. Yes.

Mr. MOORE. Mr. Chairman, I thoroughly appreciate the hard labor the gentleman from Missouri has put in on these ship bills. I do not think any man in the House has worked harder to inform himself on these important questions. In view of his address supporting the bill giving American registry to foreign-built ships, and the statement he has just made with regard to the decline of the American merchant marine and the desirability of reconstructing it, I should like to ask the gentleman whether, as a matter of fact, we are not now entering upon a brand-new plan of upbuilding the American merchant marine in the guise of an emergency, a plan first advanced in the bill to purchase foreign bottoms and now followed up by the suggestion of a Government guaranty that those who do business in these bottoms will not suffer loss, which is to be followed by a third step—the advance of $30,000,000 for the purchase of vessels to establish a merchant marine?

Mr. ALEXANDER. I would say not, so far as this bill is concerned. I do not regard it as part of any general plan to build up the American merchant marine. It is an emergency measure, pure and simple. I am in favor of having the bureau abolished just as soon as the emergency has passed. I am not in favor of this bureau of war-risk insurance becoming a permanent bureau. I am not in favor at this time of the Government entering into the marine insurance business, and the bill expressly states that it is an emergency matter, and just as soon as the emergency passes the President has the authority to suspend further operations of this bureau.

Mr. MOORE. Does the gentleman think that if this emergency board were created solely as a war-emergency measure the necessity for it would pass away at a time when, under the plan contemplated by these new bills, the American merchant marine would have actually been started under the new system?

Mr. ALEXANDER. If I understand the gentleman, he has the idea that if this bureau is created in the Treasury Department that its functions can be exercised in peace as well as in war. Through the bureau to be created the Government is authorized to issue war-risk policies. They will be issued, of course, upon war risks, and there will be no occasion for the existence of the bureau or the exercise of its functions except in time of war, so that even if this law should remain in force, or if this bureau should continue in existence, there would be no occasion for the exercise of its functions. Hence, I am in favor of abolishing the board when it has finished its work, and stop the expense in time of peace. It may be brought to life again if conditions should arise similar to those existing at the present time and to serve a like purpose.

Mr. MOORE. In view of the very important conferences in which the gentleman has taken part, will he state if these three bills that we have been called upon to consider are really a part of a policy to rehabilitate the merchant marine, that policy being based upon the alleged emergency which has arisen?

Mr. ALEXANDER. I would say this bill is no part of any such policy at all. It is to meet an emergency now existing and has no other purpose whatever. Speaking for myself, I do not hesitate to say it is no part of any policy I have in mind to rehabilitate our merchant marine.

Mr. MOORE. Has the gentleman given consideration to the years it may take to adjust differences that may arise as the result of the passage of this bill following the seizure of American cargoes?

Mr. ALEXANDER. I presume if any questions arise as to the liability of the Government in event of loss or damage, those questions will be settled by the bureau, or in event of disagreement, through the courts or in some other way, and it may take years to determine the liability of the Government, but that will not occasion the continuation of the functions of this bureau. So the gentleman from Pennsylvania need not regard that matter seriously in weighing the merits of this bill.

Mr. ADAMSON. Mr. Chairman, I would ask the gentleman from Missouri, on the topic being considered by him, and the gentleman from Pennsylvania to make clear to the members of the committee that there is no intention or purpose to insure any risk on the ordinary perils of the sea but absolutely the casualties of war only.

Mr. ALEXANDER. That ought to be clear to anybody who has read the provisions of the bill.

Mr. GOULDEN. Will the gentleman permit just one question?

Mr. ALEXANDER. I will yield.

Mr. GOULDEN. What proportion of the 92 per cent of foreign vessels carrying our goods up to this time are owned by American citizens, either in part or whole, or by corporations controlled by our people?

Mr. ALEXANDER. It is impossible to state.

Mr. GOULDEN. Can the gentleman give an estimate?

Mr. ALEXANDER. In the investigation of the so-called Shipping Trust by the Committee on the Merchant Marine and Fisheries, Mr. Franklin, of the International Merchant Marine, testified, as I now recall, that about $100,000,000 of American capital was invested in foreign ships.

Mr. GOULDEN. That would be in the neighborhood of 40 or 50 per cent, I take it.

Mr. ALEXANDER. Oh, I would not say that. I would not undertake to say how much money is invested in the merchant marine of the maritime nations of Europe.

Mr. GOULDEN. About that, I should imagine.

Mr. BOOHER. Will the gentleman yield?

Mr. ALEXANDER. I will, with pleasure, to my colleague.

Mr. BOOHER. Is it the intention of this bill that goods may be bought by foreign Governments through their agents in this country and placed in American ships and those Governments insure those goods?

Mr. ALEXANDER. I would say it is not the purpose of this bill to authorize our Government to carry the war risk on goods consigned to a foreign Government.

Mr. BOOHER. There is no provision in this bill exempting them. It says all goods shipped in American vessels. Then we would give foreign Governments the right to buy a cargo of goods here—wheat or corn, or whatever it might be—and put it in an American vessel, and then the Government insures it under this bill, as I read it.

Mr. ALEXANDER. If one of the belligerents in Europe should buy wheat, corn, or other goods in this country, it would hardly be expected that our Government would insure the war risk on the commodities. I have the regulations which were reported by a committee in England appointed by the Government suggesting the rules for war-risk insurance to be assumed by the British Government, which I am going to put in the RECORD. I assume—just let me answer the question—that our Government will not take a war risk on any contraband of war, much less assume the war risk on cargoes consigned to the Government of any of the belligerents.

Mr. BOOHER. That does not answer the question. Now, suppose some Government comes to this country through its agents and buys goods that are not contraband of war and puts them on an American vessel. Will we then insure the foreign owner for his goods shipped in the American vessel?

Mr. ALEXANDER. I presume we will under proper conditions, and I suppose this bureau will exercise discretion and that the rules to be promulgated under this law will be such as to safeguard us against any complications that may involve us in any possible way with foreign nations.

Mr. BOOHER. Does the gentleman think this Government ought to insure the goods that are purchased by one of these belligerent nations? Would not that involve us at once with the others who had no interest in these goods?

Mr. ALEXANDER. Possibly that is true, and should we do so we would have the loss to pay, but I am not going to assume our Government will do any such thing.

Mr. BOOHER. The gentleman says it can be done under this bill.

Mr. ALEXANDER. It may be broad enough to do it, but I assume that the regulations which will be made to carry out the

terms of this bill will not include anything that is contraband of war.

Mr. TOWNER. Will the gentleman yield?

Mr. ALEXANDER. I will.

Mr. TOWNER. I would like to ask the gentleman from Missouri if there are not now private companies who are willing to take this war-risk insurance?

Mr. ALEXANDER. I do not know of any.

Mr. TOWNER. Is the emergency that we are asked to meet because there are no private insurance companies that would take war risks, or is it merely for the purpose of making smaller and cheaper rates than are now offered by private companies?

Mr. ALEXANDER. I presume the purpose is dual. First, the private companies will not issue policies covering war risks entirely; are not willing or able to carry the entire risk. The policies which will be issued by the Government will not cover the ordinary marine risks at all. They will be essentially war risks.

Mr. TOWNER. I understand that, but I have this kind of a communication, and perhaps other gentlemen have received it from people interested in shipping interests in New York who say that the rates asked for war-risk insurance are prohibitive, and urge us to vote for this bill in order to obtain cheaper rates. That is as I understand the situation as derived from information of that sort. Now, if that is the case, what we are asked to do is merely to subsidize these ships that are to engage in this business, is it not?

Mr. ALEXANDER. Well, I would not call it a subsidy, but I would say the Government is called upon to carry this risk and maybe at a less rate than the companies are willing or able to do it.

Mr. TOWNER. And that amounts to a subsidy, does it not?

Mr. ALEXANDER. It is a discrimination in favor of our shipping. In other words, an effort to help our trade in an emergency to move our commerce under the extraordinary conditions now existing.

Mr. KINKEAD of New Jersey. Will the gentleman yield?

Mr. ALEXANDER. I yield to the gentleman.

Mr. KINKEAD of New Jersey. The gentleman from Missouri and myself have had occasion to talk of these matters relating to the subject of the bill once in a while, and I would like to ask him whether the passage of this bill in his judgment will increase the number of ships engaged in seagoing trade? And before he answers that I want to call his attention to the fact that a bill that I introduced has been referred to the committee of which he is the chairman, and calls for the purchase on the part of the Federal Government of the North German Lloyd and the Hamburg-American Lines, and if this bill fails to do what is intended does he not think that the bill I introduced should be reported from his committee?

Mr. ALEXANDER. I would say no. I am not in favor of reporting from my committee any bill to the effect that the Government will buy the ships of the Hamburg-American Line or of any other corporation, association, or person. That would be a very unwise thing to do.

Mr. KINKEAD of New Jersey. Will the gentleman yield further?

Mr. ALEXANDER. Yes.

Mr. KINKEAD of New Jersey. The gentleman, of course, is only expressing his individual opinion in regard to this matter, and I assume from what he says the matter has not come up for consideration in the committee as yet, there being matters that require their attention elsewhere.

Mr. ALEXANDER. Certainly I am speaking for myself and not for the committee, as we have not considered the gentleman's bill. We have a bill pending before the committee, however, to authorize the Government to buy ships. But I hardly think that we would report a bill to this House to buy ships of any corporation, naming it. It would be very unwise in my opinion. I certainly would not favor it.

Mr. KINKEAD of New Jersey. That is the point I wanted to call the gentleman's attention to. There lie in the city of Brooklyn to-day half a dozen of the finest steamships that float, and if the Government contemplates the purchase of any lines I hope that the gentleman's attention will be directed to this fact, so that the Government may obtain the best that is available.

The CHAIRMAN. The time of the gentleman from Missouri [Mr. ALEXANDER] has expired.

Mr. BUTLER. I hope the gentleman will consume more time.

Mr. ADAMSON. Mr. Chairman, I yield five minutes more to the gentleman from Missouri.

Mr. BUTLER. I will say to the gentleman that if the Yankee loads his goods, as no doubt he will load them, expecting great profit from them, and if the ship reaches the other side, he will receive it. If the ship is lost, the Government will pay him his loss. Am I right?

Mr. ALEXANDER. Yes; if the policy issued by the Government covers the risk.

Mr. BUTLER. Now, does not this, in his judgment, very, very greatly increase our risk of peace?

Mr. ALEXANDER. I hardly think so, if this law is judiciously enforced. In the first place, there will be a war risk on the vessel. The vessel will be under our flag and entitled to the protection accorded by international law to a neutral. There may be an additional war risk assumed on the cargo, but contraband of war, I take it, will be excepted from that risk. So that if a neutral ship, a ship under our flag, should go into a foreign port having on board contraband of war, the contraband of war would be excepted from the risk and subject to seizure, and the foreign Government might levy upon and take possession of the contraband goods. That would be the concern of the consignee of the cargo.

Mr. BUTLER. I am not going to take the gentleman's time, but I want him to answer another question. There is a question now as to whether goods are contraband or not. Is it not likely that we might get into dispute with some foreign nation as to the character of goods we are hauling—as to whether they are contraband or not?

Mr. ALEXANDER. It is possible, of course, and might result in pecuniary loss to us. We must remember this, that it is not the expectation of our exporters that all our exports will go to Europe. One of the greatest demands for the extension of our shipping is to South America. That, to my mind, is the inviting field, and we can extend our trade in that direction without much risk. Heretofore our exports to South America have been carried by foreign ships, mostly ships of Germany and Great Britain. Those ships have been withdrawn from the trade on account of the great danger of capture and confiscation.

Mr. HUMPHREY of Washington. Mr. Chairman——

Mr. ALEXANDER. Let me finish this statement. Now, I want to bring ships under the American flag and have them owned by American citizens to engage in the South American trade and elsewhere as required. They will be our ships, neutral ships, but if necessary we will issue war-risk insurance on the ships and cargoes that may go to South America or the Orient. My view is that the war risk in that direction will be very small. There will be very small risk of capture or confiscation of any part of the cargo unless it should be shown that the cargo is being shipped to South America to be transshipped to Europe and is contraband. We must not overlook that fact.

Mr. HUMPHREY of Washington. Will the gentleman yield for a question?

Mr. ALEXANDER. I yield.

Mr. HUMPHREY of Washington. The thing I wish the gentleman would explain is the risk that is involved if it is not proposed to cover contraband of war. Where does the risk come in? What is the risk of running these vessels if that is counted out?

Mr. ALEXANDER. Suppose one of the belligerents on the high seas should sink one of these ships, whether with or without reason? Suppose they would confiscate the cargo without reference to whether it was contraband of war or not? The policy would cover just that class of risk. But if the cargo is in a neutral ship—and ours would be neutral ships—and bound to some foreign port, European or South American, ordinarily it would not be disturbed, but it is to cover those contingencies. Conditions in war times are abnormal, and must be met in some way.

Mr. BUTLER. The gentleman, then, is assuming that these belligerents will recognize the neutrality of our own ships and leave them alone. Can we safely rely upon that?

Mr. ALEXANDER. Not in every instance; no.

Mr. BUTLER. They did not recognize the neutrality of Belgium.

Mr. UNDERWOOD. Mr. Chairman, if the gentleman from Missouri [Mr. ALEXANDER] will yield a moment, I wish to say that it is a well-known fact that floating mines are being placed, or have been placed, in the North Sea. I think that would be a war risk, and if one of our vessels sought to navigate the North Sea, to enter a port there, and ran into one of these floating mines it seems to me that would be a war risk to be covered by insurance.

Mr. HUMPHREY of Washington. Mr. Chairman, if the gentleman will yield to me, I would like to know if it is intended by the Government to insure vessels that go into danger zones? For instance, are we going to insure one of our vessels

that goes into the North Sea after notice has been served upon us that it is dangerous? If so, I am opposed to this bill.

Mr. UNDERWOOD. The gentleman's question is a matter of discretion with the insurance company, which in this case would be this board. They would have the power. I simply wanted to point out that instance, where there would be a war risk without any belligerent appearing.

Mr. HUMPHREY of Washington. Of course, the gentleman does not anticipate that happening.

Mr. ALEXANDER. Norway and Sweden and Italy and Denmark and the Netherlands are not belligerents now, neither are Switzerland or Greece, and there are others I might mention; yet, at the same time, there is more or less risk growing out of the existence of war in Europe, and trade with those nations is subject to other than the ordinary marine hazards, and our American exporters hesitate to send their cargoes under our flag to those countries, even in our own ships, unless this risk is cared for either by private insurance companies or by the Government, and we are given to understand they are willing to pay the premiums if the Government will assume the risks incident to war.

Mr. Chairman, I have occupied as much time as I care to. I do not wish to trespass upon the time of others who may wish to speak. The Chairman, Mr. ADAMSON, has been very kind to me.

Mr. JOHNSON of Washington. Mr. Chairman, will the gentleman yield to me for one question?

Mr. ALEXANDER. Yes; I yield to the gentleman.

Mr. JOHNSON of Washington. Is not the principal danger the fact that the ships will be suspected of carrying some contraband in a mixed cargo, and they will be towed into the ports of a belligerent and held there during the war, or for two or three years afterwards, at insurance rates?

Mr. ALEXANDER. I do not know. But one can think of a thousand ills that may befall an American ship and its cargo. An emergency confronts us. Will we meet the emergency, although it involves some risk, and be equal to the occasion? [Applause.]

Mr. Chairman, I ask leave to include in my remarks the regulations of the British Government governing war-risk insurance, to which I have referred. As I understand the method that will be followed, the marine insurance companies will insure the vessels and cargoes, including the war risk, and the Government will reinsure the war risk, or a certain percentage of it, and receive the premium.

The CHAIRMAN. The gentleman from Missouri asks unanimous consent to extend his remarks in the RECORD by including the regulations named. Is there objection?

There was no objection.

The details of the British Government's marine war-insurance plan, taken from the Shipping World of August 12, 1914:

BRITISH WAR INSURANCE—DETAILS OF THE SCHEME.

The subcommittee recommend (a) in the case of hulls:

(1) That arrangements should be made with the existing clubs or mutual war-risks associations that they shall extend their existing standard forms of policy to cover the King's enemy risks up to the arrival of the vessels at the final port on the voyage which they are making when war breaks out or hostilities have begun, and for 10 clear days after such arrival.

(2) That arrangements should be made with the existing clubs or mutual war-risks associations for the issue of policies covering the King's enemy risk on vessels starting on voyages after this country is at war.

(3) That the State shall reinsure 80 per cent of all these risks.

(4) That no premium shall be charged by the State in respect of voyages current at the outbreak of war.

(5) That for voyages begun after the outbreak of war the State shall fix the insurance premium to be charged on a voyage basis, and shall receive 80 per cent of such premium.

(6) That the State shall have the right to fix and vary the premiums from time to time, as may be considered necessary, within a suggested maximum of 5 per cent and a minimum of 1 per cent; but a rate agreed for a specific voyage shall hold good if the vessel sails on that voyage within 14 days of the completion of the insurance. On the other hand, if the starting of a voyage is delayed under the orders of the admiralty, the assured shall have the option of canceling the policy and receiving back the premium paid.

(7) That the clubs shall run the remaining 20 per cent of these risks, both before and after the outbreak of war, receiving for voyages commencing after the outbreak of war 20 per cent of the premium fixed by the State.

(8) That all expenses shall be borne by the clubs.

(9) That the club policy shall contain the following warranties:

(a) That no ship insured by the State shall start on a voyage if ordered by the Admiralty not to do so, and that under both the policy relating to a new voyage and the policy relating to the completion of the voyage any orders that the Admiralty may give to the routes, ports of call, stoppages, etc., shall be obeyed: *Provided*, That in case of breach the above warranty shall not operate if the assured can satisfy the committee of the club that such breach happened without the fault or privity of the assured and of the owners and of the managers of the ship.

(b) That the ship insured shall be deemed to be at all times fully insured against all perils covered by an ordinary Lloyd's policy (with collision clause attached) and containing an "F. C. and S." clause, and no claim whatever against which the ship is deemed to be otherwise insured as aforesaid or against which she is, in fact, insured by any other insurance policy, shall be recovered under the club policy.

(10) That ships so insured undertake, as far as possible, to carry out the orders of the State in regard to their routes, ports of call, and stoppages. Failure to carry out such orders will involve an appropriate penalty, but such failure shall not be treated as a breach of warranty.

(11) That each club and its constitution shall be approved by the State.

(12) That the State shall be represented on the committee of each club.

(13) That the basis of values for the purposes of State insurance shall be the value accepted for income-tax purposes; that is to say, the first cost of the vessel without allowance for the cost of alterations or additions, less depreciation at the rate of 4 per cent per annum, but without any minimum limit per ton.

(14) That the club shall not be bound to pay a loss if the ship be recaptured or released or restored to the assured within six months from the date of capture.

(15) That claim shall be dealt with and settled by the committee of the club. If a claim be settled with the approval of the State's representatives on the club committee, the State to pay on the agreed figures. If the State's representatives protest against a proposed settlement, the liability of the State under its policy of reinsurance to be settled (failing agreement to refer to arbitration) by the courts of law.

(16) That in the event of loss by destruction or capture the first payment by the State shall be made at the end of six months after the event.

(17) That the liability of the State shall be discharged in three equal installments at 6, 9, and 12 months from the date of loss or capture, with interest at the rate of 4 per cent per annum.

(18) That a board of experts shall be appointed to advise the State on the question of rates and variations of premiums, and that the State shall have one or two representatives on this board.

(19) That this arrangement shall only extend to vessels which are in the clubs and which are under the British flag and registered in the British Isles.

(20) That the State should be prepared, if necessary, to make similar arrangements with other bodies than the existing clubs, provided such other bodies represent a sufficiently important amount of tonnage and can provide satisfactory machinery for the protection of the State in the matter of values and of claims.

92. (B) In the case of cargoes—

(1) That no arrangement shall be made for the insurance by the State of cargoes afloat at the time of the outbreak of a war in which we are a belligerent.

(2) That immediately after the outbreak of such a war a State insurance office shall be opened in London for the insurance by the State against King's enemy risks of cargo starting on a voyage after the outbreak of war.

(3) That the rate of premium charged by the State for covering these risks be a flat one, irrespective of the voyage or the character of the cargo insured.

(4) That the State shall have the right to fix and vary such rates of premiums, within a maximum of 5 per cent and a minimum of 1 per cent. But a rate agreed for a specific voyage shall hold good, provided the cargo starts on such voyage within 14 days. If, however, the voyage is delayed under the orders of the admiralty, the assured shall have the option of canceling the policy and receiving back the premium paid.

(5) That the values of cargo for State insurance shall be the values agreed in the marine-insurance policies covering the same cargo.

(6) That these marine-insurance policies must be produced at the State office, when the State insurance of war risks is finally arranged.

(7) That the premium for insurance must be paid in cash to the State office when the provisional insurance is effected.

(8) That if, when the marine-insurance policies are produced, the values in those policies shall be less than the amount provisionally insured in the State office, the premium on the excess value will be refunded, but no increased value on a shipment will then be accepted.

(9) That marine-insurance policies will only be accepted by the State if issued by members of Lloyds, British insurance companies, and other approved insurance companies and underwriters.

(10) That claims under the State insurance policy shall be settled on the basis of the marine-insurance policy, but such insurance policy shall be deemed to contain such standard clauses—if any—as may be approved by the State in regard to the particular class of cargo insured.

(11) That the State insurance of cargo shall be confined to cargo on vessels insured by the State.

(12) That the State shall be prepared to insure all cargo on such vessels, irrespective of the nationality of the owner of such cargo, except, of course, enemy cargo.

(13) That a board or boards of advisers shall be established to assist the Government both with the administrative work of the State office and with the settlement of claims.

(14) That one of these boards should be appointed at once with a permanent secretary.

Mr. ADAMSON. Mr. Chairman, I yield three minutes to the gentleman from New York [Mr. METZ].

The CHAIRMAN. The gentleman from New York [Mr. METZ] is recognized for three minutes.

Mr. METZ. Mr. Chairman and gentlemen, in connection with the war-risk proposition, the risk of keeping our establishments running is also an essential one, and I want to announce to the House, so that the Members will know when they get requests for information on the subject, that the German Ambassador has assured me of his cooperation. I have a telegram from Rotterdam this morning to the effect that they are in communication with the Dutch plants on the Rhine, and they are going to keep the plants going, and we will get goods. That is all I want to say. [Applause.]

Mr. ADAMSON. Mr. Chairman, will the gentleman from Minnesota [Mr. STEVENS] use some of his time?

Mr. STEVENS of Minnesota. Yes. Mr. Chairman, will the Chair kindly notify me at the end of 20 minutes?

The CHAIRMAN. Very well.

Mr. STEVENS of Minnesota. Mr. Chairman, it is always an ungracious act even to criticize and much more to oppose a measure which is so generally commended by the public and especially by friends at home in whom one has confidence. This is also of much weight, that the measure was originally proposed by such an eminent committee of public-spirited citizens of the country whose judgment and advice is entitled to much consideration, but at the same time we can not evade our own responsibility, and it is our duty to analyze these important measures with care and frankly and truly state our conclusions upon them. The President and his administration well know that our criticism upon these emergency measures will not be captious or without foundation, and with that spirit I enter upon it.

When the matter came before the Committee on Interstate and Foreign Commerce I am free to admit my general ignorance of the subject. The information which was given to us upon that hearing was scanty, insufficient, and unworthy to be the basis of such an important measure; so that I complained at that time about it and gave notice of my dissatisfaction. The debate in the Senate was equally scanty and insufficient. The report of the committee does not convey the needed information; does not do justice to the subject—a subject of such great importance as this.

As best I could, in the short time which has elapsed since this bill has been on the calendar, I have endeavored to ascertain what the facts are concerning this necessity so claimed and to analyze them as carefully as I could upon my own responsibility; and I shall try to present to the House this afternoon the results of my own judgment.

I know that you gentlemen of the majority will, or at least you ought to, accord to us on the minority side the acknowledgment that we have always supported the measures of the administration which we believed to be necessary, and which were shown to us to be necessary, by proper showing and competent authority, for the welfare of the country. [Applause.] And if sufficient information had been given to us as a basis for the desired action, I should have been very glad to cordially support this measure; but it is because, it seems to me, the information shows to the contrary, it is because an analysis of this legislation shows that it is unnecessary and may be productive of unfortunate consequences that I criticize it this afternoon.

CLASSES OF PROPONENTS.

Whenever a great emergency arises which requires important remedial action two classes of people always come to the front and urge matters of legislation or administration—one a selfish, greedy class, who cunningly propose measures ostensibly for the public welfare, but really for their own private advantage; another class of enthusiasts, men who have not considered or thought through the matter carefully, who are reckless of the consequences of the legislation or administration which they urge and who do not seem to care for its possible use as a basis for other and similar action in the future.

Now, I will not charge that those who propose this legislation belong in either class, but at the same time the House should realize the consequences, both temporary and permanent, of what we are requested to sanction. That can not be escaped or evaded and should be thoughtfully appreciated. And right here, as an illustration of what is going on and in answer to letters which I have received and which doubtless every Member on the floor receives, I wish to give an illustration of one or both of these two classes, although the illustration has nothing particularly to do with this subject. I hold in my hand a leter printed in large type denominated "The Bache Review," which was sent by a New York concern, J. S. Bache & Co., as it is stated, to 31,000 bankers throughout this country, urging these bankers to write to Members of Congress requesting that a concurrent resolution be passed, urging the Interstate Commerce Commission to revise the recent rate decision. I have replied to my constituents and friends practically as follows—and that is why I use it to-day as an illustration—that the gentlemen who make this request, urging Congress to interfere with the decisions of the Interstate Commerce Commission, do not realize that the decision as to the great questions concerning transportation necessarily has been vested in the Interstate Commerce Commission; that that great commission has a tremendous influence and a tremendous power on that account, and that it has the confidence of the country, because it has so merited such confidence.

One reason why it has the confidence of the country is that so far it has been without any interference by either the executive or legislative branch of our Government. If on any pretext Congress once attempts to interfere with any of the proceedings of the Interstate Commerce Commission, that will be the beginning of other interference, both by the executive and legislative departments, and interferences once commencing will bring the whole subject of the administration of the interstate-commerce law into partizan American politics. That will mark the beginning of the downfall of the system of regulation of the great transportation interests of this country. For that reason any attempt at this time from any source to interfere with the judgment or discretion on decisions should be very strongly condemned. Especially should any attempt to use this emergency as a pretext for attempting to extort more money from the pockets of the American people be severely condemned, when the commission after investigation and consideration, already too prolonged, has given its solemn judgment. These men indicate their willingness to subvert and even destroy our splendid system of public regulation for the sake of grabbing a few dollars right now.

Now, as I have stated, this is only an illustration of another of the measures which are being urged in this emergency, for things to be done which will result in the benefit of individuals or even large sections, regardless of the public welfare during the long future.

PROPOSALS OF THIS LEGISLATION.

What is it proposed to do by means of this legislation? There are practically two things which are urged in the preamble and in the hearings before the committee and in the newspapers throughout the country: First, that it is necessary to move the crops of the country to a profitable market to have passed this sort of legislation; secondly, that it is necessary for the benefit of and establishment of the merchant marine of the United States to supplement the recent ship-registry bill to give this encouragement, so that vessels now under foreign flags may change their registry to the American flag, because of the benefits accorded by this bill.

It is important, then, to analyze these two situations to find out if this bill can really help either of these necessities. It is true that American crops were not leaving for Europe very rapidly a week or two ago, but the improvement has been very noticeable during the past few days. Three reasons have been given why the crops do not move at the present time: First, lack of cargo-carrying vessels; second, lack of marine insurance as to war risks upon vessels, cargoes, and so forth, under the American flag; and third, the unfortunate condition of foreign exchange and the breaking down of foreign exchange, so that payment can not be had for the sales made to foreign nations. My own judgment is that the latter reason is practically the sole reason why we are not shipping our grain crops abroad at the present time in such volume and under such circumstances as desirable. Of course, wholly a different reason exists as to shipments of cotton. There is now an utter breakdown of foreign exchange between Europe and the United States. There is no use trying to analyze it here, but Europe owes our bankers a large sum of money which it can not pay in gold. Our bankers and investors owe Europe a very large sum of money now due, aggregating probably $150,000,000, which we are not willing to pay in gold. Probably as large a sum will be due in the near future as interest and dividends on European investments in this country. Even more important, vast amounts of American securities would be at once sold if opportunity be offered and chances for payment afforded. There does not seem to be any arrangement for a working adjustment of these most important matters as formerly. The result is that credits are no longer used to make any movement of crops from this country to Europe or of merchandise from Europe here as formerly. Anything that is purchased here must be paid for in gold. Anything which is purchased in Europe, securities or merchandise, must be paid for in gold at this time, and that condition will continue until an adjustment of this question of foreign exchange and credits and balances and mutual confidence shall be reached. That more than any other one thing is breaking down the early movement of our grain crops and the stoppage of spinning our cotton.

But the crops have been moving during the last week or 10 days. During the last week large cargoes of grain and breadstuffs have been carried out of the southern ports, as well as out of the northern ports, and they have been paid for in gold. In the debate on this bill in the Senate the junior Senator from Massachusetts, Mr. WEEKS, made the rather significant statement that at the time he was making that speech there were 130 ships in the Atlantic ports of this country which could be chartered. I have here a clipping which I found in one of the Washington papers dated August 20, which gives a list of nearly a dozen vessels that left for Europe the day before, or that had started for England since the war began, which were high in the

water because of the lightness of their cargoes. Other ships tell the same story. I will insert several clippings in my remarks. It will be noticed that several of these ships are American liners, so there is no difference, apparently, as to cargoes whether the ship is under the American or English flag:

SHIPS TO ENGLAND GO LIGHTLY LADEN—BIG LINERS CARRY SOME FREIGHT, BUT TO ONLY PART OF CAPACITY—EXPORTERS FEAR FOR PAY—UNWILLING TO SEND PRODUCTS ABROAD UNTIL ASSURED DRAFTS WILL BE HONORED PROMPTLY.

NEW YORK, *August 20.*

Every ship that sails out of New York for English ports these days, sails light, though England is begging for food.

The liner *Celtic* left to-day with 5,000 tons of foodstuffs in her hold, when she might have carried 16,000 tons. The *Kroonland* left the other day with 4,500, with room for 8,000 more.

RIDE HIGH IN WATER.

The *Adriatic, St. Paul, New York, Philadelphia,* and others of the 13 ships of the International Mercantile Marine Co., which have departed for England since the war started, have ridden high in the water because of their lightness of cargo. Other lines tell the same story.

STORAGE HOUSES CHOKED.

Paradoxically, the storage warehouses in and around New York are choked with supplies for which England is offering fancy prices.

The reason why none of this food is going to England, officials of the trans-Atlantic lines assert, is because American shippers have no assurances that their drafts will be honored in England promptly and are unwilling to send their products abroad with nothing more tangible than a hope that they will receive prompt payment for their goods.

HELD FOR MORE FAVORABLE TIME.

Tons and tons of merchandise, these officials say, are held in check against the time when arrangements will be made to enable purchasers to pay promptly in gold for American supplies.

ENGLAND IS WELL SUPPLIED.

Although in need of foodstuffs generally, for the moment England is well supplied with grain, almost oversupplied, according to estimates made by officials of the International Mercantile Marine.

Mr. WEEKS. I will suggest to the Senator from North Dakota that floating mines are not necessarily capable of changing their location when they are planted. Mines are placed to defend certain waters, and they are anchored; but as a result of storms they frequently become detached from their anchors and then become floating mines and dangerous to general navigation. The setting adrift of mines indiscriminately, I think, has never been undertaken by any nation.

What I want to say to the Senator from Arkansas, however, is that I am confident everybody wants to do everything that is necessary to protect our interests in this emergency; and what this bill purposes to do seems to be following a course that has been adopted by belligerents on the other side, generally speaking. What I want to call to his attention is that at such a time as this we are apt to do things which are unnecessary. I assume that this bill is simply an anchor to windward, to be used in case of emergency, but not to be used in doing a general insurance business; and its value will depend on the quality of the men who are to put it into operation and their knowledge of insurance matters. Therefore, men with the very best technical knowledge on those subjects should be put in charge of this insurance bureau, with power to discriminate between the character of risks, as would be done by any other insurance company.

I am not confident that there is not ample shipping available to take all of our products to their market. A New York paper this morning states, for example, that there are 130 British ships in Atlantic ports waiting for cargoes; and somebody who wanted to send abroad a cargo of coal from Norfolk asked for bids, and 40 ships offered for that purpose. The Lloyds' risks are now lower on English ships carrying English cargoes than the risks offered by the English Government. They are down pretty nearly to normal, not over 2 to 3 per cent. I do not think we ought to go into the insurance business under those circumstances, but only when the risks become exorbitant, as they were 10 days ago.

NEW YORK, *August 26.*

The most spectacular development in the financial situation to-day was a jump of from 6 to 7 cents a bushel in the wheat market. Although probably due in part to the belief that recent German successes mean a prolonged war, this was chiefly the result of improvement in shipping and financial facilities.

SHIPPING SITUATION IMPROVES.

The spectacular rise in wheat, amounting to 7 cents in the September option, gave further indication of the improvement in the shipping situation and of the easier credit conditions now available for shippers.

Doubtless some of the urgent buying which has carried the grain market up so sharply during the past few days represents short covering and gambling for the long account by speculators, but the basis for the advance is the increased and increasing export demand for wheat and the improved facilities for shipping and financing shipment. Indeed, if the present export trouble involved nothing but wheat the situation would be practically normal. Unfortunately, it involves a great many other things, particularly cotton. The cotton situation continues to be a very serious one, both in its relation to foreign exchange and domestic banking. Nevertheless the improvement in the position of wheat, as evidenced by a sharp rise in that cereal, is a decidedly favorable and encouraging matter.

This hysteria is well illustrated by the clipping from Holland, one of the leading financial writers of the country, and its answer, from a clipping from the market column of August 21 and of the New York Herald of August 29:

NEW YORK, *August 28.*

Shipments of the country's foodstuffs to European ports were further facilitated to-day by the action of the eastern trunk railroads, which ordered a resumption of through bills of lading, subject to minor restrictions. It is expected this will have the effect of vastly increasing American exports and bringing about a gradual readjustment of the foreign exchange situation. But the British steamship lines which canceled charters at the old rates are not taking advantage of it. When they canceled, complaint was made to the British Corn Trade Association, which complained to their Government. All British lines are now taking grain at the old rates.

IMPORTERS FEEL EASIER.

The announcement of Ambassador Page from London that English steamship service had been ordered to resume has resulted in an easier feeling in importing circles.

Lines that have responded to this feeling included drugs, chemicals, olive, coconut and other oils, rubber, and pig tin.

The spice market also is easier under the belief that many cargoes now held up in the Far East will proceed to their destination in America.

WHAT THE COUNCIL PURPOSES.

If this council can persuade the Government at Washington to aid in restoring, as far as possible, over-seas commerce it will have accomplished something which none of the members could have dreamed of two weeks ago. How curiously chaotic are our commercial conditions is reflected in a statement made by President Farrell to the council. He told this board as soon as it met that the United States must, as soon as possible, start the movement of exports.

An extraordinary situation now confronts us, Mr. Farrell admitted. For instance, if it were possible to sell the steel company's commodities in foreign lands for $1,000 a ton, and if it were possible for the farmers to demand $10 a bushel for their wheat, nevertheless not a pound of steel or a bushel of wheat could be exported. Therefore no sales could be made.

COOPERATION WITH BANKERS.

This council is to act in cooperation with the bankers, and as far as possible with the Government at Washington, in securing means by which cotton, grain, and manufactured commodities may be safely committed to the ocean-carrying ships. It is not so much a question of immediate relief to manufacturers and to foreigners, but it is a question of supreme consequence to the United States at this time that these commodities find safe transport and be assured of prompt payment.

The council was the first organized body to set forth the fact that it is essential that the Government itself provide means for furnishing war-risk insurance whereby both the vessels and the cargoes occupied with foreign trade may be protected. This council will be substantially continuous in meeting until the day comes when the announcement is made that vessels carrying American cargoes are abundantly protected against depredation and are reasonably insured, and, when consignors of cargoes learn that, payments will be made to them promptly.

HOLLAND.

Answer:

GRAIN EXPORTS INCREASE RAPIDLY.

Indications that exports of grain are increasing rapidly and that the movement is in a fair way to become nearly normal in the near future deserved more attention than they received. The week's wheat exports, according to Bradstreet's figures, were twice those of the preceding week and quite as large as those of the corresponding week of last year. The sharp rise in the wheat market reflected this improvement in the situation, and the disclosure of the Treasury Department's plans to aid in financing the export movement added to the satisfaction which was expressed in conservative banking quarters.

From page 18 of the New York Herald of this morning:

Although wheat is now being exported in record-breaking volume, there was no relaxation in the sterling exchanges. On the contrary, rates were appreciably stiffer. In some quarters this was attributed to the war news, which was interpreted as indicating a protraction of the struggle. In other quarters the high rates were ascribed to competition of individual remitters, with a demand for remittance against the city of New York's maturing obligations abroad.

Bradstreet's estimates the efflux of wheat and flour from both coasts for the week ended yesterday at nearly nine and a half million bushels, while Washington dispatches quoted Treasury officials as estimating the exports for the week ending with to-day at 15,000,000 bushels. Such a movement must speedily create large foreign credits, particularly as imports are now falling off. Evidence of return to normal conditions is seen in the reduction of marine-insurance rates and in the notice given by the eastern trunk lines to connecting carriers of a resumption of through bills of lading from interior points to Europe on exports via the Atlantic seaboard.

Again, I will quote from Bradstreet's report for this week:

Bradstreet's will say: "Crop reports are more favorable, particularly as regards cotton, tobacco, and corn; wheat exports, spurred by foreign necessity, are of enormous volume, close to the record, indeed; necessary foodstuffs, such as flour, groceries, and allied lines, are in active demand."

Again, from Bradstreet's report of this morning:

Wheat (including flour) exports from the United States and Canada for the week ended August 27, as reported by telegraph to Bradstreet's Journal, aggregate 9,397,627 bushels, the second largest total ever reported, against 6,940,770 bushels last week and 7,042,180 bushels this week last year. For the eight weeks ended August 27 exports are 55,060,012 bushels, against 47,417,532 bushels in the corresponding period last year.

Again, from the New York Herald, on page 18:

It is also evident that the export demand has fallen off on account of the higher prices, and private cables from Liverpool said that both Roumania and Russia had decided to permit exports of breadstuffs, and this will be in competition with the American market.

The developments in Europe seem to point to a prolonged war, which will increase European requirements. Most of the recent purchases for export have been for quick shipment, and, aside from the wheat, a very large amount of flour has been taken.

From the morning edition of the Philadelphia Ledger, page 8, the market report:

American steamship *Dominion* is due to sail for Liverpool at 10 o'clock this morning. Although this vessel has few passengers, she is expected to carry a large general cargo, comprised chiefly of flour, grain, and oil.

Again:

Few steamships are being chartered in any trade. There is still a light demand for tonnage under a free offering of boats, with rates easier

Again, from Philadelphia Marine Notes:

Yesterday was the busiest day at this port since the beginning of the European war. When the exchange closed last night 27 vessels had arrived here or were bound up the Delaware for Philadelphia. Of this number 9 were barges, 9 schooners, and 9 steamships. Six of the steamships were under foreign flags. Most of the schooners and barges came from New England or eastern ports.

The fact is that during the last two weeks there have been abundant vessels ready to carry our cargoes of grain and breadstuffs and cotton. There is now no lack of vessel capacity at all, but, on the contrary, an abundant tonnage, at reasonable rates, caring for their own insurance, as the impartial testimony of these market reports clearly show. Lack of vessels and war-risk insurance are not the reasons why our cargoes are not moving.

REAL REASON FOR BILL.

But these gentlemen come before us and say solemnly, "We want these cargoes carried in American ships," and I am very glad to have them say so, and I think everyone in this House would like to have these cargoes carried in American vessels and would be glad to do any reasonable thing to have them so carried. But they state cargoes can not be carried in American vessels until this Government does what other Governments have arranged to do and inaugurates a system of war insurance to take care of the balances of insurance which the ordinary insurance companies can not assume of these war risks.

Mr. CLINE. Will the gentleman yield?

Mr. STEVENS of Minnesota. Let me just finish this thought. There is an abundance of cargo capacity in foreign vessels to take all of our crops right now, and it will continue throughout this season undoubtedly. Remember that the English, Belgian, and French Governments have departments of war insurance to take the war risks which ordinary insurance can not or will not assume. But they have to do so. They must have our goods and they can not wait or take any chances. Their situation is entirely different from ours, where all ships and all nations must seek our shores and buy our crops and transport them at their own risk. We need not concern ourselves about that.

Now, these gentlemen came before the Committee on Interstate Commerce and made this statement, that the marine-insurance companies number in all about 16; and these companies can carry on a single vessel and cargo about $1,000,000 worth of marine insurance among themselves, adjusting and allotting it as best they can; that the average amount needed on a cargo is about $1,500,000, some more and others less; and they desired that the United States should assume the risk as to the extra $500,000 on the average cargo; and that is what this bill is expected to do, with the marine-insurance companies insuring all they believe they ought safely to insure. The effect of the statement is that they wish the United States to take the balance of $500,000, which they feel they can not safely divide among themselves.

RESULT DESIRED.

The result is that the United States is asked to go into the insurance business temporarily for the sake of supplementing the resources of the insurance companies, assuming the risk for the sake of securing American tonnage to do the work which other tonnage could do equally as well. Now, that is the exact analysis of that situation as disclosed by the hearings, debates, proceedings of the committee, and the preamble to the bill itself, having in view the conditions of supply of foreign tonnage.

The facts show that our crops are moving in good volume; they are paid for as they go; that more will go as needed and paid for, but that foreign ships will carry the most of the exports. But American ships carry their full share, and so far no discrimination has appeared because England assumes war risks as to its own vessels.

No American ship has been yet shown to have lost a cargo, by reason of lack of this insurance, to a British vessel having its governmental insurance. I believe no such case exists. But we did pass a bill a week or so ago enabling foreign-built ships of any age owned by our own citizens to secure the register of the United States. It is now urged that these old ships can not afford to leave their present flag to assume ours unless we can give them equal benefits they now have of securing war-risk insurance from the Government itself. That is the argument and reason presented for this legislation.

WAR RISKS.

The substance of it is that the United States assumes this risk, which has a definite money value in the insurance world. It can be computed accurately in dollars and cents by actuaries and forms a component part of any premium or charge and liability. We are asked to assume this risk of dollars and cents, as so computed and understood, to have these gentlemen fly the American flag and carry cargoes on foreign vessels which others could carry equally as well, or which these would otherwise carry under some other flag. That is simply a subsidy, no more and no less, for the sake of encouraging foreign vessels to fly the American flag temporarily to carry these cargoes, which would be carried anyway at equally good rates. I have voted for a ship subsidy in the past when I thought it would be for the advantage of the American people. I will vote for a ship subsidy again when I think it is for the advantage of the American people; but I call attention of gentlemen on the majority side of the Chamber exactly to what this proposition is—that it is nothing more nor less than a ship subsidy on foreign-built vessels to shift their flags for the sake of carrying cargoes which could be carried just as well and as cheaply in some other way. It is designed to encourage men to take vessels temporarily from a foreign flag and place them under an American flag. There is no showing or statement or promise that this shall be at all permanent. It is not claimed to be. It is only for the present emergency, to shift flags until it shall profit to shift back again. That is a fair analysis of what this measure is. I would not condemn it on that ground if it would result in any benefit to the American people. I confess the benefit to the people of this country has not been made plain to me. Our goods are being carried abroad right now, and the conditions promise to improve. These same ships will do business under other flags, with the same officers and crews, at the same rates. There is no expectation by this of building a permanent marine unless additional legislation be secured, and that is problematical. The total result is only a temporary shifting of flags under this bill. As I say, I have voted for ship subsidies, and I am willing to vote again for ship subsidies if such a policy will really benefit the American people. Let us ascertain whether this subsidy will be for the benefit of the American people.

EXTENT OF RISKS.

The war risks will not extend to South America, practically, because there is no war zone there. They will not extend to Africa for the same reason. They will not extend to Asia outside of the limited war zone now in German China. So that practically these risks will only extend to the belligerent sections of Europe and to the neutral sections of Europe which are within the war zone. Thus it would seem to be the sole purpose of this bill to issue this additional amount of war-risk insurance and apply it to vessels and their cargoes plying between the United States and the war territory in Europe, neutral or belligerent.

Mr. CLINE. Will the gentleman yield?

Mr. STEVENS of Minnesota. Yes.

Mr. CLINE. I want to inquire whether foreign commerce in agricultural products now being shipped abroad is taken as a war risk by private companies?

Mr. STEVENS of Minnesota. Yes; it is; and I will come to that a little later. The point is this: In the great bulk of cases whenever agricultural products are exported they are sold here in this country and the title passes whenever the purchaser receives the bill of lading with the bill of exchange attached. That transfers the title, and always has been so held. So, in the great majority of cases, because most exports are now made in that way, the risk is assumed in this country by the foreigner. He ships it in any vessel he pleases, and generally in foreign vessels, so that the risk is taken care of and assumed now by foreign vessels and insurance companies and Governments, if necessary, for the public use.

I do not believe that this legislation will change that situation. Our people will not sell unless they are paid. When paid, the foreigner controls the shipment; and there is no complaint as to ample facilities now for such goods. Our importers may complain some, but the ships which go out must come in, and they will gladly take our imports.

Mr. SCOTT. Will the gentleman yield?

Mr. STEVENS of Minnesota. Yes.

Mr. SCOTT. I want to ask the gentleman whether this insurance will be confined to cargoes from American ports?

Mr. STEVENS of Minnesota. The bill does not so confine its object, but that is the purpose of it, as it has been explained to us, contraband. Now, then, this bill is designed to carry cargoes to and from the United States to the belligerent territory. What kind of cargoes will be covered by this bill? It is stated, I think, by the President, and I think it was stated by those gentlemen who appeared before our committee and upon this floor that no contraband goods should be carried under this war-risk insurance. The House has had several discussions as to what constitutes contraband goods. Of course absolute contraband goods could not be carried in any vessel except it be subject to

seizure. Conditional contraband goods can under certain circumstances be carried. The Governments of Great Britain and Germany notified the Department of State that they had adopted the rules set forth in the declaration of London, and described the articles which they regarded as contraband and conditional contraband. Those have been officially promulgated by the Department of State, and these articles named in the statement will not be covered by war insurance, as those gentlemen have stated to us. I here insert the list of contraband articles set forth in the declaration of the international naval conference at London July 26, 1909, and as ratified by the United States Senate and as proclaimed by both Germany and Great Britain.

The message from the German Government, owing to errors in transmission, is somewhat obscure, but it is assumed to coincide with the English declaration and to define contraband as follows:

Absolute contraband:
Arms of all kinds, including arms for sporting purposes, and their distinctive component parts.
Projectiles, charges, and cartridges of all kinds and their distinctive component parts.
Powder and explosives especially prepared for use in war.
Gun mountings, limber boxes, military wagons, field forges, and their distinctive component parts.
Clothing and equipment of a distinctively military character.
All kinds of harness of a distinctly military character.
Saddle, draft, and pack animals suitable for use in war.
Articles of camp equipment and their distinctive component parts.
Armor plates.
Warships, including boats, and their distinctive component parts of such a nature that they can be only used on a vessel of war.
Aeroplanes, airships, balloons, and air craft of all kinds and their component parts, together with accessories and articles recognizable as intended for use in connection with balloons and air craft.
Implements and apparatus designed exclusively for the manufacture of munitions of war, for the manufacture or repair of arms and war material for use on land and sea.

CONDITIONAL CONTRABAND.

The following articles will be treated as conditional contraband:
Foodstuffs.
Forage and grain suitable for feeding animals.
Clothing, fabrics for clothing, and boots and shoes suitable for use in war.
Gold and silver, in coin or bullion, paper money.
Vehicles of all kinds available for use in war and their component parts.
Vessels, crafts, and boats of all kinds, floating docks, parts of docks, and their component parts.
Railway material, both fixed and rolling stock, and materials for telegraphs, wireless telegraphs, and telephones.
Fuel, lubricants.
Powder and explosives not specially prepared for use in war.
Barbed wire and implements for fixing and cutting the same.
Horseshoes and shoeing materials.
Harness and saddlery.
Field glasses, telescopes, chronometers, and all kinds of nautical instruments.

From this list it is evident that most of our agricultural exports, except cotton, will fall within the prohibited list and so can not secure this war-risk insurance.

The great mass of exports, even of manufactures, will not be covered by this war insurance at all. The great bulk of the exports, I presume 75 per cent, outside of cotton and cotton goods—and of course cotton and cotton goods are not contraband—outside of that I do not know but that 80 per cent would be covered by articles that I have read which would be prohibited from this insurance. I can not perceive its value from this condition. I do not believe that vessels which would carry these cargoes would leave flags where they can get this governmental insurance and come to our flag, where they can not, if such a bonus be the main purpose of the transfer of flag.

Mr. TEMPLE. Will the gentleman yield?

Mr. STEVENS of Minnesota. Yes.

Mr. TEMPLE. Is there any provision in the bill that forbids the insurance of contraband goods?

Mr. STEVENS of Minnesota. Not at all.

Mr. TEMPLE. The bill provides for the insurance of American vessels, their freight and passage moneys and cargoes shipped or to be shipped therein, against loss or damage by the risks of war, and so forth.

Is it not true that the British bureau of insurance for war risks does insure contraband goods?

Mr. STEVENS of Minnesota. That is true.

Mr. TEMPLE. And if we followed the example of other nations we would insure contraband goods?

Mr. STEVENS of Minnesota. Yes; and I think the House appreciates the great importance of what the gentleman from Pennsylvania has just stated. It is stated to us that under the bill contraband goods will not be insured. If it does not, it can not be used to insure much of anything except cotton and cotton goods. So only vessels carrying such goods could profit by this bill and come under our flag. This number will be small, as we all know.

The SPEAKER. The gentleman has occupied 20 minutes.

Mr. STEVENS of Minnesota. I will take 10 minutes more. If it does insure contraband goods, then in substance we violate our obligations and professions of neutrality to the great belligerent nations of the world. We have the two alternatives. If we do not insure contraband goods, this bill is practically worthless. It can only cover a portion of our exports which will move anyway whenever the nations are ready to use and pay for our cotton. This is not needed for such goods and it can not be used for other agricultural products, because they would be mostly contraband.

If we do insure contraband, then we lose our proud position of neutrality, and would be unable in the future to help these great belligerent powers when the time shall come when we can tender mediation and try to help to adjust these momentous matters. It seems to me that this is one of the great questions of humanity, that we should not do anything in any way which would interfere with our position of absolute neutrality, in spirit as well as in letter. [Applause.]

The result is that we can not, as the President has stated and as those who are responsible for this legislation have stated, fairly and honestly insure contraband. If we do not insure contraband, then there is practically nothing else to insure, except cotton, and that does not need insurance, because it is not contraband of war, and it can and will be purchased here as much as it can be used and paid for abroad. Foreign ships exist in abundance to take it abroad, and it will be purchased just as soon as foreign nations are willing to pay for it in gold.

Mr. BARTHOLDT. Mr. Chairman, will the gentleman yield?

Mr. STEVENS of Minnesota. Certainly.

Mr. BARTHOLDT. Is not grain conditional contraband?

Mr. STEVENS of Minnesota. Yes; I so stated. What can be done about the foreign ships to which my friend from Missouri alluded the other day? I confess that gives me much concern. The French Government, I notice this morning, served notice yesterday that it would object to the United States purchasing the German ships. I think the French Government need have no apprehension upon that score. Those great German ships are the finest ships in the world. The only place where they can be used profitably is in plying between the ports of the United States and of Europe, and the only ports where they can enter are the ports of the United States and England, because no continental ports of account are open, and I know that the German Government and the German people would prefer to have them rot rather than that those ships would be used to carry supplies to their enemies. They can not be used elsewhere, and I do not think anybody should have any apprehension upon that score; so that this insurance can not fit them.

Mr. ALEXANDER. Mr. Chairman, will the gentleman yield?

Mr. STEVENS of Minnesota. Yes.

Mr. ALEXANDER. Does the gentleman not think it very unwise, then, for the Committee on Merchant Marine and Fisheries to report out to this House a bill authorizing the Government to buy the German ships?

Mr. STEVENS of Minnesota. I do; but I have the greatest confidence in the judgment and patriotism and soundness of the gentleman from Missouri, as he knows.

Mr. PLATT. And those ships are not cargo-carrying ships?

Mr. STEVENS of Minnesota. They carry considerable amounts of cargo.

Mr. PLATT. But only express cargo.

Mr. STEVENS of Minnesota. They carry considerable amounts of peculiar and expensive cargo. I think the House should comprehend the condition also as to insurance in this country, because statements were made to our committee that sufficient insurance could not be secured to take this additional risk of about $500,000 per cargo, where the average cargo would require about a million and a half dollars, and that the utmost insurance available for war risk was about a million dollars. It was stated that there are about 16 companies in and of the United States which could carry this marine insurance in this way, and are now actually doing this business. This House realizes, I know, that I have never ascribed any ulterior motives to anybody, and I do not desire to do it now in discussion of this important subject. But with all due deliberation I do point out to this House the inevitable consequence of passing this bill on the subject of marine insurance in the United States. Some of those marine underwriters were before our committee the other day at the hearings and made a rather inadequate showing to us.

These gentlemen stated that there are 16 companies eligible to take marine insurance right now, and would take it. I sent to the Department of Commerce, to the Bureau of Corporations, and the Bureau of Navigation and asked for all of the information which they had upon the subject of marine insurance, and

could get none. I sent to the Library and asked them to send over to my office whatever they had available on marine insurance, and they did send a barrel of stuff. Among the material was an article, "Marine Insurance in the United States," by Dr. Huebner, if I am rightly informed, who conducted the investigation for the Committee on Merchant Marine and Fisheries on the subject of recent shipping combinations and contracts, so that he is admirably qualified to discuss that subject from a thoroughly disinterested standpoint. I shall cite from his article on marine insurance in the United States in my remarks, but will not take the time now to quote it. The Library also sent American Marine, by Capt. W. W. Bates, one of the old commissioners of navigation, who probably has done more than any other in his day to urge a policy of discriminating duties for the benefit of upbuilding the American merchant marine. These two gentlemen show this condition: That there are 31 companies in the United States which have the charter rights to issue marine insurance, and in past years have exercised these rights by issuing more or less marine insurance. The Library also sent over the last insurance Year-Book of 1914, the most authoritative publication now used, which gives the names of those companies, and it is correct that only 16 are actively doing business in marine insurance and would now issue war risks. The others are confining themselves principally to fire insurance. The reason why these other 15 companies are not doing business in marine insurance seems to be this, as both of these authors state: The various States are discriminating against American marine insurance companies in favor of foreign marine insurance companies in this way: The State will allow the foreign company to place only a minimum amount of securities in the United States as the basis for their payment of losses.

The result of that is that the foreign companies do much more business on the same capital investment than any American company is allowed to do, and correspondingly the foreign company pays less taxes on the amount of its business capital than does the American company. I checked these facts up as well as I could in this last number of the insurance Year Book and found it substantially true. The result is that under the policy of our States for the past few years the foreign companies have crowded out the American companies, with the exception of these 16. I found also in this insurance Year Book that there were many mutual companies doing business in Boston, New York, Philadelphia, and San Francisco, but I judged these were fire-insurance companies which did no marine business. The remaining 15 companies do principally a fire-insurance business, but they have the same capacity to do the marine business, and, of course, the mutual companies can do both if they prepare for it. This Year Book also gave a list of 40 Lloyd companies doing business last year, which Lloyd companies are based on the old Lloyd system of mutual underwriting, which probably could be applied to marine insurance at once. If it can apply to fire it equally can to marine risks, and that would require but little time for preparation. They insured about $10,000,000 last year. Again, some of the advertising in this very Year Book is that of the underwriters' agencies, which are nothing but Lloyd concerns, which would do this very kind of business if given an opportunity, and be allowed to prepare for it. Then I notice that some of the great steamship companies do their own insuring, which would enable more war-risk insurance to be placed by our own companies on their vessels if necessary.

These facts seem to me to clearly disclose that eliminating the risks assumed by the foreign Governments on the bulk of our exports, because the foreigners purchase and secure title here, there would be abundant capital to care for the remaining risks in American vessels if it be properly marshaled and encouraged, and not driven out by hostile State and governmental action.

In addition there are seven foreign companies from neutral nations given in the Year Book which would seem to be open to this kind of business, but I am not considering them.

RESULTS.

The result is this, as you see: These 16 companies wish to assume and actually now do take a million dollars' worth of insurance on each average vessel and cargo. They claim that the average cargo requires a million and a half insurance—five hundred thousand more than they care to safely take. They desire that this extra insurance shall be taken by the United States, and if so, that these old foreign vessels will then register temporarily in the United States. If this Government does so, that would prevent any more American companies entering the marine insurance field. If the United States once enters this field and supplies this deficiency it would give those gentlemen practically a monopoly of the existing market. These 16 companies practically have a monopoly in the American field now, and naturally desire to continue such profitable conditions. The books show that, in addition to these 16 companies now doing business, such old companies as the Richmond Fire & Marine, the Detroit Fire & Marine, the Springfield Fire & Marine, the Minneapolis Fire & Marine, the Northwestern Fire & Marine, and companies of that kind could easily write marine risks if they had the opportunity, but are more or less crowded out of the field by this very legislation we are proposing here. That is one of the evils of this measure, against which I enter protest.

Mr. Chairman, I desire to call attention to the structure of the legislation which accomplishes this purpose. Remember that insurance is not a governmental function; it is not a sovereign act of the United States. The United States Supreme Court has held several times that marine insurance is neither commerce nor the instrumentality of commerce. It is simply an incident to commerce, just the same as a promissory note or an open account or something like that; so that marine insurance can not be regulated by an act of Congress under the commerce clause of the Constitution.

The CHAIRMAN. The time of the gentleman has expired.

Mr. STEVENS of Minnesota. I yield myself 10 minutes additional. So that marine insurance as an act or instrumentality of commerce can not be regulated by an act of Congress. Its governmental regulation must be as a part of the police power of the various States. That has been settled time and again by the decisions of the Supreme Court, which is not subject to dispute; so that this bill simply puts the United States in the insurance business just exactly on the same basis as any other insurance corporation doing the same business, with no other rights or privileges than have any other insurance corporations.

If it does business in any State, it must do such business in accordance with the laws of that State. It must accommodate itself to these laws as to capital stock and resources and reserves; it must pay the license fees; if agents are registered, they must pay the license fee; they must pay the State taxes, as provided by the State law. Now, nothing of that sort is provided for in this bill. Now, these doctrines I state are well illustrated and settled in the South Carolina Dispensary case. The Supreme Court of the United States held that the dispensary of South Carolina was not a sovereign act of the State, but an act of the State acting as a corporation doing a private business. That is exactly the same way that the United States will do business under this insurance act. The result is this, that the United States would act as a private corporation, doing a legal business only where it is authorized to do business. Now, where is it authorized to do business under this bill? Solely in the city of Washington, D. C., and nowhere else. It can not have agents outside. It can only do business here. Now, what kind of a business does it do? Sections 2 and 3 prescribe for the insurance of freight and passage moneys and cargoes to be shipped, either imported or exported cargoes. That means whole cargoes, not part cargoes—whole cargoes. The result is that when this insurance is sought for it will be applied for in the usual way in one of the great commercial cities—Boston, New York, Philadelphia, Baltimore. The gentlemen desiring insurance will go to an insurance broker and state exactly what they need, and he will go to a marine company to place it in the usual way. This company will insure the usual risks in the usual way for the market sum, and will then insure the war risk up to a million dollars, and will then reinsure such as it deems best and allot this reinsurance to those who will carry on its terms. They will then send to this bureau to insure the balance of a half a million dollars, which it is claimed the existing companies can not safely assume. That is the way this insurance will be actually done, and it is the only way it can be legally done. Insure the whole cargo through one of the other companies and place the deficiency not taken by others through the office here.

The result is you see by this cunning arrangement all competition outside of the present active lines is effectively eliminated. This method laid down in this bill gives these 16 gentlemen running these companies a complete monopoly during the existence of this legislation in the marine-insurance business in the United States.

Mr. DECKER. Will the gentleman yield?

Mr. STEVENS of Minnesota. Certainly.

Mr. DECKER. What is the condition of competition between these 16 companies now?

Mr. STEVENS of Minnesota. I do not think there is very much. I admit to the gentleman from Missouri I do not think very much, but this will make it worse instead of better.

This will eliminate competitors instead of encouraging them to enter. Now, these writers upon marine insurance all lay down this proposition. We can not have an effective merchant marine in the United States unless we have three things: First, ships; second, shipyards; and, third, American marine insurance. This bill will prevent the development of an honest American marine insurance.

Mr. MOORE. Will the gentleman yield?

Mr. STEVENS of Minnesota. Yes.

Mr. MOORE. As a matter of fact, do we not take $5,000,000 of the money of the people of the United States, set it apart, and say to those who are engaged in a business of great hazard, "Take the risk, and, if you lose, the people of the country, to the extent of $5,000,000, will stand the loss?"

Mr. STEVENS of Minnesota. Yes; it is that, and worse. It is worse because it accomplishes, in addition, the result I have stated. It encourages, if that business is to be done, the violation of our position of neutrality, possibly not a technical violation, but an actual violation, because it can be only done for the benefit of one class of belligerents—England, France, and Belgium.

The advantage can not be had under any circumstances by Germany or Austria. That of itself constitutes a practical, not a technical, violation of our neutral position which ought not to be tolerated by our Government. [Applause.]

Mr. CLINE. Will the gentleman yield for one more question?

Mr. STEVENS of Minnesota. Certainly.

Mr. CLINE. The gentleman stated in his remarks when he first opened the discussion that this country, being a neutral country, could not ship goods that were contraband.

Mr. STEVENS of Minnesota. We can ship anything.

Mr. CLINE. You do not get my question. That would in any way reach either one of the belligerents.

Mr. STEVENS of Minnesota. Oh, yes; our people can ship anything we please. Our people can ship absolute or conditional contraband if they wish to take their chances.

Mr. CLINE. And still maintain our neutrality?

Mr. STEVENS of Minnesota. Our citizens can ship anything, but that is not an act of the Government itself. It does not involve the Government. This does, and that is the vice of it.

Mr. CLINE. Suppose this bill should pass and the Government should send what would be an unnecessary supply of wheat to Holland to supply the local demand; is the Government bound to follow that wheat further than delivered to the consignee in order to preserve this neutrality?

Mr. STEVENS of Minnesota. No; and again, yes. As to conditional contraband the searching ships of England would have no right to go beyond the ship's papers. But if at some time conditions existed, such as the gentleman has stated, that are unnatural—that is, the ship would be outside the usual course, or the ship is carrying an unusual amount for the usual market conditions of Holland, that would be a matter of decision for the prize court and would open the question of violation of neutral rights.

Now, Mr. Chairman, I have occupied more time than I wished, and have only discussed the question, as you realize, in a superficial and cursory way, but there is one other necessary conclusion that seems to me should be considered in connection with this legislation. This is a great emergency. We are all wondering what ought to be done under a condition new and untried. At the same time, it seems to me, before we embark upon any revolutionary step, before we attempt to put this Government into any new sphere of public activity, we should realize that it will be but the basis of other proceedings like these some time or probably in the very near future. Our action on this measure will be used as a precedent hereafter. If we sell insurance, we can similarly sell any other commodity of general use. If we sell we can equally buy and deal in any articles. We are asked to buy cotton, grain, naval stores, tobacco, silver, and what not to-morrow. I am unwilling that this Government should embark in a private business where our citizens can do it as well or better than the United States itself. I believe that this business can and will be carried on by the existing agencies better than the United States can do it. There is no need for this mad haste. There is no such emergency as warrants such a radical departure by our Government. I believe that the American crops can be moved. I believe that the American resources can be developed to meet this emergency better than this bill can do it, notwithstanding the great and overwhelming opinion of those 62 eminent gentlemen whose judgment is entitled to the utmost respect in the United States. But if we do this for them, in justice we must treat our other citizens in the South and West equally and along the same lines. One departure for private benefit, though ostensibly for public, will be quickly followed by a multitude of more important ventures. The consequences will be evil. It will sap the integrity, energy, and initiative of our people. It will destroy their sense of personal resource and responsibility. I can conceive of few greater evils for our country and its future. But I have given to the House my best judgment upon the facts as I have found them. And I do not believe under these circumstances that this legislation should be started as a precedent for future action which may result unfortunately for our Government and eventually may impair our institutions. We can not stand still in this path. Once we enter we shall pursue it steadily and along broader lines. And for this reason, reluctant as I have been in this emergency to seem opposed to matters which are deemed essential, I feel obliged to oppose this measure. [Applause.]

Mr. Chairman, I reserve the balance of my time.

Mr. ADAMSON. Mr. Chairman, I yield to the gentleman from New York [Mr. LEVY] five minutes, or such portion thereof as he may desire to use.

Mr. LEVY. Mr. Chairman, I am one of those opposed to the Government going into any class of business; but this is an exigency of such importance that we have to break away from the rule to protect our shipping and the exportation of our products. At the present time there are a large number of vessels waiting for cargoes, but they are unable to obtain the same, as the shippers can not secure any war-risk insurance.

In the past Great Britain has been the principal insurer against war through the underwriters at London—Lloyds; but since the breaking out of the war in Europe the British Government has assumed these risks to the extent of 80 per cent, the remaining 20 per cent being insured with clubs at London—Lloyds. The rate is fixed by the Government from day to day, but it does not exceed 5 per cent per voyage on the value of the steamer.

Application for this insurance must be made to the war-risks office in London, either personally or through a London broker. Provisional value must then be fixed and premium paid on this value. The ordinary insurance risks on such cargo must be covered with marine underwriters at London—Lloyds—or with British insurance companies or other approved companies or underwriters, and claims under the Government war-risk insurance will be settled on the valuation fixed by such marine insurance, but not exceeding the provisional value declared in the application to the Government war-risks office. All reputable English or American companies will be approved, and their evidence as to insured value will be accepted as a basis for settlement of claims under the Government war-risk insurance. Losses are payable at once.

A uniform rate for all voyages is fixed from time to time by the British Government for this war-risk insurance. To-day the rate is 4.2 per cent, and at the present time there is little prospect that this rate will be changed. If the pending bill is passed, our rate will be as low as 1 per cent. There are certain prohibited areas, namely, no continental ports north of East Scheldt and no Adriatic ports.

I feel confident that after the passage of this bill the foreign-exchange situation will materially improve.

Mr. Chairman, the following is section 2 of the bill H. R. 18202, an act to provide for the admission of foreign-built ships to American registry for the foreign trade, and for other purposes:

SEC. 2. That the President of the United States is hereby authorized, whenever in his discretion the needs of foreign commerce may require, to suspend by order, so far and for such length of time as he may deem desirable, the provisions of law prescribing that all the watch officers of vessels of the United States registered for foreign trade shall be citizens of the United States.

I consider this particular section one of the most important to our shipping interests, and I feel confident our distinguished and far-seeing President will take advantage and declare the section operative within the next few days.

Mr. Chairman, I ask leave to print in connection herewith a pamphlet entitled "Information for American Shippers," issued by the New York Chamber of Commerce, as a part of my remarks.

The CHAIRMAN. Is there objection?

There was no objection.

Following is the information referred to:

INFORMATION FOR AMERICAN SHIPPERS.

The liability of goods shipped by American merchants to be captured as prizes of war depends upon a number of circumstances—the destination of the goods; the ownership of the goods, actual or presumptive, after shipment; the character of the goods, whether contraband or not; and the nationality of the carrier.

Goods shipped by American shippers to a neutral destination are exempt from capture, whether shipped on an American or other neutral ship or on a belligerent ship.

The only exception to this rule is where the goods, though shipped to a neutral destination, are intended to be transshipped or forwarded

to a hostile destination—a fact which the captor must prove in order to justify the capture.

Shipments by Americans made in good faith to neutrals in a neutral port can never be considered as contraband; it is the destination of the goods and not their character which makes them contraband.

The title to goods shipped on the basis of cost, insurance, and freight, or cost and freight, ordinarily vests in the buyer on shipment. If such goods are consigned to a belligerent port, they at once become enemy's goods as to all other belligerents, and as such are subject to capture except when carried in a neutral bottom.

The character of goods, whether contraband or not, becomes important only where the shipment is made to a belligerent port.

Contraband is of two classes, absolute and conditional. Absolute contraband is subject to capture even in an American bottom. Goods known as conditional contraband are not subject to capture in an American or other neutral or a belligerent bottom, unless destined for the use of the armed forces or of a Government department of the enemy State, or consigned to enemy authorities, or a contractor for such authorities, or to a fortified place belonging to the enemy, or other place serving as a base for the armed forces of the enemy. As, however, the prize court of the captor has jurisdiction to determine the latter question, shippers should contemplate the possibility that both classes of contraband may possibly be seized and condemned.

The latest classification of absolute and conditional contraband is contained in the declaration of London of February 26, 1909. This has been ratified by our Government, but not by the other Governments which were parties to it. It is valuable, however, as a statement of what has been heretofore regarded by experts in international law and the prize courts of certain countries as absolute contraband, conditional contraband, and exempt classes of cargo. The provisions of the declaration are these:

"The following articles may, without notice, be treated as contraband of war, under the name of absolute contraband:

"(1) Arms of all kinds, including arms for sporting purposes, and their distinctive component parts.

"(2) Projectiles, charges, and cartridges of all kinds, and their distinctive component parts.

"(3) Powder and explosives specially prepared for use in war.

"(4) Gun mountings, limber boxes, limbers, military wagons, field forges, and their distinctive component parts.

"(5) Clothing and equipment of a distinctively military character.

"(6) All kinds of harness of a distinctively military character.

"(7) Saddle, draft, and pack animals suitable for use in war.

"(8) Articles of camp equipment, and their distinctive component parts.

"(9) Armor plates.

"(10) Warships, including boats and their distinctive component parts of such a nature that they can only be used on a vessel of war.

"(11) Implements and apparatus designed exclusively for the manufacture of munitions of war, for the manufacture or repair of arms or war material for use on land or sea.

"The following articles, susceptible of use in war as well as for purposes of peace, may, without notice, be treated as contraband of war under the name of conditional contraband:

"(1) Foodstuffs.

"(2) Forage and grain, suitable for feeding animals.

"(3) Clothing, fabrics for clothing, and boots and shoes, suitable for use in war.

"(4) Gold and silver in coin or bullion; paper money.

"(5) Vehicles of all kinds available for use in war, and their component parts.

"(6) Vessels, craft, and boats of all kinds; floating docks, parts of docks, and their component parts.

"(7) Railway material, both fixed and rolling stock, and material for telegraphs, wireless telegraphs, and telephones.

"(8) Balloons and flying machines and their distinctive component parts, together with accessories and articles recognizable as intended for use in connection with balloons and flying machines.

"(9) Fuel; lubricants.

"(10) Powder and explosives not specially prepared for use in war.

"(11) Barbed wire and implements for fixing and cutting the same.

"(12) Horseshoes and shoeing materials.

"(13) Harness and saddlery.

"(14) Field glasses, telescopes, chronometers, and all kinds of nautical instruments."

It is to be understood that each belligerent has the power to declare additional articles susceptible of use in war as well as for the purpose of peace to be conditional contraband.

Great Britain has already issued her proclamation of contraband, dated August 5, 1914, which follows explicitly the declaration of London except in one respect, namely, that it transfers flying machines from conditional to absolute contraband.

The declaration of London also provides "that the following may not be declared contraband of war:

"(1) Raw cotton, wool, silk, jute, flax, hemp, and other raw materials of the textile industries, and yarns of the same.

"(2) Oil seeds and nuts; copra.

"(3) Rubber, resin, gums, and lacs; hops.

"(4) Raw hides and horns, bones, and ivory.

"(5) Natural and artificial manures, including nitrates and phosphates for agricultural purposes.

"(6) Metallic ores.

"(7) Earths, clays, lime, chalk; stone, including marble, bricks, slates, and tiles.

"(8) Chinaware and glass.

"(9) Paper and paper-making materials.

"(10) Soap, paint and colors, including articles exclusively used in their manufacture, and varnish.

"(11) Bleaching powder, soda, ash, caustic soda, salt, cake, ammonia, sulphate of ammonia, and sulphate of copper.

"(12) Agricultural, mining, textile, and printing machinery.

"(13) Precious and semiprecious stones, pearls, mother-of-pearl, and coral.

"(14) Clocks and watches, other than chronometers.

"(15) Fashion and fancy goods.

"(16) Feathers of all kinds, hairs, and bristles.

"(17) Articles of household furniture and decoration; office furniture and requisites."

In the event of the capture of a belligerent ship, the practice of nations requires that she be taken before a prize court in the country of the captor for adjudication. An exception to this rule has been recognized in cases where it may be impossible, or practically so, for the captor to take his prize to a prize court, in which event he may sink the ship. It may thus result that a neutral cargo will also be destroyed. If the ship be taken into a prize court, that court determines, in accordance with its own jurisprudence, whether the cargo shall be condemned as enemy property or as contraband, or shall be released to its owner as neutral. It is evident, therefore, that the owners of goods shipped in a belligerent ship to any destination or in a neutral ship to a belligerent destination are subject to risks which they will wish to cover by insurance.

The ordinary policy of marine insurance would cover war risks in addition to the usual fire and marine risks but for the following clause:

"Warranted free from capture, seizure, and detention, and the consequences thereof, or any attempt thereat, piracy excepted, and from all consequences of hostilities or warlike operations, whether before or after declaration of war."

The risks thus excluded from the protection of an ordinary marine policy may be covered by a war-risk policy. The forms of such policies vary widely, but it is the general intent of all of them to cover such risks as are excluded from the ordinary marine policy by the terms of the foregoing warranty.

The principal risks of the owner of goods in a captured ship may be summarized as follows:

1. The cargo may be sunk with the ship, or condemned by the prize court of the captor as enemy's goods or as contraband.

The loss is not covered by a marine policy, but would be covered by a war-risk policy.

2. The goods may be lost, or damaged by reason of the ship striking a mine or otherwise coming within the range of hostilities.

The loss is not covered by a marine policy, but would be covered by a war-risk policy.

3. Goods released by the prize court as neutral may be damaged in the course of unloading, storage, or reloading.

Losses of this nature would not be covered by a marine policy, but would be covered by a war-risk policy.

4. Extra charges and expenses in connection with forwarding released goods from the port of the prize court to their original destination would not be covered by a marine policy, but would be covered by a war-risk policy.

5. The owner of the released goods may suffer loss due to a deterioration in the quality of goods owing to their inherent nature, a depreciation in price, a loss of market, or a loss of interest in consequence of delay in obtaining the release of his goods by the prize court.

Such losses are not covered either by the ordinary form of marine policy nor by a war-risk policy.

J. PARKER KIRLIN,
CHARLES C. BURLINGHAM,
Counsel.

NEW YORK, *August 12, 1914.*

Mr. ADAMSON. Mr. Chairman, how much time have I remaining?

The CHAIRMAN (Mr. SAUNDERS). Thirty minutes.

Mr. MANN. How much time has the other side?

The CHAIRMAN. Twenty-two.

Mr. ADAMSON. I yield 10 minutes to the gentleman from New York [Mr TALCOTT].

Mr. TALCOTT of New York Mr Chairman, this bill is an emergency measure. War creates new risks separate and distinct from the usual marine risks and the insurance of these is necessary if ships are to move from port to port. This bill does not deal with ordinary marine insurance; only with risks arising and proceeding from the warfare existing in different parts of the world. Its effect in the main may be regulative. When a short time ago insurance upon English ships and their cargoes against risks of war became so high as to be almost prohibitive, I am informed that the English Government fixed a rate at which it would insure against these risks, and premiums asked by insurers soon fell to the level of the Government rate. This bill will render more effective the provisions of the bill passed a short time ago extending the registry of foreign-built ships. We must protect our trade if we expect to have any. And if individuals and corporations are unwilling to insure against war risks on reasonable terms, Congress must provide a way by which it can be done. This is the purpose of the pending bill.

It provides for the establishment in the Treasury Department of the bureau of war-risk insurance, the director and employees of which shall be appointed by the Secretary of the Treasury; the salary of director to be $6,000, and of other employees to be fixed by the Secretary of the Treasury, but in no case to exceed $5,000 per annum. All employees receiving salaries of $3,000 or less are to be subject to civil service.

The bureau is to make provision for the insurance by the United States of American vessels, their freight, passage, and cargoes therein, against loss or damage by the risks of war whenever, in the judgment of the Secretary, it may appear that American vessels, shippers, or importers are unable in any trade to secure adequate war-risk insurance. The bureau, with the approval of the Secretary, is authorized to adopt and publish a form of war-risk policy and to fix reasonable rates of premium for the insurance of American vessels, their freight, passage, moneys, and their cargoes against war risks. The proceeds of the premiums are to be covered into the Treasury, and the bureau is further given powers, with the approval of the Secretary, to make any and all rules and regulations necessary to carry out the purposes of the act.

Further, the Secretary of the Treasury is authorized to establish an advisory board, to consist of three members skilled in war-risk insurance, for the purpose of assisting the bureau in

fixing rates of premium, adjustment of losses, and generally in carrying out the purposes of the act, their compensation to be determined by the Secretary of the Treasury. In case of disagreement as to the claim or the amount thereof between the bureau and the parties in interest, an action on the claim may be brought in the district court of the United States, sitting in admiralty, in the district in which the claimant or the agent resides.

Provision is made for the adjustment and payment of losses. Appropriation of $5,000,000 is made for losses and $100,000 for the establishment and maintenance of the bureau of war-risk insurance. In conclusion, it is provided that the President shall terminate the operation of the act whenever he shall find that the necessity for further war-risk insurance shall have ceased and shall abolish the bureau as soon as its work has been completed.

Now, it seems to me that the gentleman from Missouri [Mr. BARTHOLDT] and the gentleman from Minnesota [Mr. STEVENS] are unnecessarily alarmed in regard to the possible violation of neutrality.

In the first place, contraband covers only a portion of the exports of the country at the present time, or at any time during the past year. Outside of the articles which are contraband or conditionally contraband, and which the Governments of England and Germany have declared to be contraband, there is a vast amount of export trade. The articles which are contraband cover only a page or a page and a half of ordinary print, whereas the articles which are not contraband cover many pages of the Statistical Abstract. Take not only cotton and cotton cloths, but take also all textiles; take fruits and nuts; take leather goods, which are exported in large quantities—and all these, for the most part, are outside of the rules in relation to contraband, and all will be insurable under this bill.

Then take the regions to be reached. Why, Denmark and Norway and Sweden and Spain and Portugal and Italy, so far as Europe alone is concerned, are open to our exports—not only to the exports that are not contraband, but to the exports that would be contraband if sent to a belligerent; and this vast commerce, so far as Europe alone is concerned, will amount to millions of dollars. In addition to that, there is the trade of South America and the trade with the part of the Orient not affected by the war. So that outside of the question of contraband, outside of the zone of warfare, there is a vast amount of commerce which can be insured under the provisions of this bill.

This measure, which has been brought forward to meet the emergency existing by reason of war, is often referred to as intended to serve an opportunity for commercial advantage only. It is no doubt true it will serve that purpose. It will render commerce possible, enable the crops to move from warehouse to seaport, and from our seaports to different ports of the world; but it also presents an opportunity of a higher kind, for when privation and suffering come to many lands now involved in war, as they must come, this country will be enabled to extend the help which must be given in the cause of a common humanity.

The CHAIRMAN. The gentleman yields back the balance of his time.

Mr. ADAMSON. Mr. Chairman, I will ask the gentleman from Minnesota [Mr. STEVENS] to use some of his time.

Mr. STEVENS of Minnesota. Mr. Chairman, I yield to the gentleman from Iowa [Mr. TOWNER].

The CHAIRMAN. The gentleman from Iowa [Mr. TOWNER] is recognized.

Mr. TOWNER. Mr. Chairman, it should be thoroughly understood just what is involved in the bill under consideration. We are asked to create as one of the bureaus of our Government an insurance department, whose duty it shall be to engage in the extrahazardous business of war-risk insurance. We are asked to appropriate $5,100,000 therefor from the Treasury of the United States.

It is not contended that the United States as a permanent policy should engage in the insurance business. It is not argued that it will be profitable to do so. On the contrary, it is stated as a reason why the United States should undertake the enterprise that marine-insurance companies already engaged in the business are unwilling or unable to issue these war-risk policies. If it is a profitable venture, private capital would furnish the funds. If it is safe, private enterprise would take the risk. But because it is neither profitable nor safe therefore it is urged that the United States should undertake it.

NO GROUNDS FOR SUCH AN ACT.

The grounds on which this extraordinary proposal is justified are rather obscure. It is a war measure, we are told. But we are not at war. England, France, and Belgium insure their vessels against war risk, it is said. But they are at war. They are compelled to do so, else their merchant vessels would not dare leave their harbors. Each one so venturing is liable to capture anywhere on the high seas, no matter what it carries nor for what port destined. Not so the United States. Her ships may sail on any sea. They may enter any harbor not actually blockaded. They may carry any cargo not contraband of war. They are not liable to capture unless they violate some law of neutrality.

We are at perfect liberty to trade with all the neutral nations of the world, and as to that trade there is no war risk for which insurance is needed. We are at perfect liberty to trade with any belligerent nation provided we do not deal with articles which are contraband of war. As to such trade no war-risk insurance is needed. If by the passage of this act American vessels are induced to attempt the transportation and delivery to any of the belligerent nations of articles which are contraband of war, then the Government itself will be guilty of a violation of the laws of neutrality and will involve itself with the powers at war.

CONTRABAND OF WAR.

It is stated by the advocates of this bill that it is not proposed to insure contraband goods. But the bill does not so provide. Such an omission is too important not to have been intended. And when it is considered that unless contraband goods are to be insured there is little need of war-risk insurance, the intent is clear that the object of the bill is to induce and guarantee the shipment of goods which are contraband of war.

Articles are contraband of war which are or may be used by a belligerent in aid of its warfare. They are not limited to arms and ammunitions, but include all articles which either inherently or by use may aid in warfare. Two classes are recognized absolute and conditional contraband. By the declaration of London, promulgated February 26, 1909, to which the United States is a party and by which Germany, Great Britain, Belgium, and France have declared they will be governed, the following are declared absolute contraband:

(1) Arms of all kinds, including arms for sporting purposes, and their distinctive component parts.
(2) Projectiles, charges, and cartridges of all kinds, and their distinctive component parts.
(3) Powder and explosives specially prepared for use in war.
(4) Gun mountings, limber boxes, limbers, military wagons, field forges, and their distinctive component parts.
(5) Clothing and equipment of a distinctively military character.
(6) All kinds of harness of a distinctively military character.
(7) Saddle, draft, and pack animals suitable for use in war.
(8) Articles of camp equipment, and their distinctive component parts.
(9) Armor plates.
(10) Warships, including boats and their distinctive component parts of such a nature that they can only be used on a vessel of war.
(11) Implements and apparatus designed exclusively for the manufacture of munitions of war, for the manufacture or repair of arms or war material for use on land or sea.

The following are declared conditional contraband:

(1) Foodstuffs.
(2) Forage and grain, suitable for feeding animals.
(3) Clothing, fabrics for clothing, and boots and shoes, suitable for use in war.
(4) Gold and silver in coin or bullion; paper money.
(5) Vehicles of all kinds available for use in war, and their component parts.
(6) Vessels, craft, and boats of all kinds; floating docks, parts of docks, and their component parts.
(7) Railway material, both fixed and rolling stock, and material for telegraphs, wireless telegraphs, and telephones.
(8) Balloons and flying machines and their distinctive component parts, together with accessories and articles recognizable as intended for use in connection with balloons and flying machines.
(9) Fuel; lubricants.
(10) Powder and explosives not specially prepared for use in war.
(11) Barbed wire and implements for fixing and cutting the same.
(12) Horseshoes and shoeing materials.
(13) Harness and saddlery.
(14) Field glasses, telescopes, chronometers, and all kinds of nautical instruments.

It is to be understood that each belligerent has the power to declare additional articles susceptible of use in war as well as for the purposes of peace to be conditional contraband.

The declaration of London further provides that the following may not be declared contraband of war:

(1) Raw cotton, wool, silk, jute, flax, hemp, and other raw materials of the textile industries, and yarns of the same.
(2) Oil seeds and nuts; copra.
(3) Rubber, resin, gums, and lacs; hops.
(4) Raw hides and horns, bones, and ivory.
(5) Natural and artificial manures, including nitrates and phosphates for agricultural purposes.
(6) Metallic ores.
(7) Earths, clays, lime, chalk; stone, including marble, bricks, slates, and tiles.
(8) Chinaware and glass.
(9) Paper and paper-making materials.
(10) Soap, paint and colors, including articles exclusively used in their manufacture, and varnish.

(11) Bleaching powder, soda, ash, caustic soda, salt, cake, ammonia, sulphate of ammonia, and sulphate of copper.
(12) Agricultural, mining, textile, and printing machinery.
(13) Precious and semiprecious stones, pearls, mother-of-pearl, and coral.
(14) Clocks and watches, other than chronometers.
(15) Fashion and fancy goods
(16) Feathers of all kinds, hairs, and bristles.
(17) Articles of household furniture and decoration; office furniture and requisites.

It will be noted how small is the list of those things which we desire to export that is not contraband of war. Cotton is the only important item on the list. All the other articles figure lightly in our exportations.

On the other hand, nearly all the articles which we desire to sell abroad are in the contraband list. Foodstuffs and grain, clothing and manufactured articles, horses, automobiles, machinery—all these are contraband.

When the advocates of this bill say it is not intended to cover contraband of war they are, to say the least, disingenuous. If they had been perfectly frank and candid they would have told the House that if it did not cover contraband goods it would be of little value or that it was intended only to benefit the South in shipping its cotton.

But if it was not intended to carry contraband goods the bill should so provide. I shall introduce an amendment limiting the operation of the bill to goods not contraband of war. This will test the sincerity of those who have assured us that it is not intended to cover contraband goods.

NOT NEEDED TO MOVE GRAIN.

The plea of the gentleman from Alabama [Mr. UNDERWOOD] that ships are waiting at our ports to carry our grain abroad and are only delaying until the Government will insure them is entirely unfounded. There are ships waiting, but they are not our ships; they are the ships of France and England and other nations. They are not waiting for the passage of this bill, for this bill would not help them in the slightest degree. This bill does not propose to insure foreign ships, but only American ships. It is mere pretense to carry the idea that this bill will help the farmers sell their grain.

There are abundant ships ready and anxious to carry all the products Americans can sell abroad, and as soon as exchange and payment can be arranged there will be no difficulty in finding ships.

For the United States to carry this war-risk insurance will not facilitate the movement of grain. The grain will be carried in English or French vessels and the war risk will be carried by the respective Governments if it is consigned to their ports. If it is consigned to neutral ports outside the war zones, no war-risk insurance will be needed or taken. It is a safe proposition to leave the carrying of contraband goods to the vessels of those countries which desire the goods. We can afford to forego the carriage if we sell the goods. It is also safe to assume that if England and France desire our food products as long as they control the Atlantic and have the ships they will carry them. And as long as they control the seas we could not send our goods to Germany and Austria if we desired.

There is a great difference in its international aspects between a citizen selling to a belligerent and between a nation selling or aiding in the sale to a belligerent. While it can not be considered as a violation of neutrality for a citizen of a neutral power to sell to a belligerent, any act by which a neutral nation as such aids, assists, or in any way helps the cause of the belligerents must be regarded as an unfriendly act.

NEUTRALITY.

A neutral nation is one which wholly abstains from taking part in an existing war and renders no aid or service to either of the belligerent powers. We are friendly to all the European powers now at war. It is our duty not to take any part in the struggle and not to aid or help any of the warring nations. But that does not mean we are to stop all intercourse and trade with them. Neutrality does not imply that and the nations do not expect it. Our citizens may sell anything they desire to any or all of the belligerents. They may sell contraband of war, even arms and ammunition, if they take the chances of delivery and payment. Although most of the warring powers have declared grain and foodstuffs contraband of war, our people may freely sell their grain and products to any purchaser who will buy and pay for them.

But while individual citizens may do these things, the Government must not do them. International law declares:

If a neutral state, in its corporate capacity, were to engage in contraband trade, it would be regarded as an act of hostility by the injured state and would result in a declaration of war. An individual engaging in such trade does so at the risk of losing his goods by capture and confiscation. He does not, however, involve his Government in the breach of neutrality of which he is himself guilty.

If American citizens shall sell contraband products to a belligerent power, no notice of the transaction will be taken by any nation. But if our Government makes or aids such sale it will be deemed a hostile act. To insure a cargo from loss by war is to induce the shipment—is to aid in making the sale. It will be justly considered an unfriendly act by the nations opposing. There will be little chance of escaping a direct involvement if we are guilty of such a distinct breach of neutrality.

DANGERS WE INCUR.

It is quite likely gentlemen who support this bill do not realize the hazardous enterprise in which they ask the Government to embark. In the first place, we are asked to put $5,000,000 of the people's money in an enterprise so doubtful and dangerous that private capital will not take the risk. Still more unwise is it for the Nation to take the desperate chance of helping one of the contestants without offending the other.

It is useless to disguise the fact that the passage of this bill will aid England, France, and Belgium at the expense of Germany and Austria. The former control the seas and will not interfere with cargoes that will help them. Their ports are nearest us and open to our ships. To give them food and clothing will be to aid them in their great struggle with Germany and Austria. But what of those great powers? They are our friends as well as Great Britain, France, and Belgium. They will have a just grievance against us. We thus may forfeit for a little gain the permanent friendship of two great nations. This we can not afford to do.

If we shall send over American-owned ships into the danger zones carrying contraband goods consigned to a belligerent port with our guaranty as a Nation against loss, what will occur? They will be stopped and searched on the high seas by the war vessels of some of the belligerent powers. If it is found that the cargo is consigned to a port of the nation to which the war vessel belongs, or to a port of one of its allies, then it is probable the ship will be allowed to continue its voyage. But in such case the nation against which the warship is battling will have a right to regard the Government-guaranteed shipment to their enemy as an unfriendly act.

If, however, the shipment be consigned to an enemy's port or to a neutral port and it was supposed the shipment had an ulterior hostile destination, the warship would not allow the vessel to proceed, and might even destroy both vessel and cargo. This would be visiting a direct loss and injury to the Government of the United States, which had insured them. If any untoward incident occurs, if any indignity to the crew be shown, if anything that could be construed as an insult to our flag should happen, then at once we are at war.

It will be noted that the danger is not confined to cargoes destined for belligerent ports. It exists as well with regard to cargoes consigned to neutral ports. Vessels may be loaded with grain or foodstuffs to Holland ports, which are neutral. But Holland ports at the mouth of the Rhine could send this grain or foodstuffs directly to the military bases of the German armies. It is a proposition of international law that cargoes of contraband articles consigned to neutral ports but destined to be from thence transferred to a belligerent are subject to seizure and confiscation. An American vessel thus laden could be stopped on the high sea, searched, and if it was thought the cargo had an ulterior hostile destination, the cargo and even the vessel itself could be destroyed.

We will be fortunate at best if during this terrible struggle we can prevent being drawn into it. More than half the world and all the great nations are involved. The warfare is on every grand division of the earth's surface except our own. It is on every sea. The thunders of its guns can be heard even on our own shores. We can hardly imagine an activity, financial or commercial, but reaches into and is affected by this conflict. It will be remembered how even a fancied insult to our flag at Vera Cruz brought us to the brink of war. It should be understood that when passions are inflamed until the war spirit dominates every faculty and for the time utterly destroys reason men will not, can not, act with prudence. If the subjects of one of the warring powers should capture an American vessel on the high seas, carrying what they, even upon insufficient evidence, considered contraband of war, it would not be at all unlikely they would commit some act that would arouse national resentment.

We can not afford such risks. We can not take such chances.

OUR DUTY AS A NATION.

The President wisely and in good form issued a proclamation of neutrality in which he urged upon all citizens of the United States "the duty of an impartial neutrality during the existence of the conflict."

Again, the President in an impressive address to the Nation said:

Every man who really loves America will act and speak in the true spirit of neutrality, which is the spirit of impartiality and fairness and friendliness to all concerned.

Again, he said:

The United States must be neutral in fact as well as in name during these days that are to try men's souls. We must be impartial in thought as well as in action; must put a curb upon our sentiments as well as upon every transaction that might be construed as a preference of one party to the struggle before another.

These are golden words. They were made in the spirit of the highest patriotism and the largest humanity. They are worthy of the best traditions of the high office which the President holds.

If that spirit shall pervade Congress, this bill will never be passed. If it is the duty of citizens of the United States to maintain an attitude of "impartial neutrality during the existence of the conflict," how much more is it the duty of the Government itself to do so. If it is the duty of "every man" to act and speak "in the true spirit of neutrality," how much greater is the obligation of the Nation itself to do so. If the United States "must be neutral in fact as well as in name during these days that are to try men's souls," if it must put a curb upon "every transaction that might be construed as a preference of one party to the struggle before another," it will not become a guarantor of the delivery of contraband goods to a belligerent power.

There is no doubt about what the people of the United States desire. They desire that the United States should keep out of the struggle at any cost, at any sacrifice less than that of our integrity and our honor. They also desire and pray that this cruel war shall quickly end. If we shall act with regard to those desires, we shall defeat this bill. To pass it is to invite our own entanglement. And if we shall hope to ever exercise our good offices to bring to an end this awful era of carnage and of death, we must so hold ourselves from even the appearance of partiality that no one of the nations involved can have reason to doubt our friendship.

Mr. ADAMSON. Will the gentleman from Minnesota yield some time?

Mr. STEVENS of Minnesota. Yes; I yield five minutes to the gentleman from Pennsylvania [Mr. TEMPLE].

Mr. TEMPLE. Mr. Chairman, I have noticed what I thought to be a slight confusion on the part of some of those who have spoken on this question with regard to the plain provisions of the bill. Under the title and under the various paragraphs of the bill it will provide for the insurance only of American vessels and their cargoes against nothing but the risks of war. What are the risks of war incurred by a neutral merchant ship? A neutral vessel is not subject to capture unless she is carrying contraband of war or attempting to get into or out of a blockaded port or performing an unneutral service for one of the belligerents. Now, we are assured by the chairman of the committee in charge of the bill that it is not intended to insure contraband goods nor vessels attempting to violate a blockade, and it is not intended to insure vessels that will engage in unneutral service. What war risk is there left that can be covered by this bill? Well, if there were American goods on board a foreign vessel—a belligerent subject to capture—even such goods would be in little danger, for neutral goods are not subject to confiscation; they might, however, be misbandled in loading or unloading from the captured vessel and injured in that way, and there would thus be some war risk on American goods in foreign bottoms, but this bill would not cover that risk. It proposes to insure only American vessels and their cargoes. There is, however, one risk that I have not mentioned. If our vessels are damaged by floating torpedoes, that, of course, is one war risk that might be covered by such a bill as this. But aside from some such almost accidental danger there is very little war risk to be covered by this bill, according to the declarations made by its supporters on the floor of the House.

One very great risk remains, though, which I think has not been mentioned either by the supporters of the measure or by its opponents. In this, we may suspect, is the very essence of this bill; that is, the risk to ships whose registration is of doubtful validity. This bill belongs with the act that was passed a few days ago. No American capitalist has been willing to purchase foreign-built vessels under the terms of that act, which provides for the transfer of foreign vessels to the American flag, because in such a transaction there is a very big war risk. Under the continental system of international law, as distinguished from the Anglo-American system, the transfer of vessels from enemy ownership to neutral ownership after war breaks out furnishes so strong a presumption of fraud in the neutral registry that the vessels are captured and are taken to the prize court, where they are usually condemned. In order to make it safe for American capitalists to buy and transfer to American registry foreign-built ships, some such bill may be necessary, but there is no other war risk except the pure accident of running into a floating mine or some such thing, that can be covered by it. Our vessels carrying contraband goods will be subject to capture, but we are told that this will not apply to contraband. The bill does not say so, but the information comes to us on the floor of the House that contraband will not be insured. Now, as to the officers and crews of vessels recently transferred to American registry, they may be the same men that sailed her when she carried the flag of a belligerent power. Such men, still controlled by their sympathy and loyalty to the flag of their allegiance, might perform an unneutral service. Is it desirable to pass a bill that will cover such a risk as that?

Mr. MADDEN. Will the gentleman yield?

Mr. TEMPLE. Yes.

Mr. MADDEN. If the insurance is placed through insurance companies——

Mr. TEMPLE. The association of marine companies have announced that their rates on contraband goods will be high. Our information is that the Government will not accept any contraband goods, which relieves us from that danger.

Mr. MADDEN. I was going to ask if all the insurance is placed through insurance companies, how will we be able to stop the shipping of goods to belligerent ports?

Mr. TEMPLE. Great Britain, in operating Government war-risk insurance, reserves the right to forbid any particular voyage, and I presume the rights of the Government under this bill will be the same. I take it for granted that the conduct of officers in charge of the bureau of war-risk insurance created by this bill would be guided by ordinary common sense; but at best the new registration bill, in combination with this one, will involve us in a dangerous undertaking. [Applause.]

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. STEVENS of Minnesota. Mr. Chairman, how much time have I remaining?

The CHAIRMAN. The gentleman has 12 minutes.

Mr. STEVENS of Minnesota. Will not the gentleman from Georgia use some of his time?

Mr. ADAMSON. It is our intention to have but one speech in conclusion.

Mr. STEVENS of Minnesota. Then, Mr. Chairman, I yield five minutes to the gentleman from Wisconsin [Mr. STAFFORD].

Mr. STAFFORD. Mr. Chairman, as I view this bill, it is fraught with the gravest danger to this Nation. I fear it will involve us ultimately in the European war. My devout wish is to keep aloof from any such entanglements. This bill is intimately connected with the ship registry bill. It is virtually its sequel. The principle is now recognized in international law, and our Government agreed to it in the international naval conference of London in 1909, that no Government or person can purchase any merchant vessel of a belligerent after war begins unless it is for the purpose of being used on an entirely different route and the control in ownership has completely changed. No mere colorable transfer of title will protect the vessel on an attempted change of nationality.

Mr. UNDERWOOD. I would like the gentleman's authority for that.

Mr. STAFFORD. I have in my hand a report of that conference to which our Government was a party, which reads as follows:

ARTICLE 56.

The transfer of an enemy vessel to a neutral flag effected after the outbreak of hostilities is void unless it is proved that such transfer was not made in order to evade the consequences to which an enemy vessel, as such, is exposed.

Mr. UNDERWOOD. It was vetoed by the English Government before it was ever adopted.

Mr. STAFFORD. Our Government committed itself to this principle and the signatory powers submitted this rule with others for the guidance of the international prize court that was to be established pursuant to the recommendation of the second Hague conference.

Mr. TEMPLE. Will the gentleman from Wisconsin yield?

Mr. STAFFORD. Yes.

Mr. TEMPLE. The Italian Government in its war with Turkey adopted this as its policy in spite of the fact that it had not been ratified by all the powers, and Great Britain and France have announced that they intended to act on the declaration of London although not ratified.

Mr. STAFFORD. It has been accepted generally as international law since the London conference that you can not transfer a belligerent vessel to a neutral flag after the out-

break of hostilities. Prior to that conference the principle was not universally accepted, our Government having assumed a contrary position. This insurance bill is designed to throw a mantle of protection around vessels that are about to be purchased, and the principles of international law are opposed to it.

Mr. UNDERWOOD. Mr. Speaker, I dislike to see the gentlemen state in the RECORD as an accepted principle of international law something that was never considered in international law until the very convention he refers to, and that was vetoed by the British Government.

Mr. STAFFORD. The gentleman, I fear, is mistaken; Great Britain may not have ratified it, but it did not veto it. The British Government, nor any of the various signatory powers of which the United States was one, made no reservation or exception to the full acceptance of this principle, as was the case with some other principles before the conference, but it was enunciated as the accepted principle for future guidance.

Mr. TEMPLE. In the declaration and report adopted by the conference at London they declared that they adopted this as the generally accepted principle of international law, with regard to which there is some variety of practice in the application of it. They are the generally accepted principles of law.

Mr. STAFFORD. They are accepted even by Great Britain. As to the rule of international law before this conference, I wish to read from Hall's International Law, page 505, an accepted authority, where he says:

> Vessels, according to the practice of France and apparently of some other States, are, however, excepted on the ground of the difficulty of preventing fraud. Their sale is forbidden, and they are declared good prize in all cases in which they have been transferred to neutrals after the buyers could have knowledge of the outbreak of a war.

And in a note he says:

> The sale of a vessel, to be good, must be proved by authentic instruments anterior to the commencement of hostilities, and must be registered by a public officer. The practice dates back to 1694.

Continuing in the text, he says:

> In England and the United States, on the contrary, the right to purchase vessels is in principle admitted, they being in themselves legitimate objects of trade as fully as any other kind of merchandise, but the opportunities of fraud being great the circumstances attending a sale are severely scrutinized, and a transfer is not held to be good if it is subjected to any condition or even tacit understanding by which the vendor keeps an interest in the vessel or its profits, a control over it, a power of revocation, or a right to its restoration at the conclusion of the war.

Even admitting that the rule is not generally accepted, as I contend, that belligerent merchant vessels can not change their nationality to a neutral flag after the beginning of hostilities, it must be conceded that it is of sufficient doubt to make any such transaction questionable, and if our Government was concerned as a party it would perhaps involve us in the transaction and the dispute.

Owners of vessels flying belligerent flags to-day are naturally desirous of changing their registry to our flag if they can gain the protection of our Government for the war risk by having our Government insure them.

The purpose of this war-risk insurance bill is to impose on the Government that risk which private insurance companies refuse to take, except at very high compensatory rates. There is no need, so far as bona fide American ships are concerned, carrying noncontraband articles, whether sailing for South American ports or even to European ports, of any war risk, because there is none. They are neutral ships engaged in a proper commerce, and there is no additional risk by reason of the war. There is no war risk even as to American articles of noncontraband character when carried in an enemy's ships. It is true that those ships may be captured by an opposing belligerent power, but the neutral goods would not be liable to capture. Here is the danger of this whole thing about which we should hesitate before we plunge into this project:

Suppose the Government does insure these vessels that are of doubtful registry, and the war vessel of a foreign belligerent power would search the ship, as it has the right, and questions the nationality of the ship and the bona fides of the transfer, and holds it as a prize. Immediately this country is thrown into an uproar; feelings are aroused to a fever heat as to whether the foreign Government has that right. All this country would be immediately stirred to its depths, and it would be very difficult for us, indeed, to stem the passions that would be generated by such an act of seizure or even of search. They have the right of search. Why, then, should the Government interfere by this dubious practice when there is no need whatsoever? We can send in bona fide American vessels to any port those goods that are not contraband. Shall we adopt the policy that we should insure those vessels of dubious character, whose nationality is questioned, or those goods carried in those vessels which are contraband, merely to throw the protecting arm of the Government around it, and thus involve the Government in those difficulties? It has been argued that Great Britain and Belgium and France have Government war insurance. That is a different case entirely. They are to-day involved in war, and they have real war risks. All their merchant vessels and the merchandise of their merchants are liable to seizure and confiscation. We are a neutral power, and have everything to gain if we but keep cool and keep inviolate our obligations as a neutral. We have no war risks to-day, unless we launch into questionable practices and assume them. I do not want our Government to do anything that will involve us in war or which will bring us to the verge of war. Why should we do this? Why should we be precipitate? Where has the showing been made that we should undertake this very questionable practice?

Mr. TOWNER. Mr. Chairman, will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. TOWNER. Is it not true that the war risks covered by Great Britain and France are upon contraband goods that are for their own uses?

Mr. STAFFORD. It is the very purpose of the insurance as provided by Great Britain and France to cover war risks on contraband articles, and it is not the policy of this country to launch into that kind of business, for our merchants as private citizens, nor our Government as a party by insurance, should not attempt to engage in contraband commerce. Those goods that are not contraband will be carried in American vessels, or in foreign vessels, and without liability of capture in either case. Where is the showing that has been made that we as a Government should undertake this practice, which may involve us in danger at the very time when we should do all that we can to keep out of the European imbroglio?

Mr. SLOAN. Mr. Chairman, will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. SLOAN. Do not these other nations intend to protect the risk that they take by their own fleets?

Mr. STAFFORD. Oh, the bill drawn here would go to the extent of protecting these vessels when engaged in other than commerce with the United States. It would involve protecting them on their return voyage, even in case the cargo should happen to go to China. It is not certain that the transit will be merely between our country and the belligerent powers and back to this country. That is not the way these tramp vessels are chartered. They are chartered for different cargoes, and may go around the world. I think it is the policy of wisdom not to rush pell-mell into this line of activity, but to leave it to the private insurance companies. The war is barely three weeks old, and there is no such exigency confronting this Nation for us to adopt a policy that spells, I fear, loss, embarrassment, entanglements, perhaps war. Let us, even to our own commercial disadvantage, keep aloof from any practices that may even tend toward involving us in war. I wish to shun and avoid any such calamitous condition.

Mr. STEVENS of Minnesota. Mr. Chairman, I promised to grant time to two other gentlemen who do not seem to be present.

Mr. MOORE. Mr. Chairman, will the gentleman from Minnesota permit me to ask the gentleman from Wisconsin a question?

Mr. STEVENS of Minnesota. Yes; I yield further to the gentleman from Wisconsin.

Mr. MOORE. I wanted to ask the gentleman from Wisconsin a question that might have been put to other Members, but I am quite sure the gentleman can answer it, and that is whether as a matter of fact the leading beneficiaries of this insurance that we are now going to offer with the people's money would not be those great concerns heretofore doing business in foreign bottoms that have announced, since the passage of the registry bill, that they would transfer their registry from the foreign to the American flag?

Mr. STAFFORD. It is generally accepted that some of the beneficiaries of this governmental insurance proposition would be the Standard Oil Co., the United Fruit Co., and the United States Steel Corporation, which have a large number of steamers flying foreign flags at the present time, and now see it is to their advantage to turn the vessels over to American registry.

Mr. MOORE. Since this is called an emergency measure, does not the gentleman think it will be very interesting to our Democratic friends who have not heard the discussion, particularly the address of the gentleman from Minnesota [Mr. STEVENS], to know we are actually staking $5,000,000 of the people's money out of the Treasury of the United States against risks in a hazardous business undertaken and chiefly carried on by three of the greatest corporations in the United States?

Mr. STAFFORD. We are not only staking $5,000,000 but we are staking the very security of this Government, and I

think we should be very slow on going ahead with such a proposition. This is not a partisan question. I am viewing it from the standpoint of my duty as a patriotic American.

Mr. BUTLER. Is not there a less risk of having a war if we should adjourn and go home and quit talking? [Laughter and applause.]

Mr. HUMPHREY of Washington. Will the gentleman yield?

Mr. STAFFORD. I will.

Mr. HUMPHREY of Washington. I want to call the attention of the gentleman to this fact: My information is if these companies should transfer their vessels to the American flag, they will continue to perform the same business they are now; so they would simply get the advantage of this insurance and render no aid whatever.

Mr. STAFFORD. My greatest opposition to this measure is that I fear it will lead us into war, and I want to do everything possible to keep out. I am not considering so much the money side of the proposition as I am considering the national side of keeping our Government aloof from a foreign war.

Mr. STEVENS of Minnesota. Mr. Chairman, I have no other speaker, and I ask unanimous consent to extend my remarks in the RECORD by inserting certain documents.

Mr. ADAMSON. Mr. Chairman, I was going to ask unanimous consent that the gentleman from Minnesota and all who have addressed the committee have permission to extend their remarks in the RECORD.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent that all who have addressed——

Mr. ADAMSON. The request not only applies to those who have but those who may address the committee.

Mr. STEVENS of Minnesota. The committee can not very well grant that permission, although I would not raise any objection.

Mr. ADAMSON. The committee can not grant general permission to print, but it can grant permission to all who addressed the committee on a question.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent that all gentlemen who have or who do address the committee upon this bill may have leave to extend their remarks in the RECORD. Is there objection?

Mr. KELLY of Pennsylvania. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. KELLY of Pennsylvania. Would that apply to those who discussed the rule?

The CHAIRMAN. It would not.

Mr. KELLY of Pennsylvania. I would like to have permission to extend my remarks on the discussion of the rule.

Mr. ADAMSON. I will include those who spoke on the rule.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent that all gentlemen who have addressed the committee upon the pending bill and all those who address the House upon the rule providing for the consideration of the pending bill may have unanimous consent to extend their remarks in the RECORD. Is there objection?

Mr. PAYNE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. PAYNE. Has the committee power to allow gentlemen who have addressed the House on the rule to extend their remarks?

Mr. TEMPLE. That is the parliamentary inquiry I also desired to make.

Mr. ADAMSON. I do not think it has, Mr. Chairman, and I withdraw that amendment to the proposition.

The CHAIRMAN. The gentleman from Georgia withdraws that part of his request and asks unanimous consent that all gentlemen who addressed the committee upon the pending bill shall have permission to extend their remarks in the RECORD——

Mr. ADAMSON. Or who do address the committee.

The CHAIRMAN. Or who do address the committee. Is there objection? [After a pause.] The Chair hears none, and it is so ordered.

Mr. ADAMSON. Now, if the gentleman from Minnesota desires to recognize some one——

Mr. STEVENS of Minnesota. I think my time is about exhausted.

The CHAIRMAN. The gentleman from Minnesota has seven minutes.

Mr. STEVENS of Minnesota. I yield to the gentleman from Washington [Mr. JOHNSON].

[Mr. JOHNSON of Washington addressed the committee. See Appendix.]

The CHAIRMAN. The gentleman from Minnesota has six minutes remaining.

Mr. STEVENS of Minnesota. Then I reserve the balance of my time. The gentleman from Illinois [Mr. MANN] desired that time, but he does not seem to be here at this moment.

Mr. ADAMSON. Mr. Chairman, I yield to the gentleman from Illinois [Mr. FITZHENRY].

[Mr. FITZHENRY addressed the committee. See Appendix.]

Mr. STEVENS of Minnesota. Mr. Chairman, I yield three minutes to the gentleman from Pennsylvania [Mr. MOORE].

Mr. MOORE. Mr. Chairman, it seems to me the Government of the United States is going into a very unnecessary and a very hazardous enterprise. Anyone who has ever been associated with insurance companies or with surety companies—and I have been associated with one of the latter—will understand just exactly what the Government is going into if this bill passes. First of all, a company is not to be organized as one usually is, by asking gentlemen who have the means to make an investment and take stock in order that the capital of the company may be provided, but at one fell swoop, right out of the Treasury of the United States, out of those funds which we have so often proclaimed our desire to safeguard, we are to take $5,000,000 and stake it against the risk and perils of war upon the high seas.

We are still settling the French spoliation claims that arose 100 years ago. We are still settling claims that have resulted from every one of our own wars, and it seems needless to now involve the Treasury of the United States in this new business enterprise, with its dangerous possibilities.

I think if this whole matter were submitted to a referendum, to the man back upon the farm or the man who owns the two-story house, and they had an opportunity to clearly understand it, there would be a unanimous and overwhelming verdict against the Government taking this step. Whose money are we dedicating to this risk? Whose money are we taking directly out of the Treasury for the benefit of private individuals who are putting their business upon the high seas? We are taking the taxpayers' money; we are taking the money raised by the tariff, the money raised by other methods, that ought to be applied to purposes in this country which sorely need it, and we are staking it in a game of chance; against the risk of running upon a foreign mine or of having American commerce seized because a daring captain has placed upon a ship goods that are contraband. We are inviting trouble and claims that might operate against this country for years. Indeed, we are staking the people's money against all sorts of unforeseen conditions, and we are doing it without giving the people a chance to know for whom it is being done.

Sixty-two gentlemen who came down from New York City, we are told, asked for this measure. They were headed by one gentleman whose name is well known in all civic movements, and those 62 gentlemen, possibly from Wall Street, which we heard so berated in this House only a few months ago, had sufficient influence with the Secretary of the Treasury and the President of the United States to induce the great Democratic Party to reverse itself as the special champion of the people and take the people's money, which they boasted they were best able to protect, and risk it against the most hazardous business in which men can engage. [Applause.]

Mr. ADAMSON. Has the gentleman from Minnesota [Mr. STEVENS] exhausted his time?

Mr. STEVENS of Minnesota. I yield to the gentleman from Kentucky [Mr. LANGLEY].

[Mr. LANGLEY addressed the committee. See Appendix.]

Mr. STEVENS of Minnesota. Mr. Chairman, I yield the remainder of my time to the gentleman from New York [Mr. PAYNE].

Mr. PAYNE. Mr. Chairman, how much time have I?

The CHAIRMAN. Two minutes.

Mr. PAYNE. I can only say this, that I voted against the bill that was passed here a week or two ago opening up the registry to ships to be bought hereafter by Americans after a war had been declared which involved all Europe. I voted against that because I thought the tendency was to entangle us in that war. I have not changed my mind. Now this bill follows, providing for insurance by the United States of American vessels, the very vessels that could be bought after war was commenced, and registered under the American flag, under some sort of pretense and fraud, and guaranteeing, as it were, the title of those vessels and the legality of those vessels flying the American flag. I can not go to that extent. It is not necessary. There are vessels enough now to carry all the crops, including your cotton crop, the foundation of all this agitation. The cotton crop is to be cared for first; provision is to be made to float that; and then they added in another place, what? Naval

stores and tobacco. I am unwilling, as much as I love my southern brethren, to chance war with all Europe or half of Europe for the purpose of facilitating the transportation of your crops to the market of the world. And for these reasons—I wish I had more time to state them, and I may take advantage of the permission to extend remarks in the RECORD—I am opposed to this bill and shall cheerfully vote against it. [Applause on the Republican side.]

Mr. ADAMSON. Mr. Chairman, how much time have I remaining?

The CHAIRMAN. Twenty-six minutes.

Mr. ADAMSON. Mr. Chairman, I yield that time to the gentleman from Alabama [Mr. UNDERWOOD]. [Applause on the Democratic side.]

Mr. UNDERWOOD Mr. Chairman, I am always glad that I belong to a party that is ready to face an emergency that confronts this Government. I do not believe in "little Americans." I believe in those men who are broad-gauged Americans, who are willing to face every issue—commercial, moral, or political—that confronts the country and attempt to decide it aright in the interests of the American people. [Applause on the Democratic side.]

This question is no idle dream, to be scoffed at or played with. For more than a week American ships, laden with American cargoes, have been in our ports, flying the American flag, prepared to carry the commerce of this country beyond the seas, and have been unable to sail because they could not get the insurance which the men who own the cargoes or who finance the cargoes demanded before the ships left our ports. Days ago unanimous consent was asked in this House for the consideration of this bill, and objection came from the leader of the minority party, clearly, from what I have heard to-day, voicing the un-American sentiments of his own party. [Applause on the Democratic side.]

This emergency confronts the country. The Republican Party is not responsible. The country has placed the responsibility in the hands of the Democratic Party to take care of this Government and its people. We would be glad to have the gentlemen on that side cooperate with us in this emergency, if they desired to do so. I am glad that I belong to a party that is ready and willing to face the emergencies that confront the country and to relieve its embarrassments, both to its commerce and its people. [Applause on the Democratic side.]

Now, what is this proposition? There is nothing that is very unusual about it. It is an effort to provide war insurance to American ships and American cargoes. There are no insurance companies abroad that are carrying the war risks of their own countries. The insurance societies of Great Britain to-day are carrying only 20 per cent of the war risks of that country, and 80 per cent of the war risks are carried by the Government of Great Britain. The same is true in a greater or less degree of the other countries of Europe; and it was only yesterday that I read the orders upon which the war risks of England are issued, and those war risks are issued only to their own ships and their own cargoes. So that if you do not pass this bill, you have no place to turn to insure your own ships and your own cargoes, except to a few American companies which, as the gentleman from Minnesota [Mr. STEVENS] has told you, say they have not the necessary capital and have not the commercial standing on which they can safely take this risk.

Do you want to force the people of your own country to assume insurance from companies that say themselves they have not the capital to safely grant that insurance? Other great Governments of the world are willing to take care of their people and their trade and their commerce in an emergency of this kind. Has the day come, even if our friends on the other side of the aisle are unwilling to rise to the necessities of this emergency, when the great Democratic Party, that has always been American, that has always stood for the interests of the American people, has not the courage to stand here and risk a few million dollars of the people's money in order that our crops, our cotton and corn and wheat, may go abroad and bring back gold to the people of the United States?

Mr. MADDEN. Mr. Chairman, will the gentleman yield for a question?

The CHAIRMAN. Does the gentleman from Alabama yield to the gentleman from Illinois?

Mr. UNDERWOOD. Not at this time.

Now, what does this insurance mean? A gentleman says that this bill does not intend to insure contraband of war, and surely he is right about it. It surely does not intend to insure contraband of war. But does that mean that some foreign ship captain may not say to an American captain, "Your cargo is contraband of war," whereas when it left the port it was not contraband of war? Suppose we load a ship that belongs to an American citizen with wheat destined for Stockholm, in Sweden, and as it goes through the North Sea a belligerent fires a shot across its bows and makes it come to, and says that wheat is contraband of war. Are not our cargo shippers entitled to insurance against it? Aye, more, whether they are insured or not?

Mr. MADDEN. Will the gentleman yield to me for a question, Mr. Chairman?

Mr. UNDERWOOD. Not now.

Mr. MADDEN. I would like to ask the gentleman one or two questions. He has made some statements that are subject to dispute.

Mr. UNDERWOOD. If that cargo is stopped and the cargo is not contraband of war, I want to know if there exists in this country still an un-American spirit of surrender that will not protect that American cargo or that American ship?

Mr. MADDEN. Will the gentleman yield right there?

Mr. UNDERWOOD. No; I do not yield. I am for peace, but I am for honorable peace. I believe that this country and every American citizen should do all that is in their power to protect the neutrality of this Government and our transactions. But I have not reached the point where I am unwilling to protect the rights of an American citizen and the American flag and American commerce in their rights on the high seas or at home. [Applause.]

Now, why do these men demand insurance? It is not to insure contraband of war, but it is to insure cargoes against the possible belligerent and unjustifiable act of a nation at war.

Mr. GOLDFOGLE. Will the gentleman pardon a suggestion? Ships have been sunk by floating mines.

Mr. UNDERWOOD. Certainly. There are many war risks that may occur that are not involved in our carrying contraband of war or violating any of the acts of neutrality. You can not ship cargoes without insurance. Why? Because almost every man who ships a cargo must borrow the money. He either has a draft on a foreign country, or the middleman who has bought the cargo has borrowed the money until he gets it into the foreign port. The man who lends the money is not willing to lend it in a hazardous enterprise without he is insured against all risks.

Mr. MADDEN. Will the gentleman yield for a question?

Mr. UNDERWOOD. I do not.

Mr. MADDEN. I should like to ask the gentleman a question or two.

Mr. UNDERWOOD. My friend from Illinois is one of the most delightful gentlemen in this House, and I love to converse with him, but my time is limited now, and I desire to carry on our conversation at some other time.

Mr. MADDEN. The gentleman is misleading the House so much——

Mr. UNDERWOOD. I am not misleading the House. No man in this House knows better than the gentleman from Illinois—because he is a great business man—that business can not be done without insurance.

The question then comes, with no insurance that you can get abroad for war risks, with the insurance companies in this country saying that they have not the capital or the ability to carry these war risks: Must you say that the only way that your corn and your cotton and your wheat can go abroad and bring back gold to America is to carry them in a British vessel, sell them to a British merchant before they leave our port, as suggested by our friends on the other side, limit our sales to British merchants, because they are the only ships sailing the seas to-day which are in our ports; take their price for it, put it in their ships, and limit our commerce in that way? Why, there are neutral countries that will buy cotton and corn and wheat and our other exports. Must we limit our commerce merely to the demands of Great Britain because Great Britain owns the ships that can carry them on the seas? Must we say to the cotton farmer of the South and the wheat grower of the North that an American Congress is too cowardly to take care of their interests, and that when their wheat and their cotton go abroad they must take their insurance from the British Government at the high war-insurance rate of a belligerent power instead of the much lighter insurance that their own Government can guarantee to them in this way? It seems to me that there can be no question about it.

Now, so far as I am concerned, I do not believe in the Government of the United States engaging in business. I am one of those who would keep the Government of the United States as far removed from business as possible. I believe in giving a free and fair opportunity to all business men, as long as they conduct their business fairly and justly, to handle the business

of this country and enjoy its profits. But there are days that come in the lives of all nations and all peoples when the ordinary rules of Government and the ordinary rules of commerce can not apply.

The gentleman from Minnesota [Mr. STEVENS] tells you that we have plenty of ships to move this commerce; that what we need is somebody to buy our merchandise. Why, the gentleman from Minnesota is talking in the hour and not of the days to come. Everybody understands that to-day foreign exchanges are unsettled; that we can not afford to sell our goods abroad on exchange; that we must demand gold; but everybody knows that the great belligerent powers abroad must be fed by this country if this war lasts any length of time, or they will starve; and they must give their gold for food as well as for arms, and the day is not far distant when they will be compelled to do it. This difficulty of foreign exchange will rapidly be removed. It is not more than three weeks since this condition first arose. No one can predict how long this war will last. Let me call your attention to this fact: The gentleman says you have plenty of ships to carry your cargoes to Europe and other countries. If I recollect the figures aright—and I put them into the RECORD not many days ago—of the cargoes that were carried to Europe last year 86 per cent of American cargoes were carried in vessels of countries that are now engaged in this war. Less than 2 per cent were carried in American vessels, and only 14 per cent in the vessels of nonbelligerents.

Of course these nonbelligerent countries may have these ships diverted in other channels that are equally as profitable, if not more so. Norway has to carry her ships across the North Sea, with all the present dangers, and it may keep some ships at home.

But conceding that we have the full 14 per cent of nonbelligerent ships to carry cargoes to Europe at present, and that we get a reasonable proportion of Great Britain's ships—and Great Britain last year carried 51 per cent of our cargoes, while a great many have been diverted for war purposes—suppose we get half, which would be 25 per cent, added to the 14 or 15 per cent of nonbelligerents, and that gives you 40 per cent of last year's carrying capacity. You know that Germany and France and Austria practically have no merchant ships on the sea. There is 60 per cent of last year's carrying capacity of American commerce that has to be provided for. You have got to provide for it yourself if you want it to move. If you do not move it, you bring about one of the most calamitous conditions with which this country has ever been confronted. If you fail to sell your surplus wheat, cotton, and corn to the nations of the world that need it because you have not the ships or the insurance with which to do it, you bring a panic upon this country. On the other hand, if you are willing to stand up to your responsibilities, to face the issue and laugh to scorn the arguments such as we have listened to within the last half hour, that some of these ships that are to move the cargoes belong to the great corporations of this country, and therefore should be tabooed, and that we should not give them insurance in which to carry our constituents' goods, you will avert that calamity. I am thankful to say that I do not believe that those arguments will appeal to the reason of the men who hold allegiance to the great Democratic Party of this country. I believe, and have always believed, in building up the American merchant marine. I believe it is just as great a folly for the country to run its business without ships to carry its commodities on the seas as it would be for a great department store to run its business without wagons to deliver its goods.

But that is not the sole question here. I am in hopes that the day is not distant when the American flag will be seen flying above an American merchant marine in every port of the civilized world. [Applause.] But that is not the question that confronts us to-day. Your people and my people are distressed. A condition of war with which they have had nothing to do has brought this distress upon them. It is your business and my business as their Representatives to stay here and remedy these conditions so far as the law of the land can remedy them, and the most important proposition that confronts them is the movement of their surplus crops across the seas of the world.

Now, as I said in the beginning, they can not get the war insurance from foreign countries because they will not grant it to other ships than their own. The gentlemen who appeal to you to defeat this bill come here and tell you that men who issue American insurance say they can not carry the risk themselves and that they must have help. They would have you believe that these men who are engaged in the insurance business in the United States are moved by no greater motive at this emergency in their country's history than the selfish motive of trying to create a monopoly for their own interest.

Do you believe it? Does anybody believe it? Where do they create any monopoly? The door is wide open to-day to organize as many insurance companies as you can get capital to organize. The fact is that American insurance companies that place commercial risks at sea have usually reinsured in foreign companies because they did not have the capital themselves to carry the risk, and although they might write a risk of half a million dollars in their own name their usual practice was to reinsure 60 per cent in foreign insurance companies, mostly in the insurance companies of Austria and Great Britain. And yet these gentlemen of un-American spirit would have you keep all doors closed to them. [Applause.]

The CHAIRMAN. The time of the gentleman from Alabama has expired, and the Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That there is hereby established in the Treasury Department a bureau to be known as the bureau of war-risk insurance, the director and employees of which shall be appointed by the Secretary of the Treasury; the salary of the director shall be $6,000 per annum, and the salaries of the other employees shall be fixed by the Secretary of the Treasury, but in no case to exceed $5,000 per annum for any employee: *Provided*, That all employees receiving a salary of $3,000 per annum or less shall be subject to the civil-service laws and regulations thereunder.

Mr. ADAMSON. Mr. Chairman, that concludes the reading of the first section, as I understand it.

Mr. STEVENS of Minnesota. Mr. Chairman, there are some amendments that gentlemen desire to offer to-morrow, and I want it understood that this section is left open to amendment.

Mr. ADAMSON. If it is the wish of the gentleman, I will move that the committee do now rise.

Mr. STEVENS of Minnesota. Yes.

Mr. ADAMSON. If I can get the gentleman from Pennsylvania to agree not to make points of no quorum to-morrow——

Mr. BUTLER. I will make no promises.

Mr. ADAMSON. Then, Mr. Chairman, with prayerful requests to all brethren to be here in the morning, so as to deprive the gentleman of the pleasure of defeating 45 minutes of our time, I move that the committee do now rise.

Mr. BUTLER. It is not a pleasure. It will be a pleasure to have you gentlemen attend to your duty and enforce the rule that you passed last Tuesday.

The CHAIRMAN. It is the understanding of the Chair that it will be in order to offer amendments to the first paragraph of the bill to-morrow.

Mr. ADAMSON. That is what I understand.

Mr. STEVENS of Minnesota. Yes.

The CHAIRMAN. That is the understanding of the Chair, and he will so hold. The question is on the motion of the gentleman from Georgia that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. GARRETT of Tennessee, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (S. 6357) to authorize the establishment of a bureau of war risk insurance in the Treasury Department, and had come to no resolution thereon.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. BROWNING, indefinitely, on account of serious illness.

To Mr. VARE, on account of the illness of Mrs. Vare.

To Mr. STOUT, indefinitely, at the request of Mr. EVANS, on account of sickness.

To Mr. TAYLOR of New York, on account of the dangerous illness of his wife.

ADJOURNMENT.

Mr. ADAMSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; and accordingly (at 5 o'clock and 41 minutes p. m.) the House adjourned until to-morrow, Saturday, August 29, 1914, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Secretary of War, transmitting the report of the commanding officer of Watertown Arsenal of "Tests of iron and steel and other materials for industrial purposes"

made at that arsenal during the fiscal year ended June 30, 1914 (H. Doc. No. 1390); to the Committee on Military Affairs and ordered to be printed, with illustrations.

2. A letter from the president of the Civil Service Commission, submitting paragraph to be inserted in the next appropriation bill presented to the House for contingent expenses of the Civil Service Commission (H. Doc. No. 1156); to the Committee on Appropriations and ordered to be printed.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. RAKER: A bill (H. R. 18554) for the erection of a public building at the city of Alturas, State of California, and appropriating moneys therefor; to the Committee on Public Buildings and Grounds.

By Mr. TAYLOR of Colorado: A bill (H. R. 18574) to amend an act entitled "An act granting to the city of Durango, in the State of Colorado, certain lands therein described for water reservoirs," approved March 1, 1907; to the Committee on the Public Lands.

By Mr. HENRY: A bill (H. R. 18575) providing for the issuance of circulating notes to the producers of cotton, extending the benefits and provisions in the emergency currency act to State banks, and for other purposes; to the Committee on Banking and Currency.

By Mr. BARTHOLDT: Resolution (H. Res. 610) in relation to alleged violations of the neutrality of the United States; to the Committee on Foreign Affairs.

By Mr. CARY: Resolution (H. Res. 611) directing the Attorney General of the United States to take steps to protect the public from the manipulators of prices of foods, especially the prices of wheat and flour; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CARY: A bill (H. R. 18576) authorizing the President to reinstate Francis Patrick Regan as a second lieutenant in the United States Army; to the Committee on Military Affairs.

By Mr. GARD: A bill (H. R. 18577) granting a pension to Robert B. Smith; to the Committee on Pensions.

Also, a bill (H. R. 18578) granting a pension to Harvey O. Zerbe; to the Committee on Pensions.

Also, a bill (H. R. 18579) granting an increase of pension to Franklin T. Randall; to the Committee on Invalid Pensions.

By Mr. GRAY: A bill (H. R. 18580) granting a pension to Edward Walker; to the Committee on Pensions.

Also a bill (H. R. 18581) granting an increase of pension to James Farr; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18582) granting an increase of pension to John W. Hudelson; to the Committee on Invalid Pensions.

By Mr. KENNEDY of Connecticut: A bill (H. R. 18583) granting a pension to David Cromwell; to the Committee on Invalid Pensions.

By Mr. LESHER: A bill (H. R. 18584) granting an increase of pension to John A. Sipe; to the Committee on Invalid Pensions.

By Mr. LONERGAN: A bill (H. R. 18585) granting an increase of pension to Adelaide F. Brewer; to the Committee on Invalid Pensions.

By Mr. MORRISON: A bill (H. R. 18586) granting an increase of pension to Andrew J. Dean; to the Committee on Invalid Pensions.

By Mr. TEN EYCK: A bill (H. R. 18587) granting a pension to Mary Shields; to the Committee on Invalid Pensions.

By Mr. DONOHOE: A bill (H. R. 18588) granting a pension to Christiana Hoffman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18589) granting a pension to Mary Coffee; to the Committee on Invalid Pensions.

By Mr. PATTON of Pennsylvania: A bill (H. R. 18590) for the relief of W. E. Peterson; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. BRUCKNER: Petition of the New York State Retail Jewelers' Association, favoring the passage of the Owen-Goeke bill, to eliminate time guaranty on gold-filled watchcases; to the Committee on Interstate and Foreign Commerce.

Also, petition of H. Planten & Son, Brooklyn, N. Y., protesting against increase of tax on alcohol; to the Committee on Ways and Means.

By Mr. BUTLER: Petition of druggists of Chester, Delaware County, Pa., favoring passage of House bill 13305, standard-price bill; to the Committee on Interstate and Foreign Commerce.

By Mr. DONOVAN: Memorial of Connecticut Society of Civil Engineers, favoring the Newlands amendment to the rivers and harbors bill relative to commission to study, etc., irrigation; to the Committee on Rivers and Harbors.

By Mr. GORDON: Petition of citizens of Cleveland, Ohio, protesting against tax on cigars; to the Committee on Ways and Means.

By Mr. GRAY: Papers to accompany House bill 18581, a bill granting an increase of pension to James Farr; to the Committee on Invalid Pensions.

Also, papers to accompany House bill 18580, a bill granting a pension to Edward Walker; to the Committee on Pensions.

Also, papers to accompany House bill 18582, a bill granting an increase of pension to John W. Hudelson; to the Committee on Invalid Pensions.

By Mr. HOUSTON: Petition of sundry citizens of the fifth congressional district of Tennessee, protesting against national prohibition; to the Committee on Rules.

By Mr. JOHNSON of Washington: Petition of sundry citizens of Port Angeles, Wash., protesting against national prohibition; to the Committee on Rules.

By Mr. KENNEDY of Rhode Island: Petition of Rev. J. H. Roberts, of Greenville, R. I., favoring national prohibition; to the Committee on Rules.

By Mr. LEVY: Memorial of members of the American Optical Association, favoring the passage of the Stevens bill, H. R. 13305; to the Committee on Interstate and Foreign Commerce.

Also, petition of H. Planten & Son, Brooklyn, N. Y., protesting against increase of tax on alcohol; to the Committee on Ways and Means.

Also, petition of John A. Abel, New York City, favoring passage of Newlands river-regulation bill; to the Committee on Rivers and Harbors.

Also, petition of National Employment Exchange, New York City, relative to a national employment bureau; to the Committee on Labor.

Also, petition of New York & New Jersey Dry Dock Association, protesting against opening indiscriminately navy yards for repair of private vessels; to the Committee on Naval Affairs.

Also, petition of D. R. K. Staatsverbund of New York, protesting against national prohibition; to the Committee on Rules.

By Mr. LONERGAN: Petition of Connecticut Society of Civil Engineers, New Haven, Conn., favoring the Newlands amendment to the river and harbor bill; to the Committee on Rivers and Harbors.

By Mr. MADDEN: Petition of citizens of Chicago, Ill., protesting against any change in the flag; to the Committee on the Judiciary.

By Mr. MAGUIRE of Nebraska: Petitions of business men of Douglas, Cook, Salem, and Weeping Water, Nebr., favoring passage of House bill 5308, relative to taxing mail-order houses; to the Committee on Ways and Means.

By Mr. RAKER: Petition of E. J. Lawless, Sisson, Cal., favoring the passage of House bill 13305, Stevens standard-price bill; to the Committee on Interstate and Foreign Commerce.

Also, memorial of Federal Council of Churches of Christ in America, relating to war conditions in Europe; to the Committee on Foreign Affairs.

Also, petition of National Child Labor Committee, favoring the passage of House bill 12272, to prevent interstate commerce in the products of child labor; to the Committee on Labor.

Also, petitions of Sheet Metal Contractors' Association, Master Housesmiths' Association, and Building Trades Association, all of San Francisco, Cal., protesting against the passage of the Clayton antitrust bills under present conditions; to the Committee on the Judiciary.

By Mr. SAUNDERS: Petitions of J. A. Burgess and others, relative to special committee to investigate the personal rural credit bill; to the Committee on Banking and Currency.

By Mr. VOLLMER: Petitions of Michael Behan and 26 others, protesting against House joint resolution 168 and all similar measures introduced in Congress; to the Committee on Rules.

SENATE.

SATURDAY, *August 29, 1914.*

(Legislative day of Tuesday, August 25, 1914.)

The Senate reassembled at 11 o' clock a. m. on the expiration of the recess.

PROPOSED ANTITRUST LEGISLATION.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes.

The VICE PRESIDENT. The pending question is upon the amendment of the Senator from Idaho [Mr. BORAH].

Mr. BORAH. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Borah	Gallinger	Martin, Va.	Simmons
Bryan	Hitchcock	Martine, N. J.	Smith, Ga.
Burton	Hollis	Myers	Smith, Mich.
Chamberlain	Johnson	Nelson	Sterling
Chilton	Jones	Overman	Swanson
Clapp	Lane	Perkins	Thomas
Clark, Wyo.	Lea, Tenn.	Reed	Thornton
Culberson	McCumber	Sheppard	Vardaman
Cummins	McLean	Shields	White

The VICE PRESIDENT. Thirty-six Senators have answered to the roll call. There is not a quorum present. The Secretary will call the roll of absentees.

The Secretary called the names of the absent Senators, and Mr. O'GORMAN, Mr. RANSDELL, Mr. SMOOT, Mr. THOMPSON, and Mr. TOWNSEND answered to their names when called.

Mr. BRADY, Mr. WALSH, Mr. DILLINGHAM, and Mr. HUGHES entered the Chamber and answered to their names.

Mr. DILLINGHAM. I wish to announce the continued absence of my colleague [Mr. PAGE] on account of illness in his family.

The VICE PRESIDENT. Forty-five Senators have answered to the roll call. There is not a quorum present. The Sergeant at Arms will carry out the instructions of the Senate heretofore given and request the attendance of absent Senators.

Mr. BANKHEAD entered the Chamber and answered to his name.

Mr. SMOOT. I desire to announce the unavoidable absence of my colleague [Mr. SUTHERLAND]. He is paired with the senior Senator from Arkansas [Mr. CLARKE].

I wish also to announce the necessary absence of the junior Senator from West Virginia [Mr. GOFF], who has a general pair with the senior Senator from South Carolina [Mr. TILLMAN].

Mr. CLARKE of Arkansas, Mr. POMERENE, and Mr. SHAFROTH entered the Chamber and answered to their names.

The VICE PRESIDENT. Forty-nine Senators have answered to the roll call. There is a quorum present. The pending amendment is the amendment of the Senator from Idaho.

Mr. BORAH. My mind was attracted for the moment. I thought the Senator from Texas [Mr. CULBERSON] was going to move an executive session. I understand the bill is now before the Senate and the amendment which is pending is the amendment I offered last evening.

The VICE PRESIDENT. The pending amendment is the amendment of the Senator from Idaho [Mr. BORAH].

Mr. CULBERSON. I ask the Senator from Idaho, if he will yield to me, to make a motion to go into executive session?

Mr. BORAH. I am perfectly willing to yield to the program of the majority, whatever it is.

Mr. CULBERSON. It is thought best to go into executive session immediately.

Mr. BORAH. I yield, if the Senator desires to make the motion.

Mr. SWANSON. Mr. President——

Mr. CULBERSON. I yield to the Senator from Virginia.

PUBLIC BUILDING AT POCATELLO, IDAHO.

Mr. SWANSON. I ask unanimous consent to take up the bill (S. 4920) to increase the cost of construction of Federal building at Pocatello, Idaho. The building is in process of construction, and they have been waiting to see whether the increase requested by the Treasury Department would be allowed or not. The bill increases the cost from $100,000 to $125,000. The department recommends the increase, and the work is stopped pending the action of Congress. I ask unanimous consent that the bill may be considered. It is very important that the bill should be passed at once, as the work is stopped.

The VICE PRESIDENT. The Secretary will read the bill.

The Secretary read the bill, as follows:

Be it enacted, etc., That the act of Congress approved June 25, 1910 (36 Stat., 681), authorizing the Secretary of the Treasury to contract for the erection and completion of a suitable building, including fireproof vaults, heating and ventilating apparatus, and approaches, complete, for the use and accommodation of the United States post office and other governmental offices at Pocatello, Idaho, be, and the same is hereby, amended so as to increase the limit of cost for said building from $100,000 to $125,000.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered as in Committee of the Whole.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

THE MERCHANT MARINE.

Mr. CLARKE of Arkansas. On yesterday the House of Representatives sent to the Senate the bill S. 136, commonly known as the seamen's bill, with an amendment. The bill and amendment were laid before the Senate, and on motion of the Senator from Oregon [Mr. CHAMBERLAIN] the Senate disagreed to the House amendment, requested a conference with the House, and conferees on the part of the Senate were appointed by the Presiding Officer.

Mr. President, I was detained from the Senate on yesterday by illness, and this action was the usual one and it was entirely proper. It is, however, desired that the bill and amendment of the House be referred to the Committee on Commerce. I therefore enter a motion to reconsider the vote by which the Senate disagreed to the amendment of the House, and I move that the House be requested to return the bill and amendment to the Senate.

The motion was agreed to.

EXECUTIVE SESSION.

Mr. CULBERSON. I move that the Senate proceed to the consideration of executive business.

Mr. CLAPP. I hope the Senator from Texas will withhold the motion until the Senator from Nebraska [Mr. NORRIS] returns. He had not finished last evening, and he is the only Senator I know of who intends to speak.

Mr. LEA of Tennessee. If the Senator will yield, I will state that the Senator from Nebraska is on his way, and he will be here by the time the galleries are cleared and the doors closed.

Mr. CULBERSON. I had sent for him.

Mr. LEA of Tennessee. Certainly, there was no attempt to cut him off.

Mr. NORRIS entered the Chamber.

The VICE PRESIDENT. The Senator from Texas moves that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 2 hours and 40 minutes spent in executive session the doors were reopened.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, returned to the Senate, in compliance with its request, the bill (S. 136) to promote the welfare of American seamen in the merchant marine of the United States; to abolish arrest and imprisonment as a penalty for desertion and to secure the abrogation of treaty provisions in relation thereto; and to promote safety at sea, the House amendment thereto, and the message of the Senate requesting a conference with the House thereon.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses to the amendments of the Senate to the bill (H. R. 7967) to amend an act approved June 25, 1910, authorizing a postal savings system.

The message further announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1657) providing for second-homestead and desert-land entries.

The message also announced that the House disagrees to the amendment of the Senate to the bill (H. R. 11745) to provide for certificate of title to homestead entry by a female American who has intermarried with an alien, asks a conference with the Senate on the disagreeing votes of the two Houses thereon, and had appointed Mr. FERRIS, Mr. TAYLOR of Colorado, and Mr. FRENCH managers at the conference on the part of the House.

The message further announced that the House had passed a joint resolution (H. J. Res. 327) to correct error in H. R. 12045, in which it requested the concurrence of the Senate.

PETITIONS AND MEMORIALS.

Mr. SMITH of Michigan presented petitions of sundry citizens of Grand Rapids and Lacota, and of the congregation of

the Westminster Church, of Detroit, all in the State of Michigan, praying for national prohibition, which were referred to the Committee on the Judiciary.

He also presented a petition of Local Branch, International Union of Steam and Operating Engineers, of Detroit, Mich., praying for the enactment of legislation to further restrict immigration, which was ordered to lie on the table.

He also presented petitions of the Pattern Makers' Association of Grand Rapids; the International Wood Carvers' Association, of Detroit; of Grand River Lodge, No. 265, Brotherhood of Locomotive Firemen and Enginemen, of Grand Rapids; of Local Division No. 333, Amalgamated Association of Street and Electric Railway Employees of America, of Battle Creek; and of Wayne Lodge, No. 141, Brotherhood of Railroad Trainmen, of Detroit, all in the State of Michigan, praying for the passage of antitrust legislation, which were ordered to lie on the table.

Mr. JOHNSON presented a petition signed by 15 citizens of Gorham, Me., praying for national prohibition, which was referred to the Committee on the Judiciary.

Mr. NELSON presented a memorial of sundry citizens of the State of Minnesota, remonstrating against a tax on cigars, etc., which was referred to the Committee on Finance.

CONVICT-MADE GOODS.

Mr. NEWLANDS, from the Committee on Interstate Commerce, to which was referred the bill (S. 2321) to limit the effect of the regulation of interstate commerce between the States in goods, wares, and merchandise wholly or in part manufactured, mined, or produced by convict labor, or in any prison or reformatory, reported it with amendments and submitted a report (No. 771) thereon.

OMNIBUS CLAIMS BILL.

Mr. SHIELDS submitted an amendment intended to be proposed by him to the omnibus claims bill, which was ordered to lie on the table and be printed.

THE EXPORT COTTON TRADE.

Mr. SHEPPARD submitted the following concurrent resolution (S. Con. Res. 32), which was referred to the Committee on Foreign Relations:

Resolved by the Senate of the United States (the House of Representatives concurring), That the Secretary of State is hereby authorized and requested to direct our diplomatic representatives to confer with the various Governments to which they are accredited with a view to the development of all possible measures looking to the uninterrupted continuance during the present wars of our export cotton trade.

That the Secretary of State is also authorized and requested to confer with the Secretary of Commerce and with representatives of foreign Governments in Washington in order to secure their cooperation in the development of such measures and to report to Congress at the earliest practicable date the result of the efforts herein directed.

CONSUMPTION OF COTTONSEED MEAL.

Mr. SHEPPARD submitted the following concurrent resolution (S. Con. Res. 33), which was referred to the Committee on Agriculture and Forestry:

Whereas about 500,000 tons of cottonseed meal and cake have heretofore been annually exported from the United States; and

Whereas by reason of war conditions this surplus is without a market abroad, the surplus equaling about one-third of the total output; and

Whereas the dumping of this surplus on existing domestic markets will depress the price of this article both as to raw material and finished product to such an extent as to cause disastrous losses to farmers producing the raw material: Therefore be it

Resolved by the Senate of the United States (the House of Representatives concurring), That the Secretary of Agriculture and the Secretary of Commerce are hereby authorized and requested immediately to investigate the possibility of wider domestic markets for these products, especially in the northwest, northern, and northeast sections of the United States, and to report to Congress at the earliest practicable date a plan for acquainting these sections with the value and availability of these products as a feed for domestic animals, and for the marketing in these sections of the surplus of these products heretofore exported.

THE MERCHANT MARINE.

The VICE PRESIDENT laid before the Senate the bill (S. 136) to promote the welfare of American seamen in the merchant marine of the United States; to abolish arrest and imprisonment as a penalty for desertion and to secure the abrogation of treaty provisions in relation thereto; and to promote safety at sea, together with the amendment of the House and the message of the Senate requesting a conference with the House on the disagreeing votes of the two Houses thereon, returned to the Senate in compliance with its request.

Mr. CLARKE of Arkansas. I move to reconsider the vote by which the Senate disagreed to the amendment of the House and appointed conferees thereon.

The motion to reconsider was agreed to.

Mr. CLARKE of Arkansas. I move that the bill and amendment of the House thereto be referred to the Committee on Commerce.

The motion was agreed to.

PROPOSED ANTITRUST LEGISLATION.

Mr. CULBERSON. I ask that the unfinished business be proceeded with.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes.

Mr. BORAH. Mr. President, I desire to modify slightly the amendment which I offered last evening to section 22, upon page 31, and I will state the modification.

The amendment as now offered is to strike out, after the word "justice," in line 7, page 31, the following words:

Nor to contempts committed in disobedience of any lawful writ, process, order, rule, decree, or command entered in any suit or action brought or prosecuted in the name of or on behalf of the United States,

So that the section will read:

That nothing herein contained shall be construed to relate to contempts committed in the presence of the court, or so near thereto as to obstruct the administration of justice, but the same, and all other cases of contempt not specifically embraced within section 19 of this act, may be punished in conformity to the usages at law and in equity now prevailing.

Mr. President, the effect of this amendment is to provide for jury trials in contempt cases in actions brought by the Government the same as when actions are brought by private individuals; and the effect of it will be to leave all contempt cases triable by juries where a crime has been committed, or where the act done would constitute a crime under the laws of the United States or the laws of the State in which the act was committed. It has the effect of eliminating the exception with reference to Government cases.

I want the Senate to know precisely what we are voting on before we do vote, although I presume most of the Senators, as they are absent, will have to take for granted what we are voting on.

Section 19 provides as follows:

That any person who shall willfully disobey any lawful writ, process, order, rule, decree, or command of any district court of the United States or any court of the District of Columbia by doing any act or thing therein, or thereby forbidden to be done by him, if the act or thing so done by him be of such character as to constitute also a criminal offense under any statute of the United States, or under the laws of any State in which the act was committed, shall be proceeded against for his said contempt as hereinafter provided.

The Senate will observe that the instances in which the party is entitled to a trial by jury are instances in which the acts committed involve a crime. The objection which I had to that was that section 22 excepted from the operation of section 19 all cases in which the Government might be a party plaintiff, and, as the Government would be a party plaintiff in all suits under the trade commission act, and in a great many cases involving labor disputes as well, that we were practically making no change so far as the great mass of these cases was concerned, and in addition to that we were clearly discriminating against a class of citizens by reason of the fact that the trade commission bill confessedly would operate almost entirely against one class of citizens.

Upon the amendment I ask for a vote by the yeas and nays.

Mr. WALSH. Mr. President, before the vote is taken, I understood the Senator from Idaho to state that if that provision remained in the bill, and questions of the violation of orders made by the court in confirmation of orders made by the trade commission were submitted to a jury for determination, it would result in the immediate repeal of the trade commission bill.

Mr. BORAH. The Senator understood me to say that?

Mr. WALSH. Yes.

Mr. BORAH. Does the Senator mean on yesterday afternoon?

Mr. WALSH. As I recall, day before yesterday.

Mr. BORAH. No; I did not say that. I said that in my judgment it would lead to a reconsideration of that measure, and I assumed that for the reason that the chairman of the Interstate Commerce Committee seemed to think the sole virtue of that bill, so far as its enforcement was concerned, arose out of the fact that these men could be gathered up and fined by the court without the delay of a jury trial.

Mr. WALSH. I will state that I understood the Senator to say that if the trust magnates, against whom the orders went, were awarded a trial by jury as to whether or not they had violated the order of the court confirmatory of the order of the commission, it would result in the repeal of the trade commission law.

Mr. BORAH. No; although I would be very glad myself to see the trade commission bill repealed. I am opposed to it now, and I expect to be opposed to it so long as I retain my right mind; but what I said was this: I do not know the exact language I used, but this was the purport of my remark:

The Senator in charge of the trade commission bill relied upon the effectiveness of the trial by court in contempt cases to make that law particularly efficient, and I said that in my judgment if we undertook to give the business men of this country a trial by jury it would lead to a reconsideration of that bill. This bill will affect all classes of business men.

Mr. WALSH. Then I simply desire to inquire of the Senator from Idaho whether it is to that end that he now offers the amendment?

Mr. BORAH. No; Mr. President, it is not to that end that I offer it, but I should not have any objection at all if it had that effect. I have no hesitancy in saying that I am unalterably opposed to section 5 of the trade commission bill; but I am offering this amendment because I thoroughly agree with the very masterly argument of the Senator from Montana as to the right of trial by jury in these cases, and since the Senator has raised the question I submit to the Senator himself that the argument he advanced in favor of this proposition was an argument in favor of my amendment.

The Senator says:

> There is not an argument that can be advanced or thought of in opposition to trial by jury in contempt cases that is not equally an argument against the jury system as we now know it.

The Senator very properly puts it upon the broad ground of the right of the citizen to have his guilt or innocence determined by his peers, and the Senator will agree with me that the right can not be changed by reason of the fact that a particular party happens to be a plaintiff in one case and another party a plaintiff in another case.

The Senator further says in his argument:

> My own firm conviction is that a jury of citizens, selected in the manner provided by law, from among the citizens of the State, representing them in the performance of an important public duty, would not prove recreant. Their verdict would silence cavilling and strengthen in the minds of the people the conviction that the courts are indeed the dispensers of justice and not engines of oppression.

Whatever feeling I may have against the trade commission bill, I can say in all sincerity to the Senator that if there were no trade commission bill I should be in favor of this amendment. The fact that it may have a tendency to force a reconsideration of some of the provisions of the trade commission bill does not cause me to urge it with any less zeal, however.

Mr. JONES. Mr. President, I am going to take this opportunity to say just a few words as to what this bill does with reference to taking away the power of the court to punish contempts.

The impression seems to be prevalent in the country that if the provisions of this bill are enacted into law it will take away practically all the power of the court to punish for contempts committed out of the presence of the court; and I have received a good many telegrams and letters stating that the parties sending these telegrams and letters were informed that this bill makes of the court solely an arbitrator in the matter of contempt. The discussion on the floor of the Senate also has proceeded very much along that line.

It seems to me we have taken the position of a sort of a legislative Don Quixote, fighting a big windmill. We have been discussing a proposition not in the bill at all. The Senator from Montana [Mr. WALSH] yesterday made a very powerful argument, and one with which I very largely agreed; and yet, if that address were published in the papers the people would have the right to assume that this bill practically places in the hands of a jury the decision of all matters of contempt. Of course, I know the Senator did not intend it to give that impression, but the argument he presented was very strong, and I think very clear and very convincing, to the effect that in practically all contempts committed away from the presence of the court it would be well to submit the question of the facts, at least, to the judgment of a jury, and that seems to be the impression the country has with reference to this legislation.

That impression has been given out by the newspapers, and I think the discussion here has probably warranted them in that conclusion, but, as a matter of fact, in the provisions of this bill we have not done anything of the kind. As a matter of fact we are doing very litle toward taking away the power of the court with reference to punishing contempts. We are taking very few cases and putting them in the hands of a jury to determine whether or not punishment for contempt shall be inflicted.

I simply wish to call attention to what the Senator from Idaho suggested a moment ago. I desire to emphasize how little we are doing in this direction, and correct, if I can, the prevailing impression as to the scope of this legislation.

Mr. THOMAS. Mr. President——

The PRESIDING OFFICER (Mr. POMERENE in the chair). Does the Senator from Washington yield to the Senator from Colorado?

Mr. JONES. Certainly.

Mr. THOMAS. I merely wish to suggest, as appropriate to the Senator's argument, that the exceptions are those which can be availed of by employer and employee alike.

Mr. JONES. Certainly. I do not think there is any particular discrimination. Some injustice might work out along the line suggested by the Senator from Idaho, I think, because of the character of other laws we have passed; but I can not see any class distinction in the provisions of this legislation.

But what have we done, what are we doing, with reference to placing in the hands of juries matters of contempt? Section 19 covers that point, and it simply provides what I shall read. It has been read several times; but I merely desire to emphasize it, and, if possible, to call the attention of the country and the business men who are very much disturbed over the idea that we are taking away from the courts the power to punish contempt the fact that we go just a very little way; that we are still leaving in the hands of the court the great mass of the power it now has to punish for contempt of its orders; and that the business interests need have no fears whatever from this legislation. If any criticism might justly be made, it would come from those who want legislation to go further along these lines.

Section 19 provides:

> That any person who shall willfully disobey any lawful writ, process, order, rule, decree, or command of any district court of the United States or any court of the District of Columbia—
>
> Shall be tried by a jury only—
>
> If the act or thing so done by him be of such character as to constitute also a criminal offense under any statute of the United States, or under the laws of any State in which the act was committed.

So that before any person can be tried by a jury upon the charge of having violated a decree or order of the court, the act with which he is charged as being in contempt must be, in and of itself, a crime and contrary to some law of the United States, or the law of some State. This applies also only to orders of the district courts; contempts of orders of all other courts must be had as now.

That excepts, as the Senator from Idaho says, the great mass of contempts and charges of contempt; and as the bill now stands there is a further limitation even upon the right to have a trial by jury. It is contained in section 22, to which the Senator from Idaho has referred. In that section it is provided that if the alleged contempt, even though it may be a crime, even though it may be a violation of a law of the United States or some law of the State, is committed in a case in which the United States is a party, it is to be tried in the ordinary way, by the court itself. That further restricts the provision the committee has made for the trial of contempts by juries.

I do not see any real, substantial objection to the proposition made by the Senator from Idaho. If a man is entitled to be tried by a jury for a contempt which is a crime in a case between private parties, I can not see why even if the United States is a party, and he commits what is alleged to be a crime, a violation of a law, he should not then be entitled to his trial by jury. Why should the United States be given a preference over an ordinary citizen? If any, exception should be made in favor of the weak citizen rather than in favor of the powerful Government. With that provision we would not be going very far in providing for the ascertainment of the facts in these contempt cases by a jury. I think the amendment offered by the Senator from Idaho should be adopted.

Briefly, then, all that we are doing by the legislation proposed is simply to say that whenever a contempt is charged that is in itself a criminal act, a violation of a Federal statute or a State statute, in such case, and such case alone, shall the party be entitled to have the issue tried by a jury. All other instances of contempt, all other violations of court orders, must be tried according to the present procedure, by the court itself. As a matter of fact we are doing really nothing—we make a great show, we use lots of words and accomplish practically nothing.

The PRESIDING OFFICER. The Chair will ask the Secretary to state the amendment of the Senator from Idaho as modified.

The SECRETARY. On page 31 of either print, beginning in the old print in line 7, after the word "justice" and the comma, it is proposed to strike out the following words:

Nor to contempts committed in disobedience of any lawful writ, process, order, rule, decree, or command entered in any suit or action brought or prosecuted in the name of or on behalf of the United States.

Mr. REED. Mr. President, I have for a long time believed that one of the misfortunes or obstacles confronting the courts in the administration of justice is found in the fact that the violation of an order of a court must be tried, or is ordinarily tried, at least, by the judge whose order or mandate has been disobeyed. I think there is great strength in the argument that by submitting the question of fact to a jury we relieve the court from the charge, so frequently made, that the judge who has been offended has sought to punish the man who offended him, and hence can not be impartial.

We had a striking illustration of that in my own State. The case was referred to by the Senator from Montana [Mr. WALSH] in his very able exposition of the question of the right of trial by jury in contempt cases. I have ever since the decision mentioned been impressed with the fact that courts will not lose their real and proper power by submitting the question of fact in contempt proceedings to an impartial tribunal. In the case I refer to a very offensive and libelous editorial was written of the supreme court with reference to a case which was still before the court on a petition for rehearing. The attack was without justification. Our supreme court had always been held in the high respect to which it was justly entitled. A great wave of indignation against this editor followed the publication of his attack.

The supreme court, feeling that it must protect its dignity, summoned the editor before it for contempt and proceeded to inflict a very moderate penalty. At once the wave of indignation which had been created against the editor immediately changed into one of sympathy for him and against the court. It was said that a court that had been attacked was now engaged in using its great power to punish the very man with which it had a personal controversy. If the question of fact could have been submitted to an impartial tribunal, to some court and some jury other than the court that had been attacked, I have not the slightest doubt but that the editor would have received a very severe punishment and the court would have been saved from very great criticism.

I know of other cases somewhat similar. I am perfectly satisfied that if the questions of fact in all contempt cases, save where the contempt is committed in the immediate presence of the court or so near thereto as to be in effect in its presence, the juries will not fail to uphold the dignity of the court and the majesty of the law.

I believe that if it is right to submit questions involving the right of life to a jury it is not dangerous to submit to a jury a mere question of contempt. If we can safely repose in a jury the power to try all questions of property, all questions affecting the honor of the citizen, all questions affecting the liberty of the citizen—to a jury of 12 men—there is nothing unsafe in submitting to the same kind of a tribunal, summoned in the same way, the simple question of fact has this corporation or that individual violated the order of the court. I do not believe that such a procedure will result in lawlessness. I do not believe that it means disrespect for courts. I do not believe that it will drag down our courts. If I did so believe I would certainly not be found advocating the proposition, for I hold to this: The legislative branch of a government may make grievous errors, the Executive may even undertake the exercise of tyrannical power, but so long as the temple of justice stands open, as long as courts have the courage to declare the rights of the citizen as they are preserved in the law, and so long as a man has the right to be tried by a jury of his peers, no nation will ever be really enslaved.

So, Mr. President, I feel that it is safe, that it is proper, to support the amendment offered by the Senator from Idaho. I believe the dignity and authority of the courts will remain unimpaired. At the same time judges inclined to tyrannical practices or who are influenced by prejudice or passion will find a wholesome check has been placed upon unjust and arbitrary punishments.

Mr. STERLING. Mr. President, I think it proper now, while the amendment of the Senator from Idaho is under discussion, to just briefly call attention to an amendment which I myself propose to offer to the provision of the bill relating to jury trials in contempt cases. It seems very appropriate that I should do so in view of the general statements and arguments in regard to the trial of contempt cases by juries. I do not propose to occupy much of the time of the Senate in the discussion now. I had the indulgence of the Senate yesterday in discussing this proposition at some length, although not expecting to do so before entering into the discussion of the question.

It may be, Mr. President, that I am somewhat old-fashioned in this matter, that I have not kept up with this swiftly moving procession in regard to reforms in procedure, but I can not reconcile myself to the idea that this innovation in our practice is justified or warranted at all. I may stand alone in that position to-day, and I grant you, Mr. President, from some remarks recently made, and on this side of the Chamber, too, the prospect is not encouraging for this amendment of mine, which I think will do away with all the evils which can possibly arise out of prejudice on the part of the judge or the court who issued the order or decree, disobedience to which has brought on the contempt proceeding.

The amendment that I offer is this. After reciting the provisions in the bill, much as they are, with reference to trials for contempt, I provide further:

The written statement of the charge or charges having been furnished the accused as aforesaid, he shall thereupon be arraigned and his plea entered of record. If the accused should plead guilty to the charge, the court shall enter judgment thereon and impose sentence in the case. If he pleads not guilty, the court shall set the case for trial and admit the accused to bail until final determination of the case.

I would be glad if Senators would have the provision of this amendment in mind:

The trial shall be by the court, and witnesses called and examined for and against the accused as in criminal cases. If the accused shall be found guilty, judgment shall be entered accordingly and the punishment prescribed. Said punishment may be by fine or imprisonment, or both, in the discretion of the court: *Provided*, That in cases where the fine is payable to the United States the same shall not exceed the sum of $1,000 in any case; and in no case shall the term of imprisonment exceed six months.

Now comes the important feature of the amendment, so far as it varies from the provisions of the bill:

If any person who has entered a plea of not guilty to a charge of indirect contempt shall make affidavit that the judge before whom the case is set for trial in the first instance is prejudiced against him and that on account of such prejudice he believes he can not have a fair and impartial trial, such judge shall designate forthwith some other judge to hear and determine the case.

Mr. President, if there is ground, as it seems to me, for trial by jury in contempt proceedings, it is on account of a fear of prejudice on the part of the judge whose order or decree has been disobeyed, and perhaps it is natural that there should be some fear of prejudice on the part of such judge. But, Mr. President, in comparison with the innumerable cases wherein judges who have issued orders have also heard the proceedings for contempt, the cases of abuse or of excessive fines or punishment are exceedingly rare. As I had occasion to say yesterday, it is hard to recall in modern practice or experience where there has been any great oppression on the part of the judge as against the party charged with contempt.

Mr. President, under this amendment the procedure in case the defendant fears that he may not have an impartial trial before the judge who issued the order is not confined to criminal cases alone or to acts involving a crime, but to all cases of indirect contempt, so that any person charged with an indirect contempt under the provision of this amendment, if he fears he can not have a fair and impartial hearing before the judge who issued the order or decree, can, upon an affidavit of prejudice, have another and an impartial judge called in forthwith to hear and determine the case.

I say, Mr. President, a provision like this will do away with the very foundation upon which is urged the claim that contempt cases should be tried by a jury, namely, the possible prejudice of the judge or the court who issued the order.

Furthermore, Mr. President, and briefly, too, we will have done away with the inconveniences in most cases of contempt of a jury trial and the delays occasioned thereby. We will have done away with a further and more important thing—the question of the constitutional power of Congress to require the trial of contempt cases by juries—for I think that under the great weight of authority the power to punish for contempt in disobeying the order of the court is a power inherent in the judicial power itself, and is necessary, in the last analysis, to the very existence of the court, as held in the Carter case. The trial by jury provided for by the Virginia Legislature was there held to be an invasion of this power of the court. In Oklahoma the statute providing for the trials of contempt by a jury has been held unconstitutional; and while, necessarily, the direct question has never been raised in our Federal courts, yet from the many decisions in regard to the inherent power of the court to punish for contempt and which goes along with the judicial power, it may be readily inferred that any provision like this for jury trial will be held unconstitutional.

Then, again, Mr. President, as I said yesterday, there is the grave question of public policy. I wish Senators would give consideration to that. I labor under no illusion, Mr. President

and Senators, in regard to the origin, the foundation, of this proposed legislation. I know whence it springs. I know that it does not spring from labor, from the average laborer, from labor generally—"labor with its hundred hands that knock at the golden gates of the morning"—but it springs from the leaders elected, appointed, or self-constituted of labor unions. This is the origin of the desire for legislation of this kind.

In this connection I call attention to the question of public policy, as far as it is involved here.

Mr. WALSH. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Dakota yield to the Senator from Montana?

Mr. STERLING. I yield.

Mr. WALSH. Before the Senator passes to the consideration of that, I desire to inquire of him whether he has investigated the question of the constitutional power to enact such legislation as is contemplated by his amendment, whereby the contempt of the order of one judge shall be heard and tried before another judge?

Mr. STERLING. I have not investigated it, except with reference to the one point—trial by jury—but it occurs to me, in answer to the Senator from Montana, that there can be no question there. It is not like calling in some other tribunal than a court to try the question of contempt. It remains as in the ordinary case of the prejudice of a trial judge and where under the law on an affidavit of prejudice another judge may be called in to try the case.

Mr. WALSH. Let me say to the Senator from South Dakota that the power has been very seriously and very frequently questioned. That is my recollection.

Mr. STERLING. But it was never held that the power did not exist.

Mr. WALSH. I think if the Senator will examine the reports of my State he will find it was so held.

Mr. STERLING. It has not been held not to exist in South Dakota, and I can hardly conceive of a reason why it should be held not to exist in a case of this kind.

So, referring again briefly to the question of policy, what will be the issue to be tried in a contempt case such as you may easily imagine would come before a Federal district court? A great strike is on and it is charged here is a combination in restraint of trade, in restraint of interstate commerce, and thousands are involved. Leaders are charged with disobedience to the order of the court enjoining certain actions of violence and of boycott. Will the issue be simply as to whether they committed the act? No; but under the latitude allowed or the latitude taken by counsel for the defense in a criminal case, the question likely to be tried before that jury will be as to whether that strike was justifiable or not. I think we should be delivered, our country wants to be delivered, from a proceeding or a situation of that kind and from the evil effects upon society and good government which might flow therefrom.

Mr. President, I believe the proposition for jury trial in this class of cases is dangerous in view of the conditions as they yet exist between combinations of labor and capital in this country, in view of the controversies which may arise between them, and in view, too, of further unreasonable and unwarranted distrust of the court which such legislation is likely to engender. In view of these considerations I think we ought not to make this dangerous innovation and by it depart as we shall from the practice and experience of the centuries in regard to the trial of contempt cases.

Oh, Mr. President, it seems to me that the tendency is here now in various phases of this legislation to go to an extreme. We can avoid that. We can yet have some of the good, wholesome progressive legislation provided for in the trade commission bill and in the antitrust bill now before us without venturing into the field of experiment altogether, and without enacting laws the constitutionality of which or the justice of which will be hereafter questioned.

Mr. McCUMBER. Mr. President, I hope that an amendment as important as this, an amendment as just as this, may receive proper consideration and a reasonable vote in the Senate of the United States.

I have my own convictions upon the law feature of the bill. That conviction, which I arrived at and which I expressed in the beginning of this discussion, has not changed in all the argument that has been produced. It is that that portion of the bill which takes away from the court the right, the privilege, to enforce its own decrees, without the interposition of a jury or any other body that can say, "No; this shall not be enforced," is not a constitutional provision.

I am satisfied that in some character of contempts the question might be submitted to a jury. The question whether the court was unduly abused and brought into contempt by declarations made by any person and any matter that does not go directly to the authority of the court itself to enforce its judgments may probably be left to a jury; but whenever a court has issued an injunction in conformity with its own jurisdiction and its power, I insist that whether the injunction can be stayed by any person or persons is not a question that can be submitted to a jury.

I disagree with my friend who offers this amendment in the assertion that the punishment by contempt has not very often been abused. I insist, Mr. President, that courts have grossly abused that power in the last few years, and I have called attention to a great many of them. I can call attention to one instance in a court where the offense grew out of a condition of this kind: One court had ordered a receiver not to do a certain thing. An appellate court had given instruction that he should do that thing. The first court said the interlocutory injunction was not appealable, and therefore the appellate court had no jurisdiction. The party affected by it submitted the matter to his own attorney, and refused to act one way or the other until he had the advice of that attorney. Within two hours the attorney gave him his advice. His advice was that the appellate court had no jurisdiction, but for his own safety he had better comply with the orders of that court. Within two hours he had complied with the orders of the court. He was brought up on contempt proceedings for obeying his counsel rather than the court for a couple of hours, and he was on two counts sentenced to six months each. In other words, he was sentenced a full year in the penitentiary for having waited until his counsel could advise him upon a proposition.

I am perfectly willing to say, Mr. President, that there has been a case tried not very far from here where there was a question as to the right and authority of labor unions. It was a mooted question. The parties were fighting it out, and because the order of the court was disobeyed for a length of time, until that matter could be settled, a year in the penitentiary was fixed. There is not any man with a sense of justice in his heart who would not say that that punishment under those conditions was an excessive punishment and an abuse, and a gross abuse, of the power that is held by courts in contempt cases.

But for those excesses, Mr. President, I would not deprive or attempt to deprive the court of its authority to enforce its own judgment. In the amendment that has been offered by the Senator from South Dakota [Mr. STERLING] we have a right and we can exercise that right in an act limiting the punishment and seeing to it that no excessive punishment shall be given under the unrestrained power at present of a court to inflict punishment for contempt proceedings. The amendment, at least in my opinion, avoids entirely the question whether or not it is constitutional to grant to a jury the right to determine whether a court shall enforce its own process; but it also guards against the excessive use of the power conferred upon the courts, which, in my opinion, is clearly constitutional. I hope, Mr. President, that instead of going to the great extreme of depriving or attempting to deprive the court of its constitutional powers we shall limit the judgments that may be imposed, and that we shall take steps that will insure a fair trial, not by a prejudiced judge but by an unprejudiced court.

I think the amendment of the Senator from South Dakota ought to be adopted.

Mr. BORAH. The amendment pending is not the amendment of the Senator from South Dakota, but the amendment which I offered, and on that I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. McCUMBER. Mr. President, before the roll is called I wish to say that I am going to vote for this amendment. I am going to vote for it, not on the ground that I think the courts ought to be deprived of the power to enforce their own judgments, but as the bill now stands I am going to vote to equalize the right of American citizenship.

The Secretary proceeded to call the roll.

Mr. CLARK of Wyoming (when his name was called). I have a general pair with the senior Senator from Missouri [Mr. STONE], who is detained from the Chamber. I therefore withhold my vote.

Mr. CULBERSON (when his name was called). I transfer my general pair with the Senator from Delaware [Mr. DU PONT] to the Senator from Arizona [Mr. SMITH] and vote "nay."

Mr. HOLLIS (when his name was called). I announce my pair with the Senator from Maine [Mr. BURLEIGH] and withhold my vote, unless it is necessary to make a quorum.

Mr. LEA of Tennessee (when his name was called). I transfer my general pair with the senior Senator from South Dakota [Mr. CRAWFORD] to the junior Senator from Kentucky [Mr. CAMDEN] and vote "nay."

Mr. SMITH of Georgia (when his name was called). I have a general pair with the senior Senator from Massachusetts [Mr. LODGE]. Unless I can transfer my pair, I shall have to withhold my vote.

Mr. THOMAS (when his name was called). I have a general pair with the senior Senator from New York [Mr. ROOT]. I transfer that pair to the Senator from Indiana [Mr. KERN] and vote "nay."

Mr. WALSH (when his name was called). I am paired with the Senator from Rhode Island [Mr. LIPPITT] and therefore withhold my vote.

The roll call was concluded.

Mr. CHAMBERLAIN. I have a general pair with the junior Senator from Pennsylvania [Mr. OLIVER], which I transfer to the Senator from Indiana [Mr. SHIVELY], and vote "yea."

Mr. SMOOT. I desire to make the following announcement of pairs:

The Senator from Kansas [Mr. BRISTOW] with the Senator from Georgia [Mr. WEST];

The Senator from New Mexico [Mr. CATRON] with the Senator from Oklahoma [Mr. OWEN];

The Senator from West Virginia [Mr. GOFF] with the Senator from South Carolina [Mr. TILLMAN];

The Senator from Pennsylvania [Mr. PENROSE] with the Senator from Mississippi [Mr. WILLIAMS];

The Senator from Wisconsin [Mr. STEPHENSON] with the Senator from Oklahoma [Mr. GORE];

The Senator from Utah [Mr. SUTHERLAND] with the Senator from Arkansas [Mr. CLARKE];

The Senator from Wyoming [Mr. WARREN] with the Senator from Florida [Mr. FLETCHER];

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Maryland [Mr. SMITH]; and

The Senator from Massachusetts [Mr. WEEKS] with the Senator from Kentucky [Mr. JAMES].

Mr. JOHNSON. I transfer my pair with the junior Senator from North Dakota [Mr. GRONNA] to the senior Senator from Nebraska [Mr. HITCHCOCK] and vote. I vote "nay."

Mr. HOLLIS. I transfer my pair with the junior Senator from Maine [Mr. BURLEIGH] to the Senator from New Jersey [Mr. MARTINE] and vote "nay."

Mr. SMITH of Georgia. Mr. President, if no quorum has voted I am at liberty to vote.

The PRESIDING OFFICER. A quorum has not voted.

Mr. SMITH of Georgia. I vote "nay."

Mr. NEWLANDS. I vote "nay."

Mr. WALSH. It appearing that a quorum has not voted, I will vote. I vote "yea."

Mr. WILLIAMS. I transfer my pair with the senior Senator from Pennsylvania [Mr. PENROSE] to the senior Senator from Arizona [Mr. ASHURST] and vote "nay."

Mr. OWEN. I am paired with the Senator from New Mexico [Mr. CATRON] and have no right to vote except where it is necessary in order to make a quorum.

The PRESIDING OFFICER. A quorum has not voted.

Mr. GALLINGER. Let the announcement be made, Mr. President. We have been waiting a good while.

Mr. OWEN. If necessary to make a quorum I have a right to vote.

The PRESIDING OFFICER. It is necessary for the Senator to vote in order to constitute a quorum.

Mr. OWEN. I vote "nay."

The result was announced—yeas 23, nays 26, as follows:

YEAS—23.

Borah	Jones	Norris	Smith, Mich.
Brady	Lane	Perkins	Smoot
Bryan	Lee, Md.	Pittman	Sterling
Burton	McCumber	Poindexter	Vardaman
Chamberlain	McLean	Pomerene	Walsh
Gallinger	Myers	Reed	

NAYS—26.

Bankhead	Lewis	Shafroth	Thomas
Chilton	Martin, Va.	Sheppard	Thompson
Culberson	Newlands	Shields	Thornton
Hollis	O'Gorman	Simmons	White
Hughes	Overman	Smith, Ga.	Williams
Johnson	Owen	Smith, Md.	
Lea, Tenn.	Ransdell	Swanson	

NOT VOTING—47.

Ashurst	Colt	Gronna	Nelson
Brandegee	Crawford	Hitchcock	Oliver
Bristow	Cummins	James	Page
Burleigh	Dillingham	Kenyon	Penrose
Camden	du Pont	Kern	Robinson
Catron	Fall	La Follette	Root
Clapp	Fletcher	Lippitt	Saulsbury
Clark, Wyo.	Goff	Lodge	Sherman
Clarke, Ark.	Gore	Martine, N. J.	Shively
Smith, Ariz.	Stone	Townsend	West
Smith, S. C.	Sutherland	Warren	Works
Stephenson	Tillman	Weeks	

So Mr. BORAH's amendment was rejected.

Mr. STERLING. I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. It is proposed to strike out all of section 19 and section 20 down to and including the word "months." in line 6, on page 30, and in lieu thereof to insert the following:

That any person who shall willfully disobey any lawful writ, process, rule, decree, or command of any district court of the United States or any court of the District of Columbia by doing any act or thing therein, or thereby forbidden to be done by him, if the act or thing so done by him be of such character as to constitute an indirect contempt or a contempt committed out of the presence of the court or of a judge at chambers, shall be proceeded against for his said contempt as hereinafter provided.

SEC. 20. That whenever it shall be made to appear to any district court or judge thereof, or to any judge therein sitting, by the return of a proper officer on lawful process, or upon the affidavit of some credible person, or by information filed by any district attorney, that there is reasonable ground to believe that any person has been guilty of such contempt the court or judge thereof, or any judge therein sitting, may issue a rule requiring the said person so charged to show cause upon a day certain why he should not be punished therefor, which rule, together with a copy of the affidavit or information, shall be served upon the person charged with sufficient promptness to enable him to prepare for and make return to the order at the time fixed therein. If upon or by such return, in the judgment of the court, the alleged contempt be not sufficiently purged, the person charged shall be given a written statement of the charge or charges against him, specifically setting forth the act or acts on which the charge of contempt is predicated: *Provided, however*, That if the accused, being a natural person, fail or refuse to make return to the rule to show cause, an attachment may issue against his person to compel an answer, and where the accused is a body corporate an attachment for the sequestration of its property may be issued upon like refusal or failure to answer. The written statement of the charge or charges having been furnished the accused as aforesaid, he shall thereupon be arraigned and his plea entered of record. If the accused should plead guilty to the charge the court shall enter judgment thereon and impose sentence in the case. If he pleads not guilty the court shall set the case for trial and admit the accused to bail until final determination of the case. The trial shall be by the court, and witnesses called and examined for and against the accused as in criminal cases. If the accused shall be found guilty, judgment shall be entered accordingly and the punishment prescribed. Said punishment may be by fine or imprisonment, or both, in the discretion of the court: *Provided*, That in cases where the fine is payable to the United States the same shall not exceed the sum of $1,000 in any case; and in no case shall the term of imprisonment exceed six months.

If any person who has entered a plea of not guilty to a charge of indirect contempt shall make affidavit that the judge before whom the case is set for trial in the first instance is prejudiced against him and that on account of such prejudice he believes he can not have a fair and impartial trial, such judge shall designate forthwith some other judge to hear and determine the case.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from South Dakota [Mr. STERLING].

Mr. STERLING. On that I ask for the yeas and nays.

Mr. WALSH. Mr. President, before the question is put on ordering the yeas and nays, I desire to say that I understand the Senator from South Dakota offers the amendment which has just been read not only because he is opposed to the policy of sections 19 and 20 but because he is fearful of the power of Congress to enact legislation of this character; and he offers the amendment to get rid of the constitutional difficulties. He proposes a change of judge. I suggested to him a while ago that he would not obviate the serious constitutional question by the substitute which he offers. I now call his attention to the following from the case of State against Judges, reported in Thirtieth Montana, at page 199:

While respectable authority may be found in support of the contention that it is beyond the legislative power to provide for a change of venue or change of judge in contempt proceedings, it is not now necessary to consider that matter. It is sufficient for this inquiry to say that the legislature did not do so in this instance.

I merely cite this to show that the power of Congress to legislate as contemplated in the amendment proposed by the Senator from South Dakota is by no means free from doubt.

Mr. STERLING. But, Mr. President, the Senator from Montana cites no authority against it. I will venture the suggestion that the proposal contained in my amendment is not nearly so likely to be questioned as is the provision empowering a jury to try a contempt case.

The PRESIDING OFFICER. The question is on the amendment of the Senator from South Dakota, on which he demands the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CHAMBERLAIN (when his name was called). Making the same transfer of my pair as on the previous vote, I vote "nay."

Mr. CLARK of Wyoming (when his name was called). I have a general pair with the senior Senator from Missouri [Mr. STONE], who is necessarily absent by express permission of the Senate. I therefore withhold my vote.

Mr. CULBERSON (when his name was called). Again announcing my pair and its transfer, I vote "nay."

Mr. GORE (when his name was called). I desire to announce my pair with the junior Senator from Wisconsin [Mr. STEPHENSON]. On account of that pair I withhold my vote, but desire to be counted present. I ask that this announcement stand for the day.

Mr. HOLLIS (when his name was called). I transfer my pair with the Senator from Maine [Mr. BURLEIGH] to the senior Senator from New Jersey [Mr. MARTINE] and vote "nay."

Mr. JOHNSON (when his name was called). I transfer my pair with the Senator from North Dakota [Mr. GRONNA], as on the previous vote, to the senior Senator from Nebraska [Mr. HITCHCOCK] and vote "nay."

Mr. LEA of Tennessee (when his name was called). I again announce my pair and its transfer, which announcement I wish to stand for the day. I vote "nay."

Mr. THOMAS (when his name was called). I make the same announcement of my pair and its transfer as on the previous roll call and vote "nay."

Mr. WALSH (when his name was called). I have a general pair with the Senator from Rhode Island [Mr. LIPPITT]. I transfer that pair to the Senator from South Carolina [Mr. SMITH] and vote "nay."

Mr. WILLIAMS (when his name was called). Transferring my pair with the senior Senator from Pennsylvania [Mr. PENROSE] to the senior Senator from Arizona [Mr. ASHURST], I vote "nay."

The roll call was concluded.

Mr. SIMMONS. I wish to inquire whether the Senator from Minnesota [Mr. CLAPP] has voted?

The PRESIDING OFFICER. The Chair is informed that he has not.

Mr. SIMMONS. I have a pair with the Senator from Minnesota and therefore withhold my vote.

Mr. COLT. I have a pair with the junior Senator from Delaware [Mr. SAULSBURY], who is necessarily absent by reason of illness. In his absence I withhold my vote.

The Secretary recapitulated the vote.

Mr. HOLLIS (after having voted in the negative). The senior Senator from New Jersey [Mr. MARTINE], to whom I transferred my pair, having come into the Chamber, I withdraw my vote, but if it is necessary to make a quorum, I will allow it to stand.

Mr. OWEN. I should like to inquire whether or not a quorum has voted?

Mr. CLARK of Wyoming. Mr. President, under the rules, how can the roll call be interrupted?

Mr. GALLINGER. It can not be.

Mr. OWEN. I desire to vote. I vote "nay."

Mr. SMITH of Georgia. I should like to inquire whether a quorum has voted?

Mr. CLARK of Wyoming. I renew the same point of order, that debate is not in order?

Mr. SMITH of Georgia. I will vote if necessary to make a quorum.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. SMITH of Georgia. I vote "nay."

Mr. GORE. If my vote is necessary to make a quorum, I vote "nay."

Mr. CLARK of Wyoming. Mr. President, I insist that any remarks made beyond a direct answer to the roll call are debate during the calling of the roll, and I therefore object.

Mr. SIMMONS. If I can be counted to make a quorum, I will not vote; otherwise I will vote. I ask the Chair as a parliamentary inquiry whether I will be counted to make a quorum if I do not vote?

Mr. CLARK of Wyoming. I ask that the result of the roll call be announced.

Mr. SIMMONS. Mr. President, I insist that questions of that kind are perfectly legitimate even during a roll call.

Mr. CLARK of Wyoming. Oh, no.

Mr. SIMMONS. If I can not get an answer to my inquiry——

The VICE PRESIDENT. The yeas are 8 and the nays are 40. The Senator from North Carolina.

Mr. SIMMONS. I vote "nay."

The VICE PRESIDENT. The yeas are 8 and the nays are 41. The amendment is lost.

The vote by yeas and nays, the result of which was announced by the Vice President, was as follows:

YEAS—8.

Burton	McCumber	Nelson	Smoot
Gallinger	McLean	Perkins	Sterling

NAYS—41.

Bankhead	Lea, Tenn.	Pittman	Swanson
Bryan	Lee, Md.	Poindexter	Thomas
Chamberlain	Lewis	Pomerene	Thompson
Chilton	Martin, Va.	Ransdell	Thornton
Culberson	Martine, N. J.	Reed	Vardaman
Gore	Myers	Shafroth	Walsh
Hollis	Newlands	Sheppard	White
Hughes	Norris	Shields	Williams
Johnson	O'Gorman	Simmons	
Jones	Overman	Smith, Ga.	
Lane	Owen	Smith, Md.	

NOT VOTING—47.

Ashurst	Crawford	La Follette	Smith, Mich.
Borah	Cummins	Lippitt	Smith, S. C.
Brady	Dillingham	Lodge	Stephenson
Brandegee	du Pont	Oliver	Stone
Bristow	Fall	Page	Sutherland
Burleigh	Fletcher	Penrose	Tillman
Camden	Goff	Robinson	Townsend
Catron	Gronna	Root	Warren
Clapp	Hitchcock	Saulsbury	Weeks
Clark, Wyo.	James	Sherman	West
Clarke, Ark.	Kenyon	Shively	Works
Colt	Kern	Smith, Ariz.	

So Mr. STERLING's amendment was rejected.

Mr. GALLINGER. I suggest—and I am sure the Chair will sustain me—that the procedure would be much more orderly if the presiding officer would announce simply what the recapitulation shows, and then Senators can vote, if they desire to do so, to make a quorum.

The VICE PRESIDENT. That is the procedure the present occupant of the chair was trying to follow.

Mr. GALLINGER. Exactly; but we have been interrupted three or four times during the roll call by Senators asking if a quorum had voted, and I think that is contrary to the rules.

The VICE PRESIDENT. It does not constitute a decision, as the Chair understands, to say "the yeas are so many and the nays are so many."

Mr. GALLINGER. Certainly not.

The VICE PRESIDENT. It must proceed further than that, and pending that Senators have a right to vote.

Mr. CHILTON. Mr. President, I offer as an amendment the amendment which has been printed and appears on page 3 of the printed amendments on Senators' desks.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. In section 9a, page 17, after line 21, it is proposed to insert the following:

That nothing in this section shall be held to take away or impair the jurisdiction of the courts of the several States under the laws thereof; and a judgment of conviction or acquittal on the merits under the laws of any State shall be a bar to any prosecution hereunder for the same act or acts.

Mr. CHILTON. Mr. President, I merely want to state to the Senate that this is strictly within the precedents and was drawn to cover a question which some Senator raised as to whether or not the enactment of section 9a would be held to confer on the United States exclusive jurisdiction of the subject thereof and would take away from the States the right to punish for embezzlement and larceny as therein defined. Under the case in One hundred and eighty-ninth United States, page 324, which I will not read, it was held by the Supreme Court that where the exception specified in the amendment was made the question would not arise. The amendment is in line with the precedents, and I hope it may be adopted.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from West Virginia.

The amendment was agreed to.

Mr. CHILTON. Mr. President, the other day I asked unanimous consent to offer an amendment to the committee amendment on line 12, page 11.

The VICE PRESIDENT. May the Chair inquire as to whether the Senator refers to the reprinted bill or to the old bill?

Mr. CHILTON. I refer to the new bill, the reprint.

The VICE PRESIDENT. It will help the Secretary if the Senator from West Virginia can indicate the place in the old bill, because they have their notes based on the old bill and not the new one.

Mr. CHILTON. I will do that. It is page 10, line 20, of the original print. I asked unanimous consent the other day to insert in line 20, page 10, after the word "anything" and before

the word "prohibited," the word "heretofore," so that that part of the section would read:

That nothing herein shall be held or construed to authorize or make lawful anything heretofore prohibited or made illegal by the antitrust laws.

I take it that of course we did not mean, as the Senator will well understand, to make anything legal by this trust law when we have in fact made it illegal. The intention was to make the exception apply to the Sherman law; that is, something heretofore prohibited. But the Senator from Maryland, who at that time withheld his consent, called my attention to the fact that a still further amendment should be made if that should go in, and that the word "herein" in line 19 should be stricken out and the words "in this section" inserted.

I agree with the Senator that that is proper to make it perfectly clear. Therefore I move that on line 19 the word "herein" be stricken out and that there be inserted in lieu thereof the words "in this section," and that in line 20 the word "heretofore" be inserted before the word "prohibited," so that the paragraph will read:

That nothing in this section shall be held or construed to authorize or make lawful anything heretofore prohibited or made illegal by the antitrust laws.

Mr. THOMAS. Mr. President, I should like to inquire whether, with the word "herein" stricken out and the words "in this section inserted," the bill would not then be open to the objection that other provisions of other sections might legalize something which had heretofore been made unlawful by the antitrust act?

Mr. CHILTON. Oh, no. The only thing about the word "herein" is that we make certain things lawful in this section. That refers to section 8, and it says:

Nothing contained in this section shall be held to affect or impair any right heretofore legally acquired.

Now, we do not want by this act to say that even though that right might have been acquired under the Sherman antitrust law we hereby legalize things which under that law would be illegal.

Mr. THOMAS. If the Senator is satisfied with it, I will accept his view.

Mr. CHILTON. Yes; I am satisfied with it. I ask unanimous consent that the vote by which the amendment was adopted may be reconsidered.

The VICE PRESIDENT. Without objection, the vote whereby the amendment was adopted will be reconsidered. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. WALSH. Mr. President, at the time section 8 was passed I indicated to the Senate that I should move to strike out the words "eliminate or," appearing in line 8 on page 9 of the new print, so that it would read, "where the effect of such acquisition is to substantially lessen competition," because if the competition is eliminated it is lessened. That is to say, that is also embraced.

The VICE PRESIDENT. May the Chair inquire where it is in the old bill?

Mr. CHILTON. It is on page 9, line 15, of the old bill. That is what the Senator is speaking of.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 8, line 17, the Senator from Montana moves to strike out the words "eliminate or."

Mr. THOMAS. Mr. President, in the old print I notice that the expression appears twice, once at the bottom of page 8, and again in lines 15 and 16 on page 9.

Mr. WALSH. I will say to the Senator from Colorado that I intend to offer that amendment next.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. WALSH. I likewise call attention to the fact that the concluding words of the paragraph, "or to create a monopoly of any line of trade," the word "commerce," being substituted for "trade," should be stricken out, because that is clearly already a violation of the Sherman Antitrust Act, section 2.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 9, in line 3, it is proposed to strike out the words "or to create a monopoly of any line of commerce."

Mr. REED. Mr. President, there is a radical difference between the bill as reported by the committee and as it came from the House, which is found in the sentence now sought to be amended, in lines 10 and 11. In the bill as it came from the House the language was:

Or to create a monopoly of any line of trade in any section or community.

Mr. CHILTON. What is the Senator referring to now?

Mr. REED. The Walsh amendment, and I am referring to the print of August 28.

Mr. CHILTON. Oh, yes—lines 10 and 11?

Mr. REED. Yes.

Mr. CHILTON. I see.

Mr. REED. The committee for some reason struck out the word "trade" and the words "in any section or community" and substituted for those words the word "commerce," so that the section as reported, instead of reading "or to create a monopoly of any line of trade in any section or community," would read "to create a monopoly of any line of commerce."

Mr. CULBERSON. Mr. President——

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from Texas?

Mr. REED. I do.

Mr. CULBERSON. I call the Senator's attention, as a member of the committee, to the fact that the word "trade" was stricken out and the word "commerce" included because the word "commerce" is defined by the first section of the bill and the word "trade" is not; and the words "in any section or community" were stricken out because of the fear that that was intended to apply to a local transaction and would be a regulation of intrastate commerce rather than interstate commerce, and therefore void.

Mr. REED. Mr. President, the change of the word "trade" to the word "commerce" is very proper. I have no objection to that. The House bill distinctly aimed at the creation of a localized monopoly or a localized restraint, as distinguished from a general restraint or a general monopoly. If the bill is to stand as reported by the committee, then I think the amendment offered by the Senator from Montana is all right; but my preference upon this section is very strongly in favor of retaining the phrase "in any section or community," because I believe we will be able in some instances to reach a condition which probably can not be reached under the Sherman Antitrust Act.

I do not agree that the bill is susceptible of the construction suggested by the chairman, namely, that because the words "in any section or community" are to be found in the bill, that will be held to be a regulation of intrastate commerce, because the other clauses of the bill would control, and as we are legislating only with reference to interstate commerce this language would be construed to apply to the creation of a local restraint by some one engaged in interstate commerce, and the restraint must be applied to interstate commerce and nothing else.

Mr. WALSH. Mr. President, let me ask the Senator from Missouri whether, if the amendment offered by me is adopted, it will not be entirely unnecessary to consider that question?

Mr. REED. Not if I understand the Senator's amendment. What is the point? I do not catch it.

Mr. WALSH. If all the language I now move to strike out, "or to create a monopoly of any line of trade," or, as it now reads, "any line of commerce," striking out also the words "in any section or community"—if all that is stricken out, then it will not be necessary to consider the matter now advanced by the Senator from Missouri. If, however, the language is left in as it is, then his observations will be pertinent.

Mr. REED. Does the Senator propose to strike out all of that matter?

Mr. WALSH. Yes.

Mr. REED. Mr. President, I think this is as good a time as any to present this matter in a little different shape; and if the amendment to the amendment which I now propose is accepted it will cover the whole question.

I move, as a substitute for the amendment offered by the Senator from Montana, that section 8 be amended so that it will read as follows:

That no corporation engaged in commerce shall acquire, directly or indirectly the whole or any part of the stock or other share capital of another corporation engaged also in commerce in the same line or lines of business.

Mr. President, we have taken much time on this bill. There has been a great deal of haggling over this section.

Mr. THOMAS. Mr. President, may I inquire whether that is intended as a substitute for the entire section, or merely for the first paragraph?

Mr. REED. It is intended as a substitute for the first paragraph, and is so stated in the print.

If I can get the attention of the Senate just a moment upon this matter, long enough to state it so that everybody has his attention directed to it, I shall be content.

One of the greatest evils we have to meet to-day is the device by which one corporation controls another corporation. That was, as has been often said in these debates, illegal at common

law. It was beyond the power of one corporation to own the stock of another corporation, and for manifest reasons which I need not pause now even to mention.

Gradually, in State after State, corporations have slipped amendments into State statutes abrogating that old rule, and immediately corporations began extending their influence through a chain of corporations. These corporations that were controlled frequently were controlled secretly. Frequently the minority stockholders were in this way practically deprived of any voice whatever in the corporations. Frequently a local corporation found a majority of its stock owned by some foreign or distant corporation, and accordingly its control taken over.

I might dilate upon these evils, but they are understood, and they are recognized, too, by this legislation; but the legislation as it is now proposed has so many exceptions and introduces so many doubtful questions that I think it will amount to but little. For my part, I stand ready to vote for a bill that will prohibit any corporation from owning the stock of any other corporation, the two being engaged in interstate commerce; but I am offering an amendment very much milder than that. It simply proposes that a corporation engaged in interstate commerce shall not own the stock of another corporation engaged in the same line of business, to wit, a corporation which is naturally competitive. That does away entirely with all the difficulties that were raised here a day or two ago in the debate, when it was said that it would be difficult to ascertain whether in fact a corporation was competing or not, a difficulty which appears upon the face of the amendment which is now before the committee.

What harm will come, what wrong will come, from saying to a corporation that is engaged in interstate commerce, "You can not own the stock of another corporation engaged in the identical line or lines of business in which you are engaged"? This applies only to trade and commerce. It does not apply to a bank; it does not apply to a corporation that is engaged in intrastate commerce; and it strikes at the very root of this evil. It can be safely enacted into a statute. It saves all the equivocation and all the trouble that will arise from construction of the section as written.

It is easy to ascertain whether a corporation is engaged in the same line or lines of business in which another corporation is engaged, but it is very difficult to tell whether the ownership of stock has substantially lessened competition, and yet there may be a very grave lessening of competition. You avoid the difficulty of proving that most difficult question of fact.

I really think the chairman of the committee might consider whether he could not accept this amendment.

Mr. THOMAS. Mr. President, I am in sympathy with the Senator's amendment; but I should like to ask whether, unless it is designed as a substitute for the second paragraph of section 8 also, it would go as far as it should go. In other words, I wish to ask whether, if his amendment should be adopted as a substitute for the first paragraph of section 8, its effect would not be largely neutralized by the recitals of the second paragraph, beginning with line 21 of the old print, line 12 of page 9 of the new print.

Mr. REED. I think the first part of the clause to which the Senator calls attention—

> This section shall not apply to corporations purchasing such stock solely for investment and not using the same by voting or otherwise to bring about, or in attempting to bring about, the substantial lessening of competition——

Mr. THOMAS. No; my question did not refer to that, but to the preceding paragraph. That is the third paragraph which the Senator reads. The paragraph beginning with line 12 of the new print, which the Senator has, is the one to which my question is directed.

Mr. REED. Mr. President, I think a similar amendment ought to go in the next section. In fact, I feel pretty sure it should. Just at present I have offered it as to the first section, and if it is accepted I shall offer it as to the next section.

Mr. CULBERSON. In answer to the inquiry of the Senator from Missouri, I will say frankly that I have not had an opportunity to consult the committee and am not authorized to accept the amendment proposed. Only a few of them are within reach, and they are divided on the question.

Mr. REED. Mr. President, just a final word. If this amendment is accepted as to the first paragraph—and it does seem to me it should be, if we are to breathe any real vitality into this section; at least, it will remove many difficulties from the enforcement of it—I will then offer it as to the second paragraph.

That is all I care to say. I think I have stated my position, and I will let the Senate vote.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Missouri.

Mr. REED. On that I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. JONES. Mr. President, let us have the amendment stated.

The VICE PRESIDENT. The Secretary will again state the amendment.

The SECRETARY. It is proposed to strike out the first paragraph of section 8, on page 8, and in lieu of the words stricken out to insert:

> That no corporation engaged in commerce shall acquire, directly or indirectly, the whole or any part of the stock or other share capital of another corporation engaged also in commerce in the same line or lines of business.

The Secretary proceeded to call the roll.

Mr. CULBERSON (when his name was called). Again announcing my pair and its transfer, I vote "nay."

Mr. HOLLIS (when his name was called). I withhold my vote unless it is necessary to make a quorum.

Mr. O'GORMAN (when his name was called). I have a general pair with the senior Senator from New Hampshire [Mr. GALLINGER]. In his absence I withhold my vote.

Mr. SMITH of Georgia (when his name was called). I have a general pair with the senior Senator from Massachusetts [Mr. LODGE], but I am at liberty to vote. I vote "nay."

Mr. THOMAS (when his name was called). I announce the same pair and transfer as heretofore and will vote. I vote "yea."

Mr. WALSH (when his name was called). I announce my pair with the senior Senator from Rhode Island [Mr. LIPPITT] and withhold my vote.

Mr. WILLIAMS (when his name called). Repeating the announcement made on the last roll call concerning both my pair and its transfer, I vote "yea."

The roll call was concluded.

Mr. CLARK of Wyoming. I desire to announce my pair with the senior Senator from Missouri [Mr. STONE], who is absent by permission of the Senate, and I withhold my vote.

Mr. CHAMBERLAIN. Again transferring my pair, I vote "yea."

Mr. JOHNSON. I transfer my pair, which I have previously announced, to the senior Senator from Nebraska [Mr. HITCHCOCK] and vote "nay."

Mr. SMITH of Maryland (after having voted in the negative). The Senator from Vermont [Mr. DILLINGHAM], with whom I am paired, is not here. I therefore transfer my pair with him to the junior Senator from South Carolina [Mr. SMITH] and will allow my vote to stand.

Mr. GALLINGER. I announce my pair with the junior Senator from New York [Mr. O'GORMAN] and withhold my vote.

The Secretary recapitulated the vote.

Mr. OWEN. I vote "yea."

Mr. HOLLIS. I vote "yea."

Mr. WALSH. Being informed that no quorum has voted, I vote "yea."

The VICE PRESIDENT. On the amendment offered by the Senator from Missouri [Mr. REED] the yeas are 21 and the nays are 24.

Mr. GALLINGER. I will transfer my pair——

Mr. O'GORMAN entered the Chamber.

Mr. GALLINGER. The Senator from New York is here. I vote "yea."

Mr. O'GORMAN. I vote "nay."

Mr. BORAH. I vote "yea."

The VICE PRESIDENT. The yeas are 23 and the nays are 25. A quorum has not voted.

The vote by yeas and nays, the result of which was announced by the Vice President, was as follows:

YEAS—23.

Borah	Jones	Norris	Thomas
Burton	Lane	Owen	Vardaman
Chamberlain	Lea, Tenn.	Perkins	Walsh
Clapp	McCumber	Poindexter	White
Gallinger	Martine, N. J.	Reed	Williams
Hollis	Nelson	Sterling	

NAYS—25.

Bankhead	Martin, Va.	Ransdell	Smoot
Bryan	Myers	Shafroth	Swanson
Chilton	Newlands	Sheppard	Thompson
Culberson	O'Gorman	Shields	Thornton
Hughes	Overman	Simmons	
Johnson	Pittman	Smith, Ga.	
Lewis	Pomerene	Smith, Md.	

NOT VOTING—48.

Ashurst	Burleigh	Clarke, Ark.	Dillingham
Brady	Camden	Colt	du Pont
Brandegee	Catron	Crawford	Fall
Bristow	Clark, Wyo.	Cummins	Fletcher

Goff	Lee, Md.	Root	Stone
Gore	Lippitt	Saulsbury	Sutherland
Gronna	Lodge	Sherman	Tillman
Hitchcock	McLean	Shively	Townsend
James	Oliver	Smith, Ariz.	Warren
Kenyon	Page	Smith, Mich.	Weeks
Kern	Penrose	Smith, S. C.	West
La Follette	Robinson	Stephenson	Works

The VICE PRESIDENT. No quorum having voted, the Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bankhead	Hughes	Overman	Smoot
Borah	Johnson	Owen	Sterling
Bryan	Jones	Perkins	Swanson
Burton	Lane	Pittman	Thomas
Chamberlain	Lea, Tenn.	Poindexter	Thompson
Chilton	Martin, Va.	Pomerene	Thornton
Clapp	Martine, N. J.	Reed	Vardaman
Clark, Wyo.	Myers	Shafroth	Walsh
Culberson	Nelson	Sheppard	White
Dillingham	Newlands	Shields	Williams
Gallinger	Norris	Simmons	
Hollis	O'Gorman	Smith, Md.	

The VICE PRESIDENT. Forty-six Senators have answered to the roll call. There is not a quorum present. The Secretary will call the roll of absentees.

The Secretary called the names of the absent Senators.

Mr. CLAPP. As is well known, the senior Senator from Wisconsin [Mr. LA FOLLETTE] is absent from the Chamber on account of sickness. I do not care to make the announcement every day; but still, I presume, in justice to him, it should appear while his sickness lasts, especially where it seems difficult, as now, to get a quorum. I therefore make the announcement.

Mr. FALL and Mr. SMITH of Georgia entered the Chamber and answered to their names.

Mr. WHITE. The junior Senator from Maryland [Mr. LEE] is absent on account of the sickness of a relative.

The VICE PRESIDENT. Forty-eight Senators have answered to the roll call. There is not a quorum present. The Sergeant at Arms will carry out the instructions of the Senate heretofore given and request the attendance of absent Senators.

Mr. LEWIS entered the Chamber and answered to his name.

The VICE PRESIDENT. Forty-nine Senators have answered the roll call. There is a quorum present.

RECESS.

Mr. CULBERSON. I move that the Senate take a recess until 11 o'clock Monday.

The motion was agreed to; and (at 4 o'clock and 13 minutes p. m. Saturday, August 29, 1914) the Senate took a recess until Monday, August 31, 1914, at 11 o'clock a. m.

CONFIRMATIONS.

Executive nominations confirmed by the Senate August 29 (legislative day of August 25), 1914.

ASSOCIATE JUSTICE OF THE SUPREME COURT.

James Clark McReynolds to be Associate Justice of the Supreme Court of the United States.

ATTORNEY GENERAL.

Thomas Watt Gregory to be Attorney General.

UNITED STATES ATTORNEY.

Myron H. Walker to be United States attorney, western district of Michigan.

RECEIVERS OF PUBLIC MONEYS.

William W. Ventress to be receiver of public moneys at Baton Rouge, La.

James L. Travers to be receiver of public moneys at Duluth, Minn.

REGISTER OF THE LAND OFFICE.

Edward D. Gianelloni to be register of the land office at Baton Rouge, La.

APPOINTMENT IN THE ARMY.

ADJUTANT GENERAL'S DEPARTMENT.

Col. Henry P. McCain to be The Adjutant General.

PROMOTIONS IN THE ARMY.

CAVALRY ARM.

Lieut. Col. Lloyd M. Brett to be colonel.

Maj. James A. Cole to be lieutenant colonel.

PROMOTIONS AND APPOINTMENT IN THE NAVY.

The following-named lieutenant commanders to be commanders:

John V. Klemann,
James J. Raby,
Kenneth M. Bennett, and
Edward H. Watson.

The following-named lieutenants to be lieutenant commanders:

William H. Allen,
Jesse B. Gay, and
Guy W. S. Castle.

The following-named lieutenants (junior grade) to be lieutenants:

James J. Manning, and
Rufus W. Mathewson.

The following-named ensigns to be lieutenants (junior grade):

Thomas E. Van Metre,
James B. Glennon, and
Lemuel E. Lindsay.

First Lieut. Emile P. Moses to be a captain in the Marine Corps.

William A. Brams, a citizen of Illinois, to be an assistant surgeon in the Medical Reserve Corps.

POSTMASTERS.

CALIFORNIA.

John J. Blaney, Weaverville.
Margaret C. Hamilton, San Anselmo.
Myrtle A. Haycock, Lakeport.
W. E. Hyatt, Cloverdale.
George W. Mallory, Nordhoff.
George E. Meekins, Stanford University.
Silas T. Merrill, Galt.

HAWAII.

Moses D. K. Keohokalole, Lahaina.

ILLINOIS.

Frank W. Freeman, Grant Park.
Mabel J. Nafziger, Danvers.
E. S. Patterson, Stockton.
Frank I. Peterson, Granville.
Wilbur Whitney, Byron.

IOWA.

John E. McHugh, Lisbon.
Richard O'Connor, Neola.
John Vanderwicken, Grundy Center.

KANSAS.

Samuel S. Graybill, Hutchinson.
Frederick M. Murphy, Clyde.

KENTUCKY.

J. N. Rule, Falmouth.

MICHIGAN.

Charles A. Allen, Royal Oak.
Fred W. Hild, Baraga.
John Noll, Cheboygan.
Robert M. Smith, Kearsarge.

MINNESOTA.

Patrick B. Jude, Maple Lake.
Knute Nelson, Fertile.
M. H. McDonald, Farmington.
James McGinn, Minneota.

NEW MEXICO.

George Hoffman, Belen.
W. L. Radney, Roswell.

NEW YORK.

John F. Donovan, Mount Morris.

NORTH CAROLINA

William Cannon, Saluda.

NORTH DAKOTA.

R. J. Moore, Drayton.

OHIO.

Peter J. Beucler, Louisville.
Harry A. Flinn, Orrville.

PENNSYLVANIA.

E. M. Dailey, Dushore.
A. F. Hess, Clarion.
Edward C. Peeling, York.
John H. Wheeler, Delta.

SOUTH DAKOTA.

George Winans, White Rock.

TEXAS.

W. T. Jackman, San Marcos.

VIRGINIA.

John W. Anderson, Pennington Gap.

REJECTION.

Executive nomination rejected by the Senate August 29 (legislative day of August 25), 1914.

Benjamin F. Roberts to be postmaster at Meredith, N. H.

HOUSE OF REPRESENTATIVES.

SATURDAY, *August 29, 1914.*

The House met at 12 o'clock noon.

The Rev. Charles H. Hume, of Bartlesville, Okla., offered the following prayer:

Almighty Father, we invoke Thy blessing upon us to-day as we pray for Thy guiding hand and spirit upon our Representatives that they shall represent and guide our Nation. Bless the nations to-day and bring speedily peace to all the world. Keep and protect all of these now and evermore. We ask all these blessings in the name of our Saviour and Redeemer. Amen.

The SPEAKER. The Clerk will read the Journal.

Mr. BUTLER. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman rise?

Mr. BUTLER. I demand the presence of a quorum.

The SPEAKER. The gentleman from Pennsylvania demands the presence of a quorum; evidently there is not a quorum present.

Mr. UNDERWOOD. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

Adair	Elder	Jones	Powers
Aiken	Esch	Kelley, Mich.	Prouty
Ainey	Estopinal	Kennedy, Conn.	Ragsdale
Ansberry	Fairchild	Kent	Rainey
Anthony	Faison	Kiess, Pa.	Rayburn
Aswell	Fess	Kindel	Riordan
Austin	Finley	Kinkead, N. J.	Rothermel
Avis	Fitzhenry	Korbly	Rubey
Barkley	Flood, Va.	Kreider	Sabath
Bartlett	Foster	Lafferty	Saunders
Bell, Ga.	Fowler	Lazaro	Shackleford
Brown, N. Y.	Francis	L'Engle	Sherley
Browne, Wis.	Gardner	Lenroot	Smith, N. Y.
Browning	George	Lewis, Pa.	Stanley
Brumbaugh	Gill	Loft	Steenerson
Bulkley	Glass	McClellan	Stephens, Nebr.
Burke, Pa.	Godwin, N. C.	McGillicuddy	Stevens, N. H.
Calder	Goeke	McKenzie	Stout
Carr	Gordon	McLaughlin	Stringer
Church	Graham, Ill.	Maban	Switzer
Cline	Graham, Pa.	Martin	Taggart
Cooper	Griest	Merritt	Taylor, N. Y.
Covington	Guernsey	Metz	Townsend
Crisp	Hardwick	Miller	Treadway
Dale	Hart	Montague	Tuttle
Decker	Hayes	Mott	Underhill
Dershem	Heasley	Murdock	Vare
Dies	Hill	Neeley, Kans.	Wallin
Dooling	Hinds	Paige, Mass.	Watkins
Drukker	Hinebaugh	Patten, N. Y.	Wilson, N. Y.
Eagan	Hobson	Peters	Winslow
Eagle	Howard	Porter	
Edmonds	Hoxworth	Post	

The SPEAKER. On this roll call 301 Members answered to their names—a quorum.

Mr. UNDERWOOD. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The SPEAKER. The Doorkeeper will open the doors and the Clerk will read the Journal.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Carr, one of its clerks, announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1657) providing for second homestead and desert-land entries.

The message also announced that the Senate had passed the following resolution:

Resolved, That the Secretary be directed to request the House of Representatives to return to the Senate the bill (S. 136) to promote the welfare of American seamen in the merchant marine of the United States; to abolish arrest and imprisonment as a penalty for desertion and to secure the abrogation of treaty provisions in relation thereto; and to promote safety at sea.

And the House amendment and message of the Senate requesting a conference with the House thereon.

EXTENSION OF REMARKS.

Mr. COX. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by incorporating therein a recent article by my colleague from Indiana [Mr. MOSS], published in the Indiana Farmer, the title of which is, "How the war will affect American agriculture."

The SPEAKER. The gentleman from Indiana [Mr. COX] asks unanimous consent to extend his remarks in the RECORD by printing an article written by his colleague [Mr. MOSS of Indiana] on how the European war will affect American agriculture. Is there objection? [After a pause.] The Chair hears none.

CROP MOVEMENT.

Mr. UNDERWOOD. Mr. Speaker, I desire to ask unanimous consent to print in the RECORD the statement of the Secretary of the Treasury in reference to the plan that has been adopted by the Treasury Department to facilitate the crop movement of this country.

The SPEAKER. The gentleman from Alabama asks unanimous consent to print in the CONGRESSIONAL RECORD a recent statement by the Secretary of the Treasury on the crop movement. Is there objection? [After a pause.] The Chair hears none.

SPEECH OF SECRETARY OF THE TREASURY ON COTTON SITUATION.

Mr. McKELLAR. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a speech of Secretary of the Treasury McAdoo on the cotton situation at the cotton conference held last Tuesday.

The SPEAKER. The gentleman from Tennessee [Mr. McKELLAR] asks unanimous consent to print a speech made by the Secretary of the Treasury, on the subject of cotton, at a recent conference held. Is there objection? [After a pause.] The Chair hears none.

POTATO CROP.

Mr. MOORE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of the potato crop.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to extend his remarks in the RECORD on the subject of the potato crop. Is there objection? [After a pause.] The Chair hears none.

SHORTAGE OF CATTLE IN THE UNITED STATES.

Mr. RAKER. Mr. Speaker, I ask unanimous consent that I may extend my remarks in the RECORD on the question of the shortage of cattle in the United States.

The SPEAKER. The gentleman from California [Mr. RAKER] asks unanimous consent to extend his remarks in the RECORD on the subject of the shortage of cattle in the United States. Is there objection? [After a pause.] The Chair hears none.

HOMESTEAD ENTRY TO FEMALE AMERICAN CITIZEN.

Mr. FERRIS. Mr. Speaker, I ask unanimous consent to disagree to the Senate amendments on House bill 11745, and ask for a conference.

The SPEAKER. The Clerk will report the bill by title.

The Clerk read as follows:

An act (H. R. 1657) to provide for a second homestead on desert-land entries.

Mr. MANN. Where is that, on the Speaker's table.

The SPEAKER. What is the number of the bill?

Mr. FERRIS. The Clerk had the wrong one.

The SPEAKER. The Chair knows, but which is the right one?

Mr. FERRIS. The one which the Clerk has in his hand.

Mr. MANN. The Clerk can not report a copy of that kind. Where is the bill?

The SPEAKER. The Clerk has it.

The Clerk read as follows:

An act (H. R. 11745) to provide for certificate of title to homestead entry by a female American citizen who has intermarried with an alien.

Mr. FERRIS. Mr. Speaker, I move to disagree to the Senate amendment, and ask for a conference.

The motion was agreed to.

The SPEAKER announced the following conferees: Mr. FERRIS, Mr. TAYLOR of Colorado, and Mr. FRENCH.

CHANGE OF REFERENCE.

By unanimous consent change of reference was made of the bill (S. 2692) authorizing the Secretary of the Interior to sell all unsold lots in the town site of Plummer, Kootenai County, Idaho, and for other purposes, from the Committee on the Public Lands to the Committee on Indian Affairs.

SECOND HOMESTEAD AND DESERT-LAND ENTRIES.

Mr. FERRIS. Mr. Speaker, I call up the conference report on the bill (H. R. 1657) providing for second homestead and desert-land entries, and ask to agree to the same. It was printed, under the rule, day before yesterday.

The SPEAKER. The gentleman from Oklahoma asks unanimous consent to take up the conference report on the bill H. R. 1657. Is there objection? [After a pause.] The Chair hears none. The Clerk will report it.

The Clerk read the conference report and statement as follows:

CONFERENCE REPORT (NO. 1116).

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1657) providing for second homestead and desert-land entries, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, and 3, and agree to the same.

SCOTT FERRIS,
EDWARD T. TAYLOR,
BURTON L. FRENCH,
Managers on the part of the House.

H. L. MYERS,
C. S. THOMAS,
REED SMOOT,
Managers on the part of the Senate.

STATEMENT.

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 1657) providing for second homestead and desert-land entries submit the following written statement in explanation of the effect of the action agreed upon by the conference committee and submitted with the accompanying conference report as to each of the Senate amendments, namely:

On amendment No. 1: The House concurs in the Senate amendment, as the report from the Secretary of the Interior and the experience of those Members of the Senate and House who are personally familiar with this matter are to the effect that "where an applicant has been so unfortunate as to fail in two or more previous efforts to obtain a home on the public lands that the Secretary of the Interior should have the discretion to grant such an applicant a further entry upon his showing that he has lost his former entry through no fault of his own," and that the former entry or entries were made in good faith and were "lost, forfeited, or abandoned through matters beyond his control, and that he has not speculated in his rights or committed a fraud or attempted fraud in connection with such prior entry or entries." The Secretary of the Interior very positively and specifically recommends that change in all of his reports on bills similar to this, including the report on this bill.

On amendment No. 2: The House concurs in the Senate amendment for the same reasons that it concurs in amendment No. 1, which is identically the same one made in another portion of the bill.

On amendment No. 3: The House concurs in the Senate amendment, as that provision which was stricken out by the Senate seems to be wholly unnecessary for the full protection of the Government, and it would work an unwarranted hardship upon a large number of bona fide entrymen. The Secretary of the Interior, in his report of May 3, 1913, to the chairman of the Public Lands Committee of the Senate, on a similar bill to this one, and which report is also incorporated in the report on this bill in the House (Rept. No. 137), very forcibly presents the hardships that this provision would entail upon entrymen. The language is as follows:

"If the entryman received for his relinquishment any amount in excess of the filing fees, he would be debarred from making a second entry. In many cases entrymen receive small amounts at time of relinquishment, in the nature of recompense for buildings or other improvements they have placed upon the land, and which can be utilized by succeeding entrymen, or seek to recoup themselves for expenditures in connection with preparation and filing of papers relating to their original entries. One instance brought to the attention of the department was that of a party who paid a filing fee of $16 at time of original entry, but who incurred a small additional expense in having his papers executed before a United States commissioner, his total expenditure exceeding $20. He received for his relinquishment $20. Believing himself entitled so to do, he settled upon other lands, for which he applied to make second entry; but upon his statement that he had received $4 in excess of the filing fees paid, the department was obliged, under the provisions of the applicable law, to refuse his second entry.

"It is believed that the legislation should be so drawn as to discourage and prevent speculation in the sale of relinquishments, but should not deprive the entryman who loses his original entry through no fault of his own from recovering, in part at least, the sums expended by him in good faith in connection with his original entry or its improvement."

Your committee therefore believes that it is in the interest of good administration to follow the recommendations of the Interior Department and eliminate that requirement.

SCOTT FERRIS,
EDWARD T. TAYLOR,
BURTON L. FRENCH,
Managers on the part of the House.

The SPEAKER. The question is on agreeing to the conference report.

Mr. MONDELL. Mr. Speaker, will the gentleman from Oklahoma [Mr. FERRIS] yield to me five minutes?

Mr. FERRIS. I yield five minutes to the gentleman.

Mr. MONDELL. Mr. Speaker, I shall not object to the conference report or vote against it, and yet I doubt if the bill as agreed to in conference is in as satisfactory a form as it was when it passed the House.

I desire to call the attention of the members of the Committee on the Public Lands to the effect of adopting the first two Senate amendments, which insert the word "entries" after the word "entry" in each case. The evident intent of that was to allow a homestead or desert entryman who has already had a second entry which he did not perfect to make a third attempt or fourth attempt. Now, my opinion is, and that has been the theory on which we have legislated heretofore, that that can be done without the insertion of those words, and has been done in the past, under the laws heretofore passed on this subject. All that the Secretary needs to know when an application is made for a second entry is that the immediately prior entry was in fact abandoned.

The fact that the entryman might in some former period have abandoned another entry should not be material. But the adoption of these words and the language that follows creates this situation, I fear. This law is rather drastic in its provisions, much more so than the second-entry bills we have passed heretofore. It provides that an entryman can not have a second entry who has abandoned his former entry through any fault of his own or for any reason under his control. An administration not kindly disposed could, I think, legally hold that very few entrymen abandon entries for causes not within their control, and the result would be, unless this bill is very liberally construed, that few second entries will be allowed. But that is not the worst of it. This is intended to be retroactive, apparently, and to give the Secretary an opportunity, where an application is made for what would be in fact a third entry, to go back and review the conditions of the original entry. Under former laws the entryman was allowed the second entry if he abandoned for any reason whatever. He was not required to give any reason. He had abandoned, he had received no consideration, and was entitled to try again. Now, if he is compelled to go back and prove, with regard to that entry, that he abandoned it for causes not within his control and through no fault of his own he will have a trying time, I fear. We may hope the department will never do that. The department has authority to, under the legislation, and they have done many things not so far-fetched as that. The gentleman from Oklahoma suggested this morning that I had been opposed to the last amendment of the Senate, which was stricken out in conference. I was not entirely opposed to that. I am rather in favor of that Senate provision in a different form. Our former second-entry laws, while they have been very liberal in this respect, that they have allowed a second entry without calling on the entryman to say why he abandoned his former entry, have always been drawn so as to prevent speculation in entries; and speculation in entries enters the moment you give the entryman a right to a second entry when he has abandoned his first entry for a consideration. Now, our prior second-entry laws did not allow a second entry where there had been speculative consideration, the first where there had been any consideration, the last, the one passed three years ago, where the consideration had been above the filing fee. I fear the act, perhaps the best that could be secured under the circumstances, will make it difficult for the entryman to secure a second entry in any case and will have a tendency to encourage speculation in entries, neither of which conditions I think we care to create.

Mr. TAYLOR of Colorado. Mr. Speaker, in reply to the gentleman from Wyoming, I will say that I introduced this bill, H. R. 1657, on the opening day of this Congress, April 7, 1913, and it, together with several other bills having practically the same purpose in view, and introduced at various times since by various Senators and Representatives, have been pending before the Public Lands Committees of the Senate and

House and upon the calendar of the two bodies for the past year and a half. Both committees have had many conferences upon this subject, and while this bill that has now finally been agreed upon by both committees of the Senate and House and the conference committee is passing in my name, it is a composite of the various bills and ideas of not only the House but of the Interior Department upon this subject.

It is not as liberal as some of us would like to see it. There are some provisions in it that I think are unnecessarily harsh, and some of our ultraconservationist friends think that the provision stricken out by the Senate should remain in; nevertheless, it is the best bill that can be passed through this Congress, and we all believe that it is an exceptionally beneficial measure.

As the House well knows, for many years nearly every Congress has passed some relief bill for both the homestead and desert-land entrymen who have lost their lands through no fault of their own. Those have been temporary bills, and have not only taken up considerable time of Congress, but it has been difficult for the public in general to keep track of them. The Interior Department and the General Land Office have for a number of years desired to have a general law, such as this is, to settle the rights of the public-land entrymen once and for all, as near as one act can.

It is especially desirous to have one general and brief law, so that the settlers who have lost their entries, and who will come within the provisions of this law, may be able to learn definitely what it is. It has been practically impossible for anyone who is not a lawyer to keep track of all these temporary acts, and I know that his law will tend to better administration and aid in the settlement of the West and afford an opportunity to a great many deserving citizens to acquire a home on the public domain.

From the information of the Members representing the public-land States it is conclusively shown that the interests of the public will be benefited and the rights of the Government thoroughly protected by the passage of this bill, and many worthy persons, who, through misfortune and hardships incident to frontier life, have been deprived of any actual benefit from any entry of public lands, notwithstanding they have put in many years of their life in the hardest kind of toil and privation, will be given another opportunity to acquire a home. It is a just and in reality a humane measure that will be of great benefit in the development of the West.

The form of the bill as agreed upon by your conference committee, and which the Senate has already adopted and which I earnestly hope this House will now adopt, is as follows:

That any person otherwise duly qualified to make entry or entries of public lands under the homestead or desert-land laws, who has heretofore made or may hereafter make entry under said laws, and who, through no fault of his own, may have lost, forfeited, or abandoned the same, or who may hereafter lose, forfeit, or abandon same, shall be entitled to the benefits of the homestead or desert-land laws as though such former entry or entries had never been made: *Provided*, That such applicant shall show to the satisfaction of the Secretary of the Interior that the prior entry or entries were made in good faith, were lost, forfeited, or abandoned because of matters beyond his control, and that he has not speculated in his right nor committed a fraud or attempted fraud in connection with such prior entry or entries.

Mr. Speaker, There are many reasons why I believe the enactment of this law will be in accordance with sound public policy and in the interest of the development of the West.

While our Government has in former years been extremely generous in the disposition of the public lands, yet everyone from the West knows that in recent years the regulations of the Department of the Interior in regard to the qualifications for entry, residence, and improvements on lands entered under the homestead and desert-land laws have often been harshly strict in their requirements. The interpretation of the law during recent years has also frequently been unreasonably burdensome; and the homestead settlers have not only been held to a literal compliance with the law, but to a strict and technical compliance with many regulations, some of which have been impractical and have often caused a forfeiture of their rights or worked a very great, inequitable, and unwarranted hardship upon the poor but bona fide settlers upon the public domain. The ever-present special field agents and inspectors have been on hand to protest any proof offered where it has been thought the settler has not fully and technically complied with all the requirements of the law and regulations with respect to residence, cultivation, and improvements.

Until we passed the three-year homestead act of June 6, 1912, and upon which many of you will remember I worked so long, a residence of five years was required under the homestead law before the settler was permitted to make final proof and receive patent. The act of June 6, 1912, reduces the period of residence from five to three years "from the time of establishing actual, permanent residence upon the land." The requirements of this law and the department in regard to cultivation are much more strict and expensive than under the old five-year homestead law.

The richest and most fertile of the agricultural lands belonging to the public domain in all the Western and Northwestern States were taken many years ago, and now we only have left lands that have for the past 50 years been passed over as being too expensive to clear or not worth taking. Under the laws existing from 1876 until 1890 a qualified settler had, as it was termed, his "three rights." First, a preemption right provided for by section 2259 of the Revised Statutes of the United States, under which he could acquire title to 160 acres of land by six months' residence and cultivation and on payment of $1.25 per acre; second, a timber-culture entry right, under which he could acquire title to 160 acres of land without residence thereon and by cultivating 10 acres thereof to trees, and at the end of 8 years, and not exceeding 10 years, paying the land-office fees, amounting to the sum of $14; and, third, his homestead right under section 2289, Revised Statutes, whereunder he could acquire a patent to a homestead of 160 acres after five years' residence and cultivation and upon the payment of the land-office fees of $14. He had, under the law, the privilege of making commutation proof on his homestead after six months' residence and cultivation, and in case of commutation he was required to pay, in addition to such land-office fees, the sum of $1.25 per acre, the same as in the case of a preemption. If the entryman had served as a soldier in the War of the Rebellion, his period of service was credited on the time he was required to reside on his homestead.

But with the passing into private ownership of the best public lands and the consequent upbuilding of all the great Western States by the owners of those lands, the liberal land laws and liberal construction thereof of earlier days have also passed into history, and the homesteader of to-day is confronted with an entirely different situation.

The timber-culture law has been repealed. The preemption law has been repealed, excepting as to a few very small tracts of Indian reservation land. There were only 22 preemption entries made in the United States during the past fiscal year.

The stone-and-timber law has been practically rendered inoperative by regulations. There were during the last fiscal year only 946 final entries made under that law in the United States.

The present isolated-tract law, of which I am the author, one of the most beneficial laws on the statute books, has likewise been practically nullified by regulations. The entries do not seem to be reported, but the total number during the last year was probably much less than 500.

The desert-land law was years ago attended with considerable irregularities and some fraud, but in recent years it has, owing to regulations, been attended with so much hardship that it is also becoming unimportant. Throughout the entire United States there were only 2,102 final desert-land entries made during the last fiscal year. While I have been instrumental in bringing about some beneficial amendments to this law, especially allowing an extension to 10 years under certain conditions, nevertheless the law is not affording as much relief or aiding the settlement of the arid West as much as it should.

The enlarged-homestead act applies only to certain nonirrigable land in the semiarid portions of certain States, and the Kinkaid Act applies to only a portion of Western Nebraska. There were only 737 final mineral entries and 76 coal-land entries in this entire country during the past fiscal year, ending June 30, 1913.

So that with the above comparatively negligible exceptions, there is not, and has not been for several years past, any other method of acquiring title to any portions of our agricultural or nonmineral public domain except through homestead entry, with the very strict requirements of that law and the regulations thereunder. The records of our General Land Office show in a very striking way the marvelous benefits of a liberal homestead law. During the first year after the passage of the three-year homestead law, the final homestead entries throughout the United States more than doubled. During the fiscal year ending June 30, 1912, the total homestead entries throughout the United States were 24,326, covering 4,306,068 acres of land. The three-year homestead law was passed on June 6, 1912, and during the fiscal year ending June 30, 1913, there were in the United States 53,252 final homestead entries made, covering more than 10,000,000 acres of the public domain; and notwithstanding that this law requires much more cultivation and improvements than the old five-year homestead law.

While there will probably be some less homestead entries during the present fiscal year, the above figures conclusively show the benefits of that law, and illustrate why it is that hundreds of thousands of our citizens go to Canada to obtain a home.

The most desirable portions of the agricultural lands having been selected and entered many years ago, and the lands opened for homestead settlement for the last several years being in that part of the country where there is liable to be in any year or through a series of years an insufficient rainfall for the successful raising of crops, it is hardly to be expected that such lands would be taken and occupied unless conditions in regard to qualifications for entry, residence, and cultivation were otherwise favorable.

The opening up for homestead settlement of the rich agricultural lands in the three great Canadian Provinces of Manitoba, Saskatchewan, and Alberta has been in itself an inducement for the emigration of citizens of many States, especially those along the Canadian border, into Canada in order that they might acquire title to land and make for themselves a home.

The law in regard to the proof of residence and cultivation is evidently more liberal than our own homestead laws. Section 126 provides that—

Proof of residence or cultivation required by the three last preceding sections of this act, and of the erection of a habitable house, shall be made by the claimant by affidavit, and shall be corroborated by the evidence on oath of two disinterested witnesses resident in the vicinity of the land to which the evidence relates, and shall be subject to acceptance as sufficient by the commissioner of Dominion lands or the Dominion lands board; and such affidavit shall be sworn and such evidence given before the local agent or his senior assistant, or before some other persons named for that place by the minister.

The Canadian law has the further liberal provision that—

If the father (or the mother if the father is deceased) of any person who is eligible to make a homestead entry * * * resides upon a farm in the vicinity of the land entered for by such person, the requirements * * * as to residence prior to obtaining patent may be satisfied by such person residing with the father or mother. (Sec. 131, Dom. Lands, Rev. Stat., 1906.)

The Canadian laws also make provision for the settling of homesteaders together in a hamlet or village in numbers embracing at least 20 families, with a view to greater convenience in the establishment of schools and churches, and in such cases the minister is permitted to vary or dispense with the requirements of the law in regard to residence. (Sec. 121, Dom. Lands, Rev. Stat., 1906.)

And if any settler has his permanent residence upon farming land owned by him in the vicinity of his homestead, the requirements of the law in regard to residence may be satisfied by residence upon said land. (Sec. 132, Dom. Lands, Rev. Stat., 1906.)

The reason for the emigration of our young men and citizens to Canada is easily found in these liberal provisions of Canadian homestead law, and in the prospect of securing title to lands equal, if not superior, to any now remaining in our public domain and open to homestead settlement.

The records show that it is now, and has for several years been, a serious question with any prospective homesteader of full age as to which of the two offers he will accept, namely, that of the United States, permitting him to enter any quarter section yet open for settlement under our homestead laws and present regulations with the conditions they impose, or that of the Dominion of Canada, under the prospects and liberal conditions there existing.

It should not be a matter of wonder that hundreds of thousands of such prospective homeseekers have accepted the latter proposition, even though it involved a renunciation of their American citizenship.

But with the minor of 18 years of age desirous of acquiring land, which everybody knows he is capable of improving and cultivating, there is no choice. He must emigrate to Canada or remain without the land. I have a bill now pending on our calendar permitting any boy or girl 18 years of age or over to make a homestead entry. I have, by authority of the Public Lands Committee, made a very exhaustive and, I think, strong report upon it, and I earnestly hope I may be able to pass it before this Sixty-third Congress adjourns.

The figures showing the numbers who have emigrated to Canada during the last 10 years are somewhat startling.

On January 28 of the present year Mr. William J. White, being a witness before the lobby investigating committee of the Senate, in answer to questions propounded by Senator NELSON, said:

Senator NELSON. What is the number of the immigrants that have come from the United States to your Provinces during the last 4 or 5 years or the last 10 years?

Mr. WHITE. This last year up till November there were about 115,000. Last year up to the present time there were about 141,000. The year before that there were about 110,000, and the year before that the same. It has been running along about 100,000, last——

Senator NELSON. Ten years, has it not?

Mr. WHITE. It has been running about 100,000 for the last five years. Last year—that is, the fiscal year ending March, 1913—was our largest year. There were about 141,000.

Senator NELSON. And for the last five or six years the general average has been 100,000?

Mr. WHITE. Yes; about 100,000.

Senator NELSON. And how many have you gotten in all from the United States in the last 10 years, we will say?

Mr. WHITE. Our records will show that we have had about 800,000. Some of them have been going back and going into Montana and taking up homesteads in Montana, and we may not have as many as 800,000.

Mr. White is the agent and representative of the Canadian Dominion, and is, or was at the time of giving his testimony, in charge of the advertising, and had been in charge of such advertising for a number of years, and according to his statement his Government spends between $60,000 and $70,000 a year in such advertising. (See pp. 4686–4690 of hearings.)

In view of all these conditions, the Public Lands Committee and everyone familiar with conditions in the West believe the time is at hand when the Government as a matter of wise public policy should adopt a more liberal rule as to the disposition of its remaining agricultural lands.

Those 800,000 American citizens who have expatriated themselves for a home were the farmers and young men, the bone and sinew, the best citizenship of this country, and their loss to our country is beyond the possibility of any estimation. They are the kind of people we most need at this time. With our agricultural productions decreasing at a terrific and alarming rate, as compared with our increase in population; with our high cost of living still getting higher; with our 665,891,020 acres of unappropriated and unreserved public domain, besides 185,000,000 acres of forest reserves, all of which is producing comparatively nothing and costing millions of dollars a year to supervise, it would seem as though it is time to change somewhat our public-land policy and allow at least the agricultural portions of this land to go into private ownership and be used for the homes of our citizens and the production of agricultural crops. It is not only a colossal financial blunder, but an outrage against the present generation, to hold all of that imperial domain in idleness for future generations when every township of cultivated land increases the wealth of the State a million dollars every year.

The most beneficial use is the only kind of conservation that should be practiced by our Government. It is not conservation of agricultural lands to make no use of them, except for grazing purposes, and keep them in the barren state in which they have existed for thousands of years. Let us cease driving good American citizens to Canada for land. Let us give our people a home on our public domain and welcome them to an abiding place under our own flag.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

THE MERCHANT MARINE.

The SPEAKER. The Chair lays before the House the following resolution from the Senate, which the Clerk will report.

The Clerk read as follows:

Resolved, That the Secretary be directed to request the House of Representatives to return to the Senate the bill (S. 136) to promote the welfare of American seamen in the merchant marine of the United States; to abolish arrest and imprisonment as a penalty for desertion and to secure the abrogation of treaty provisions in relation thereto; and to promote safety at sea, and the House amendment and the message of the Senate requesting a conference with the House thereon.

Mr. MANN. Mr. Speaker, when did the message from the Senate come over in reference to that?

The SPEAKER. It came over yesterday. The message from the Senate sending the bill over, disagreeing to the House amendment, asking for a conference, and announcing the Senate conferees, came over yesterday. This message came over just this minute. Without objection, it is so ordered.

There was no objection.

LEAVE OF ABSENCE.

The SPEAKER. The Chair lays before the House the following telegram, which the Clerk will read.

The Clerk read as follows:

GAINESVILLE, GA., *August 28, 1914.*

Hon. CHAMP CLARK,
Speaker of House of Representatives, Washington, D. C.:

TOM BELL physically unable to make trip to Washington. Wire 10 days' leave of absence.

E. P. HAM, M. D.

The SPEAKER. Is there objection to the request? Without objection, it will be granted.

There was no objection.

WAR-RISK INSURANCE.

The SPEAKER. The House automatically resolves itself into Committee of the Whole House on the state of the Union for the further consideration of the bill (S. 6357) to authorize the establishment of a bureau of war-risk insurance in the Treasury Department, with the gentleman from Tennessee [Mr. GARRETT] in the chair.

Thereupon the House resolved itself into Committee of the Whole House on the state of the Union for the further consideration of the bill S. 6357, with Mr. GARRETT of Tennessee in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill S. 6357, of which the Clerk will report the title.

The Clerk read as follows:

An act (S. 6357) to authorize the establishment of a bureau of war-risk insurance in the Treasury Department.

The CHAIRMAN. The first section of this bill has been read, and amendments are now in order.

Mr. FITZGERALD. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The gentleman from New York [Mr. FITZGERALD] offers an amendment, which the Clerk will report.

The Clerk read as follows:

Strike out all of section 1 after the enacting clause and insert the following:

"That there is established in the Treasury Department a bureau to be known as the bureau of war-risk insurance, the director of which shall be entitled to a salary at the rate of $5,000 per annum."

Mr. FITZGERALD. Mr. Chairman, I ask unanimous consent that I may proceed for 10 minutes.

The CHAIRMAN. The gentleman from New York asks unanimous consent to proceed for 10 minutes. Is there objection?

There was no objection.

Mr. FITZGERALD. Mr. Chairman, I shall probably vote for the pending bill——

Mr. ADAMSON. Mr. Chairman, will the gentleman permit me to request that the amendment be read again before he proceeds?

Mr. FITZGERALD. Certainly.

The CHAIRMAN. Without objection, the amendment will be again reported.

The amendment was again read.

Mr. FITZGERALD. Mr. Chairman, I shall probably vote for the pending bill, but I am not convinced either as to the necessity, the wisdom, the expediency, or the safety of its enactment.

This bill proposes to provide for war-risk insurance. I do not know whether it is intended to include ordinary marine insurance. There is no trouble to-day, so far as I am informed—and I have made some inquiry—about American vessels obtaining war-risk insurance or marine insurance. The purpose of this bill is to insure American vessels and American cargoes against the risks of war and to have them insured by the Government. In support of the bill it is asserted that Great Britain is reinsuring 80 per cent of the war-risk insurance upon British vessels and cargoes written by the underwriters of Great Britain.

But that situation is entirely different from the situation which confronts this country. Great Britain is a belligerent nation, at war with at least two of the continental powers. Her ships are liable to seizure, whether carrying contraband or noncontraband material. It is highly dangerous and extra-hazardous to sail her ships upon the seas; and for her own interest, purely as a war measure, Great Britain, to encourage her ships to keep the sea, announces that she will assume 80 per cent of the risk of seizure or destruction.

American vessels, flying the American flag, are the vessels of a neutral nation—subject to search, but not to seizure unless they are violating some well-known principle of international law. Their cargoes are not subject to seizure unless they are contraband under the principles of international law. American enterprise, if this be a paying business, will furnish all the opportunity desired to insure against all marine risks or against war risks for American cargoes and American ships. If it be something that can not be profitable from any standpoint, then the Government will have the opportunity to bear the loss. I do not believe it proper or advisable under existing circumstances that the Federal Government should assume all possibility of risks in purely commercial transactions when this country is at peace with the entire world.

But there is one feature of this legislation that is highly dangerous to the peace and security of the United States. There is a dispute now as to whether the transfer of a vessel flying the flag of a belligerent to a neutral nation after war has been declared protects the vessel when flying the neutral flag. There is no unanimity of opinion about it. The great bulk of vessels under foreign flags that may be acquired and insured under this bill are vessels now of German register. Practically the entire German merchant marine is lying idle in the harbors of neutral nations or in their own harbors. The German Government, under its legislation by which these ships are subsidized, has some interest of a financial character in those vessels, because the German Government has the right to take them over for war purposes. A very serious question arises as to whether the transfer of such vessels to the American flag would prevent their seizure and condemnation in a prize court by any one of the nations with which Germany is at war.

More than that, if such vessels be transferred to the American flag and insured by the American Government, and then seized by Great Britain or France or Russia, they will demand the payment of the insurance, and the United States Government, under the law of insurance, would be subrogated to the rights of the owners of the ships and the owners of the cargoes, and we would at once be precipitated into a controversy with the nation seizing the vessel. The controversy would not be as to certain rights of citizens but as to the rights of the United States and the rights of other nations. I say it is a menace, and unless there is some overwhelming and compelling necessity it should not be forced upon us.

In spite of my doubts about the wisdom of the bill, I shall probably vote for it. [Laughter.] It is easy to laugh. The administration is responsible for the legislation. It asserts it to be necessary. I shall resolve my doubts in favor of the position of the administration and support the bill, having expressed my views briefly upon it.

Mr. LEWIS of Maryland. Will the gentleman yield for a question?

Mr. FITZGERALD. In just a moment. Though I have these very grave doubts at this time on this bill, I am willing to surrender them; but I shall not surrender my doubts or my convictions upon legislation proposing to appropriate equally large or larger sums from the Treasury if reported to this House hereafter by another committee which has no jurisdiction over appropriations. I yield to the gentleman from Maryland for a question.

Mr. LEWIS of Maryland. I want to ask the gentleman if he recalls a single instance where a neutral has gotten into war over the question of the seizure of one of its vessels?

Mr. FITZGERALD. I have not looked it up. I am not familiar with the precedents. There may or may not be such cases. I am speaking about the situation that may menace us. That is the case of German ships, which the German Government has a right to take into its naval reserves or active naval forces, because of its contracts with them and subventions and subsidies paid to them. To transfer such ships to the American flag and to have them insured by the United States under this legislation, then if such ships are seized the United States will be face to face with many difficult questions that will arise.

Mr. Chairman, this paragraph which I have moved to strike out was drawn by those in one of the departments who prepared this bill. As nearly as I can ascertain, its ostensible purpose is to take out of the classified service all positions created in this bureau, the compensation of which is in excess of $3,000. Under the civil-service law and under the decisions of the Attorney General, the provision is wholly ineffective to accomplish that result.

I believe the compensation of the director of this bureau, which is to be a temporary bureau, will be sufficient if fixed at $5,000, the same as the compensation of the heads of the great bulk of the bureaus of the Government. If I may have the permission of the committee, I shall put in the RECORD a statement showing the compensation of the heads of the various bureaus of the Government.

I believe it is sufficiently important that the head of this bureau should be appointed by the President, by and with the advice and consent of the Senate, and even if this provision were effective to take out of the classified service all employees whose compensation shall be in excess of $3,000 it would be ill-advised legislation to enact, because the temptation would be continually to fix salaries higher than might probably be desired or necessary in order to make the appointments regardless of the civil-service laws. The President has complete authority to exempt from the civil-service laws every position or any position that may be created in this bureau. I believe the responsibility should be his, and not ours, for exempting them. [Applause.]

Statement referred to above is as follows:

$6,000 BUREAUS.

Supervising Architect.
Comptroller of the Treasury.
Commissioner of Internal Revenue ($6,500).
Engraving and Printing.
Surgeon General, Public Health Service.
Geological Survey.
Bureau of Mines.
Coast Survey.
Bureau of Fisheries.

Census Office.
Bureau of Standards.
Bureau of Foreign and Domestic Commerce.
Librarian of Congress ($6,500).

$5,000 OR LESS.

All bureaus of the Department of Agriculture. The salary of the Chief of the Weather Bureau was reduced for the fiscal year 1915 from $6,000 to $5,000.
Commissioners of the District of Columbia.
Civil Service Commissioners.
All assistant secretaries of executive departments.
Six auditors of the Treasury for the several departments.
Register of Treasury.
Superintendent of Life-Saving Service.
Chief of Secret Service.
Director of the Mint.
All assistant treasurers of the United States.
All superintendents of mints.
Solicitors of the various departments.
Commissioner of General Land Office.
Commissioner of Indian Affairs.
Commissioner of Pensions.
Commissioner of Patents.
Commissioner of Education.
Four Assistant Postmasters General.
Director of Postal Savings.
Commissioner of Corporations.
Commissioner of Lighthouses.
Supervising Inspector General, Steamboat Inspection.
Commissioner of Navigation.
Commissioner of Labor Statistics.
Commissioner of Immigration.
Commissioner of Naturalization.
Chief of Children's Bureau.
Public Printer ($5,500).

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. FITZGERALD].

Mr. UNDERWOOD. Mr. Chairman, I seldom differ with the gentleman from New York [Mr. FITZGERALD] upon any question before this House involving appropriations, because I regard him as one of the ablest, if not the ablest, men who has ever presided over his great committee. [Applause.] I recognize his thorough acquaintance with and understanding of all the difficult questions that are involved in the control of the appropriations of this House and the protection of the Government. But I do not agree with him in his efforts to amend this bill.

If this were not an emergency bill I would agree with him at once. The general proposition that he states is correct; but, as I pointed out yesterday, for nearly 10 days American ships, flying the American flag, have been in the harbors of this country, from Maine around the coast to California, laden with American goods for export, and the Secretary of the Treasury has telegrams—I have some myself—saying that they can not sail because they can not get insurance, as the owners of the property will not allow the ships to sail until the insurance is furnished. This is an emergency matter. It is a matter that, instead of being passed to-day, should have been passed a week ago. Now, what is the result of the gentleman's amendment? The gentleman proposes to strike out all of section 1 after the word "Treasury" in line 1, page 2. He leaves in the section as it stands to-day the following words:

That there is hereby established in the Treasury Department a bureau to be known as the bureau of war-risk insurance, the director and employees of which shall be appointed by the Secretary of the Treasury.

He proposes to strike out the words "the salary of the director shall be $6,000 per annum" and to change the salary to $5,000. Then he strikes out the following:

And the salaries of the other employees shall be fixed by the Secretary of the Treasury, but in no case to exceed $5,000 per annum for any employee: *Provided*, That all employees receiving a salary of $3,000 per annum or less shall be subject to the civil-service laws and regulations thereunder.

If the gentleman's amendment were to be adopted, the minor effect of it would be to reduce the salary of the head of this bureau from $6,000 to $5,000; but the important part of his amendment is that after you pass this bill you will have to come back to the Congress of the United States, either by an emergency appropriation bill or some other method, to provide the employees to run this bureau.

Mr. FITZGERALD. There is another section of the bill which provides $100,000 for the purpose of defraying the expenses of the bureau.

Mr. UNDERWOOD. But it does not authorize the appointment of employees. I have not read the gentleman's amendment, but I am stating it as I understand it.

Mr. FITZGERALD. Section 8 provides all the money that is necessary to pay the employees.

Mr. UNDERWOOD. Section 8 reads:

That there is hereby appropriated, for the purpose of defraying the expenses of the establishment and maintenance of the bureau of war-risk insurance, out of any money in the Treasury of the United States not otherwise appropriated, the sum of $100,000.

That might be construed as authorizing the Secretary of the Treasury to employ these persons, but it might be construed the other way.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. FITZGERALD. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended five minutes.

The CHAIRMAN. The gentleman from New York asks unanimous consent that the time of the gentleman from Alabama be extended five minutes. Is there objection?

There was no objection.

Mr. FITZGERALD. If the gentleman from Alabama will permit me, I propose to offer an amendment to section 8 to make certain that the $100,000 can be utilized for the appointment of these persons in the service.

Mr. UNDERWOOD. That was the proposition I had in mind. Of course, I did not know the gentleman's purpose when he got to section 8. But, as the bill stands, if you strike out this provision that the Secretary of the Treasury may employ other persons besides the head of this bureau, unless the amendment which the gentleman says he will offer to section 8 is adopted, you would have a bureau created and have to come back to Congress to put it into force.

The gentleman from New York does not really object to that provision, because it makes little difference whether you provide in section 1 that the Secretary of the Treasury shall have the right to employ additional force, or whether you amend section 8 hereafter and provide for it. The main difference between the gentleman from New York and this bill is the question whether or not you shall exempt from civil-service rules and regulations any of these employees that get over $3,000 a year. Those that get under $3,000 a year would be under the civil service now. Now, we are not in the insurance business. It would take a long time, at least several weeks, if you were to have a civil-service examination to select men who are acquainted with the insurance business who could properly handle these risks. The gentleman from New York says the President, under the general power given, could waive the civil-service examination and appoint these men. Why should we put it on the President if we think it is right? Why should not we take the responsibility of waiving the civil service ourselves, and it is apparent that it must be waived? It is apparent that this bureau must be organized at the very earliest moment, and it is apparent that you must get experts that are not on the list of the civil-service employees. Therefore in order to expedite this legislation that is needed so badly, as this bill has already been passed by the Senate, I favor adopting the Senate bill and let the President affix his signature to the bill at his earliest convenience and allow these ships laden with American goods to go to sea and help the commerce of American citizens. [Applause.]

Mr. TOWNER. Mr. Chairman, I want to call the gentleman's attention to section 5 of the bill, which especially provides for the expert board the gentleman has been speaking about. That is entirely different from the provisions of the section that is now sought to be amended.

Mr. UNDERWOOD. That is merely providing for additional experts to those provided for in the first section. If we do not want to make mistakes about this, they should be expert insurance men. That is all I desire to say, Mr. Chairman.

Mr. TEMPLE. Mr. Chairman, I offer an amendment to the amendment proposed by the gentleman from New York. I move to strike out the words "Treasury Department" and insert in lieu thereof the words "Department of Commerce."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amend the amendment by striking out the words "Treasury Department" and insert in lieu thereof the words "Department of Commerce."

Mr. TEMPLE. Mr. Chairman, the Department of Commerce was organized to take charge of the work of promoting the commerce of the United States, foreign commerce equally with domestic commerce, and it seems to me the proper place for a bureau of war-risk insurance, which is intended to cover the shipping engaged in the commerce of the United States, is in the Department of Commerce. The Department of the Treasury is already overworked, one might say, with problems that have to do with revenue, with the banking and currency interests of the country, and with the organization of a new banking system. The great variety of its work is such as to make a wise man cautious about adding another bureau.

The Department of Commerce has also to do with the shipping of the country, such as gathering information about foreign commerce and the opportunities in foreign countries for American commerce. The Bureau of Navigation, which is under the Department of Commerce, is charged with general superintendence of the commercial marine. The machinery is already organized in the Department of Commerce to do a large part of the business contemplated in this bill, and it would have to be organized anew in the Department of the Treasury, or the Sec-

retary of the Treasury would have to use the machinery which already exists in the other department. I should like a proper classification of war-risk insurance.

Mr. ALEXANDER. Mr. Chairman, I hope the House will not agree to the amendment offered by the gentleman from Pennsylvania. I see no occasion for any change in the bill. After consultation it was agreed between the departments that this power should be conferred on the Treasury Department. I do not know of any bureau in the Department of Commerce already organized that could take charge of this work. As the gentleman from Alabama [Mr. UNDERWOOD] has said, the Department of the Treasury has been designated as the department in which the bureau of war-risk insurance shall be created, and it will be our effort to secure the passage of this bill as it came from the Senate, and there is no occasion to shift the jurisdiction from the Treasury Department to the Department of Commerce.

Mr. TOWNER. Mr. Chairman, I desire to speak to the amendment offered by the gentleman from Pennsylvania, Dr. TEMPLE. It seems to me that immediately the attention of Members is called to the fact that this bureau is committed to the Department of the Treasury it must be considered inexpedient and unwise to do so. The Treasury Department is already overburdened with its duties, as we are told. It has had much increase added to its duties this year. The Treasury Department is now supposed to be engaged in the most gigantic undertaking ever imposed upon it—to organize and put upon its feet a new banking and currency system; and yet the Treasury Department, which now under the law is charged with the management of the national finances, is to be given additional charge and supervision of the provisions regarding the commerce of the United States, a matter that has nothing to do with the finances of the Government and is utterly foreign to any of the duties now imposed upon the Secretary of the Treasury.

It would seem to me to be a question at least that must arise in the mind of every gentleman who thinks about the matter as to the reason of this. Why is it that this particular bureau, which should go to the Department of Commerce, that has now exclusive jurisdiction of these matters, should be sent to the Treasury Department? Is it for the purpose of discrediting the Department of Commerce? At the head of that department you have perhaps the most skilled expert in public life regarding the question of foreign and domestic commerce. At the head of that department you have the one man that could bring to this question the adequate knowledge that is so much needed, if you shall pass this bill, and yet you propose to send it away from him over to the Department of the Treasury, the department that is already overburdened, and which has nothing whatever to do with questions of commerce and navigation.

Mr. LEWIS of Maryland. Mr. Chairman, will the gentleman yield for a suggestion?

Mr. TOWNER. Yes.

Mr. LEWIS of Maryland. The suggestion is that the bill gives jurisdiction to the Treasury Department rather than the Department of Commerce because it is the Treasury Department that has charge of the customs officials, which has to do with the shipping of our country.

Mr. TOWNER. Mr. Chairman, I suggest to the gentleman that that has nothing to do with this question. The regulations of commerce are all committed to the Department of Commerce. The question of the collection of revenue is entirely separate and apart from that.

Mr. MANN. Mr. Chairman, will the gentleman yield for a suggestion?

Mr. TOWNER. Yes.

Mr. MANN. The gentleman knows that the Bureau of Navigation, which does have control of the shipping of the country, is in the Department of Commerce, and not in the Treasury Department.

Mr. TOWNER. Yes; and the Bureau of Domestic and Foreign Commerce is in the Department of Commerce. The regulations and rules under which commerce is carried on, both foreign and domestic, are under the jurisdiction of the Commerce Department. All of those things that pertain really to the activities of commerce are under the control and under the supervision of the Department of Commerce. The Secretary of the Treasury does nothing with commerce, as regards its regulation and control. The Treasury Department collects customs duties, as it does the internal revenue, but it does not have jurisdiction over either foreign or domestic commerce. It ought to be self-evident to every man that this board should be under the supervision of that department of the Government which has control of commerce and navigation, and that department is the Department of Commerce. I shall therefore support the amendment offered by the gentleman from Pennsylvania [Mr. TEMPLE].

Mr. FITZGERALD. Mr. Chairman, the gentleman from Alabama [Mr. UNDERWOOD] stated that the purpose of the section in the bill as now written is to enable certain employees to be appointed without regard to the civil-service regulations, without the necessity of a competitive examination. The law is that—

> The classified service shall include all officers and employees in the executive civil service of the United States, heretofore or hereafter appointed or employed, in positions now existing, or hereafter to be created, of whatever function or designation, whether compensated by a fixed salary or otherwise, except persons employed merely as laborers, and persons whose appointments are subject to confirmation by the Senate.

The mere declaration that all employees in this bureau whose compensation is $3,000 or less shall be under the civil-service law and regulations adds no force to the existing law. It merely is declaratory of the law as it exists. A provision which declares part of the law can not be construed as the repeal of the balance of it or the lifting out of the law of certain other positions. Under a decision rendered by the Attorney General of the United States in 1908, when certain employees were provided for in language almost identical with the language used here, in the belief that such employees are not to be under the civil-service law, it was held that that language did not take them from out of those provisions, and employees were appointed as the result of competitive civil-service examinations. If this paragraph be adopted as it is now written into the bill, those employees will be appointed as the result of competitive civil-service examinations, unless the President, exercising the authority conferred upon him, issues an order that certain employees shall be exempt from the operations of the civil-service law.

I have no particular desire to vote for a provision in a bill purporting to accomplish a certain purpose but of absolutely no value to accomplish that purpose. Moreover, I do not believe it either expedient or wise to create subordinate positions in any bureau, whether important or insignificant, and to have the Congress assume to determine the wisdom or expediency of particular employees being exempted from the classified service. The President has full and complete power in that respect. If it be desirable to obtain certain classes of officials without competitive examinations—and it may be necessary in this bureau—there is no reason why the President should not exercise the power conferred upon him, but to determine here that the mere fact that an official is to receive more than $3,000 a year in itself justifies lifting such positions from the operation of the civil-service law, is a departure that is so novel, so contrary to the policy regarding the classified service, that I am not willing to support it.

I wish to make just one more remark, Mr. Chairman. We are told that this bill should be passed as it came from the Senate. I do not know why the House should foreclose itself of its rights to perfect the bill by amendment. [Applause.] The rule under which we are considering this bill specifically provided that the House should adopt amendments, if they were desirable. The Senate did not waive its rights. It did not take this bill as it came from the department and pass it without change. It made some amendments in the bill; and if the Senate can exercise its rights, it seems to me not only proper, but highly important, that in the exercise of our best judgment such amendments as commend themselves as proper to perfect the bill should be adopted by us.

Mr. OGLESBY. Mr. Chairman, will the gentleman yield?

Mr. FITZGERALD. I yield.

Mr. OGLESBY. If the provisions of this bill are effective, the Secretary of the Treasury and not the President would be empowered to take them out from under the operation of the civil-service law by simply increasing the salary, would he not?

Mr. FITZGERALD. Yes; and that power has never been given heretofore to anyone but the President; but the provisions will not be effective. I have a decision made by the Attorney General on February 12, 1908, in which it is held that the language similar to that contained in this bill, intended to take these employees out of the civil service, is ineffective to do so.

The CHAIRMAN. The question is on the amendment to the amendment offered by the gentleman from Pennsylvania [Mr. TEMPLE].

The question was taken; and on a division (demanded by Mr. TEMPLE) there were—ayes 56, noes 71.

Mr. TEMPLE. Mr. Chairman, I ask for tellers.

Tellers were ordered.

The committee again divided; and the tellers [Mr. TEMPLE and Mr. ADAMSON] reported that there were—ayes 75, noes 78.

So the amendment to the amendment was rejected.

Mr. MOORE. Mr. Chairman, I desire to offer an amendment.

The CHAIRMAN. Will the gentleman withhold his amendment? The question is on the amendment of the gentleman from New York——

Mr. MANN. Mr. Chairman, the motion of the gentleman is to strike out and insert. Is that an amendment to the original——

The CHAIRMAN. It would have been so in the first instance if it had been suggested at that time. It seems to the Chair now that the amendment of the gentleman from New York has been offered and adopted. If the gentleman from Pennsylvania had suggested that amendment to perfect the paragraph at the time, it would have had precedence over the amendment offered by the gentleman from New York, and it does seem to the Chair now that as the amendment of the gentleman from New York has been offered and adopted and that the amendment to the amendment has been voted upon it is proper we should vote upon the amendment offered by the gentleman from New York before any other amendment is considered. The question is on the amendment offered by the gentleman from New York.

Mr. LINTHICUM. Mr. Chairman, may we have the amendment again reported?

The CHAIRMAN. Without objection, the amendment will be again reported.

There was no objection, and the amendment was again reported.

The CHAIRMAN. The question is on the amendment.

The question was taken, and the Chairman announced that the ayes appeared to have it.

On a division (demanded by Mr. ADAMSON and Mr. LEVY) there were—ayes 94, noes 48.

So the amendment was agreed to.

Mr. MOORE. Mr. Chairman, I offer the amendment which I send to the Clerk's desk.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amend, page 1, line 4, after the words "bureau of," by striking out the words "war risk."

Mr. FITZGERALD. Mr. Chairman, I make the point of order that no amendment is now in order to the amendment which has been adopted, which is to strike out and insert.

The CHAIRMAN. The gentleman offers his amendment as an amendment to the section which has been stricken out.

Mr. MOORE. We have adopted a section which carries this language, and I desire to strike out the words "war risk," and I will ask unanimous consent to amend my amendment accordingly.

Mr. ADAMSON. Mr. Chairman, I can not hear the gentleman, there is so much disorder, and I do not understand the nature of his amendment.

The CHAIRMAN. The gentleman from Pennsylvania offers an amendment which the Clerk will again report.

The Clerk read as follows:

Amend the amendment just adopted by striking out, after the words "bureau of," the words "war risk."

Mr. ADAMSON. I want to add to the point of order made by the gentleman from New York——

Mr. CULLOP. I make a point of order against the amendment.

Mr. ADAMSON. My point of order, in addition to what the gentleman from New York said, is that it would change the entire character of the bill. This is not a marine-insurance bill; it is a war-risk bill entirely.

Mr. CULLOP. Mr. Chairman, the section was stricken out and a new section inserted which perfects the section, and an amendment to that now is not in order.

Mr. ADAMSON. I thought that point was made by the gentleman from New York; but I did not hear him very well on account of the confusion.

The CHAIRMAN. The Chair sustains the point of order.

Mr. TOWNER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. TOWNER. I desire to make a motion to strike out the preamble. It has not been read, and I do not know whether it will be proper to make it now or to wait until the end of the bill is reached and treat it as part of the title.

The CHAIRMAN. The preamble was read yesterday.

Mr. TOWNER. The RECORD does not so show.

The CHAIRMAN. The RECORD never shows what is read of the bill unless there be amendments proposed. The preamble was read yesterday because the Chair expressly directed the Clerk to read the preamble.

Mr. TOWNER. In any event, my inquiry is pertinent, Mr. Chairman.

The CHAIRMAN. Under the practice which has prevailed in the House, so far as the Chair now remembers, it has been the custom to consider the preamble at the end of the bill where a bill carries a preamble.

Mr. MANN. That is, after the passage of the bill, under the rules, Mr. Chairman.

The CHAIRMAN. The Chair so understands.

Mr. STEVENS of Minnesota. Mr. Chairman, I move to strike out the last word. I ask unanimous consent to proceed for five minutes upon this paragraph.

The CHAIRMAN. The gentleman from Minnesota asks unanimous consent to proceed for five minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. STEVENS of Minnesota. Mr. Chairman, the gentleman from Alabama [Mr. UNDERWOOD] yesterday and to-day caused me very much distress, and I have no doubt he did the House, by his statement concerning the great delay and consequent injury in the shipment of the crops of this country, and that ships were lying for 10 days in American ports which could not go abroad on account of lack of this war insurance. I was anxious to know about this condition this morning, because I realized if continued it would cause serious damage, so I sent for a morning copy of the New York Herald and a morning copy of the Philadelphia Ledger of this morning and also telephoned the shipping commissioner of Philadelphia to know the exact condition to-day as to foreign shipping and the movement of our crops to foreign markets, and I am pleased to give the House the information, and I know the gentleman from Alabama will be very much gratified to know of existing conditions. I read from page 18 of the New York Herald of this morning:

Although wheat is now being exported in record-breaking volume, there was no relaxation in the sterling exchanges. On the contrary, rates were appreciably stiffer. In some quarters this was attributed to the war news, which was interpreted as indicating a protraction of the struggle. In other quarters the high rates were ascribed to competition of individual remitters, with a demand for remittance against the city of New York's maturing obligations abroad.

Bradstreet's estimates the efflux of wheat and flour from both coasts for the week ended yesterday at nearly nine and a half million bushels, while Washington dispatches quoted Treasury officials as estimating the exports for the week ending with to-day at 15,000,000 bushels. Such a movement must speedily create large foreign credits, particularly as imports are now falling off. Evidence of return to normal conditions is seen in the reduction of marine insurance rates and in the notice given by the eastern trunk lines to connecting carriers of a resumption of through bills of lading from interior points to Europe on exports via the Atlantic seaboard.

Again, I will quote from Bradstreet's report for this week:

Bradstreet's will say: "Crop reports are more favorable, particularly as regards cotton, tobacco, and corn; wheat exports, spurred by foreign necessity, are of enormous volume, close to the record, indeed; necessary foodstuffs, such as flour, groceries and allied lines, are in active demand."

Again, from Bradstreet's report of this morning:

Wheat, including flour, exports from the United States and Canada for the week ended August 27, as reported by telegraph to Bradstreet's Journal, aggregate 9,397,627 bushels, the second largest total ever reported, against 6,940,770 bushels last week and 7,042,180 bushels this week last year. For the eight weeks ended August 27 exports are 55,060,012 bushels, against 47,417,532 bushels in the corresponding period last year.

[Applause.]

Again, from the New York Herald, on page 18:

It is also evident that the export demand has fallen off on account of the higher prices, and private cables from Liverpool said that both Roumania and Russia had decided to permit exports of breadstuffs, and this will be in competition with the American market.

The developments in Europe seem to point to a prolonged war, which will increase European requirements. Most of the recent purchases for export have been for quick shipment, and, aside from the wheat, a very large amount of flour has been taken.

I now quote from the morning edition of the Philadelphia Ledger, page 8, the market report:

American steamship *Dominion* is due to sail for Liverpool at 10 o'clock this morning. Although this vessel has few passengers, she is expected to carry a large general cargo, comprised chiefly of flour, grain, and oil.

Again:

Few steamships are being chartered in any trade. There is still a light demand for tonnage under a free offering of boats, with rates easier.

Again, from "Philadelphia marine notes":

Yesterday was the busiest day at this port since the beginning of the European war. When the exchange closed last night 27 vessels had arrived here or were bound up the Delaware for Philadelphia. Of this number, 9 were barges, 9 schooners, and 9 steamships. Six of the steamships were under foreign flags. Most of the schooners and barges came from New England or eastern ports.

The telephone message from the shipping commissioners indicated that the shipping business in Baltimore and Philadelphia was larger than normal. There were free offerings at reasonable rates and no retarding of business on account of any lack of insurance to be provided by this bill. I am very glad to assure the gentleman from Alabama, and I have no doubt that he is equally happy to know that our grain crops are moving in

large and satisfactory volume at good prices, and this will prosper our people. [Applause on the Republican side.]

Mr. UNDERWOOD. Mr. Chairman, I move to strike out the last word.

I am glad to hear the assurance of the gentleman from Minnesota. Of course, the gentleman from Minnesota and I for many years have stood on different sides of this question. The gentleman from Minnesota is content that foreign ships can carry American commerce. I desire to build up an American merchant marine.

Now, what the gentleman said about our exports, as shown by these papers, I have no doubt is correct. He pointed out to you one American liner, an old one, that was carrying a cargo to Europe. He read you the amount of export wheat that was going from American ports and Canadian ports together; and I have no doubt that what was being carried was being carried to-day, as it has been largely in the past, in British ships, paying British war-rate insurance that the American farmer must take out of his pocket and contribute. What we are trying to do is to provide an American insurance at a reasonable American rate for a country that is not at war, as against a country that is at war and must pay higher rates; and the gentleman would retard the passage of that bill.

Now, I have no doubt that there is a very considerable amount of product in this country that is being moved in British ships to-day. Not a large amount, of course, could be moved in American ships, because we have not the ships. But, as I stated yesterday and state again to-day, American ships from every coast in this country have been wiring to the Secretary of the Treasury saying they can not move their cargoes without this insurance. Why, when I made that statement yesterday the gentleman from Florida, who represents the Pensacola district, said that he had recently been there and that there were four or five large ships waiting in that harbor alone to get insurance so that they could move their cargoes.

Now, I have no doubt that my friend from Minnesota may rejoice in the fact that these American ships can not go to sea and can not carry American cargoes, but there is no denial in the papers that he has read that American ships are deprived of the right of going to sea because they are not furnished with insurance. In fact, the gentleman from Minnesota himself stated yesterday the reason. He stated that the insurance companies in this country, the only insurance companies under which an American ship can get insurance, had stated to his committee that they were unable to insure these cargoes because they did not have the capital and the responsibility so to do. And it is necessary for this Government to aid in this matter. Why should we not extend aid?

Mr. STEVENS of Minnesota. Will the gentleman allow me to ask him a question?

Mr. UNDERWOOD. Certainly.

Mr. STEVENS of Minnesota. Then the real purpose of this bill is not to move the American crops, but to insure a transfer of ships from foreign flags to the American flag by giving the owners a bonus or subsidy for that purpose? Is that the purpose of the bill?

Mr. UNDERWOOD. I am afraid my friend from Minnesota has a very fevered imagination in regard to this bill. As far as I am concerned, I would welcome ships owned by American citizens, flying the American flag, bought in any port of the world. But that is not the purpose of this bill. The gentleman himself said that American ships could not get American insurance, as shown by the testimony before his committee.

Now, whose crops are we attempting to move? The crops of the people of America, in British ships to some extent, but they can not furnish all the tonnage that is required. The gentleman from Minnesota himself told you yesterday that the crops were not being moved because the exchange between this country and foreign countries had not yet been arranged. There is some movement, of course, but there will be a greater demand for moving crops. But I made the statement yesterday, and I repeat it to-day, that American ships are lying in American harbors with American cargoes that can not move because they have not insurance, and you would make them give way to British ships and British insurance rates.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ADAMSON. Mr. Chairman, I ask unanimous consent that the time of the gentleman be extended, because I want him to read a telegram just received.

The CHAIRMAN. The gentleman from Georgia [Mr. ADAMSON] asks unanimous consent that the time of the gentleman from Alabama be extended for five minutes. Is there objection? [After a pause.] The Chair hears none. The gentleman from Alabama is recognized for five minutes.

Mr. UNDERWOOD. I have said all I desire to say.

Mr. ADAMSON. Then I will ask the gentleman from Missouri [Mr. ALEXANDER] to read the telegram himself.

Mr. MADDEN. Mr. Chairman, I move to strike out the last two words.

The CHAIRMAN. I think the gentleman from Illinois will yield for the reading of the telegram.

Mr. ALEXANDER. Mr. Chairman, the secretary of the gentleman from Tennessee [Mr. AUSTIN], who is now sick and unable to attend on the floor of the House, brought this telegram from Mr. AUSTIN for consideration of the committee. It is addressed to him by James A. Farrell. It reads:

Hon. RICHARD AUSTIN,
House of Representatives, Washington, D. C.:

The American steel industry is suffering in its export trade owing to lack of over-sea transportation, and Government war-risk insurance is essential to restoring such transportation. The bill permitting American registry of foreign-built ships will be ineffective unless the Government war-risk-insurance bill is promptly passed. Will you not lend your great influence to its prompt passage as a national necessity?

JAS. A. FARRELL.

Mr. MOORE. Mr. Chairman, will the gentleman yield before he takes his seat?

The CHAIRMAN. Does the gentleman from Missouri yield to the gentleman from Pennsylvania?

Mr. MADDEN. Mr. Chairman, I thought I had the floor.

Mr. ALEXANDER. I will yield to the gentleman, with the permission of the gentleman from Illinois, but I do not want to trespass on the time of the gentleman from Illinois.

Mr. MOORE. I want to ask the gentleman from Missouri whether Mr. James A. Farrell is not one of the men who signed the petition that came from the American Chamber of Commerce requesting this legislation, and whether he is not the president of the United States Steel Corporation?

Mr. ALEXANDER. I understand he is the same gentleman.

Mr. MOORE. May I ask the gentleman this further question, whether it is not a fact that the Standard Oil steamers, carrying the Standard Oil products, are now being held up in some of the ports of the United States?

Mr. ALEXANDER. I do not know as to that. What is the gentleman's attitude? Does he take offense because Mr. Farrell takes this position in regard to this legislation?

Mr. MOORE. I take the attitude because it has been the policy of the majority to denounce such men as Mr. Farrell, and now it appears that this legislation is brought in here largely at his suggestion.

Mr. ALEXANDER. Is the gentleman opposed to this policy?

Mr. MOORE. Yes; I am opposed to it because I do not believe there is any reason for the United States taking any such risks as this and venturing the people's money in such a hazardous enterprise.

Mr. ALEXANDER. In the gentleman's opinion is the United States Steel Corporation a legitimate industry?

Mr. MOORE. It is a legitimate industry, no doubt, but the question is whether this House, which claims to be legislating only for the benefit of the people, should in this instance legislate in the interest of Mr. James A. Farrell and the United States Steel Corporation.

Mr. MANN. Mr. Chairman, will the gentleman from Missouri yield to me for a moment?

The CHAIRMAN. The Chair wishes to state that this debate, so far as this paragraph is concerned, is proceeding by unanimous consent.

Mr. MANN. Yes; and has been for some time.

Mr. ADAMSON. Mr. Chairman, I will yield to the gentleman, but I do not want the time to be taken out of the time that belongs to the gentleman from Illinois [Mr. MADDEN].

Mr. MANN. What is the date of that telegram?

Mr. ALEXANDER. It is not dated.

Mr. MANN. Well, undated telegrams are not worth much.

Mr. ALEXANDER. I simply discharged what I understood to be a courtesy to the gentleman from Tennessee [Mr. AUSTIN] in reading it.

Mr. MANN. I read a later telegram myself the other day from Mr. Farrell.

Mr. ALEXANDER. Since there is no date to this, how does the gentleman know his is later?

Mr. MANN. I know, because I think I received a copy of the same telegram several days ago from Mr. Farrell, as I received telegrams from these other people who did not know what the war insurance bill was, before it was introduced.

Mr. ALEXANDER. The gentleman is questioning me in regard to a question of fact about which I have no knowledge.

Mr. MANN. I called the turn on you as to the date of the telegram, though, did I not? [Applause on the Republican side.]

The CHAIRMAN. The gentleman from Illinois [Mr. MADDEN] is recognized.

Mr. MADDEN. Mr. Chairman, I started out with the idea that I would like to see some bill passed to facilitate the movement of the crops of the country, but I do not believe that this bill will help the movement of the crops at all. I think that this bill will simply help to get the country into trouble.

We are appropriating $5,000,000 to organize an insurance company in the Treasury Department of the United States, which insurance company when organized will be a private institution, but nevertheless will be understood everywhere to be the Government itself. While England has been said to insure all war risks, England is in a different attitude from this country. England is a belligerent. We are a neutral Nation. We ought not to do anything whatever in the performance of our duty that will in any wise jeopardize the neutrality of the United States. The ships to be loaded with cargoes which can not move are not being held because of want of insurance. They are being held because the Bank of England is issuing emergency notes. They have suspended the gold reserve.

The rate of exchange between New York and London is so high and the value of the money issued by England is so doubtful, and will continue to be so doubtful until the outcome of the war is known, that nobody wants to take the risk of sending his goods across the sea without knowing what will be the value of the money he is to receive in exchange.

The establishment of this bureau in the Treasury Department will in no wise remedy the difficulties of exchange. Ships are more abundant than cargoes. Cargoes can not be had by the ships that are looking for them. The passage of this bill will not in any wise remedy that difficulty, and the difficulty will not be remedied until we have some assurance as to what the rate of exchange will be and what is the value of money that is to be paid for these cargoes; and until there is some definite information as to what the probable outcome of the war is to be, this uncertainty as to the money value will still continue.

America ought to continue neutral. It ought not to do a thing that will jeopardize that neutrality. This bill, if enacted into law, will, in my judgment, be one of the most certain acts we can commit to disturb the feeling of safety among the American people. The American people are patriotic. They want their Representatives here to maintain the peace of the Nation. They do not want in any wise to be identified, directly or indirectly, with this war abroad. The American people are courageous. They are not afraid to fight. But there is no need for us who speak for them to jeopardize the peace and prosperity of the country by the enactment of any law that will in any wise promote any chance of the Government mixing in anything that may by any possibility bring this Nation into trouble. The Government itself ought not as a neutral nation to enter upon any such enterprise as this.

I yield to no man, Democrat or Republican, in my loyalty to the American flag. There ought not to be, and I believe there is not, any politics on this floor in the consideration of any legislation designed to alleviate the conditions which exist on account of the war abroad. Every man here stands as an American, whether he be a "little American" or a great American; and I would rather be considered a "little American" and do the thing that my conscience tells me will safeguard the peace and honor of the American people than to be considered a great American and do the thing that may lead them into possible war. [Applause.]

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. BUTLER. Mr. Chairman, I desire to speak on the formal amendment offered by the gentleman from Illinois [Mr. MADDEN].

Mr. UNDERWOOD. Mr. Chairman, does the gentleman want five minutes?

Mr. BUTLER. Yes. I want to get some information from the gentleman from Alabama, and I hope I may get it in five minutes.

Mr. UNDERWOOD. I ask unanimous consent, Mr. Chairman, that the gentleman from Pennsylvania [Mr. BUTLER] may have five minutes, and that at the end of five minutes the debate on this section close.

The CHAIRMAN. The Chair will state that the debate on this amendment has closed now.

Mr. UNDERWOOD. I know that.

Mr. BUTLER. I am obliged to the gentleman for his courtesy.

Mr. UNDERWOOD. I just want it understood that at the end of five minutes the Clerk shall read.

Mr. BUTLER. When the gentleman from Alabama [Mr. UNDERWOOD] made his forceful speech yesterday I had hoped that he would have time to permit some interrogatories to be put to him. I wanted to ask him where these ships are. I wanted to ask him what they are loaded with, and I wanted to ask him who owns them. But inasmuch as the gentleman in the course of his remarks did not have time to answer the question put to him by the gentleman from Illinois [Mr. MADDEN], I assumed that he would have no time for me. Therefore I made it my business to inquire of the highest authority this morning where these ships are, what they are loaded with, and who owns them. I went to the Chief of the Bureau of Navigation in the Department of Commerce, and was there told by the chief that they had no information to give me, because they had none beyond that which they had learned from the gentleman from Illinois [Mr. MANN] in his remarks made in the House and the interview which he had had with Mr. James E. Farrell a few days ago.

In referring to Mr. Farrell, I speak of him as a friend. I have no objection to the United States Steel Corporation, and I have done nothing in this House knowingly to injure any legitimate business. Therefore what I say is not intended to reflect upon or to incite any feeling of opposition to Mr. Farrell or the business interests which he represents. He is one of the greatest giants in his line of business in the United States. But if the gentleman from Alabama [Mr. UNDERWOOD] can tell me without accusing me of being un-American, I ask him to tell me where these ships are, what they are loaded with, and who owns them? His general statement does not satisfy me. I must have the particulars. I desire to vote with the gentleman when I think he is right, whether he charges me with being un-American or not. I do not care for his opinion. I do not ask anyone to certify to my Americanism. [Applause.] But I would rather that American bins should be filled than American graves. I prefer panics to wars; that crops should rot rather than human bones. I want it understood in this House—and I may have occasion to refer to it hereafter—that I enter my solemn protest against anything this House may do or propose to do that will tend to complicate us with these belligerent nations who are now shocking the sense of humanity the whole world over.

Why should we take the risk? Let me ask the gentleman why should we pass this law? What necessity is there for it? Its wisdom is doubted by almost every man in this House, even the gentleman from New York [Mr. FITZGERALD]. If I had not been convinced before, I would have been convinced after hearing him. Now, cotton is not contraband; it can be carried; it needs no insurance. Wheat is contraband, and it can not be carried without risk. When the belligerents grow hungry, let them come to be fed. If we take their markets while they are in battle, we will naturally excite their ill will toward us. Let the American market man restrain his ambition for greater profit until danger to his country is passed. Let us confine the trade to American coasts and thereby increase our own safety. I will not vote for any measure or provide any means to help anybody to help himself or to assist in transporting questionable goods to any of these belligerent ports at this time. I wish here and now to make it known that no charge of poor Americanism or lack of proper American spirit can tempt me to alter my fixed purpose and to the best of my poor ability to keep my country out of a war.

Of course my timidity and apprehension may render me subject to the charge that I am a poor specimen of an American citizen, but if so I will make an effort to live it down. [Applause.]

Mr. MOORE. I ask unanimous consent that the gentleman from Alabama be given five minutes in which to answer the gentleman from Pennsylvania [Mr. BUTLER] on the question of the location of these ships and the character of their cargoes.

Mr. UNDERWOOD. Mr. Chairman, I will answer, if there is any answer needed, when another paragraph has been read. I am more anxious to pass this bill than to answer the gentleman from Pennsylvania, and I have already stated where my information came from and where the ships are.

Mr. MOORE. It would help us very much in the consideration of the bill.

Mr. UNDERWOOD. The information is in the RECORD.

The CHAIRMAN. If there be no objection, the pro forma amendment will be considered as withdrawn, and the Clerk will read.

The Clerk read as follows:

SEC. 2. That the said bureau of war-risk insurance, subject to the general direction of the Secretary of the Treasury, shall, as soon as practicable, make provisions for the insurance by the United States of American vessels, their freight and passage moneys, and cargoes shipped or to be shipped therein, against loss or damage by the risks of war, whenever it shall appear to the Secretary that American vessels, shippers, or importers in American vessels are unable in any trade to secure adequate war-risk insurance on reasonable terms.

Mr. LEWIS of Maryland. Mr. Chairman, I offer the following amendment.

Mr. STAFFORD. I have an amendment.

The CHAIRMAN. The gentleman from Maryland [Mr. LEWIS] offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amend section 2 by adding the following:

"*Provided*, That the Secretary of the Treasury shall have power, in his discretion, to extend the provisions of this act to marine risks, if he shall find that the rates charged therefor are excessive and tend to prevent export commerce."

Mr. FITZGERALD. I reserve a point of order against the amendment.

The CHAIRMAN. The gentleman from New York reserves a point of order.

Mr. LEWIS of Maryland. Mr. Chairman, I ask unanimous consent for 10 minutes to explain the facts which lead me to offer this amendment.

The CHAIRMAN. The gentleman from Maryland [Mr. LEWIS] asks unanimous consent to proceed for 10 minutes. Is there objection?

There was no objection.

Mr. LEWIS of Maryland. Mr. Chairman, this is an emergency measure, according to the explanation of its supporters. What is the emergency? It is the alleged fact that insurance for the risks of war are not adequately provided by private concerns; or, stating it in another way, that these private concerns ask from the shippers prohibitive rates. Prohibitive rates would visit the same effects on our commerce that no insurance would visit. The emergency is therefore a question of the economic charges which our export commerce can bear and move.

Mr. MADDEN. Mr. Chairman, will the gentleman yield for a question right there?

Mr. LEWIS of Maryland. I yield to the gentleman, but I ask him to make his question short, as my time is limited.

Mr. MADDEN. I will. Does the gentleman not think that there is a great possibility of the ships insured by this bill charging greater freight rates than they ought to charge; and if we insure them, ought not the Government to see what the freight rates are before issuing the insurance?

Mr. LEWIS of Maryland. I can not go into that question now. Now, on the question of insurance rates this commerce has two kinds of risks to meet. The first is the risk that is denominated the perils of the sea. Do these insurance companies act under motives which may make those rates prohibitive? With regard to the risk of perils of the sea the bill leaves this commerce to the marine companies, as now organized, and the question is presented, May they not in this contingency exact rates that will prove equally prohibitive with their war-risk rates in the movement of our commerce? Gentlemen, as bearing on that subject I want to refer you to some facts which are, it seems to me, of momentous importance. One fact is this: In the year 1911 the marine insurance companies of the United States collected from our shipping a little more than $4,500,000 for insurance. They paid back in losses a little less than $1,500,000. In short, for performing the function of collecting $1 from the average of commerce and paying it to the unfortunate owner of ship and cargo they exacted $3. I shall append to my remarks the statistics of both sides of the ocean for a number of years.

They exact a rate of 300 per cent for the actual risk involved. That figure is not exceptional. When you consult marine insurance experience on the continent of Europe, you find in that same year 378,000,000 marks collected with an insurance loss of 135,000,000 marks, and that state of affairs characterizes the normal operation of the marine-risk insurance of this and other countries.

I want to say to the gentlemen of the House that under these circumstances if figures like these characterize private marine insurance in times of peace our commerce may be in grave peril in time of war, because under the provisions of this bill the hands of the Secretary of the Treasury would be effectually tied from extending the kind of insurance which might, indeed, be most strenuously required.

The amendment that I have offered simply provides that if the Secretary of the Treasury finds that the rates for marine insurance are excessive and such as to prevent the movement of export traffic, then he shall have the power to extend the provisions of this bill, not permanently and forever, but temporarily, to cover the marine risk as well as the war risk.

Gentlemen of the House, there are other reasons why this subject should be given entire to the hands of the administrative authorities. If we leave them only the war risk, what are we going to find? I fear we will find that the ingenuity of the shipper will discover those particular occasions when the boat and cargo are in probable danger and insure only those risks, and with reference to the other shipments, where there is no danger, there will be no insurance premiums paid and nothing to go to the Federal fund to meet the disasters expected.

But if the Secretary of the Treasury is given the right to discharge the entire function during this period of our terrific emergency, then the income to the fund to meet the occasions of loss and indemnification will pour down in general averages as rains from the sky from lucky and unlucky commerce, and we will have a fundamental average to support the fund against the maximum of losses.

I know how much prejudice there is with regard to the Government engaging in what they call private business. Gentlemen, the marine insurance of the United States can not look a business man in the face and say that it represents private business. A concern that methodically, in season and out of season, collects $3 for every one it pays back in losses is not entitled to be dignified with the name of private business, to say nothing of the fact that these marine concerns are in the form of a trust and completely monopolize the business.

Now, gentlemen of the House, I have performed what I esteem to be a duty this afternoon. I am not propagandizing to this House. I say that the Secretary of the Treasury, the Government of the United States, is entitled in this emergency to collect the premiums as well as to pay the losses of insurance on our foreign commerce. The Secretary of the Treasury can surely be trusted to employ this amendment if he finds that the exigencies of our commerce justify and require it.

The bill still retains the clause providing for the repeal or suspension of the act when the war emergency is over. Meanwhile, it seems to me that when we go into the saving of commerce we have a right to think of the farmer who has to pay an extra cent a bushel on his wheat to pay for marine insurance. I repeat that they are not entitled to the considerations that extend to competitive private business, because their management of marine insurance is reeking with waste and is simply a challenge to economic organization and business efficiency wherever it may exist. [Applause.]

Lloyds and interinsurance associations—Statistical Abstract, 1912.

UNITED STATES.

Calendar year.	Total income.	Losses paid.
1903	$2,972,800	$1,057,238
1904	2,888,366	1,538,595
1905	3,337,939	1,371,417
1906	3,637,254	1,441,353
1907	4,208,640	1,615,004
1908	4,578,875	1,865,181
1909	4,719,072	1,938,834
1910	4,111,214	1,644,022
1911	4,501,793	1,440,809

Transport insurance, premiums, and damages—Marine Insurance Annual, 1913.

CONTINENTAL EUROPE.

Year.	Gross premium income.	Damage payments made and held over.
	Marks.	*Marks.*
1900	237,743,942	98,333,812
1901	241,068,456	95,935,076
1902	227,150,966	88,887,799
1903	246,173,837	91,594,271
1904	262,536,336	97,350,933
1905	277,523,351	100,248,685
1906	299,272,754	110,659,019
1907	313,035,363	123,980,425
1908	300,894,382	118,156,654
1909	309,991,075	117,838,925
1910	326,459,954	119,607,221
1911	378,201,624	135,195,995

Mr. MANN. Mr. Chairman, several gentlemen have to-day tried to extract from the gentleman from Alabama [Mr. UNDERWOOD] information, but without success. The gentleman from Alabama states that all along the Atlantic and Gulf coasts and Pacific coast American vessels are lying loaded in ports afraid to depart for lack of war-risk insurance. Where are they going to? There are no American vessels to speak of in the foreign trade. Can it be possible that the owners of American vessels are so fearful of the present administration that they are afraid to sail along the coast in the coastwise trade? I do not think they have reached that point of pusillanimity. I will say that I do not believe the gentleman from Alabama can name a single case, not one, which bears out his statement.

Mr. UNDERWOOD. Mr. Chairman, the gentleman from Illinois does not desire to misinterpret what I said, if anyone else

does. It is in the RECORD. I said I had received the information from the Secretary of the Treasury of the United States, and he urged me on that account to push the passage of this bill, and I am satisfied that the Secretary of the Treasury would not have so informed me if he had not been advised to that effect.

Mr. MANN. I heard the gentleman make the statement to-day himself. He made the statement himself that this was the case.

Mr. UNDERWOOD. I stated yesterday, and it is in the RECORD, that the Secretary of the Treasury had advised me to that effect, and I now state that it is to that effect, and call attention to what the gentleman from Florida [Mr. WILSON] informed me while I was making the statement about vessels in his own port.

Mr. MANN. If the gentleman made the statement yesterday, he ought by this time to have secured the information. If the Secretary of the Treasury yesterday had information known to anyone else in the world that all along the Atlantic and Gulf coasts and Pacific coast laden American vessels were waiting in port afraid to depart, God knows he ought to be able to furnish some specific instance. I deny that that is the fact.

I called to the attention of the House the other day what the situation is. I called the attention of the House the other day to the fact that three weeks ago, within a day or two, this House passed a bill for the purpose of allowing American registry to foreign-built vessels; that nearly two weeks ago that bill was agreed to by the Senate after they had rejected a conference report; that the regulations which the President is to make under that bill are not yet made; and that a great many foreign-built ships, owned practically by Americans, were asking to have the regulations put into force so that they could take out an American registry. I read a telegram from Mr. Farrell, whose telegram has been read this morning, stating—

> We are patiently awaiting issuance of proclamation in order to be in an intelligent position as to whether we can put these steamers under American flag immediately and operate them competitively with steamers in over-sea trade under other flags, as our steamers are being held in various ports at very heavy expense. Would appreciate advices as to about when information will be available to enable us to determine what to do.

These are foreign-built vessels flying a foreign flag. We propose to give them the American flag. More than a week ago the bill went to the President for his signature, and was signed, I believe, more than a week ago. He has the power to make the regulations. The regulations have not been made. These vessels are being held in port because they want to take out an American registry, and they can not do so owing to the lack of something on somebody's part connected with the departments or with the administration.

The CHAIRMAN (Mr. HAY). The time of the gentleman from Illinois has expired.

Mr. BUTLER. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for five minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MANN. Mr. Chairman, it is perfectly patent to anyone that American vessels are not waiting in port for a war-risk insurance bill, because we have practically no American vessels in the foreign trade. Those few which are in the foreign trade are now making their regular sailings and have been since the war commenced. Those American vessels in the coastwise trade are not waiting in port for war-risk insurance. The man is silly who thinks there is any war risk about sailing from Galveston to New York along the American coast, unless in the wildness of his imagination he has reached the point where he thinks this country is engaged in war. Is it possible that this bill is upon the theory that we are soon to be at war with some other country? The gentleman from Alabama [Mr. UNDERWOOD] yesterday used considerable language about being willing to defend the flag abroad on our vessels. Well, we are all willing to do that, but we do not want to be in a position where we have to fight for the flag or anything else at the present time. We want to keep out of war. [Applause.]

Mr. BUTLER. Mr. Chairman, let me call the gentleman's attention to the remark of the gentleman from Alabama yesterday about shots being fired across the bows of these ships.

Mr. MANN. Mr. Chairman, I was absent from the Chamber yesterday when the gentleman from Alabama made his speech, having some fun with the dentist, so did not hear it, and did not read it until a moment ago, when, understanding that the gentleman said that he had inserted in the RECORD a list of these vessels, I looked at the speech of yesterday, but did not find the list.

Mr. UNDERWOOD. Oh, the gentleman is misquoting me again.

Mr. MANN. I said "understanding" that the gentleman said that.

Mr. UNDERWOOD. I did not say that.

Mr. MANN. I know that, but I have no doubt——

Mr. UNDERWOOD. The RECORD shows what I did say and where I got the information, and I object to the gentleman putting any language of that kind in my mouth.

Mr. MANN. I did not put language in the gentleman's mouth.

Mr. UNDERWOOD. When the gentleman says that I said I put a list in the RECORD, he did put language in my mouth.

Mr. MANN. Oh, if the gentleman will just sit still for a moment, he will be better off. The gentleman is very touchy this week, since his war resolution of last Tuesday. [Laughter and applause on the Republican side.] He has been cussed by so many men so strongly that it has got on his nerves a little bit.

Mr. UNDERWOOD. Not at all. But the gentleman from Alabama is anxious to have this House do business, which the gentleman from Illinois is not.

Mr. MANN. That is an untrue statement.

Mr. UNDERWOOD. It is not untrue.

Mr. MANN. I would not say that it is a falsehood, because that would not be parliamentary language.

Mr. UNDERWOOD. It is not untrue.

Mr. MANN. It is untrue.

Mr. UNDERWOOD. It is not. The gentleman has conducted a filibuster here for weeks against the legitimate business of the House.

Mr. MANN. The gentleman is making another untrue statement.

Mr. UNDERWOOD. I shall not indulge in unparliamentary language, but the gentleman can not put language of that kind into my mouth.

Mr. MANN. I do not endeavor to put any language into the gentleman's mouth. In looking over the gentleman's speech, in looking for the list that was not there, I found this language:

> Days ago unanimous consent was asked in this House for the consideration of this bill, and objection came from the leader of the minority party, clearly, from what I have heard to-day, voicing the un-American sentiments of his own party.

Mr. Chairman, that statement is untrue in its inference. It is true that I objected to the then consideration of the bill, but when the gentleman from Alabama, dealing in what he does not often deal in, cheap and very cheap demagogy, endeavors to say that any party in this House is un-American, with the present crisis in the world and the present situation of this country in the world, when he says that any party is un-American in this country, he is descending to the very lowest depths of nonsense and silliness and untruthfulness. [Applause on the Republican side.] I am surprised that the gentleman from Alabama, usually cool and affable, should undertake to say that the Republicans of this House or the Progressives of this House are un-American because they do not happen to agree with him on a certain bill. Mr. Chairman, it does not need denial——

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

Mr. MANN. It does not need denial from me when he says that I am un-American. I am quite willing to put my Americanism and my record of it at any time against that of the gentleman from Alabama. [Applause on the Republican side.]

Mr. UNDERWOOD. Mr. Chairman, the gentleman from Illinois endeavors to hide his doubtful position by inaccuracy of statement. I have not charged the gentleman from Illinois with being un-American. I charged his party with being un-American in their action upon this bill, and I said yesterday that when the gentleman objected to the unanimous consent for the consideration of this bill he was evidently acting in harmony with his party, and I say it now. You may criticize this bill as much as you please. You may say that there is no necessity to insure American ships carrying the American flag. You may pretend to say that this bill will endanger our peaceful relations with Europe, but when you say it you know that it is not true. There is nothing in this bill that will provide our ships against a war risk that would change their condition one iota, if they were insured by a private company instead of by a bureau of the American Government, and to say that there is is cheap claptrap. I do say to the gentleman from Illinois [Mr. MANN], and to his party, that the American people are facing a commercial crisis, one of the most serious commercial crises that this country has faced since the Civil War, brought about by conditions over which they have no control; and when the President of the United States, occupying his high office, a man whom everyone in this country knows if he erred at all

would err on the side of peace rather than on the side of belligerency, a man of high character and standing, approved by the American people from ocean to ocean [applause on the Democratic side]—when he says that this simple bill should be passed, a bill that can put in question only a few millions of the people's money, that can work no injury except possible injury to those insurance companies of foreign countries who are temporarily taken out of this country and who want a vacuum left for their business when they choose to come back again—when he says, under the authority of his high office, that it is necessary to pass this bill and pass it at once in the interest of the American people, in the interest of the American commerce, when I say that the party and the leadership on this floor that would delay by parliamentary methods the passage of this bill, attempt to prevent it going on the statute books to relieve the situation that the President of the United States thinks is an emergency, I say now and I will continue to say that that party and that leadership is un-American. [Applause on the Democratic side.]

Mr. CAMPBELL. Mr. Chairman, it fell to my lot on yesterday to make the first observations made upon the floor on this bill. I am a Republican. I announced that the bill was not, in my judgment, a subject for partisan consideration. I had on the day before attended a meeting of the Committee on Rules and voted for a rule to expedite the passage of the bill because the President of the United States had been reported as saying there was an emergency for its consideration. I made the first observations, as I say, on the subject of the bill itself. I announced then that with some misgivings I would support the bill. I resent, therefore, the statement made by the gentleman from Alabama [Mr. UNDERWOOD] yesterday and repeated again to-day that the party of which I am a member is un-American or that I as a member of that party am un-American. I repeat——

Mr. UNDERWOOD. Will the gentleman yield?

Mr. CAMPBELL. Yes.

Mr. UNDERWOOD. But the gentleman can clearly understand that my remarks could not apply to him when he is supporting the bill. It is to those who are trying to use parliamentary tactics to prevent its passage to whom they apply. [Applause on the Democratic side.]

Mr. CAMPBELL. Mr. Chairman, I am in the Republican Party. [Applause on the Republican side.] I do not allow myself to be put outside of that party by simply supporting what I regard as a nonpartisan measure at a time when the President of the United States says there is an emergency for its consideration, and I regret exceedingly the leader of the majority upon the floor has made of a measure that ought not to have been considered from a partisan standpoint at all a real partisan measure. Notwithstanding the attitude of the gentleman from Alabama I shall vote for the bill.

Mr. MOORE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MOORE. I would like to know the parliamentary status.

The CHAIRMAN. The gentleman from Maryland offers an amendment, to which the gentleman from New York reserved the point of order. Does the gentleman from New York insist on the point of order?

Mr. FITZGERALD. Mr. Chairman, no request has been made that the Government provide marine insurance for American vessels and cargoes. If the statement be true that a large portion of the cotton crop is to be held over until next season, and that at least four and a half million bales will not be exported that would be under other conditions, the amount of marine insurance to be done will be so greatly curtailed that the marine underwriters will be overanxious to secure marine insurance or war-risk insurance. Whatever justification there may be for the Government to underwrite war risks on American ships at this time there seems to be none whatever to extend it to the underwriting of the ordinary marine risks. Under such circumstances, I am unwilling that such a provision should be incorporated in the bill. This bill deals with war risks; they are entirely distinct from marine risks, and I make the point of order that the amendment is not germane to the bill.

Mr. LEWIS of Maryland. Mr. Chairman, I have not heard anything on the point of order.

The CHAIRMAN. The Chair will hear the gentleman from Maryland on the point of order.

Mr. FITZGERALD. The point of order was that the amendment is not germane to this bill.

Mr. LEWIS of Maryland. Mr. Chairman, what are we dealing with here to-day? We are dealing with the subject of marine insurance; and war risks are a part and parcel of marine risks, because they occur to marine subjects and only under marine circumstances. The bill as it now stands would detach, as it were, an arm simply from the body of marine insurance. The subject of marine insurance, Mr. Chairman, embraces war risks as well as ordinary perils of the sea. It is one subject; it is one organic fact; the policy that covers it is one policy and the agency which deals with the subject is one agency. It is one thought and one theme and one situation, and, on the argument of germaneness, if perils of the sea are not germane to war perils of the sea, then I know of no standard of germaneness that is intelligible to the human intellect. Now, with reference to the exigencies——

The CHAIRMAN. The Chair only wants to hear the gentleman on the point of order.

Mr. LEWIS of Maryland. The Chair heard the other gentleman on everything but the point of order, and I wanted to answer him.

The CHAIRMAN. Of course if the gentleman wants to speak on the merits of the bill——

Mr. LEWIS of Maryland. Mr. Chairman, we are dealing with one organic subject, the subject of marine insurance, and any element of marine insurance is germane to this bill, because its subject is marine insurance and the particular incidents of marine insurance. I should like the Chair to give careful thought to this proposition before he sustains the objection of the gentleman from New York. [Applause.]

Mr. FITZGERALD. Mr. Chairman, the bill creates——

The CHAIRMAN. The Chair is ready to rule. This bill is a bill for the purpose of providing a bureau in the Treasury Department for war-risk insurance. The amendment offered by the gentleman from Maryland [Mr. LEWIS] provides not only for war-risk insurance but for insurance against any danger which might be incurred at sea from wind or tide. It would authorize this bureau to insure ships in the coastwise trade, and to the Chair it is very clear that the bill is not intended to be so wide in its scope, and therefore the amendment of the gentleman from Maryland is not germane to the purposes of the bill, and the Chair sustains the point of order.

Mr. LEWIS of Maryland. Mr. Chairman, for information——

Mr. STAFFORD. Mr. Chairman, I offer the following amendment.

Mr. LEWIS of Maryland (continuing). From the Chair. What do I understand the rule of germaneness to be?

The CHAIRMAN. The Chair has given his ruling, and if it has not been understood by the gentleman the Chair is sorry. The gentleman from Wisconsin [Mr. STAFFORD] offers an amendment which the Clerk will report.

The Clerk read as follows:

Page 2, line 17, after the word "terms," insert:

"*Provided*, That the provisions of this act shall not apply to any vessel, its freight, passage money, or cargo, subject to seizure under the provisions of the declaration concerning the laws of naval warfare, done at London, England, on the 26th day of February, 1909, and duly signed by the accredited representatives of the United States."

Mr. UNDERWOOD. Mr. Chairman, I reserve a point of order on that.

Mr. STAFFORD. I would like to have the point of order disposed of immediately, if it is subject to a point of order. I do not think it is.

Mr. UNDERWOOD. Mr. Speaker, I thought the gentleman wanted to make a speech.

Mr. STAFFORD. I do wish to speak to the amendment with the idea of having it adopted, because I think it will safeguard the interests of this country as to getting involved in foreign warfare.

Mr. UNDERWOOD. As I understand the amendment as it was read from the Clerk's desk, it is an effort to make a declaration in this bill of the law of neutrality—the law of nations. Well, now, I do not differ with the view of the gentleman from Wisconsin in reference to this matter, but I do not believe it would be wise to attempt to make a declaration in this bill of what the law of nations is and commit ourselves to the declaration, but leave the prize courts of the world to decide the law as they find it.

Mr. STAFFORD. Will the gentleman now argue on the merits rather than the point of order?

Mr. UNDERWOOD. That is the reason I make the point of order. Now, as to the point of order, this question is one of granting insurance. The declaration there is as to what contraband of war might be, which clearly is not germane to the question of granting war insurance. The question of what contraband of war may be, Mr. Chairman, in the last analysis, is a question for a prize court to determine.

The CHAIRMAN. Allow the Chair to say to the gentleman from Alabama that the amendment offered by the gentleman from Wisconsin simply puts a limitation on what cargoes, freights, and so forth, can be insured under this bill. Why is it not germane?

Mr. UNDERWOOD. Well, if it is written in the way of a limitation, I suppose it would be. Of course, I only heard it read from the Clerk's desk.

Mr. STAFFORD. The purpose was entirely a limitation on the character of insurance that might be undertaken by the Treasury Department.

The CHAIRMAN. The Chair overrules the point of order.

Mr. STEVENS of Minnesota. Is not the proper construction of this amendment rather that of a classification than a limitation? For example, if the Chair will look at page 2, line 24, it there provides for rates subject to change to each port and to a class, thereby classifying and defining the risk.

Now, all that this amendment does is to classify the risks covered by this bill exactly as does that line which I called to the attention of the Chair. This amendment classifies the risks which the law of the nations makes perilous and those which are not perilous; those which are subject to a high risk and rate and those that are subject to a low risk and rate, exactly as line 24 indicates. For that reason it seems to be very clear that the amendment of the gentleman is in order, if line 24 is in order, and, of course, that is the very essence of the bill, and is admittedly in order. The gentleman from Alabama [Mr. UNDERWOOD] discussed the merits of the proposition. Unless some of these risks can be included and others can be excluded by amendment, then, of course, there is no use of trying to amend anything. It is the very object of an amendment to clearly define the application of the measure. This amendment accomplishes just that thing and nothing else.

Mr. STAFFORD. Mr. Chairman, without fear of being classed as un-American, at least by my constituents, I rise to submit this amendment in all good faith as a patriotic, loyal American from a northern State. [Applause on the Republican side.] My discussion yesterday, when I was arguing along this line, was not prompted by any motive other than the highest of patriotism, and I think it ill became the leader of a great party to charge me as having been one who was prompted by unpatriotic motives when my sole and only purpose was to try to prevent this country from becoming involved in the European war.

The purpose of the amendment that I submit to-day is to safeguard the interests of this Government, so that no Secretary of the Treasury—not the President, but no Secretary of the Treasury—and no subordinate under him may involve this Government in war, and that we may not undertake as a war risk that which is known and established by all the maritime powers of the world in the declaration of the naval conference of London in 1909 as not permissible, namely, a belligerent merchant vessel after hostilities begin can not be transferred to the nationality of a neutral power when its purpose is obviously to evade the consequences of being seized as a prize by another belligerent.

The very purpose of the meeting in London in 1909 that, without reservation, agreed upon these articles was that there might be some established principles for the international prize court to follow in prize cases that were to be established as suggested at the second Hague conference, rather than to be allowed to grope around and follow the general principle suggested at the Hague conference of justice and equity. It was the purpose, as stated in the initiatory letter of Earl Grey, when he invited all the signatory powers that he deemed it advisable, for all the powers to have some defined, clearly expressed principles of international law on certain important subjects where the views of some of the countries were not in agreement that would guide that prize court in making its decisions.

Those principles have been now established. One of them is that a belligerent merchant vessel can not, after hosilities have begun, with the purpose of evading the seizure as a prize by another belligerent, cover itself under a neutral flag. It is being proposed and mooted by our officials here at Washington that these very belligerent vessels to-day should come under the American flag and involve us in a dispute at least, perhaps in war, with foreign nations. We read yesterday where the French ambassador, Mr. Jusserand, had served notice on the Secretary of State that he could not allow the German merchant vessels to be transferred to American registry, as it would be violative of their established principles of more than 100 years and of their understanding of international law.

Now, we are desirous on this side, and it does not need any public exposition of that fact, to assist the administration in its every endeavor in this great crisis that confronts the country, but we are also prompted with a higher motive and higher purpose that we should, first, as a duty to ourselves, protect ourselves and keep ourselves aloof from all foreign entanglements. And if there is going to be any policy adopted here that will even tend to entangle us, I for one, as an American, will cry halt, and I will have no apology to make to my constituents for protesting against that policy that I conscientiously believe may tend to bring us to the brink of war. We should do no act that will cast in the minds of any belligerent Government even a suspicion of favoritism. If we maintain a high, lofty, and commanding position of strict neutrality to all in conflict, we will strengthen our power apd influence abroad so as to use with telling effectiveness our good offices for the settlement, when the time arrives, of this dire catastrophe.

The amendment that I have offered is for the maintenance of absolute neutrality. Germany and her allies can not then complain of our Government assisting Great Britain in the conveyance of needed foodstuffs, nor can France in turn complain that the money from the sale of German merchant vessels should not be used as a succor to her enemies.

Adopt this amendment and you give certainty to the powers that may be exercised by the Treasury officials, so that our Government will not become a shield to dubious practices of private parties in violating the accepted principles of international law. Our one controlling thought should be to do naught that will involve or tend to involve us in the European conflict. Adhere to strict neutrality and our future is secure.

Mr. GREEN of Iowa. Mr. Chairman——

Mr. UNDERWOOD. Mr. Chairman, I desire to be recognized in opposition to the amendment.

The CHAIRMAN. Does the gentleman from Iowa desire to be recognized in opposition to the amendment?

Mr. GREEN of Iowa. Not in opposition. I had hoped, however, that the gentleman from Alabama [Mr. UNDERWOOD] would have given some others an opportunity to talk.

Mr. UNDERWOOD. Well, I would like to say a few words in opposition to the amendment. Suppose we agree that the debate on the amendment close in 10 minutes.

Mr. STEVENS of Minnesota. I would like five minutes of that.

Mr. UNDERWOOD. Then say 15 minutes.

Mr. MONDELL. I would like some time.

The CHAIRMAN. The gentleman from Alabama is recognized in opposition to the amendment.

Mr. ADAMSON. How much time does the gentleman want?

Mr. UNDERWOOD. If we can not agree upon reasonable debate I think it should be left for the House to determine.

Mr. ADAMSON. Mr. Chairman, I move that the debate on this section and all amendments thereto close in 15 minutes.

The CHAIRMAN. The gentleman from Georgia [Mr. ADAMSON] moves that the debate on this section and all amendments thereto close in 15 minutes.

Mr. TOWNER. I hope the gentleman will not put his motion in that form.

Mr. ADAMSON. I simply want to curtail somewhat an endless debate.

Mr. TOWNER. Oh, I think this has not been an endless debate. I think these amendments are important enough to warrant at least a few minutes' debate.

Mr. ADAMSON. I modify that, Mr. Chairman, and move that all debate on this section and all amendments thereto close in 20 minutes.

The CHAIRMAN. The gentleman from Georgia [Mr. ADAMSON] asks to amend his motion and moves that all debate on this section and amendments thereto close in 20 minutes.

Mr. MOORE. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman from Pennsylvania rise?

Mr. MOORE. I want to interrogate the gentleman from Georgia for a moment.

The CHAIRMAN. The gentleman from Georgia has made a privileged motion.

Mr. MOORE. The gentleman made a statement yesterday which I took in good faith. He said he did not want to abridge the right of debate. I have not spoken to-day. I have a few amendments here which I think should be considered. I have had no opportunity to offer either of them as yet.

Mr. ADAMSON. I will be glad to hear the gentleman's amendments, Mr. Chairman, and I am always glad to hear the gentleman speak and I am sorry he has not spoken lately.

Mr. MOORE. I remember distinctly that the gentleman stated yesterday that there would be full opportunity for discussion.

The CHAIRMAN. The gentleman from Georgia [Mr. ADAMSON] moves that all debate on this section and amendments thereto close in 30 minutes. Is that the gentleman's motion?

Mr. ADAMSON. Yes; I accept that.

Mr. MOORE. Will the gentleman give me five minutes on one amendment?

The CHAIRMAN. The gentleman from Georgia accepts the amendment?

Mr. ADAMSON. I do.

The CHAIRMAN. The question is on agreeing to the amendment to the gentleman's motion.

The amendment was agreed to.

The CHAIRMAN. The question is on agreeing to the motion as amended.

The motion as amended was agreed to.

The CHAIRMAN. The gentleman from Alabama [Mr. UNDERWOOD] is recognized.

Mr. UNDERWOOD. Mr. Chairman, as I understand the amendment that has been offered by the gentleman from Wisconsin [Mr. STAFFORD], it is to declare what is contraband of war and to say that no insurance shall be placed on contraband of war.

Now, I am in thorough accord with the view that this insurance should not be given on contraband of war. I have not the slightest idea that this bureau for one moment will insure contraband of war. I would not be in favor of a bill that intended to insure contraband of war. But I want to say that the gentleman's amendment should be defeated, because this is no time for us to determine what is contraband of war. In the first place, it is beyond our power to determine what is contraband of war. Contraband of war is determined by the compacts of nations and the understanding of nations. It is determined by international law; in other words, and we can not make it any more than foreign nations can make the law as to what is contraband of war.

Mr. BUTLER. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Alabama yield to the gentleman from Pennsylvania?

Mr. UNDERWOOD. I will.

Mr. BUTLER. Will the gentleman explain while he is on this point how this amendment declares what is and what is not contraband of war? I understood that it simply accepted what should be determined as contraband of war by some other power than Congress, and provided that that should not be insured.

Mr. UNDERWOOD. I have not heard the amendment read at the desk, and I have not seen it, and I may be mistaken as to the contents of the amendment. Mr. Chairman, I ask that the Clerk read it in my time.

The CHAIRMAN. The Clerk will again report the amendment.

The Clerk read as follows:

Page 2, line 17, after the word "terms," insert *"Provided*, That the provisions of this act shall not apply to any vessel, its freight, passage money, or cargo, subject to seizure under the provisions of the declaration concerning the laws of naval warfare, done at London, England, on the 26th day of February, 1909, and duly signed by the accredited representatives of the United States."

Mr. UNDERWOOD. Now, Mr. Chairman, the amendment does attempt to determine what is contraband of war. As I understand, this compact that is referred to in this amendment was signed up by the representatives of certain nations, but was not finally agreed to. It is true that some of the nations agreed to it, but Great Britain vetoed the agreement. I understand that within the last few days she has signified her desire to become a party to it, but this would attempt to take out of the State Department—to take out of that part of the Government that is charged with the consideration of these matters—the determination of this very question of contraband of war, and by an act of Congress seek to tie the hands of the administration of this insurance bureau, to force upon this country a provision that the Government of Great Britain some time ago refused to agree to, and which now, since war has begun, she is asking this country to agree to.

Now, it may be right; I am not prepared to say that that proposition is right or wrong; but I am prepared to say that this Congress should not at this time attempt to make a declaration of whether it is correct or incorrect. It should be left to the wisdom of the State Department and not to the legislative branch of the Government.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. GREEN of Iowa and Mr. STEVENS of Minnesota rose.

The CHAIRMAN. The gentleman from Iowa [Mr. GREEN] is recognized.

Mr. GREEN of Iowa. Mr. Chairman, I am in favor of the amendment because it makes what I consider a bad bill somewhat less objectionable.

This bill, Mr. Chairman, is not an emergency bill, for it has no emergency to meet. It is not an American bill, because it follows no American policy, and I challenge any gentleman to refute that statement.

What emergency is there of which any gentleman has given an account? The gentleman from Alabama [Mr. UNDERWOOD] has said that there are ships along our coast at various points—American ships, flying the American flag—that are unable to move across to Europe because they can not obtain marine insurance. I care not where the gentleman from Alabama got his information to that effect, it is not correct and can not be correct. We have in the European trade only half a dozen, or less, ships of the American Line—a line that was established by virtue of a law passed by a Republican Congress, I may say in that connection. Those ships are leaving in accordance with their prescribed dates. They have not stopped and laid in port, delayed by the want of any marine insurance, although they may not have sailed with a full cargo—as other ships, three in one day, have sailed without a full cargo—not because of lack of insurance, but because shippers could not be sure of getting their pay.

Now, the gentleman from Kansas [Mr. CAMPBELL] stated that this was not a partisan measure, and he regretted that partisanship had been brought into this discussion. I agree that it is not a partisan measure, but I insist that the gentleman from Alabama is responsible for partisanship being brought into the discussion.

The gentleman from Illinois needs no defense at my hands, nor would I perhaps be adequate to give it if it were necessary; but it was not the gentleman from Illinois who introduced partisanship into this bill, where it has no place and has no real purpose. It was the gentleman from Alabama [Mr. UNDERWOOD], who charged the Members upon this side as being un-American and unpatriotic.

Mr. BUTLER. He charged the whole Republican Party.

Mr. GREEN of Iowa. Yes; and he charged that we were obstructing the passage of the bill. The gentleman from Alabama [Mr. UNDERWOOD] knows, as no one else knows so well, that the roll calls that are being asked here by Members on both sides are not by reason of any spirit of obstruction to the passage of this bill or its coming to a vote, but they are because he has introduced a rule to remedy a situation and the spirit of which no one has violated more than the gentleman from Alabama himself.

Mr. UNDERWOOD. That statement is not true. It is absolutely not true, and you can not state that in my face.

Mr. GREEN of Iowa. Hold on.

Mr. UNDERWOOD. Mr. Chairman, I move to strike out the last word.

Mr. GREEN of Iowa. All I have to say is that the gentleman from Alabama——

Mr. UNDERWOOD. I thought the gentleman's time had expired. The gentleman said that I had violated the rule in the matter of being absent from this House more than almost anybody in it, did he not? Is that what he said?

Mr. GREEN of Iowa. I was just about to state in what manner, and if you will permit me I will state it now. I do not think you will deny it when I get through, whatever you may say at this time.

The CHAIRMAN. The gentleman from Iowa will suspend. The committee will be in order. Gentlemen will please be seated.

Mr. UNDERWOOD. Mr. Chairman——

The CHAIRMAN. Does the gentleman from Iowa yield to the gentleman from Alabama?

Mr. GREEN of Iowa. I do not, and I think when I get through the gentleman from Alabama, with whom I have always supposed I have stood on terms of friendship, will not differ seriously with me.

Mr. UNDERWOOD. All I have to say is that the gentleman may explain if he wishes.

Mr. GREEN of Iowa. I do not yield to the gentleman from Alabama. My statement is simply this, that the purpose of these roll calls has been to keep men on the floor here, and the gentleman from Alabama, however busy he may have been in other duties, knows full well that he has not been on the floor here for a very large portion of the time, and there are few gentlemen in the House who have been here on the floor less than the gentleman from Alabama has been actually on the floor. Now, I was about to state that the gentleman from Alabama might give a very reasonable and excellent excuse for his not being here, that he was occupied with other duties, but so could the gentlemen who have been called here by the rule which the gentleman from Alabama has invoked. Now, that was just what I was about to say, and I regret that any difference has arisen between the gentleman from Alabama, to whom I do not yield, and myself.

Mr. UNDERWOOD. Mr. Chairman——

The CHAIRMAN. The time of the gentleman has expired.

Mr. GREEN of Iowa. I ask unanimous consent to proceed for three minutes more.

Mr. WILSON of Florida. I object.

Mr. UNDERWOOD. I ask the gentleman to withdraw that objection.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent to proceed for three minutes.

Mr. WILSON of Florida. I withdraw the objection.

Mr. UNDERWOOD. But before the gentleman occupies his three minutes I want three minutes in which to answer the statement which he has made, and then he can answer, if he pleases.

Mr. GREEN of Iowa. I did not intend to refer to the gentleman from Alabama any further.

Mr. BUTLER. Has objection been made?

Mr. WILSON of Florida. I withdraw the objection.

The CHAIRMAN. The gentleman from Alabama asks unanimous consent that the time of the gentleman from Iowa be extended for three minutes.

Mr. UNDERWOOD. And that I may have three minutes.

The CHAIRMAN. Is that to come out of the 30 minutes already agreed upon, or is it to go beyond it?

Mr. UNDERWOOD. To go beyond it. I do not want to interfere with that. I mean six minutes in addition to that.

The CHAIRMAN. The gentleman from Alabama [Mr. UNDERWOOD] asks unanimous consent that the gentleman from Iowa may proceed for three minutes, and that then the gentleman from Alabama may proceed for three minutes, the six minutes being in addition to the time agreed upon heretofore by unanimous consent. Is there objection? [After a pause.] The Chair hears none, and it is so ordered. The gentleman from Iowa [Mr. GREEN] is recognized for three minutes.

Mr. GREEN of Iowa. Mr. Chairman, I was about to make certain observations on the charge made by the gentleman from Alabama [Mr. UNDERWOOD] that the Members on this side were acting in an un-American and unpatriotic spirit in opposing this bill. I say the bill is not an American bill. It does not follow any American policy. It has not been the policy of America to do anything by subterfuge that it can not do in the open, and it has not been the policy of America to permit any foreign nation to impose upon its own lawful rights, and that is what this bill provides for. It is either for the purpose of insuring contraband of war or else it is not, one or the other. If it is for the purpose of insuring contraband of war, then it is for the purpose of violating the rights of other nations, and for that reason is more than likely to lead us into untold trouble. If it is for the purpose of insuring something that is not contraband of war carried in American vessels, then I want to say that we should insist on our own rights and permit no one to violate them. But no other nation threatens a violation of our rights. There is no occasion for this bill when we talk about insuring legitimate, honest risk. If there is any emergency, if there is any occasion for this bill at all, it is because some one wishes to evade international law and impose on the rights of other nations. [Applause on the Republican side.]

Mr. UNDERWOOD. Mr. Chairman, the gentleman from Iowa [Mr. GREEN] a moment ago stated that I had violated the rule as to absence from this House more than most of the Members in it, and then when I challenged it, attempted to explain it. Now, Mr. Chairman, I have been here almost continuously for three years. When other Members went home after the adjournment of the last Congress, I stayed here. Whilst this Congress was doing business I went home to vote one day. I got home on Saturday night, voted on Monday, and left on Tuesday. I was detained two or three days by reason of sickness in my family, and had to go to Florida for that reason. Later on, last summer I suffered from a very bad cold, which most of the Members on the floor of this House knew was a fact. I stayed here as long as I could, and finally, upon the order of two physicians, I went to the mountains and stayed there 11 days, when I came back, and I have been here continuously ever since. [Applause.]

I have been away from this House during that time—I am not referring to the time when we had an agreement not to do any business last summer, because we nearly all went away—but while the House was doing business my absence from here, except on account of sickness, which was only a short time, has been the two days I was at home when I voted.

Now, the gentleman complains that I am not always on the floor. I am always here when the roll is called, and I am always here when my party requires my presence or my vote. My room is just across the corridor from this Hall, as the gentleman well knows, and I am not out of this room because of my own desire. The time that I spend in my office is because gentlemen on the floor of this House desire to consult with me about the business of the House. [Applause.] It takes less than a half a minute or a quarter of a minute to come from that room in here, and I respond when a quorum is needed. I am ready here to transact the business of this House. What I complained of and had a right to complain of was that when it was necessary to transact the business of this House Members did not come here and make a quorum, but no such charge can be made as far as I am concerned. [Applause.]

The gentleman from Iowa may approve the idea that a Member of Congress while drawing his pay has a right to absent himself from the floor of this House and come back with the marks of the sea breezes on his hands and countenance, complaining that he is required to be here when he desired to draw $20 a day in his absence. That may be the high standard of political expediency that the gentleman from Iowa advocates, but I do not. [Applause.]

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. STEVENS of Minnesota. Mr. Chairman, the amendment proposed by the gentleman from Wisconsin [Mr. STAFFORD] should be adopted. It provides in substance that the list of contraband articles stated in the declaration of the international naval conference at London should be excluded from the operation of this bill. Our own State Department, by proclamation to our people, has already notified the country that Germany and Great Britain both have adopted in identical terms the definitions as to contraband and rules as to seizure concerning every article of goods set forth in the declaration of London. So that if the amendment of the gentleman from Wisconsin shall be adopted it will cover the exact articles shown to be contraband and agreed to be contraband by both Great Britain and Germany and by our own Government.

Mr. HUMPHREYS of Mississippi. Will the gentleman yield?

Mr. STEVENS of Minnesota. I have only five minutes, and I can not yield. Mr. Chairman, as I stated, this amendment covers the identical articles stated to be contraband not only by the declaration of London, but by England and Germany themselves, as have been officially promulgated to the American people by our Department of State. So there is an agreement now as to what constitutes contraband, and what would be excluded by this amendment. There can be no objection to it for indefiniteness, because all the interested nations have officially indicated exactly what it would cover and exclude.

The amendment should be adopted for this reason: It is the essence of the opposition to this bill, and if this amendment be adopted a very large part of the opposition to the bill would necessarily cease. The major part of the criticism to it would be adequately met. The opposition to the bill is for three reasons: First, it is deemed to be unnecessary either to move crops or to help our ships, and I think that such facts have been shown many, many times during this debate. Secondly, it tends to create a monopoly of marine insurance in the existing companies, and that contention can not be disputed, and there has not been any serious attempt to do so. Third, the principal ground of opposition and the principal reason why the amendment should be adopted is that this measure practically would constitute a violation of our boasted doctrine of neutrality and fair dealing between the belligerent nations. The ships going from the United States to belligerent nations must necessarily, from conditions of the control of the sea by Great Britain, operate solely in favor of one of the great contending parties, principally England and France, and against the interest of other contending parties, Germany and Austria. One can realize that as long as England controls the sea the ships which cross the sea will be for the benefit of England and its allies and against the other contending parties. Our ships and products can not serve the two hostiles equally and fairly because of such monopoly of the sea by Great Britain. That being true, this Government as a sovereign Government has no business by any official act to do anything which would prefer either or help the one or injure the other. The Government should not do either. Our people can sell and buy and trade and injure and give preference in that way, and no exception can be fairly taken to such acts. Not so with the Government itself. Its acts must not create a preference or advantage.

Now, there is one thing which this Government must do. It is due from us to humanity, it is due from us for our own self-respect and love for our fellow men, and it is due to all the other nations of the world that we should maintain, as we so loudly profess to do, our neutrality fairly, openly, honestly, without any technicalities or any possible evasion. [Applause.]

This bill does violate the spirit of neutrality, because it practically creates a preference to those nations which control the seas. But if this amendment be adopted, at once it notifies all the nations of the world, it notifies all the contending powers, that this bill and our public policy will not be adopted to bene-

fit either of the contending powers, but that all will be treated alike and fairly by our Government in its official acts. All will be on an equality, so far as our Nation and its official acts are concerned. Without this amendment you do practically injure one of the parties; you do violate the spirit of neutrality; you are bound to create a feeling of resentment which will rise up to plague us hereafter. With this amendment we notify the nations of the earth that we intend to observe neutrality with the utmost fairness and the utmost humane spirit; and when the time shall come when this terrible conflict shall be ready for adjustment, the United States can stand, as it ought to stand, in a spirit of humanity, appealing to the great powers to cease this awful conflict, ready to receive and help all the other nations, all knowing that we will treat them fairly, that we like all equally well, that we are ready to do what we can for the benefit of all nations and all humanity. It is for that reason that this amendment ought to be adopted—to insure the neutrality of the people of the United States and notify the people of the world that so far as this bill is concerned, so far as our policy is concerned, all shall be treated equally and alike. [Applause.] This amendment will concern other nations even more than it will our own. It will serve notice upon them that no petty sentiment of greed or temporary advantage will swerve this great Nation from a position of fairness, where it can serve all when necessary. This Nation is the only one on earth which can fulfill this lofty mission. It is the only one to which the hostiles can look with confidence through their present rage and blood lust and agony. Let us not throw away this ideal position for a mess of pottage. Let not our desire for gain and greed obscure the ideals of our people or destroy their leadership toward peace on earth and good will toward men.

Mr. Chairman, that is the spirit of most of us who are opposing this bill. It is the true, the ideal American spirit, voicing the spirit of humanity, voicing the spirit of love for mankind, and not the greed of a dollar, not the bringing of mere lucre into the pockets of those who are greedy enough and low enough to impose upon the generosity of the American people at this time. [Applause.] The gentleman from Alabama [Mr. UNDERWOOD] has charged us with being un-American, because we dare to criticize this bill or seek to have it voice the real aspirations of our people. He is intent upon a measure which shall hunt the market places and seek advantage from the terrible necessities of our fellow men. He wants that somebody in this country shall make some money out of the terrors of this titanic struggle, and because we dare to point to our promises, to our duty, to our ideals, he charges us with being un-American. We can stand his epithets in such a cause. If we can lead the way for the other nations to have real and abiding confidence in us, if we can show them a genuine sense of fairness and duty and not merely groveling for material gain, we can assume and maintain the highest leadership, and that to me is the true American spirit. It is the spirit of my people, anyway. We, upon our part, on our side, sincerely want that this Nation, that our Government, shall stand with a love for humanity, notifying all of these contending nations that they may be confident that we will treat them all alike, and for that reason this amendment ought to be adopted to prove to them beyond recall the highest truth we profess. [Applause on the Republican side.]

Mr. TALCOTT of New York. Mr. Chairman, I do not think there is any difference of opinion in this committee upon the subject of neutrality. Everyone of us believes in preserving the neutrality of this country. Everyone believes in preserving an impartial attitude toward the belligerent powers, but there are questions connected with this matter which have no relation to neutrality. Here, for instance, is the entire force of the German merchant marine disorganized—unable to engage in commerce. In every belligerent country to-day industry is stopped—in Germany, in France, in Great Britain—and so long as this war continues every industry must be stopped there. This creates a great responsibility, and there is no country in the world that can meet it except this country, and we must prepare to meet it. It can only be done by obtaining the necessary ships to carry our goods and our staples. It is not a question of to-day or of the present only; it is a question with most important consequences for the future. It is impossible to go to our shipyards now and build the ships with which to carry the commerce. We must get ships where we can find them, and many of them can be procured now at our very doors. When the gentlemen speak of neutrality there is always a covert reference to the purchase of foreign-built ships and to their use in the carrying trade. There is no trouble on that score. We must take care of the trade forced upon us and protect it. If we permit this opportunity to pass by unimproved, this country will not behold another equal to it in this generation or probably in this century. Great opportunity and great responsibility are before us. Have we the strength and courage to meet them?

Mr. MONDELL. Mr. Chairman, from the time of the introduction of this bill I have had very grave doubts as to its urgency or necessity. The proponents of the bill have failed utterly to show that at this time there is any need of legislation of this character. When called upon to state what American ships, if any, are now held in ports by reason of difficulty in securing war insurance, they have not been able to name one.

From the beginning I have doubted the wisdom of this legislation, because I fear it is liable to place us, as a nation, in a position likely to involve us in difficulty as one of the parties in contests and controversies before the prize courts of the world; and yet, in spite of these doubts and misgivings as to the necessity, as to the wisdom, as to the advisability of the legislation, I have been prepared to resolve those doubts in favor of the bill, in view of the fact that the administration, upon which we must depend to keep us on an even keel in our friendly neutrality with all the world, has seemed to be favorable to the legislation. Taking this view of the matter, I had hoped and expected to vote for the bill, if it were amended so as to make it clear we do not propose to encourage the carrying of contraband. I shall vote for it if this amendment carries, and I shall vote against it if this amendment does not carry, for if it does not, it will lay us open to the charge that what is sought is not the protection of American commerce in peaceful and legitimate trade, but the protection by the Government of those who desire to go forth as blockade runners and freebooters, loaded with contraband of war. There has been something said about true Americanism. The truest Americanism to-day is that Americanism which stands above all things for strict and honest neutrality, for the maintenance of a friendly neutrality with all of the warring nations, and if this amendment is voted down it will be because you have put the interests of a few possible blockade runners, the interests of a few rich shippers and shipowners who desire to deal in contraband, above the honor of the Nation and above the desire of our people to be entirely and honestly neutral in this great and lamentable conflict.

Mr. BATHRICK. Mr. Chairman, will the gentleman yield?

Mr. MONDELL. Yes.

Mr. BATHRICK. Does not the gentleman believe that a contract of insurance will except blockade runners?

Mr. MONDELL. If this amendment is adopted, it will then be clear that all we propose to insure are the ordinary legitimate risks of neutral goods under a neutral flag. If you vote down this amendment, it will lay us open to the charge, if it does not make it clear to all the world, that it is not neutrality and friendship with all the warring powers that we seek, not an opportunity for honest and legitimate trade, but an opportunity to throw the protecting arm of the Nation around those who would violate the laws of neutrality and deal in contraband of war [applause on the Republican side], placing the wishes and the desires and the profits of a few shipowners, largely great corporations, above the honor and the dignity of this great neutral people in this time of world-wide war.

Mr. Chairman, I can not understand how any man who in good faith desires that the Government shall take whatever war risks there may be in neutral goods, in neutral bottoms, under a neutral flag—I can not understand how any man who desires the Government shall take over those ordinary war risks and none others—can vote against this amendment. With this amendment limiting the risks we are to take to those which as a neutral power we are justified in taking, we can join in the passage of the bill, even though we doubt its value or necessity. He who votes against this amendment declares himself by his act, whether or not that be his intent, the friend, protector, and well-wisher of those who in the hope of a profit of a few miserable dollars would barter our position as the friend of all these rival warring powers and would bring us from our high estate of a great neutral nation down to the low, miserable plane of a people seeking to make money out of the misfortunes arising out of the wars of Europe. [Applause on the Republican side.]

Mr. LEWIS of Maryland. Mr. Chairman, I appreciate the spirit of caution with which this legislation is approached, as evinced by this contraband amendment, and by gentlemen on the other side, even though they would deny us the same spirit of caution. It would be the gravest folly to involve ourselves needlessly in war; but let us analyze the subject and see just what the proposed amendment means. A vessel is insured. Let us suppose that it is captured. That does not end the transaction or determine the rights or relations of this Government to the matter. That vessel must then be taken before

a prize court; and the capture resembles simply the process of garnishment or attachment in inland litigation, and the courts of admiralty of the capturing nation, not the capturer, determine whether the seizure is legally justified. Thanks to civilization, such courts all over the world so far have sustained the juridical character for rectitude and for honor in the application of the law to such cases. Before that prize court all parties have a hearing, all the facts have opportunity for presentation, and at length a judicial conclusion is reached; and, Mr. Chairman, the vital point, after all, is this—that conclusion, that decision, of the prize court is as final on the parties as the decision of our Supreme Court. War never has been waged in modern times by a disappointed nation over a prize court's decision; such a decision could not be casus belli; and there is no more reason now to expect that history is going to reverse itself and by the decision of such a court imperil our neutrality than there has been in the past. But how stands it under the proposed amendment? You could write no war-risk insurance under its provisions. In effect, it provides that no goods potentially contraband of war shall be insured. That would invalidate every policy when the goods were captured and condemned by a prize court. Therefore no shipper would take such a policy; no insurance would result. The function of writing a policy, Mr. Chairman, is an administrative function; it is the administrator, with his circumspection and knowledge of the special circumstances of the risk, who can know best when to issue a policy and what conditions should be inserted in that policy. We surely can not write safe policies in this Chamber in a half hour of heated controversy and debate. I am against the amendment. [Applause.]

The CHAIRMAN. The gentleman from Pennsylvania is recognized for one minute.

Mr. MOORE. I send forward an amendment which I offer at this time. I understand this is the only opportunity I have to get the amendment in.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 2, line 17, after the word "terms," insert:
"*Provided*, That the provisions of this act may apply to ships not of the United States operating under a time charter by a citizen of the United States bearing cargo from ports of the United States to foreign ports consistent with the provisions of this act."

Mr. MOORE. Mr. Chairman, I am opposed to this bill, but I offer the amendment at the suggestion of one of my constituents, thinking that possibly it will help the majority if they pass the bill. So far as I have time, I desire to read my correspondent's reasons for presenting this amendment.

PHILADELPHIA, PA., *August 14, 1914.*

Hon. J. HAMPTON MOORE,
House of Representatives, Washington, D. C.

DEAR SIR: My attention has been called to the fact that various boards of trade throughout the country have appealed to Congress to establish a bureau of war-risk insurance to be administered under the direction of the Secretary of the Treasury so as to make it possible for ships under American registry to engage in the foreign trade.

In this proposal I am in entire accord, but I wish to call your attention to a phase of the situation which so far Congressmen have appeared to have overlooked. This is the situation arising out of the ownership, pro hac vice, by American citizens operating under time charter of steamships sailing under foreign flags.

Under the rule laid down by the United States Circuit Court of Appeals, second circuit (New York), in the case of Clyde Commercial Co. v. The West Ind'a Steamship Co. (169 Fed. Rep., 275), the usual provision in the charter party—"The act of God, enemies, fire, restraint of princes, rulers, and peoples, and all dangers and accidents of the seas, rivers, machinery, boilers, and steam navigation, and errors of navigation throughout this charter party always mutually excepted"—does not absolve the American citizen owner by reason of a time charter from the obligation to pay charter hire.

If the time charter also contains the somewhat usual condition that no voyage be undertaken or goods shipped that would involve risk of seizure, the American citizen owning by time charter a foreign vessel would be obliged to pay hire money while the vessel was indefinitely tied up in port.

Under this state of law, therefore, it would seem to me that if the Government proposes making provision for insurance of American bottoms regard should also be had to the large number of American citizens who have vessels sailing under foreign flags under time charter, and who could immediately put them into service in carrying cargo to foreign ports if they could avail of the protection of war-risk insurance by this Government.

I am speaking for a number of American interests in calling your attention to this, and I hope you will be able to call the attention of Congressmen to the situation.

Very truly, yours, WILLIAM J. CONLEN.

Mr. CULLOP. Mr. Chairman, I yield one minute of my time to the gentleman from Alabama [Mr. BLACKMON].

Mr. BLACKMON. Mr. Chairman, I have been observing a situation on the Republican side of the House to-day that I believe is thoroughly laughable and amusing to the American people. They are to-day criticizing the President and pretending to want to keep us out of war. Just a short time ago that side of the House was criticizing the President to beat the band because he did not go to war with Mexico. [Applause on the Democratic side.] Now, I want to say this, Mr. Chairman, that the American people can not be deceived and can not be fooled by this character of cheap demagogy which you gentlemen are trying to play to-day. [Applause on the Democratic side.]

Mr. CULLOP. Mr. Chairman, I am opposed to this amendment, and I think that if the language of the section to which it is directed is carefully read it would show to the supporters of this amendment that there is no necessity for the adoption of the same. I desire to call the attention of the committee to a reading of a part of it. After reciting that cargoes in American vessels may be insured as a war risk it closes with this language:

Whenever it shall appear to the Secretary that American vessels, shippers, or importers in American vessels are unable in any trade to secure adequate war-risk insurance on reasonable terms.

That provision in the bill makes this amendment absolutely unnecessary. Gentlemen on that side talk as if this insurance was to cover every kind of war risk on everything that may be offered. The discretion of this insurance and making the same is lodged by the language of the bill with the Secretary of the Treasury. He has the right to pass upon the risk if it is necessary to take the same, whether the Government ought to take the same, whether it is safe to take the same, or whether it is dangerous to take the same. He is one of the Cabinet officers under the greatest apostle of peace this country has ever produced—Woodrow Wilson. [Applause on the Democratic side.]

Gentlemen upon that side of the House who but two months ago were criticizing the "watchful waiting" policy of President Wilson because he did not plunge this country into a war with Mexico in order that a few speculators in this country might reap a rich harvest, might exploit that battle-rent country, and garner riches because of its deplorable condition are to-day afraid that this great apostle of peace by this measure will plunge this great Nation into war with Europe. I can say to the gentleman that the history of the past of this man and his able Secretary of State is security of what the future will be; that they will steer clear of war in Europe as they have steered clear of it in the past, and they will move the bursting granaries of golden grain throughout the West and other parts of this country into the markets of the world. Ah, gentlemen, keep down a measure like this and you will enable the grain speculators of this country, the cotton speculators of this country, the meat speculators of this country, to take from the producers their products at nominal prices, hold them and sell them abroad at a later date for enormous sums. That is the policy that is threatened by the delay or the defeat of this measure. [Applause on the Democratic side.]

An emergency exists for the speedy enactment of this measure in order that arrangements may be made to transport our surplus into the markets of the world to supply the demand there created by the unfortunate conditions which surround them. The men who are to administer this law fully understand its purposes and the critical situation. They are equal to the task imposed in this matter and fully competent to handle it with sufficient diplomacy to avoid difficulty. Their records in the past demonstrate their capacity, and the American people have confidence that they will discharge the duties imposed with such ability as will preserve peace and promote commerce. [Applause on the Democratic side.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. CULLOP. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Without objection, leave is granted.

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin.

The question was taken, and the Chairman announced the noes appeared to have it.

On a division (demanded by Mr. STAFFORD) there were—ayes 72, noes 77.

Mr. STAFFORD. Mr. Chairman, I ask for tellers.

Tellers were ordered.

The committee again divided; and the tellers [Mr. ADAMSON and Mr. STAFFORD] reported that there were—ayes 78, noes 91.

So the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. MOORE].

The question was taken, and the amendment was rejected.

Mr. TOWNER. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 2, line 12, after the word "cargoes" insert "not contraband of war."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. TOWNER].

The question was taken, and the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 3. That the bureau of war-risk insurance, with the approval of the Secretary of the Treasury, is hereby authorized to adopt and publish a form of war-risk policy, and to fix reasonable rates of premium for the insurance of American vessels, their freight and passage moneys and cargoes against war risks, which rates shall be subject to such change, to each port and for each class, as the Secretary shall find may be required by the circumstances. The proceeds of the aforesaid premiums when received shall be covered into the Treasury of the United States.

Mr. TEMPLE and Mr. MOORE rose.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. TEMPLE] is recognized.

Mr. TEMPLE. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman is recognized for five minutes.

Mr. TEMPLE. Mr. Chairman, a good deal is said here about the present status of the declaration of London in the law of Great Britain. I should like to have made this statement previous to the vote on the last amendment. The amendment just rejected provided that cargoes should be insured that were not contraband of war. I should like to call attention to a colloquy held here yesterday between the chairman of the committee which reported this bill and the gentleman from Missouri [Mr. BOOHER], on page 14394 of the RECORD:

Mr. BOOHER. Does the gentleman think this Government ought to insure the goods that are purchased by one of these belligerent nations? Would not that involve us at once with the others who had no interest in these goods?

Mr. ALEXANDER. Possibly that is true, and should we do so we would have the loss to pay, but I am not going to assume our Government will do any such thing.

Mr. BOOHER. The gentleman says it can be done under this bill.

Mr. ALEXANDER. It may be broad enough to do it, but I assume that the regulations which will be made to carry out the terms of this bill will not include anything that is contraband of war.

The action taken just now indicates that the bureau of war-risk insurance will not refuse to insure contraband, for the committee has just refused to put such a provision in the bill. I think the committee is right. If the Government is going into this business, it ought to be free to insure contraband goods; that is, at least those of the class known as conditional contraband.

Now, turning to another subject, I should like to read an extract from an article published last April by Mr. James Brown Scott, Solicitor of the State Department, American delegate to the peace conference at The Hague in 1907, and one of the officers of the American Society of International Law, about the declaration of London. Of the work of the London confefence Mr. Scott says:

An agreement, called the declaration of London, dated February 26, 1909, upon the principles of law to be applied by the proposed court, in accordance with article 7 of the original convention, was reached. Like the original convention, it was also in the nature of a compromise. It met with the approval of the British Government, for it was signed by the delegates of that Government acting under instructions, as is the wont of diplomatic conferences, and it seemed at the time that it removed the objections to the ratification of the original convention and to the establishment of the prize court in so far as Great Britain was concerned. The Government considered it satisfactory, and introduced a bill in both Houses of Parliament modifying British practice in such a way as to meet the requirements of the prize court convention, as modified by the declaration of London. It passed the House of Commons, but failed in the House of Lords owing to the unexpected, bitter, and persistent opposition on the part of the public, so that the Government has up to the spring of 1914 ratified neither The Hague Convention nor the declaration of London.

Now, it is a mistake to say that Great Britain vetoed that declaration. Great Britain signed it, and the British Cabinet approved it. There is no ratification of a treaty in the Parliament, in either House, in Great Britain. Ratification is an executive act, according to the practice of the British Government, and is done by the Cabinet. The status of this declaration of London in British law is perhaps about what the status of the Colombian treaty would be—the treaty that promises $25,000,000 to Colombia—if it should be ratified by the Senate and the House should fail to make the appropriation of $25,000,000. That would be a treaty signed and agreed to by the ratifying power, but failing to go into operation because the legislation necessary to put it into operation failed to go through the House.

Mr. LEVY. But that is not international law.

Mr. TEMPLE. I am very well aware of that.

Mr. LEVY. International law——

Mr. TEMPLE. I refuse to yield any further. That is not international law, but the London declaration will, nevertheless, be a very influential document for the guidance of the prize courts. There will be abundant precedent for treating it as if it were international law. Italy in her recent war with Turkey put that declaration of London into operation in spite of the fact that it is not international law. France and Great Britain have both announced their intention to put it into operation, in spite of the fact that ratifications have not been exchanged. That which is the practice of the nations becomes international law. There is no other test of international law than the practice of the nations. International law is not enacted. When we want to know what it is we study the practice of the nations, and when a maritime power like Great Britain and another like France and another like Italy put this into practice, and we ourselves have committed this Nation to it by signing it, by ratifying it in the Senate, as we have done, we, too, are committed to it. The only reason that it is not the law of the United States is because ratifications have not yet been exchanged. The Senate has acted on it finally. This is as nearly international law as anything can be that is not sanctioned and made certain by long practice. [Applause.]

Mr. ADAMSON. Mr. Chairman, I move that all debate on this section and amendments thereto close in 10 minutes.

The motion was agreed to.

Mr. MOORE. Mr. Chairman, I desire to offer an amendment.

The CHAIRMAN. The gentleman from Pennsylvania offers an amendment which the Clerk will report.

The Clerk read as follows:

Page 2, lines 18, 20, and 23, strike out the word "war" wherever it appears.

Mr. MOORE. Mr. Chairman, the purpose of this amendment is to eliminate the danger line if possible. The gentleman from Alabama [Mr. UNDERWOOD] in the course of one or two of his speeches this afternoon——

Mr. ADAMSON. Mr. Chairman, I want to know whether that amendment is not subject to a point of order. I did not hear it read.

Mr. MOORE. Mr. Chairman, I make the point of order it is too late.

The CHAIRMAN. The gentleman says he did not hear the amendment.

Mr. MOORE. I object.

Mr. ADAMSON. I insist on knowing what the amendment is in order to make a point of order on it if I desire to do so.

Mr. MOORE. I make the point of order that the Chair had already recognized me after the amendment had been read, and I had begun to speak.

The CHAIRMAN. This does not come out of the gentleman's time. The Chair will state that if the chairman of the committee states in good faith, or any other Member of the House so states, that he did not hear an amendment that he thinks is subject to a point of order, and desires to have it reread and make a point of order, the Chair will exercise his discretion.

Mr. ADAMSON. Mr. Chairman, I keep so busy telling folks whether I think we will vote or not in the next three weeks, that I am greatly disturbed about these things. I did my best to hear that, but people were talking to me. I want to know whether it is subject to a point of order, and if it is subject to a point of order——

The CHAIRMAN. The Clerk will report the amendment.

The amendment was again read.

Mr. ADAMSON. I make the point of order against the amendment. It has been ruled on once. War risk is all there is in the bill.

Mr. MOORE. I desire to observe that the word "war" has not been stricken out except as a part of another sentence. The word "war" was stricken out in a manner that gave no opportunity to amend in the first paragraph that was under consideration. The gentleman from Georgia [Mr. ADAMSON] indicated yesterday, when we were all liberal in the matter of time, that he did not propose to limit any gentleman wishing to speak on this bill. I have waited four hours to speak on it, and now the gentleman wants to close debate on this in 10 minutes. I make a point of order that it is too late.

The CHAIRMAN. Will the gentleman from Pennsylvania permit an inquiry from the Chair there?

Mr. MOORE. Yes.

The CHAIRMAN. What is the difference in principle between this amendment that is proposed by the gentleman now and that which was ruled upon by the gentleman from Virginia [Mr. HAY] while he was in the chair an hour or two ago?

Mr. MOORE. The difference is that war risks are an entirely different proposition from war. War risks involve the risks of war. War is war per se. There is a very decided difference between the two terms. Speaking of war, one would not dream of including insurance; but speaking of war risks, one would at once think of insurance, which is an entirely different proposition from war.

Mr. MANN. Mr. Chairman, will the Chair hear me a moment on the point of order?

The CHAIRMAN. Yes.

Mr. MANN. The amendment of the gentleman from Maryland, which was ruled out of order, was an amendment, as I recall, to insert a new paragraph in a section. The pending amendment is to strike a word out of the bill.

Now, it is true that sometimes in the consideration of an appropriation bill it has been held that an amendment to strike out a word was subject to a point of order because that resulted in making an appropriation for a purpose not authorized by law. But I do not recall, in all of the decisions on parliamentary law which have been made and which I have happened to see, any decision to the effect that a committee could not strike out a word in a legislative bill. Whatever its effect might be, here is a legislative proposition before the House, not an appropriation bill, not restricted in any way by the provision of the rules concerning appropriations, but a general legislative bill, covering a legislative subject, and the motion is made to strike out a word. We could strike out the paragraph. No one could question that a motion to strike out the section is in order; likewise a motion to strike out a sentence of the section is in order; likewise a motion to strike out a word is in order.

Now, whether that changes the aspect of the bill does not make any difference. This is a legislative bill. As introduced into the House, or a similar bill introduced into the House, it did not cover passage money and cargoes. Now, no one would say that if this were a House bill pending, with a proposition to issue war-risk insurance on ships, it would not be in order to issue the same insurance on the cargo or on the passage money. That is a committee amendment to the House bill. Those amendments were inserted, as a matter of fact, in the consideration of the bill in the Senate. We are not obliged to take the bill in the form and substance, word for word, as reported from the committee. This is a legislative bill, subject to consideration and change by the legislative body.

The CHAIRMAN. The Chair overrules the point of order.

Mr. MOORE. Mr. Chairman, the gentleman from Alabama [Mr. UNDERWOOD] on several occasions yesterday and to-day has referred to the Republican side of the House as un-American in dealing with this proposition, and he has fallen back very strongly on the statement that the President of the United States desired to have this bill passed.

Now, there has been no official word from the President of the United States on this subject. This House of Congress officially is in entire ignorance of any desire on the part of the President of the United States to have this bill passed. The newspapers have reported that the gentleman from Alabama [Mr. UNDERWOOD] and the gentleman from Missouri [Mr. ALEXANDER] and a number of other very distinguished Democrats have been in consultation with the President of the United States and the Secretary of the Treasury upon this subject, and the same newspapers have indicated that some of the representatives of the "big interests" of this country have also been in consultation with these same gentlemen with regard to the passage of legislation of this kind, notably the gentleman whose name has heretofore been derided on the other side of the House—Mr. J. Pierpont Morgan, of New York.

I have no real fault to find with those now in power for conferring occasionally with those whom they used to denominate as "representatives of the special interests" or as malefactors, who "put their iron heel on the backs of the poor." It may indeed be well for the Democrats to fraternize with those whom they formerly scorned and denounced. But all that we have officially concerning this bill and the influences behind it is the statement of the gentleman from Alabama that after these conferences with these distinguished gentlemen the President of the United States desires to have it passed.

I am opposed to this bill because of its dangerous character as a war measure, and because it puts the Government of the United States into a private business of very great risk; and, in addition, because it takes the money of the people of this country and stakes it in a game of chance, as it were, against a risk of property loss at sea. Apparently the very gentlemen who brought it up to the White House and induced the Democratic leaders to introduce it here were themselves in great doubt about the position it would put the Government in, because the report of the marine committee of the Chamber of Commerce of New York, which sent the 62 distinguished gentlemen, headed by Mr. Seth Low, to the White House in behalf of this measure, indicated in their report to Mr. Low just what kind of risk we would be expected to run into. This committee, made up partly of marine insurance men, said:

Our committee has considered the suggestion that the United States Government should be urged to assume the war risk under some similar plan on American ships and their cargoes.

Without making any definite recommendation for or against such a plan, our committee would point out some of the difficulties which such a plan presents.

The English plan excludes entirely all risks on vessels to an enemy's country. The United States, to maintain its neutral position, must evidently have regard to its obligations to treat all belligerents alike. Under present conditions, however, a uniform rate for war risk on shipments to all of the contending powers must either be too high to be of any value on shipments to Great Britain, or too low to be at all adequate for insuring risks on shipments to Germany. Moreover, it would appear doubtful whether the United States Government could assume such insurance on contraband goods, and so facilitate the shipment of contraband goods, without giving serious offense to the belligerent powers.

Our committee does not feel that the United States Government would be warranted in embarking in an insurance business fraught with such possible complications and dangers, unless it should appear that American shipping has no other alternative, and that such Government insurance is absolutely necessary to enable American ships to compete on equal terms with British ships covered under the British war-risk insurance.

It would appear very "doubtful," say these gentlemen who brought this matter over from the money center of New York, whether the United States could take such insurance on contraband goods, the kind that it is proposed here to make the Government insure, without giving serious offense to the belligerent powers. This was the statement of the marine committee of the New York Chamber of Commerce, the very gentlemen who influenced the Democratic Party in this matter.

But the subcommittee, made up of their distinguished lawyers, went into the matter more in detail. They showed just what this proposition would mean to the insurance companies and just what it will mean to the people of the United States. Their whole report breathed of foreign entanglements and the desirability of landing a bad bargain on the Government. Here is the way they figure it out that the Government with the people's money should take over the risk and danger that private companies sought to avoid.

Says counsel for the committee:

The ordinary policy of marine insurance would cover war risks in addition to the usual fire and marine risks but for the following clause:

"Warranted free from capture, seizure, and detention, and the consequences thereof, or any attempt thereat, piracy excepted, and from all consequences of hostilities or warlike operations, whether before or after declaration of war."

The risks thus excluded from the protection of an ordinary marine policy may be covered by a war-risk policy. The forms of such policies vary widely, but it is the general intent of all of them to cover such risks as are excluded from the ordinary marine policy by the terms of the foregoing warranty.

The principal risks of the owner of goods in a captured ship may be summarized as follows:

1. The cargo may be sunk with the ship or condemned by the prize court of the captor as enemy's goods or as contraband.

The loss is not covered by a marine policy, but would be covered by a war-risk policy.

2. The goods may be lost or damaged by reason of the ship striking a mine or otherwise coming within the range of hostilities.

The loss is not covered by a marine policy, but would be covered by a war-risk policy.

3. Goods released by the prize court as neutral may be damaged in the course of unloading, storage, or reloading.

Losses of this nature would not be covered by a marine policy, but would be covered by a war-risk policy.

4. Extra charges and expenses in connection with forwarding released goods from the port of the prize court to their original destination would not be covered by a marine policy, but would be covered by a war-risk policy.

Here you have the proposition. The marine companies take the safe business; the hazardous or doubtful business is to be taken over by the Government. Gentlemen engaged in the insurance business would like to unload behind a fund taken from the Treasury of the United States.

Goods may be lost or damaged by reason of the ship striking a mine or otherwise coming within the danger line. Such a loss is not covered by a marine policy, but would be covered by a war risk policy if backed by the Government. And if the question of neutrality arises——

The CHAIRMAN. The time of the gentleman has expired.

Mr. MOORE. I ask unanimous consent to proceed for five minutes.

Mr. ADAMSON. We have a right to the other five minutes to reply.

Mr. MOORE. I have not completed my statement. I appeal to the gentleman from Georgia——

Mr. ADAMSON. I am very sorry for the gentleman. Everybody knows how demure and silent he is. I am very sorry he has been run over, but I should like to make some progress. I hope the gentleman from Indiana [Mr. CULLOP] will be recognized in reply to him.

Mr. LEVY. Mr. Chairman, I think I am entitled to recognition.

The CHAIRMAN. Is the gentleman from New York a member of the committee?

Mr. LEVY. No; but the Chair promised to recognized me.

Mr. TALCOTT of New York. The gentleman from Indiana [Mr. CULLOP] is a member of the committee.

The CHAIRMAN. The Chair recognizes the gentleman from Indiana [Mr. CULLOP], a member of the committee.

Mr. CULLOP. Mr. Chairman, the gentleman from Pennsylvania [Mr. MOORE], in offering this amendment, discloses his real purpose to be not to help the bill, but, if possible, to kill it. He says he is opposed to the Government going into the insurance business, and yet here is a bill that limits the Government in the business proposed, made necessary because there is a great crisis facing the country, to meet the necessity of moving the products of the country to the markets of the world. The gentleman wants to amend the measure and put the Government into the insurance business generally, not for the purpose of helping the bill or of improving conditions, but for the purpose of killing it. He knows that such an amendment would make the bill unpopular; would arouse opposition to it, and thereby to some extent discredit the splendid purpose for which it has been proposed. Yet when this crisis confronts the country, when we are unable to move our products, the gentleman from Pennsylvania wants to stand in the way of legislation that would enable the people to move our products. This is necessary for that purpose and for that purpose only. The bill contains a provision that enables the President of the United States, when that necessity has passed away, to suspend the measure and discontinue the employment of its provisions. Its enactment is beneficial to every public interest in our great country at this time. The gentleman from Pennsylvania [Mr. MOORE] says he stands here for Americanism, and that he wants to help the American people, yet he insists upon so crippling and loading down this bill as to prevent the Government helping the American people in this hour of great emergency. That is the position of the gentleman from Pennsylvania. That is how he wants to help the American people. That is how he wants their food and manufactured products to move. He wants, if possible, to throw an impediment in the way of this legislation so that this bill will go to the country crippled and unable to meet the emergency required of it at this time. This bill is introduced for the purpose of enabling the American people to have their corn, their beef, their cattle, their cotton, and their manufactured products transported to other markets of the world, to bring back in payment therefor the gold of other countries to this country and increase our wealth.

The gentleman from Pennsylvania knows that we have a surplus of these products, and that we now have a chance to capture the commerce of the world and hold it; yet so un-American is he that he wants to stand in the way of legislation that will enable us to increase our markets and expand our commerce. That is the position of the gentleman from Pennsylvania. I hope that his amendment will be voted down and that this measure will be put upon its passage, so that it may go to the White House without delay to be signed by the President of the United States. [Applause on the Democratic side.]

Gentlemen on that side of the House have suddenly shifted their position, but it seems it is easy for them to do that. Only a few weeks ago the gentleman from Pennsylvania [Mr. MOORE] and the gentleman from Iowa [Mr. GOOD] were eloquently deploring the fact that the Democratic Party by its tariff legislation had injured the manufacturer and the farmer by depriving them of their markets abroad, and had created a condition which had brought about low prices for their products and that they were unable for that reason to compete with the rest of the world. That charge was not true then, because prices of all products at that time were exceptionally high with a good demand for everything we produce. But behold their attitude to-day. What a change has come over the spirit of their dreams. Now they say it is true we have a surplus of almost everything, but we must keep it, we must not export it; we must not supply with our surplus other markets and furnish food for hungry mouths abroad, because forsooth we will increase the price of these products at home. What has so recently convinced them that the farmer and the manufacturer must keep their surplus, let their farms and factories stand idle, men out of employment, until we at home consume our surplus? Strange doctrine this for these two gentlemen to be now proclaiming when, less than two months ago, they were denouncing the Democratic Party for stifling industry, retarding development, and surrendering foreign markets. Their position was false then and is ridiculously so now. Would either of these gentlemen dare tell the manufacturers, the farmers, the laborers of this country that we know there is a great surplus of farm products; the manufacturers, that we know you produce much more than we can consume yearly, but the surplus we should not export but should keep it all at home for our consumption, and the farms and mills should stand idle until we consume it all, and labor remain unemployed? Do they believe they could win votes by espousing such a doctrine?

It would be the adoption of a new doctrine on their part, and one they would soon repudiate. They are both playing politics to-day. It is distressing to them to see this great Democratic administration, capable and courageous as it is, rising up and meeting the great emergency that has been suddenly and without any fault on its part thrust upon the country. They regret that it is both able and willing to handle these great questions and solve the intricate problems presented, to the complete satisfaction of the American people. We all know this fact to be true. Whether or not it is winning the approval of the gentlemen from Pennsylvania and from Iowa, it is winning the earnest commendation of the American people for its prompt and satisfactory action on these most important matters. It will unfetter our prostrate commerce and start argosies on the seas laden with the surplus of our production, which will stimulate industry and supply the wants of people in distressed lands. [Applause on the Democratic side.] It will touch the springs of industry all over our fair country, which will respond with increased production sufficient to meet the requirements and stimulate the commerce of the greatest people known throughout the annals of time, and will inaugurate the most marvelous era of prosperity ever known. Yes; the Democratic Party is able, capable, and sufficiently courageous to meet the responsibility and discharge its duty in the interest of all the people and for advantage to the entire country. [Applause.]

But gentlemen on that side declare the adoption of this measure, they fear, may precipitate war with some foreign country now in a state of belligerency, and for that reason we should not enact it.

Ah, gentlemen who assert this objection less than two months ago were vigorous in their censure of President Wilson and his able Secretary of State because they would not plunge this country in war with unfortunate Mexico. But they pursued the policy the American people approved, avoided war with Mexico, and they will, wise and able as they are, avoid war in this instance and preserve the honor of this great Nation, which they so ably represent.

Gentlemen need not waste their time and labor in criticizing these two great men, because the people of this country confide in them as they never confided before in any President and Secretary of State, however illustrious any of their predecessors may have been. They have earned the confidence and gratitude of the people of this country, and they will show it by their overwhelming indorsement on every opportunity.

The people of this country have come to know Woodrow Wilson and appreciate his unselfish purpose, his great patriotism, and his wise constructive statesmanship. They know he is able to cope with every emergency and has the courage to meet and deal with the questions as they arise and solve them in the best interests of the people and for the promotion of the welfare of the great country over which he presides. The people of this country, irrespective of party, know the great and diversified interests of this country are safe in his hands and that he will work out the destiny of the Republic while he is its Chief Executive for the best interests of its people; that he has dedicated himself to the great work for which he has been called, ripe in scholarship, wise in statesmanship, conscientious in the performance of duty, inspired by high ideals and lofty patriotism, fully equipped to promote the prosperity, preserve the honor, and elevate the standard of this the greatest Republic of all time. [Applause on the Democratic side.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. MOORE].

The amendment was rejected.

The Clerk read as follows:

SEC. 4. That the bureau of war-risk insurance, with the approval of the Secretary of the Treasury, shall have power to make any and all rules and regulations necessary for carrying out the purposes of this act.

Mr. GOOD. Mr. Chairman, I move to strike out the last word. This bill confers upon the bureau which we are about to create tremendous powers. I want to call the attention of the House to the extent of those tremendous powers. The power granted this bureau is illustrated in a colloquy between the gentleman from Washington [Mr. HUMPHREY] and the gentleman from Alabama [Mr. UNDERWOOD] in the discussion on yesterday:

Mr. HUMPHREY of Washington. Mr. Chairman, if the gentleman will yield to me, I would like to know if it is intended by the Government to insure vessels that go into danger zones? For instance, are we going to insure one of our vessels that goes into the North Sea after notice has been served upon us that it is dangerous? If so, I am opposed to this bill.

Mr. UNDERWOOD. The gentleman's question is a matter of discretion with the insurance company, which in this case would be this board. They would have the power.

Yes; the Government would have the power to assume dangerous and hazardous risks which insurance companies do not want to assume.

What are the reasons assigned for this law by those who are sponsors for it? The gentleman from Alabama says this law is necessary for three reasons. He says it is necessary, first, in order to find a market for our corn; second, to find a market for our wheat; and, third, to find a market for our cotton. In 1913 we had for sale the largest corn crop we had grown in more than a decade; yet during that year we exported less than 47,000,000 bushels of corn. For the year 1914 we will export to all countries less than 8,000,000. And yet, according to the gentleman from Alabama [Mr. UNDERWOOD], it is necessary to involve the Government in this great risk, to impose upon the Government this great responsibility in order to send a few bushels of corn abroad.

The gentleman from Alabama made some very excellent speeches on the floor of this House, usually more in detail than his speech in support of this bill. His support of this bill is urged in behalf of the entire American people. Usually the gentleman assigns as a reason for his support of a measure that it will aid the consumer or the producer. Is this bill offered as a measure of relief to the American consumer from the high cost of living, who to-day must pay $1.25 a bushel for his wheat? Would the gentleman from Alabama deplete our granaries and send our wheat abroad, making the cost of living higher in this country? In behalf of a constituency who are the largest corn raisers in this country I want to protest that they do not wish the Government to assume this great risk in order to send a little corn abroad. They do not want the Government to assume this great risk in order to send a little wheat abroad. If the gentlemen from the South want the Government to assume this great risk that may involve the United States in war, in order to market their cotton crop, they ought to be men enough and fair enough to say so, and not malign and misrepresent the farmers of the West and North in regard to their wheat crop and their corn crop by claiming this legislation is enacted in their interest. [Applause on the Republican side.]

Mr. ADAMSON. Mr. Chairman, I move that debate be now closed on this section and all amendments thereto.

The CHAIRMAN. The gentleman from Iowa has one minute remaining.

Mr. GOOD. Wheat is selling in Chicago at $1.25 a bushel, or thereabouts. Corn is selling for 80 cents a bushel. Does the gentleman from Alabama [Mr. UNDERWOOD] claim this market is not good enough? Does he claim this price is too low? If so, what becomes of his promise to the consumers to reduce the cost of living? When did it occur to the gentleman from Alabama that living at reasonable prices for the ordinary laboring man in America should be surrendered in order that the shipping trust may pay increased dividends? Ah, if we want to expand our foreign trade, let us do what this Congress has already indicated should be done. Let us expand our trade southward, where we will not send cargoes across seas and bays that are mined.

We appropriated $150,000 more than any previous Congress appropriated to build up our trade in South America. There is a great trade in South American countries for American manufactured products, and it is that trade that we now ought to seize, and our cargoes can go there without this insurance. Our cargoes can go there and build up an American trade that in time of peace would be a monument to the statesmanship of the party that would secure that trade.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. GOOD. Mr. Chairman, I ask unanimous consent for one minute more.

The CHAIRMAN. The gentleman from Iowa asks that his time be extended one minute. Is there objection?

There was no objection.

Mr. GOOD. Mr. Chairman, I remember that about 10 years ago a protest went up from every quarter of this country against the unlawful practices of the insurance companies of this country. The gentleman from Maryland [Mr. LEWIS] has said that for every $3 of premium they collected for marine insurance their risks only amounted to $1, and now without any demand from the consuming public, without any demand from the producing public, with only a demand from the insurance companies themselves, this great Democratic Party puts forward this issue that Congress should now help out these insurance companies; that when the risk comes, when the real responsibility comes, it must be assumed by the Government and an appropriation made of $5,000,000 out of the Treasury to underwrite these very risks. [Applause on the Republican side.] If we would subsidize the Shipping Trust, let us do it in the open. If we would guarantee increased profits to marine insurance companies, let us manfully say so; but let us not do these questionable things under the guise of aiding the western farmer.

Mr. ADAMSON. Mr. Chairman, I move that all debate on this section and all amendments thereto be now closed.

The motion was agreed to.

The Clerk read as follows:

SEC. 5. That the Secretary of the Treasury is authorized to establish an advisory board, to consist of three members skilled in the practices of war-risk insurance, for the purpose of assisting the bureau of war risk insurance in fixing rates of premium and in adjustment of claims for losses, and generally in carrying out the purposes of this act; the compensation of the members of said board to be determined by the Secretary of the Treasury. In the event of disagreement as to the claim for losses, or amount thereof, between the said bureau and the parties to such contract of insurance, an action on the claim may be brought against the United States in the district court of the United States, sitting in admiralty, in the district in which the claimant or his agent may reside.

Mr. LEVY. Mr. Chairman, I move to strike out the last word. I regret exceedingly that the Members of this House are not in accord with this bill. I think they are all wrong on one side. I consider this one of the most important bills before this House. We have been tied up in exchange and in shipping risks. I investigated the question in New York and ascertained that the fault to a great extent was the failure to have war risks. All nations have war-risk insurance. Why should we not have them? We run into no liability, as gentlemen here have contended. I much prefer to have a director on this board with a large salary, so important is the question. There is no danger in any way, because we are not going to insure contraband goods. The international law is not to be construed in the way that gentlemen here have construed it. The London declaration is not in force, but the international law will be sustained throughout the world. There is no question about that.

We will have first-class officials to administer this law who will attend to the insurance. They are not going to insure contraband goods nor vessels belonging to other nations.

In relation to the chamber of commerce, it was only last week—I think on Tuesday—that I made it my business to see the president of the chamber of commerce, and he said that they were all in favor of the bill, that it was the most important bill now before the House, and that it would help out exchange and shipping.

We have a good many ships at the present time in the port of New York tied up because they can not obtain war risks. That is the main trouble. When we secure the war risk, exchange will let up. I think, gentlemen, you are making a great mistake in delaying this bill. The bill ought to have been passed last week. There may be a few minor corrections that would improve the bill, but I am for the bill as it is. I would not delay it a day. I would pass it now. If you put any amendments on, it will have to go back to the Senate and will take another week, and in that way delay the financial and commercial business of the United States. As I said before, it is a great mistake not to pass it immediately. I think we all ought to stand by the bill and pass it unanimously—Republicans and Democrats. We are all patriots. [Applause.] I know you all mean to do right, but you are drifting away under a mistaken idea. The bill is a good bill. I do not believe the United States will get into any difficulties on account of it, as some gentlemen contend. I think we all ought to stand together and pass it and make it a law this week. [Applause.]

Through the courtesy of the New York Herald I have just received a wire stating that there are in the New York Harbor at the present time 202 passenger and freight vessels, 13 barks, and 3 full-rigged ships; that 75 per cent of these are detained there on account of the war. Last week there were 207 vessels in port—the largest number in the history of New York port.

Mr. ADAMSON. Mr. Chairman, I move that all debate on this section and amendments thereto close in five minutes.

Mr. STEVENS of Minnesota. Mr. Chairman, I would like five minutes.

Mr. MANAHAN. I may want to oppose the amendment.

Mr. ADAMSON. I will make it 10 minutes, so that the gentleman from Minnesota can use 5.

The CHAIRMAN. The gentleman from Georgia moves that all debate on the section and amendments thereto close in 10 minutes.

Mr. MANAHAN. I think we shall want 15. I want some time.

Mr. ADAMSON. You are the gentleman from Minnesota I referred to.

Mr. STEVENS of Minnesota. I want 5 minutes.

Mr. ADAMSON. Then, Mr. Chairman, I will make it 15 minutes.

The CHAIRMAN. The gentleman from Georgia moves that all debate on the section and amendments thereto close in 15 minutes.

The motion was agreed to.

Mr. FITZGERALD. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 3, after the word "Treasury," in line 15, insert the following: "but not to exceed $25 a day each while actually employed."

Mr. FITZGERALD. Mr. Chairman, this section authorizes the Secretary of the Treasury to establish an advisory board, to consist of three members skilled in the practices of war-risk insurance, for the purpose of assisting the bureau of war-risk insurance. It further authorizes the Secretary of the Treasury to fix the compensation of such officials. It seems to me that the House should fix some limitation upon the amount that can be paid to those experts. I have suggested that the sum of $25 a day when actually employed would be reasonable compensation for such persons. I hope the amendment will be adopted.

Mr. MANAHAN. Mr. Chairman, it is not my purpose to direct my remarks entirely to this amendment, although I think it is in its purpose wise and timely. Nor would I speak upon the bill at all had it not been for the fact that an entirely unfair angle has been given to this discussion. This great measure ought not to have been brought down to the low level of partisan politics. The leader of the majority discredited himself and embarrassed his supporters by attempting to charge that the minority of the House was un-American in case it saw fit to oppose this bill. I do not believe any man in this country is justified to-day in charging his fellow man, especially a Member of this House, with being un-American or traitorous because, forsooth, he opposes this bill; and I, for one, resent the wholesale charge of the leader of the majority, personally and as a Member of the Republican Party. I do not think there has been a word said that justified it, nor an action taken which in any way invited it. In fact, I believe the accusation was made for the sole purpose of partisan advantage and not for the purpose of clarifying the situation regarding this measure. Therefore I say—and say with reluctance and regret—that the distinguished leader who made the charge discredited himself in making it and unnecessarily embarrassed his followers in the House.

Mr. Chairman and gentlemen of the House, I am in favor of this bill, not on the ground suggested by some of those who advocate it, that it will enable us to send vast quantities of our crops abroad and bring back gold; not as the gentleman from Indiana [Mr. CULLOP] argued, that it will enable us now under the stress of other nations to reach out and gobble up the markets of the world, because I say deliberately that the awful insanity of Europe, the terrible tragedy of humanity now being enacted in foreign lands, is due to that very spirit of greed and lust for wealth and power, and to no other cause.

And I say this great Nation would make a mistake, and it would be recreant to its traditions, and would be untrue to its aspirations, if now, because foreign nations are embarrassed and in a desperate struggle with each other, we pass legislation imbued with no other purpose or motive than to gobble up their property or commerce or opportunities. That is a base, ignoble motive. I do not believe this House or this Nation will be actuated by it. It is unwise, as well as base and ignoble, as demonstrated by the insanity of Europe at this present hour, because those great nations are destroying each other and the innocent lives of millions solely as a result of the greed and covetousness and lust for power that has taken possession of the public mind and of the great leaders of those nations—such greed and covetousness as seems to actuate some of the supporters of this bill. I am in favor of this bill for purely economic reasons. I do not believe it will invite disaster nor invite trouble with foreign nations. If I did, I would be the last man to vote for it. No gentleman who has spoken has given, to my mind, a good and valid reason why this bill, if enacted into law, will invite us to trouble or occasion us trouble with the nations of Europe. The danger urged is purely a figment of the imagination. But there is a grave economic reason for this bill, in that it will tend to upbuild what is so badly needed by the American people, namely, a merchant marine. It is one of the incidents of the business of a merchant marine to have insurance, and to have insurance at a reasonable rate, and therefore I welcome this opportunity to vote for a measure that will place under the guidance and control of the Government the business of marine insurance, even though it is only war-risk insurance. It is a step in the right direction, which, if followed up, will in days to come enable us to build up and maintain as an auxiliary and support of a protecting Navy a great merchant marine that will operate along honorable lines, under the control, if not the ownership, of the Government, and along those correct principles of trade and commerce which will bring prosperity, peace, and security to this country, and that is the best that we can hope for and all that we desire. [Applause.]

Mr. STEVENS of Minnesota. Mr. Chairman, the amendment of the gentleman from New York [Mr. FITZGERALD] illustrates the method of the construction of this bill. It was badly drafted, as his amendment discloses, and as I will further demonstrate. The proper phrasing of such a measure has not received the consideration that it should have received, either in the Senate or in the House, and neither committee attempted any serious criticism of its terms, and the amendments actually adopted were "hand-me-downs." The members of the House committee well know that no charge can be laid against me for delaying the recommendation by the Committee on Interstate and Foreign Commerce of this legislation, because it was within my power by merely requesting the presence of a quorum at the time to delay the final consideration of the measure by the committee. I did not do so, as it was urged that haste was necessary, although I then warned the committee that the bill had not been adequately considered, that adequate information had not been given to it by the committee, and that its construction was faulty and serious trouble might ensue if it be placed on the statute book in its present form. But you gentlemen have assumed this responsibility, and we can do no more.

In addition to the amendment of the gentleman from New York, which ought to be adopted, because there ought to be some limitation for the expense of this board, I suggest, in all sincerity, another defect which ought to have been considered. I desire to call the attention of those who are favoring this bill to the condition of section 2. I sought an opportunity to properly amend that section where I considered it defective, but the committee adopted a motion shutting off amendment and shutting off discussion of that section upon a matter that should have been considered. Those in charge of this measure have been very forward in severely criticizing, and especially us who have had the termity to differ with them as to this measure, its defects, and its expected results; and you have been impatient at any suggestions from us for any improvement. I do not expect any change now, but it may afford you some consolation, indeed it does us, that the careless drafting of section 2 has left a condition which may be disagreeable, to speak mildly, which we would have gladly pointed out and corrected if you had given us the time instead of gagging and binding us by limiting the time and opportunity for amendment and debate.

I desire to call attention to section 2, especially as to the use of the word "American," in lines 11, 14, and 15. In line 11 the bill reads:

Insurance by the United States of American vessels.

That use in such a connection evidently makes a distinction in the meaning between the words "United States" and the word "American." Used in that juxtaposition it seems to me that it might be, and, indeed, should be, fairly construed that there is a difference of meaning between these two terms and that as so used they are not to be regarded as synonymous. It seems to me that the term "American" should be stricken out and "vessels of the United States and its citizens" inserted. In that way the terms would be of the same meaning, if so intended. Now the reason for that is this: Lines 14 and 15 provide—

That American vessels, shippers, importers in American vessels are unable in any trade to secure adequate war-risk insurance on reasonable terms.

In this connection, what is the meaning of the word "American"? What legislative definition or judicial definition has been given to the word "American"? It may mean South American, Central American, as well as North American, or be confined to the United States alone, and in its use above in this section it does not seem to be synonymous with the United States. If not, what would be the consequences? For example, we all know that there have been quite a number of ships registered in Costa Rica, in Central America, doing business with the United States and belonging, I think, in large part to United States citizens. Suppose any one of these Costa Rican vessels should not be desired to be transferred to the register of the United States and yet should be engaged in some trade where it may become necessary to secure adequate war-risk insurance on reasonable terms.

I think the very concerns who own these vessels are possibly endeavoring to do some business across the Atlantic with such or other lines which they control. Suppose they were under the Costa Rican flag, claiming to be American vessels—that is, Central American—and should come before this bureau of war insurance and state that the American importers and American

shippers could not get adequate protection for their vessels and cargoes and they wanted the privileges of this bill as Americans. The question would be raised at once by the board that there is a difference between the meaning of "United States" and of the word "American"; and the context shows such difference in meaning does exist. Those gentlemen would have the right to contend, under the language of that section, that they have the right to participate in that war insurance and to take advantage of your bounty. There would be no particular peril if they were refused, but it would be a promise to the ear and a violation of such promise and statute in the refusal. Of course it would not be granted, but it shows the looseness with which this bill has been drafted, and it shows that evils of that sort might breed prejudices injurious to our commerce, people, and interests. Just such little errors as that might create a sentiment against us among some of our American neighbors which would seriously injure our expected increase of trade among the Americas. We have no monopoly of the word "America." The others have the equal right to its use, and when it is so used it should mean what it states. When used as it here seems to be used, in contradistinction to the term "United States," we seem to clearly indicate such distinction. If we do, then by this section and bill we hold ourselves out as this Government writing war-risk insurance for all the Americas. I do not believe it was so intended. It should be so amended as to prevent such difficulty and possible misconstruction. The amendment of the gentleman from New York shows such a looseness. I do not expect the gentleman will adopt the suggestion which I have offered, but I do wish to show the committee that this bill has not been carefully drafted and it is filled with loopholes of just this character, which are liable at any time to cause misapprehension and possible trouble. [Applause on the Republican side.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The question was taken, and the Chairman announced the noes appeared to have it.

On a division (demanded by Mr. FITZGERALD) there were—ayes 75, noes 48.

So the amendment was agreed to.

The Clerk read as follows:

SEC. 6. That the director of the bureau of war-risk insurance, upon the adjustment of any claims for losses in respect of which no action shall have been begun, shall, on approval of the Secretary of the Treasury, promptly pay such claim for losses to the party in interest; and the Secretary of the Treasury is directed to make provision for the speedy adjustment of claims for losses and also for the prompt notification of parties in interest of the decisions of the bureau on their claims.

Mr. MOSS of West Virginia. Mr. Chairman, I move to strike out the last word. Mr. Chairman, as one of those Republicans who have been supporting the Democratic emergency measures offered by the gentlemen on the other side, it is a matter of very great regret to me that the leader of the opposition has chosen this particular time to inject partisanship into this question. I am loath to believe that the leader of the majority is a different man two months before the election from what he is during all of the preceding months. I have the highest regard for him, as I believe all the Members on this side have, but during the last few days we have noticed a disposition on his part to make campaign material out of the questions that come up here in this House.

We were first treated by him to a resolution penalizing us if we should go home to campaign, which on its face, and taking into consideration the circumstances connected therewith, is a partisan resolution and is unfair to those Members on this side who have not yet been nominated or who yet have a campaign to make for election. Then we are treated by him to a declaration, made in the House of Representatives yesterday and to-day, that any man who does not now back this bill, and presumably anything that may be proposed nowadays by that side, is acting in an un-American manner. Mr. Chairman, I do not know what the definition of un-American is as used on that side. Some of us Republicans have been supporting these measures suggested by the President in the European war crisis because we wanted to support him at such times, but if gentlemen on that side of the aisle are going to loudly proclaim that anybody who opposes anything that is offered on that side, whether an emergency measure or not, is not a patriotic American, then it is time for us to denounce that attitude. Mr. UNDERWOOD, the Democratic leader, said yesterday:

But I have not reached the point where I am unwilling to protect the lives of American citizens and the American flag and American commerce in their rights on the high seas or at home.

He quotes almost the language of the Democratic platform, and yet, Mr. Chairman, down there in Mexico, when they had a chance recently to protect American citizens and American property on land and not on the high seas, they failed to do so, and they violated the platform which now the leader of the majority says should be sacredly observed.

Mr. Chairman, we had a condition there different in one way from what we will have if we send these ships out bearing contraband goods. Those Americans who went down to Mexico went there in good faith long before the war arose there and took all that they had with them, and yet when the news reached Tampico that the Americans had seized Vera Cruz the three American gunboats that were out there in the Tampico Harbor, ostensibly to protect American lives, quietly lifted their anchors and went away and left those American citizens, women and children, whom you promised to protect, absolutely without protection from the fury of the mob formed to attack them, because the State Department said that it might make the Mexicans mad if you protected the Americans there. They had to rely on the charity of German naval officers to protect and take them away. That is the kind of protection that we have had. And, Mr. Chairman, while I am opposed to war, I do not believe that the fear of war should keep us from protecting American citizens in time of great extremity, or should cause us to be branded as the only Nation in Christendom that will not protect its citizens. I am in favor of the Democratic platform in regard to that matter, but not in favor of Democratic performance.

Now, Mr. Chairman, this bill that is offered here—I say it at the risk of being called "un-American"—proposes to send out upon the high seas ships bearing contraband goods. That is the intent of it. Otherwise the gentlemen on the other side would have voted for the amendment which expressly disclaimed that intent. [Applause on the Republican side.]

Now, Mr. Chairman, if they are going to deliberately send those ships out on the high seas bearing contraband goods in the face of a great European war, I want to ask them if they are going to protect them as they protected American citizens in Mexico, or will they give them real protection? For myself, I believe the Government insurance of those ships puts the matter in an entirely different light than it would be if American citizens, willing to take the risks, would send out private vessels, because you are putting the Government back of that enterprise by this bill, and if some foreign power captures some vessel that this great Government has insured, then it may embroil us in that war, unless, Mr. Chairman, we are going to lay down the rule in this country that, no matter what is done to an American citizen or no matter what is done to an American ship or no matter what is done to American property, we are willing to lie down and say "amen" to it.

I am opposed to this bill, Mr. Chairman, because it is not really an emergency bill and because I believe it may put us in the position of either having to fight in order to protect some ship which a belligerent may believe is carrying contraband goods, or else put us in the position of making another miserable surrender when some foreign power inflicts hardships upon American citizens or takes American property. [Applause on the Republican side.]

Mr. ADAMSON. Mr. Chairman, I move that all debate on this section and amendments thereto may be now closed.

The motion was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 7. That for the purpose of paying losses accruing under the provisions of this act there is hereby appropriated, out of any money in the Treasury of the United States not otherwise appropriated, the sum of $5,000,000.

Mr. HEFLIN. Mr. Chairman, I move to strike out the last word.

If some of the gentleman on that side in their effort to play partisan politics could have their way, they would prevent the passage of this measure that seeks to provide for the carrying of the grain that the western farmer produces to the hungry women and children of Europe. They would deprive the farmers of the West of a market that this very legislation seeks to give to them. [Applause on the Democratic side.] But gentlemen in their effort to play politics are standing here and obstructing as best they can the passage of a bill that the President of the United States deems wise and necessary at this time. [Applause on the Democratic side.]

This is emergency legislation made necessary by conditions created by the war in Europe, and gentlemen in order to play partisan politics will throw themselves at a time like this in front of a measure that must be passed. Let me say to you

gentlemen, it is not long until the November election, and your elections will soon be on and nearly every one of you who are now fighting this legislation and other measures indorsed by the administration will be apologizing to your constituents for opposing President Wilson. You will have a lot of explaining to do to your own constituents. [Applause on the Democratic side.]

Mr. NORTON. Mr. Chairman, will the gentleman yield?

Mr. HEFLIN. Yes; I will yield briefly.

Mr. NORTON. Does not the gentleman from Alabama think that this foreign war has helped his party out a great deal to conceal its blunders?

Mr. HEFLIN. I think the fear exists on that side that it will lift still higher in the estimation of the American people this peace-loving President, Woodrow Wilson. [Applause on the Democratic side.] You are driven to sheer desperation because of that fear, and so anxious are you to play for partisan advantage that you allow yourselves to be used in opposing measures like this. You are so disturbed and scared that you have lost your heads, and there are but few of you left on that side, and when we get through with you in November there will be still fewer of you old "standpatters" there than there are now. [Applause on the Democratic side.] Quit this filibustering, gentlemen. When you get ready to make a point of no quorum you slip out into the cloakrooms and in the halls, so that the Speaker of this House can not count you, and then you refer to my absence for only two days, and one of the days was caused by a railroad wreck. [Laughter.]

Mr. MANN. Mr. Chairman, will the gentleman yield for a question?

Mr. HEFLIN. Mr. Chairman, when I advocated the passage of the resolution to keep Members here I knew I had an engagement to go to Kentucky to lay the corner stone of a public building, and I was willing to forfeit the money coming to me for the time that it required.

But you can not excuse your filibustering methods and your partisan politics in a time like this on my failure to be here for two days. Quit your filibustering tactics and your play for partisan advantage. We are fighting for measures that must be passed if we would keep the markets open to our products—measures that mean much to our country. [Applause on the Democratic side.]

Mr. ADAMSON. Mr. Chairman, I was going to move to close debate now, but seeing my eloquent friend from Philadelphia [Mr. MOORE] rise—my friend who has so hard a time to get a hearing in this House—I have changed my mind and will now move that all debate upon this section and all amendments thereto shall close in five minutes.

The CHAIRMAN. The gentleman from Georgia [Mr. ADAMSON] moves that all debate upon this section and all amendments thereto close in five minutes. The question is on agreeing to that motion.

The motion was agreed to.

Mr. MOORE. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. MOORE] offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 4, line 6, strike out the paragraph and insert the following: "SEC. 7. That upon the deposit with the Secretary of the Treasury of an indemnity fund in cash or Government bonds equal in amount to any appropriation herein made, there is hereby appropriated for the purposes of this act, out of any money in the Treasury of the United States not otherwise appropriated, the sum of $5,000,000."

Mr. MOORE. Mr. Chairman, before I proceed to explain this amendment I desire to thank my distinguished and eloquent friend from Georgia, Mr. ADAMSON, for having lifted the embargo upon debate, for having called in the gag rule, that we might have five minutes' free discussion on this momentous question. The exigencies of the argument and the opposition encountered in the conduct of this bill through the Committee of the Whole have been such that, contrary to his usual practice, the gentleman from Georgia has repeatedly moved to shut off debate. He has done this whenever opportunity offered, although I am sure he has done it reluctantly.

I have offered this amendment, because it seems to me that you gentlemen who now have the responsibility of legislation have no right to take $5,000,000 of the money of "the poor people of this land," for whom you have so often pleaded, and risk it for the benefit of the special interests who have their ships on the high seas. [Laughter on the Democratic side.] It seems to me that you could afford to be generous with "the poor farmers of the land, who pay the taxes," and on whom, you have so often contended, the real burdens of the Government rest. It seems to me you should also have some consideration for the working people in the mills and the factories, for you have often "bled and died" most eloquently upon this floor in their behalf. [Laughter on the Republican side.]

Mr. LEVY. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Pennsylvania yield to the gentleman from New York?

Mr. MOORE. Yes.

Mr. LEVY. The income tax collected from the sections of the country, including Pennsylvania and New York, amounts to 33 per cent of the whole.

Mr. MOORE. Well, if they have made only 33 per cent it seems to me that you Democrats who gag at earnings and percentages might divide it with the poor people whom you claim to represent in this House. You are the "truly" friends of the poor.

My amendment, Mr. Chairman, provides that an indemnity fund shall be raised to make good to the people of the United States, to the taxpayers of the United States, whom you profess to defend, the $5,000,000 which you are taking away from them to stake on this new and dangerous enterprise. It seems to me that an accurate reading of the names of these very distinguished men who came, many of them, directly from Wall Street, the very center of the awful Money Trust, which was an anathema in this House only a few months ago, to induce you to put up $5,000,000 of the people's money in this war-insurance scheme, might convince you that possibly they could do this work themselves. I am not fully convinced that the check of any one of them would not be sufficient to establish a company with a capital sufficient to do all this business as a private enterprise, and thus save the Government the money risk and the people the frightful war uncertainty which is now staring them in the face. It seems to me, I say, that an accurate reading of their names—the names of these gentlemen from New York who brought you this legislation—would be very instructive and edifying just at this moment. Let me read the names of some of these distinguished gentlemen; there were 60 or more of them in all, we are told, who in conference with the forceful Democratic leaders of this body at the White House induced them to bring in this bill.

Let us see exactly who these gentlemen were. Mr. Samuel Rea was one of them, a gentleman for whom I have a very high regard. He is a good Democrat and also the president of the Pennsylvania Railroad. He was one of these men who signed the report of the committee. Another was Mr. Alfred H. Smith, the president, I believe, of the New York Central Railroad. He was one of those who asked you to vote this $5,000,000 of the people's money to save the risks which shippers might undergo if they sent their ships to dangerous places in foreign countries and took the chances that the ordinary marine insurance companies would not take. Mr. Jacob H. Schiff was another one of these gentlemen who signed this report and made this request of the President and the Democratic leaders. He is a distinguished member of the firm of Kuhn, Loeb & Co., and, according to speeches which have become familiar on the other side of the House, is one of the men who manipulate the wealth of this country. Mr. J. Pierpont Morgan was another, and I am sure it is not necessary to explain who he is. The Democratic Party has investigated him thoroughly and denounced him fully. Incidentally I commend to the gentleman from Indiana [Mr. CULLOP] the class of men for whom in defense of this bill he speaks to-day, because he so often speaks for that other class of "downtrodden agriculturists" in the rural districts of the State of Indiana. [Laughter.] Mr. Frank A. Vanderlip, the president of the National City Bank, of New York, was another of the petitioners for this governmental insurance fund of $5,000,000. Is it the Standard Oil Co. or the United States Steel Corporation that wields a powerful influence at this great banking institution? Perhaps in consequence of their new associations some of our Democratic brethren can tell. And Mr. James A. Farrell, president of the United States Steel Corporation, is another of the signers of the petition upon the strength of which you propose to vote $5,000,000 of the people's money out of the Treasury to safeguard private and special interests against losses that may occur in the oil business, or the steel business, or the cotton business, or other shipments from the United States into Russia, Germany, and other countries that are now at war. This risk you propose to incur, despite your home market, merely for the sake of foreign gold. And these are the gentlemen for whom you are asking the people of the country to pass this bill, these 60 or more, mostly from Wall Street, which you so bitterly condemned. Remarkable, indeed, is this new-found "emergency," which has induced the Democratic Party to change front as the real and only friend of "the downtrodden and the poor." As we now behold it, trampling upon its own pretenses, it stands forth as the representative of the "special interests,"

bracing itself to vote away the people's money to save the money of the rich. [Applause on the Republican side.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania.

The amendment was rejected.

The Clerk read as follows:

SEC. 8. That there is hereby appropriated for the purpose of defraying the expenses of the establishment and maintenance of the bureau of war-risk insurance, out of any money in the Treasury of the United States not otherwise appropriated, the sum of $100,000.

Mr. FITZGERALD. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

On page 4, in line 12, after the word "insurance," insert the following: "including the payment of salaries herein authorized and other personal services in the District of Columbia."

Mr. ADAMSON. I will accept that amendment.

Mr. FITZGERALD. I wish to make a statement for the RECORD, to show the reason for this amendment. There is a statute which prohibits the payment of any salaries out of lump appropriations unless the salary be specifically provided for. It also prohibits the payment of personal services in the District of Columbia out of such an appropriation unless specific authority is given in the appropriation. In order that this bureau may not be crippled at the outset, which it will be without such authority, this amendment is necessary.

Mr. MANN. Mr. Chairman, I should like to suggest to the gentleman from New York that I think his amendment is not complete. While I do not know that I am specially interested in putting the bill into proper shape, still under a recent ruling of the comptroller, to which the gentleman's attention has been recently directed, or will be directed shortly, by a message transmitted to the Speaker, there could not be any rent paid for any quarters in the District of Columbia out of this fund unless it is specifically authorized.

Mr. FITZGERALD. That is true; but there are accommodations in the Treasury Department, I think, ample for any force that may be utilized in this way.

Mr. MANN. If they have any space in the Treasury Department, I am quite willing that they shall use it, considering the fact that they are renting a large amount of space in other parts of the city on the ground, as stated, that they have not room enough in the Treasury Department.

Mr. ADAMSON. I accept the amendment.

Mr. MANN. I want to be heard on the amendment.

Mr. ADAMSON. I ask unanimous consent that all debate on this paragraph and amendments thereto be closed at the end of five minutes.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent that debate on this paragraph and amendments thereto be closed in five minutes. Is there objection?

There was no objection.

Mr. MANN. Mr. Chairman, I am sure it is a great delight to the House to know that the gentleman from Alabama [Mr. HEFLIN] has returned safely. The country took great chances when he ran into a wreck anywhere. Think what a loss it would be if the gentleman from Alabama was not permitted to be in the House every day! A few days ago he appeared in the House and notified the Members that the Republicans were absent, and that he proposed to see that they were present. Then he immediately took a train to leave town and ran into a railroad wreck. Just before he made that speech he had not been in the House for several weeks.

Mr. HEFLIN. Mr. Chairman, will the gentleman permit an interruption?

Mr. MANN. Yes.

Mr. HEFLIN. I was away when there was nothing of importance to do in the House. We were waiting on the Senate. I went to attend our family reunion, and was there about 10 days.

Mr. MANN. The gentleman's statement that he had been gone is true; but there was much going on in the House, notwithstanding his absence. [Laughter on the Republican side.] I know the gentleman from Alabama probably thinks that the House can not operate unless he is here. Yet when I recall the fact that the gentleman from Alabama during this session has been absent 59 times when there was a roll call in the House and a record vote, I have wondered whether the gentleman might not be mistaken in thinking that we could not perform unless he was here to tell us how. [Laughter and applause on the Republican side.]

Mr. HEFLIN. Mr. Chairman, will the gentleman permit one more interruption?

Mr. MANN. I will yield.

Mr. HEFLIN. The roll calls the gentleman speaks of were had, the most of them, when there was no necessity for a quorum. The House was simply marking time and the roll calls that were had were forced by the useless filibuster conducted by the gentleman from Illinois [Mr. MANN]. [Applause on the Democratic side.]

Mr. MANN. That statement is not correct, and the gentleman knows it is not correct.

Mr. HEFLIN. The gentleman had roll call after roll call after Mr. UNDERWOOD tried to get him to agree that we could adjourn for three days at the time. He would not agree to the suggestion of Mr. UNDERWOOD, and yet there was nothing to keep us here. We were waiting on the Senate.

Mr. MANN. There has been a roll call on no such proposition.

Mr. HEFLIN. We had roll calls on motions to adjourn.

Mr. MANN. I am not talking about the last session of Congress. I have not included that in the time. The gentleman from Alabama was absent at the special session, but I have included only those absences of the gentleman—and sorry we were that he was away—when we were actually doing business at this session of Congress. The gentleman was absent on 59 roll calls.

Mr. HEFLIN. If that is true, they were roll calls growing out of a Republican filibuster on motions to adjourn and the like. They were not on questions of importance.

Mr. MANN. There have been no roll calls on motions to adjourn at this session of Congress. The gentleman should not run into a buzz saw.

Mr. HEFLIN. The gentleman is mistaken. We have had roll calls on the motion to adjourn.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The question was taken, and the amendment was agreed to.

Mr. FITZGERALD. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

On page 4, in lieu of section 9, insert the following:

"SEC. 9. The President is authorized, whenever in his judgment the necessity for further war insurance by the United States shall have ceased to exist, to suspend the operation of this act in so far as it authorizes insurance by the United States against loss or damage by risk of war, which suspension shall be made at any event within two years after the passage of this act, but shall not affect any insurance outstanding at the time or any claims pending adjustment. For the purpose of the final adjustment of any such outstanding insurance or claims, the bureau of war-risk insurance may, in the discretion of the President, be continued in existence for a further period not to exceed four months."

Mr. FITZGERALD. Mr. Chairman, the purpose of the committee was undoubtedly to put in the power of the President the authority to terminate the bureau of war-risk insurance when the necessity for it had ceased. But under the wording of the provision, if the President shall terminate the operation of the act whenever he finds that necessity for further war insurance does not exist, there is no provision made to take care of outstanding risks or outstanding claims.

Moreover, the provision suggested, that the bureau be continued for two years, with the further provision for an extension of four months, would insure that the final termination of the existence of the bureau would be at a period when Congress would be in session, so that if any necessity existed for its continuance there would be no difficulty arising from inability to extend because Congress were not in session.

I believe that the amendment, as suggested, merely makes more certain and definite what is to be done, and protects against any possibility the inability of the bureau to take care of outstanding risks and claims.

Mr. MANN. Will the gentleman yield?

Mr. FITZGERALD. Yes.

Mr. MANN. Does the gentleman think that four months is a reasonable time?

Mr. FITZGERALD. It is four months after two years. It provides that the President shall suspend the operation of the act within two years, but he may extend it four months additional.

Mr. MANN. Suppose he should suspend the operation of the act on March 15 next—and we hope that that may occur—and that they had a lot of war-risk insurance outstanding?

Mr. FITZGERALD. I think the amendment covers that.

Mr. MANN. I understood the amendment to say that the bureau could only be extended for four months after the President suspended the operation of the act.

Mr. FITZGERALD. I ask that the amendment be again reported.

The CHAIRMAN. Without objection, the Clerk will again report the amendment.

The Clerk again read the amendment.

Mr. MANN. That is four months after the suspension of the act. Suppose the suspension of the act occurred on the 4th of March, and there is no extra session. It might be essential, in order to wind up insurance already outstanding, that the bureau should continue in existence longer than four months.

Mr. FITZGERALD. Mr. Chairman, the construction that I place upon the provision is different from that of the gentleman from Illinois; but if there be any difference of opinion as to how it shall be construed, it should be modified. I therefore ask unanimous consent to insert "one year" instead of "four months."

Mr. ADAMSON. I suggest to the gentleman from New York that in lieu of the "four months" he might say "to the next session of Congress."

Mr. FITZGERALD. Mr. Chairman, I suggest one year. I believe it better to make the time definite, and such time would be ample.

The CHAIRMAN. The gentleman from New York asks unanimous consent to modify his amendment by striking out "four months" and inserting in lieu thereof "one year." Is there objection?

Mr. JOHNSON of Washington. Mr. Chairman, I reserve the right to object, for the purpose of pointing out that the settlement of war insurance claims are likely to extend far beyond the time suggested in the amendment. During the war between Japan and Russia there were a number of vessels on the Pacific Ocean——

Mr. ADAMSON. Mr. Chairman, if the gentleman desires a few minutes' time, I shall ask that debate on this section end in five minutes.

Mr. JOHNSON of Washington. I thank the gentleman. I should like to make a short statement.

The CHAIRMAN. The time of the gentleman from New York has expired. Is there objection to the request of the gentleman from New York?

Mr. JOHNSON of Washington. Mr. Chairman, I desire to be heard for five minutes.

Mr. ADAMSON. Mr. Chairman, if the gentleman from New York has completed his amendment, I accept it, and I ask that all debate close at the end of five minutes, unless the gentleman from Washington concludes in less than that time.

The CHAIRMAN. The gentleman from New York asks unanimous consent to modify his amendment by striking out the words "four months" and inserting in lieu thereof the words "one year." Is there objection? [After a pause.] The Chair hears none, and it is so ordered. The question is on the amendment offered by the gentleman from New York, as modified, and the gentleman from Washington [Mr. JOHNSON] is recognized for five minutes.

Mr. JOHNSON of Washington. Mr. Chairman, if we go into a governmental war-risk insurance business, as we seem determined to do, the commission in charge of the work will undoubtedly be engaged for many years longer than this bill, or even the amendment of the gentleman from New York [Mr. FITZGERALD], contemplates; that is, provided, of course, that ships come under our flag and get into the over-seas business.

Mr. Chairman, the war between Russia and Japan lasted but a little over one year and involved only those two nations. Quite a large number of vessels on the Pacific Ocean undertook to do business on the seas in the Far East. Not all of these vessels undertook to go directly to either of the belligerent countries. Nearly all of them got into trouble. I have in mind the particular case of the Blue Funnel liner *Calchas*, which steamed from Tacoma laden with a general mixed cargo, including a little wheat and some cotton. This cotton had been declared contraband of war, I think, by Japan. The vessel was seized by Russia, detained at Vladivostok for several months, and was finally released. The costs incident on the delay were very heavy. The Russian Government paid demurrage, but, nevertheless, some of the cargo having been seized and retained, it took between seven or eight years for the American owners of that cargo to secure a settlement. Other cases required five or six years.

If this bill we are now considering is intended to do any good at all, it will do so by paving the way for some form of war insurance to vessels which it is expected are to be transferred to American registry and which will go out from our ports for the purpose of making money and carrying goods which may or may not be contraband, but part of which will be under suspicion. Some of these vessels will be very old ones. Some of them will have foreign captains and crews, whose sympathies will be with some one or more of the European nations and not with the United States. They are likely to seek to carry contraband. All must have insurance in some form or other, and the cost of that insurance should fall on those who expect to receive the goods, be they contraband or otherwise.

The amendment offered by the gentleman from Wisconsin [Mr. STAFFORD] should have been adopted. It would have permitted the United States to have drawn a clear line and would have led to the development of commerce with strictly neutral nations, would have permitted the insurance of such cargoes, and, if sustained long enough, would have played a part in actually developing and sustaining an American merchant marine.

Mr. Chairman, on August 3, when there was rushed through this body, with debate limited to 30 minutes, the bill providing for American registry, I, remembering some of the experiences of the Pacific coast importers, cautioned the gentlemen who were putting that bill through without amendment that the insurance problem would be the one to come up and bother them. I said then:

> While we are talking of picking up old foreign ships for use under the American flag we should consider the matter of insurance. If we pass such legislation that foreign vessels can come under American registry, I do not think that the insurance will drop to any such figure that the people of the United States will feel warranted in sending great cargoes into the ports of war-ravaged countries.

I am still of the opinion that war-risk rates will not drop even with this governmental insurance, and that this Nation will find itself underwriting the wrong risks, and that the danger and the doubt will continue. Corn and wheat and foodstuffs will be wanted by all the European nations, and will continue to be declared contraband by all. This bill is woefully incomplete.

Mr. Chairman, I regret exceedingly that this House has seen fit to-day to refuse to add a direct and positive clause to this bill stating definitely where we stand on the question of contraband and neutrality. That would have given a perfected bill that every Member could have supported without fear of its creating entangling and long-drawn-out situations, with the hope that it might really help in the moving of the cotton crop, which is, of course, its real purpose.

The CHAIRMAN. The quesion is on the amendment offered by the gentleman from New York as modified.

The question was taken, and the amendment was agreed to.

Mr. FITZGERALD. Mr. Chairman, I offer a further amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

After line 19, page 4, add as a new section the following:

"SEC. 10. That a detailed statement of all expenditures under this act and of all receipts hereunder shall be submitted to Congress at the beginning of each regular session."

Mr. ADAMSON. Mr. Chairman, we have no objection to that.

The CHAIRMAN. The question is on the amendment.

The question was taken, and the amendment was agreed to.

The Clerk read as follows:

SEC. 10. That this act shall take effect from and after its passage.

Mr. ADAMSON. Mr. Chairman, I move that that section be renumbered, that the figures "11" be substituted for the figures "10."

The CHAIRMAN. The gentleman from Georgia asks unanimous consent that in line 20 the figures "10" be stricken out and the figures "11" be inserted in lieu thereof. Is there objection? [After a pause.] The Chair hears none, and it is so ordered.

Mr. ADAMSON. Mr. Chairman, I move that the committee do now rise and report the bill with the preamble and amendments to the House with the recommendation that the amendments be agreed to and that the bill and preamble be adopted. [Applause.]

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. GARRETT of Tennessee, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (S. 6357) to authorize the establishment of a bureau of war-risk insurance in the Treasury Department, and had directed him to report the bill with a preamble and with certain amendments, with the recommendation that the amendments be agreed to, that the preamble be adopted, and that the bill as amended do pass.

The SPEAKER. Is a separate vote demanded on any amendment?

Mr. ADAMSON. Mr. Speaker, I believe the rule provided for the previous question.

The SPEAKER. Yes. Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The question was taken, and the amendments were agreed to.

The SPEAKER. The question is on agreeing to the preamble.

Mr. MANN. Mr. Speaker, that comes after the engrossment and third reading.

The SPEAKER. But a Senate bill is not engrossed.

Mr. MANN. Well, after the third reading.

Mr. TOWNER. Mr. Speaker, I desire to make a motion to strike out the preamble when the proper time arrives.

The SPEAKER. The practice about a House bill is to put the preamble after the engrossment and before the third reading and by analogy——

Mr. MANN. That is correct, and the motion would be in order now.

The SPEAKER. Does the gentleman from Iowa desire to make a motion?

Mr. ADAMSON. I suggest, inasmuch as the recommendation is that the preamble be stricken out, that a negative vote on that would serve the same purpose as the motion proposed by the gentleman from Iowa.

The SPEAKER. That undoubtedly would be true.

Mr. TOWNER. Mr. Speaker, I make the motion to strike out the preamble.

The SPEAKER. Well, it is as broad as it is long. The gentleman from Iowa moves to strike out the preamble.

The question was taken, and the motion was rejected.

The SPEAKER. The question is on agreeing to the preamble.

The question was taken, and the preamble was agreed to.

The SPEAKER. The question is on the third reading of the Senate bill.

The bill was ordered to be read a third time; was read the third time.

The SPEAKER. The question is, Shall the bill pass?

Mr. ADAMSON. Mr. Speaker, on that I demand the yeas and nays. [Cries of "No!"]

The SPEAKER. The gentleman from Georgia demands the yeas and nays. Those in favor of ordering the yeas and nays will rise and stand until counted. [After counting.] Evidently a sufficient number, and the yeas and nays are ordered, and the Clerk will call the roll.

The question was taken; and there were—yeas 230, nays 58, answered "present" 6, not voting 137, as follows:

YEAS—230.

Abercrombie	Donohoe	Kirkpatrick	Roberts, Mass.
Adamson	Donovan	Kitchin	Roberts, Nev.
Alexander	Doolittle	Konop	Rouse
Ashbrook	Doremus	Langley	Rupley
Baker	Doughton	Lee, Pa.	Russell
Baltz	Driscoll	Lesher	Scully
Barchfeld	Edwards	Lever	Seldomridge
Barnhart	Evans	Levy	Sells
Bathrick	Falconer	Lewis, Md.	Sherwood
Beakes	Farr	Lieb	Shreve
Beall, Tex.	Fergusson	Lindquist	Sims
Blackmon	Ferris	Linthicum	Slayden
Booher	Fields	Lloyd	Slemp
Borchers	Fitzgerald	Lobeck	Small
Borland	FitzHenry	Logue	Smith, Idaho
Bowdle	Floyd, Ark.	Lonergan	Smith, J. M. C.
Britten	French	McAndrews	Smith, Minn.
Brockson	Gallagher	McCoy	Smith, Saml. W.
Brodbeck	Gallivan	McKellar	Smith, Tex.
Broussard	Gard	MacDonald	Sparkman
Bryan	Garner	Maguire, Nebr.	Stanley
Buchanan, Ill.	Garrett, Tenn.	Maher	Stedman
Buchanan, Tex.	Garrett, Tex.	Manahan	Stephens, Miss.
Bulkley	Gerry	Mapes	Stephens, Nebr.
Burgess	Gill	Mitchell	Stephens, Tex.
Burke, Wis.	Gilmore	Moon	Stone
Burnett	Gittins	Morgan, La.	Sutherland
Byrnes, S. C.	Godwin, N. C.	Morgan, Okla.	Talcott, N. Y
Byrns, Tenn.	Goldfogle	Morin	Tavenner
Campbell	Goodwin, Ark.	Morrison	Taylor, Ala.
Candler, Miss.	Gorman	Moss, Ind.	Taylor, Ark.
Cantor	Gray	Mulkey	Taylor, Colo.
Cantrill	Gregg	Murray, Mass.	Ten Eyck
Caraway	Griffin	Murray, Okla.	Thacher
Carew	Gudger	Neeley, Kans.	Thomas
Carlin	Hamill	Neely, W. Va.	Thompson, Okla.
Carr	Hamlin	Nolan, J. I.	Townsend
Carter	Hammond	Norton	Tribble
Casey	Hardy	O'Brien	Tuttle
Claypool	Harris	Oglesby	Underwood
Cline	Harrison	O'Hair	Vaughan
Coady	Hay	Oldfield	Vollmer
Collier	Hayden	O'Shaunessy	Volstead
Connelly, Kans.	Heflin	Padgett	Walker
Connolly, Iowa	Helm	Page, N. C.	Walsh
Conry	Helvering	Palmer	Watson
Copley	Holland	Park	Weaver
Cox	Houston	Peterson	Webb
Crosser	Howard	Phelan	Whaley
Cullop	Hughes, Ga.	Post	Whitacre
Davenport	Hughes, W. Va.	Pou	White
Davis	Hull	Quin	Williams
Decker	Humphreys, Miss.	Raker	Wilson, Fla.
Deitrick	Igoe	Ranch	Wingo
Dent	Johnson, S. C.	Rayburn	Young, N. Dak.
Dickinson	Keating	Reed	Young, Tex.
Difenderfer	Kelly, Pa.	Reilly, Conn.	
Dillon	Key, Ohio	Reilly, Wis.	

NAYS—58.

Anderson	Good	Kinkaid, Nebr.	Scott
Bailey	Green, Iowa	McGuire, Okla.	Sinnott
Bartholdt	Greene, Mass.	McLaughlin	Sloan
Barton	Greene, Vt.	Mann	Stafford
Bell, Cal.	Hamilton, Mich.	Mondell	Stephens, Cal.
Burke, S. Dak.	Hamilton, N. Y.	Moore	Stevens, Minn.
Butler	Hawley	Moss, W. Va.	Temple
Callaway	Helgesen	Nelson	Thomson, Ill.
Cary	Howell	Parker	Towner
Cramton	Hulings	Patton, Pa.	Willis
Curry	Humphrey, Wash.	Payne	Witherspoon
Danforth	Johnson, Utah	Platt	Woodruff
Dunn	Johnson, Wash.	Plumley	Woods
Fordney	Kennedy, Iowa.	Prouty	
Frear	Kennedy, R. I.	Rogers	

ANSWERING "PRESENT"—6.

Gillett	Kahn	Madden	Sisson
Henry	La Follette		

NOT VOTING—137.

Adair	Eagle	Jones	Peters
Aiken	Edmonds	Keister	Porter
Ainey	Elder	Kelley, Mich.	Powers
Allen	Esch	Kennedy, Conn.	Ragsdale
Ansberry	Estopinal	Kent	Rainey
Anthony	Fairchild	Kettner	Riordan
Aswell	Faison	Kiess, Pa.	Rothermel
Austin	Fess	Kindel	Rubey
Avis	Finley	Kinkead, N. J.	Rucker
Barkley	Flood, Va.	Knowland, J. R.	Sabath
Bartlett	Foster	Korbly	Saunders
Bell, Ga.	Fowler	Kreider	Shackleford
Brown, N. Y.	Francis	Lafferty	Sherley
Brown, W. Va.	Gardner	Langham	Smith, Md.
Browne, Wis.	George	Lazaro	Smith, N. Y.
Browning	Glass	Lee, Ga.	Steenerson
Bruckner	Goeke	L'Engle	Stevens, N. H.
Brumbaugh	Gordon	Lenroot	Stout
Burke, Pa.	Goulden	Lewis, Pa.	Stringer
Calder	Graham, Ill.	Lindbergh	Sumners
Chandler, N. Y.	Graham, Pa.	Loft	Switzer
Church	Griest	McClellan	Taggart
Clancy	Guernsey	McGillicuddy	Talbott, Md.
Clark, Fla.	Hardwick	McKenzie	Taylor, N. Y.
Cooper	Hart	Mahan	Treadway
Covington	Haugen	Martin	Underhill
Crisp	Hayes	Merritt	Vare
Dale	Hensley	Metz	Wallin
Dershem	Hill	Miller	Walters
Dies	Hinds	Montague	Watkins
Dixon	Hinebaugh	Mott	Wilson, N. Y.
Dooling	Hobson	Murdock	Winslow
Drukker	Hoxworth	O'Leary	
Dupré	Jacoway	Paige, Mass.	
Eagan	Johnson, Ky.	Patten, N. Y.	

So the bill was passed.

The Clerk announced the following pairs:

For the session:

Mr. GLASS with Mr. SLEMP.

Mr. METZ with Mr. WALLIN.

Until further notice:

Mr. SIMS with Mr. GRAHAM of Pennsylvania.

Mr. BARTLETT with Mr. HAYES.

Mr. FOSTER with Mr. MARTIN.

Mr. ADAIR with Mr. AUSTIN.

Mr. ASWELL with Mr. AINEY.

Mr. SABATH with Mr. SWITZER.

Mr. MCGILLICUDDY with Mr. GUERNSEY.

Mr. RUSSELL with Mr. LA FOLLETTE.

Mr. BELL of Georgia with Mr. CALDER.

Mr. ELDER with Mr. WINSLOW.

Mr. BARKLEY with Mr. FAIRCHILD.

Mr. ESTOPINAL with Mr. KIESS of Pennsylvania.

Mr. RAINEY with Mr. MERRITT.

Mr. SHACKLEFORD with Mr. MOTT.

Mr. SHERLEY with Mr. GILLETT.

Mr. GRAHAM of Illinois with Mr. PORTER.

Mr. RIORDAN with Mr. POWERS.

Mr. UNDERHILL with Mr. STEENERSON.

Mr. AIKEN with Mr. ANTHONY.

Mr. HARDWICK with Mr. J. R. KNOWLAND.

Mr. ALLEN with Mr. BROWNE of Wisconsin.

Mr. CHURCH with Mr. AVIS.

Mr. CLANCY with Mr. BROWNING.

Mr. CLARK of Florida with Mr. BURKE of Pennsylvania.

Mr. DUPRÉ with Mr. COOPER.

Mr. FINLEY with Mr. DRUKKER.

Mr. FLOOD of Virginia with Mr. EDMONDS.

Mr. FOSTER with Mr. GRIEST.

Mr. FRANCIS with Mr. FESS.

Mr. GOEKE with Mr. HAUGEN.

Mr. JACOWAY with Mr. KEISTER.

Mr. JONES with Mr. KELLEY of Michigan.

Mr. LEE of Georgia with Mr. KREIDER.

Mr. MONTAGUE with Mr. LANGHAM.

Mr. PATTEN of New York with Mr. HINEBAUGH.

Mr. RUBEY with Mr. LEWIS of Pennsylvania.
Mr. RUCKER with Mr. MCKENZIE.
Mr. SAUNDERS with Mr. MILLER.
Mr. SMITH of Maryland with Mr. PAIGE of Massachusetts.
Mr. TAGGART with Mr. PETERS.
Mr. WATKINS with Mr. VARE.
On this vote:
Mr. DIXON (for the bill) with Mr. WALTERS (against).
Mr. TALBOTT of Maryland (for the bill) with Mr. KAHN (against).
Mr. AIKEN (for the bill) with Mr. TREADWAY (against).
Mr. RAGSDALE with Mr. MADDEN.

Mr. MADDEN. Mr. Speaker, I wish to know if the gentleman from South Carolina, Mr. RAGSDALE, is recorded as having voted?

The SPEAKER. No.

Mr. MADDEN. I voted "nay"; but I am paired with the gentleman and wish to withdraw my vote of "nay" and vote "present."

The name of Mr. MADDEN was called, and he voted "present."

The result of the vote was announced as above recorded.

On motion of Mr. ALEXANDER, a motion to reconsider the vote by which the bill was passed was laid on the table.

ENROLLED BILLS SIGNED.

Mr. ASHBROOK, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills of the following titles, when the Speaker signed the same:

H. R. 7967. An act to amend the act approved June 25, 1910, authorizing a postal savings system; and

H. R. 1657. An act providing for second homestead and desert-land entries.

LEAVE OF ABSENCE.

Mr. FARR, by unanimous consent, was granted leave of absence, indefinitely, on account of sickness in his family.

EXTENSION OF REMARKS.

Mr. LEVY. Mr. Speaker, I ask unanimous consent to read a dispatch I have just received from the New York Herald.

Mr. MANN. I object, Mr. Speaker.

The SPEAKER. The gentleman from Illinois [Mr. MANN] objects.

Mr. LEVY. I ask unanimous consent, then, to make it a part of my remarks. Will the gentleman from Illinois withhold his objection for a moment?

Mr. MANN. No; I will not. I object.

The SPEAKER. The gentleman from Illinois objects, and that is the end of it. The gentleman from New York [Mr. LEVY] asks leave to extend his remarks in the RECORD. Is there objection?

Mr. MANN. I object.

The SPEAKER. The gentleman from Illinois objects.

Mr. LEVY. I have that leave anyhow. [Laughter.]

The SPEAKER. Then the gentleman did not have to make his request.

ADJOURNMENT.

Mr. UNDERWOOD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 48 minutes p. m.) the House adjourned until Monday, August 31, 1914, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. LEVER, from the Committee on Agriculture, to which was referred the bill (H. R. 18492) to authorize the Secretary of Agriculture to establish uniform standards of classification for cotton; to provide for the application, enforcement, and use of such standards in transactions in interstate and foreign commerce; to prevent deception therein; and for other purposes, reported the same with amendment, accompanied by a report (No. 1120), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. HULINGS: A bill (H. R. 18591) to provide revenues for the United States by the taxation of the issues of and transactions in securities as defined herein, and for other purposes; to the Committee on Ways and Means.

By Mr. SMITH of Idaho: A bill (H. R. 18592) to provide for drainage of Indian allotments in Bonner County, Idaho; to the Committee on Indian Affairs.

By Mr. TAVENNER: A bill (H. R. 18593) granting pensions to certain enlisted men, soldiers, and officers who served in the Civil War; to the Committee on Invalid Pensions.

By Mr. EVANS: A bill (H. R. 18594) to provide for the payment for certain lands within the former Flathead Indian Reservation, in the State of Montana; to the Committee on the Public Lands.

By Mr. GOOD: Joint resolution (H. J. Res. 330) to amend an act entitled "An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war," approved April 24, 1914; to the Committee on Invalid Pensions.

By Mr. FREAR: Resolution (H. Res. 612) instructing the Committee on the Judiciary of the House to ascertain what efforts have been exerted toward the passage of the rivers and harbors bill by the Atlantic and Gulf Coast Dredge Owners' Association; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ASHBROOK: A bill (H. R. 18595) granting an increase of pension to Thomas Adams; to the Committee on Invalid Pensions.

By Mr. CARY: A bill (H. R. 18596) granting a pension to Richard Burns; to the Committee on Invalid Pensions.

By Mr. HULINGS: A bill (H. R. 18597) granting an increase of pension to Ezra Rohn; to the Committee on Invalid Pensions.

By Mr. SIMS: A bill (H. R. 18598) for the relief of Jefferson Franks; to the Committee on Military Affairs.

By Mr. SLEMP: A bill (H. R. 18599) granting a pension to James A. Kaiser; to the Committee on Pensions.

By Mr. STEPHENS of California: A bill (H. R. 18600) granting an increase of pension to Gardner D. Child; to the Committee on Pensions.

By Mr. STONE: A bill (H. R. 18601) granting an increase of pension to William Braught; to the Committee on Invalid Pensions.

By Mr. TAVENNER: A bill (H. R. 18602) granting a pension to Mary J. Hood; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18603) granting an increase of pension to Seldon T. Wilson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18604) granting an increase of pension to William MacKinnell; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. ASHBROOK: Petition of 117 citizens of Smithville and Wayne County, Ohio, relative to North Pole controversy; to the Committee on Naval Affairs.

By Mr. BATHRICK: Petition of 240 citizens of Summit County, Ohio, relative to the North Pole controversy; to the Committee on Naval Affairs.

By Mr. BRUCKNER: Petition of R. S. Kurshutt, of New York, favoring House bill 7267, to indemnify the Stevens Institute; to the Committee on Claims.

Also, petition of Berliner, Strauss & Meyer, of New York, against Clayton antitrust bill; to the Committee on the Judiciary.

By Mr. CONNELLY of Kansas: Petition of 150 voters of Wakeeney, Kans., and various voters of Ellsworth, Kans., for the passage of the Sheppard-Hobson amendment; to the Committee on Rules.

By Mr. DEITRICK: Petition of sundry citizens of Massachusetts against the advancing price of flour; to the Committee on Interstate and Foreign Commerce.

By Mr. FERGUSSON: Petitions of Dr. J. W. Truder and 4 other citizens of Roswell, Mrs. Sidwell Fulton and 4 other citizens of Santa Rosa, Elmer F. Taylor, Walter O. Ashcroft, John F. Black, jr., and 32 other citizens of Farmington, all of the State of New Mexico, favoring national constitutional prohibition; to the Committee on Rules.

By Mr. HOWELL: Petition of the Ward Parents' Class, of Glenwood, Utah, favoring national prohibition; to the Committee on Rules.

By Mr. KEISTER: Petition of Typographical Union No. 415, of Butler, Pa., against the practice of printing by private contract the commercial corner cards on stamped envelopes; to the Committee on Printing.

By Mr. LONERGAN: Petition of the Connecticut State Medical Society, of New Haven, Conn., favoring mental examination

of immigrants upon arrival from abroad; to the Committee on Immigration and Naturalization.

By Mr. MAGUIRE of Nebraska: Petition of various business men of Johnson, Burr, and Falls City, all in the State of Nebraska, favoring House bill 5308, to tax mail-order houses; to the Committee on Ways and Means.

By Mr. J. I. NOLAN: Resolutions of Montezuma Tribe, No. 77, Improved Order of Red Men, and of SanFrancisco Parlor, No. 49, Native Sons of the Golden West, of San Francisco, Cal., favoring the passage of the Hamill bill (H. R. 5139); to the Committee on Reform in the Civil Service.

By Mr. O'SHAUNESSY: Petition of Rev. J. H. Roberts, of Greenville, R. I., favoring national prohibition; to the Committee on Rules.

Also, petition of Mrs. O. H. P. Belmont and others, of Newport, R. I., favoring woman suffrage; to the Committee on Rules.

By Mr. REILLY of Connecticut: Petition of the New Haven (Conn.) Socialist Party, favoring operation by Government of all food industries; to the Committee on Interstate and Foreign Commerce.

By Mr. SCOTT: Petition of the Woman's Home Missionary Society of the Methodist Episcopal Church of Sioux City, Iowa, against running railroad tracks in front of Sibley Hospital, Washington, D. C.; to the Committee on the District of Columbia.

By Mr. STEPHENS of California: Petition of Montezuma Tribe, No. 77, Improved Order of Red Men, and Parlor 49, Native Sons of the Golden West, of San Francisco, Cal., favoring Hamill civil-service retirement bill; to the Committee on Reform in the Civil Service.

Also, petition of Charles E. Yale, of Santa Monica, Cal., against the proposed war tax on cigars; to the Committee on Ways and Means.

Also, petition of the General Contractors' Association of San Francisco, Cal., against House bill 14288, providing for segregation of the mechanical equipment of the United States Government buildings; to the Committee on Public Buildings and Grounds.

Also, petition of the Master Roofers and Manufacturers' Associations of San Francisco, Cal., against passage of the Clayton antitrust bill at this time; to the Committee on the Judiciary.

By Mr. STEVENS of Minnesota: Petition of sundry citizens of St. Paul, Minn., protesting against any increase in tax on cigars; to the Committee on Ways and Means.

By Mr. WATSON: Petition of sundry citizens of Surry County, Va., relative to establishment of a rural-credit system; to the Committee on Banking and Currency.

By Mr. WEBB: Petition of sundry citizens of Thompson and Sterling, Conn., favoring national prohibition; to the Committee on Rules.

By Mr. WILLIS: Petition of Ransom Reed Post, No. 113, Department of Ohio, Grand Army of the Republic, in favor of Federal appropriation in aid of the national celebration and peace jubilee to be held at Vicksburg, Miss., in October, 1915; to the Committee on Military Affairs.

Also, petition of the Central Federated Union, of New York City, in favor of the passage of the seamen's bill; to the Committee on the Merchant Marine and Fisheries.

Also, memorial of the Grand Council of Ohio, United Commercial Travelers of America, in favor of the creation of a coast guard; to the Committee on Interstate and Foreign Commerce.

Also, petition of Ray G. Kumler and 38 other citizens of Degraff, Ohio, in favor of House joint resolution 168, relative to nation-wide prohibition; to the Committee on Rules.

Also, petition of M. F. Hawley and 40 other citizens of Rosewood, Ohio, in favor of House joint resolution 168, providing for nation-wide prohibition; to the Committee on Rules.

Also, petition of C. G. Leiter and other members of the Christian Endeavor Society of Mount Gilead, Ohio, in favor of the adoption of House joint resolution 168, relative to nation-wide prohibition; to the Committee on Rules.

Also, petition of Z. E. Kelley and other members of the Christian Endeavor Society of the First Church of Christ of Findlay, Ohio, in favor of House joint resolution 168, relative to nation-wide prohibition; to the Committee on Rules.

Also, petition of the Department Veteran Army of the Philippines, relative to the improvement of the civil service in the Philippines; to the Committee on Insular Affairs.

Also, petition of W. A. Brand Post, No. 98, Department of Ohio, Grand Army of the Republic, in favor of Federal appropriation in aid of the national celebration and peace jubilee to be held at Vicksburg, Miss., in October, 1915; to the Committee on Military Affairs.

SENATE.

MONDAY, *August 31, 1914.*

(Legislative day of Tuesday, August 25, 1914.)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by D. K. Hempstead, its enrolling clerk, announced that the House had passed the bill (S. 6357) to authorize the establishment of a bureau of war risk insurance in the Treasury Department, with amendments, in which it requested the concurrence of the Senate.

PROPOSED ANTITRUST LEGISLATION.

The Senate, as in Committee of the Whole, resumed consideration of the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes.

Mr. CULBERSON. Mr. President, I submit a proposal for a unanimous-consent agreement.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Brady	Fletcher	Martin, Va.	Shafroth
Bryan	Gallinger	Martine, N. J.	Sheppard
Burton	Hitchcock	Myers	Simmons
Chamberlain	Hollis	Nelson	Smoot
Chilton	Hughes	O'Gorman	Sterling
Clapp	Jones	Overman	Swanson
Culberson	Kern	Perkins	Thomas
Cummins	McCumber	Pomerene	Thornton
Dillingham	McLean	Reed	White

Mr. DILLINGHAM. My colleague [Mr. PAGE] is still detained in Vermont on account of illness in his family.

The VICE PRESIDENT. Thirty-six Senators have answered to the roll call. There is not a quorum present. The Secretary will call the roll of absentees.

The Secretary called the names of the absent Senators, and Mr. OLIVER, Mr. SMITH of Michigan, Mr. THOMPSON, Mr. TOWNSEND, Mr. VARDAMAN, and Mr. WILLIAMS answered to their names when called.

Mr. NORRIS, Mr. CLARKE of Arkansas, and Mr. RANSDELL entered the Chamber and answered to their names.

The VICE PRESIDENT. Forty-five Senators have answered to the roll call. There is not a quorum present. The Sergeant at Arms will carry out the instructions of the Senate heretofore given, and request the attendance of absent Senators.

Mr. BANKHEAD, Mr. COLT, Mr. GORE, Mr. SHIVELY, Mr. LANE, and Mr. PITTMAN entered the Chamber and answered to their names.

The VICE PRESIDENT. Fifty-one Senators have answered to the roll call. There is a quorum present. The Secretary will state the unanimous-consent agreement.

The Secretary read as follows:

It is agreed by unanimous consent that at not later than 2 o'clock p. m. on Monday, August 31, 1914, the Senate will proceed to vote upon any amendment that may be pending, any amendment that may be offered, and upon the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes, through the regular parliamentary stages to its final disposition; and that after the hour of 2 o'clock p. m. on said day, August 31, 1914, no Senator shall speak more than once or longer than 15 minutes upon the bill or upon any amendment offered thereto.

The VICE PRESIDENT. Is there any objection?

Mr. REED. I suggest to the author of the unanimous-consent agreement that he make it 4 o'clock instead of 2.

Mr. CULBERSON. The change may be made, Mr. President. I accept it with pleasure.

Mr. REED. I make the further suggestion that the limitation which provides that no one shall speak more than once be amended so that the author of an amendment may be permitted to speak twice, but not to consume in the aggregate more than 20 minutes.

Mr. CULBERSON. That is satisfactory to me.

Mr. CUMMINS. Mr. President, I should like to have the first part of the agreement as to the time of voting again stated.

The VICE PRESIDENT. The Secretary will restate the part of the agreement to which the Senator from Iowa refers.

The Secretary read as follows:

It is agreed by unanimous consent that at not later than 4 o'clock p. m. on Monday, August 31, 1914, the Senate will proceed to vote upon any amendment that may be pending, any amendment that may be offered, and upon the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes.

Mr. CUMMINS. My inquiry is this: After 4 o'clock can we discuss amendments offered to the bill?

Mr. GALLINGER. Oh, yes.

The VICE PRESIDENT. The Secretary did not state the entire proposed agreement.

Mr. CULBERSON. Under the proposed agreement after 4 o'clock amendments can be discussed for 20 minutes. I ask that the Secretary read the entire agreement.

The VICE PRESIDENT. The Secretary will read the proposed agreement.

The Secretary read as follows:

It is agreed by unanimous consent that at not later than 4 o'clock p. m. Monday, August 31, 1914, the Senate will proceed to vote upon any amendment that may be pending, any amendment that may be offered, and upon the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes, through the regular parliamentary stages to its final disposition, and that after the hour of 4 o'clock on said day, August 31, 1914, no Senator shall speak more than once or longer than 15 minutes upon the bill or any amendment offered thereto, except the author of an amendment may be permitted to speak twice, but not to consume in the aggregate more than 20 minutes.

Mr. CUMMINS. Mr. President, I think I understand what is intended, but it seems to me there is a little conflict in the agreement. If we proceed to vote at 4 o'clock, it is hard for me to comprehend how we can debate after 4 o'clock.

The VICE PRESIDENT. This is in the regular form of unanimous-consent agreements which have been entered into since the present occupant of the chair has been presiding.

Mr. CUMMINS. I understand that debate to the extent of 15 minutes for each Senator on each amendment is allowed after 4 o'clock?

The VICE PRESIDENT. That is allowed after 4 o'clock.

Mr. CUMMINS. Then I have no objection.

Mr. GALLINGER. The author of an amendment is allowed 20 minutes?

Mr. CUMMINS. Yes.

Mr. JONES. Mr. President, does this agreement apply to the calendar day or to the legislative day of to-day?

Mr. CUMMINS. Mr. President, there is no time fixed at all, as I understand the agreement.

Mr. JONES. It ought to be ascertained whether the calendar day or the legislative day is referred to. I think it ought to be the legislative day of to-day.

Mr. GALLINGER. We are now in the legislative day of August 25; we are not in a calendar day.

Mr. REED. I think it should be the legislative day for this reason: I am willing for this agreement to be made and am willing to get this debate down to fair limits, but when we get to that limited point, debate is bound to end in a reasonable time, and we ought not to be compelled to sit here until 12 o'clock at night.

Mr. JONES. That is what I had in mind.

Mr. SMOOT. It should be the legislative day, but it reads "on said day, August 31."

Mr. JONES. The proposed unanimous consent says "on said day, August 31," and therefore the bill must be disposed of on the calendar day of August 31.

The VICE PRESIDENT. It is the calendar day, as the agreement now stands.

Mr. CULBERSON. I am perfectly willing to have it legislative day or to make any agreement that may be satisfactory to the Senate in order that there may be a final conclusion of the matter within a reasonable time.

Mr. JONES. If it is understood that the debate need not be closed on the calendar day of to-day, I have no objection at all.

The VICE PRESIDENT. The proposed agreement does not so provide, and the Chair is not going to make that statement. The agreement reads "calendar day."

Mr. CULBERSON. I am willing to insert the word "legislative," Mr. President.

Mr. GALLINGER. Let the word "legislative" be inserted.

Mr. JONES. Let it read "the present legislative day."

Mr. CULBERSON. We take a recess each day at 6 o'clock. We are acting in a legislative day now.

Mr. SMOOT. May I suggest to the Senator that we are now in the legislative day of Tuesday, August 25, and we can continue that legislative day as long as may be necessary.

Mr. CULBERSON. As I have said, I am willing to modify the proposed agreement in any reasonable way to get a vote and to get this matter before the Senate for final conclusion.

The VICE PRESIDENT. The Secretary will read the unanimous-consent agreement as it is proposed to be modified.

The Secretary read as follows:

It is agreed by unanimous consent that at not later than 4 o'clock p. m., on the legislative day of August 25, 1914, the Senate will proceed to vote upon any amendment that may be pending, any amendment that may be offered, and upon the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes, through the regular parliamentary stages to its final disposition, and that after the hour of 4 o'clock p. m. on said day no Senator shall speak more than once or longer than 15 minutes upon the bill or any amendment offered thereto, except the author of an amendment, who may speak twice, but not to consume in the aggregate more than 20 minutes.

Mr. SHIVELY. Mr. President, would not that provide for a vote at 4 o'clock on the 25th day of August?

The VICE PRESIDENT. The proposed agreement will be restated. The Chair thinks that, with a slight modification, the proposed agreement as the Secretary is about to read it will cover the matter.

The Secretary read as follows:

It is agreed by unanimous consent that at not later than 4 o'clock p. m. on Monday, August 31, 1914 (legislative day of August 25, 1914), the Senate will proceed to vote upon any amendment that may be pending, any amendment that may be offered, and upon the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes, through the regular parliamentary stages to its final disposition; and that after the hour of 4 o'clock p. m. on said day no Senator shall speak more than once or longer than 15 minutes upon the bill or any amendment offered thereto, except that a Senator proposing an amendment may speak twice, but not to consume in the aggregate more than 20 minutes.

The VICE PRESIDENT. Is there any objection? The Chair hears none, and the agreement is entered into. The pending amendment is the amendment offered by the Senator from Missouri [Mr. REED], upon which the yeas and nays were ordered, and on being taken on Saturday last disclosed the lack of a quorum.

Mr. THOMAS. I ask that the amendment of the Senator from Missouri be restated.

The VICE PRESIDENT. The Secretary will restate the amendment.

The SECRETARY. It is proposed to strike out the first paragraph of section 8, on page 8, and in lieu of the words stricken out to insert:

That no corporation engaged in commerce shall acquire, directly or indirectly, the whole or any part of the stock or other share capital of another corporation engaged also in commerce in the same line or lines of business.

Mr. THOMAS. Mr. President, in my judgment the amendment offered by the Senator from Missouri is not only a most pertinent but a very essential one if this bill is to accomplish the purposes for which it has been framed. This amendment is designed to take the place of the first paragraph of section 8, whose phraseology it substantially follows down to the point where the restriction is qualified.

In the section as reported by the committee a corporation engaged in commerce is prohibited from acquiring "the whole or any part of the stock or other share capital of another corporation" only "where the effect of such acquisition is to eliminate or to substantially lessen competition between the corporation whose stock is so acquired and the corporation making the acquisition, or to create a monopoly of any line of commerce."

Mr. President, I would be better satisfied with the proposed amendment if it absolutely prohibited one corporation from holding shares or stock in any other corporation. At common law no such power existed. At common law and under the statutes of most of the States down to a quarter of a century ago the restrictions which experience had demonstrated to be necessary to safeguard the people against the growing power and expansion of corporate life were those the observance of which made it impossible for a corporation to invade the province of individual opportunity or individual right.

Mr. OVERMAN. May I interrupt the Senator?

Mr. THOMAS. Certainly.

Mr. OVERMAN. If that had been the law 20 years ago, it would have been disastrous to the southern country. Let me give the Senator an example.

North Carolina, my State, has gotten to be a great cotton-manufacturing State, as the Senator knows. Our people in little communities have subscribed stock to build cotton mills. They have been able to put up the building and get stock for the capital, but they have not been able to buy the machinery. They have gone to Massachusetts, and the Massachusetts machinery people have furnished them machinery, and have taken payment in stock. They have gone to Pittsburgh, Pa., and have secured their boilers and engines. They did not have the money to pay for them, but the Pittsburgh people would sell them their machinery and take payment in stock. In Massachusetts the Whiting Machine Co. would sell them their machinery and take payment in stock.

By that means we have been able to build the cotton mills in my State, and by that means only, because the people did not have the money to buy the machinery, and these people in the North have been kind enough to let them have the machinery and pay for it in stock. If the law had been as the Senator urges that it should be, we could not have built a cotton mill in the State.

Mr. GALLINGER. Mr. President, I will ask the Senator if it is not also a fact that many of our New England manufactories have taken stock directly in the cotton mills of the South?

Mr. OVERMAN. There is no question about that. It has enabled us to build these mills.

Mr. GALLINGER. This would upset the entire business of cotton manufacturing, it seems to me.

Mr. OVERMAN. Why, it would have been absolutely ruinous. Our people could not have built half a dozen mills in the State if they could not have acquired the machinery by means of the manufacturers taking stock in the corporations. They are not engaged in the same line of business. They are not in competition.

Why should not a Massachusetts corporation take stock in a southern cotton mill in payment for furnishing it the machinery? Why should not a Pittsburgh concern let us have a boiler and engine to run one of our mills and take stock in it? I do not see any objection to that. They are not competitive. What is the reason for not allowing them to take stock in the corporation?

Mr. REED. Mr. President, they would not be touched by my amendment.

Mr. OVERMAN. No; not by the Senator's amendment; but I am answering what the Senator from Colorado says—that no corporation ought to be allowed to have stock in any other corporation. The policy of the country has changed. All the States in the Union, probably, have changed from the old common-law idea. There would have been distressing times with us if we could not have had this policy then. Now, do you want to blot out and stop that kind of business?

Mr. THOMAS. Is the Senator through?

Mr. OVERMAN. Yes, sir.

Mr. THOMAS. Mr. President, I still insist that no corporation should be permitted to hold stock in any other corporation. I am aware of the fact that the practice has been indulged in so long that nothing I can say will in any wise change the practice, but I am here to assert that fully 50 per cent of the corporate abuses of the country, of which the people justly complain, and which require us to enact legislation for their removal and to bring all corporate and commercial lines engaged in interstate trade within the restraining influences of national legislation, are due to practices beginning with such "necessities" as the Senator from North Carolina has referred to, and expanding from those beginnings into all avenues of commercial life, until to-day every corporation that is of any consequence counts as part of its assets not only the stock, but through that stock the control, of corporations engaged in the same and in other lines of business.

Mr. President, it may be, and doubtless is, true, as the Senator from North Carolina has stated, that the cotton-manufacturing industry has been largely promoted by the practices to which he refers; but that business, if there was a demand for it—and no doubt there was—could have been and would have been, if the law had not permitted, as unfortunately it did permit, just such investments, developed along other and more legitimate lines of expansion. That, however, is merely a digression.

Mr. CULBERSON. Mr. President——

The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from Texas?

Mr. THOMAS. I do.

Mr. CULBERSON. Aside from the policy of the amendment of the Senator from Missouri, I will ask the Senator from Colorado if he thinks the Congress of the United States has the authority, under the Constitution, to regulate the ownership of stock in State corporations?

Mr. THOMAS. The Congress of the United States has the right to impose any restriction it sees fit upon the agencies of interstate commerce. My objection to this whole line of proposed legislation is that it does not follow that course. I believe that Congress, in the present emergency, should place certain prohibitive restrictions upon corporations engaged in interstate commerce, one of which would be to prevent their owning stock in other corporations; and of course State corporations, if they carried on interstate commerce, would then be obliged to comply with that requirement or quit doing interstate business.

Mr. CULBERSON. Mr. President, will the Senator submit to a brief observation?

Mr. THOMAS. Certainly.

Mr. CULBERSON. In the Northern Securities case, in One hundred and ninety-third United States, which I reexamined last night, the majority opinion held, in effect, that the ownership of the stock of competing railway corporations engaged in interstate commerce had the tendency and effect of restraining interstate trade and therefore was within the terms of the Sherman antitrust law of 1890.

This amendment, it occurs to me, goes further than that. It prohibits the ownership by one corporation of the stock of another corporation engaged in part in interstate commerce without reference to its effect upon interstate or foreign trade. Therefore it is purely and simply a regulation of the ownership of stock of corporations created by the States, and in my judgment is not only against the majority opinion in the Northern Securities case, but is unquestionably against the minority opinion, delivered by the present Chief Justice of the Supreme Court of the United States.

Mr. THOMAS. Mr. President, in the remarks which I submitted for the consideration of the Senate when the so-called trade commission bill was before us I attempted to point out, and I think successfully, and fortified my position by references to such distinguished authorities as the former Attorney General of the United States, that under the interstate-commerce clause of the Constitution Congress has the power to prescribe the conditions under which the agencies of interstate commerce could transact business. The object of the argument was to demonstrate, if possible, that if that course of legislation were taken the necessity for a trade commission, the necessity for active regulation, the necessity for Federal supervision of the transactions and operations of these great combinations would absolutely disappear, since through compliance with the restrictions of such laws the evils complained of would necessarily disappear, or those agencies would be prohibited from carrying on interstate commerce. I also endeavored to show that we were pledged by our platform to that method of procedure.

Mr. CUMMINS. Mr. President——

The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from Iowa?

Mr. THOMAS. In just a moment.

While I have the profoundest respect for the opinion of the chairman of the committee, who never expresses one upon a subject so important as this until he has fortified himself by a knowledge and a review of the authorities, I am constrained to declare that if we concede that the Congress of the United States, in the exercise of its powers under the interstate-commerce clause of the Constitution, can not impose a restriction like this upon corporations engaged in interstate commerce, then we might as well bid adieu to all attempts to control those agencies and seek some other methods of relief from the abuses of which the country so justly complains.

I yield to the Senator from Iowa.

Mr. CUMMINS. Mr. President, I desire to make a suggestion to the Senator from Colorado, as well as to the Senator from Texas.

The latter Senator has correctly stated the decision in the Northern Securities case, and he has stated the reason given by the court for its decision. I think, however, he has omitted this element: He has assumed that when we passed a law forbidding restraints of trade we had exercised our full constitutional power to regulate commerce.

It is true that in order to make an act an offense as against the antitrust law we must show that the ownership by one corporation of the stock of another does restrain trade; but that is not our full constitutional power. We can regulate commerce in any way we see fit for the public good; and if we desire to say that one corporation engaged in commerce among the States shall not own the stock of another corporation engaged in commerce, I think we have the full constitutional authority to say so.

I therefore do not look upon the decision in the Northern Securities case as at all impairing the validity of the amendment offered by the Senator from Missouri. So far as I am concerned, I go further. I think we can say that a corporation engaged in commerce shall not hold the stock of any other corporation, whether it be competitive or not. It is a condition that we can impose upon a corporation as precedent to its right to engage in commerce. That question, however, is not up at this time, and it is not necessary to consider it.

I make this suggestion to the Senator from Colorado because the point raised by the Senator from Texas is an exceedingly important one, and if his view is accepted we are pretty nearly at the end of our string. If our present laws are not found to be effective, then the whole experiment would be a failure.

Mr. THOMAS. Mr. President, I fully agree with the conclusions just stated so well by the Senator from Iowa. To illustrate the consequences if his position were not substantial, I will take the instance suggested by the Senator from North

Carolina [Mr. OVERMAN], where stock in a cotton manufacturing company is sold to or received by a corporation in Pittsburgh engaged in the manufacture of machinery for the weaving of cotton cloth in exchange for such machinery. Why, it is easily conceivable that the Pittsburgh corporation could demand and receive a majority of the stock in the cotton factory in North Carolina.

Mr. OVERMAN. That is not the case, however. That is not so. They have not done that.

Mr. THOMAS. I do not say it is so. I have not so asserted; but it might be so, and if you acknowledge the right of such a corporation to acquire a single share of stock in the North Carolina company you must concede its right to acquire every share of stock in it, with the result that the concern in Pennsylvania engaged in the manufacture of cotton machinery will also become engaged in the manufacture of cotton cloth through its ownership of another corporation organized under the laws of North Carolina. Now, it is very easy to follow that to its logical consequences and to assume a control not only of one but of every one of the companies in the State of North Carolina by a single concern engaged in the business of manufacturing machinery for weaving cotton cloth. The very moment you recognize the right of one corporation to hold stock in another corporation, whether engaged in the same line of business or not, that very moment you must recognize the right of the holding corporation to own all the stock not only of that company but of every other company engaged in the same business as well as those engaged in other lines of business. It is this vicious principle which lies at the basis of fully one-half of the corporate abuses of which the country justly complains, and which makes it necessary for us to remain here during this long summer season, engaged in the effort to legislate in order to overcome it.

Mr. HOLLIS. Mr. President——

Mr. THOMAS. What we should do is to attack this evil at its very source, and until that is done all of our remedial legislation will prove to be palliative, and palliative only. I yield to the Senator from New Hampshire.

Mr. HOLLIS. I should like to ask the Senator a question. He was on the Finance Committee when the tariff bill was under consideration a year ago. I wish to ask the Senator if any cotton manufacturers and any cotton-mill owners appeared before the committee and asked them to reduce the tariff on cotton machinery?

Mr. THOMAS. Speaking offhand, I do not recall that any such request came from any source, except from those who were competitively engaged in the manufacture of that class of machinery.

Mr. HOLLIS. I think that is correct; and to me it was very significant that the cotton-mill owners did not appear here and ask to have the tariff reduced on cotton machinery, and I ascribe it to this very ownership of the mills by cotton-machine manufacturers.

Mr. THOMAS. I do not recall that any of the cotton manufacturers down South or up North appeared before us and asked for a reduction of duty upon manufactured goods. I think it was simply a situation where the representatives of each industry, desiring to retain as much duty as possible, were naturally chary of attacking the duty upon the product of other manufacturers whose interests were analogous.

Mr. OVERMAN. Did not the cotton-mill people come before the committee and send a brief, in which they stated that they were perfectly willing to have the tariff reduced on certain classes of goods?

Mr. THOMAS. Perhaps they did. I was not on that subcommittee.

Mr. OVERMAN. They did send a brief here, and in it they said the tariff was too high, and they were willing to have the tariff reduced.

Mr. THOMAS. I take the Senator's word for it. It is contrary to my recollection, but I am not going to be distracted from the discussion of the things for which I took the floor.

Mr. OVERMAN. The Senator from New Hampshire [Mr. HOLLIS] interrupted the Senator, and that is the reason why I interrupted him.

Mr. THOMAS. I do not object to the Senator's interruption.

Mr. OVERMAN. I am very much obliged to the Senator.

Mr. THOMAS. It is perfectly appropriate to interrupt me whenever the Senator desires to do so. But, Mr. President, let me come again to this amendment, since it is that which I desire to discuss for a moment. The amendment virtually eliminates from section 8 the conditions under which corporations engaged in commerce may acquire the whole or any part of the stock or other share capital of another corporation. As the paragraph stands the condition will make the prohibition nugatory; as the prohibition stands with the qualification, any corporation engaged in commerce can acquire the whole or any part of the stock of any other corporation by merely asserting that its effect is neither to eliminate nor substantially lessen competition.

Mr. OVERMAN. Is not the Senator mistaken there? The bill provides that no corporation shall own stock in another corporation where it substantially lessens competition.

Mr. THOMAS. That is what I am talking about.

Mr. OVERMAN. We have a trade commission for the purpose of investigating that matter. If they find that that is the case, of course the corporation becomes liable.

Mr. THOMAS. We are going to have a trade commission composed of five members. That commission must investigate the complaints of 100,000,000 people. Those complaints will become as thick as the leaves of autumn, and they will be lodged, of course, as rapidly and disposed of as summarily as the limited powers and qualifications of five men may do so. Before it has been in operation six months the commission will be buried completely out of sight by an overwhelming number of complaints of unfair competition, which it will be powerless to dispose of for five years thereafter. That is one of the reasons why I say that the qualification here will practically destroy the purpose and effect of the prohibition. Suppose that I represent a corporation engaged in the manufacture of cotton-cloth machinery. I use that as an illustration, since it has been brought up here. As the representative of that corporation I have an opportunity to obtain a controlling interest in all the mills of northern Georgia engaged in that business, and I do so. I then operate those mills for the production of cotton cloth, and by virtue of their number and of my control of them I can operate them not only in competition with, but practically to the destruction of the other mills in the State. Complaint is made before the trade commission that I have violated this paragraph of section 8 and acquired the whole or a part of the stock of other corporations engaged in commerce, but I will reply that the effect of that acquisition is not to eliminate and substantially lessen competition, and I offer to prove it.

An issue is joined and the controversy then becomes one of fact. In the first place, the question whether I have violated the section or not will then depend upon the judgment of three out of five men. In the next place, the hearing may be postponed and prolonged to such an extent that the controversy will have become stale and unimportant before it can have been decided; and what is worse, Mr. President, I will have the capacity of showing by expert and other testimony that inasmuch as my corporation is engaged in the manufacture of machinery and the corporations which I control are engaged in the manufacture of cotton cloth there is nothing in the two processes which either eliminates or lessens competition between them.

Now, that is one of scores of illustrations easily susceptible of statement which must produce the consequences that will flow from this section when an attempt is made to put it in practical operation.

Mr. President, the Rock Island company is a holding corporation. It holds all the stock of another Rock Island company, which is also a holding corporation, and the second holding corporation holds all the stock of the Rock Island Railroad Co., which is the operating company. There is a condition in which it can be asserted successfully that the holding of the stock of the holding company holding the stock of the railroad company does not lessen competition, does not eliminate competition, and does not create a monopoly. It is a stock-exchange manipulation which has resulted in the bankruptcy and the ruin of one of the finest pieces of railroad property in the United States, but the process would be legitimized under this section if it shall be enacted into law as reported by the committee.

So, Mr. President, if we are going to legislate upon this great subject in such wise as to make our legislation effective, if we are going to legislate in such wise as to bring that relief to the people which they are looking to us to effect for them, if we are going to enact repressive legislation that will repress, then we should eliminate from this proposed amendment such qualifications to the prohibitive clauses of the bill as will make those prohibitive clauses meaningless or easy for adverse construction.

I hope, Mr. President, that my view concerning the operation and effect of this measure, if the amendment is rejected, will prove in the future to have been ill founded. I hope when the law comes into operation it will justify all the expectations of those who have framed it and who are directly responsible for its consideration. But I am unable, Mr. President, to perceive how this paragraph is anything more than a mere legislative

poultice to be applied to the exterior—the disease being an internal one—or how it is going to operate otherwise than to defeat and to destroy.

This is a very important measure. Without it the whole scheme of additional legislation falls to the ground. The commission created by another bill and charged with the duty of preventing unfair competition is going to be charged as well with the duty of carrying out and effectuating many of the provisions of this act. If unfair competition is so broad and general and sweeping in its character as to give that body absolute power to prohibit all sources and evidence of unfair competition, let not this bill be so framed as to operate as a modification rather than substantial complement to the original purpose for which we have brought it into existence.

Mr. CUMMINS. Mr. President, I intend to vote for the amendment proposed by the Senator from Missouri [Mr. REED], but a word of explanation, I think, is necessary. I believe the amendment proposed is a great deal better than the bill as passed by the House. But it has two defects in it which I think it is but fair that I should suggest, because I intend ultimately to offer a substitute for the entire section 8, and I will discuss the subject briefly when I have an opportunity to offer that amendment.

The defects to which I have referred are:

First, the amendment relates only to future acquisitions of stock. I think the law that we pass should relate to the existing situation as well as to future conditions.

Second, the amendment is modified or influenced by the succeeding paragraphs in the section so that a large part of its effectiveness would be destroyed. These paragraphs I have already mentioned and already commented upon to some extent. I do not intend to prolong the debate upon it now. I hope the amendment will be adopted, because if it is and my substitute is not adopted we will have a great deal better law than we shall have if we pass the paragraph as it came from the House.

Mr. REED. Mr. President, just a word on this amendment. I find there is a little misunderstanding about it. I want to clear that up, and I will take but a moment to do it.

The amendment does not propose to strike out all of section 8. It applies only to the first paragraph of section 8, and allows the balance of that section to remain unimpaired and unchanged.

Now notice the language, and I call the attention especially of the Senator from North Carolina [Mr. OVERMAN]. The language of the first paragraph of section 8, as I propose to amend it, reads:

> That no corporation engaged in commerce shall acquire, directly or indirectly, the whole or any part of the stock or other share capital of another corporation engaged also in commerce in the same line or lines of business.

It does not prohibit a corporation that manufactures a boiler or an engine from selling it to a cotton factory and taking pay in stock because it is not engaged in manufacturing cotton; it is making boilers or engines. The sole difference, as I view it, between the section as I have asked to have it amended and the section as reported by the committee is that in the bill as reported by the committee the language reads as follows:

> Where the effect of such acquisition is to eliminate or substantially lessen competition.

Now, that is a very difficult thing to prove. It constantly brings up a question of dispute, and what I am asking is that we shall furnish an absolute rule and test it by facts easily ascertained. It is easy to ascertain whether two corporations are engaged in the same line of business, but it is wholly a different question to ascertain whether they are actually competing; and I think this would remove the difficulty.

Mr. CHILTON. Will the Senator allow me to ask him a question?

Mr. REED. Yes.

Mr. CHILTON. The Senator proposes to say "in the same line or lines of business." I wish to suggest to the Senator this situation: Take a corporation engaged in the manufacture of steel. Suppose another corporation was engaged in the production of iron ore. Would the Steel Corporation be justified under this language in holding stock in the company that produced the raw material?

Mr. REED. I think it would. I think it would not be barred.

Mr. CHILTON. Then does not the Senator think that the difficulty he is trying to get relief from is not met by his amendment?

Mr. REED. It is not met absolutely, and it never will be met, until, as the Senator from Colorado [Mr. THOMAS] suggests, we go back to the old common-law doctrine that one corporation can not own the stock of another. But I call the Senator's attention to the fact that if the illustration he uses would not be covered by the language of my amendment it certainly would not be covered by the language I seek to amend. His argument would go as much against that, and even more than against my amendment. I do not claim that this will stop everything. I claim that it will be a long step in that direction.

Mr. CHILTON. I take it, we can go, it is claimed that we can, even further than the Senator from Colorado, and say that the corporation shall not engage in interstate commerce at all, and go back to the doctrine that it shall be done entirely by individuals. That, though, is a matter of policy in meeting the present situation.

Mr. REED. I understand it is a matter of policy, but the Senator does not meet the case by submitting that the amendment which I have now offered will not cover all the cases when he must admit that his objection to my amendment is that it covers more cases than the language it seeks to displace.

Now, Mr. President, I will call the Senator's attention to another matter. The paragraph as amended leaves in the section the qualifying clause that it "shall not apply to corporations purchasing such stock solely for investment, and not using the same, by voting or otherwise, to bring about, or in attempting to bring about, the substantial lessening of competition"; so that a bank can loan money upon stocks, investors can purchase stock, corporations can obtain stock in another. They simply can not obtain stock in a company that is doing the same line of business they are doing.

Now, is that wise? A final word upon it. An absolute prohibition was the old common law. It is the rule of right and the rule of reason that can be sustained by arguments too long to repeat here.

Mr. SHEPPARD. Let me ask the Senator, would it not be better instead of substituting his amendment for the first paragraph of section 8 to add it to that paragraph?

Mr. REED. There would be some conflict, I think, then. I feel sure this will cover it. I want to call the attenion of the Senate to the fact that we are traveling a beaten path here. I have had a very hasty examination made of the statutes of the various States. I do not say it is absolutely accurate, but according to this examination, which I think is, if not entirely accurate, substantially accurate, I find that in 24 States of the Union corporations are not permitted to own stock of other corporations. In a few other States they are permitted to own the stock in certain corporations. That is reached in this way. Where a State has made no provision and where the common law obtains, this rule applies. I read from the case of De La Vergne Co. v. German Savings Institution (175 U. S., p. 54):

> But as the powers of corporation, created by legislative act, are limited to such as the act expressly confers, and the enumeration of these implies the exclusion of all others, it follows that, unless express permission be given to do so, it is not within the general powers of a corporation to purchase the stock of other corporations for the purpose of controlling their management.

Then follows a large number of decisions which are cited.

Mr. President, Arizona has no provision permitting such stock ownership. There is a peculiar provision of that law, however, which was copied by Iowa and was held to give the implied power. Arkansas has no provision for stock ownership; California has none. In the District of Columbia it is expressly prohibited. Florida has no such provision. In Georgia it is expressly prohibited by the constitution. In Illinois mining and manufacturing companies are permitted to hold stock in any one connecting railroad, but the right is limited to that. In Indiana it is permitted in only certain instances. Iowa has no such provision; Kansas has no such provision; Kentucky has no such provision. In Louisiana corporations can hold stock, but they can not vote it. In Maine manufacturing, mechanical, mining, and quarrying corporations may purchase or hold the stock and bonds of other corporations, but the law seems to be limited to those particular corporations. In Massachusetts there is no such provision; in Michigan there is no such provision; in Mississippi it is expressly prohibited. In Missouri there is no provision, except, I think, in one or two instances which rarely occur; otherwise it can not be done. In Nebraska there is no such provision; in New Hampshire a corporation is permitted to hold stock in payment of debts due the corporation, but it must be sold within five years after title is perfected. In North Dakota there is no such provision. In Oklahoma it is expressly prohibited except where the stock is pledged in good faith for a debt; in Oregon there is no such provision. There is some limitation in Rhode Island, but it would take too long to explain it. In South Dakota there is no such provision. In Tennessee construction companies may receive stock in payment for work done. In Texas there is no such provision, but it is claimed there is a right there under the general powers of corporations, which are very broad in

this particular respect. Utah has no such provision; Vermont has none; Virginia has no express provision. West Virginia has no provision permitting stock ownership.

Mr. CHILTON. Mr. President, the Senator from Missouri is mistaken as to that. As I stated the other day to the Senate, there is an express provision allowing one corporation to own the stock of another under an act of West Virginia. I have forgotten the exact date of that act, but it was passed many years ago.

Mr. REED. This statement I have made was taken from a compilation of the corporation laws of the United States. As I have said, my examination has been hasty, and there is a possibility of an error; but it is safe to say that in more than half the States of this Union stock ownership by one corporation in another corporation is prohibited. It is a wise and wholesome condition of affairs.

We therefore take no radical step here when we say that a corporation shall not engage in commerce if it holds the stock of another corporation engaged in the same line of business, the solitary distinction between the amendment and the text as it comes to us from the committee being that under the committee text the limitation is where corporations are engaged in competition, which is always a difficult thing to prove.

Mr. President, under the subsequent clauses of the bill a corporation may obtain stock in payment of a debt or it may even buy stock in a company in the same line of business if it does not, through the voting of that stock, undertake to create a monopoly in restraint of trade.

Mr. President, the Senator from West Virginia [Mr. CHILTON] called my attention to the law of his State, and in order that he may understand that I have endeavored to be accurate in my statement I will say to him——

Mr. COLT. May I ask the Senator from Missouri a question before he goes to another point?

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from Rhode Island?

Mr. REED. Certainly.

Mr. COLT. This proposed amendment forbids corporation A from acquiring stock in corporation B. Now, I should like to ask the Senator from Missouri if the same effect, so far as the elimination of competition is concerned, would not be accomplished if corporation B was wound up and corporation A bought the property and paid for it in stock of the company? I can not quite understand the reason upon which this provision is founded if its purpose is to prevent the suppression of competition.

Mr. President, it has been said that under the old common law a corporation could not acquire stock in another corporation. But suppose that under modern conditions we find an infinite number of corporations, and suppose, further, that these corporations are now dealt with as individuals and that the customs and usages of business men growing out of trade necessities have recognized that one corporation might acquire the stock in another corporation, is there any good reason why this practice should be condemned by the law?

We sometimes forget that there are two kinds of law and two different courts. There is the court of society, with its rules and regulations which govern men in their intercourse with each other, and the only difference between the rules laid down by society and legal rules is that the latter are enforced by compulsion.

Now, with respect to questions which relate to trade and commerce, my first inquiry is, What are the rules and practices recognized by society and which are in accord with its sense of what is right and just?

If in the development of corporations society has recognized certain usages and practices which are in accord with its sense of justice and its intellectual and moral judgment, Congress should not attempt by some arbitrary law to overthrow these customs and usages and thereby endeavor to check the natural and normal development of society.

Mr. REED. Mr. President, at the moment the very learned Senator from Rhode Island arose to ask his question I was about to state——

Mr. COLT. I beg the Senator's pardon for wandering from the question.

Mr. REED. I was about to call the attention of the Senator from West Virginia to the fact that the authority which I consulted contains a statement which, in order that it may be seen that I have tried to state the rule correctly as to his State, I desire to read:

> No corporation shall be incorporated for the sole purpose of purchasing real estate in order to sell the same for profit, nor shall it, except by a vote of its stockholders regularly had, subscribe for or purchase the stock, bonds, or other securities of any joint-stock company, or become surety or guarantor for the debt or default of such company.

That would not cover the situation exactly; but in reading this through hastily and making up this list that clause was carelessly read. That is all there is to say about it.

Mr. CHILTON. No, Mr. President; the Senator has not been careless; but the law does not state what the Senator thought it stated. What the Senator has read is the law of West Virginia, but that law simply requires the purchase of the stock of one corporation by another corporation to be accomplished by the action of the stockholders and not by the directors; that is all. It allows such stock to be so acquired; in fact, authorizes it; but it must be done by a vote of the stockholders and not by the directors.

Mr. REED. I stated it too broadly; that is all. I want the Senator and everybody else to understand that in making this hasty examination of these laws—and I so stated in advance—there might be some errors.

Mr. President, answering the Senator from Rhode Island [Mr. COLT], who interrupted me a few moments ago with the somewhat remarkable argument that there are two kinds of law, one the law of society and the other the public law, I think I recognize the distinction the Senator means to make, and we all recognize that as to a great many of their acts the people are not governed by the absolute laws of the land; that there is a higher law, and there are higher impulses and higher instincts. The church, the school, and all the moral societies tend to keep mankind upon a high plane, but the fact that the higher law exists has not deterred us from passing laws to prohibit murder, arson, rape, and larceny. Neither has it stopped us from undertaking to regulate the action or to prohibit the power of great combinations.

If we, sir, were to settle this question by the higher law; if the higher law could protect the people of the United States from the aggressions of vast combinations; if it were effective for that purpose there never would have been a combination in this land, for the higher law is, and the common judgment of the people of the United States is, that no concern ever ought to be so great or so powerful as to control the prices of articles the people must buy. The common judgment of mankind, the higher law, is that a man has no more right in the commercial field to create a monopoly and to crush and destroy his weaker rival than a pirate with a ship armed with cannon has the right to sail the high seas and destroy honest merchantmen.

We come, then, to the question of disobedience through all these years to the higher law. That disobedience is manifest and apparent to all. We are seeking to remedy it by a positive law. Does the Senator mean to intimate that if we pass this law we will be overruled in the court of public opinion and that the law of Congress would be nullified? Surely he did not mean that; but if he did not mean that, it is difficult for me to understand just what he did mean.

It is true that corporations have been buying the stock of each other——

Mr. COLT. Mr. President——

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from Rhode Island?

Mr. REED. I do.

Mr. COLT. Mr. President, I agree with what the Senator has said with regard to monopoly. I believe, however, that for corporation A to buy stock in corporation B, although they may both be engaged in the same line of business, might be, under some circumstances, a perfectly proper and legitimate transaction. I believe, further, that if corporation A bought the stock of corporation B with an intent to form a combination in restraint of trade, or with an intent to establish monopoly, and thereby to control prices, or to limit output, or to crush competition, then it should be prohibited. Such acts at the present time clearly come under the condemnation of the Sherman Act.

My objection to this detailed legislation is that it covers, in many cases, transactions which are perfectly legitimate. There may be, for example, two cotton mills making the same line of goods, one of which is managed in an inefficient way, so that the stockholders do not get any return upon their investment, while the other is well managed and pays dividends. Is there any harm in one of those corporations buying the stock of the other and thereby protecting the mill which is inefficiently managed?

I agree entirely with the Senator that monopoly should be prohibited; but again I ask if such a transaction as the one to which I have referred is wrong—and I can not see why it is—is there any difference between that transaction and consolidating the two corporations by the actual purchase of the

property of one of them? If the wrong consists in the elimination of competition, then we are forced to this conclusion: The elimination of competition is permitted until we reach the corporate unit, but here it must stop.

In other words, you allow individuals to crush each other by competition. You allow the combination of individuals in the form of a partnership which results in the elimination of competition. You allow the combination of partnerships in the form of a corporation, the effect of which is to stifle competition, and then you say at this point: We will stop the elimination of competition, but in effect you do not do this, because you still permit the corporate unit to crush competition by consolidation; that is to say, you forbid the union of A and B corporations by the purchase of stock by A, but you do not forbid the consolidation of the property of these corporations in the hands of A.

Now, I would prevent every purchase of stock or every consolidation which leads to the evils of monopoly or restraint of trade; but my objection to this legislation is that you are forbidding a great many transactions which should be permitted.

Why, Mr. President, the law of cooperation is just as much of a force in our commercial life as the law of competition. The law of cooperation corrects the abuses of cutthroat competition, and the law of competition corrects the abuses of cooperation. Both are essentially monopolistic. Both competition and cooperation seek control, and that is monopoly. Now, the practical question is to cure the evils of both cooperation and competition. You can not eradicate them. You can not destroy either of these great forces which now govern the world of trade and commerce. All you can do is to regulate them. I would prohibit any form of competition or cooperation or combination which was detrimental to the public interest—in other words, any form which enhanced prices, limited output, crushed competition, or which in any other way was detrimental to the public.

Here you have a clear, simple, broad principle to act upon. You have something which the courts can enforce. When, however, you undertake to regulate by law competition with its thousand varieties of form, cooperation with its thousand varieties of form, discrimination in price with its thousand varieties of form, tying contracts with their thousand varieties of form, interlocking directorates with their thousand varieties of form, holding companies with their thousand varieties of form, you are undertaking an impracticable piece of legislation, which will only lead to confusion and injustice, and which is likely to undermine and impair that great fundamental statute which now protects us against the abuses of both competition and cooperation, known as the Sherman Act.

Mr. REED. Mr. President, it would be impossible for the adoption of this particular amendment to curtail in any way the force of the Sherman Act. The learned Senator will not contend that, although it might be implied from his concluding statement.

I want to say to the Senator that nothing I have said is susceptible of the construction that I hold him to be a friend of monopoly. I do not know where he conceived that thought from any remark of mine.

Mr. COLT. I did not intend to say that. I only intended to say that if I did not agree with the Senator's amendment, he might perhaps think that I indorsed monopoly.

Mr. REED. Oh, no. We can all differ here without differing upon any such ground as that.

Mr. President, there is no reason advanced by the Senator why Congress may not properly stop the holding company which he says exists in a thousand different forms. We know it is one of the greatest instrumentalities of monopoly. There is no reason why we can not stop at their inception certain practices which lead to monopoly; and that is the whole purpose of all these weeks of debate. That is what we are trying to do.

I have this one observation to make: There are great reasons why one corporation should not hold the stock particularly of another corporation engaged in the same line of business. When our corporation laws were originally enacted it was recognized that they might lead to great abuse. Accordingly, it was provided in almost every State of the Union that there should be not less than a certain number of stockholders; that there should be a certain number of directors; that there should be directors who resided locally within the State; the amount of capital stock is limited in many States; the issuance of the stock is limited; the right of the shareholders is guarded; the powers of the officers are circumscribed; and in every case there is an attempt at laws to fix in some manner a degree of personal responsibility upon the management of a corporation.

That is all completely nullified, every one of those safeguards is absolutely stricken down, when you permit the control of corporation A by corporation B, for it is no longer controlled by local men; it is no longer controlled by men having a direct personal responsibility to it, but it is controlled by another corporation which may be in a distant State. When you attach together a vast string of these corporations, you create through the corporate management a restriction upon commerce and a control of trade, and you tend constantly toward the creation of monopoly.

Of course, it is possible to imagine two small corporations where a joint stock ownership might do no harm; but because it might interfere in some trifling degree is no reason why we should not strike a blow with the ax at the root of the tree of monopoly, and this is one of the main roots of the tree. It is no answer, either, to say that the corporation might sell all of its assets to another corporation, or that a corporation might go out of business and its properties might be acquired by another corporation. When that is done, it means an increase of capital stock. It means that there is given to the world knowledge of the fact that the property and the business are thus controlled; whereas, under the method of stock ownership, there has been exercised in this country for years a secret control, and frequently monopoly is almost completely worked out through it.

Let me take one illustration. I will refer to my old friend the Harvester Trust. There was a consolidation there of five companies originally. The consolidation of those five companies was taken by the Supreme Court as a very potential fact showing an attempt to create a monopoly. All of that could have been escaped if they had tied themselves together by a common stock ownership or by the ownership by one of the stock of another.

Mr. THOMAS rose.

Mr. REED. Let me go on further with that for just one moment.

That company, in order to market its goods, organized another corporation, every share of the stock of which it owned, and then, through that corporation, sold its goods in every State of the Union. Thus there was but one corporation selling the goods that were produced by a great corporation which was a consolidation of some six or seven other corporations.

Mr. President, what we are trying to do is to stop that sort of thing. The committee is trying to do it. The committee's bill is based upon that. The House of Representatives tried to do it. Their bill is based upon that idea. All I hope to accomplish by the present amendment is to make it much more easy to prove the case.

Mr. THOMAS. Mr. President——

Mr. REED. I yield to the Senator from Colorado.

Mr. THOMAS. I merely wish to add, in connection with what the Senator has just said and as illustrative of the extent to which this abuse may be carried, that the subsidiary corporations of the New York, New Haven & Hartford Railroad Co., which were utilized for the purpose of wrecking that great concern, numbered 326.

Mr. REED. Yes. Now, take that illustration. Suppose the New York, New Haven & Hartford Railroad Co. had gone out and had bought these railroads and bought them in the open. At once the question would have come before the public and before all the authorities and before the Attorney General of the United States, "Is not the New Haven Railroad acquiring competing lines? Is not the New Haven Railroad creating a monopoly in interstate carriage in that whole section of the country?" The country would have been advised of it; and, moreover, the stockholder would have had some chance to protect himself. When, however, they acquired secret ownership of the majority of the stock of these roads, which were held up before the public as independent companies and the public led to believe that they had competition, they defrauded the whole public, and they were able to practice fraud upon the public and upon the authorities of the law until at last a great calamity brought to the attention of the public the fact that there was mismanagement. Then, digging down below the surface, all these conditions were discovered.

Mr. President, we ought to end this thing. We ought to be brave enough to end it now by legislation that may even seem a little radical to some of us. The sooner we adopt legislation that has an edge to it the sooner these practices will cease. The sooner they cease the less disturbance there will be to business by ending them.

The provision as it is now drawn acts only on the future. There ought to be a provision to act upon present conditions, but I think there ought to be allowed a period for readjustment.

I hope this amendment will be adopted. So far as I am concerned, I have presented it to the best of my ability, and whatever the result is I shall be content.

Mr. THOMPSON. Mr. President, before the Senator from Missouri takes his seat I would like to make one suggestion to him.

I know it is the desire of the Senator from Missouri to strengthen the statute, and I have no doubt the committee have the same purpose. The Senator from West Virginia [Mr. CHILTON], representing the committee, has argued that the section of the statute as written by the committee is the broader and the stronger statute. Of course the Senator from Missouri takes the opposite view.

I think that the views of both Senators can be easily embodied in the bill by a slight amendment, and that the suggestion of the Senator from Texas [Mr. SHEPPARD] is valuable in this connection. My suggestion is simply this—if the Senator from Missouri will take this amendment which I hand him and follow me: Let his amendment be embraced in the first part of section 8 just as he has written it, and then simply say:

In the same line or lines of business, and when engaged in different lines of business where the effect of such acquisition is to eliminate or substantially lessen competition—

And so forth. So that the paragraph as amended will read as follows:

SEC. 8. That no corporation engaged in commerce shall acquire, directly or indirectly, the whole or any part of the stock or other share capital of another corporation engaged also in commerce in the same line or lines of business, and when engaged in different lines of business where the effect of such acquisition is to eliminate or substantially lessen competition between the corporation whose stock is so acquired and the corporation making the acquisition, or to create a monopoly of any line of commerce.

This would make it unlawful for one corporation to own stock in other corporations where engaged in the same line of business, and also when engaged in different lines of business where it creates a monopoly or lessens competition. It seems to me that embraces both ideas and would materially strengthen the measure.

Mr. REED. Mr. President, it would be satisfactory to me with that amendment.

Mr. CULBERSON. Mr. President, I ask the indulgence of the Senate for a few moments with reference to this amendment.

The House provision and the Senate committee amendment are based upon the argument and the decision in the Northern Securities case, reported, as I have already indicated, in One hundred and ninety-third United States Reports. The amendment of the Senator from Missouri, going beyond that, would prohibit any corporation engaged in part in interstate or foreign commerce from purchasing or acquiring the stock of another corporation engaged in interstate or foreign commerce. I invite the attention of the Senate to the decision to which I have referred.

The Supreme Court of the United States, composed of nine members, was divided 5 to 4 against the holding company created in New Jersey to hold the stock of these two great railroad companies of the Northwest. The dissenting opinion of Mr. Justice White, now the Chief Justice, was to the effect that the regulation and control of the ownership of stock of corporations created by a State was not a regulation of commerce, because the ownership of such stock was not in itself commerce. Four members of the court on the other side held that the character of ownership of the stock in that case, where competition was destroyed, or where monopoly was created, or where it was possible to create monopoly, was a restraint of trade, and therefore within the purview of the Sherman law.

Mr. Justice Brewer, not agreeing entirely with either side of this controversy in that court, filed a concurring opinion, practically saying that he adopted the result of the majority opinion rather than its argument, and therefore the decision of the court stood five to four.

As I have already indicated, the House bill and the Senate amendments are based upon the decision of the court in that case. The Senator from Missouri [Mr. REED] would have the Congress of the United States, with its power on this subject limited to the regulation of interstate and foreign commerce, regulate the ownership of stock in corporations created by the States on the ground, narrowed, so far as the amendment goes, that they were engaged in part in interstate commerce, and without reference to whether competition was destroyed or lessened or trade was restrained or monopoly was created. I submit to the Senate that it is the safer rule to confine ourselves to the admitted power of Congress to regulate transactions which are in themselves commerce and not venture to invade the authority and sovereignty of the States of the Union to regulate matters within the province of those Commonwealths.

I hope the amendment will not be adopted, but that the amendment proposed by the Senate committee following the plan of the House will prevail.

Mr. THOMPSON. I ask the Senator from Texas if I understood him as saying that the amendment I suggested is acceptable to him.

Mr. CULBERSON. In the hurried examination which I have been able to make of the proposed amendment——

The VICE PRESIDENT. Just now the Chair wants to say that the proceedings this morning will not be taken as a precedent in the Senate of the United States. There was not a question of doubt about the roll call having been started upon this amendment on Saturday, and the only thing to do was to vote on the amendment this morning as soon as we secured a quorum. The Chair could not entertain any amendment to the pending amendment, because it is being voted upon.

Mr. CULBERSON. I agree with the ruling of the Chair.

Mr. THOMPSON. I understood the Senator from Texas to say that the amendment is satisfactory to him, and that is the reason why I made the suggestion.

Mr. CULBERSON. Oh, no; on the contrary——

The VICE PRESIDENT. There is no question of doubt that the whole proceeding this morning has been irregular. The Chair did not choose to interfere, because Senators desired to discuss the amendment, but the Chair has ruled upon it. Amendments can not be made to the amendment, because the amendment is the pending question, and the yeas and nays have been ordered and partly called.

Mr. REED. Mr. President, I want to say just one word. I have the greatest respect for the opinion of the chairman of the committee upon any legal question, but if the opinion he has just expressed be accurate and correct I think nearly everything we have been doing with reference to this bill is in conflict with that opinion. I think there are other clauses of the bill equally in conflict, and I think the trade commission bill is absolutely in conflict with it.

Under the trade commission bill you have undertaken to give them the right to investigate every corporation, and you have given the right to prescribe what they call fair and unfair trade. It is a little too late in this debate to be drawing the line so closely.

Mr. President, I hold to this view. I will not undertake to say that it is correct. I hold to the view that the right of Congress to regulate interstate commerce carries with it the power to do all that is necessary to protect that interstate commerce and see that it flows freely and openly and without obstruction, and that therefore Congress has the power within its discretion to condemn certain acts which are in the nature of consolidations, the reasonable effect of which may be to restrain trade, and that if Congress exercises that power it will not, in my humble judgment, be disturbed by the court.

Mr. President, that is all I desire to say.

The VICE PRESIDENT. The Secretary will call the roll on agreeing to the amendment of the Senator from Missouri [Mr. REED.]

The Secretary proceeded to call the roll.

Mr. COLT (when his name was called). I have a pair with the junior Senator from Delaware [Mr. SAULSBURY] who is detained by illness. In his absence I withhold my vote.

Mr. CULBERSON (when his name was called). I transfer my general pair to the Senator from Arizona [Mr. SMITH] and vote "nay."

Mr. HOLLIS (when his name was called). I have a general pair with the Senator from Maine [Mr. BURLEIGH] and withhold my vote.

Mr. THOMAS (when his name was called). I have a general pair with the senior Senator from New York [Mr. ROOT]. In his absence I withhold my vote. If I were at liberty to vote, I would vote "yea."

Mr. TOWNSEND (when his name was called). I have a general pair with the junior Senator from Arkansas [Mr. ROBINSON], which I transfer to the Senator from Illinois [Mr. SHERMAN] and vote "yea."

Mr. WALSH (when his name was called). I have a general pair with the Senator from Rhode Island [Mr. LIPPITT], who is absent from the Chamber. Being unable to obtain a transfer, I withhold my vote.

The roll call was concluded.

Mr. BRISTOW. I am paired with the Senator from Georgia [Mr. WEST]. I transfer that pair to the Senator from California [Mr. WORKS] and vote "yea."

Mr. FLETCHER. I am paired with the Senator from Wyoming [Mr. WARREN]. I transfer my pair to the junior Senator from Kentucky [Mr. CAMDEN] and vote "nay."

Mr. MYERS. Has the Senator from Connecticut [Mr. MCLEAN] voted?

The VICE PRESIDENT. He has not.

Mr. MYERS. I have a pair with that Senator. In his absence I withhold my vote.

Mr. CLAPP. I was requested to announce the unavoidable absence at this particular time of the Senator from Oklahoma [Mr. GORE]. He is paired with the junior Senator from Wisconsin [Mr. STEPHENSON].

Mr. THOMAS. I transfer my pair to the Senator from Nebraska [Mr. HITCHCOCK] and vote "yea."

Mr. WALSH. I transfer my pair to the Senator from South Carolina [Mr. SMITH] and vote "yea."

Mr. GALLINGER. I was requested to announce the following pairs:

The Senator from New Mexico [Mr. CATRON] with the Senator from Oklahoma [Mr. OWEN];

The Senator from South Dakota [Mr. CRAWFORD] with the Senator from Tennessee [Mr. LEA];

The Senator from Wyoming [Mr. CLARK] with the Senator from Missouri [Mr. STONE];

The Senator from West Virginia [Mr. GOFF] with the Senator from South Carolina [Mr. TILLMAN];

The Senator from North Dakota [Mr. GRONNA] with the Senator from Maine [Mr. JOHNSON];

The Senator from Massachusetts [Mr. LODGE] with the Senator from Georgia [Mr. SMITH];

The Senator from Pennsylvania [Mr. PENROSE] with the Senator from Mississippi [Mr. WILLIAMS]; and

The Senator from Utah [Mr. SUTHERLAND] with the Senator from Arkansas [Mr. CLARKE].

The result was announced—yeas 22, nays 27, as follows:

YEAS—22.

Ashurst	Jones	Norris	Thompson
Borah	Kern	Perkins	Townsend
Bristow	Lane	Pittman	Vardaman
Chamberlain	McCumber	Poindexter	Walsh
Clapp	Martine, N. J.	Reed	
Cummins	Nelson	Thomas	

NAYS—27.

Bankhead	Hughes	Pomerene	Smith, Mich.
Bryan	James	Ransdell	Smoot
Chilton	Lee, Md.	Shafroth	Swanson
Culberson	Martin, Va.	Sheppard	Thornton
Fall	O'Gorman	Shields	Weeks
Fletcher	Oliver	Simmons	White
Gallinger	Overman	Smith, Md.	

NOT VOTING—47.

Brady	Goff	McLean	Smith, Ga.
Brandegee	Gore	Myers	Smith, S. C.
Burleigh	Gronna	Newlands	Stephenson
Burton	Hitchcock	Owen	Sterling
Camden	Hollis	Page	Stone
Catron	Johnson	Penrose	Sutherland
Clark, Wyo.	Kenyon	Robinson	Tillman
Clarke, Ark.	La Follette	Root	Warren
Colt	Lea, Tenn.	Saulsbury	West
Crawford	Lewis	Sherman	Williams
Dillingham	Lippitt	Shively	Works
du Pont	Lodge	Smith, Ariz.	

So Mr. REED's amendment was rejected.

Mr. REED. I offer an amendment which appears on page 39 of the print of amendments. I ask that it be read.

The VICE PRESIDENT. The amendment will be read.

The SECRETARY. It is proposed to add a new section as follows:

SEC. —. That the attorney general of any State may, at the cost of the State, bring suit in the name of the United States to enforce any of the antitrust laws.

Mr. WALSH. Mr. President, a parliamentary inquiry. My understanding about the matter is that the amendment upon which the vote has just been taken was offered as a substitute for the amendment offered by myself to section 8. Is that correct?

Mr. REED. That is correct. For the time being I withdraw my amendment.

Mr. WALSH. That is why I made the inquiry.

The VICE PRESIDENT. That is right. The question is on the amendment proposed by the Senator from Montana. The Secretary will state the amendment.

The SECRETARY. In section 8, page 8, lines 19 and 20, strike out the comma after the word "acquisition"——

Mr. WALSH. No. I want to present them separately. The first amendment is addressed only to the words "eliminate or."

The SECRETARY. In line 17, strike out the words "eliminate or."

The VICE PRESIDENT. That has been agreed to.

Mr. WALSH. The amendment is to strike out the words "eliminate or," so that it will read "where the effect of such acquisition is to substantially lessen competition."

Mr. OVERMAN. I understand the Chair to state that those two words, the words "eliminate or," were stricken out.

The VICE PRESIDENT. That has been agreed to.

Mr. WALSH. Then I have another amendment which I indicated at the same time. It is to strike out from the same paragraph, on page 8, lines 19 and 20, the words "or to create a monopoly of any line of commerce."

Mr. REED. I desire to ask the Senator from Montana a question. I understand where there has been a consolidation which may result in a monopoly or which may result in a restraint of trade that is sufficient to bring the act within the purview of the Sherman law. This section, at least as to the practices covered by it, will only have the effect where there is a substantial lessening. I ask the Senator if he does not think by the language of the statute we are absolutely narrowing the rule as laid down in the trust cases?

Mr. WALSH. I do not think so, but the question does not seem to me relevant, if I understand it aright, to the amendment which I now offer.

Mr. REED. I am asking only with reference to the other part.

Mr. WALSH. Yes; it has some relevancy to some other feature of the paragraph. The amendment now proposed is to strike out the language "or to create a monopoly of any line of commerce," because there can be no doubt whatever—it is not a subject for discussion—that that is already covered by the Sherman Antitrust Act. I plead with the Senator not to endeavor to reenact that law nor to make any provision in respect to it lest it would be assumed that the later law would wipe out the earlier one. Listen to section 2 of the Sherman Antitrust Act It reads:

Every person who shall monopolize, or attempt to monopolize, or combine or conspire with any other person or persons to monopolize, any part of the trade or commerce among the several States, or with foreign nations, shall be deemed guilty of a misdemeanor, and, on conviction thereof, shall be punished—

And so forth.

This prohibits one corporation from acquiring stock in another corporation, when the effect of it is to create a monopoly of any line of trade or commerce in any section or community. I should like to hear some one tell how that is not already covered by the Sherman Act, and whether, if we put it in here, we are not in all probability amending the Sherman Antitrust Act, so that it will be no longer punishable under its provisions but will be subject to regulation under the provisions of this act.

I plead with my colleague upon the Judiciary Committee not to permit the act to go in this form.

Mr. REED. Mr. President, a parliamentary inquiry. I am utterly unable to understand when the amendment to strike out the words "to eliminate" passed. It was pending, and I offered an amendment as a substitute for it, and the substitute was defeated. Almost instantly I was upon my feet to make an inquiry of the Senator from Montana [Mr. WALSH]. A statement was made that the amendment had been passed. I want to know when it was passed.

The PRESIDING OFFICER (Mr. CHAMBERLAIN in the chair). On Saturday last, the Chair is informed by the Secretary, just prior to the offering of the amendment of the Senator from Missouri.

Mr. REED. Very well. Now, I want to say that I agree with every word the Senator from Montana has said with reference to the necessity of striking out the language that he is now attacking, but I think we ought also to go back to line 8, and in lieu of the word "is" insert "may be," so that the clause would read "may be to eliminate."

I am perfectly willing it shall go by for the present, but I am calling attention to it. I think the Senator from Montana is absolutely right in his construction of this language.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Montana [Mr. WALSH].

Mr. SHIELDS. As I understand the Senator from Montana, he would leave out the words "or to create a monopoly of any line of commerce," as what they express is embraced in sections 1 and 2 of the Sherman law, and that this might be construed as a repeal of that part of the law. I think the Senator's fears are entirely groundless. If this is to be construed as a repealing statute, it is what is known as a repeal by implication. There certainly is no express repeal. There is no better-settled principle than that an implied repeal will never be presumed unless the last statute is directly and absolutely repugnant to and inconsistent with the former one. Repeals by implication

are not favored, and they must appear almost beyond a reasonable doubt before they can be effective.

I think those words are very material, that they are wholesome, and ought to remain in the bill. What we are trying to do is to condemn monopoly, to condemn practices that lead to it, and the proposition now is to strike out all in relation to monopoly in the section.

Mr. POMERENE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Ohio.

Mr. SHIELDS. Certainly.

Mr. POMERENE. If the acquisition of the stock is contrary to the inhibition of this section, the result would be the creation of a monopoly. Is not that already provided for in section 2 of the Sherman Act, and therefore if there is no other objection there certainly is no necessity for this provision in the section.

Mr. SHIELDS. Mr. President, that presents a different view of the question. I think there is a necessity for it. The policy of the House in putting section 8 in the bill was in keeping with that outlined by the platforms of the two great political parties, by President Taft in his special message to Congress in December, 1911, after the decision in the cases of the Standard Oil Co. and the American Tobacco Co. It is in keeping with the legislation recommended and advised by President Wilson in his message of last January—that is, the selection of certain specific schemes and devices that are common and ordinary, used by monopolists in forming these combinations, and penalize them. I believe this provision ought to be retained with the criminal penalty. If we strike out all in regard to monopolies in the section, then there is no prohibition of such schemes for the purpose of creating monopoly, and there is no chance hereafter to restore the penal clauses to prohibit the acts therein denounced. Therefore I think these words should not be stricken out.

Mr. CUMMINS. Mr. President, I desire to emphasize the statement made by the Senator from Montana [Mr. WALSH]. It seems to me that we ought not to incur the hazard which we certainly will incur if we leave these words in the paragraph. I think it will have the effect of repealing the antitrust law, so far as monopolies are created through the medium of the holding of stock by one corporation of another. We will have substituted another law for a monopoly so created whenever we pass this statute, and we will have put the enforcement of the law in that respect in the hands of a commission. We will have taken it out of the antitrust law, where it is enforceable through the Attorney General in a civil suit or through a criminal prosecution, and will have put these monopolies so created in the hands of a commission.

While I believe that a commission can perform the most important function in the regulation of commerce, I do not want to give to the commission the enforcement of a statute against a monopoly, for there is no difficulty whatever in perceiving a monopoly and understanding what it is when once the facts are known. Moreover, these words add nothing to the preceding statements in the paragraph. As it is now, I understand, it reads:

> That no corporation engaged in commerce shall acquire, directly or indirectly, the whole or any part of the stock or other share capital of another corporation engaged also in commerce where the effect of such acquisition is to eliminate or substantially lessen competition between the corporation whose stock is so acquired and the corporation making the acquisition, or to create a monopoly of any line of commerce.

Can any Senator here conceive of an instance in which a monopoly is created in which competition is not substantially lessened as between two corporations? Even if it were not in conflict with the antitrust law, it is a reiteration. When you prohibit the substantial lessening of competition by the acquisition of stock, of course you prohibit a monopoly, because monopoly is the suppression of competition. Why, after you have prohibited the lesser thing, do you find it necessary to go forward and prohibit the greater thing? The injunction against the lessening of competition, of course, reaches every case of an alleged monopoly and reaches a great many others. So I hope, for the sake of the integrity of the antitrust law, as well as the proper expression of this proposed law, the last clause may be stricken out.

Mr. SHIELDS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Tennessee?

Mr. CUMMINS. I do.

Mr. SHIELDS. I should like to ask the Senator from Iowa if he knows of any authority holding that a statute can be repealed by implication where the subsequent statute is not repugnant or in conflict with the former one, or, further, that a reiteration of a former statute repeals it?

Mr. CUMMINS. I know of a great many authorities which hold that if a statute passed to-day is inconsistent with a statute passed 20 years ago the statute adopted to-day governs and repeals entirely or pro tanto the statute of 20 years ago.

Mr. SHIELDS. Certainly; but that is not the proposition. This proposed statute is consistent with the Sherman law.

Mr. CUMMINS. I am asserting that it is inconsistent in this: That it declares the prohibition, and then says that the prohibition shall be enforced through the Federal trade commission, whereas in the antitrust law a prohibition is declared, and it is to be enforced through the administration of the Department of Justice, either through a civil suit or a criminal suit. Those two statutes are inconsistent with each other.

Mr. SHIELDS. Does the Senator think that providing a cumulative remedy for an existing statute repeals it? I have always thought that it was almost equivalent to a reenactment to provide a new method for the enforcement of a statute, and that is all the trade commission bill does if it does anything.

Mr. CUMMINS. If the Senator assumes that this is a cumulative remedy, then nothing remains to be said, but that is assuming the very proposition in controversy. Is it a cumulative remedy or is it an independent and substituted remedy? This is the view that I have taken of the matter: As it can add no strength to the statute, why should we incur the risk that we must inevitably incur if we pass it in its present form?

Mr. WALSH. Mr. President, I want to say a word with reference to that, too. We have given to this Congress, and to the country that is awaiting the passage of this bill, the most solemn assurance over and over again that these remedies are not cumulative to those already provided by the law for violations of the Sherman antitrust law. We have declared that the antitrust acts which Congress is now considering deal with matters which are entirely outside of the Sherman antitrust law and not reached by its provisions at all. When we had the trade commission bill under consideration we were accused time and time again of givng an alternate remedy to the Government in relation to violations of the Sherman antitrust law, and over and over again the assurance was given from this floor that nothing of the kind was contemplated by that legislation at all.

It was said that the Attorney General would have a choice, under the law, whether he should proceed to enforce the Sherman antitrust law in accordance with its original provisions or whether he should hale offenders against that law before the trade commission for the purpose of punishing them as therein provided. We told the Senate again and again that that was not the purpose, that the two were intended to cover practices that were essentially different. So here, Mr. President, we are endeavoring to pass a law not for the purpose of giving a cumulative remedy for enforcing obedience to the Sherman antitrust law, but we are endeavoring to deal with a situation entirely outside of that law.

Mr. WHITE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Alabama?

Mr. WALSH. If the Senator from Alabama will pardon me until I finish this thought, I shall then be glad to yield to him.

Mr. President, I think the Senator from Tennessee [Mr. SHIELDS] will certainly agree with me that if we should reenact section 2 of the Sherman antitrust law, but put another penalty there, if we should provide, for instance, a fine not exceeding $1,000 or imprisonment for not exceeding six months, to that extent the later law would be a repeal of the former law. The former law provides for a fine not to exceed $5,000 and imprisonment not to exceed one year. We could reenact the substance of the law, but provide a different penalty. Undoubtedly the later law would repeal, to that extent, the former law.

Here, Mr. President, we practically repeat the provisions of the Sherman antitrust law, so far as the creation of a monopoly by the acquisition of the stock of one corporation by another corporation is concerned, and we provide another way for bringing to bar those who shall violate its provisions. It becomes a most serious question as to whether Congress intends that as a cumulative remedy, as an additional method of securing the observance of the provisions of the antitrust law, or whether it is believed that the present provisions are too harsh and they ought to be relieved by substituting this present method of enforcement.

I sincerely trust that that impression shall not get abroad, and I do feel as if there can scarcely be a doubt that that will be the construction that will be given to this provision if we allow this language to stand in the bill, for which, I daresay, no one here upon this floor can give any reason.

Now, Mr. President, I should be very glad to answer the Senator from Alabama.

Mr. WHITE. Mr. President, there seems to be some conflict of opinion between Senators—and between Senators, too, who are lawyers—on the subject as to whether or not the amendment of the Senator from Montana will impinge upon the Sherman antitrust law. That being so, would not the failure to adopt the Senator's amendment have the effect of holding both statutes in abeyance until the courts have passed upon the question?

Mr. WALSH. Mr. President, I do not understand that it is contended on the part of anybody that the amendment offered by myself impinges upon the Sherman antitrust law. It is agreed, I think, by all, and I think certainly by the Senator from Tennessee, that to eliminate this language will leave the Sherman antitrust law, so far as the organization of monopolies is concerned, in its full force and vigor.

It has been suggested by the Senator from Tennessee, however, as I understand the matter, that it will remain in its full force and vigor and that we provide an additional and a cumulative remedy for enforcing the observance of its terms.

Mr. WHITE. Does the Senator from Montana deny that?

Mr. WALSH. I think that the effect would be to make this the only remedy. That is my opinion about it.

Mr. WHITE. That is contrary to the views of the Senator from Tennessee.

Mr. WALSH. Yes.

Mr. WHITE. The thought I am trying to convey to the Senator from Montana is that with that conflict of opinion as to the effect of the two statutes, if the Senator's amendment is not adopted, will it not probably have the effect of holding both statutes in abeyance until the courts can pass upon the matter?

Mr. WALSH. Mr. President, of course the question will undoubtedly be raised, but I am not able to say whether proceedings will be arrested or not. I desire, however, to call attention to one further thought in this connection.

It may be remarked that the bill as it originally came from the other House took particular pains that no such evil as I now point out would be likely to occur or could now occur, because there was a penal provision attached as to anyone who should undertake to create a monopoly in this way, through the acquisition of the stock of one corporation by another corporation. They took particular pains to provide exactly the same penalty for the organization of a monopoly in that way as they provided for the organization of a monopoly under the original Sherman Act; in other words, the penal clause provided that the offenders should be subject to a fine of not more than $5,000 or imprisonment for not more than one year; and the present bill contains exactly the same penalty. But now, Mr. President, we have taken those penalties out, and we have provided for the enforcement of this provision through the trade commission. I ask the Senator from Tennessee if he believes there is a necessity for this cumulative remedy for the prevention of the monopoly denounced by the Sherman Act, and whether he favors a cumulative remedy?

Mr. SHIELDS. I do not favor a cumulative remedy in the form of an injunction issued at the instance of the trade commission. I favor criminal penalties in order to prohibit and prevent these acts of monopoly. I only say that the effect of giving the trade commission control over these matters is cumulative and that the Sherman law remains in full force and effect.

Mr. WALSH. Then, let me inquire of the Senator from Tennessee, assuming that the provisions for the enforcement of these sections by the trade commission shall remain in the bill, does he feel that we ought to provide a cumulative remedy?

Mr. SHIELDS. Mr. President, I do; because the method pointed out by the trade commission bill to suppress monopolies, with all the uncertainties that attend it, to me seems absolutely insufficient for that purpose. As I have just said, I believe in criminal penalties to suppress monopoly.

Mr. REED. Mr. President, will the Senator from Tennessee yield to me, in order that I may ask him a question?

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Missouri?

Mr. SHIELDS. I yield for a question.

Mr. REED. I want to ask the Senator from Tennessee a question, which I think I may ask with some grace, in view of the fact that I stood with the Senator in trying to keep in the criminal provision. So long as the criminal provision was in this section, that criminal provision was identical with the criminal provision which is attached to the Sherman Act. Then if we repeated the language of the Sherman Act here, the repetition made no difference, because there was the same penalty. Now that that penalty has been taken out and the enforcement of this section has been put into the hands of the trade commission, does not the Senator fear that unless we make it plain it may be held that we have taken that particular thing out of the Sherman Act by this new and later section and transferred it over to the trade commission? I am offering that suggestion for the Senator's consideration.

Mr. SHIELDS. I do not, because it is not inconsistent with the Sherman law, and would, as I think, merely provide a cumulative remedy.

Mr. President, I was aware that it was insisted upon the floor when we were considering the trade commission bill that it occupied an entirely new field and had no reference to the Sherman law; that it did not concern restraints of trade or monopolies, but related solely to competition among dealers. I understood that to be the position taken by the advocates of that measure. But the arguments made in behalf of the bill are, unfortunately, not a part of the statute, and the court can not consider them when it comes to construe it. As said in the case of United States against Trans-Missouri Freight Association:

> Debates in Congress are not appropriate sources of information from which to discover the meaning of the language of a statute passed by that body.

The courts will look to the vague, uncertain, and undefined language of the act, and no one can tell what construction will be placed upon it.

That is simply a reiteration of a well-known rule. I know the argument was made, but I do not agree with it.

Mr. CULBERSON. Mr. President, if the language sought to be stricken out is, as is contended, a specification under section 2 of the Sherman law of 1890, I see no objection to it, particularly in view of the dissenting opinion in the Northern Securities case, which this provision may be intended to cover. The Senate does not know, nor does the country know, what may be the final decision upon that question by the Supreme Court. The dominating judicial character in that case was the present Chief Justice of the Supreme Court. His dissenting opinion in that case indicates that he has not changed his views on this question, and we do not know but that there may be a change of attitude by the Supreme Court upon it, as there was on the original general construction of the Sherman antitrust law. So, for that additional reason, I see no objection to reiterating the declaration of the Congress that monopolization of commerce or any part of commerce by this method shall be unlawful and illegal.

I agree with the Senator from Tennessee that the remedy provided in section 9b is merely cumulative of existing remedies. In the report which I happened to write for the committee I at least expressed my opinion when I said, at page 41 of the report:

> All the remedies provided in the bill and amendments are cumulative.

Mr. President, that was said after a full consideration, on my part at any rate, of the bill. In substantiation of that, I call attention to the language of section 9b. So much of it as is pertinent declares:

> SEC. 9b. That authority to enforce compliance with the provisions of sections 8 and 9 of this act—

It originally read sections 2, 4, 8, and 9—

> by the corporations, associations, partnerships, and individuals respectively subject thereto is hereby vested: In the Interstate Commerce Commission where applicable to common carriers and in the Federal Trade Commission where applicable to all other character of commerce, to be exercised as follows.

Mere authority is thus granted by section 9b of the bill, Mr. President, for the enforcement of the act, not exclusive authority, but authority in addition to the provisions of the Sherman antitrust law and other antitrust laws. For these reasons, hurriedly stated, I agree with the position taken by the Senator from Tennessee in this matter.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Montana.

Mr. WALSH. I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CULBERSON (when his name was called). Again announcing my pair and its transfer, I vote "nay."

Mr. GORE (when his name was called). I am paired with the junior Senator from Wisconsin [Mr. STEPHENSON], and in his absence withhold my vote.

Mr. MYERS (when his name was called). I inquire if the Senator from Connecticut [Mr. MCLEAN] has voted?

The PRESIDING OFFICER. The Chair is informed he has not.

Mr. MYERS. I have a pair with that Senator, and in his absence withhold my vote.

Mr. WILLIAMS (when his name was called). Transferring my pair with the senior Senator from Pennsylvania [Mr. PEN-

ROSE] to the junior Senator from South Carolina [Mr. SMITH], I vote "nay."

The roll call was concluded.

Mr. THOMAS. I transfer my pair with the senior Senator from New York [Mr. ROOT] to the senior Senator from Nebraska [Mr. HITCHCOCK] and vote "nay."

Mr. FLETCHER. Making the same announcement as to my pair and its transfer as on the previous roll call, I vote "nay."

Mr. BRISTOW. I transfer my pair with the Senator from Georgia [Mr. WEST] to the junior Senator from California [Mr. WORKS] and vote "yea."

Mr. LEWIS. I desire to announce the unavoidable absence of the Senator from Tennessee [Mr. LEA]. He is paired with the Senator from South Dakota [Mr. CRAWFORD]. I ask that this announcement may stand for the day.

Mr. GORE. I transfer my pair with the junior Senator from Wisconsin [Mr. STEPHENSON] to the junior Senator from Nevada [Mr. PITTMAN] and vote "nay."

The result was announced—yeas 14, nays 38, as follows:

YEAS—14.

Ashurst	Cummins	Perkins	Walsh
Bristow	James	Pomerene	White
Chamberlain	Jones	Reed	
Clapp	Lee, Md.	Shively	

NAYS—38.

Bankhead	Lane	Overman	Sterling
Bryan	Lewis	Poindexter	Swanson
Burton	Lippitt	Ransdell	Thomas
Chilton	McCumber	Shafroth	Thompson
Culberson	Martin, Va.	Sheppard	Thornton
Fletcher	Martine, N. J.	Shields	Vardaman
Gallinger	Nelson	Simmons	Weeks
Gore	Norris	Smith, Md.	Williams
Hughes	O'Gorman	Smith, Mich.	
Kern	Oliver	Smoot	

NOT VOTING—44.

Borah	du Pont	McLean	Smith, Ariz.
Brady	Fall	Myers	Smith, Ga.
Brandegee	Goff	Newlands	Smith, S. C.
Burleigh	Gronna	Owen	Stephenson
Camden	Hitchcock	Page	Stone
Catron	Hollis	Penrose	Sutherland
Clark, Wyo.	Johnson	Pittman	Tillman
Clarke, Ark.	Kenyon	Robinson	Townsend
Colt	La Follette	Root	Warren
Crawford	Lea, Tenn.	Saulsbury	West
Dillingham	Lodge	Sherman	Works

So Mr. WALSH's amendment was rejected.

Mr. WALSH. I move to strike from the bill, in section 8, all of paragraph 2 after the word "commerce," in line 14, so that if amended the paragraph will read:

> No corporation shall acquire, directly or indirectly, the whole or any part of the stock or other share capital of two or more corporations engaged in commerce.

The amendment simply brings up the question whether or not we are going to authorize or denounce holding corporations. I do not know of any place in the industrial world for a holding corpration.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Montana.

Mr. NELSON. I ask that the amendment be stated by the Secretary.

The PRESIDING OFFICER. The Secretary will state the amendment.

The SECRETARY. In section 8, page 8, line 23, after the word "commerce," it is proposed to strike out:

> Where the effect of such acquisition, or the use of such stock by the voting or granting of proxies or otherwise, is to eliminate or substantially lessen competition between such corporations, or any of them, whose stock or other share capital is so acquired, or to create a monopoly of any line of commerce.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Montana.

Mr. NORRIS. I ask for the yeas and nays on that amendment.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CULBERSON (when his name was called). Again announcing my pair and its transfer, I vote "nay."

Mr. FLETCHER (when his name was called). I transfer my pair as before and vote "nay."

Mr. GORE (when his name was called). I again announce my pair with the junior Senator from Wisconsin [Mr. STEPHENSON], and withhold my vote.

Mr. HOLLIS (when his name was called). I announce my pair with the junior Senator from Maine [Mr. BURLEIGH] and withhold my vote.

Mr. THOMAS (when his name was called). I make the same transfer as heretofore, and vote "yea."

Mr. WILLIAMS (when his name was called). Transferring my pair with the senior Senator from Pennsylvania [Mr. PENROSE] to the senior Senator from Nevada [Mr. NEWLANDS], I vote "nay."

The roll call was concluded.

Mr. COLT. I have a general pair with the junior Senator from Delaware [Mr. SAULSBURY]. In his absence I withhold my vote.

Mr. GORE. I transfer my pair with the junior Senator from Wisconsin [Mr. STEPHENSON] to the junior Senator from South Carolina [Mr. SMITH] and will vote. I vote "yea."

Mr. JAMES. I transfer the general pair I have with the junior Senator from Massachusetts [Mr. WEEKS] to the senior Senator from Indiana [Mr. SHIVELY] and will vote. I vote "yea."

Mr. MYERS. I again announce my pair with the junior Senator from Connecticut [Mr. MCLEAN]. As he is not present, I withhold my vote.

The PRESIDING OFFICER. On the amendment offered by the Senator from Montana, the yeas are 20 and the nays are 26. No quorum has voted.

Mr. HOLLIS. Under the terms of my pair I have the right to vote to make a quorum. I vote "yea."

The PRESIDING OFFICER. Still a quorum has not voted.

Mr. GALLINGER. Let the roll be called.

Mr. REED. I submit that the result has been announced, and that there is no quorum.

The PRESIDING OFFICER. The yeas are 21, and the nays are 27. Senators COLT and MYERS having announced their pairs and not voting, there is a quorum present, and the amendment of the Senator from Montana is rejected.

The vote by yeas and nays, the result of which was announced by the Presiding Officer, is as follows:

YEAS—21.

Ashurst	Jones	Pittman	Thompson
Bristow	Lane	Poindexter	Vardaman
Clapp	Lee, Md.	Pomerene	Walsh
Gore	Lewis	Reed	
Hollis	Martine, N. J.	Shields	
James	Norris	Thomas	

NAYS—27

Bryan	Gallinger	Overman	Smoot
Burton	Hughes	Perkins	Sterling
Chamberlain	Lippitt	Ransdell	Swanson
Chilton	McCumber	Shafroth	Thornton
Culberson	Martin, Va.	Sheppard	White
Cummins	Nelson	Simmons	Williams
Fletcher	Oliver	Smith, Mich.	

NOT VOTING—48.

Bankhead	du Pont	Myers	Smith, Ga.
Borah	Fall	Newlands	Smith, Md.
Brady	Goff	O'Gorman	Smith, S. C.
Brandegee	Gronna	Owen	Stephenson
Burleigh	Hitchcock	Page	Stone
Camden	Johnson	Penrose	Sutherland
Catron	Kenyon	Robinson	Tillman
Clark, Wyo.	Kern	Root	Townsend
Clarke, Ark.	La Follette	Saulsbury	Warren
Colt	Lea, Tenn.	Sherman	Weeks
Crawford	Lodge	Shively	West
Dillingham	McLean	Smith, Ariz.	Works

So Mr. WALSH's amendment was rejected.

Mr. WALSH. Mr. President, to make paragraph 2 comport with paragraph 1, I move to strike out the words "eliminate or," appearing in line 16, page 9, so that that likewise shall read:

> Where the effect * * * is to substantially lessen competition.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 8, line 25, at the end of the line, it is proposed to strike out the words "eliminate or."

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Montana. [Putting the question.] By the sound the ayes seem to have it.

Mr. NELSON. I call for a division.

Mr. GALLINGER. I will ask for the yeas and nays. A division will be fruitless.

Mr. WALSH. Without calling for the yeas and nays, then, I move, and simply desire a vote, to strike out the words "or to create a monopoly of any line of commerce" appearing in lines 19 and 20, on page 9.

The PRESIDING OFFICER. The Chair will state to the Senator from Montana that the other matter has not been disposed of. There was a demand for the yeas and nays, and the Chair thinks enough Senators seconded the motion to entitle the Senator to it. The Secretary will call the roll.

Mr. REED. Mr. President, before the roll is called, I hope the Senate will understand this amendment. We have taken those words out of the preceding section. This simply makes the language of the second section conform to the language used in the first section.

The second section applies to holding companies alone. I do not know why the Senate wants to preserve a holding company, and certainly I do not know why the language should be any broader with reference to a holding company than it is with reference to an ordinary corporation holding the stock of another company.

We are voting here to-day with a few Senators listening to the debate, with a large number of Senators in the cloak room and in the restaurant or elsewhere, who come in and vote without knowledge as to what is before the Senate. I do not wish to criticize about that. It is not my amendment. It is the amendment of the Senator from Montana. It simply makes the language conform to the amendment which has already been accepted as to section 1. I do not know why it should not come out of this section, as it was taken out of section 1.

Mr. NELSON. Mr. President, I am somewhat confused. Two amendments are offered by the Senator from Montana. On his first amendment there was a viva voce vote, and I called for a division, and afterwards a yea-and-nay vote was called for, and pending that, he has offered another amendment.

The PRESIDING OFFICER. The Chair will state to the Senator that the second amendment is not in order at this time.

Mr. NELSON. We are voting on the first amendment then?

The PRESIDING OFFICER. Yes.

Mr. NELSON. I should like to have the first amendment stated.

The PRESIDING OFFICER. The Secretary will state the pending amendment.

The SECRETARY. On page 8, line 25, it is proposed to strike out the words "eliminate or."

The PRESIDING OFFICER. The Chair will state to the Senator that that is the pending amendment. On that the yeas and nays have been called for and ordered, and the Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. CULBERSON (when his name was called). Again announcing my pair and its transfer, I vote "yea."

Mr. FLETCHER (when his name was called). I announce my pair and its transfer as before and vote "yea."

Mr. HOLLIS (when his name was called). I announce my pair as before and withhold my vote.

Mr. THOMAS (when his name was called). I make the same transfer of my pair as before and vote "yea."

Mr. WILLIAMS (when his name was called). I have a general pair with the senior Senator from Pennsylvania [Mr. PENROSE]. I transfer that pair to the senior Senator from Nevada [Mr. NEWLANDS] and will vote. I vote "yea."

The roll call was concluded.

Mr. HOLLIS. I desire to announce that the senior Senator from Maine [Mr. JOHNSON] is necessarily absent from the city and is paired with the junior Senator from North Dakota [Mr. GRONNA].

Mr. TOWNSEND (after having voted in the negative). I transfer my pair with the junior Senator from Arkansas [Mr. ROBINSON] to the junior Senator from Illinois [Mr. SHERMAN] and will allow my vote to stand.

Mr. BRISTOW (after having voted in the affirmative). I transfer my pair with the junior Senator from Georgia [Mr. WEST] to the junior Senator from California [Mr. WORKS] and will allow my vote to stand. I ask that this announcement may apply to all other votes I may cast to-day.

Mr. JAMES. I have a general pair with the junior Senator from Massachusetts [Mr. WEEKS], which I transfer to the junior Senator from Mississippi [Mr. VARDAMAN], and will vote. I vote "yea."

The result was announced—yeas 41, nays 11, as follows:

YEAS—41.

Ashurst	Hughes	Pittman	Smoot
Bankhead	James	Poindexter	Swanson
Bristow	Jones	Pomerene	Thomas
Bryan	Kern	Ransdell	Thompson
Chamberlain	Lane	Reed	Thornton
Chilton	Lee, Md.	Shafroth	Walsh
Clapp	Martin, Va.	Sheppard	White
Culberson	Martine, N. J.	Shields	Williams
Cummins	Myers	Shively	
Fletcher	Norris	Simmons	
Gallinger	Overman	Smith, Md.	

NAYS—11.

Burton	Lippitt	Nelson	Sterling
Dillingham	McCumber	Perkins	Townsend
Fall	McLean	Smith, Mich.	

NOT VOTING—44.

Borah	Clarke, Ark.	Hitchcock	Lodge
Brady	Colt	Hollis	Newlands
Brandegee	Crawford	Johnson	O'Gorman
Burleigh	du Pont	Kenyon	Oliver
Camden	Goff	La Follette	Owen
Catron	Gore	Lea, Tenn.	Page
Clark, Wyo.	Gronna	Lewis	Penrose
Robinson	Smith, Ariz.	Stone	Warren
Root	Smith, Ga.	Sutherland	Weeks
Saulsbury	Smith, S. C.	Tillman	West
Sherman	Stephenson	Vardaman	Works

So Mr. WALSH's amendment was agreed to.

Mr. WALSH. I repeat the motion I made a few moments ago, to strike out the following, being the concluding portion of paragraph 2 of section 9, beginning in the reprint on page 9, lines 19 and 20:

Or to create a monopoly of any line of commerce.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 9, line 3, it is proposed to strike out the words "or to create a monopoly of any line of commerce."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Montana. [Putting the question.] By the sound the "ayes" seem to have it.

Mr. CULBERSON. I call for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CULBERSON (when his name called). Again announcing my pair and its transfer, I vote "nay."

Mr. FLETCHER (when his name was called). Announcing my pair and its transfer as before, I vote "nay."

Mr. HOLLIS (when his name was called). I announce my pair as before and withhold my vote.

Mr. THOMAS (when his name was called). I make the same transfer of my pair as heretofore announced and will vote. I vote "nay."

Mr. WILLIAMS (when his name was called). Repeating the announcement which I made upon the last roll call as to my pair and its transfer, I vote "yea."

The roll call was concluded.

Mr. JAMES. I transfer my pair with the junior Senator from Massachusetts [Mr. WEEKS] to the junior Senator from South Carolina [Mr. SMITH] and will vote. I vote "yea."

Mr. GORE. I again announce my pair with the junior Senator from Wisconsin [Mr. STEPHENSON] and ask to be counted as present.

Mr. TOWNSEND. I desire to transfer my pair with the junior Senator from Arkansas [Mr. ROBINSON] to the junior Senator from Illinois [Mr. SHERMAN] and will vote. I vote "yea."

The result was announced—yeas 18, nays 37, as follows:

YEAS—18.

Ashurst	Dillingham	Pittman	Walsh
Bristow	James	Pomerene	White
Chamberlain	Jones	Reed	Williams
Clapp	Lee, Md.	Townsend	
Cummins	Martine, N. J.	Vardaman	

NAYS—37.

Bankhead	Kern	Overman	Smith, Mich.
Brady	Lane	Perkins	Smoot
Bryan	Lippitt	Poindexter	Sterling
Burton	McCumber	Ransdell	Swanson
Chilton	McLean	Shafroth	Thomas
Culberson	Martin, Va.	Sheppard	Thompson
Fall	Myers	Shields	Thornton
Fletcher	Nelson	Shively	
Gallinger	Norris	Simmons	
Hughes	O'Gorman	Smith, Md.	

NOT VOTING—41.

Borah	Gore	Oliver	Stephenson
Brandegee	Gronna	Owen	Stone
Burleigh	Hitchcock	Page	Sutherland
Camden	Hollis	Penrose	Tillman
Catron	Johnson	Robinson	Warren
Clark, Wyo.	Kenyon	Root	Weeks
Clarke, Ark.	La Follette	Saulsbury	West
Colt	Lea, Tenn.	Sherman	Works
Crawford	Lewis	Smith, Ariz.	
du Pont	Lodge	Smith, Ga.	
Goff	Newlands	Smith, S. C.	

So Mr. WALSH's amendment was rejected.

Mr. REED. I move, in line 8, section 8, page 9, to strike out the word "is" and in lieu thereof to insert the words "may be."

My reason for that is found in these words in the brief of the Government——

Mr. GALLINGER. Let the amendment be stated, Mr. President.

The PRESIDING OFFICER. The Chair will ask the Senator from Missouri to permit the Secretary to state the amendment for the information of the Senate.

Mr. REED. Very well.

The SECRETARY. On page 9, line 2, after the word "capital," it is proposed to strike out the word "is" and to insert the words "may be," so that if amended it will read:

Or other share capital may be so acquired.

Mr. REED. Mr. President——

Mr. POMERENE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Ohio?

Mr. REED. I do.

Mr. POMERENE. I will ask what print the Senator has.

Mr. REED. I have the print of July 22.

The PRESIDING OFFICER. That is the original print.

Mr. POMERENE. It does not read that way in my copy, and it will lead to confusion in the RECORD.

Mr. REED. I refer to line 8, section 8, page 9. The first word in the line is "is."

The PRESIDING OFFICER. What print has the Senator?

Mr. REED. The print of July 22.

Mr. OVERMAN. In the new print it is on page 9, line 8, section 8.

Mr. REED. I do not care which print we are applying it to so that we get the amendment I desire.

Mr. GALLINGER. The same language is on page 8, line 18. Probably the Senator would move it in both cases.

The PRESIDING OFFICER. The Chair will state to the Senator that, to avoid confusion, the clerks at the desk have all the time been using the original print as reported by the committee.

Mr. REED. Very well. In view of that, I refer now to the original print. My amendment is to strike out the word "is," in line 17 on page 8, and to insert in lieu of the word "is" the words "may be," so that the paragraph, if amended, will read:

That no corporation engaged in commerce shall acquire, directly or indirectly, the whole or any part of the stock or other share capital of any corporation engaged in commerce where the effect of such acquisition may be to eliminate or substantially lessen—

As it reads now—

to substantially lessen competition.

My reason for offering the amendment is this: The law, as I understand it, is that a combination is illegal where the effect may be as well as where it is. I understand that the chairman of the committee is prepared to accept the amendment.

Mr. CULBERSON. There is no objection to the amendment proposed by the Senator from Missouri.

The PRESIDING OFFICER. If there is no objection, the amendment will be agreed to. The Chair hears none.

Mr. REED. Now, in the second paragraph, in order to make it conform, I move to make the same change in line 25 of the old print, page 8.

Mr. CULBERSON. It is line 16, page 9, of the new print.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 8, line 25, strike out the word "is" and insert the words "may be."

Mr. CULBERSON. There is no objection to that amendment.

The PRESIDING OFFICER. The Chair hears no objection, and the amendment is agreed to.

Mr. WHITE. Mr. President——

Mr. SHIELDS. I should like to ask the Senator from Alabama if he is going to offer an amendment to section 8?

Mr. WHITE. No; I am not.

Mr. SHIELDS. I have one to offer to section 8.

Mr. WHITE. I will yield to the Senator from Tennessee.

Mr. SHIELDS. The second paragraph of section 8 prohibits holding companies, and is placed in the bill for that express purpose, as I understand it. The language of it as now amended is as follows:

No corporation shall acquire, directly or indirectly, the whole or any part of the stock or other share capital of two or more corporations engaged in commerce where the effect of such acquisition, or the use of such stock by the voting or granting of proxies or otherwise, may be to substantially lessen competition between such corporations, or any of them, whose stock or other share capital is so acquired, or to create a monopoly of any line of commerce.

Mr. President, this section being for the express purpose of prohibiting holding companies, I think it ought to do so absolutely. As it now reads it only prohibits them when such holding substantially lessens competition. I therefore move to strike out the word "substantially," on page 8, line 25, and page 9, line 1, so as to absolutely prohibit holding companies where the acquisition of such stock, to use the language of the bill, may be to lessen competition.

The PRESIDING OFFICER. The amendment proposed by the Senator from Tennessee will be stated.

The SECRETARY. In section 8, second paragraph, bottom of page 8, line 25, and top of page 9, line 1, strike out the word "substantially," so that if amended it will read:

Or the use of such stock by the voting or granting of proxies or otherwise may be to lessen competition.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Tennessee.

The amendment was agreed to.

Mr. WHITE. Mr. President, I have an amendment to section 9 of the original print. It is section 10 of the new print of the bill. I will read from the old print on page 12.

Mr. SHIELDS. I had not concluded with section 8, if the Senator from Alabama will bear with me.

Mr. WHITE. Certainly. I beg the Senator's pardon.

Mr. SHIELDS. I move an amendment of the same kind as to the first paragraph of section 8, in line 15; that is, to strike out the word "substantially."

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. In the first paragraph of section 8, page 8, line 17, strike out the word "substantially."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Tennessee.

The amendment was agreed to.

Mr. POINDEXTER. I offer a substitute for section 8.

The PRESIDING OFFICER. The Secretary will read the amendment proposed by the Senator from Washington.

The SECRETARY. As a substitute for section 8 insert:

SEC. 8. That no corporation engaged in commerce shall own, hold, or acquire, directly or indirectly, the whole or any part of the shares of capital stock of a competing corporation engaged also in commerce.

No corporation shall own, hold, or acquire, directly or indirectly, the whole or any part of the capital stock of two or more corporations engaged in commerce in competition with each other.

A violation of any of the provisions of this section shall be deemed a misdemeanor, and shall be punishable by a fine of not exceeding $5,000 or by imprisonment not exceeding one year, or by both, in the discretion of the court.

Mr. OVERMAN. Mr. President, I rise to a point of order. I will ask the Senator from Washington if this very amendment has not been voted down twice?

Mr. POINDEXTER. It has not been. It has not been offered.

Mr. OVERMAN. I know, but the amendment is in the exact terms of amendments offered by the Senator from Montana [Mr. WALSH] and the Senator from Missouri [Mr. REED]. It has been voted down.

Mr. POINDEXTER. The Senator is mistaken. This amendment has not been offered by anyone.

Mr. OVERMAN. Not the amendment itself, but the exact words of the amendment were voted down.

Mr. POINDEXTER. The Senator is mistaken about that. No one has offered it. Some portions of it have been offered at different times. For instance, the committee amendment proposed to strike out the penal provisions of the section.

Mr. OVERMAN. That has been voted down.

Mr. POINDEXTER. Furthermore there are various other differences between this amendment and the several portions of it which have been offered at other times. It has not been offered and it has not been voted upon.

Mr. OVERMAN. I know it has not been offered, but the amendment offered by the Senator from Missouri was in almost the exact language in the first paragraph. The second paragraph in regard to the penalty has been voted upon twice and voted down.

Mr. POINDEXTER. I am very glad indeed to have the views of the Senator from North Carolina upon it.

Mr. OVERMAN. I stand corrected if the Senator thinks they are not the same. I think they are.

Mr. POINDEXTER. I call the attention of the Senator to the difference. The amendment of the Senator from Missouri proposed to prohibit the ownership of stock in a corporation engaged in similar business. The amendment which I propose does not contain that language at all. It prohibits the ownership of stock in a competing corporation. It does not go as far in that respect as the amendment of the Senator from Missouri. To illustrate the substantial difference between the two——

Mr. OVERMAN. I see the difference, but they are practically the same.

Mr. POINDEXTER. To illustrate the substantial character of that difference, take a railroad company. The amendment of the Senator from Missouri would prohibit a railroad company from acquiring the stock in a connecting line or an extension. The amendment which I propose would only prohibit it from acquiring stock in a parallel line or competing line. The amendment makes definite and certain the prohibited act. It leaves out the indefinite and uncertain measure of what constitutes a substantial lessening of competition and prohibits in plain and definite terms the acquisition of stock by one company in a competing corporation or by one company in the stock of two competing corporations. When the act is made definite and certain as proposed by this amendment it would be easy to enforce it by a penal provision.

I am inclined to agree with the amendment proposed by the committee to the original bill striking out the penal clause because the act prohibited there was so involved and so uncer-

tain as to be practically incapable of being enforced by the conviction of anyone for crime for its violation.

I am not going to detain the Senate in arguing the amendment; the principles involved in it have been discussed in connection with various other amendments which have been offered; but it is a well-recognized fact that the absorption of the stock by a competing corporation is one of the most injurious agencies by which monopoly has been established in this country. If we are going to condemn that act, we ought to condemn it and not leave it open to evasion and to absolute defiance on the part of those who wish to establish monopoly by setting up a vague and uncertain measure as to whether it is a substantial lessening of competition.

If we are not going to prohibit the ownership of stock in a corporation by another corporation altogether, I do not see any better rule that can be adopted than to adopt the rule of prohibiting ownership of stock in a competing corporation, because the principal evil at which this bill strikes is to prevent monopoly and to maintain competition.

I wish to call attention to the principle which has guided the courts and, I suppose, upon which the rule of the common law was based. The rule itself has been spoken of here, which prohibits ownership of stock in a corporation by another corporation. The reason for this rule is this very thing, which I have just spoken of, that such corporate stock ownership is an easy and effective agency of monopoly.

On page 607, in a portion of section 4056 of volume 4 of Thompson on Corporations, it is said:

> The law recognizes the acquisition by a corporation of stock in another corporation as tending to create monopolies, and therefore condemns it as unlawful, or, at least, requires courts to act with great caution and not to hold that the power was rightfully exercised in any given case, unless it clearly appears to have been an innocent and fair exercise of the corporate power.

In section 4067 of the same work the principle underlying this rule is further discussed, as follows:

> Whether or not the courts will concede the validity of the purchase or acquisition by one corporation of the stock of another may depend to some extent on the purpose of such acquisition. If the acquired stock is that of a competing corporation, and the evident purpose is to gain control of such corporation, then the courts will look upon the transaction with no degree of tolerance. In an action to enjoin one railroad company from purchasing the stock and property of an insolvent railroad company, and thereby obtaining control, and with a view of uniting the property, business, and management with that of the purchasing company, the court said that the transaction must be regarded as an agreement to buy stock and bonds and unsecured debts of an insolvent corporation, and that, irrespective of the assumed ulterior objects in the purchase, it was not even suggested that it was legitimate. The court also took notice that the railroad whose stock was purchased was a narrow-gauge road, and that the rolling stock could not be adapted to a use of the purchasing corporation.

That brings to my mind another evil which the adoption of this amendment, which I think is necessary to render the section effective at all, would prevent, and that is not simply the prevention of monopolies, but it is to prevent wrong and injury to the minority stockholders of the corporation whose stock is acquired by the dominant corporation. A great many corporations have been purchased by other corporations for the sole purpose of absolutely destroying the value of them and of their property and franchises and stock. I have in mind one case, the Rock Island Railroad, acquired by the Harriman interests, because they owned a competing line; they loaded it with debt, although acquired at a time when its stock was above par in the market. It was one of the most valuable railroad properties in the United States, stock whose par value was $100 a share, and which had been selling at $150 a share.

Mr. THOMAS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Colorado?

Mr. POINDEXTER. In a moment.

Mr. THOMAS. The Senator said the interest thus acquired was the Rock Island. I ask him if he did not mean the Alton?

Mr. POINDEXTER. No; I mean the Rock Island. The Alton is another case. There are so many cases that it is difficult to select the most prominent or pertinent of them.

In the case of the Rock Island what did they do with this property whose stock was worth $150 a share? They loaded it with debt and when they had accomplished their purpose turned it over to their successors without money enough to buy the necessary equipment for the road, and the consequence is that that stock is now selling for less than a dollar a share in the market. The stock value of that corporation, which was subject to the devouring influence of a great competing corporation which was allowed under the law to acquire it, was absolutely destroyed.

Mr. REED. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Missouri?

Mr. POINDEXTER. I yield.

Mr. REED. I ask the Senator if that was not worked out through the device of a holding company or several holding companies?

Mr. POINDEXTER. Other devices and agencies also entered into it.

Mr. REED. Mr. President, the evils to the stockholders which the Senator has just mentioned might all be present and yet the act not come within the purview of the amendment as he has it prepared. I wanted to ask him if he does not think in view of his last argument he ought to strike out on line 7 of his amendment the words "in competition with each other," so that the clause would prohibit the holding by one company of the stock in two or more companies, regardless of whether those companies were in competition with each other or not.

Mr. POINDEXTER. I think the idea which the Senator has in mind is that while they might not be in competition with each other, one of them might be in competition with the acquiring company. Is that the idea?

Mr. REED. My idea is that if these evils are worked to the stockholders through one company having acquired the stock of other companies and then they proceed to wreck the company, unless we prohibit the holding company altogether that evil can go on. The Senator's amendment does not prohibit the holding company altogether; it simply prohibits the holding company in case the companies acquired are competitive. I want to go further than the Senator and stop the holding-company business altogether.

Mr. POINDEXTER. The Senator is rather involving two separate propositions in his suggestion. In the first place, I want to say that I am willing to go as far as the Senator proposes. In fact, I think the Senator offered an amendment to that effect a moment ago, and I voted for it; but the Senate voted it down; and not being able to go so far, on account of the action of the Senate, I propose to go as far as we can, or at least to submit to the Senate a proposition which would go further than the bill as it is now framed, although it does not go as far as the Senator proposes. So much for that.

Furthermore, as to the evil which the Senator suggests, I would say that if you remove the motive and the interest which comes from the competition of the acquiring company, or of two companies whose stock is acquired, you will probably prevent the evil which the Senator speaks of. It is not very likely that a company which has no interest, no motive in the business of some company whose stock it would acquire, would seek to destroy its business.

Mr. REED. If the Senator will pardon me, on the contrary, these holding companies have been the common device employed by scoundrels, not always for the purpose of putting together competing companies, but for the purpose of stock jobbery and stock speculation. They take a company like the Rock Island, with its stock up to $150, and they put another railroad or two in with it that may or may not be competing. All that stock is put into a holding company. Then the holding company proceeds to issue stocks and bonds of its own and sells those stocks and bonds upon the theory that they have a great earning capacity through the stock holdings which they own in a proprietary way. Then, as in the case of the Rock Island, they sometimes organize a holding company for the holding company. Thus they pyramid this monstrous scheme until it breaks with its own weight. The primary object is not the lessening of competition; it is stock jobbing and public robbery. And yet we can not get here in the Senate a vote to wipe out the holding company.

Mr. POINDEXTER. Mr. President, this section, however it may be framed—even though it go to the extent the Senator from Missouri had proposed and for which I voted with him—we could not hope would remedy all the evils that he speaks of. The only effect it would have would be to deprive monopoly of one of its instruments. We can not hope that we are going to wipe out monopoly by the adoption of the section, even though it should be in the most perfect form.

There is a great deal of truth in what the Senator from Colorado [Mr. THOMAS] remarked awhile ago, that we are dealing here with only one of the symptoms of monopoly. I would hardly call it the symptom, but we are dealing with one of the instruments of monopoly and, nevertheless, it is one of the most effective instruments of monopoly. There are many ways, even though this section should be adopted in the widest scope, in which competitive companies can be united. They are obvious to everyone. They can be united by the holding of stock of competing corporations by an individual, as is very frequently

the case. They can be united through interlocking directorates. They can be united through the ownership of stock in both of them by the stockholders of both of them and joint action in the election of a governing board. But the law has recognized—not only the common law but the legislatures of many of our States—and the courts have given the reason for the rule in construing the action of corporations which they hold to be in conflict with it—that the extension of the powers granted to this artificial being, which are much greater than those of any natural person, through an infinite multiplication of artificial beings operating under one head in different local jurisdictions, affords one of the most effective instruments of establishing monopoly; and we would be doing a good piece of legislation, although we can not prevent the evil altogether in any one piece of legislation, if we deprive them by this section of that one agency.

Mr. PITTMAN. Mr. President——

The PRESIDING OFFICER (Mr. HOLLIS in the chair). Does the Senator from Washington yield to the Senator from Nevada?

Mr. POINDEXTER. I yield.

Mr. PITTMAN. Does the Senator intend by his substitute to wipe out the exceptions provided in the original bill, for instance, the exceptions allowing the establishment of subsidiary or branch corporations to do business?

Mr. POINDEXTER. No; it does not prevent the acquisition of branch corporations.

Mr. PITTMAN. In section 8 of the bill as it now stands there is a provision permitting the organization of subsidiary and branch corporations and for the purchase of stocks solely for investment. If the Senator's amendment was substituted for the text of section 8 there would be no exemption of that kind.

Mr. POINDEXTER. Yes; there would be, Mr. President. The fact of the case is that the section itself is an exception, or would be an exception, to the general rule. The general rule would remain as it is now so far as the laws of the United States as a separate jurisdiction are concerned that one corporation could acquire and own the stock in another corporation. The exception would be that they could not do so if the thing acquired was that of a competing corporation.

Mr. PITTMAN. Would not such branch corporation appear to be a competing corporation and subject the main corporation to prosecution under your amendment?

Mr. POINDEXTER. That is a good deal like some of the legal arguments I have heard in these cases. If it were a parallel competing line, the acquisition of its stock certainly would be prohibited, and that is the evil which we are seeking to prevent. If it were a mere extension or branch line, it would not be affected by this amendment.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Nebraska?

Mr. POINDEXTER. I yield.

Mr. NORRIS. I wish to make an inquiry of the Senator. I wish, indeed, to make two inquiries. One is with reference to the suggestion made by the Senator from Missouri [Mr. REED], and the other is with reference to the suggestion made by the Senator from Nevada [Mr. PITTMAN]. I hope the Senator from Washington will take them both into consideration before he asks us to vote on his amendment. I should like to call his attention to page 9 in the bill, the provision commencing with line 5, which says:

> This section shall not apply to corporations purchasing such stock solely for investment.

Has the Senator that provision?

Mr. POINDEXTER. I have; that is, I see it in the bill.

Mr. NORRIS. If the Senator's amendment were adopted, that provision of the bill would be stricken out.

Mr. POINDEXTER. Certainly.

Mr. NORRIS. Because it is a part of section 8.

Mr. POINDEXTER. That is true.

Mr. NORRIS. Take, for instance, a university. Such institutions often invest their surplus in the stock of corporations, and that ought to be encouraged. They themselves are corporations, but they invest it for investment purposes. If the amendment were adopted without any change, that would be prohibited, I understand.

Mr. POINDEXTER. Not at all. I beg the Senator's pardon. I appreciate the pertinency of the Senator's suggestion. It was argued a few days ago when I gave notice of this amendment, and the same proposition was suggested by the Senator from Iowa [Mr. CUMMINS] in an amendment of which he gave notice, and by the Senator from New Hampshire, who made some inquiry in regard to it.

The amendment which I have offered would not prevent a college or a savings bank from investing its funds in the stock of corporations; the general rule would remain as it now is; just as I said a moment ago in regard to the broader question, that they could invest in the stock of corporations with the exception that they could not invest in the stock of a competing corporation or in the stock of two corporations competing with each other. There is only that exception, and I think there ought to be that exception for two reasons: In the first place, if it is an evil it ought to be prohibited under all circumstances; and, in the second place, from the standpoint of the investor, there is an ample field for investment without invading the principle which prompts the amendment.

Mr. NORRIS. Mr. President, if the Senator will permit me, I am in entire sympathy with what he wishes to accomplish. I am opposed to the holding company as it is ordinarily used, and I should like to prohibit it; but the Senator himself will see that his amendment, if adopted, would prohibit a college or a savings bank from investing in the stock of competing companies. Suppose a university or a college invested some of its funds in the stock of some railroad company; that they had some more funds and wanted to invest them; that they liked that kind of an investment, for it had been profitable; they would be prohibited from investing in any railroad company which competed with the first. It might be difficult to determine whether the other company in which they were thinking about investing was, in fact, in competition with the first one; and yet they would have to determine that at the peril of being fined under a criminal statute.

It seems to me the object which the Senator wishes to reach would be accomplished if he would make that exception, and then strike out, as suggested by the Senator from Missouri [Mr. REED], in his amendment, in lines 7 and 8, the words "in competition with each other"; that is, where a corporation is a holding company it should not be permitted to purchase the stock in two or more corporations engaged in commerce. That would remove any doubt. If that change were made, and the exception which I have suggested were put into the proposed law, it seems to me the evil would be eradicated.

Mr. WHITE. Mr. President——

Mr. NORRIS. Just a moment. I am speaking with the permission of the Senator from Washington. Nobody wants to prohibit a savings bank or an individual or an institution investing their funds in the stock of corporations, whether they are competing or not, if they do not use that method for controlling the corporations; in other words, no one would object to a college or a savings bank owning stock in different corporations if it were purely for investment purposes and the institution did not exercise the voting power of the stock of those corporations for the purpose of creating a monopoly.

Mr. WHITE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Alabama?

Mr. POINDEXTER. I do.

Mr. WHITE. I wish to suggest that I do not think Congress has power to regulate or control the kind of corporations spoken of by the Senator from Nebraska [Mr NORRIS]. Such corporations are not included in this proposed act. Under this act only corporations engaged in interstate commerce are affected.

Mr. POINDEXTER. I think that the suggestion of the Senator from Alabama is a very sound one, except where such corporations by purchase of stock or otherwise become connected with interstate commerce.

Mr. REED. Mr. President, the hour of 4 o'clock will soon be here, when the debate will become very circumscribed. To bring this particular matter to a head and to end this phase of the debate—and I know that some of us at least feel like supporting this proposition—I want to ask the Senator from Washington if he would not accept these two amendments to his amendment: In lines 7 and 8 to strike out the words "in competition with each other," and before the penalty clause to insert:

> This section shall not apply to corporations purchasing such stock solely for investment and not using the same by voting or otherwise to control in whole or in part such corporation.

Mr. POINDEXTER. Mr. President, in view of the fact that that proposition has once been voted on by the Senate, and been voted down, I should like to submit to the Senate this somewhat different proposition and get a vote upon it.

Mr. REED. Very well.

Mr. POINDEXTER. I would vote for the proposition that is stated by the Senator from Missouri; I agree with him in it; but I should like to submit the matter in this other form also.

Mr. CUMMINS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Iowa?

Mr. POINDEXTER. I yield to the Senator from Iowa.

Mr. CUMMINS. The suggestion advanced by the Senator from Alabama [Mr. WHITE] I think was not fully appreciated. I think the Senator from Washington [Mr. POINDEXTER] answered it by assuming that the prohibition extended only to corporations engaged in commerce among the States. I think, however, if the Senator will look at his own amendment he will see that the prohibition extends to every corporation, whether it is engaged in commerce or not. If he will look at the second paragraph of his amendment he will find that it is general.

Mr. POINDEXTER. To which part of the amendment does the Senator from Iowa refer?

Mr. CUMMINS. I refer to this part of the amendment:

> No corporation shall own, hold, or acquire, directly or indirectly, the whole or any part of the capital stock of two or more corporations engaged in commerce in competition with each other.

The prohibition against the holding company extends to all corporations, whether they are engaged in commerce or not.

Mr. POINDEXTER. Yes; but the prohibition is the prohibition of acquiring the stock of a company engaged in commerce.

Mr. CUMMINS. Precisely. Now, while we have a right to regulate corporations that are engaged in commerce, we have no right to regulate corporations that are not engaged in commerce unless those corporations do something that interferes with or restrains trade or commerce. That is true, is it not?

Mr. POINDEXTER. Yes; but when a corporation acquires stock in a corporation engaged in commerce, then it has connected itself with commerce.

Mr. CUMMINS. Well, does the Senator think that the holding of 10 shares of stock in the Pennsylvania Railroad Co. by a savings bank in New York and at the same time the holding of 10 shares of stock of the Baltimore & Ohio Railroad Co. could be so connected with commerce among the States, and could be held to have such an influence on commerce among the States, as to bring it within the constitutional grant of power?

Mr. POINDEXTER. Undoubtedly. I do not care to go at length into an argument upon that proposition, but I would be willing to undertake to defend the proposition that this Government has the power under the commerce clause of the Constitution to make such laws as it sees fit in regard to who shall own or control the stock of corporations engaged in interstate commerce.

Mr. CUMMINS. I am not disputing the general principle; but it has always seemed to me that in order to bring such an instance within the constitutional power there must be some effort to control the two corporations engaged in commerce, or that the effect of the holding must be necessarily or reasonably to control the two corporations which ought to compete with each other. It is for that reason that I have thought all the while that the language suggested by the Senator from Missouri [Mr. REED] just now—which I may say is found in the substitute which I shall offer presently for section 8—is rather necessary in order to make the prohibition clearly and unmistakably constitutional.

Mr. POINDEXTER. Well, Mr. President, I am not sure whether that has been voted upon or not; but I want to submit to the Senate a clear, unqualified proposition of prohibiting the corporate ownership of stock in competing corporations engaged in commerce.

I will add to what I said a moment ago as to the legal phase of it, that Congress can regulate the character of all corporations engaged in commerce; it can specify how they may be formed and what jurisdiction may give them their charters, and may monopolize that jurisdiction itself, in my judgment.

Mr. CUMMINS. That is true, I think, Mr. President; but I ask the Senator from Washington this question: Here are two corporations engaged in commerce and competing with each other. Can Congress say that the Senator from Washington should not hold stock in both companies?

Mr. POINDEXTER. That is quite a different proposition, because the Senator from Washington is not a corporation—at least not the kind of a corporation that we are talking about.

Mr. CUMMINS. But the corporation that you are dealing with here in the second paragraph is a corporation over which Congress has no more control than it has over an individual, because it is not engaged in commerce among the States and is not organized under the laws of the United States.

I ask the further question whether the Senator thinks that Congress could say to one of these corporation, or to both of them, that because one man owned some stock in both these corporations therefore neither of them shall be permitted to engage in trade among the States?

Mr. POINDEXTER. Mr. President, this legislation is aimed at a recognized evil and one which has been denounced by the courts. Like many other criminal laws, if it is desired that it shall be effective at all it is necessary to make it without exception. I will cite an instance. Take the game laws, for example, which prohibit any man from having game in his possession at a certain time. The real evil which it is proposed to prevent is not the having possession of the game, because the game might have been acquired lawfully, but it is because the possession of game renders it difficult to enforce the statute which prohibits the killing of game out of season.

If Congress proposes to prevent the establishment of monopoly by the corporate holding of stock in competing corporations, it is in pursuance of a wise principle of legislation to prohibit it altogether, and not to make an exception and say, "If a small amount is held, we will not prohibit it"; in other words, it comes back to a discussion of the terms of the original bill here as to whether or not we shall qualify the prohibition by inquiring whether the inhibited act results in a substantial lessening of competition.

The very purpose of this amendment is to avoid the uncertainty and the ineffectiveness which comes from that sort of qualification and temporizing and compromising with what has been denounced by the wisest judges of the country as one of the means of perpetuating some of the most offensive monopolistic transactions which have injured the people. I wish to read in that connection a paragraph from the opinion of Mr. Justice Day in the case of the United States v. Union Pacific Railroad Co. (226 U. S., p. 86). He says:

> A more effectual form of combination to secure the control of a competing railroad than for one road to acquire a dominating stock interest in the other could hardly be conceived. If it is true, as contended by the Government, that a stock interest sufficient for the purpose was obtained in the Southern Pacific Co., with a view to securing the control of that company and thus destroying or restricting competition with the Union Pacific in interstate trade, the transaction was, in our opinion, within the terms of the statute.

In addition to making the thing prohibited definite and certain the object of this amendment is to restore to the statute the penal clause, because I think it has been demonstrated in nearly all of the trust cases which have been in court, if we are frank with ourselves, that the civil remedies are ineffective and very frequently the burden of the penalty in civil cases falls upon the innocent victims of the transgressors of the law, so there ought to be in this and in other provisions of the antitrust laws provisions by which criminal penalties can be visited upon the individuals who violate them, and in order to attach a penal provision with any sense of justice or logic the statute ought to be made simple and clear.

It will not be difficult for any court to determine whether two companies are competing, but it will be difficult for a court to determine whether they are substantially competing, because what the word "substantially" means will depend upon the individual views of this court or that court or of a jury that may be called to determine the case, and it will be impossible of enforcement.

I ask for a yea-and-nay vote upon the amendment.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Washington, on which he demands the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CULBERSON (when his name was called). Again announcing my pair and its transfer, I vote "nay."

Mr. HOLLIS (when his name was called). I again announce my pair and withhold my vote.

Mr. THOMAS (when his name was called). I have a general pair with the senior Senator from New York [Mr. ROOT], which I transfer to the Senator from Nebraska [Mr. HITCHCOCK] and vote "yea."

The roll call was concluded.

Mr. FLETCHER. I announce my pair and its transfer as before and vote "nay."

Mr. JAMES. I transfer my general pair with the junior Senator from Massachusetts [Mr. WEEKS] to the senior Senator from New Jersey [Mr. MARTINE] and will vote. I vote "yea."

Mr. WILLIAMS. I transfer my general pair with the senior Senator from Pennsylvania [Mr. PENROSE] to the senior Senator from Nevada [Mr. NEWLANDS] and vote "nay."

Mr. GORE. I transfer my pair with the junior Senator from Wisconsin [Mr. STEPHENSON] to the junior Senator from South Carolina [Mr. SMITH] and vote "yea."

The result was announced—yeas 16, nays 36, as follows:

YEAS—16.

Ashurst	Gore	Norris	Sheppard
Bristow	James	Poindexter	Thomas
Chamberlain	Jones	Reed	Thompson
Clapp	Lane	Shafroth	Vardaman

NAYS—36.

Bankhead	Gallinger	Nelson	Shively
Bryan	Hughes	O'Gorman	Simmons
Burton	Kern	Oliver	Smith, Md.
Chilton	Lee, Md.	Overman	Smoot
Culberson	Lewis	Perkins	Sterling
Cummins	McCumber	Pittman	Swanson
Dillingham	McLean	Pomerene	Thornton
Fall	Martin, Va	Ransdell	White
Fletcher	Myers	Shields	Williams

NOT VOTING—44.

Borah	Goff	Newlands	Smith, S. C.
Brady	Gronna	Owen	Stephenson
Brandegee	Hitchcock	Page	Stone
Burleigh	Hollis	Penrose	Sutherland
Camden	Johnson	Robinson	Tillman
Catron	Kenyon	Root	Townsend
Clark, Wyo.	La Follette	Saulsbury	Walsh
Clarke, Ark.	Lea, Tenn.	Sherman	Warren
Colt	Lippitt	Smith, Ariz.	Weeks
Crawford	Lodge	Smith, Ga.	West
du Pont	Martine, N. J.	Smith, Mich.	Works

So Mr. POINDEXTER's amendment was rejected.

Mr. REED. I move to strike out of section 8 all after the word "competition" in line 8, on page 9, down to and including the word "competition" in line 16. I ask that the clause proposed to be stricken out be read.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. In section 8, page 9, line 8, after the word "competition," it is proposed to strike out:

Nor shall anything contained in this section prevent a corporation engaged in commerce from causing the formation of subsidiary corporations for the actual carrying on of their immediate lawful business, or the natural and legitimate branches or extensions thereof, or from owning and holding all or a part of the stock of such subsidiary corporations, when the effect of such formation is not to eliminate or substantially lessen competition.

Mr. CULBERSON. Mr. President, we are unable to follow the amendment in the new bill, and I only have a copy of the new bill before me. What page of the new bill is it?

The SECRETARY. It is the third paragraph of section 8, which is on page 9 in the last print. Beginning on line 24, after the word "competition," the Senator from Missouri proposes to strike out the remainder of paragraph 3.

Mr. REED. Mr. President, we have amended this section, after going through great tribulations about it, by striking out the words "eliminate or substantially," so that it applies to lessening competition. It applies where competition may be lessened. Now, after having provided that nothing can be done which may lessen competition, we go on in the bill, in the language which I am asking to have stricken out, and provide:

Nor shall anything contained in this section prevent a corporation engaged in commerce from causing the formation of subsidiary corporations for the actual carrying on of their immediate lawful business, or the natural and legitimate branches or extensions thereof, or from owning and holding all or a part of the stock of such subsidiary corporations, when the effect of such formation is not to eliminate or substantially lessen competition.

Mr. President, that simply means to coldly legalize the creation of chains of corporations; to coldly legalize the very thing the Harvester Trust did when it created the Harvester Corporation and made it its selling company; to coldly legalize just such devices as were pursued by the New Haven Railroad; to say that a man can start with a corporation of $2,000 stock, then he can organize another corporation of $2,000,000 and tie it to it, and he can organize 20 other corporations and tie them again to the second one he has organized, and a chain of corporations can be built across a country.

It legalizes all that any trust magnate or organizer of trusts ever ought to ask. It is not necessary. There is not a man whom I have ever heard discuss this question who has offered a good reason for one corporation organizing a dozen other corporations. Now, what is the reason? What good reason can be advanced for that sort of thing? Why should we sanction it?

Mr. THOMAS. Mr. President, if the Senator will permit me——

Mr. REED. I yield.

Mr. THOMAS. I wish to remind the Senator that it is precisely in that way that the so-called water-power trusts of the country have been built up—by the creation or acquisition of subsidiary corporations. If any one aspect of corporate monopoly has received the denunciation of thoughtful men, particularly of the Democratic Party, it is this. It is a form of monopoly now receiving consideration in legislation designed to provide for the leasing under governmental control of remaining water powers. It came into being through the system of forming and controlling subsidiary corporations through the agency of central or holding combinations.

Mr. REED. I thank the Senator.

It will be said by the advocates of this measure that there is no harm in it, because it contains the words "when the effect of such formation is not to eliminate or substantially lessen competition." Taking the water-power illustration, here are 100 streams, not one of them harnessed. A concern conceives the idea of getting all that water power under control. It organizes a corporation which builds a dam across a certain river. Then it goes to another stream and builds a dam across the other stream. That would not come within the purview of this bill. There has been no competition; the streams were not in competition with each other, and yet you are gathering under one common management the sole source of natural power.

Mr. LANE. Mr. President, I will say for the information of the Senator that it is just such schemes that are on now in connection with the water powers in the different Western States.

Mr. REED. Why, certainly; and that is not all. The scheme is on now of organizing an electric light company in Town A, another in Town B, and another in Town C, owned by separate companies, subsidiary, however, to one parent company. After that has been done, and 15 or 20 towns have been consolidated in that way under one management, the next step is to get hold of the interurban railroads that are run by electric power in those towns; and in a short while it is absolutely impossible for any institution engaged in any one of those lines to live, because of the power which has been created, and which is too great for them to hope to compete with. Yet the electric light company in each of those towns has not been in competition with any other electric light company in another town in the sense that we use the term "competition."

Mr. President, I am utterly opposed to leaving that language in the bill. It may be that my opposition will have no effect. It may be that we propose to go on here, and on and on, to allow holding companies to exist, to allow interlocking directorates to exist, and now to allow chains of corporations to be created. My opinion is that when we get through with a little more of this kind of legislation the courts will say that by the enactment of it we have given legislative sanction to the very thing that the courts to-day apparently are about to condemn. I hope this language will be stricken from the bill.

Somebody will say that sometimes it is a matter of convenience. Mr. President, I must admit that it is sometimes a matter of convenience. It is sometimes a matter of convenience for a company owning a railroad to be able to reach out and get another railroad. It is nearly always a matter of convenience for one coal company to reach out and get another coal company; but that argument is the argument that lies back of the creation of every trust that ever has been built up. They have always claimed that there was an economic reason back of their creation.

Now, we propose here, as we are enacting antitrust legislation, to legitimatize the creation of a string of corporations, which may be unlimited in number and unlimited in capital, and to impose them upon the country. We may go on doing that, but I will venture the prediction that the people of the United States will finally see to the bottom of this bill, and that when they do they will have something to say about legitimatizing the creation of a string of corporations allied with each other and tied together.

Mr. THOMAS. Mr. President, I have in mind a so-called holding corporation organized under the laws of the State of Delaware, with a capital of $50,000,000. Its assets consist of the stock of a number of subsidiary companies engaged in the lighting and gas business. One of these corporations is in the State of Missouri, one is in Ohio, one is in New England, one is in Colorado, and still another is in the State of Washington. Now, some of these subsidiary corporations are profitable. Others are not so. The common income from all of them constitutes the fund from which dividends are paid and the interest charges of the parent company are met.

The corporation in Colorado, which pays 20 per cent, say, upon its capitalization, is therefore thrown in with a corporation in Missouri, which, we will say, pays nothing, but is operated at a loss. Twenty per cent profit on the corporation in Colorado is too much, and it ought to be reduced; but it is not reduced, since that larger profit is needed to cover the losses in the other subsidiary concerns. They are all tied together; but, as the Senator from Missouri says, there is not and can not be any competition between them.

Mr. President, the holding company is a concern which enables people to do business with concealed weapons. It is the natural offspring of the removal of the old and salutary restrictions which prohibited corporations from investing in the stock of other companies. That is something that ought to be prohibited in any scheme of legislation, and particularly in one which is designed to reach and cover these evils all over the country.

I hope the amendment proposed by the Senator from Missouri will be adopted.

Mr. CHILTON. Mr. President, this part of the section is as it came from the House. It was not amended in any way by the Senate Judiciary Committee. It seems to me that anyone who understands the business of the country can defend the position taken by the House and by the Senate committee without being either a trust magnate or a defender of trusts.

There are two or three instances I could give to the Senate, which would show, I think, not only that this provision should not be amended substantially, but that it is eminently proper that anyone who undertakes to deal with the business of the country should keep in mind the things that were in the minds of the members of the committee when they assented to this provision.

For instance, Mr. President, the laws of many of the States limit the things which one corporation can do. This morning I asked the distinguished Senator from Missouri whether or not the amendment as to which he was then addressing the Senate would cover a case wherein a steel corporation was engaged in business and it bought stock in another corporation that was getting out iron ore. He said no; he did not mean to prohibit that.

Mr. REED. I said I did not think so.

Mr. CHILTON. He said he did not think it would do so. Therefore I take it he did not want it to do so. Suppose you have a law in a State that a steel corporation can engage in no other business. That is what the laws of some of the States provide. This is to cover that kind of a case, so that when people are engaged in the steel business and happen to be in a State which will not allow a steel corporation to engage in the iron-ore business the same men who are engaged in the steel business in an infinitesimal way as compared with the Steel Trust may do in a little way what the Steel Trust does in a big way, because it has an immense organization and immense capital and may get the raw products.

Another instance: I live in a State where a few years ago what are now the rich coal fields of the State were a wilderness. That industry was not built up by the railroads. At one time the coal happened to be in a zone as to which the great railroads of this country said, "It is not yet time to develop the coal fields of West Virginia. Pennsylvania is nearer to the eastern coast, and Indiana and Ohio are nearer to the Great Lakes. Let West Virginia alone." West Virginia was developed not by any trust and not by any railroad, but by the ingenuity and the initiative and the energy and the enterprise of the people within her boundaries.

A man starts in to organize a coal company. His coal land is 10 miles from a railroad. A coal company can not condemn land to build a railroad. The railroad would not extend its lines up to the coal land. The genius and the enterprise of West Virginia formed the coal company. The same men organized a little railroad company that could condemn land which probably the other railroad had gotten possession of to prevent their developing it; and by having the two corporations, one the main and the other the subsidiary corporation, they developed it. It is the same in the oil business. It is the same in the limestone business. It is the same in the coal business in other parts of the State.

I venture to say that nothing on this earth that we could do would get at the wrong end of the trust business more certainly than if we should strike out this provision. It is not intended for the trust. The trust is there, in control of its dominion. It already has its organization, and it does not care whether it controls it by means of a holding company or not; but it is a great thing for the little man, the little developer, the little man who hopes that at some time he will have a thing that can be put as a buttress against these great combinations of wealth, and who has just as much right to live as the big man.

Mr. President, this language provides in every possible way against the abuse of this privilege in the manner suggested by the Senators. It provides that this shall not be done where it substantially or materially lessens competition. That is all we can do. It provides that it may be done in the other case, where it is purely for investment. In my judgment, it would be a misfortune to strike it out. It would injure thousands upon thousands of little business men and would not hurt a single trust now organized in the United States.

Mr. OVERMAN. Mr. President, an example which I remember in my own town I think will apply in this case.

The people of my town, a small town, wanted to build a street railroad. They did not have the money there with which to build it. They opened correspondence with street railroads throughout the country, and they found a street railroad company in Grand Rapids, Mich., 2,000 miles away, that had some money to invest, and they invested it in this little street railroad in my town.

Now, how does that hurt anybody? It helped to build up my town. It put the money in the town. It is not in competition with any other railroad. Why should they not do that? Why should we not say "This section shall not apply to corporations purchasing such stock solely for investment"?

They purchased some of the stock, and that railroad was built 2,000 miles away, and they hold the stock now. How does that hurt anybody? How does that hurt any citizen or destroy anybody? Why should not that be done?

The House left that provision in the bill, and I give this as an example of the way it would operate.

Mr. THOMAS. Mr. President, may I inquire of the Senator what the capitalization of the local company is as compared with the amount of capital which the Grand Rapids concern has?

Mr. OVERMAN. I have never gone into that. I do not know what the capitalization is. That is a question for our State to look after, and the State ought to look after it.

Mr. THOMAS. Precisely. If that can be done under the laws of the State, of course we have nothing to do with it.

Mr. OVERMAN. No.

Mr. THOMAS. But the Senator inquired how a system of that kind would operate injuriously. I gave an illustration a few minutes ago of an actual situation.

Mr. OVERMAN. Well, that is a bad case. If we can not strike down one evil without at the same time destroying a thousand innocent people——

Mr. THOMAS. Will the Senator permit me to finish the answer to his question?

Mr. OVERMAN. Yes.

Mr. THOMAS. This concern controls the gas and electric company in my city. It is a very profitable company. It owns two or three other concerns that are operated at a loss. Now, it affects us just in this way: The price to the consumers of my city is kept beyond what it reasonably ought to be, when you consider the return, because of the fact that this operating company is losing in other places. In other words, the people of one community under such an arrangement are taxed to supply the losses and deficiencies of corporations in other communities that may be, as the Senator says, 2,000 miles away.

Mr. OVERMAN. That can not be so in the town where I live, where they built this little railroad, and other companies have built railroads in other towns.

Mr. THOMAS. It is not so always, of course.

Mr. OVERMAN. Of course not.

Mr. THOMAS. But the fact that it is frequently so makes it necessary to legislate against it.

Mr. OVERMAN. And in prosecuting one great trust you destroy 10,000 innocent people who are building up this country. Town after town all over the South is being built up by the capital of these northern corporations. That is injuring nobody, but is building up our own State. If you destroy that, we will have to live among ourselves and trade with nobody on the outside.

Mr. THOMAS. Mr. President, the time will come when the Senator and his people will pay, and pay dearly, for the aid which he now thinks is so necessary. It will come in the way of taxes, increased capitalization, and all of the other ways that the holding company knows so well how to manipulate and how to attain.

Mr. OVERMAN. Not at all. We have a State legislature that will control them. We have a commission that fixes their prices. A corporation in Grand Rapids, Mich., can not injure our people by putting their money down there and building this little railroad. This is only one of a thousand instances where people have gone from the North and from the West and have invested their money in little corporations that are not in competition with any other corporation on earth; and what injury can it work to the people?

Mr. REED. Mr. President, I should like to ask a question of my friend from North Carolina.

Mr. OVERMAN. I am always glad to yield to my friend from Missouri.

Mr. REED. I should like to ask the Senator if he thinks that no capital will come into his State to organize a corporation, where there is a good and honest field of investment, unless the stock of that corporation is owned by some outside corporation?

Mr. OVERMAN. Mr. President, an aggregation of capital helps to build up a country. Individuals will not subscribe. If we had looked to the individuals in the North to come down and build up this little railroad in our town, we could not have gotten a cent from them; but where they had an aggregation

of capital they could afford to come down and take stock in this little company and build it up and give us a street railroad, and give us an electric-light company, and give us, if you please, a water-power company, provided it is not a monopoly, and provided it is not destroying competition.

That is the question: Is it destroying competition? If it is destroying competition, we have given a power by which an investigation can be made, and you can go into court and stop them and enjoin them and punish them. Is not that power enough, at this time when we are in the midst of war, without destroying the business of this country?

Pardon my exuberance.

Mr. REED. Has the Senator concluded?

Mr. OVERMAN. I want to answer the Senator's question.

Mr. REED. I do not know what the question was. I was so completely engulfed in the tornado of passion——

Mr. OVERMAN. I did not mean to be passionate nor did I mean to be a tornado.

Mr. REED. I had forgotten that I was asking a question.

Mr. OVERMAN. I was just a little bit emphatic; that is all.

Mr. REED. I say that there is not an honest field of human endeavor that capital will not enter without any such device as the tying together of a lot of different corporations. Whenever in the State which the Senator so ably represents there is a field of industrial activity that has not been entered money will come there, and it is not necessary to introduce in his State the tail of a trust, the head of which is in Michigan, in order to develop his State.

Mr. OVERMAN. Mr. President, I do not think this is a trust. I do not know that it is. I do not believe there is a trust in North Carolina. I never heard of one. We are progressing, however, and we are progressing very rapidly. Twenty-five years ago we were in poverty and distress. We had no money and we had to go North and secure money with which to build these great institutions of ours. As I said this morning, this development could not have been brought about if we had not been able to go and get machinery with which to equip our cotton mills, and make payment in stock. They would not give us any money, but they would supply us the machinery and take stock in payment. The consequence is that we have more cotton mills to-day than any other State in the Union, and there is no other State which is progressing so rapidly. There is not a trust there, and there is competition everywhere.

Mr. REED. But that is not this case. That is already provided for.

Mr. OVERMAN. I understand that is provided for, but some Senators would have stricken that out and stopped that sort of business.

Mr. REED. That is a case of organizing a corporation in Michigan, and then that corporation organizing a corporation in the Senator's State and in mine and in all the States of the Union. We propose to recognize by this bill and by express language the right to create that sort of thing and impose it upon this country.

Mr. OVERMAN. I think not.

Mr. REED. Now, you can organize a corporation in your State, and any individual can own stock in it, and individuals will come and acquire the stock if it is a good field of venture. It is not necessary to tie together a lot of corporations by the method that is here permitted, namely, to allow one corporation to organize another, and another to organize another, so as to have two or three hundred corporations organized and tied together.

Mr. OVERMAN. Mr. President, the Senator, with his great ability, always gives us very extreme cases—cases that I agree ought to be corrected and ought to be prosecuted. I am willing to put in the penitentiary the men who do those things; but what I said to the Senator is true—that in destroying one offending corporation you destroy a thousand or ten thousand that are perfectly innocent and are doing a lawful and legal and just business.

Mr. REED. No; you would not destroy them. You would simply say that no more of them should be created hereafter in this way.

Mr. OVERMAN. Why should not a corporation in North Carolina, if it has $100,000 surplus capital, go into Missouri and invest it in some little corporation engaged in some line of business down there?

Mr. REED. Because we want our corporations to be organized at home and run by human beings, as the law provides, and not run by another corporation.

Mr. OVERMAN. Yes; but your corporation would be run by human beings in Missouri. We would have to look to an honest Missourian to see that the business was transacted justly.

Mr. REED. No; you would simply have some putty men there, some dummies, and it would be run the other way.

Mr. OVERMAN. That is not my experience. I have just referred to an example from Grand Rapids, Mich., which the Senator from Michigan [Mr. SMITH] knows all about. They invested $200,000 down in my State. They have no Michigan men at all in the directorate. The corporation is entirely controlled by men in my town. The concern is paying. You could not have found a man in Grand Rapids who would have put $200,000 of his own money in it; but this company had some supplies to sell. We bought our supplies from them, and they took the stock and subscribed the money. What harm is there in that? It has helped to build up our State and helped to build up my town, and who has been injured by it?

Mr. REED. I will tell the Senator. I will answer him right now. He has already answered his own question. They did that plainly for the purpose of making a market for their wares and shutting other people out of that market.

Mr. OVERMAN. They have not done it.

Mr. REED. The Senator stated that the local company bought supplies from them.

Mr. OVERMAN. They buy supplies where they please.

Mr. REED. The Grand Rapids people sell their supplies to this company, do they not?

Mr. OVERMAN. Some supplies; yes. If they sell them as cheaply as anybody else, our people will buy from them.

Mr. REED. Why is it necessary to have a corporation do it?

I can give the Senator an illustration. The United Gas Improvement Co. by that means has gained control of nearly every gas plant in the United States. They organize a local company. The minority of the stock of the local company is sold to local people. The majority is held by them. They proceed, under that device, to milk that community; and the local stockholders, so far as I know, have never obtained a dividend. They have had local people as directors, but the directors have been the dummies of the Gas Trust. I am opposed to that sort of a proceeding.

Mr. OVERMAN. So am I; but I think a State ought to have power to deal with a situation of that kind. The States have some power. Let them control that sort of thing.

Mr. NEWLANDS. Mr. President, I wish to ask the Senator from North Carolina whether the Grand Rapids company to which he referred, which I presume is a holding company, owns the stock of other railroads operating in other cities or towns?

Mr. OVERMAN. In my State?

Mr. NEWLANDS. No; through the South, or anywhere in the country.

Mr. OVERMAN. I do not know of any other company that they are operating. A bank cashier wanted to build a little street railroad in my town. He corresponded with a banker in Grand Rapids, Mich., and got into communication with a company that controlled a street railroad and had some money to invest. They invested it in a little street railroad in my town. It has hurt nobody, and both parties are satisfied.

The VICE PRESIDENT. The hour of 4 o'clock has arrived. From this time forward debate will proceed 15 minutes to a Senator, not to exceed 20 minutes to the Senator offering the amendment.

Mr. NEWLANDS. Mr. President, I wish to suggest to the Senator from North Carolina that there are two kinds of holding companies—one is the holding company that is organized for monopoly, and the other is the holding company that is organized for investment and with a view to prosecuting in the various States enterprises under a common control, such as street railways, gas companies, and so forth. One reason for the holding company of subsidiaries is that it is oftentimes, and I think in most cases, almost impossible for a corporation organized in one State to own directly a public utility in another State, and hence they are obliged, if they wish to make the investment, to organize a holding company with a view to prosecuting their enterprises in numerous States. The inquiry of the Interstate Commerce Committee on this subject——

Mr. REED. May I ask the Senator a question?

Mr. NEWLANDS. I am so limited in my time——

Mr. REED. I wish to ask merely one question.

Mr. NEWLANDS. Very well.

Mr. REED. If the States have thrown that safeguard around them, could it be stricken down and nullified by this device?

Mr. NEWLANDS. I do not think it is stricken down or nullified. The State compels the capital invested in public utilities within its boundaries to be represented by shares of stock in local companies under the control either of the State or of the municipality acting under the State legislature. So this arrangement meets the purpose of the State. Instead of having a foreign corporation organized under the laws of another

State conducting its public utilities within the boundaries of that State, it insists upon corporations being organized for that purpose under the laws of the individual State.

A great deal of testimony was taken on this subject before the Interstate Commerce Committee, and I must say when the inquiry commenced I was disposed to regard all holding companies as practically of the same character, but we found upon inquiry that there were large investment organizations of this kind effected throughout the United States; that there were numerous investing companies which took the form of a holding company with a view to develop public utilities in the various States. We also found that their form of organization was very perfect; that they have skilled engineers, experts, and accountants, and a system of control which enables them not only to determine what the best economies are, but to enforce them. We found that in numerous States where railroad systems and public-utilities systems generally had broken down because of it they gladly welcomed the guidance of holding companies organized under the laws of another State to control the corporations within the individual State.

It is a well-known fact that the entire administration of these local utilities has been immensely improved by these operations.

It is true that that system can be abused like all other systems. A holding company may issue exaggerated issues of stocks and bonds upon the basis of the securities issued by the local companies, and I think no doubt that instances of that kind exist.

Mr. THOMAS. Will the Senator permit me to ask him a question?

Mr. NEWLANDS. I beg the Senator's pardon. I will yield in a moment to the Senator. But we found that that practice was diminishing in its abuse steadily and that the laws of the respective States were being so vigilantly controlled by the people themselves that it was impossible or difficult to continue these abuses.

Recollect that now there is a public-utility commission in almost every State in the Union. Most of these public-utility commissions are controlling the stock and bond issues of the local companies, the subsidiary companies owned by these great holding companies. The issues of the stocks and bonds in the local companies are not under the control of the foreign holding company, but actually under the control of the commission organized under the laws of the respective States, and the very purpose of compelling the organization of these corporations under the laws of the respective States is to insure control not only over capitalization but of every detail of the business, extending even to the regulation and fixing of the rates themselves. This business has now assumed enormous proportions. It is being conducted, and it can not be successfully conducted in the end, unless it can be conducted in the most scientific and businesslike way.

The various representatives of the investment companies appeared before us, and I am sure that so far as I was concerned they entirely disarmed my suspicions regarding this system. I believe it is a good system. I do not believe that it has any of the evils of the monopolistic tendencies of the ordinary holding company that is organized to suppress competition. Recollect these holding companies hold public utilities that are in competition with each other. We all know, the country is beginning to realize the fact, that every public utility is in one sense a monopoly, and the only thing to control in that competition is regulation by the State or the municipality.

Mr. President, we are now in the throes of warlike conditions throughout the world that are sufficiently disturbing the operations of capital. In my judgment it would be a fatal mistake to now check the operations of these great holding companies and declare them invalid and compel a division of their holdings and the administration of these various public utilities under individual control, inefficient control, in various towns and municipalities, and not under the scientific, businesslike control of these great holding organizations or investment companies.

Mr. REED. Mr. President, if we are going to stop enacting trust legislation on account of the war in Europe, let us stop. Let us not undertake to handle a subject and then every time there is a proposition made that will draw a single drop of blood from the veins of the monopolies of this country have the cry raised that there is a war in Europe and we ought not to do that particular thing. If it is wrong to legislate right on this question because there is a war in Europe, let us stop all legislation now and wait until matters settle themselves; but do not let us pretend that we are passing antitrust legislation, and every time it is proposed to do something that will count cry out, "There is a war in Europe."

Mr. President, I am astounded to hear my friend stand here and defend the system that he has been defending. If we have condemned any one thing in our platforms, it has been the holding companies, it has been the very device he has named, by which a few gentlemen get together some capital and organize a company, promote a corporation, and then organize another company and attach it to that corporation. The great Bell Telephone Co. was organized in that way, and they have a scientific management.

Mr. NEWLANDS. If the Senator will permit me, I will state that in the discussion I drew the distinction between a class of holding companies and those engaged in suppressing competition and upholding monopoly. There is a class of holding companies entirely distinct from those, and it was in reference to those holding companies that I addressed myself.

Mr. REED. The Bell Telephone Co. was built on this plan. There was a parent company. The parent company then organized another company and took a majority of the stock in it. That company was in a territory within which it could organize subsidiaries, and it took a majority in those subsidiaries, until finally that parent company, with probably one-twentieth of the capital that was invested in all the companies, controlled this vast network of companies spread over the country.

Mr. OVERMAN. The Bell Co. has been prosecuted, and has been convicted, and an order made dissolving it.

Mr. REED. Yes.

Mr. OVERMAN. If that can be done in that case where it created a monopoly, could it not be done under the Sherman antitrust law with the monopoly the Senator speaks of? Why not let the Attorney General prosecute them instead of stopping any corporation from holding them?

Mr. REED. If that argument be sound, then we have no right to write a line to the Sherman Act. If it be sound with reference to the illustration I gave and sound with reference to this subject matter we are now considering, then it is equally sound as to every combination and every restraint of trade, and we need no more legislation.

Mr. OVERMAN. As the Senator knows, the Bell Co. has been prosecuted and convicted.

Mr. REED. Exactly. I use this illustration to show that this company, which had gone to such extent that it could be prosecuted and convicted under the Sherman Act, is pursuing the very method that my friend here said is being so scientifically pursued throughout the country; and, indeed, it is being scientifically pursued.

Mr. THOMAS. I think the Senator might add that if his amendment does not carry, under this provision it would be very doubtful whether the Attorney General can prosecute any more of them.

Mr. REED. Mr. President——

Mr. NEWLANDS. Does the Senator claim that an organization like the Bell Co. could not be prosecuted under the Sherman law, whatever we do with this act?

Mr. THOMAS. I pretend to say that if we are going to legitimatize these holding companies there will be an end to the further prosecution of them.

Mr. REED. If you had had this statute on the books, the Bell Telephone Co. would have come forward and said: "It is true we have a company here at Philadelphia, a parent company; it is true we have a company in Chicago; that we have a company in St. Louis; that we have another in Kansas City; that we have one in Raleigh. We have all these companies, but they were not in competition; these places were not in competition with each other; and we have simply bound them together by a stock ownership. We have a very scientific management; we have cut off a great many expenses; we have auditors and we have skilled men and all that," and make the further argument that has been made here. I tell you, if you write this into the law, in my humble judgment, the day will come when the people will rise in this country and cry anathema maranatha upon the legislation.

Mr. OVERMAN. I will ask the Senator, as a lawyer, if he thinks that would have availed them in the Supreme Court in answer to the prosecution?

Mr. REED. I think it would have been very likely to have been a very great argument in their favor.

Mr. OVERMAN. I understand it would have been the only argument that would have availed them.

Mr. REED. I fear it would have been conclusive. "No corporation shall, directly or indirectly, acquire the stock of any other corporation," and so forth—

Provided, This section does not apply to corporations which form subsidiary corporations for the actual carrying out of their immediate lawful business.

The immediate lawful business of the Bell Telephone Co. was to put in telephones, but it kept it up to a point where the Supreme Court said it had created a monopoly. Of course, the long-distance business came in, to some extent, to tie the whole scheme together.

Mr. WALSH. The present administration instituted a proceeding against the Bell Telephone Co., my understanding about it is, not because it acquired new lines or the stock in companies operating lines in new territory, but because it acquired competing lines. Out in our part of the country, for instance, they acquired or sought to acquire the lines of the Intermountain State Telephone Co., the headquarters of which are in Denver.

Mr. REED. That would not reach the question of their control in every city of the country as an independent proposition.

Mr. WALSH. No; but so long as the Bell Telephone Co. contented itself with the acquisition of lines in new territory, or went into new territory, no complaint was made. However, just as soon as they began acquiring competing lines in their own territory or competing lines in new territory, to which they desired to go, they ran counter to the Sherman law.

Mr. REED. Nevertheless the Senator will agree with me that even aside from that they had already established substantially a complete monopoly in this country.

Mr. WALSH. I am unable to understand that, except that they had patents.

Mr. REED. All their patents expired 10 or 12 years ago that were of any real potential value.

Mr. WALSH. So far as they acquired the lines of any competing company in any of their territory, they would of course become subject to the provisions of the Sherman law, and that is sought to be prevented.

Mr. REED. The mere organization under one control of the local exchanges of all the important cities of the country made it impossible for any outside company to compete in long-distance or other business. Others simply could not get into the territory.

Mr. CULBERSON. Mr. President, the Senator from Missouri moves to strike out this language on page 9 of the old print of the bill:

Nor shall anything contained in this section prevent a corporation engaged in commerce—

That, of course, means interstate or foreign commerce—

from causing the formation of subsidiary corporations for the actual carrying on of their immediate lawful business or the natural and legitimate branches or extensions thereof, or from owning and holding all or a part of the stock of such subsidiary corporations, when the effect—

The attention of the Senate is invited to this language, which has not been emphasized by anyone opposed to this provision—

when the effect of such formation is not to eliminate or substantially lessen competition.

Showing that it harmonizes with the balance of the bill, and that any of these acts which eliminate or substantially lessen competition are denounced by the bill. A great deal has properly been said in commendation of the House Committee on the Judiciary with reference to the bill. I desire to read what it says, and it is very brief, with reference to these particular exceptions, one of which I have just read and which the Senator from Missouri proposes to strike out. This is from the report of the House Judiciary Committee:

Section 8 is intended to eliminate this evil so far as it is possible to do so, making such exceptions from the law as seem to be wise, which exceptions have been found necessary by business experience and conditions, and the exceptions herein made are those which are not deemed monopolistic and do not tend to restrain trade.

One of the exceptions referred to in this report is that now proposed to be stricken out.

Mr. President, in addition to that, the committee of the Senate has reported a provision which further protects the people. It is found on page 10, as follows:

Nothing contained in this section shall be held to affect or impair any right heretofore legally acquired: *Provided*, That nothing in this section shall be held or construed to authorize or make lawful anything heretofore prohibited and made illegal by the antitrust laws.

Therefore, so far as the interests of the people are concerned, they are fully protected by the bill, and especially by the proviso to which I have just this moment called attention.

Mr. SHIELDS. Mr. President, this amendment will not, I think, have the effect apprehended by the Senator from North Carolina [Mr. OVERMAN]. The clause immediately preceding the one proposed to be stricken out in the third paragraph of section 8 is in these words:

This section shall not apply to corporations purchasing such stock solely for investment and not using the same by voting or otherwise to bring about, or in attempting to bring about, the substantial lessening of competition.

That would authorize the investment of the Grand Rapids company in the street railway company of Salisbury. The clause that is proposed to be striken out provides:

Nor shall anything contained in this section prevent a corporation engaged in commerce from causing the formation of subsidiary corporations for the actual carrying on of their immediate lawful business, or the natural and legitimate branches or extensions thereof, or from owning and holding all or a part of the stock of such subsidiary corporations, when the effect of such formation is not to eliminate or substantially lessen competition.

I intend to vote for the motion to strike this out, because I believe to leave it in the bill will legalize a mischievous practice. I need go no further than the greatest monopoly that has existed in the United States, the Standard Oil Co., which has a number of subsidiary corporations, all of the same name except the State where incorporated. Among them were the Standard Oil companies of Ohio, of Kentucky, and of two or three other States.

In Tennessee we have antitrust laws prohibiting combinations and conspiracies tending to lessen competition and destroy commerce. The Standard Oil Co. was doing business in that State under the name, as I now remember, of the Standard Oil Co. of Ohio. The attorney general of Tennessee filed a bill charging that company with violating the laws of the State and seeking to expel it from the State under the provision of our statute. The case was brought to trial, and a decree granted enjoining the company from doing business in Tennessee. Within 30 days after that decree was entered all the property of the Standard Oil Co. of Ohio in the State was turned over to the Standard Oil Co. of Kentucky, and the same business went on without any interruption. That is what can be done if this section is enacted into law. You can not fix the responsibility on the parent company. It can dodge and cover under first one and then another of its subsidiary companies, and it is impossible to reach it. Forbidding such corporations creates no hardship on anyone. There is no reason why the parent company can not do business in all the several States through agents. Corporations should not be allowed to escape responsibility, as they are now doing, under the cover of subsidiary corporations. The clause which the Senator from Missouri has moved to strike out permits and legalizes this scheme of monopolists, and it should not be enacted into law.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Missouri.

Mr. REED. I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CULBERSON (when his name was called). Again announcing my pair and its transfer, I vote "nay."

Mr. HOLLIS (when his name was called). I am paired with the Senator from Maine [Mr. BURLEIGH]. I transfer that pair to the Senator from Mississippi [Mr. VARDAMAN] and vote "nay."

Mr. THOMAS (when his name was called). Again announcing my pair and its transfer, I vote "yea."

Mr. TOWNSEND (when his name was called). I transfer my pair with the junior Senator from Arkansas [Mr. ROBINSON] to the Senator from Illinois [Mr. SHERMAN] and vote "yea."

Mr. WALSH (when his name was called). Transferring my pair, as heretofore, to the Senator from Nevada [Mr. NEWLANDS], I vote "nay."

Mr. WILLIAMS (when his name was called). Transferring my pair with the senior Senator from Pennsylvania [Mr. PENROSE] to the junior Senator from South Carolina [Mr. SMITH], I vote "nay."

The roll call was concluded.

Mr. FLETCHER. Announcing my pair and transfer as before, I vote "nay."

Mr. JAMES. I desire to inquire if the junior Senator from Massachusetts [Mr. WEEKS] has voted?

The VICE PRESIDENT. The Chair is informed that he has not.

Mr. JAMES. I have a pair with that Senator, and therefore I withhold my vote.

Mr. CLAPP. I desire to say that the senior Senator from Kansas [Mr. BRISTOW] is unavoidably detained from the Senate. He is paired with the Senator from Georgia [Mr. WEST]. If the Senator from Kansas were present, he would vote "yea."

Mr. REED. I am requested to announce that the junior Senator from Mississippi [Mr. VARDAMAN] has been called from the Chamber on account of the condition of his health. He is paired with the Senator from South Dakota [Mr. STERLING].

Mr. LEWIS. I desire to announce the absence of the senior Senator from Tennessee [Mr. LEA] on account of illness. I ask that this announcement stand for the day.

Mr. GALLINGER. I wish to announce the unavoidable absence of the junior Senator from Vermont [Mr. PAGE] in consequence of sickness in his family. I also announce the unavoidable absence of the junior Senator from Maine [Mr. BURLEIGH].

Mr. JAMES. I desire to announce the unavoidable absence of my colleague [Mr. CAMDEN] and to state that he is paired. This announcement may stand for the day.

Mr. WALSH. I desire to announce that the Senator from Oklahoma [Mr. GORE] is paired with the Senator from Wisconsin [Mr. STEPHENSON].

The result was announced—yeas 22, nays 31, as follows:

YEAS—22.

Ashurst	Jones	Pomerene	Sterling
Brady	Lane	Reed	Thomas
Bryan	Lee, Md.	Shafroth	Thompson
Chamberlain	Martine, N. J.	Sheppard	Townsend
Clapp	Norris	Shields	
Cummins	Poindexter	Shively	

NAYS—31.

Bankhead	Hollis	O'Gorman	Smith, Mich.
Burton	Hughes	Oliver	Smoot
Chilton	Lewis	Overman	Swanson
Culberson	McCumber	Perkins	Thornton
Dillingham	McLean	Pittman	Walsh
Fall	Martin, Va.	Ransdell	White
Fletcher	Myers	Simmons	Williams
Gallinger	Nelson	Smith, Md.	

NOT VOTING—43.

Borah	Goff	Lodge	Smith, S. C.
Brandegee	Gore	Newlands	Stephenson
Bristow	Gronna	Owen	Stone
Burleigh	Hitchcock	Page	Sutherland
Camden	James	Penrose	Tillman
Catron	Johnson	Robinson	Vardaman
Clark, Wyo.	Kenyon	Root	Warren
Clarke, Ark.	Kern	Saulsbury	Weeks
Colt	La Follette	Sherman	West
Crawford	Lea, Tenn.	Smith, Ariz.	Works
du Pont	Lippitt	Smith, Ga.	

So Mr. REED's amendment was rejected.

Mr. CULBERSON. In section 8, page 9, line 8, before the word "lessening," the word "substantial" should be stricken out to make the language accord with what precedes it, following the amendment of the Senator from Tennessee [Mr. SHIELDS]. I make that motion.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. In section 8, page 9, line 8, before the word "lessening," it is proposed to strike out "substantial."

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. CULBERSON. In the same section and on the same page, in lines 15 and 16, the words "eliminate or substantially" should go out for the same reason, and I make that motion.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. In section 8, page 9, line 15, after the word "to," it is proposed to strike out "eliminate or substantially."

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. CULBERSON. Also, in the same section, page 10 of the old print, line 7, before the word "competition," I move to strike out the word "substantial."

The motion was agreed to.

Mr. CULBERSON. In line 14, on the same page, before the word "competition," I move to strike out the word "substantial."

The amendment was agreed to.

Mr. CULBERSON. The amendments just made on my motion are to perfect the text.

Mr. CUMMINS. Mr. President, I offer as a substitute for section 8 the amendment which I have sent to the desk. I will ask that the amendment be stated.

Mr. WALSH. Mr. President, will the Senator from Iowa pardon me for a moment? I have a further amendment to offer to section 8.

Mr. CUMMINS. I will yield to the Senator, but I do not care to have it count in my 15 minutes.

The VICE PRESIDENT. The Senator's time has not yet commenced.

Mr. CUMMINS. Then, I yield to the Senator from Montana.

Mr. WALSH. I desire to call the attention of the Senate, and of the committee particularly, to the language of the Senate amendment on page 11, as it has been amended. It reads:

That nothing herein shall be held or construed to authorize or make lawful anything heretofore prohibited or made illegal by the antitrust laws.

Mr. CULBERSON. On what page?

Mr. WALSH. On page 11 of the new print.

The VICE PRESIDENT. On page 10 of the old bill, and page 11 of the new bill.

Mr. WALSH. It is now the last paragraph of the section. By this section we have again declared to be illegal the creation of a monopoly in either one of two ways, so that, of course, this act is not to be construed as authorizing that; but it is not clearly provided that notwithstanding we have declared those things to be illegal, prosecutions of them may still be carried on under the operation of the Sherman Antitrust Act. In other words, I suggest to the committee that the language here does not reach as far as they intended it should reach. It simply declares that nothing in this act shall be so construed as to make legal that which the antitrust act declares to be illegal; but it does not declare that prosecutions under the antitrust act may still be continued or instituted, notwithstanding anything herein contained. In other words, it does not clearly negative the idea that we have not made a substitute for the present method of the enforcement of the Sherman Antitrust Act.

Mr. CULBERSON. What is the suggestion of the Senator?

Mr. WALSH. The suggestion is that we should add the following language:

Nor to exempt any person from the penal provisions thereof.

I offer that amendment.

Mr. CULBERSON. There is no objection to that, Mr. President.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. It is proposed to add at the end of the paragraph, on page 10, after the word "laws," in line 21, the following:

Nor to exempt any person from the penal provisions thereof.

The VICE PRESIDENT. Without objection, the vote whereby the amendment which the Senator from Montana proposes to amend was agreed to will be reconsidered. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The VICE PRESIDENT. The Senator from Iowa offers an amendment which will be stated by the Secretary.

The SECRETARY. In lieu of section 8 as amended it is proposed to insert:

SEC. 8. That it shall be unlawful for any corporation to acquire, own, hold, or control, either directly or indirectly, the whole or any part of the capital stock or other share capital, or any other means of control or participation in the control, of two or more corporations engaged in commerce and carrying on business of the same kind or competitive in character: *Provided*, That the foregoing shall not be construed to prevent corporations not engaged in commerce acquiring, owning, and holding capital stock or other share capital solely for investment and not using the same in bringing about, or attempting to bring about, a common control of the corporations whose stock or other share capital it owns and holds.

It shall be unlawful for any corporation engaged in commerce to acquire, own, hold, or control, either directly or indirectly, the whole or any part of the capital stock or other share capital, or any other means of control or participation in the control, of any other corporation also engaged in commerce and carrying on a business of the same kind or competitive in character: *Provided*, That this section shall not apply to banks, banking institutions, or common carriers: *Provided further*, That no order or finding of the court or commission in the enforcement of this section shall have any force or effect, nor be admissible as evidence in any suit, civil or criminal, brought under the act of July 2, 1890, entitled "An act to protect trade and commerce against unlawful restraints and monopolies."

Mr. CUMMINS. Mr. President, this section has been debated so fully that I intend to content myself with a mere statement of the difference between the substitute I now offer and the substitute offered by the Senator from Washington, voted upon a few moments ago, and the difference between my substitute and the section as it has been amended.

First, with regard to the difference between my proposal and that of the Senator from Washington: So far as ordinary corporations are concerned, the difference consists in the provision that a corporation not engaged in interstate commerce may be permitted to hold the stock of two or more corporations which are engaged in commerce if the stock is not acquired or held to bring about or to attempt to bring about a common control of the competitive corporations. I regard that as essential in a regulation of this character. I have very grave doubt whether we have the constitutional power to prohibit a corporation that is not engaged in interstate commerce from acquiring or holding the stock of corporations that are engaged in interstate commerce if the acquisition or holding does not affect interstate commerce. I doubt whether we can assume that the holding of a limited amount of stock in such corporations has such an effect upon the trade of the country as to bring it within our regulatory powers. Moreover, I believe it is wise to permit these corporations, such as insurance companies and savings banks, to hold such stock if it is held solely for investment. To prohibit it would disturb the business of this country so radically, it would destroy so many relations that are now established, that I can not think Congress desires to do it if to

do it will accomplish nothing in the way of preserving competition or of promoting the general welfare.

The second difference between the substitute I have offered and that of the Senator from Washington lies in the fact that I have excepted banks and common carriers from the operation of the section. With regard to banks, I have done it because I think our regulation respecting banks ought to be found in the laws relating to our currency and the organization of those institutions, rather than in a statute of this sort; and, furthermore, we have just enacted a statute which not only authorized but commanded the banks of this country to take stock and own it and hold it in the Federal reserve institution. It may be said that they are not competitive, but I think they are competitive. I think it will be found that they are in a proper sense competitive. At least, we ought not to attempt to interfere with the thing we have so recently done. Whether it was wisely done or not is not material at this time.

I have excepted common carriers because, in my opinion, an entirely different section ought to be adopted to regulate common carriers as to stock ownership. The Supreme Court of the United States has held that a common control of two competitive railway corporations is contrary to the antitrust law. If there is any one thing that is now thoroughly established beyond any controversy, it is that two competitive railway corporations or common-carrier corporations can not be united in a single control, and I hesitate very much to attempt to better the antitrust act. It is ample, it is efficient, and I can not think we will render the country a service by intruding upon that field in this legislation.

Moreover, there are a good many States in the Union which forbid a company organized in one State from owning the physical property of a common carrier in another State. If the ownership of the stock in a common carrier is an extension of the line or is an ownership that does not violate the antitrust statute, I do not know any way in which continuous lines can be secured or in which systems can be organized without permitting a railway company organized in one State to own the stock of a railway company organized in another State. It must, however, be subordinate all the while to the antitrust law. It must not be a consolidation or concentration of two competitive lines. I think we shall do better if we propose a section upon this subject when we advance to the consideration of the railway securities bill, an amendment of the interstate law, a section in which we can give to the Interstate Commerce Commission, without complication and without inference, the jurisdiction which we think that commission ought to have with regard to such a subject.

So much for the comparison with the substitute offered by the Senator from Washington. I now compare it with the bill as it is.

I have already expressed my view of the bill as it is, so far as it relates to one corporation holding the stock of another. I have the gravest doubt whether the section as it has now been agreed upon is helpful. I have the most serious misgivings with regard to it. I fear it will weaken rather than strengthen the regulations of commerce with regard to such subjects.

My substitute differs from the committee bill, first, in that it applies to existing holdings of capital stock. If we attempt simply to regulate the future—that is to say, if we attempt to prohibit one corporation from acquiring the stock of another, although they be competitors—we will have established, as far as we can, the relations which have been vexing the people of this country for now more than a decade. There is no reason why an ordinary corporation, exercising no public franchise, should not dispose of the stock it holds in violation of the wise and salutary principle that one corporation should not hold the stock of its competitor.

I should hesitate to advance that proposition if the penalty of violation were imprisonment, because there is vast difficulty in determining whether one corporation is or ought to be a competitor of another. That is not an easy subject, and I should not favor it at all with regard to past relations, for it would be unconstitutional, in the first place, and it would create great hardship in the second place; but as long as the section is to be administered by the trade commission, and the trade commission can say to an offending corporation, "You must dispose of the stock you hold in a rival company within a given time, to be fixed by the commission," no possible hardship will be imposed upon these ordinary trading corporations.

The second difference between my substitute and the committee bill relates to the holding company pure and simple. I omit in my amendment the paragraph which the Senate has just refused to strike out of the committee bill upon the motion of the Senator from Missouri. I feel that every Senator here will live to regret the incorporation of that paragraph in any regulation of commerce.

There are many objections to holding companies, but the chief one has not yet been suggested. The chief one is that it permits a small amount of capital to control a very large business. Ten per cent, 15 per cent, of the capital of a corporation in a single hand, if the stock be widely distributed, will control it; and if that corporation be permitted to buy another with equal capital it will control the additional capital, and so on and on, until you have put in a single hand with a trifling amount of capital, as compared with all that is involved, the power to control the whole business, and that is what is going on in this country every day. We all know it. It has been testified here over and over again that 10 per cent of the capital of a great corporation will control its management and its policy.

Moreover, if the paragraph in the House bill provided that all the stock of the subsidiary corporation should be owned by the parent company or the principal company, there would be less objection to it. I would have no serious doubt about the ownership of all the stock, for then the evil I have just suggested would not exist; but here we have not limited it. We have allowed the holding company to acquire just enough of the stock of the subsidiary company to control it and then proceed indefinitely with that expansion of capital and that limitation of power.

The Senator from Minnesota [Mr. CLAPP] pointed out the other day, and he stated a truth of which we are all conscious, that this pyramiding of capital can be finally projected to such lengths that a very few dollars will control a million dollars and more in the ultimate operation of the business of these allied companies.

I hope, having considered the whole subject, that we will not be content with the inadequate provision in the Senate bill.

Mr. CHILTON. Mr. President——

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from West Virginia?

Mr. CUMMINS. I suppose I have about consumed my time, have I not?

Mr. CHILTON. I just wanted to ask the Senator why he put in the second proviso, not allowing a record of a conviction under his section to be evidence in any prosecution under the Sherman law?

Mr. CUMMINS. I do that because I have insisted from the very beginning that this legislation is supplemental to the antitrust law; that it must not be permitted to impair its efficiency or interfere with its processes. This section is to be worked out through the administration of the trade commission, and I do not want any order of the commission, or any order of the court following the order of the commission, to interfere in any way with the enforcement of the antitrust law. Therefore I have added that provision to my amendment.

I can say no more, Mr. President. The whole subject has been exploited. I think we all understand it fully. I offer my substitute as one which is fair to the corporation but necessary for the protection of the public, and upon it I ask for the yeas and nays.

Mr. REED. Mr. President, I desire to ask the Senator if he is not willing to divide his amendment so that its provisions can be voted upon separately? I am in favor of it all except the last clause—that relating to the enforcement of it.

Mr. CUMMINS. I am quite willing to do that. I know there are Senators here who do not feel that it is necessary and might be embarrassing at some time. Therefore with the permission of the Senate I submit it without the last proviso, asking that that be voted upon immediately after the first division, if the first division is adopted. If it is not adopted, then it will not be necessary.

Mr. POINDEXTER. Mr. President, I am very glad the Senator from Iowa has concluded to divide the questions in his amendment, because there is a part of his amendment that I am very much in favor of and a part of it that I am constrained to vote against. Before voting against any portion of his proposition, I feel like saying a few words in explanation of my vote, because of the great standing and reputation of the Senator from Iowa in his opposition to oppressive monopoly. I am opposed to making an exception of railroad companies.

Mr. CUMMINS. I do not make an exception of railway companies, because I expect to have them dealt with in the other bill that is before the Senate.

Mr. POINDEXTER. The other bill is not before the Senate for consideration now, and this bill deals with railroad companies. The Senator's amendment, if adopted, would lay down a preventive rule of corporate stock ownership as to corporations generally and give an implied permit, so far as this statute

is concerned, to railroad companies to continue their practice of merger by corporate stock ownership. That has been denounced by the courts of our country from the trial court to the Supreme Court of the United States. I could not vote in favor of that exception at any time or in any bill upon which I am called to vote.

I am also opposed, Mr. President, to weakening the prohibition of corporate stock ownership of competing companies by making an exception of so-called investment companies. The Senator mentions insurance companies and he mentions savings banks. Among the abuses of monopoly in recent years have been the control of banks and the control of insurance companies as investing agencies by those persons who were forming a monopoly. It is only a short time since the financial agencies of Mr. Harriman and his associates wrecked the Chicago & Alton Railroad and put upon the market sixty-odd million dollars of watered stock, using the power which they exercised over at least one of the great insurance companies of New York to take the money which the people had paid in hard-earned premiums for their insurance policies, and which had been accumulated by this insurance company, and put that into their pockets in exchange for this watered stock. There is an ample field of investment for all legitimate investment companies without excepting them from the prohibition of owning the stock of competing companies.

Mr. CUMMINS. But, Mr. President, the substitute offered by the Senator from Washington would have permitted exactly the same thing.

Mr. POINDEXTER. The Senator is mistaken in regard to that. There was no exception in that respect in the substitute I offered.

Mr. CUMMINS. There was an exception that the companies must be competing. The insurance company to which the Senator referred could have bought that stock. I do not think really it did, but it could have bought that stock just the same.

Mr. POINDEXTER. It could have bought the stock in one company, but not in two competing companies.

Mr. CUMMINS. It did not buy the stock.

Mr. POINDEXTER. Yes; it did.

Mr. CUMMINS. I beg pardon.

Mr. POINDEXTER. It bought the stock of other companies and was the owner of stock in the general Harriman system; but whether it did or not, it could do it, and the same control which induced it to buy the watered stock of the Chicago & Alton controlled it to invest in the watered stock of the Illinois Central or any other competing line.

The Senator says one reason for the exemption of railroads from the effect of this section of the act is the fear that it would weaken the antitrust law already established for the regulation of railroad monopoly or the prevention of it.

Mr. CUMMINS. No, Mr. President; the Senator misunderstood me. We feared that the section, taken as a whole as it came from the committee, might weaken the antitrust law. What I said about railroads is that the Supreme Court had declared positively that the control of one railroad by its competitor was illegal under the antitrust law and would not be permitted, and that we added nothing to the strength of it.

Mr. POINDEXTER. I think the Senator will find, if he reads his remarks, that he urged that we not only do not add anything to the strength of it, but we might weaken the law as already established by the decision of the court under the Sherman law.

Mr. CUMMINS. I did not so intend, if I expressed myself unhappily in that way.

Mr. POINDEXTER. We will assume that the Senator did not say that. He now says that we add nothing to the strength of it. The antitrust law that he refers to was not established only as to railroads. It was established as to the restraint of trade in a corporation. If there is any force in the Senator's argument, we ought not to interfere with it as to railroads, it applies with the same force to the entire section, as to the regulation of investments by any corporation or any corporate ownership of stock. If we are to restrain them as to some without weakening or repealing the present antitrust law as construed by the courts, we can do it also as to railroads.

The first part of the Senator's amendment, in my judgment, is a very meritorious proposition; but the two provisos which he attaches to it, excepting entirely railroad companies and investing companies from the effect of its prohibition, go so much further than any exception in the bill as reported by the committee that, unless we can vote separately upon them, I will be compelled to vote against the entire amendment.

The VICE PRESIDENT. The Senator from Iowa asks for the yeas and nays.

Mr. CUMMINS. May I ask which proviso the Senator from Missouri asked should be separated from the remainder?

The VICE PRESIDENT. The last proviso, beginning in line 9.

Mr. NORRIS. I ask the Senator if he will not except both provisos. He can offer them separately afterwards.

Mr. CUMMINS. I will ask for a separate vote on the amendment, without either proviso.

Mr. CULBERSON. Mr. President, is that proper under the rule? The Senator can modify his amendment. Does he modify his amendment by striking out the two provisos?

Mr. CUMMINS. There is a difference of opinion. What I want is a free, full vote, and I offer the amendment, first, to close with the word "character," in line 10, page 2.

Mr. REED. Mr. President, before the vote begins, I wish to make simply an inquiry. Does the Senator mean to have the section prohibit stock ownership and have it immediately apply to present conditions?

Mr. CUMMINS. I do; but possibly the Senator from Missouri has not in mind what I have with regard to its enforcement. There is no penal provision attached to this section. It is to be enforced by the trade commission upon a complaint that anyone is violating the section. The trade commission investigates, and if it finds there is a violation it orders that the violation shall cease and that the person or corporation complained of shall bring itself in harmony with the law. That gives the corporation which now holds stock which it ought not to hold under this principle an opportunity to dispose of the stock.

Mr. REED. Of course that will give some relief, but it strikes me that there ought to be a period allowed for readjustment. I do not know how anyone can feel more strongly than I do against these practices; but if a condition now exists, of course it can not be stopped to-day, nor in a week could it be readjusted. It would seem to me that the Senator ought to put into his amendment a period as to present conditions.

Mr. CUMMINS. I have thought the period I suggested sufficient. But that is purely a matter of detail, and if the Senator from Missouri will offer an amendment to my amendment of that kind I shall have no objection to it, provided the period be reasonable.

Mr. CULBERSON. I understand the Senator from Iowa to modify his amendment by offering it as it appears on page 1 and page 2 of the amendment down to line 10, including the word "character."

Mr. CUMMINS. That is the present offer. I will say that I intend afterwards to offer it including all.

Mr. CULBERSON. But it is offered for the present as I have stated?

Mr. CUMMINS. For the present the substitute ends with the word "character," in line 7.

Mr. CULBERSON. In line 10 of this print.

The VICE PRESIDENT. Is the demand for the yeas and nays seconded?

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CLAPP (when Mr. BRISTOW's name was called). The senior Senator from Kansas [Mr. BRISTOW] is necessarily absent on account of illness. He has a pair with the junior Senator from Georgia [Mr. WEST]. If the Senator from Kansas were present, he would vote "yea."

Mr. CULBERSON (when his name was called). Again announcing my pair and its transfer, I vote "nay."

Mr. FLETCHER (when his name was called). Making the same announcement of my pair and its transfer as before, I vote "nay."

Mr. HOLLIS (when his name was called). I transfer my pair with the Senator from Maine [Mr. BURLEIGH] to the Senator from Mississippi [Mr. VARDAMAN] and vote "nay."

Mr. JAMES (when his name was called). I transfer my pair with the Senator from Massachusetts [Mr. WEEKS] to the Senator from Tennessee [Mr. SHIELDS] and vote "nay."

Mr. THOMAS (when his name was called). Again announcing my pair and the transfer, I vote "yea."

Mr. TOWNSEND (when his name was called). Transferring my pair with the junior Senator from Arkansas [Mr. ROBINSON] to the Senator from Illinois [Mr. SHERMAN], I vote "nay."

Mr. WALSH (when his name was called). The Senator from Rhode Island [Mr. LIPPITT], with whom I have a general pair, being absent, I withhold my vote.

Mr. WILLIAMS (when his name was called). Reannouncing my pair with the senior Senator from Pennsylvania [Mr. PENROSE] and its transfer to the junior Senator from South Carolina [Mr. SMITH], I vote "nay."

The roll call was concluded.

Mr. CLAPP. The junior Senator from North Dakota [Mr. GRONNA] is unavoidably absent. He is paired with the senior Senator from Maine [Mr. JOHNSON]. If the junior Senator from North Dakota were present and at liberty to vote, he would vote "yea."

Mr. GORE. I again announce my pair with the junior Senator from Wisconsin [Mr. STEPHENSON].

Mr. REED. I make the same announcement in reference to the enforced absence of the junior Senator from Mississippi [Mr. VARDAMAN]. I will let the announcement stand for the day.

Mr. SHIELDS entered the Chamber and voted "nay."

Mr. JAMES (after having voted in the negative). The Senator from Tennessee [Mr. SHIELDS] having returned to the Chamber and cast his vote, I withdraw my vote and allow my pair with the Senator from Massachusetts [Mr. WEEKS] to stand.

The result was announced—yeas 16, nays 37, as follows:

YEAS—16.

Chamberlain	Kenyon	Norris	Shafroth
Clapp	Lane	Perkins	Smoot
Cummins	Martine, N. J.	Poindexter	Sterling
Jones	Nelson	Reed	Thomas

NAYS—37.

Bankhead	Hughes	Oliver	Smith, Mich.
Bryan	Kern	Overman	Swanson
Burton	Lee, Md.	Pittman	Thompson
Chilton	Lewis	Pomerene	Thornton
Culberson	McCumber	Ransdell	Townsend
Dillingham	McLean	Sheppard	White
Fall	Martin, Va.	Shields	Williams
Fletcher	Myers	Shively	
Gallinger	Newlands	Simmons	
Hollis	O'Gorman	Smith, Md.	

NOT VOTING—43.

Ashurst	Crawford	Lodge	Stephenson
Borah	du Pont	Owen	Stone
Brady	Goff	Page	Sutherland
Brandegee	Gore	Penrose	Tillman
Bristow	Gronna	Robinson	Vardaman
Burleigh	Hitchcock	Root	Walsh
Camden	James	Saulsbury	Warren
Catron	Johnson	Sherman	Weeks
Clark, Wyo.	La Follette	Smith, Ariz.	West
Clarke, Ark.	Lea, Tenn.	Smith, Ga.	Works
Colt	Lippitt	Smith, S. C.	

So Mr. CUMMINS's amendment was rejected.

Mr. REED obtained the floor.

Mr. CUMMINS. Will the Senator from Missouri pardon me just a moment?

Mr. REED. Certainly.

Mr. CUMMINS. I desire now to offer my amendment as it is printed as a whole, because it expresses my real view; but I shall not ask for a roll call upon it, as it is evident that it would be useless.

The amendment referred to is as follows:

Insert as a substitute for section 8 the following:

"SEC. 8. That it shall be unlawful for any corporation to acquire, own, hold, or control, either directly or indirectly, the whole or any part of the capital stock or other share capital, or any other means of control or participation in the control, of two or more corporations engaged in commerce, and carrying on business of the same kind or competitive in character: *Provided*, That the foregoing shall not be construed to prevent corporations not engaged in commerce acquiring, owning, and holding capital stock or other share capital solely for investment and not using the same in bringing about, or attempting to bring about, a common control of the corporations whose stock or other share capital it owns and holds.

"It shall be unlawful for any corporation engaged in commerce to acquire, own, hold, or control, either directly or indirectly, the whole or any part of the capital stock or other share capital, or any other means of control or participation in the control, of any other corporation also engaged in commerce and carrying on a business of the same kind or competitive in character: *Provided*, That this section shall not apply to banks, banking institutions, or common carriers: *Provided further*, That no order or finding of the court or commission in the enforcement of this section shall have any force or effect, nor be admissible as evidence in any suit, civil or criminal, brought under the act of July 2, 1890, entitled 'An act to protect trade and commerce against unlawful restraints and monopolies.'"

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Iowa.

The amendment was rejected.

Mr. REED. Mr. President, I offer the amendment which is printed on page 39 of the print of amendments.

The VICE PRESIDENT. The amendment proposed by the Senator from Missouri will be stated.

The SECRETARY. It is proposed to add as a new section the following:

SEC. —. That the attorney general of any State may, at the cost of the State, bring suit in the name of the United States to enforce any of the antitrust laws.

Mr. REED. Mr. President, I hope this amendment will receive the favorable consideration of the Senate.

Mr. GALLINGER. Mr. President——

The VICE PRESIDENT. Will the Senator from Missouri yield to the Senator from New Hampshire?

Mr. REED. I yield.

Mr. GALLINGER. As a layman I want to ask the Senator from Missouri if this is not an entire innovation? Have we legislated along this line in reference to any other matter?

Mr. REED. Mr. President, I think that this is an innovation, and I am very desirous of an innovation in the matter of the enforcement of the antitrust act. I had a document the other day which was sent here from the Attorney General's office, the general import of which was that there has not been a very vigorous enforcement of the antitrust law for a good many years. I can see no legitimate objection to permitting the attorneys general of the various States, at the expense of the respective States, to bring suits in the name of the Federal Government to enforce this law. Under this bill as it is now framed there are broad rights given for securing witnesses and for obtaining evidence. I think there may be many cases where the attorney general of a State would bring a suit and avail himself of these rights.

Moreover, I believe it to be a wholesome thing that, instead of the enforcement of this great law being reposed simply in one overworked office, the attorneys general of the various States might utilize the law. I believe we would have a better enforcement of the law. The sooner this law is enforced the better it will be for the people and the better it will be for business, because the longer business institutions and business men continue to form combinations the more complicated the situation will become and the worse it will be for them in the end. The day of reckoning may be put off, but that a day of reckoning is coming is, to my mind, as certain as fate itself.

Mr. GALLINGER rose.

Mr. REED. I yield to the Senator from New Hampshire.

Mr. GALLINGER. Mr. President, any question which I propound will be solely for information. I will ask the Senator from Missouri, if this amendment is agreed to, if the result will be that the attorneys general of the various States, if they bring suit in the name of the United States, will prosecute such suits without any reference to or aid from the Department of Justice? Will it be purely a State prosecution?

Mr. REED. It would be, unless some Senator sees fit to offer an amendment providing otherwise. I understood the Senator from West Virginia had an amendment which he desired to offer to this amendment, and if he desires to do so I will yield for that purpose.

Mr. JONES. I should like to ask the Senator from Missouri, referring to what he has said as to the cost to the State, what cost would the State be expected to bear under his amendment? Would that mean the cost of witnesses and all that sort of thing?

Mr. REED. It means whatever cost would otherwise fall upon the National Government, if the Government brought the suit direct, would in this case fall upon the State, the attorney general of the State taking the responsibility.

Mr. NELSON. Mr. President, I wish to suggest that it is very important that such an amendment as this should be adopted. Minnesota had an experience in the Northern Securities case. The State brought suit under the antitrust law, but it was ruled out by the Supreme Court, and we secured no relief until the Attorney General of the United States directed the United States attorney for the district of Minnesota to move in the case. If Senators will look up the decision of the Supreme Court in the Minnesota case, they will find that that case was ruled out of court; but if the attorney general of the State had not moved in the case, we should not have secured any relief at all.

Mr. CULBERSON. Mr. President, I ask the Senator from Minnesota if the ruling of the court was not based upon the antitrust law of 1890?

Mr. NELSON. The suit was based on the antitrust law of the United States, and also on the antitrust laws of the State of Minnesota—on both laws.

Mr. LEWIS. Mr. President, I have this suggestion to make: I recognize the virtue that might flow from such a provision as the Senator from Missouri seeks to incorporate in the bill; I also recognize the remedy and the advantage that sometimes would follow from it; but I have this fear regarding it: We can not keep partisan political government out of this Nation; it is based upon that theory. You will have a Republican Attorney General of the United States with Democratic State attorneys general; you will have a Republican Attorney General instituting litigation not in harmony with the Democratic State attorneys general, and perhaps founded on political considerations. You will have a conflict ceaselessly going on, the public being ground between the upper and the nether millstones. With a

Democratic Attorney General and Republican attorneys general of the States, you will have the condition reversed, but with the very same conflict and confusion. It appears to me, therefore, that unless you can adjust this whole system in such manner that it shall be under the supervision of the Attorney General of the United States, of whatever party, you would have no system, no harmony; you would merely have conflict and no results finally.

Furthermore, it is not within the power of the Federal Congress to authorize suits to be brought by attorneys general of the States and charge the expenses to the States. The Federal Congress, as I see it, can not proceed to create a burden upon a State, and put an obligation upon a State as a State which it has not itself assumed in the exercise of its duties and make it bear expenses and obligations which it has neither incurred by the direction of its voters nor by the volition of its legislature. Therefore, any suit brought, as I conceive it, by the attorney general of any State in the name of the Federal Government must be for the uses of the Federal Government; and therefore the expenses and burden must be borne by the Federal Government. If a suit is brought by a State as a State, then it should be separate from any connection with the Federal Government and should be conducted wholly for and in behalf of the State.

Mr. GALLINGER. Mr. President——

Mr. LEWIS. I yield to the Senator from New Hampshire.

Mr. GALLINGER. I am asking the question for information as a layman. I want to ask the Senator from Illinois, whose grasp of the situation appeals to me, if the States are in their individual capacities to prosecute suits under the antitrust laws, if there is not great danger of having a diversity of conclusions? The State of New Hampshire, we will say, prosecutes under a certain provision of the antitrust law and fails to convict; the State of Illinois prosecutes and secures a favorable decision. Would not that be a very confusing situation, so far as the enforcement of the antitrust law is concerned? Of course, if it is left to the Department of Justice or to the General Government, there is but one conclusion to be reached, either favorable or unfavorable, and there is no diversity of finding. That appeals to me as a possibility that we ought not to overlook.

Mr. LEWIS. Mr. President, I am very much impressed with the possibility of just such confusion, and I fear that if we adopt the amendment, instead of producing results desired we would have constant conflicts and interlocking difficulties and that there would be almost a paralysis in the procedure.

I, however, feel that a provision which authorizes the attorney general of a State to bring suit, with the consent of the Attorney General of the United States, or in the name of himself and the Attorney General, might be acceptable; but I can not see that it would be prudent. Indeed, I think I see much conflict and much confusion, and, indeed, much disaster in the results if the attorney general of each State is allowed to institute proceedings under this law, without any regard to what the Attorney General, carrying out the policy of the national legislation, may have to say upon the subject. For that reason I am inclined against the amendment, out of my fears as I have expressed them.

Mr. WHITE. Mr. President, I do not think it would be wise to adopt this amendment. The States have different policies; they are interested in different ways. One State might be interested in perpetuating certain conditions. I myself would be a little afraid of New Jersey, the reputed mother of trusts, to say nothing of all the other States. In order to prevent the Federal Government from accomplishing anything, and to tie the Attorney General's hands, a proceeding might be instituted in New Jersey or some other State, and the court having acquired jurisdiction, and the Attorney General of the United States undertook to proceed elsewhere, the pendency of the first suit might be pleaded in abatement to second action. The first suit then pending might continue to pend, and it might never end. The persons in control might not want it to end. Therefore I do not think it at all wise to adopt this amendment. I readily concur in the suggestion of the Senator from Illinois along this same line that its adoption would create confusion.

There is another consideration, Mr. President. It would remove the responsibility for the enforcement of Federal laws from the Attorney General and the district attorneys, where that responsibility properly belongs. That ought not to be permitted. Conditions should not be created which would permit them to escape the responsibility placed on them for enforcing Federal statutes.

In addition to that, Mr. President, this is an innovation. This Government has now been in existence for more than a hundred years, and we have never yet seen proper to turn over the enforcement of Federal statutes to the States or to attorneys general of the States, nor have the States seen proper to turn over to the Federal Government the enforcement of State statutes. I believe in keeping the States and the Federal Union separate and distinct. Let each one operate in its own sphere uninterrupted and uninfluenced by any action of the other.

Mr. CLAPP. Mr. President, answering the suggestion of the Senator from New Hampshire [Mr. GALLINGER], I do not see how, in the last analysis, there would be any more diversity of result than under the present system. The suits contemplated, of course, would have to be brought in the Federal court; but in the end the decision of the Supreme Court, the views of the Supreme Court, the policy worked out by the Supreme Court, would prevail. So we would have in the end a uniformity of decision and opinion.

Answering one objection of the Senator from Illinois [Mr. LEWIS], this amendment does not seek to impose upon any State a burden. Of course, Congress could not do that. The most that this amendment does is to grant a privilege to the States. If the attorney general of a State, acting in connection with and on behalf of the people of his State, sees fit to bring a suit, it is brought at the expense of the State. The Senator is quite right, of course, in saying that Congress can not impose that duty or that burden on a State; but all that Congress does under the amendment is to permit the State the opportunity.

Mr. President, I am not in sympathy with the argument that a man who is the Attorney General of the United States and a man who is attorney general of a State can not be trusted to work together because one belongs to one political party and the other belongs to another political party. The attorney general of the State has the same purpose, the same incentive, the same duty as the Attorney General of the United States, even though he may not belong to the same political party to which the Attorney General of the United States belongs. It has, it seems to me, come to a pass when we may well ask ourselves, Are we not carrying the fetish of party too far to say that it is not safe to intrust two men with the discharge of a coordinate duty because one calls himself by one political name and the other calls himself by another political name?

Nor do I fear that the Attorney General of the United States would lose anything. He is the one who is naturally in possession of all the facts, being at the head of the legal department of the Federal Government; and if he wants to act, he would undoubtedly have abundant time in which to act; but, Mr. President, we have been confronted with one case where both officers were of the same political party, and yet had it not been for the activity of the attorney general of the State it is doubtful whether any proceeding would have been brought at all. It was the activity of the attorney general of the State, living in close contact with the people, and knowing from his everyday experience of the conditions of the State that led him to make the first move in that proceeding. The attorney general of a State, being among the people who directly and primarily suffer at the hands of the violators of the antitrust law, it seems to me, can well be given the authority to bring a suit; and he would, of course, bring it, as a rule, only when the Attorney General of the United States had failed or neglected to do so.

There is one suggestion made, and that is, that it is an innovation. It is an innovation, and I hope there will be more innovations. I hope more and more the people of this country in their localities can have access to the instrumentalities of our Government by which the law can be enforced in their midst, without having to await the action or depend upon the decision of an Attorney General in the city of Washington.

That is not said as any reflection whatever upon any Attorney General. It is based upon the broad proposition that the nearer you can bring government to the people in whose interest government is to be administered, the more surely government is bound to reflect the will, the purpose, and the interest of the people.

I hail this as an innovation. I hope the motion will prevail, and I hope it will be the forerunner of other innovations making the Government and its great instrumentalities and its great powers more and more responsive to and reflective of the will, the purpose, and the interest of the people throughout the various sections of this Union.

Mr. NELSON. Mr. President, there is not the novelty or innovation in this matter that Senators suppose. The contractors on public buildings and those who make river and harbor improvements are required to give bond as security for the faithful performance of their contracts and for the payment of the bills of all subcontractors and material men. If they fail in that respect, under the law the people who suffer

from such failure, whether they are subcontractors or material men, may bring suit on the bond in the name of the United States. If cases of that kind can be brought in mere matters relating to material and the wages of laboring men, why should we not allow the same privilege in a case of this kind, which concerns the welfare of all the people of the United States?

Away back in the early nineties the State of Minnesota brought suit in its own name to enforce not only its own antitrust law but also the Federal antitrust law. In that case, when it reached the Supreme Court, the court took the view not only that the suit could be brought only in the name of the United States, which was perhaps correct, but that it could be brought only at the instance of the Attorney General of the United States. In other words, under the law as it has been construed by the Supreme Court, a United States district attorney can move in the matter only when he acts under the direction and at the instance of the Attorney General of the United States.

In the Minnesota case we started this suit, and the Supreme Court turned us down; and it was only because the governor of the State of Minnesota and the governors of other States similarly interested came down here and saw the President, and as a result of their special efforts with the President of the United States—Mr. Roosevelt at that time—that they got the Attorney General to bring the suit which was finally decided in the Supreme Court of the United States in favor of the Federal Government.

Now, it may happen that we shall have a President or an Attorney General who is loath to prosecute in these cases. In that event, the parties affected—the people of the State—will be utterly helpless. We were fortunate in this case that President Roosevelt, after an interview with our governor and the governors of several other Northwestern States, did order the Attorney General of the United States to institute the suit. While it was done at the instance and in the name of the Attorney General of the United States and the district attorney of Minnesota, yet in that case it was President Roosevelt who really directed it. We may not always in the future have a President as willing as President Roosevelt was in that case to institute action. For that reason, if this law is a good law, if we believe in the efficacy of the antitrust law, if we believe in its continued enforcement, let us leave it so that the States can enforce it in the name of the United States if the Federal Government fails to move.

Mr. WALSH. Mr. President, there is a peril in this amendment that ought not to be overlooked. There are 48 different attorneys general in the United States. Among them, I have no doubt, there are many very excellent, very capable, and very efficient men; others, I dare say, who are entirely indifferent; and still others who are quite unequal to the task of conducting a vigorous prosecution against a great combination alleged to exist in violation of the Sherman Antitrust Act. Yet any one of these 48 attorneys general may start in at any time, illy equipped as he may be, and begin an action by the United States against some great, powerful trust, anticipating the action which eventually would be taken by the Attorney General of the United States, with the corps of able assistants with which he is provided, and the attorney general of the State may do the very best he is able to do, and yet he is laboring under a decided disadvantage. Moreover, Mr. President, leaving out of consideration the want of qualifications from which he may suffer, he is handicapped in the matter of accumulating the evidence that is necessary in order to obtain a successful result in one of these prosecutions under all ordinary circumstances.

Everybody recognizes that every one of these actions is a great, tremendous task; that the evidence ordinarily adduced is voluminous in character. It is accumulated from witnesses from all parts of the country. The attorney general of a State is not equipped to get that evidence. Why, we have a bureau of the Government here, the Bureau of Corporations, charged with the express duty of gathering up the evidence in these cases to put in the hands of the Attorney General in order that there may be a vigorous prosecution; and in the preparation of one of these cases the whole power of the great Government of the United States is pitted against the almost equal power of the defendant that is called to bar. The attorney general in a small State, with the equipment at his command and with the resources that he is able to control in order to try a case of this kind, is at a pitiable disadvantage.

Mr. REED. Mr. President, may I ask the Senator a question?

Mr. WALSH. Just as soon as I complete the idea, if the Senator pleases. Yet, Mr. President, one so illy equipped may go in and start a suit in the name of the United States, and being defeated in the action the judgment becomes absolutely conclusive. The hands of the Attorney General are thereafter tied, and he will be unable to utilize the forces of his office to bring again the same suit.

For instance, a criminal prosecution is instituted. The defendant is charged at the suit of the Government of the United States. I very seriously question whether the attorneys general of the States would be able to handle the machinery so as to prosecute under the criminal provisions of the act; but if they should prosecute civilly, the judgment even then would have the conclusive force of an estoppel against further prosecutions embodying the same facts.

I gladly yield to the Senator from Missouri.

Mr. REED. I wish to ask the Senator if it is not a fact that the most potential enforcement we have had of the antitrust law, the most successful result, has been by the attorneys general of States?

Mr. WALSH. I should hardly like to admit that. Of course, we all know that some very vigorous prosecutions and some very successful prosecutions have been carried on by the eminently able attorneys general of the State represented by the Senator who has just spoken—Attorney General Hadley and Attorney General Crow of his State. The Senator's State has had men of high character and excellent attainments; but you must bear in mind that we are not legislating for conditions such as obtain in the State of Missouri, but for the conditions which obtain all over the Union.

Mr. REED. I call the Senator's attention to the great State of Texas, where they have driven out monopoly after monopoly.

Mr. WALSH. Yes; the Senator has called my attention to two; but the force of my argument is not in the least disturbed—that there are many States in which they have excellent attorneys general, but others in which we must admit that they are not equal to the task.

Then, Mr. President, in view of that situation of affairs, is it at all strained to conceive that some one of these great corporations would in some way or other move a prosecution against itself in some particular State where it would be at a very decided advantage, and there secure a judgment of which it might avail itself in a subsequent prosecution that might be brought against it by the Attorney General of the United States?

I believe we can scarcely afford to take the chances involved in the adoption of this amendment.

Mr. KENYON. Mr. President, it seems to me the Senator from Missouri ought to change the amendment to meet the objections which were raised by the Senator from Illinois [Mr. LEWIS], which certainly are of great force.

I want to suggest to the Senator from Missouri that he provide that the action can not be brought if an action is pending by the Government growing out of the same facts and circumstances, and provide further that the attorney general of the State can not bring the action until he has requested the Attorney General of the United States himself to proceed.

While I have not worded this very carefully, I will offer it as an amendment to the Senator's amendment:

Provided, That suit is not at the same time pending at the instigation of the Government growing out of the same facts: *And provided further*, That the attorney general of the State has, 60 days before commencing suit, requested the Attorney General of the United States to bring suit.

Mr. REED. Mr. President, I see no objection to that amendment. Answering the Senator from Iowa in his time, not mine——

Mr. KENYON. I do not know that that is as aptly worded as it might be. I have just drawn it here at the desk, but I think it covers the point.

Mr. REED. I will say to the Senator that the only thing I seek to accomplish is to give to the various States the benefits of this legislation and to devise a plan by which the attorneys general of the States can avail themselves of it.

As the Senator says his amendment is not in exact form, I suggest that it is within five minutes of recess time. I think this is an important matter, and I should think it might go over until morning.

Mr. McCUMBER. Mr. President——

Mr. REED. I will say to the Senator that I have not the floor, although I shall be glad to answer any questions.

Mr. McCUMBER. I want to suggest to both the Senators that I do not think the first proposition of the Senator from Iowa is at all necessary, as the officer of the State must bring the action in the name of the United States, and two actions between the same parties for the same thing could not be pending in the same court at the same time.

Mr. KENYON. They could be brought, however.

Mr. McCUMBER. Even if they were brought, the court would be compelled to dismiss the one or the other.

Mr. KENYON. That might be true.

Mr. McCUMBER. And the one which first acquired jurisdiction would go on.

Mr. KENYON. But it would result in endless confusion to have suit brought both by the State and by the Government.

Mr. McCUMBER. I think the latter proposition is very timely, and ought to be placed in the bill as an amendment.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the Speaker of the House had signed the following enrolled bills, and they were thereupon signed by the Vice President:

H. R. 1657. An act providing for second homestead and desert-land entries; and

H. R. 7967. An act to amend an act approved June 25, 1910, authorizing a postal savings system.

PETITIONS AND MEMORIALS.

Mr. PERKINS presented a petition of the Chamber of Commerce of Blythe, Cal., praying for the enactment of legislation to provide assistance to the cotton growers of Palo Verde Valley, Cal., in the harvesting of their cotton, which was referred to the Committee on Agriculture and Forestry.

Mr. SWANSON presented petitions of sundry citizens of Omega, Chatham, Dryfork, Victoria, Lone Oak, and Runnymede, all in the State of Virginia, praying for the enactment of legislation to provide for personal rural credit, which were referred to the Committee on Banking and Currency.

Mr. NELSON presented a memorial of sundry citizens of Minneapolis, Minn., remonstrating against an increase in the tax on cigars, etc., which was referred to the Committee on Finance.

He also presented a memorial of the Woman's Home Missionary Society of the Methodist Episcopal Church, of Duluth, Minn., remonstrating against the enactment of legislation to allow railroads to be placed near the Sibley Hospital, Washington, D. C., which was referred to the Committee on the District of Columbia.

Mr. SHIVELY presented a memorial of Cigarmakers' Local Union, No. 54, of Evansville, Ind., remonstrating against the proposed increase in the revenue tax on cigars, which was referred to the Committee on Finance.

He also presented a petition of Cigarmakers' International Local Union, No. 54, of Evansville, Ind., favoring the taking over by the Government as an emergency measure the packing plants, cold-storage warehouses, granaries, flour mills, and such other plants and industries as may be necessary to safeguard the food supply of the people of this country during the war in Europe, etc., which was referred to the Committee on Finance.

RAILWAY MAIL PAY.

Mr. BANKHEAD. I ask unanimous consent to introduce a bill for reference. The bill has been prepared by a joint committee of the two Houses to investigate the question of railway mail pay. I desire to introduce it and to have it referred to the committee.

The bill (S. 6405) authorizing and directing the Postmaster General to readjust the compensation of steam railroad companies for the transportation of mail was read twice by its title and referred to the Committee on Post Offices and Post Roads.

Mr. BANKHEAD. I also present the report of the Joint Committee on Postage on Second-Class Mail Matter and Compensation for Transportation of Mails, which I ask to have referred to the Committee on Printing.

The VICE PRESIDENT. Is there any objection? The Chair hears none, and it is so ordered.

TITLE TO HOMESTEAD ENTRY.

The VICE PRESIDENT laid before the Senate the action of the House of Representatives disagreeing to the amendment of the Senate to the bill (H. R. 11745) to provide for certificate of title to homestead entry by a female American citizen who has intermarried with an alien, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. SMOOT. I move that the Senate insist upon its amendment and agree to the conference asked for by the House, the conferees on the part of the Senate to be appointed by the Chair.

The motion was agreed to, and the Vice President appointed Mr. MYERS, Mr. THOMAS, and Mr. SMOOT conferees on the part of the Senate.

DAVID TAYLOR.

The joint resolution (H. J. Res. 327) to correct error in H. R. 12045 was read twice by its title.

The VICE PRESIDENT. The joint resolution will be referred to the Committee on Pensions.

Mr. SMITH of Michigan. Mr. President, the joint resolution is merely to correct a typographical error in a pension bill which has been passed by both Houses, and I should like to ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. Is there any objection to the request for the present consideration of the joint resolution without its being referred to the Committee on Pensions?

Mr. SMOOT. Under the rules, being a joint resolution, it will have to go to the committee. The committee can report it out promptly, I have no doubt.

Mr. SMITH of Michigan. I should like to have it acted upon promptly.

The VICE PRESIDENT. The joint resolution will be referred to the Committee on Pensions.

Mr. SHIVELY subsequently said: From the Committee on Pensions I report back favorably without amendment the joint resolution (H. J. Res. 327) to correct error in House bill 12045.

Mr. SMITH of Michigan. I ask unanimous consent for the present consideration of the joint resolution.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution, which was read as follows:

Whereas by error in printing H. R. 12045, reported by the House Committee on Invalid Pensions, act approved July 1, 1914 (Private, No. 50), makes the designation of the military service of one David Taylor, late of Company B, Fourth Regiment Michigan Volunteer Infantry, to read "Company B, Fourteenth Regiment Michigan Volunteer Infantry": Therefore be it

Resolved, etc., That the paragraph in H. R. 12045, approved July 1, 1914 (Private, No. 50), granting an increase of pension to one David Taylor, be corrected and amended so as to read as follows:

"The name of David Taylor, late of Company B, Fourth Regiment Michigan Volunteer Infantry, and pay him a pension at the rate of $40 per month in lieu of that he is now receiving."

The joint resolution was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

BUREAU OF WAR RISK INSURANCE.

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 6357) to authorize the establishment of a bureau of war-risk insurance in the Treasury Department, which were, on page 1, to strike out lines 3, 4, and 5, and lines 1 to 7, inclusive, on page 2, and insert:

That there is established in the Treasury Department a bureau to be known as the bureau of war risk insurance, the director of which shall be entitled to a salary at the rate of $5,000 per annum.

On page 3, line 15, after "Treasury," to insert: "but not to exceed $25 a day each, while actually employed."

On page 4, line 12, after "insurance," to insert "including the payment of salaries herein authorized and other personal services in the District of Columbia."

On page 4, to strike out lines 15 to 19, inclusive, and insert:

SEC. 9. That the President is authorized whenever, in his judgment, the necessity of further war insurance by the United States shall have ceased to exist, to suspend the operations of this act in so far as it authorizes insurance by the United States against loss or damage by risks of war, which suspension shall be made, at any event, within two years after the passage of this act, but shall not affect any insurance outstanding at the time or any claims pending adjustment. For the purpose of the final adjustment of any such outstanding insurance or claims, the bureau of war-risk insurance may, in the discretion of the President, be continued in existence a further period not exceeding one year.

On page 4, after line 19, to insert:

SEC. 10. That a detailed statement of all expenditures under this act and of all receipts hereunder shall be submitted to Congress at the beginning of each regular session.

And, on page 4, line 20, to strike out "10" and insert "11."

Mr. CLARKE of Arkansas. Mr. President, this is what is known as the war-risk insurance bill. The House has made several amendments to the bill which really improve its text and do not in any respect modify or change its policy as indicates in the bill passed by the SSenate. I therefore move that the Senate concur in the House amendments.

The motion was agreed to.

THE EUROPEAN CRISIS.

Mr. OLIVER. Mr. President, I have here two documents which I wish to ask unanimous consent to have printed as one public document. One of these documents is what is known as the British "White Paper," issued by the British Government and containing correspondence respecting the European crisis. The other contains Germany's reasons for war with Russia, issued by the German foreign office. Both of these papers, Mr. President, are of the most intense interest, and I think, taken together, will give a good idea of the stand of each

of the belligerent parties in the present European contest. I therefore ask unanimous consent that they may be printed together as a single public document.

Mr. SHIVELY. Mr. President.——

The VICE PRESIDENT. Is there any objection? The Chair hears none.

Mr. CLARKE of Arkansas. Mr. President, I relied upon the Senator from Indiana [Mr. SHIVELY] to object to the documents being printed without being referred to the Committee on Foreign Relations, and therefore I did not interpose an objection to the request made by the Senator from Pennsylvania. The Senator from Missouri [Mr. STONE], the chairman of the Committee on Foreign Relations, is absent, and as the Senator from Indiana is acting chairman of that committee I did not feel at liberty to make the motion to refer the documents to the committee until he had had the opportunity to do so. I move that the documents be referred to the Committee on Foreign Relations.

Mr. OLIVER. I have no objection whatever to the documents taking that course.

The VICE PRESIDENT. The documents will be referred to the Committee on Foreign Relations.

RECESS.

Mr. CULBERSON. I move that the Senate take a recess until to-morrow morning at 11 o'clock.

The motion was agreed to; and (at 5 o'clock and 55 minutes p. m., Monday, August 31, 1914) the Senate took a recess until to-morrow, Tuesday, September 1, 1914, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES.

MONDAY, *August 31, 1914.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Our Father in heaven, lead us, we beseech Thee, by Thy spirit into the realms of higher thought, that the godlike in our being may blossom into golden deeds which Thou canst look upon with Thine approving smile; that we may thus glorify Thee, honor ourselves, and add dignity to this body, which should ever be the highest intellectual, moral, and spiritual reflection of the great people whom it represents. This we ask, in the spirit of the Lord Jesus Christ. Amen.

The SPEAKER. The Clerk will read the Journal.

Mr. BUTLER. Mr. Speaker, I make the point of order that no quorum is present.

The SPEAKER. The gentleman from Pennsylvania makes the point of order that no quorum is present, and evidently there is not.

Mr. UNDERWOOD. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The doors were ordered to be closed and the Sergeant at Arms to notify the absentees.

The Clerk called the roll, and the following Members failed to answer to their names:

Adair	Esch	Hoxworth	Oglesby
Aiken	Estopinal	Jones	O'Leary
Ainey	Evans	Kelley, Mich.	O'Shaunessy
Allen	Fairchild	Kent	Patten, N. Y.
Ansberry	Faison	Kiess, Pa.	Peters
Anthony	Farr	Kindel	Porter
Aswell	Fess	Kinkaid, Nebr.	Powers
Austin	Flood, Va.	Kinkead, N. J.	Ragsdale
Bartlett	Fowler	Knowland, J. R.	Rainey
Bell, Ga.	Gallivan	Korbly	Riordan
Brodbeck	Gardner	Kreider	Rubey
Brown, N. Y.	George	Lazaro	Sabath
Browne, Wis.	Gittins	L'Engle	Saunders
Browning	Glass	Lenroot	Scully
Byrnes, S. C.	Goeke	Lesher	Shackleford
Calder	Goldfogle	Levy	Sherley
Carew	Gordon	Lewis, Pa.	Slemp
Chandler, N. Y.	Graham, Ill.	Lindquist	Smith, Md.
Church	Graham, Pa.	Loft	Smith, N. Y.
Cline	Griest	Lonergan	Steenerson
Covington	Griffin	McClellan	Stevens, N. H.
Cramton	Guernsey	McGillicuddy	Stringer
Crisp	Hamilton, N. Y.	Mahan	Switzer
Dershem	Hardwick	Martin	Taylor, N. Y.
Dies	Hart	Merritt	Thomson, Ill.
Dixon	Haugen	Metz	Treadway
Donovan	Helm	Montague	Underhill
Dooling	Hensley	Morgan, La.	Vare
Eagle	Hill	Morin	Wallin
Edmonds	Hinds	Mott	Watkins
Elder	Hobson	Murdock	Wilson, N. Y.

The SPEAKER. On this call 307 Members—a quorum—have answered to their names.

Mr. UNDERWOOD. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The doors were opened.

The Journal of the proceedings of Saturday last was read and approved.

EUROPEAN DIPLOMATIC CORRESPONDENCE.

Mr. MOORE. Mr. Speaker, I ask unanimous consent to have printed as a House document the official correspondence respecting the European crisis, as presented to both houses of Parliament, by command of His Majesty the King of England, at the beginning of hostilities on the other side of the water.

The SPEAKER. The gentleman from Pennsylvania asks to have printed as a House document the official correspondence of various nations of the Old World now engaged in war. Is there objection?

Mr. GARRETT of Tennessee and Mr. FITZGERALD objected.

Mr. MOORE. Will the gentlemen reserve their objections?

Mr. GARRETT of Tennessee. Mr. Speaker, I do not think it is at this time proper to insert in any official publication of any branch or department of this Government correspondence or papers referring to or discussing the reasons for the European war. For that reason I object.

Mr. MOORE. I ask the gentleman to reserve his objection that I may make a short statement. I think the gentleman from Tennessee and I are agreed upon the desirability of not agitating this subject.

Mr. GARRETT of Tennessee. I do not wish to be discourteous to the gentleman from Pennsylvania, but I do not believe there should be any statement upon the floor of the Congress referring to the merits or demerits, the causes or lack of causes, of the present war among the European nations.

Mr. MOORE. Does the gentleman from Tennessee object to having a motion made that this go to the Committee on Foreign Affairs? It is a matter of information only.

Mr. GARRETT of Tennessee. I do object to that. Let us in this official body be careful to preserve neutrality in spirit and in fact.

Mr. MOORE. The matter was brought to the attention of the State Department and the German Embassy. There has been so much misinformation about the facts leading up to the war that the publication of these official diplomatic letters and telegrams may help to clear up the situation.

Mr. GARRETT of Tennessee. For the reasons already stated, and which I believe to be good, I object.

The SPEAKER. The gentleman from Tennessee objects.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Crockett, one of its clerks, announced that the Senate had passed bill of the following title, in which the concurrence of the House of Representatives was requested:

S. 4920. An act to increase the cost of construction of Federal building at Pocatello, Idaho.

The message also announced that the Senate had passed without amendment joint resolution of the following title:

H. J. Res. 327. Joint resolution to correct error in H. R. 12045.

The message also announced that the Senate had insisted upon its amendments to the bill (H. R. 11745) to provide for certificate of title to homestead entry by a female American citizen who has intermarried with an alien, disagreed to by the House of Representatives, had agreed to the conference asked by the House on the disagreeing votes of the two Houses thereon, and had appointed Mr. MYERS, Mr. THOMAS, and Mr. SMOOT as the conferees on the part of the Senate.

The message also announced that the Senate had agreed to the amendments of the House of Representatives to the bill (S. 6357) to authorize the establishment of a bureau of war risk insurance in the Treasury Department.

SENATE BILL REFERRED.

Under clause 2, Rule XXIV, Senate bill of the following title was taken from the Speaker's table and referred to its appropriate committee, as indicated below:

S. 4920. An act to increase the cost of construction of Federal building at Pocatello, Idaho; to the Committee on Public Buildings and Grounds.

COMPENSATION FOR TRANSPORTATION OF THE MAILS (H. DOC. NO. 1155).

Mr. TUTTLE. Mr. Speaker, I desire to make a report from the joint committee on second-class mail matter and compensation for transportation of the mail.

The SPEAKER. The Clerk will report.

The Clerk read as follows:

Report of the joint committee on postage on second-class mail matter and compensation for transportation of the mails.

Mr. TUTTLE. Mr. Speaker, this report simply covers the compensation of railroads for transportation of the mail, which was a part of the work of the commission. The report for the balance of the work will be submitted later.

Mr. MANN. I take it, Mr. Speaker, that the report will be ordered printed and referred to the Committee on the Post Office and Post Roads.

The SPEAKER. It is ordered printed and referred to the Committee on the Post Office and Post Roads.

ORDER OF BUSINESS.

Mr. UNDERWOOD. Mr. Speaker, I am anxious that the House may have an opportunity to dispose of the entire Unanimous Consent Calendar before we reach an adjournment. I am satisfied that to-morrow can be occupied in that way without seriously inconveniencing public business, and I ask unanimous consent that business in order on the first and third Monday of each month shall be in order to-morrow after the reading of the Journal.

Mr. FERRIS. Mr. Speaker, reserving the right to object, which I do not intend to exercise, I want to call the attention of the House to the fact that the Alaskan coal bill has come to be almost an emergency. I have telegrams addressed to the Secretary of the Interior and myself from the governor and all the chambers of commerce up there, asking that something be done in regard to the Alaskan coal situation. They are about to be cut off from their only supply, which is Canada. I urge that no more matters be put in ahead of the Alaskan coal bill.

The SPEAKER. Is there objection?

Mr. JOHNSON of Kentucky. Mr. Speaker, reserving the right to object, I think there is somewhat of a discrepancy between the statement made by the gentleman from Alabama and his final request. In the statement he says that he wants to get up the unanimous-consent business, but he finally asks that to-morrow shall be set aside so that there may be motions to suspend the rules.

Mr. UNDERWOOD. I will say to the gentleman from Kentucky that I did not state that I only wanted to get up the unanimous-consent business. I said I wanted to dispose of the Unanimous Consent Calendar; but I will also state that there is a bill on the calendar known as the Lubin resolution which a great many people in the country are much interested in. I am hoping late to-morrow afternoon, if this order is agreed to, that the Speaker will allow that to come up under a motion for suspension if it is not already reached under the Unanimous Consent Calendar.

Mr. JOHNSON of Kentucky. Would the gentleman be willing to include that limitation in his request?

Mr. UNDERWOOD. I would prefer to leave the question to the Speaker. I do not think he is going into motions to suspend the rule. Of course, I would have to do it if the gentleman objects. I hope the gentleman will not insist on his objection, but leave that to the Speaker.

I can assure the gentleman that I do not think suspensions generally are going to be taken up.

Mr. JOHNSON of Kentucky. I will not object.

The SPEAKER. Is there objection?

There was no objection.

STANDARD BOX FOR APPLES.

The SPEAKER. The Chair lays before the House the bill (S. 4517) to establish a standard box for apples, and for other purposes. The Chair will ask the gentleman from Ohio [Mr. ASHBROOK] if a similar bill is on the House Calendar?

Mr. ASHBROOK. There is.

The SPEAKER. The Clerk will report the bill.

The Clerk began the reading of the bill.

Mr. TAYLOR of Colorado. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. TAYLOR of Colorado. How does that bill get in at this time?

The SPEAKER. It gets in under the rule.

Mr. TAYLOR of Colorado. What rule?

The SPEAKER. The rule that there are two classes of business which you can lay before the House straight from the Speaker's table. One of them is a Senate bill, where a House bill of similar tenor has been reported and is on the calendar.

Mr. TAYLOR of Colorado. That House bill has not been considered by the House.

The SPEAKER. It is not necessary for the House to consider it. It must be on the calendar, and if this Senate bill is passed, then the House will, by unanimous consent, lay the House bill on the table.

Mr. TAYLOR of Colorado. Is this bill in order at this time?

The SPEAKER. It is in order.

Mr. TAYLOR of Colorado. A bill that affects all the apples in the country?

The SPEAKER. It does not make any difference what it affects.

Mr. TAYLOR of Colorado. Has this bill ever been before the committee?

The SPEAKER. You can not make rules for special bills. A rule has to be general.

Mr. TAYLOR of Colorado. Has the committee ever authorized the consideration of this bill or reported it?

The SPEAKER. The House bill is already on the calendar.

Mr. TAYLOR of Colorado. I know; but the Senate bill is not necessarily the same as the House bill.

The SPEAKER. But it happens to be in this particular case, so the gentleman from Ohio [Mr. ASHBROOK] says.

Mr. TAYLOR of Colorado. This is the Senate bill and not the House bill.

Mr. ASHBROOK. The bill is exactly the same. There is one amendment. Otherwise it is the same as the House bill submitted by the committee.

Mr. GARRETT of Tennessee. Is the House bill on the Union Calendar?

The SPEAKER. It is on the House Calendar.

Mr. GARRETT of Tennessee. Then it is in order.

Mr. TAYLOR of Colorado. I want to ask the gentleman whether the committee has directed him to call this up.

The SPEAKER. If the House objects to the consideration of the bill, then the Chair will have to refer it to the committee.

Mr. TAYLOR of Colorado. I certainly object.

The SPEAKER. But we have not got to the place where the gentleman can object.

Mr. TAYLOR of Colorado. All right then.

Mr. SCOTT. Mr. Speaker, has there been any direction from the Committee on Coinage, Weights, and Measures that this bill be considered?

The SPEAKER. What committee does this bill come from?

Mr. ASHBROOK. The Committee on Coinage, Weights, and Measures.

The SPEAKER. Now, what is the gentleman's question?

Mr. SCOTT. The question is, Has the Committee on Coinage, Weights, and Measures directed that this bill be taken up?

Mr. TAYLOR of Colorado. Or authorized it?

Mr. ASHBROOK. Mr. Speaker, I will say that the Committee on Coinage, Weights, and Measures have not considered the Senate bill, but they have considered House bill 11178.

Mr. TAYLOR of Colorado. Has the Committee on Coinage, Weights, and Measures authorized the gentleman to bring it up?

Mr. ASHBROOK. The Committee on Coinage, Weights, and Measures has not authorized me to bring up the Senate bill.

Mr. TAYLOR of Colorado. That is what I mean.

Mr. ASHBROOK. But it is on the calendar.

Mr. TAYLOR of Colorado. I insist that it has not authorized the consideration of this bill.

The SPEAKER. If the gentleman will——

Mr. TAYLOR of Colorado. My understanding is——

The SPEAKER. If the gentleman will give the Chair a chance to rule, he will rule in the gentleman's favor. [Laughter.] The last clause of the rule requires this to be made on motion directed by the committee. Now, if the gentleman from Ohio [Mr. ASHBROOK] will get his committee together and get authorization, then he can get his bill up. Otherwise he can not.

LEAVE OF ABSENCE.

The SPEAKER. The Chair has a request for indefinite leave of absence on account of illness for the gentleman from Illinois, Mr. HOXWORTH, which request is accompanied with a certificate of a physician that it is dangerous for Mr. HOXWORTH to undertake to come to Washington. Is there objection to this request?

There was no objection.

By unanimous consent, leave of absence was granted as follows:

To Mr. BYRNES of South Carolina, indefinitely, on account of sickness.

To Mr. EVANS, for two days, on account of serious illness.

To Mr. WOODRUFF, indefinitely, on account of sickness in his family.

To Mr. LEWIS of Pennsylvania, indefinitely, on account of sickness in his family.

CHANGE OF REFERENCE—PUBLIC LANDS IN LOUISIANA.

By unanimous consent, the Committee on Naval Affairs was discharged from further consideration of the bill (H. R. 18531)

to authorize the Secretary of the Navy to certify to the Secretary of the Interior, for restoration to the public domain, lands in the State of Louisiana not needed for naval purposes, and the same was referred to the Committee on the Public Lands.

COAL LANDS IN ALASKA.

The SPEAKER. Under the special rule the House resolves itself automatically into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 14233) to provide for the leasing of coal lands in the Territory of Alaska, and for other purposes.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of H. R. 14233, with Mr. FITZGERALD in the chair.

The CHAIRMAN. Under the rule there are to be six hours of general debate, three hours to be controlled by the gentleman from Oklahoma [Mr. FERRIS] and three hours by the gentleman from Wisconsin [Mr. LENROOT].

Mr. FERRIS. Mr. Chairman, the gentleman from Wisconsin [Mr. LENROOT] is absent from the city on account of sickness, and I ask unanimous consent that the gentleman from Idaho [Mr. FRENCH] have control of the time in his stead.

The CHAIRMAN. The Chair understands that the agreement was that the gentleman from Idaho would control the time if the gentleman from Wisconsin were not here. It does not take unanimous consent.

Mr. DONOVAN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DONOVAN. Does the rule require that in general debate remarks shall be confined to the subject matter of the bill?

The CHAIRMAN. Under the rule all debate shall be confined to the subject matter of the bill under consideration.

Mr. FERRIS. Mr. Chairman, I ask unanimous consent that four hours of the debate allotted on this bill be transferred to the succeeding bill, which is the general coal bill.

The CHAIRMAN. The committee can not grant any such request as that.

Mr. MANN. The committee would not have that power.

Mr. TOWNSEND. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. TOWNSEND. If it is the sense of the committee that we should not necessarily devote six hours to the discussion of this bill, is there no means by which the committee can curtail that time?

The CHAIRMAN. The rule provides that not exceeding six hours shall be consumed in general debate, but the committee has no authority to provide that the time for general debate fixed in the rule upon some other bill shall be extended beyond the time fixed in the rule. Whenever general debate upon this bill is exhausted the bill will be read under the five-minute rule.

Mr. FERRIS. Mr. Chairman, as the House is well aware, this is the Alaska coal leasing bill, intended to go as a companion bill to the Alaskan railroad bill, so that the Alaska coal fields may be opened and before proceeding with the debate. I desire to read two or three telegrams and letters from the Alaskan people showing the dire necessity for legislation along this line, so that the House may know something about the demands up there. These communications quite well, I think, show the pressing need not only for legislation but for early legislation. These communications are as follows:

HAINES, ALASKA, *August 11, 1914.*

Hon. FRANKLIN K. LANE,
Secretary of the Interior, Washington, D. C.:

Request that Alaska coal lands be opened; British Columbia supply liable to be cut off. Good chance Alaskans establish market.

HAINES CHAMBER OF COMMERCE.

JUNEAU, ALASKA, *August 13, 1914.*

The PRESIDENT,
Washington:

Alaskans deem it necessary opening our coal fields on account British Columbia supply liable being cut off, due to war.

JUNEAU CHAMBER OF COMMERCE.

CORDOVA, ALASKA, *August 12, 1914.*

Hon. SCOTT FERRIS,
Washington, D. C:

British Columbia coal, Alaska's only supply, liable to be withheld any day. Can't you give us legislative assistance opening our coal?

CORDOVA CHAMBER OF COMMERCE.

TERRITORY OF ALASKA,
GOVERNOR'S OFFICE,
Juneau, August 13, 1914.

SECRETARY OF THE INTERIOR,
Washington, D. C.:

SIR: The necessity for the opening of Alaska coal lands for commercial purposes is emphasized by the war conditions now existing in Europe, and the further fact that the people of Alaska are nearly wholly dependent upon British Columbia for their coal supply. The various commercial bodies of this Territory, and the people generally, are a unit in urging upon the Congress the speedy enactment of such legislation as will have for its object the opening of the Alaska coal fields to development on a commercial basis. No specific bill now before the Congress is urged, it being the chief desire of the people of this Territory to secure such legislation as will permit them to obtain coal, at least for domestic purposes, at home, where a great abundance of it could be mined.

The conditions now being developed because of the war in Europe, and those other conditions which will undoubtably arise during the progress of the conflict, after its close, together with the readjustment of international affairs and conditions, that is bound to follow, all point to the urgent necessity of securing legislation that will permit the development of our coal resources for domestic and industrial purposes, as well as for the use of the Government of the United States. Should the present war be of long continuance it is not unlikely that the coal supply which we now receive from British Columbia might be cut off and a condition would inevitably be created that would be well-nigh calamitous.

Respectfully,

J. F. A. STRONG, *Governor.*

CORDOVA, ALASKA, *August 14, 1914.*

Hon. FRANKLIN K. LANE,
Secretary of the Interior, Washington, D. C.

DEAR SIR: We respectfully call your attention to the necessity for immediate action in the matter of throwing open Alaska coal. We do not presume to suggest the method by which this should be done. What we do insist upon is that it is absolutely necessary to open it in some way at once, either through a leasing system, private ownership, or Government operation, to the end that the coal may be used, not only in Alaska, but on the Pacific coast as well.

In support of this proposition we submit that practically all the coal consumed in Alaska, as well as a large percentage of that used on the Pacific coast, comes from British Columbia. Should this supply be cut off through the war now raging over all Europe, our industries, few as they are, will be paralyzed, and widespread desolation will follow.

If Canada herself does not see fit to prohibit the exportation of coal, there is nothing to prevent the nations at war with Great Britain from capturing English coal on the high seas or even destroying the works on the British Columbia coast.

The war has already resulted in a large increase in the price of all foodstuffs and supplies in this northland; and with the decrease in the value of copper, the indications are that these mines will be shut down.

Foreign capital is being withdrawn and the mines operated and developed by this money closed down. As an example we point to the Jualin mine at Juneau and the Mother Lode of the Copper River section, both of which have ceased work since war was declared.

To Alaska the situation is serious, and we believe it is of equal consequence to the United States as a whole.

The coal for naval use on the Pacific has been brought around from the Atlantic. To bring this coal to the Pacific it was necessary to use foreign vessels. These foreign vessels are no longer available. There are no American ships for this purpose. Every vessel that flies the American flag which can by any possibility be used for the purpose will be needed for our over-sea trade, to take the place of foreign ships that have been withdrawn from trade. The opening of Alaska coal is therefore a national necessity. It is a necessary part in the scheme of national defense, and the last few weeks have demonstrated that we can not afford to neglect any possible measure tending to strengthen our national defense.

If it is urged that the coal in Alaska is not suited to naval use, we reply that the test made was simply a test of one vein of coal and is therefore no proof of the field. We confidently assert that the Bering River field has large quantities of coal suitable for naval use, and refer to such eminent geologists as Drs. Brooks and Morton, of the United States Geological Survey, as our authorities.

The Bering River field can be opened and coal placed on the market at Cordova in 90 days from the beginning of construction. A line of railroad 25 miles long, branching from mile 38 on the Copper River & Northwestern Railroad, will reach to the heart of the field.

With these conditions surrounding us, we respectfully ask: "Is it the part of good judgment to longer delay the opening of Alaska coal on some basis, either by a leasing bill of such liberal provisions that American capital will undertake it or by Government operation?"

We appeal to you, who have the power and authority to do this, to give it your earnest and conscientious consideration, believing that you will arrive at the same conclusion that we have, viz, that the opening of Alaska coal is not only an absolute necessity but a duty that Congress should at once perform.

Very respectfully,

By CORDOVA CHAMBER OF COMMERCE,
——— ———, *President.*
H. G. STEEL, *Secretary.*

I have just presented a letter from the governor of Alaska under date of August 13, addressed to the Secretary of the Interior, which shows the urgent demand for some legislation in Alaska, so that these coal fields may be opened there. I have also some other letters and resolutions, which I shall not read, from Alaskan chambers of commerce, asking that some relief be given. When the Delegate from Alaska, Mr. WICKERSHAM, presents this matter to you a few minutes later he will be able to show you even more cogent reasons for hasty action.

Passing from this, Mr. Chairman, I desire to call attention to conditions in Alaska with reference to the coal, coal lands, their area, and so forth. If I am able to do so, I desire to give you some idea of the conditions in Alaska, some idea of the coal fields in Alaska, some idea of the litigation and trouble they have had up there, and to show you that something is necessary. The total area of Alaska is 590,884 square miles, or one-fifth the size of the United States.

The known areas of coal-bearing rocks of Alaska, according to the Geological Survey, include about 16,000 square miles (12,240,000 acres), and of this 1,210 square miles (774,400

acres) is pretty definitely known to be underlain by workable coal beds.

It is roughly estimated that the Bering and Matanuska fields each contain from one to three billion tons of coal, while it is estimated that the Nenana field contains nine billion tons of lignite coal.

These are conceded to be the main coal fields and the ones that are most accessible. These fields will soon be developed, if Congress will but afford the opportunity. The withdrawals of November, 1906, has brought everything to a standstill.

The House, of course, will be aware that these are but rough estimates of the tonnage, but they were the best estimates that the committee could get from the Geological Survey, and we thought that that was the best place to get information. I repeat, the two main high-grade coal fields in Alaska are the Bering River and the Matanuska. The Tanana coal field referred to in this bill is up near Fairbanks and is a very large field of lignite coal in the interior, but of not such high grade as the two fields nearer the coast, and, of course, less inexhaustible. This field will be used locally for mining and interior development, and it is thought will not stand shipment on account of freight rates. The United States coal-land laws were made applicable to Alaska by the act of June 5, 1900 (31 Stat., 598). There were later enactments on the subject.

None of these coal-land laws provided for any sort of lease, but all provided for the patenting in fee of the land. All unentered Alaskan coal lands were withdrawn from entry November 12, 1906, and since that time this country has been closed up, so far as their coal resources are concerned, as tight as a drum. Only two claims in all Alaska have ever reached patent, one of about 160 acres and one of about 50 acres, and those two fields are lignite fields.

Mr. BOOHER. Mr. Chairman, will the gentleman yield?

Mr. FERRIS. I yield with pleasure; yes.

Mr. BOOHER. Will the gentleman state to the committee how many claims have been filed on, and how much money the Government has in the Treasury from men who have entered coal lands in the Matanuska and the Bering River fields, and whose claims have not been passed on by the department?

Mr. FERRIS. I have that in my remarks, and I will reach it. I might answer the gentleman hurriedly and say that there are 1,129 claims, all told, and that some 561 of these have been heard and rejected, 566 still pending, and only 2 passed to patent.

Mr. BOOHER. How much money has been placed in the Treasury by the men who have applied for patents?

Mr. FERRIS. I do not have those figures at hand. I am very sorry I have not them here.

Mr. BOOHER. Three hundred and sixty-four thousand dollars, is it not?

Mr. FERRIS. I am neither able to corroborate nor deny the gentleman's figures. If he has looked it up, no doubt he is correct.

Mr. BOOHER. What provision has the gentleman made in this bill for taking care of the claims of men who have filed final proof with the Interior Department and whose claims have not been finally determined?

Mr. FERRIS. None at all. It was the specific intention not to do so. We proposed to leave them in statu quo. Section 14, on page 11, discloses that we neither add to nor take away any right.

Mr. BOOHER. Why not?

Mr. FERRIS. Every law is left in vogue that was in vogue when they filed; everything is left to them that they had originally. I think I know what the gentleman has in mind. There are many men up there who have been trying to secure patents upon their land. Their thought is that they ought to have a chance to go into the local courts and try them out, but I think the gentleman will agree with me that the committee was not justified in pursuing any such course as that. The department is not willing to take such a course as that, and the House ought not to be willing to take such a course as that.

Mr. BOOHER. If that is the policy of the Interior Department now, it is different from the view taken by the one it succeeded. Secretary Fisher advocated it, and the Committee on the Territories reported a bill to take care of those claims. Now, this bill is silent on that subject entirely.

Mr. FERRIS. The committee purposely stated in their report and purposely admitted in the committee that they were not willing to provide specifically that men who, perhaps, acquired claims fraudulently should have any additional course other than the one provided under existing law, and that was the unanimous view of the committee, as I understand it, and I know it to be the view of the department, because the department sat with us and helped us frame this bill in the way in which it was brought in here. The present law will protect them if they have rights; if they have none, this committee would not be justified in further tying up Alaska in trying to give them rights.

Mr. BOOHER. I did not refer to fraudulent claims, but I am referring to claims taken up by men in good faith, who have made entries, spent money and paid it into the Treasury of the United States, and this is now being withheld, and for five years their claims have been undecided and the Government holds their money. What provision does the gentleman make to take care of those people?

Mr. FERRIS. My answer to the gentleman is that if the claim is a straight, square, fair claim, they can acquire title under the existing law. They have an ample chance to get a title. Otherwise they are not entitled to any new trials or additional tribunals. Now, in reference to the gentleman's question. To show that a great majority of the claims are fraudulent, in eight long years only two of them have been permitted to proceed to patent. Five hundred and sixty-six of them have been tried, and every one of them has been turned down, and the other 561—my figures may not be exact—are now pending and will in all probability pass to patent or be rejected, as their relative rights appear.

Mr. BOOHER. Will the gentleman permit there one more question, and it is only one question. Now, suppose some of those claims that are still pending are held by genuine claimants and free from fraud, and the men are entitled to patent and the Government had already rented that land. How are we going to get at that situation?

Mr. FERRIS. The bill specifically provides that we are not taking away any vested rights up there of any man. It could not be done if we tried. We are not trying to do that. The bill does not do that.

Mr. J. M. C. SMITH. Is the money paid back to the locator or applicant?

Mr. FERRIS. If canceled for fraud, I do not understand it will. In that event he is not entitled to profit by his own wrong. If he is straight he will get a patent.

Mr. GOULDEN. Will the gentleman yield for one question?

Mr. FERRIS. I do.

Mr. GOULDEN. Are these coal fields, the Bering River and the Matanuska, available for use at this time; are they so situated that they can be reached and the coal shipped out for commercial purposes?

Mr. FERRIS. Oh, yes; they are close to the coast. One of them is 25 miles inland from the navigable waters, the other is some 70 miles inland, but can easily be reached by a short line of railroad.

Mr. GOULDEN. So that the coal can be reached?

Mr. FERRIS. Yes; the two fields are quite accessible.

Mr. GOULDEN. Are there any railroads near them at this time?

Mr. FERRIS. There will be. As the gentleman knows, railroads are few and far between there now.

Mr. GOULDEN. Will the Government proposed railroad we have decided to build reach those fields?

Mr. FERRIS. I can not answer the gentleman definitely, because we have not yet got the information as to exactly where the railroad will be located, but the engineers are up there for that purpose and in all probability they will. The President locates them and undoubtedly he will build to these fields.

Mr. GOULDEN. This bill simply provides for a survey and the manner of leasing the lands, as I understand it.

Mr. FERRIS. Yes.

Mr. HOWARD. Will the gentleman yield?

Mr. FERRIS. Yes.

Mr. HOWARD. The question propounded by the gentleman from New York was the one I had in mind. Why is there such a necessity or emergency unless you can reach these coal fields? If these coal fields are not available for transportation, how can those people who seek the benefit of this coal by this legislation be benefited until there is transportation furnished to take the coal to the consumer?

Mr. FERRIS. They have some transportation there now. There is some water navigation now and they have some transportation. The coal will also be used locally to some extent.

Mr. TALCOTT of New York. Will the gentleman yield?

Mr. FERRIS. Yes.

Mr. TALCOTT of New York. Does this bill reserve any right to the Government for the purpose of getting coal for the use of the Navy?

Mr. FERRIS. It does; we make a 5,120-acre reservation in the heart of the Bering coal field and a 7,680-acre reservation in the heart of the Matanuska coal field, and still another in

the heart of the Nenana coal field. We have reserved these large areas for the Government, so it can take out the coal it needs for Navy, Army, and Government needs generally. I think the gentleman will agree we have protected our Government pretty well in this regard. Some think we have reserved too much.

Mr. WILLIS. Will the gentleman yield just there?

Mr. FERRIS. I will.

Mr. WILLIS. Does the gentleman recall the number of acres in the Bering River field or in the Matanuska field, so that we may know what proportion is reserved? Does the gentleman recall the figures?

Mr. FERRIS. Yes; in the Bering field the bill reserves 5,120 acres; in the Matanuska, 7,680 acres; and, in addition, the President may make similar reservations in each of the remaining fields.

All known Alaskan coal lands were withdrawn from entry November 12, 1906, and since that time Alaska has been at a standstill, and there has been little or no development along this particular line. The total number of claims presented in Alaska under coal-land laws is 1,126. The total number of claims canceled to date is 561. The total number of claims patented is 2. The number of claims now pending is 566, many of which have been held for rejection by the General Land Office and are pending on appeal. Some of the claims are almost ready for final determination, and some are still being investigated for fraud and irregularity.

Mr. BOOHER. Will the gentleman please tell when the department thinks it will get through investigating these claims?

Mr. FERRIS. We had the department before us, and asked them on that specific point, and they said that they were speeding along with it as fast as they could. Alaska is a country, as the gentleman knows, where the field agents can not work all the year around, but they say they are proceeding as fast as they can. Their task has not been an easy one. They have been compelled to move with caution. Of course we all hoped when the withdrawals came, eight years ago, these matters could have been adjudicated sooner, but the conditions are more complicated than we know.

Mr. BOOHER. I am satisfied they have not.

Mr. SAMUEL W. SMITH. I would like to ask the gentleman what kinds of coal are found in Alaska?

Mr. FERRIS. Some of the fields back of the interior they do not know much about. The Nenana field is estimated to be a 900,000,000,000-ton field, and is lignite. The Matanuska and Bering River coal fields have a bituminous coal and some anthracite coal which is a merchantable coal. There is some difference of opinion about it as a naval coal, but it is good coal for most purposes.

Mr. SAMUEL W. SMITH. As far as you know, how many acres of coal land are found in Alaska?

Mr. FERRIS. I will give it to the gentleman. The known areas of coal-bearing rock in Alaska are 12,240,000 acres. Seven hundred and seventy-four thousand four hundred acres of land are definitely known to have coal under it.

Mr. SAMUEL W. SMITH. May I ask you another question?

Mr. FERRIS. Certainly.

Mr. SAMUEL W. SMITH. How many acres of coal land, so far as known, are owned by private parties in Alaska?

Mr. FERRIS. Scarcely any at all. Less than 200 acres. Only two claims have ever gone to patent. One has about 160 acres and the other has approximately 50 acres. The two together aggregate about 200 acres. It is one of the most amazing things that can be called to the attention of the House that Alaska, with all her coal, could never get enough coal to put in a cook stove as the laws now stand. The withdrawals were made in 1906, eight years ago, and since that time that Territory has been tied up as tight as a drum.

Mr. BOOHER. And all the coal, let me suggest, that they have used in Alaska since that time has been imported, most of it from British Columbia.

Mr. FERRIS. That is true. Some of it has been imported from the State of Washington, but most of it from British Columbia. I will give the figures later.

Mr. SAMUEL W. SMITH. If this bill is enacted into law, do you think it will result in the coal fields of Alaska being operated with success?

Mr. FERRIS. The Department of the Interior thinks so and the committee thinks so. As the gentleman knows, there are many problems difficult and hard to fathom in the framing of a law that will be workable and at the same time prevent the grafters from gobbling up those vast coal areas.

Mr. SAMUEL W. SMITH. Are the known fields that you speak of, that have been discovered, in a locality where the proposed railroad is to be built?

Mr. FERRIS. No one as yet knows where the railroad is to be built. As the gentleman knows, the Alaska railroad bill authorized the President to locate the line or lines wheresoever he would, from the coast back to the interior of the country, and he has not yet located them.

Mr. SAMUEL W. SMITH. Are these coal fields so located that you can build a railroad to them?

Mr. FERRIS. Undoubtedly. One of them is about 25 miles from the coast and the other is about 70 miles from the coast.

Mr. SAMUEL W. SMITH. One other question. Why is it that they have not been able to get enough coal, as you say, for a cook stove?

Mr. FERRIS. For the simple reason that in 1906 the Government made up its mind that the Alaska coal fields were about to be frittered away by fraudulent claimants. The gentleman recalls the noise we had about the Cunningham coal claims and about the fraudulent entries and the graft that was going on up there. In order to prevent that trouble, whether properly or improperly, the policy has been to withdraw all that coal land, and they will not let anybody have a patent up there.

Mr. WILLIS. I made a little computation here. I find the gentleman's bill reserves one-fifth of the Bering field to the United States and one-ninth of the Matanuska field, and that in all the rest of Alaska there are only 8 square miles reserved. Does the gentleman think that is sufficient reservation for governmental purposes?

Mr. FERRIS. The Secretary of the Interior is authorized to withdraw areas in any other coal field in his discretion.

Mr. WILLIS. In his statement he is limited in the amount he may withdraw?

Mr. FERRIS. In a single field; yes. It is all withdrawn now. We surely do not want to keep it all withdrawn.

Mr. WILLIS. And, in his discretion, the President may reserve from use, location, sale, lease, or other disposition not exceeding 5,120 acres of coal-bearing lands in each of the other coal fields in the Territory of Alaska.

Mr. FERRIS. Precisely; but, as the gentleman knows, there are 12,240,000 acres of coal-bearing rock in Alaska; and as the gentleman also knows, there are 474,000 acres of land that are known to be valuable for coal. If we take 5,120 acres out of the two main fields and then authorize the Secretary to make similar reservations in every other field, I think the majority of people would say we would have reserved too much instead of too little. I know that contention was strenuously made; and, of course, the gentleman from Ohio knows that there should be some development in Alaska, and the good friends of Alaska do not want to again tie it all up so that it can not move. We have had withdrawals in toto for eight years past that have kept everything at a standstill, and no one wants that to occur any longer.

The bill H. R. 14233 authorizes the Secretary of the Interior to lease in areas of 40 acres or multiples thereof upward to 2,500 acres. In the Bering and Matanuska fields, which are near the coast and are of known value, quantity, and area, small tracts will be leased. In the interior, where low-grade coal exists, larger areas can with safety and propriety be leased.

The Secretary of the Interior fixes the royalty, which shall not be less than 2 cents per ton, and coupled with this a competitive feature is added as an additional safeguard.

The bill contains a competitive feature pursuant to advertisement to determine priority of application; also to prevent favoritism, bringing increased revenues, and so forth, which is thought to be a wholesome method. It is thought this will be relief to the administration of the estate as well, for all applicants will have an equal chance.

Now, the gentleman from Ohio [Mr. WILLIS] will readily observe that in a territory that has 12,000,000 acres of coal, if he is allowed to withdraw 5,000 acres in each field the question to be considered is, Have we not withdrawn almost too much?

This is not to be granted in fee; it is merely to be leased. The Government gets a royalty on every ton of coal.

The Secretary is authorized and directed to withdraw 5,120 acres of coal land for Army, Navy, and other Government use in the Bering and Matanuska coal fields of Alaska. He is also given discretionary authority to withdraw 5,120 acres in each of the remaining coal fields, but as to the latter-named coal fields back in the interior of the country the withdrawal of such areas is not mandatory, but within his discretion. This to some may seem to be a reservation larger than is necessary, when the land is to be only leased and the lease so well safeguarded, but it was the thought of the committee that the Government should have the cream of each field, and if this should prove unwise it

could easily be restored. But if we let it get away, the difficulty would be to get it returned.

Mr. WILLIS. Mr. Chairman, before the gentleman leaves that point will he yield to me?

Mr. FERRIS. Yes; with pleasure.

Mr. WILLIS. I understood the gentleman to state that this reservation could be made for the purpose of use by the Army or the Navy; especially for the Navy, of course.

Mr. FERRIS. Yes; or for any other governmental purpose.

Mr. WILLIS. Suppose there should subsequently be a coal monopoly on the Pacific coast, and the Government should desire to enter into the mining of coal for the purpose of breaking up that monopoly, would it have the power to do that under this bill?

Mr. FERRIS. On page 2, line 22, there is a provision as follows:

Provided, That the deposits in said reserved areas may be mined under the direction of the President when, in his opinion, the coal is required for Government works or in the construction and operation of Government railroads, or is required by the Navy, or is necessary for national protection or for relief from oppressive conditions brought about through a monopoly of coal.

Now, I think that answers the gentleman.

Mr. WILLIS. Yes. That is a wise provision.

Mr. FERRIS. No railroad is allowed to take a lease for commercial purposes, but is allowed to mine and work only for its own use. Now, I think the House will know and will readily recognize that most of the coal monopolies, most of the food monopolies, most of the oppressive conditions in oil, gas, and everything else, are where the producer owns the transportation as well. In my State they oppress us because the pipe-line companies own the oil wells, and will not ship for anybody else. In Pennsylvania they oppress the people because they own both the coal mines, the anthracite coal fields, and the railroads. Your committee tried as best it could and put it in in terms positive and emphatic that a railroad could mine coal for its own use, but for that alone.

Sections 5 and 6 of the bill prevent lessees from interlocking or owning an interest in other leases, and provide for forfeiture and penal provisions for the violation thereof. I think that is wise. Some gentlemen may say it is not workable, but I do not see why it is not. Surely no one would advocate that we go to Alaska and let one syndicate or one company or one man or one monopoly or one financial interest own the entire Territory of Alaska.

The lease period under the bill is for an indeterminate period, subject to new conditions, royalty, and so forth, at each 20-year period. The new regulations, new royalties, and so forth, would be commensurate with equity and justice at that time. The lease period is for an indefinite time, or until the coal is worked out of the leased areas. This is thought to be wise. This is the practice in most leases. The lease contract is to contain a provision that allows the Government to step in at the end of 20 years and overhaul the proposition and refix the rates and make the conditions applicable to the situation then existing.

There is a 10-acre provision in section 8 for the purpose of aiding small miners, homesteaders, and so forth, in the development of Alaska. But this permit is only temporary. It was the thought of your Committee on the Public Lands that we wanted to make a bill that would be helpful to every part of Alaska. We wanted to make a bill that would encourage homesteading and the development of every nook and corner of Alaska, and, if possible, we wanted to make it so that each little local community could get coal for its own use in small areas, without being under the thumb of the big concerns, operating under big leases.

Mr. GOULDEN. What is the maximum amount that can be operated?

Mr. FERRIS. Twenty-five hundred and sixty acres, or four sections. But that is the maximum. It could be any amount lower than that.

Under the bill the Secretary of the Interior is authorized to lease the surface and the coal deposits separately, retaining the surface area for agriculture when deemed feasible. As the House is well aware, the modern conservation idea is to use the minerals, the coal, the oil, the gas, or all valuable strata beneath the surface for the best purpose, to wit, that of mining, and to use the surface of the soil in producing foodstuffs for the support of the American people; and we think we have followed that plan out here to its correct analysis.

There can be no assignment of the lease without the consent of the Secretary of the Interior. In other words, dummy entrymen and stool pigeons can not go up there and get hold of Alaska and immediately thereafter transfer by assignment into a syndicate that would probably become oppressive and heavy-handed on the Alaskan people.

The bill makes it mandatory that each lease shall contain a provision authorizing the subsequent supervision by the department, thereby insuring diligence, skill, protection of the property, prevention of waste, and such other provisions for the benefit of the United States as may be necessary.

The prevention of monopoly and the safeguarding of the public welfare are also provisions that go into the lease. This is perhaps the most far-reaching and advanced section in the bill, and it is the thought of the committee that this provision in the last analysis will do more for the Alaskan people than has ever yet been done for them along the line of regulation, because if the relative rights of the Government and the lessee, respectively, are written into the lease, surely the lessee will be bound by its very terms. Surely the Federal Government will know what its rights are, and surely if the Federal Government through the Secretary of the Interior makes a bad or defective lease, there will be a place to put a finger on the responsibility.

Mr. OGLESBY. Will the gentleman yield?

Mr. FERRIS. I do.

Mr. OGLESBY. Will the bill in its present form permit the making of a lease upon such terms that the Government will exercise any right or authority over the price at which the coal is to be sold?

Mr. FERRIS. The bill as it stands has no price-fixing regulation in it. The Delegate from Alaska [Mr. WICKERSHAM] has submitted to the committee an amendment which would accomplish that, and the other day, when we were talking about getting this bill up under suspension of the rules, in an effort to meet the emergency indicated by the telegrams which have been received, our committee agreed to accept that, and I personally agreed to accept it; and unless the House overthrows us it will no doubt be received in the bill when it goes through. There was a thought in the minds of the committee as it originally drafted the bill, and of the department, that probably to fix the price of the products of the mine in far-away Alaska might prevent development, and it was the thought of the committee and the department that we wanted to be doubly safe and doubly careful not to drive away honest, straightforward development. For that reason we left out that provision. However, the judgment of the Delegate from Alaska ought to be better than ours on this subject, and it is his opinion that some such provision ought to be in the bill, and he has an amendment, which I understand he intends to offer, covering that subject.

Mr. OGLESBY. That is, it permits the Secretary of the Interior, when he makes this lease, to fix the price at which the coal is to be sold?

Mr. FERRIS. Yes; that is correct.

Mr. OGLESBY. Will the bill in its present form permit the lease to be made to the man who will pay a nominal royalty of 2 cents a ton, or whatever royalty may be fixed, with the proviso that the lease is to be given to the miner who will sell the coal at seaports for the lowest price?

Mr. FERRIS. I am not sure that I have the gentleman's idea exactly in mind, but let me tell the gentleman what the bill does, and that may perhaps answer the question. The bill provides that the Secretary of the Interior may first fix the rental, which shall in no case be less than 2 cents a ton. That is the minimum, but the gentleman will notice that there is no maximum. He may make it as high as he can secure bids, and in addition, he may ask for competitive bids, so that the Government will derive the best possible price from it.

Mr. OGLESBY. That is, the man who will pay the largest royalty, assuming that he satisfies the Government he can properly handle his contract, will be given the lease. Does the bill give the authority to the Secretary of the Interior to make a lease based on a minimum royalty of 2 cents to the man who will deliver the coal for the lowest price at seaport?

Mr. FERRIS. The Secretary is given full discretion in carrying out the act. He can incorporate in the lease any provision he wants to, and can lease it to anybody he wants to. I feel sure there is no doubt about that. The bill is so drawn as to give the Secretary the power to grant these leases in such a way that they will be in the public interest and for the best interest of the community. He necessarily must have latitude to get anything done up there. Hard-and-fast rules will not accomplish it. To do that would simply be supplying Alaska and the United States Government with a law that would not work. To use a slang phrase, it would be selling a razor that would not shave.

Mr. MONDELL. Will the gentleman allow me, right on that point? Does the gentleman understand the provision of the bill to give the Secretary authority to call for bids based partly on the proposed selling price of the coal?

Mr. FERRIS. The bill gives the Secretary of the Interior a free hand, to do everything and anything he can for the benefit of the public interest in granting these leases. His authority is almost without bridle, and it was the thought of the committee that that was the way it ought to be.

Mr. MONDELL. It would require rather definite authority to authorize the Secretary to do that, and I had not supposed that the bill did that.

Mr. FERRIS. I did not quite catch the gentleman's remark.

Mr. MONDELL. It would require rather definite authority to authorize the Secretary to do that, and I have not read anything in the bill which seems to me to authorize the Secretary to make that kind of a condition.

Mr. FERRIS. The Secretary, under a distinct and separate paragraph, is given authority to work out rules and regulations and to prepare such leases as will safeguard the public interest and develop Alaska for the benefit of Alaska, and for the general welfare, and I think there is no doubt that he has authority to do this if it seemed best. Of course, I am not passing on whether or not it would be best to do that. The varied conditions up there will call for brains and latitude both. The bill gives the latitude, and I am sure the present incumbent has the brains and industry to work out the plan.

Mr. MADDEN. Does the gentleman think, after having made a thorough study of this, that if the Secretary of the Interior is given the power to regulate the price at which the coal shall be sold he will ever make any leases for the mining of the coal?

Mr. FERRIS. That is a question for the gentleman to debate. The committee and the department in the preparation of this bill were of the opinion that probably a price-fixing provision might retard development, and for that reason we left it out.

Mr. MADDEN. It certainly would retard development.

Mr. FERRIS. The gentleman from Alaska [Mr. WICKERSHAM] feels very keenly about it. I do not want to put words in his mouth, because he will present his own view, and I should not do that; but the gentleman from Alaska has an amendment which I hope he will call to the gentleman's attention. The amendment he offers is on all fours with the provision in the Adamson water-power bill and with the water-power bill from the Committee on the Public Lands. Whether it is advisable or not is a question for this House.

Mr. MADDEN. The price of the coal will have to depend on the market?

Mr. FERRIS. Very true.

Mr. MADDEN. And if the Secretary of the Interior, sitting here, with his manifold duties to perform, should undertake to regulate what somebody shall pay for coal, there would not be any coal sold.

Mr. FERRIS. Of course, the gentleman will find some difference of opinion about that. There is, of course, room for debate as to the advisability of it. I want it to go in if it does not scare away development; but I want development. I do not want our Government to longer leave Alaska chained hand and foot like a Prometheus. It has been tied up too long now.

Mr. WILLIS. Will the gentleman yield?

Mr. FERRIS. I yield to the gentleman.

Mr. WILLIS. Does the gentleman think it is a safe provision to enact into law, to authorize the Secretary of the Interior to lease for an indeterminate period on a minimum royalty of 2 cents per ton? Does not the gentleman think that is a very low royalty?

Mr. FERRIS. Of course the 2 cents per ton is only the minimum. There is no maximum. We compared that with what they are doing in foreign countries—compared it with Canada, compared it with Australia, compared it with New Zealand, and compared it with the State laws in the West that have leasing laws—and the 2 cents minimum and the competitive feature was our best judgment. The gentleman knows you can not lay down a hard and fast rule that will govern in all these situations. For example, one field will be easy to attack, accessible to railroad facilities, and accessible to market. There the royalty ought to be high. Another field will be crushed from volcanic action, inaccessible, expensive to mine, and will be of little value. Here undoubtedly the rate ought to be low. To have it otherwise is to get no development, no royalty, and no coal. This provision is approved by the Geological Survey, the Bureau of Mines, the Interior Department, and our entire committee. I do not think we have made any mistake in that. Undoubtedly the Secretary of the Interior has got to give some latitude. If the gentleman will remember, two or three years ago the Public Lands Committee brought in a bill and tried to lay down a hard and fast rule to govern the case. The thought of many in the House, and a good many out of it, is that there ought to be hard and fast rules laid down; but no such bill, I think, can be passed through this House, and no such bill ought to be passed through the House. If you did, you would make it so that the royalty in some cases would be outrageously high, in other fields disgracefully low, and totally unworkable as well.

Mr. WILLIS. Will the gentleman yield?

Mr. FERRIS. Yes; with pleasure.

Mr. WILLIS. I agree with much that the gentleman has said, but I want to ask him if with usual care and accuracy he has investigated the royalties provided for in other States and countries, and whether they are as low as they are in this bill.

Mr. FERRIS. Yes, I have; the minimum is oftentimes low. Sometimes they have a minimum and a maximum, and sometimes no minimum and no maximum, so the departmental officer who has charge of it can fix the royalty to fit each case. But this bill takes the double precaution of first fixing the royalty as best it can with all the information before it, and then in addition put it up and let it be bid upon so that you will be sure to have a double chance of getting what the coal is worth—a double chance to protect the public interest.

Mr. WILLIS. I think it would be safer if you had a higher royalty.

Mr. REILLY of Wisconsin. Will the gentleman yield?

Mr. FERRIS. With pleasure.

Mr. REILLY of Wisconsin. Is it the intention to get back the money appropriated in the railroad bill?

Mr. FERRIS. Yes; we have got to get the money back in the railroad bill, and everybody realizes the Alaskan people and the Delegate, who are fair and square, want to get the money back and so release them.

Mr. REILLY of Wisconsin. Does not the gentleman think the idea of fixing the rates by the Secretary of the Interior would counteract the making of revenue by the Government?

Mr. FERRIS. I think that is just the best method to get at it.

Mr. REILLY of Wisconsin. But the lower the rate the less revenue we get for the Government.

Mr. FERRIS. Undoubtedly, but we have a Secretary of the Interior charged with the highest sort of duty, and he will expect to carry out, and no doubt will carry out, the wishes of Congress and the people.

Mr. REILLY of Wisconsin. A 2-cent royalty will not get much revenue for the Government, and will not do much toward getting the railway money back.

Mr. FERRIS. The gentleman will recollect that this is not a 2-cent royalty. That is merely the minimum, so that it will allow the great lignite fields to be used locally. These coal lands will be put up for competitive bids, as the Interior Department does the Indian lands, and get the highest possible rate that the project will bear. So in each case we have a double chance to get the money for the railroad and the double chance of opening all the coal fields of Alaska and getting the most out of it possible.

Mr. HUMPHREY of Washington. Will the gentleman yield?

Mr. FERRIS. Yes.

Mr. HUMPHREY of Washington. I want to say that I do not see how it is possible, if we assume that the Secretary of the Interior will do his duty, which he will do, for us to lose anything under the bill in this particular section. Certainly, if the field is the lowest grade, it will only pay that amount, and we want it developed, and any other fields where it pays more the Secretary of the Interior is free to charge more, and it seems to me it is impossible for this bill to be wrong in that regard. I do not see how it is possible for this part of the bill to be a mistake.

Mr. FERRIS. I thank the gentleman; I think he has put it clearer than I could hope to do. Suppose we put a minimum of 5 or 6 cents a ton, more than any other country gets. The low-grade inaccessible coal areas would not even be scratched. Nobody wants that. The coal field near the home of the Delegate from Alaska [Mr. WICKERSHAM] has probably 9,000,000,000 tons of low-grade lignite coal. It is good for the local use only. Does anyone want to put a minimum so high that they will not touch that? But on the fields near the coast, as was suggested by the gentleman from Washington, where the great fields of Bering and Matanuska are, accessible to navigable water, which is demanded for use, then, as the gentleman from Washington suggests, the Secretary of the Interior will put them up to competitive bids, as we do the Indian lands in our State, and we will get what they are worth.

Mr. OGLESBY. Will the gentleman yield?

Mr. FERRIS. Yes.

Mr. OGLESBY. The gentleman has substantially answered the question that I intended to ask. If the royalty is made

2 cents it would stimulate a larger production of coal by making it cheaper for the contractor and more revenue for the Government and the railroad because the railroad carries the coal.

Mr. FERRIS. Yes; all those things are to be considered. You would not want to make it so low that you would not get any results. If you do, the Government will get nothing and Alaska will remain stagnant and a wilderness, and we all know that it ought to be opened up.

Mr. STEPHENS of Texas. Will the gentleman yield?

Mr. FERRIS. Yes.

Mr. STEPHENS of Texas. Is it not a fact that in the gentleman's own State and district several million acres of Indian lands were opened up at a minimum of $2.50 an acre, and a great deal of it was sold as high as $20 an acre?

Mr. FERRIS. That is very true.

Mr. STEPHENS of Texas. And we had to further reduce it to $1.25 an acre from $5, and it required a second act before a good deal of the land was sold.

Mr. FERRIS. Mr. Chairman, the gentleman who is chairman of the Committee on Indian Affairs would know more about the exact figures than I. I have no doubt that he has stated it correctly. I do know this: That we have coal, gas, and oil lands that belong to the Indians in our State, and that they are administered by the Interior Department. They put them up for competitive bids, and get all they can for them. They first appraise them, and if they do not get as much as the appraisement they do not lease them. In the next place, the man that pays the Indians the most for the land gets it and develops the land, and we are getting our State developed in that way, and the Indian is getting a royalty and the State is going forward. If our lands were withdrawn, if our lands were tied up, and if they had been withdrawn for eight years as the lands in Alaska have been withdrawn, we would be crying for aid, the same as Alaska. This condition up there is abnormal and should be corrected. I think this bill will accomplish it.

Mr. MADDEN. Mr. Chairman, will the gentleman yield?

Mr. FERRIS. Yes.

Mr. MADDEN. I notice the bill provides that the lands shall be divided up into lots as small as 40 acres each?

Mr. FERRIS. Yes.

Mr. MADDEN. Does the gentleman think that anybody would take the lease of 40 acres of coal land with any probability of developing it?

Mr. FERRIS. Probably not. The gentleman has in his mind the development of coal as being big business, and I think that is true, but I will call the gentleman's attention to the fact that it may give some locality or community or somebody a chance to work a small area, perchance a detached area that needed to be worked. I know what the gentleman has in mind, and I think he is right about it. There is no use talking about the coal business being a poor man's game. It is not. It costs thousands and thousands of dollars to put up a plant to mine coal, and anyone who thinks that we are passing a bill which will enable some individual to go out with a pick and shovel and mine coal is very much deluded. It is a big man's game. It needs careful regulation, but it needs also intelligent regulation.

Mr. BURKE of South Dakota. Mr. Chairman, will the gentleman tell us what the area in leases in Oklahoma has been as a general thing?

Mr. FERRIS. Those coal leases are not in my district. I have read them and studied them, but offhand I can not tell the gentleman the exact area they contain. Perhaps the gentleman from Texas, the chairman of the Committee on Indian Affairs [Mr. STEPHENS], may be able to tell the gentleman what these coal leases are at McAlester. I do not think there is any uniformity about it.

Mr. STEPHENS of Texas. I can not tell at present.

Mr. BURKE of South Dakota. The gentleman knows that while he was a member of the committee some of the leases had expired.

Mr. FERRIS. That is true.

Mr. BURKE of South Dakota. That is, they had worked out the area that they had leased and were seeking to get additional areas?

Mr. FERRIS. That is true.

Mr. STEPHENS of Texas. I will state that 440,000 acres were set apart for coal, oil, and asphalt. I do not remember the exact amount, but a very small portion of that was leased and afterwards we had to change those terms and conditions.

Mr. FERRIS. Perhaps I can call on my colleague from Oklahoma, Mr. MURRAY, to tell us what is the size of those leases, approximately, around McAlester, in his section of the country.

Mr. MURRAY of Oklahoma. There are 442,000 acres total. Does the gentleman want the size of the leases?

Mr. FERRIS. Yes; that was Mr. BURKE's question.

Mr. MURRAY of Oklahoma. The agreement provided for 960 acres, and I think they are based upon that plan.

Mr. FERRIS. I thank my colleague.

Mr. BURKE of South Dakota. This bill provides that the leases may run as high as 2,500 acres?

Mr. FERRIS. Yes; that is true. This bill provides that leases may run from 40 acres to 2,500 acres.

Mr. Chairman, I will not take any more time upon the bill. The gentleman from Alaska, Mr. WICKERSHAM, is here, and he will be able to handle the matter much better than I. I want to say that it has not been an easy task for your committee to bring to the House a bill that would be workable, that would open Alaska, bring revenue to help pay off the appropriation for the new railway, and still leave sufficient teeth in the measure to prevent abuses.

Your committee has been tireless in its efforts to accomplish the above. Neither selfishness, partisanship, nor pride of opinion even presented themselves in the deliberations of your committee. During my seven years' service on the committee at no time has the committee striven harder to do its full duty than in this instance. Every line of the bill was carefully scrutinized, carefully weighed, and carefully drafted.

It is thought that this is legislation that is imperative to make the railway a success and is needed even during the construction period. It may well be termed a companion bill to the Alaskan railway bill just passed. It is needed in Alaska now. The Territory has been tied up for eight years as tight as a drum. This will open Alaska; this will dovetail in with the railway bill just passed.

We submit this bill to the House as our combined judgment. [Applause.]

Mr. MADDEN. Mr. Chairman, will the gentleman yield?

Mr. FERRIS. Yes.

Mr. MADDEN. The gentleman stated that some of this coal would be located adjacent to the railroads, and have better railroad facilities than other coals would have; that some would have advantages and some disadvantages upon that account?

Mr. FERRIS. That was my thought.

Mr. MADDEN. Does the gentleman believe that, in the face of the fact we have already reached the millennium and are going to build railroads into these coal fields and develop them, any such condition can possibly arise?

Mr. FERRIS. Oh, the gentleman and I in the past have been in agreement about Government-built railroads, and we thought that we had the best views on the subject, but both myself and the gentlemen were rolled very flat in respect to our views.

Mr. STAFFORD. Will the gentleman grant me one question?

Mr. FERRIS. I will.

Mr. STAFFORD. I notice in the bill you prescribe as to rentals not less than 25 cents per acre for the first year, and you place no limitation on the stated rentals for the following years.

Mr. FERRIS. I think the gentleman is mistaken, and that that is provided for.

Mr. STAFFORD. Of course, 50 cents is provided for the second, third, and fourth years, respectively, and $1 per acre for each and every year thereafter during the continuance of the lease; but it is in the discretion of the Secretary of the Interior to charge less or more than those amounts?

Mr. FERRIS. I think that the bill covers that. The gentleman will notice that these requirements are made to insure development, and that if the lease goes on and development accrues, the royalties accruing thus offset the rental charges referred to by the gentleman.

Mr. STAFFORD. I simply desired to call attention to the fact that the language on page 7 is ambiguous, and when I read the bill the other night I had difficulty in determining whether the committee intended an absolute charge of 50 cents per acre for rental or $1 after the fifth year, or whether it was to be not less than those amounts.

Mr. FERRIS. I think probably the gentleman may be right about that, but we can reach that subject under the five-minute rule when the bill is read for amendments. The gentleman probably is correct.

Mr. GREEN of Iowa. If the gentleman will permit, I am not informed as to coal royalties, but is this 2 cents per ton royalty just about a nominal sum or——

Mr. FERRIS. The purpose in mind was to fix 2 cents as a minimum for the inaccessible areas. The Secretary then offers it at competitive bid and gets all it will stand. Certain fields will not bear much royalty, while others will. The bill is intended, through appraisement and the competitive feature com-

bined, to do justice in all cases. This affords a double chance to protect the public interest. [Applause.]

The CHAIRMAN. The gentleman from Oklahoma consumed 50 minutes.

Mr. FRENCH. Mr. Chairman, I yield one hour to the gentleman from Wyoming [Mr. MONDELL].

Mr. MONDELL. Mr. Chairman, this bill should pass. [Applause.] I sincerely hope it may be very materially amended, but in any event it is imperative that we legislate touching the coal situation in Alaska. We have waited so long, conditions have become so unbearable, that we might better now legislate somewhat unwisely than not to legislate at all. I shall do the best I can and with perfect good nature and sincerity to modify quite a number of the provisions of the bill. It is my expectation to vote for it, even though it shall, when we finally get through with it, be but little better than it is now. But it is not a very good piece of legislation as it stands. I agree with the gentleman from Oklahoma, the chairman of the committee, that the committee has labored diligently and earnestly to secure wise legislation on this subject. The committee was somewhat handicapped in this matter, as it has been in other matters of late, under the new policy we have adopted under the flag—and I say this with all due deference to the gentleman from Oklahoma, because no one is better qualified to draw bills than himself—but no longer does Congress draw bills and in committee carefully consider them. No longer is our legislation the product of the Congress. It is primarily the product of some clerk in the office of an assistant secretary or an assistant bureau chief. It may be changed more or less along the line as it passes through the bureau and department, but it generally comes out with about the slant that the clerk gives who first guesses it out. Then it comes to the committee, and it matters not how well qualified the committee may be, it may be that the committee is by a considerable majority opposed to the form and draft and general character of the legislation; yet the bill, having been cast, having been drafted, it is almost impossible, unless you take it at the grass roots and pull it up and start with something new it is almost impossible to get a piece of legislation such as it should be. Our committees do the best they can, I am sure, under these conditions.

Mr. GOOD. Will the gentleman yield?

Mr. MONDELL. In just a minute. They do the best they can with this material furnished them under the new dispensation by the departments. We have to support it, though we may not like its provisions, if that is the best we can get. Now I yield to the gentleman from Iowa [Mr. GOOD].

Mr. GOOD. I want to ask the gentleman from Wyoming if he is sure that all of these bills have been drawn by some department head or chief? The record discloses, so far as the currency bill was concerned, the bill was drawn by H. Parker Willis, of Wall Street, and that this Congress has paid him $4,814.50 for his services, and I want to ask the gentleman if he has any assurance that there will not be other bills which will come to Congress from the heads of departments with such bills for drafting?

Mr. MONDELL. The gentleman from Iowa has referred to another phase of the new dispensation. When I said the bills were drafted in the department or by the departments or handed to the committees by the department I did not mean that in every case the department officials drew the bill. Discussing this very Glass currency bill, I said some one had been impolite and unkind enough to inquire who wrote it, and I said that it occurred to me that that was not so important an interrogatory as this: Who furnished the receptive ear to influences, with personal aims and purposes to serve, and upon the suggestions thus filtering in from Wall Street and other interested points, finally agreed upon the form of legislation? The gentleman from Iowa has done very valuable service in digging down into the files to discover that we have actually paid the bill. If the editor of the Wall Street Journal wrote the currency bill—and the fact of the payment would seem to be conclusive of that fact—he ought to have been paid for it, and I am glad the bill has been paid, in spite of Democratic economy. The sum the gentleman from Iowa mentions, however, is a large sum for the kind of a job that was done.

Mr. SLOAN. Will the gentleman yield?

Mr. MONDELL. Yes.

Mr. SLOAN. If we have been relieved from the necessity of drawing the bills, has anyone volunteered to relieve us from the burden of paying them?

Mr. MONDELL. Paying the bills? The people pay the bills. Sometimes it takes the people some time to discover just how they pay the bills and just what the burdens are that the bills place upon them. It may take some time under the bill just referred to.

Mr. STEPHENS of Texas. Will the gentleman yield?

The CHAIRMAN. Does the gentleman from Wyoming yield to the gentleman from Texas?

Mr. MONDELL. I do.

Mr. STEPHENS of Texas. Did not the gentleman from Wyoming vote for that bill, and did not the majority of the gentlemen on that side vote for the currency bill?

Mr. MONDELL. The gentleman can not shake his gory locks at me. I did not vote for it.

Mr. STEPHENS of Texas. Does not the RECORD disclose that the majority of the Republicans of this House voted for it, and nearly all the Progressives?

Mr. MONDELL. Some voted for it on the theory that the Republican Party had promised legislation on the subject, and that the fathers fortunately had provided two branches of the Congress, and before Congress got through they thought we might get some tolerable legislation. I do not believe anyone voted for it on either side because they really thought it was a first-class piece of legislation. If anyone did vote for the Glass currency bill when it passed the House with the idea that it was perfect legislation, with what great regret he must have voted for the bill finally, which, after it had passed through the Senate and the conference, was as unlike the bill that you passed here as one can well imagine.

Mr. SLOAN. Will the gentleman yield?

The CHAIRMAN. Will the gentleman from Wyoming yield to the gentleman from Nebraska?

Mr. MONDELL. I yield.

Mr. SLOAN. I would like to ask whether or not that bill which passed early in December last year is yet in full operation?

Mr. MONDELL. Oh, no. Large bodies move slowly, and some day——

Mr. DONOVAN. Mr. Chairman——

Mr. MONDELL. And some day it is to be hoped——

The CHAIRMAN. Does the gentleman from Wyoming yield to the gentleman from Connecticut?

Mr. DONOVAN. I do not want him to yield. I want to make a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. DONOVAN. The rule requires that whoever addresses this House should talk to the subject matter. Now, this is trifling with the rules. An intelligent Member and one who is as accustomed to the floor as the gentleman is should not transgress the rule.

The CHAIRMAN. The gentleman from Wyoming will proceed in order.

Mr. MONDELL. It does not matter whether the Glass currency bill is in operation or not. There is still a God in Israel and there is still good Republican currency legislation on the statute books. What matter whether the new currency bill is put into full operation or not? A great emergency arose, and although eight months had passed since the Glass bill became a law no one, the Democratic administration least of all, looked to that bill to help the situation or save the business of the country; on the contrary, the administration turned to the Republican Vreeland-Aldrich currency bill, which you gentlemen so violently denounced at the time of its passage, and through the provisions of that Republican act the emergency, caused by the greatest war in history, was met.

Mr. BOOHER. Will the gentleman yield?

Mr. DONOVAN. Mr. Chairman, I insist on my point of order.

The CHAIRMAN. The gentleman is not proceeding out of order or in violation of the rules of the House. If he should do so, the Chair will call him down. Does the gentleman from Wyoming yield to the gentleman from Missouri [Mr. BOOHER]?

Mr. MONDELL. Yes; I will yield.

Mr. BOOHER. I wanted to ask if the gentleman thought the God in Israel has been looking at the Republican Party very much lately?

Mr. MONDELL. Whom the Lord loveth he sometimes chasteneth. We have have been chastened, and I think we have benefited somewhat by the chastening, as we will show the gentleman in the ides of November. Now, Mr. Chairman, to come to this Alaskan bill; it should be passed, and I am going to vote for it even if it is not any better when we get through than it is now; but I hope it will be.

Mr. MADDEN. I am glad to see the gentleman so enthusiastic in supporting the bill.

Mr. MONDELL. I do not want to be misunderstood. We must legislate on this subject, and we must legislate the best we can. This bill is not, in my opinion, the kind of legislation we should have to meet the situation, but, good or bad, the situation must be met. I introduced an Alaskan coal-leasing bill,

or presented it to the House, three years ago last February; and I say, without any desire to be egotistical, that it was a very much better bill than the one we are now considering [applause on the Republican side]; that it was a more workable bill, and that it protected the rights of the public in every possible way much better than this bill does.

Mr. BORCHERS. Mr. Chairman——

The CHAIRMAN. Does the gentleman from Wyoming yield to the gentleman from Illinois?

Mr. MONDELL. If the gentleman will be brief.

Mr. BORCHERS. I understood you to say it was three years ago in February.

Mr. MONDELL. It was three years ago in February, I think, when it was taken up.

Mr. BORCHERS. And you had a Republican President and a Republican Congress at that time, did you not?

Mr. MONDELL. Yes; we did. But we had an unfortunate condition in this country. We had a Secretary of the Interior of whom some people did not approve and in whom some people did not have full confidence. In view of that fact, the committee in drawing the bill was very careful to lay down all of the requirements that would have to be met under the lease and to leave practically nothing to the discretion of the Secretary. And yet the bill was defeated largely on the ground that it left too much to the discretion of the Secretary. As a matter of fact, it left scarcely anything to his discretion. I desire to say, however, I have no doubt but that that bill would have passed could we have had the time for its consideration which is given to this bill; but a limited debate and no opportunity for amendment under suspension of the rules requiring a two-thirds vote defeated it.

How times do change! To-day we have before us a bill which will pass, and which turns over to the Secretary of the Interior all the coal fields of Alaska to do with as he pleases. Within a few general limitations, the Secretary may grant or withhold. He may prevent anyone from securing a lease, and he may lease the maximum quantity to any favorite and under practically any conditions. If we had presented such a bill as this at the time the former bill was brought before the House there would have been a riot. And yet, while times may change, principles ought not to change. The last Democratic platform made a very proper declaration that this is a Government of law and not of men, and it criticized the Republican Party because it was claimed that we were departing from the principle that this is a Government of law and that we were attempting to make it a Government of men. Great heavens, if the man who wrote that statement and declaration could read this law he would never believe that it was written by men who had subscribed to that platform!

And that is the principal objection to the bill. It places altogether too much power and authority in the hands of one man.

Mr. J. M. C. SMITH. Will the gentleman yield for one question?

Mr. MONDELL. In just a moment. The Secretary of the Interior is an honest man, and a well-meaning man, but he is not omnipotent, omniscient, or omnipresent. If he were the wisest man that ever lived, he could not look after every detail of the great work to be carried out under this bill. And, however wise, and honest, and honorable, and well intentioned he may be, he may not be Secretary of the Interior in a month from now, though we hope he will. He certainly could not continue to be for any great number of years under the practice of our Government.

Now I yield to the gentleman from Michigan.

Mr. J. M. C. SMITH. I wanted to inquire of the gentleman if we did not recently, almost within a fortnight ago, turn over to the Secretary of the Interior the disposition of the water powers in this country as well?

Mr. MONDELL. Well, we gave this same Secretary more control over the public lands in the West that may be utilized for water-power purposes than was ever, in my opinion, placed in the hands of one man by any Government on the face of the earth.

Mr. J. M. C. SMITH. That is what I think, too.

Mr. MONDELL. That is a pretty strong statement, but I believe it to be absolutely true; and we are the only Government in the world that has ever gone into the leasing business without prescribing in the law the conditions of the lease. They do that in New Zealand. They do it in the various States of the Commonwealth of Australia. They do that in the Provinces of Canada. We, adopting these foreign methods of utilizing coal, these methods recently adopted in foreign lands, lay down only a few general rules for the guidance of the Secretary and leave all else to his discretion.

I hope it will never occur that great wrong shall be done under this bill, that great scandals shall arise by reason of its operation. I hope not. I have great confidence in the officials of my Government; but I know, and every other man who knows anything about the bill knows, that it affords great opportunity for favoritism, for dishonesty, and for scandal, with all the lasting harm to the public interest which would follow from that sort of thing.

Now, that is the first trouble with the bill. It is so fundamental that it affects every feature of it, every paragraph in it. It has an effect not only on the legal aspect of the bill, but on its practical workings as well. For instance, there are two general ways in which you might lease coal lands. You might say to those who are qualified to lease, "Go upon the lands to be leased and select such area, within the prescribed limit, as you believe to be sufficient and so located and situated so as to make a mine profitable." Or we may say, as we do in this bill, "We will divide this great coal field, laid down originally in successive layers on some great plain or at the bottom of some swamp or lake, then through millions of years tossed and rolled until no acre of the various veins of coal lies in its natural position; we will go into a field like that, lay it off like a checkerboard into 40-acre tracts, and have some clerk who never saw a coal mine take a certain number of those 40-acre tracts and say, 'This one is a mine site; this area is a leasehold.'" Can we expect to secure profitable and practical operations in that way. In my opinion, the plan, if it works at all, will lead to very great waste, and will cost the people who use the coal a very great deal of money.

I have had some experience in opening coal mines. In my early youth I prospected and developed and opened some coal properties. I know how difficult it is, even where coal is not badly tossed and rolled and folded, to determine where you should attack a vein and what territory you should have behind it to suffice for a large working mine; and I know how utterly impossible it would be—at least, that is my opinion—to establish favorable mining operations under the plan which this bill seems to propose—a plan under which no consideration is apparently to be given as to the topography of the country, the location of the tap lines of railway, the ground needed for storage and loading tracks, the proper place for an opening in order to attack the vein to the best advantage and secure as far as possible the aid of gravity in bringing the coal to the surface; the question of how the vein dips from the opening and how much area accessible to the opening it is necessary to control in order to secure a mine that will have a reasonable lease of life. Ignoring all of these things, we propose, apparently, to carve these two coal fields of Alaska as you might slice gingerbread, and, without regard to the topography, thickness of the vein or dip, opportunities to attack, places for loading and storage tracks, to say, "If you want to mine coal in Alaska, you must mine from this area that we have selected for you, without regard to the natural conditions."

If, under a bill of this kind, opportunities are given to open the coal fields of Alaska to the best advantage and in a way to give the people the cheapest coal, it will be a pure "happen chance," and it will be because a plan apparently fatal to economical and successful working may by some good chance or providence work out better than we believe it can. The lessee should have an opportunity to go into the field and select, after careful and painstaking study, the area which he desires and believes he can work successfully. If there are overlapping claims or applications, the Secretary should have authority to decide, under proper rules, between them.

Now, the bill proposes not only that the leases shall be made in this way, but it proposes to reserve for the United States a considerable area of the lands in each field. I realize that it is not popular to talk against reservations, and gentlemen say, "Why, he who argues against reservations by the Government in the interest of the people can not be the friend of the people." Well, if reservations of this kind were in the general interest or in the public interest I should certainly favor them. But this is the situation in Alaska: For the present there are two fields, the Matanuska field and the Bering field, that are likely to be worked in a large way. For the present, and until the country shall have been developed more, there are not many points where those fields can be successfully attacked and mines opened.

If I were the Secretary of the Interior, under this bill I would feel it to be my duty to reserve the front and most accessible portions of these two fields. If I did anything else I would feel that I was subjecting myself to proper criticism. Well, if the Secretary does that, what does it mean? It means that the lands to be leased will be lands that are difficult of approach, or lands where the coal is badly broken, or lands

where there are not favorable opportunities for loading and transportation. The result will be that the cost of mining will be increased, and the increased cost of mining, no matter how you may attempt to divert it, will finally fall upon the man who buys the coal. If we are working in the interest of the purchasers of this coal, it is our duty to give the best opportunities for opening the coal; and if we do reserve the best areas, these frontal areas, and compel the lessees to build their tracks around them or go to the less favored localities and to hold them, what do we propose to do with them?

There is only one valid reason for a Government coal-leasing system. The only possible excuse for a governmental leasing system lies in the fact that it is hoped, and by some expected, that we may thus prevent possible combinations, and thus may be able to insure the user of coal cheaper coal than he might have under a system of private ownership. That being the only sound reason or excuse for a leasing system, it is our duty to put in the law provisions that will, so far as is humanly possible, accomplish those purposes. And those purposes being accomplished, why does the Government want to withhold from use the very areas that can be used to the best advantage and furnish the cheapest coal? Does anybody believe that the Government or the people collectively can sometimes mine coal cheaper than private enterprise? Anyone who has that view can not have had much experience with this class of business or much experience with Government ownership generally. As we propose to control all of these areas under leases, we are to a certain extent defeating the very purposes of our legislation when we propose to withhold the best and the most available part from use. And if the Secretary does not withhold the best and most available part, he will be seriously criticized. We are in fact reserving all these lands for use. Why reserve some of the best portions from use? If it is the inaccessible tracts that the Secretary is to reserve, the provision is not necessary; they are reserved by their position until the more accessible lands are worked out.

The bill I have referred to contained a provision which authorized the President to take coal mined from any of these areas wherever he found it, whenever needed for the Army, the Navy, or the Revenue-Cutter Service, at a reasonable price to be fixed by him. The object of that was twofold. First, to obviate the necessity, if any necessity there ever was, for reservations, on the theory that we might need to mine coal for our Army or Navy, a theory that never had much foundation in logic.

Second, it fixed a method under which the Government could from time to time establish what was a fair price for coal under the conditions of delivery under which the Government received its coal. With a provision like that in the bill, there would not be the slightest reason or excuse for any reservation, providing you also have in the bill adequate provisions to protect against unfair prices, monopoly, and restraint of trade, which, unfortunately, the bill does not at this present time contain. That is another peculiarity of this legislation. There was complaint of the bill of three years ago by some that its provisions were so drastic that no one could operate under it; by others that it did not sufficiently guard the public interest. But its provisions guarding the public interest were infinitely clearer and more definite and more all-embracing than the provisions of this bill. And, furthermore, they were provisions which were made effective in two ways: First, by being made a part of the law and enforceable as a statute. In addition, they were made part of the contract of lease, so that there was no getting away from those provisions.

Now, this bill not only lacks provisions protecting the public, but only one of the few that it has is in the nature of a statutory prohibition. Some of the others are simply referred to as matters that the Secretary may include in his contract if he sees fit.

Mr. HUMPHREY of Washington. Mr. Chairman, I make the point of order that there is no quorum present.

The CHAIRMAN (Mr. PAGE of North Carolina). The gentleman from Washington makes the point of order that there is no quorum present. The Chair will count. [After counting.] Seventy-five gentlemen present—not a quorum. The Clerk will call the roll.

The Clerk proceeded to call the roll, when the following Members failed to answer to their names:

Adair	Browning	Covington	Fairchild
Aiken	Byrnes, S. C.	Crisp	Falson
Aney	Calder	Dies	Farr
Ansberry	Cantor	Dixon	Fess
Aswell	Cantrill	Dooling	Flood, Va.
Austin	Carew	Eagle	Fowler
Bartlett	Chandler, N. Y.	Elder	Gallivan
Bell, Ga.	Church	Esch	Gard
Brown, N. Y.	Clancy	Estopinal	Gardner
Browne, Wis.	Cline	Evans	George
Gocke	Keating	Mahan	Saunders
Goldfogle	Kelley, Mich.	Maher	Scully
Gordon	Kent	Martin	Shackleford
Gorman	Kiess, Pa.	Metz	Sherley
Graham, Ill.	Kindel	Montague	Smith, Idaho
Graham, Pa.	Kinkaid, Nebr.	Morin	Smith, N. Y.
Greene, Vt.	Kinkead, N. J.	Mott	Steenerson
Griest	Knowland, J. R.	Murdock	Stevens, N. H.
Griffin	Korbly	Neeley, Kans.	Stringer
Guernsey	Kreider	Nelson	Switzer
Hardwick	Lazaro	O'Leary	Taylor, N. Y.
Hart	L'Engle	O'Shaunessy	Treadway
Hayes	Lenroot	Palmer	Underhill
Hensley	Levy	Patten, N. Y.	Vare
Hill	Lewis, Md.	Peters	Vaughan
Hinds	Lewis, Pa.	Porter	Wallin
Hobson	Lindquist	Powers	Watkins
Hoxworth	Loft	Ragsdale	Whitacre
Humphreys, Miss.	Lonergan	Rainey	Wilson, N. Y.
Johnson, Utah	McClellan	Riordan	
Jones	McGillicuddy	Sabath	

The committee rose; and the Speaker having resumed the chair, Mr. FITZGERALD, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having under consideration the bill (H. R. 14233) to provide for the leasing of coal lands in Alaska, and for other purposes, finding itself without a quorum, the Chair had directed the roll to be called, and 308 Members answered to ther names, and he presented a list of the absentees.

The committee resumed its session.

The CHAIRMAN. The gentleman from Wyoming is recognized for 25 minutes.

Mr. MONDELL. Mr. Chairman, when I was interrupted by the roll call I was calling attention to the fact that this bill does not safeguard the public interest and the rights of the consumer as well as did the bill which I had the honor of reporting to the House three years ago. There is but one statutory provision in the act in the way of prohibition of practices which would be harmful to the consumer. That is contained in section 6; it is to the effect that the lessee shall not enter into any agreement, arrangement, or other device to enhance the price of coal. It does not in any way strengthen the present provisions of the law. The most that can be said for it is that it states the present antitrust statutes and no more. Further than that, the Secretary is authorized to include in leases all sorts of conditions—exercise of reasonable diligence, care, and skill in the operation of the property, rules for the safety of miners, and so forth, and such other provisions as he may deem necessary for the protection of the interests of the United States and for the safeguarding of the public welfare. The trouble with that is that it is so wholly indefinite that the Secretary would either include too much or too little in his lease, and it leaves the Secretary with full power and authority to prohibit certain acts and certain practices in one lease and to make no reference whatever to them in another. In other words, the Congress lays down no definite rules for guidance of the Secretary, and does not by law prohibit practices that ought to be prohibited in mining and selling the coal in Alaska.

I want as a matter of comparison to call the attention of Members to the provisions contained in the bill to which I have referred, which were made a part of the lease binding upon all lessees:

> That all leases issued under the provisions of this act shall be upon the condition that the lessee shall proceed with due diligence to open a coal mine or mines on the leased premises and to produce coal therefrom during the life of the lease in such quantity as the condition of the market shall justify. That he shall not monopolize, in whole or in part, the trade in coal. That he will at all times sell the coal extracted from the leased premises at just, fair, and reasonable rates, without the giving of rebates or drawbacks, and without discrimination in price or otherwise, as between persons or places for a like product delivered under similar terms and conditions. That the mining operations shall be carried on in a workmanlike manner with due regard to the permanence of the mine, without undue waste, and with especial reference to the safety and welfare of the miners.

All of these things necessary for the care of the mine, for the continuous prosecution of the work of mining, for the protection of the consumer against extortion and the miner against accident, were carried in the bill to which I have referred as provisions of the statute law and a part of the contract. There were, of course, the proper provisions for enforcement and for the cancellation of the lease in case any of its conditions were violated.

Some gentlemen opposed that bill on the claim that it did not sufficiently safeguard the public interest. It safeguarded the public interest in every respect, and far more than this bill does, as I have indicated by the comparison I have made.

The gentleman from Oklahoma [Mr. FERRIS], in answer to a question a moment ago, said that the committee had after due deliberation left out of the bill provisions that have been suggested under which the selling price of coal could be fixed. In answer to an interrogatory a moment later he said that under

the broad powers given to the Secretary he could fix the selling price.

Now, what is it Congress proposes to do and what is our judgment in regard to that important matter? We certainly ought to have an opinion about it one way or the other. We should not leave it to the Secretary of the Interior to decide. The gentleman says that the committee left it out of the bill because the committee did not think it wise to put it in the bill, and yet they say the Secretary of the Interior may fix the price at which the coal shall be sold. I do not know whether he will or not. No one knows. He may in one case and he may not in another. There is nothing in the bill to prohibit him from varying these conditions as he sees fit. As a matter of fact, as the gentleman from Illinois [Mr. MADDEN] said a moment ago, any provision in the bill or in the lease which attempted to fix definitely in advance the price at which coal should be sold would defeat the purposes of the bill, for no one could afford to go into the coal-mining business under those conditions; certainly not until the price of mining in Alaska is determined.

It is important that the antitrust statutes should be so strengthened by the provisions in the lease as to make it clear and certain at all times that the coal shall be sold at a reasonable price, without discrimination as between persons and places, and that the consumer should be protected. If we are not going to do this, there is no excuse for a Federal coal leasing. It would be better that the Government be saved the trouble and expense of attempting to handle these leases, turn the property over at a fair price to private parties, if by a system of leasing we do not strengthen the control of the community over the manner in which the coal shall be mined and the manner in which the consumer shall be treated. There is no other excuse that I know of for the Government going into this somewhat questionable business of leasing coal mines.

I said I was going to vote for this bill, and I am, hoping that some of its defects will be cured; but whether they are or not, the people of Alaska, as I understand, are prepared to accept the bill, not that the majority of them like its provisions, but because they have waited so long for the development of the resources of their Territory that they are willing to accept anything that Congress sees fit to do. But there are certain people up there who are still entitled to some consideration by the Congress of the United States. We can not afford to do an unfair or an inequitable or an unjust thing, even though we are dealing with coal properties around which the Ballinger-Pinchot controversy raged. There are good, straight, honest American citizens who have, they say, legitimate claims to some coal lands in Alaska. The bill which I introduced, and to which I have referred, provided that nothing contained in the bill should affect their rights one way or the other, but left it to the Government to decide what their rights were. The Interior Department under its general authority can in 30 days determine as to the rights of all these claimants, can close them all out, if it feels justified in doing so, and then leave the way clear for the leasing of the property. But this bill, ignoring entirely the claims of these Alaskan coal claimants, proposes to put the Government in a position where it shall use its forces of inertia to deprive them of whatever rights they have, because it provides in the latter part of section 3 that the possession of any lessee of the land or coal deposits leased under this act, for all purposes involving adverse claims to the leased property, shall be deemed the possession of the United States. We can not, of course, determine these claims and the rights of these claimants. But we propose to hold them up indefinitely by leasing their lands or leasing the lands they claim, and then preventing them from getting into court or securing a determination of their rights by saying that the lessee under this law shall be held to be in possession for and on behalf of the United States, and therefore there is no way in which his rights and title can be determined.

Mr. HUMPHREY of Washington. Mr. Chairman, will the gentleman yield?

Mr. MONDELL. Yes.

Mr. HUMPHREY of Washington. I was going to ask the gentleman if he knows whether or not any of these claims, where there is a contest, has been decided since the 4th of March, 1913?

Mr. MONDELL. I do not know. My understanding is that none has been decided since then. Does the gentleman know?

Mr. HUMPHREY of Washington. I do not. I have asked for that information, and I have not received it.

Mr. MONDELL. I think prior to that time there were adverse decisions in some few cases, and I think it is possible there may have been some adverse decisions since, but there has been no recent decision, one way or the other, in those cases where the claimant is actively pressing his claim and demanding a decision. This matter has been held open, and now the Congress coolly proposes to say to these claimants that the Secretary of the Interior, having refused to pass on their claims to determine whether they have any rights or not, may lease the land claimed, and lease it in such a way that no one can attack the right of the lessee. I do not believe we can afford to do that. I have no special interest in the affairs of any of these Alaskan coal claimants. I know but one of them personally, a man who was a universally respected citizen in my State for many years, a man I never heard anything against except the fact that he was active as a Democrat in politics. He made some money in Wyoming through years of earnest effort and went out to Alaska and took a coal claim. He put all of the money that he had in the world, I am told, into it. It was quite a few thousand dollars. It left him, I believe, entirely without resources, and he is no longer young. I think his coal claim is as clean as a hound's tooth. I have never talked with any one who had any different view with regard to the coal claim of my friend McDonald, and yet I think under this bill the McDonald claim could be leased, and I do not think that McDonald could in any way raise the question of his rights.

Mr. FERRIS. Mr. Chairman, will the gentleman yield?

Mr. MONDELL. Yes.

Mr. FERRIS. Oh, I do not believe the gentleman is quite fair about that.

Mr. MONDELL. I want to say to my friend that I want to be entirely fair. If that provision of the bill is not to be interpreted as I interpret it, I shall be very glad to hear that it is subject to some different and more favorable interpretation.

Mr. FERRIS. Let the gentleman read the last section on page 11, and read the proviso, which is as follows:

Provided, That the passage of this act shall not affect any proceeding now pending in the Department of the Interior, and any such proceeding may be carried to a final determination in said department notwithstanding the passage hereof.

The committee does not want to take away a single right that any man has, neither does the committee want to give him any additional right. If the Mr. McDonald, the gentleman referred to, has, and I am informed that he has, a lot of claims that, using the gentleman's term, are as clean as a hound's tooth, then I will say that you have a western Secretary, you have a western Commissioner of the General Land Office, and I believe that man will get his patent, as he ought to, if he is entitled to it.

Mr. MONDELL. We have a western Secretary and a western commissioner, but we have an unfortunate public sentiment with regard to Alaskan coal lands. Some day some man may come forward who is brave enough to do what is right in these matters. I hope we have such men now in the Government service. The fact remains, however, that if these cases are not decided the tracts can be leased there under the provision I have referred to, and the claimant barred from asserting his right.

Mr. HUMPHREY of Washington. Mr. Chairman, will the gentleman yield?

Mr. MONDELL. Yes.

Mr. HUMPHREY of Washington. It is my understanding that the McDonald lease has been up to the Secretary for several weeks; in fact, for two or three months, and the thing that amazes me is why there are not some decisions in these cases. What is the purpose of holding them up, if the gentleman knows? Why has not somebody the courage to do something in these coal cases?

Mr. MONDELL. Mr. Chairman, there are a number of provisions in this bill that I do not particularly object to, applied to Alaska, which I should not want to see applied to the States. The situation is somewhat different there, in some respects, from what it is in respect to public lands generally. I am not one of those who would experiment with the people who are trying to develop the resources of that far northwestern Territory. Still there are some things that may be proper to do in coal-leasing legislation affecting Alaska that we ought not to do elsewhere on the public domain. One of them is the limitation of interests in leases, the provision under which no one person can have an interest in more than one lease.

That was a provision of the bill to which I have referred which I introduced and reported and, I think, it is very properly a provision in this bill; but I hope it will not be taken as a precedent for like action when we come to the general coal-leasing bill applicable to the continental territory of the United States. Even in Alaska that provision is not so important as one reading the bill would conclude it was, in the judgment of the committee. They have used several pages, quite a number of sections of the bill, and multiplying punishments against

those who might, directly or indirectly, have an interest in more than one lease. It is proper that provision should be in the bill, possibly proper that those prohibitions should all of them be in the bill; but it is strange that the committee, feeling it necessary to prevent joint ownerships, should not have fully realized the still greater importance of preventing monopoly—monopoly that might be established through independent holdings, the importance of prohibiting improper practice in the sale of the coal. There are quite a number of the provisions of the bill entirely proper in their general purpose that ought to be amended quite radically. The system under which it is proposed to lease is a new and novel one to me. I do not pretend to say how it will work in Alaska. I do not believe it would work well in my State, with its vast coal areas, and in Montana and throughout the West—a system or a plan under which the Secretary is to fix certain conditions and minimum royalties and then advertise for bids on the basis of the acceptance of those conditions and the offer of bonuses in the way of such higher royalties and rents as the bidder may feel justified in making. Put into operation in our continental territory that would mean that in a short time all our coal operations would be in the hands of very large corporations, men who knew just how to make bids under those circumstances, men who could promise and offer to do things material or immaterial, wise or unwise, necessary or unnecessary, which others could not afford to do, thus widening the opportunity for favoritism. If we try this system in Alaska, I hope we will not try it anywhere else. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. FERRIS. Mr. Chairman, I yield 20 minutes to the gentleman from Texas [Mr. BURGESS].

Mr. BURGESS. Mr. Chairman, this side has kindly yielded me 20 minutes and the other side 20 minutes, making 40 minutes, with the understanding that I am to make a speech on the cotton situation, and under the rules perhaps I could not do that. I therefore ask unanimous consent to proceed for 40 minutes to make a talk on cotton.

The CHAIRMAN. The gentleman from Texas asks unanimous consent for 40 minutes on a discussion of the cotton situation. Is there objection? [After a pause.] The Chair hears none, and the gentleman is recognized for 40 minutes.

Mr. BURGESS. Mr. Chairman, the theory that prosperity, general and permanent, can be produced by legislation on any subject is a startling doctrine, not worthy of consideration for a moment by any sincere, thoughtful, well-informed man. That centuries ago was the dogma of despotism; it was the doctrine of the divine right of kings that "we make our children happy and prosperous." It has no place in any true economic theory of development of any country, and especially when under such a Constitution and in such a condition as ours.

It may be granted fairly that legislation may promote prosperity, but it never can produce it; and the very gentlemen who now so strenuously talk it 10 years ago were the very men that sounded the bugle note all over this Republic on the money question that you can not make value by law; that you can not create prosperity by legislating an increase in the volume of money regardless of intrinsic value. I was one, though a Democrat, who agreed with that proposition; and I abide in the faith still, and it is as applicable to the tariff as it is to any other phase of legislation. You can not produce prosperity by law any more than you can produce dogs and cats by law. It does not come in that way. It is a great natural, universal process through which prosperity comes. It does not come down from the Government to the people. It does not come from the hands of kings, or courts, or legislatures, or parliaments. No; it comes by the blessing of God in soil, in season, and the industry and intelligence of mankind combined. In this country, peculiarly, prosperity is a great hybrid born of the gift of God in soil and season and of the energy, the industry, the tireless will, and intelligence of the American citizens, the greatest the world has ever known, and especially those who till the soil and work the mines and attend the ranches of the country. Prosperity, my countrymen, is a natural product born of conditions which can not be produced by any party or government that exists, that has ever existed, or that ever will exist.

"You may by legislation divert from its general, universal, and wide avenues part of the prosperity, channelize it and localize it and benefit an individual, a class, or a section. You can do that by protection, as you can by various other forms of legislation, but you can not produce a general, universal, and permanent prosperity by protection or by any other sort of legislation.

"Let us trace the source and progress of prosperity. Other countries have not sufficient products of their own to feed and clothe their people, and there is in foreign markets a demand for cotton, wheat, and meat. Our cotton, wheat, and stock raisers have produced a great excess above home consumption. What happens then? So much is produced as that not only 80,000,000 inhabitants of the United States are supplied, but an immenes surplus is borne down the lines of railway to the sea, and into the holds of the vessels of the world, and by them carried into the markets of the world under the banner, if you please, of absolute free trade and in competition in the markets of the world with all these products.

"In turn for these products the gold of Europe is poured in a great tide back into American homes. Then what happens? There is an increased capacity to buy on the part of those engaged in the production of these great products, and wherever there exists such an increased capacity on the part of the people to satisfy their needs or their desires more purchases occur. This people thus blessed by soil and season and their intelligent industry go about in the stores of the land and buy the various things they need to satisfy their wants or desires—aye, their fancies and whims—and retail trade, closest to and most dependent upon the people, rapidly responds to this birth of prosperity.

"The retail dealers begin to buy through drummers and by letters of the wholesale houses. Wholesale houses, realizing the impetus to their trade, make larger drafts upon the manufacturer, and the manufacturer gets a move on him; the smoke begins to rush faster and higher out of the factory chimneys, and the railroads get busy, and all along the pathway thus described, from the field to the foreign market, back again, and from the home people to the manufacturer and back again, labor everywhere gets increased employment, and an added capacity to buy, predicated upon the original capacity to buy, occurs. And thus in an endless chain in God's ordained way prosperity rolls on unfettered and blesses the American people regardless of whether the President is named Grover Cleveland or William McKinley."

"Prosperity comes to our country in no other way than this natural way, which augments the national wealth by the products of the soil. God made this country to feed the world, and keyed its potent forces upon its fertile soil and favorable climate.

"The American farmer, who plants in faith, cultivates in hope, and reaps in grace, is the uncrowned king of the world. Long may he reign, unfettered, to pour out his products into the markets of the world, to bless foreign nations, and to enrich his own.

[Applause on the Democratic side.]

"But I have said this doctrine is pernicious in its teachings. First, it teaches an idea that is demoralizing and ruinous, the doctrine that men should look to law rather than to God and themselves for their industrial success. It teaches men of all classes to rush to the Government for every ill that afflicts them.

"Under normal conditions, applicable to all trade everywhere, under all conditions, if unaffected by other laws, let me say to you that it is an economic principle, as true in trade as is the law of gravitation, that the price of a product in the furthest market in which an appreciable quantity of it is sold, less the cost and commission of selling it there, fixes the price of the product in all intervening markets and in the field of production as well. The housewives in the country long ago found out that if the hens get busy and lay more eggs in Indiana than the local markets can take care of, and they are shipped to Chicago and New York and other great cities, then the city price, less the cost of shipping the goods there and the commission of the wholesaler and the retailer, fixes the price of every egg laid in Indiana, and the hen nor anybody else can not get away from that law.

"Every wheat raiser, every cotton raiser, every cattle raiser, whether he comprehends the philosophy of the law or not, has felt it in its operation and bowed to its inexorable logic."

All these extracts are from a speech that I delivered on the floor of this House on June 27, 1906, and I have read them now for the express purpose of calling the attention of my Democratic colleagues to the fundamental principles that I then announced. I believed they were profoundly true in 1906, and I abide in that faith still. They are changeless, immutable, sound principles, and apply to the tariff no less than to any other governmental question.

We of the South especially have been urging them for a hundred years. We of the South especially believe they were applicable to the doctrine of protection, against which we stood, and I submit that they are no less true now.

Let us face this cotton situation fairly. Let us look the situation squarely in the face. In round numbers, this country produces 14,000,000 bales of cotton of 500 pounds each. Eight

million bales are exported to foreign countries and 6,000,000 bales are consumed at home. Texas is more interested in this cotton situation than any other State, for it produces 4,500,000 bales, and the district that has so honored me produces about 350,000 bales, and the crop matures earlier there than in any other cotton section. Cotton is king with us. It is our chief money crop. We have no factories, but are strictly an agricultural and stock-raising community.

Now, this deplorable and indefensible war which has broken out in Europe involves three of our chief buyers of our foreign export cotton—England, which takes three and one-half million bales; Germany, which takes two and one-third million bales; and France, which takes over a million bales. Naturally the war has suspended the cotton market, so that the American cotton raiser has been "fettered" by this war, which has temporarily destroyed nearly two-thirds of his market, and will affect it to a large extent for this year's crop and maybe next year's crop.

I have received telegrams and letters galore, making wise and unwise suggestions, and all more or less appealing to me for governmental help. Now, I want to say this is no time for the demagogue or the selfish speculator; for the man who would prey on the ignorance of the people, either politically for office or financially for profit. It is a time when all thoughtful, level-headed men must stand together, cooperate with each other, and bear one another's burdens.

As a sample of the many letters and telegrams that I have received, I will have read a letter from Judge W. S. Holman, of Bay City, Matagorda County, Tex. He is a dear friend of mine, and a level-headed fellow. His father has recently died in Fayette County. He was a farmer, and left a large cotton crop on the farm. I read:

BAY CITY, TEX., *August 19, 1914.*

Hon. GEORGE F. BURGESS,
Washington, D. C.

DEAR GEORGE: I have written recently several letters to cotton factors in Houston and Galveston for the purpose of arranging to take care of the cotton crop on my father's farm in Fayette County.

Inclosed I hand you a copy of a letter which I have received from William Christian, of Houston, Tex. This is just like all the balance. The reason I send this to you is because I have received it last. There must be some arrangement made by which the Treasury of the United States will assist in financing the cotton crop. The situation is worse than you possibly can understand, and is appalling to us, who have always thought that cotton will bring money when nothing else will. Now is the time for constructive statemanship. It will not be the part of a demagogue to go carefully into this matter. I am sending you this in order to advise you of the situation.

Very truly, your friend,
W. S. HOLMAN.

The letter to which he referred I also desire to read:

HOUSTON, *August 18, 1914.*

W. S. HOLMAN, *Bay City, Tex.*

DEAR SIR: I have your esteemed favor of the 14th and beg to advise that the late European war has perfectly paralyzed the cotton market, causing the closing of all the exchanges throughout the world. It has also placed an embargo upon commerce cutting off all outlets for cotton. Hence as cotton has no basic value and there is no market for it at present, no one can tell how much to advance. Furthermore, exporters and buyers can not get any money from the banks, as they can not realize on the cotton either by cash or exchange. In my 40 years' experience I have never witnessed such a time as this, when you could not borrow money on cotton, stocks, or bonds. I have a great deal of cotton upon which I have mortgages, and I am compelled to help the parties who have pledged their cotton to me to enable them to pick and pack their cotton and market it, making them a reasonable advance on the same to meet their pressing necessities. As this will take all the money I can demand, I have concluded not to take outside business until a market can be established for cotton and an outlet opened, because it will simply lock up money and make the money market harder and harder, which will ultimately so stagnate things that they could not get money to move the cotton after normal conditions were restored. I must say that the hardest problem to solve that I have ever found—how this crop is going to be successfully moved until commerce is resumed and the markets are well opened. Our domestic spinners consume only one-third of our cotton at their fullest capacity, which leaves two-thirds as a burden upon the market and absorption of inactive property. If this war continues long, it will be difficult to predict the disastrous results it will cause. The only policy I see now to adopt is to gather the crop, ship it to a point where it can be placed under storage and insurance and abide the time until a market can be had.

I thank you very much for remembering me and regret exceedingly that the conditions are such that will not warrant me in assisting you.

Believe me to be, with high esteem,
Yours, truly,
W. CHRISTIAN.

On August 24 I replied to Judge Holman's letter as follows:

AUGUST 24, 1914.

Judge W. S. HOLMAN, *Bay City, Tex.*

MY DEAR WILL: I have received your letter of August 19, and hasten to reply.

I am thinking about the war and its effect on my district, my State, and my country. You bet it is a serious situation.

The letter from Mr. W. Christian is a common-sense document.

He says: "In my 40 years' experience I have never witnessed such a time as this, when you could not borrow money on cotton, stocks, or bonds." Further along in the letter to you he says: "The only policy I see now to adopt is to gather the crop, ship it to a point where it can be placed under storage and insurance, and bide the time until the market can be had." We are thinking and working all we can to relieve the situation, but I don't know, nor do I think anybody else does, how to legislate value when value don't exist. It can no more be done with reference to cotton than any other thing. You can't create value by law, and that is all there is to it, and it is the part of a demagogue to say you can.

We have passed in the Senate and have up now in the House the war-risk insurance bill, and I think we will authorize the President to buy ships. This is the only way to open the European markets and get our cotton to foreign ports. This is a time for sensible people everywhere to "sit steady in the boat," and the merchants and bankers ought to cooperate not with a view to making money. This is a time when everybody should stand together in order to save the country. I think myself it would be a fine idea for the merchants and the bankers and the farmers to meet together and discuss this question, with a view to holding what they have got and agreeing among themselves that no debt would be pressed for, say, three months. In that time, perhaps, the war will be over, or, if not, the reserve system will be organized, and we will have time to organize under the Vreeland-Aldrich Act and get money to run under and tide us over. It is folly talking about the National Government holding up the price of cotton. It can't do it, nor can anybody else. No legislation will do any good along this line. I suggest to you as best to try to make arrangements to hold the cotton crop raised on your father's farm. I know and sympathize to the fullest extent with the conditions that obtain in my district. I know they are worse than anywhere else on American soil. Our district raises over 300,000 bales of cotton, and it gathers the earliest of any cotton section. I know what this means, and I will do everything in my power for my people. I owe them that, and, besides, I want to do it, but I am not going to demagogue with them or anybody else.

We are to have a meeting to-day with the Secretary of the Treasury.

I remain,
Your friend,
GEO. F. BURGESS.

Now, there are some things that can not be done by any Government under the sun. No law that we could pass declaring everything white would change the color of a thing on earth. No law fixing a price would have any appreciable effect; and this is especially true of the price of cotton, because it is fixed by the European market. It is beyond the control of this Government, and Secretary of the Treasury McAdoo, in his address before the cotton conference on the 25th instant, was emphatically correct when he said:

What you must do, gentlemen, is to consider this: That nobody can arbitrarily fix prices. The National Government can not do it. Let us get away from that; let us try to be practical. The States can not fix prices for one commodity or for all commodities and get away with it. The history of civilization shows that nations have been strewn with wrecks of that character. I need only to call your attention to the condtion of France in the French revolution, when similar things were attempted and resulted in the prostration of industry, credit, and everything in the land.

And in this connection I quote an editorial from the Goliad Advance, of Goliad, Tex., of August 19, 1914. This is from a little country paper edited by J. A. White, whom I know well as a level-headed, patriotic citizen. I ask the Clerk to read.

The Clerk read as follows:

GOVERNMENTAL AID FOR COTTON.

A time like the present, when the people of Texas, a great cotton-raising State, are greatly depressed over the falling cotton market, seems to us a poor one for the exhibition of demagogy such as has come to light in the expressions of some of our public men in Texas. The suggestion that the Government should come to the front and right off the bat establish a minimum price of 10 cents for cotton, and on that basis loan to the farmers $50 per bale at a low rate of interest, seems to us lacking in feasibility and loaded with all sorts of dangers. We would like to see the farmers get 15 or 20 cents for their cotton; but, as a matter of fact, we do not know that the staple is worth 10 cents a pound now, basing value on the law of supply and demand. The European war is a calamity the evil effect of which must be felt over the world. While ultimately it may bring great prosperity to the United States, it can not be gainsaid that it will in all probability leave the South with a surplus of a few million bales of cotton, and where there is a big surplus in prospect there has always been a corresponding falling off in price. In the face of such conditions it appears to us paternalism in the extreme to advocate a Government loan of $50 per bale for cotton that may be worth less than such amount. Such a precedent would lead to producers of different commodities clamoring for the protection of the Federal Treasury on every occasion where the market price should fall below the producers' estimate of value. Wheat, because of a surplus, might actually be worth 75 cents on the market, with the wheat farmer contending for $1. The wheat farmer would then have the same right to governmental aid as was claimed by the cotton farmer. And this could be followed up by every class of producer, until, if such a foolish policy were adopted, the Government would find itself confronted with the problem of purchasing all lines of commodities where the actual market values were not in accordance with the producer's idea of value. We believe all possible haste is being made in providing plans for extending to the banks Government aid in financing the cotton crop of the South, and we particularly believe our Texas Representatives in Congress are doing everything possible for the assistance of Texas farmers and business interests generally; but, so far as we have been able to judge, no serious thought has been given to the visionary proposition of Gov. Colquitt for a governmental standard of 10 cents a pound for cotton and a governmental loan of $50 per bale. That kind of talk seems to be the right kind of stuff on which to run for office in Texas just now, but no such foolish action will be taken, and such a suggestion in a time like this serves no good purpose.

Mr. BURGESS. Many respectable citizens have suggested to me the valorization of the cotton crop, after the manner of the valorization of the coffee crop. I know these people meant well, but it is idle to talk of such a thing in this country. In the first

place, such a bill can not pass; and I am confident, if it could, it would prove worse than the evil that afflicts us.

I quote from Secretary McAdoo's address:

If you attempt to valorize—in the first place, it could not be done, because nobody can pass such a law; it is a perfectly wild and ridiculous expedient and should not be resorted to in any circumstances. When you seek to do that, what have we then? I received a telegram this morning from a man representing the canning industry, asking me to do something of the same sort and saying that if any valorization was going around they wanted to share in it. Of course they do, and ought to have it. If we are going to go into that, we shall have to valorize everything. You will have to valorize canned salmon, wheat, corn; you will have to valorize every single thing produced in this country, because, as I tell you, gentlemen, the shock of this great cataclysm in Europe has affected for the moment every line of industry.

Many have suggested a loan to the cotton farmers direct on their cotton, but this is not practicable. The Government has no machinery for doing that, and while I am in sympathy with the farmers and would help them any way I could, I am not going to demagogue with them. I am not going to lead them to believe that I can do something that I know I can not do.

I quote again from the address of Secretary McAdoo:

Now, is not this the simplification of the situation? The Government has no agencies, and it ought not to attempt to do this business. It is not the business of the Government to do this sort of thing—to make loans, to trace out the location and security of every bale of cotton behind one of these notes that is made the basis for this currency. The banks are the proper agencies. They are highly organized; they are in every part of the country, and so long as they are put in possession of the means of financing these things it is their business to finance them; and I know that they will be glad to finance them if they can get the resources; and all that these banks have got to do, all these associations have got to do, is to make application for currency under that act and comply with its provisions. I believe that if they will do that, acting always with prudence, acting with a very high degree of prudence and common, ordinary business judgment, that all the money that this country needs or ought to have for the financing and carrying of this cotton crop until it can be marketed and sold is largely in hand.

I have given some time and much thought to the money question. I loyally supported the banking and currency bill which has recently been passed. I thought it would prove a great benefit to the country, though at the time of its passage I had no idea of such a calamity befalling the country as the war in Europe, and which puts upon the banking and currency system the severest test that could possibly have occurred. I believe it will stand the strain.

I believe it is sufficient for the needs of the country, and I believe it will avert a panic, if everybody enters thoroughly into the carrying out of the system. In this connection I quote again from the Secretary of the Treasury:

STATEMENT OF SECRETARY M'ADOO.

Among the eligible securities to be used as a basis for the issue of currency I have decided to accept from national banks, through their respective national currency associations, notes secured by warehouse receipts for cotton or tobacco, and having not more than four months to run, at 75 per cent of their face value. The banks and the assets of all banks belonging to the currency association will be jointly and severally liable to the United States for the redemption of such additional circulation, and a lien will extend to and cover the assets of all banks belonging to the association and to the securities deposited by the banks with the association, pursuant to the provisions of law; but each bank composing such association will be liable only in proportion that its capital and surplus bear to the aggregate capital and surplus of all such banks.

This plan ought to enable the farmers to pick and market the cotton crop if the bankers, merchants, and cotton manufacturers will cooperate with each other and with the farmers and will avail of the relief offered by the Treasury within reasonable limits. Such cooperation is earnestly urged upon all these interests. The farmer can not expect as high a price for cotton this year because of the European war; yet he should not be forced to sacrifice his crop. The banker and the merchant should not exact excessive rates of interest, and the manufacturers should replenish their stocks as much as possible and pay reasonable prices for the product. If this is done, and it can be done if everyone displays a helpful spirit, a normal condition can be restored, and there ought to be no serious difficulty in taking care of the cotton problem.

Obviously, to my mind, the first thing to be done was to get our shipping going, because we must get to the foreign markets with our American products. This is why I supported the war-risk insurance bill as a war emergency measure. This is why, under certain conditions, I will support a similar proposition to purchase ships, because I will do everything that I can do to meet the situation.

Mr. HULINGS. Mr. Chairman, will the gentleman yield for a question?

Mr. BURGESS. Yes.

Mr. HULINGS. Can the gentleman inform the committee what proportion of the cotton production of the United States is manufactured in this country?

Mr. BURGESS. About 6,000,000 bales.

Mr. HULINGS. That is about six-fifteenths?

Mr. BURGESS. About six-fourteenths.

I will have printed here a clipping from the Houston (Tex.) Post, an article entitled "A bank's advice to farmers," and also an editorial in the Houston Post of August 27, 1914, the common sense of which I commend to everybody:

A BANK'S ADVICE TO FARMERS.

CORPUS CHRISTI, TEX., *August 8.*

To Our Farmers:

On account of the war in Europe it is impossible to ship cotton abroad. All the cotton exchanges have closed and, for the time being, the only cotton moving is that being taken by American mills.

We would advise you to store your cotton in the local warehouse, bring your receipts to the bank, and if you need some extra funds we are perfectly willing to assist you; and also if necessary we will extend notes due us by farmers who are unable to meet them until they sell their cotton. We do not want you to sacrifice your cotton. The Corpus Christi National Bank wants to assist you in obtaining a fair price for it. In return we expect you to properly protect us by having your cotton under a good roof, protected from weather and fire. With this kind of collateral, you may rest easy, knowing that as soon as conditions adjust themselves you will be able to convert your crop into money at, we hope, a good price.

This is a time when the bankers, merchants, and farmers should all work together. If you owe your merchant and the bank, we suggest that you bring your cotton warehouse receipts to us, and, if you want to protect your merchants, you can give notice to the banks that upon sale of your cotton we are to make certain payments to the merchants. In this way you can deposit all your warehouse receipts in your bank and at the same time protect the merchant whom you owe. We think this is the proper thing for our farmers to do, and we feel sure that the merchants will be willing to extend all reasonable accommodations to those entitled to receive them.

Now that we have had some rain we urge all farmers to put their ground into a thorough state of cultivation. We hope you will put in a heavy acreage in feed, and also put in some live stock, especially hogs, which are very profitable in this country. The bank is willing to extend reasonable accommodation to farmers who will invest in good live stock.

CORPUS CHRISTI NATIONAL BANK.

THE BANKS AND THE FARMERS.

The Post is publishing elsewhere on this page a letter recently mailed by the Corpus Christi National Bank to the farmers of Nueces County, and the advice and suggestions contained therein are so sensible, considerate, broadminded, and patriotic that they are commended to all the country banks of Texas. The attitude assumed by the bank, it seems to The Post, is one that, if generally followed by the banks, would greatly mitigate the difficulties of handling the cotton crop.

The suggestion that bankers, merchants, and farmers cooperate is vital, of course, and cooperation means all working together for the mutual good of all, for if these three classes work together in the right spirit much loss will be averted and the welfare of the entire State conserved. The main point in the advice of the Corpus Christi bank is that of these three classes directly interested no two shall combine to the injury of the third. Equal and exact justice and consideration should be shown each class, for in the long run an injury to one is bound to prove disastrous to the other two.

The concluding paragraph of the letter is just as important as those preceding. It urges farmers to put their ground in a thorough state of cultivation, devoting a heavy acreage to forage crops and live stock, especially hogs. It offers reasonable accommodation to farmers who invest in good live stock.

This advice is applicable to every farmer in Texas, and always has been, but more so now than at any time in recent years. We know that the demand for meat must always be keen because the home demand is greater than the supply, and a foreign demand is inevitable just as soon as European conditions improve. Therefore, investments in live stock are certain to return profits, even during the period when it is certain that the cotton industry and the raw cotton market will be deranged.

So far as anybody can foresee events of world-wide concern, the war is going to be prolonged far beyond the period that was at first indicated. This will certainly necessitate a great curtailment of cotton production next year, and southern farmers will be compelled to devote their energies to other crops. Forage crops and live stock are more certain to produce profits than anything else, and it may be that cotton conditions will necessitate curtailment of production for several years to come.

So we see in the presence of urgent necessity how important diversification is, and we also see how it can be turned to good account for Texas and the rest of the world.

The landlords, the merchants, and the banks ought to cooperate to induce and encourage the tenant farmers to devote to other crops at least a part of the acreage they are usually required to plant to cotton. No doubt if properly assisted by merchants and bankers, and if permitted by the landlords to do so, thousands of tenant farmers would be glad to diversify, and thus increase their profits, the profits of the community, and the profits of the landlords. Texas will not need to make much more than half the usual cotton crop next year if the war continues, and it is important to utilize the acreage taken from cotton production to crops which will produce the best results for all concerned.

Mr. HUMPHREY of Washington. Will the gentleman yield?

Mr. BURGESS. Just briefly.

Mr. HUMPHREY of Washington. The question which occurred to my mind is, Will not the cotton market be greatly curtailed in any event owing to the European wars and the fact that the factories are closed?

Mr. BURGESS. I am coming to that now.

Mr. HUMPHREY of Washington. I am glad of it, because I wanted to know.

Mr. BURGESS. Now a word in conclusion: I do not know how long this war will last, nor does anybody else. It is practically certain that we will have a surplus of from 3,000,000 to 5,000,000 bales of cotton left over from this year's crop. It is vital that next year's crop be not exceeding 10,000,000 or 11,000,000 bales. How this will be done, I do not know. That it must be done in some way, if we would preserve the equi-

librium between the law of supply and demand, and thus maintain the price, is absolutely certain. I suggest to the farmers and cotton raisers of the country that now is the very time to study every method of diversification of crops. Plant less in cotton and more in corn and forage crops, raise more poultry and live stock, and be prepared for next year's trouble. "A stitch in time saves nine." [Applause.]

I yield back the balance of my time.

Mr. BUTLER. Mr. Chairman, inasmuch as it is impossible to maintain a quorum, and less than 50 gentlemen are present to hear one of the best speeches that has been delivered in this House, I move that the committee do now rise.

Mr. HEFLIN. Will the gentleman yield for a question?

Mr. BUTLER. Regular order!

Mr. HEFLIN. I just want to suggest to the gentleman——

Mr. BUTLER. I am not going to make the point of no quorum.

The CHAIRMAN. The gentleman from Pennsylvania moves that the committee do now rise.

The question was taken, and the Chairman announced that the noes appeared to have it.

On a division (demanded by Mr. BUTLER) there were—ayes 8, noes 56.

So the motion was rejected.

Mr. BUTLER. I do not make the point of no quorum.

Mr. MOORE. Mr. Chairman, I make the point of order of no quorum present.

The CHAIRMAN. The Chair will count.

Mr. MOORE. Mr. Chairman, I withdraw the point of no quorum.

The CHAIRMAN. The gentleman from Pennsylvania withdraws the point of no quorum.

Mr. MADDEN. Well, I make it, Mr. Chairman.

The CHAIRMAN. The Chair will count. [After counting.] One hundred Members are present—a quorum.

Mr. WINGO. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. WINGO. How much time remains for general debate?

Mr. MADDEN. Mr. Chairman, I demand tellers on the question of a quorum.

The CHAIRMAN. The general debate has consumed 2 hours and 20 minutes.

Mr. MADDEN. Mr. Chairman, I demand tellers.

Mr. FERRIS. This is not a question on which the gentleman can have tellers. The Chair has just determined that there is a quorum here.

Mr. MADDEN. I think there was a mistake.

The CHAIRMAN. Does the gentleman insist on his point?

Mr. FERRIS. Oh, no.

Mr. MADDEN. If the gentlemen are all anxious to go on, I will not insist.

Mr. FERRIS. Mr. Chairman, I yield 30 minutes to the gentleman from Alaska [Mr. WICKERSHAM].

Mr. WICKERSHAM. Mr. Chairman, I call to the attention of the committee an official map of Alaska upon which I have superimposed the proposed lines of Government railway in Alaska. They are the lines which the Government is now surveying under the bill passed by Congress appropriating $35,000,000 for building railroads in that Territory. I call your attention also to the fact that this map shows the location of the well-known coal areas in that Territory, which have been put upon this map so the House may see their relation to the proposed lines of railways.

Mr. GOULDEN. I trust the gentleman will use the pointer, so that we can determine just what it is. I do not think it is quite clear, at least not to me.

Mr. WICKERSHAM. There are three principal coal areas in Alaska. They are the principal coal areas, not because they are the largest ones in Alaska, but because they contain the highest grades of coal and are nearest to possible transportation. The first is the Bering River coal field. It is in southern Alaska, within 25 miles of the seacoast. The Copper River & Northwestern Railroad is now constructed for 196 miles, from Cordova to Kennicott, and passes within 25 miles of this coal field. It is a first-class standard-gauge railway, rock ballasted, with steel bridges. It is one of the finest railways in the United States, and by the building of 25 or 30 miles of additional spur it will reach the Bering River coal field.

If this bill passes, I am informed that spur will be immediately built by the Copper River & Northwestern Railway, and that coal field will immediately come into use for the people of the coast. The next coal field of importance is the Matanuska coal field, which you will notice at this point on the map. It is about 170 miles from the coast, in the interior of Alaska. It is on a proposed line of the Alaskan Northern Railroad, which is now built from Seward, on the southern seacoast, 70 miles northward, in the direction of this coal field. The Government, under the railway bill recently passed by this House, is now completing the surveys along this line of railway from Seward and from the harbor known as Portage Bay, just to the eastward of it, up to the Matanuska coal field, and then on to the interior of Alaska through the Nenana coal field. The Matanuska coal field is important, because it is a much larger field than the Bering River field. It is not only much larger, but the coal veins are said by the Geological Survey to be in better shape than the former. The Bering River veins have been distorted by volcanic action, and the coal has been much broken. It is a high-grade coal, but it is badly broken, while the Matanuska coal is much less distorted and equal in high grade. Both in the Bering River and Matanuska fields are high-grade anthracite and bituminous coals, and they are the only high-grade anthracite and bituminous coals on the Pacific coast. California has no coal, or substantially none. Oregon has some coal, but it is a very low grade and in very small quantities.

Mr. STEPHENS of Texas. Will the gentleman yield at that point?

Mr. WICKERSHAM. Yes.

Mr. STEPHENS of Texas. I have heard it stated that a great deal of coal in Alaska is lignite coal. Will the gentleman point out that field?

Mr. WICKERSHAM. The Nenana field, north of the Matanuska field, is lignite.

Mr. STEPHENS of Texas. I understand the price on this is to be 2 cents in this bill.

Mr. WICKERSHAM. Not less than 2 cents per ton royalty. I exhibit to the gentleman from Texas a photograph of some of the Nenana coal veins.

Mr. STEPHENS of Texas. What is the width of that vein?

Mr. WICKERSHAM. One of the veins is 105 feet thick. It is in a great white sandstone cliff formation, and the coal veins extend back into the country for many miles.

Mr. STEPHENS of Texas. Will it have to be taken out by stripping?

Mr. WICKERSHAM. It will have to be mined in the usual way. It is incased between heavy white sandstone strata.

Mr. STEPHENS of Texas. The gentleman is aware that the price we pay for coal is covered to a great extent by the thickness of the vein and its accessibility. Is it possible, without giving the widest latitude to the Secretary of the Interior, to set any price on the various banks of coal to be leased under this law? Ought not great latitude to be given to the Secretary of the Interior?

Mr. WICKERSHAM. I have no doubt great latitude ought to be given, and great latitude is given in this bill. The bill fixes only a minimum, and not a maximum.

Mr. BURKE of South Dakota. Will the gentleman give us the area of these fields? And I would also like him to state whether this lignite has any commercial value except for local use?

Mr. WICKERSHAM. The Bering River field has only about 45 square miles. It is a small field, but it has very heavy veins, and there is much more coal on a given area than, for instance, in Illinois, where the veins are much less in thickness.

Mr. BUTLER. From which property did the Navy obtain its coal for experimental purposes?

Mr. WICKERSHAM. It obtained it from the Bering River coal.

Mr. BUTLER. Which was not found desirable. Do they have to go back into the Territory to find coal?

Mr. WICKERSHAM. The Government is now bringing coal out from Matanuska for another test.

Mr. BUTLER. Have they not already tested it?

Mr. WICKERSHAM. No. It is lying out on the bank ready for shipment. They have only tested one vein in the Bering River coal field. There are many veins there, and I have no doubt from the statement of the Geological Survey, which has given much attention to these fields, that there are veins other than that which are of higher grade and contain good naval coal.

Mr. GOULDEN. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Alaska yield to the gentleman from New York?

Mr. WICKERSHAM. Certainly.

Mr. GOULDEN. Has that test been completed—of the Bering River coal?

Mr. WICKERSHAM. Yes; that single test from a single vein of the Bering River coal was completed.

Mr. GOULDEN. How does that compare with the Pennsylvania bituminous and Pennsylvania hard coal?

Mr. WICKERSHAM. It did not compare well. It was far below the Pennsylvania coal. But only one test from one vein was made, and that was substantially surface coal.

Mr. MADDEN. It had but 43 per cent of the efficiency of Pocahontas coal?

Mr. WICKERSHAM. Yes; that is probably correct.

Now, the Bering River field has about 44 square miles in area. The Matanuska field has something like 100 square miles, and nobody really knows how much more. They know it has that much, and Dr. Brooks is so honest in his statement that he always errs on the side of accurate statement. In his statement he gives figures for only what really exists; but he also says that there may be many times the amount of coal that he gives in the official statement.

Mr. GOULDEN. What is the thickness of these veins in Matanuska?

Mr. WICKERSHAM. About 10 feet in thickness. There are in those fields both anthracite and high-grade bituminous coals.

Now, when you get to the Nenana field, that is a lignite coal; but for many purposes it is even better than anthracite. For local use it is good. If we had that coal for the development of our mines in the interior of Alaska, it would be all that we would want. Substantially all that we need in the whole interior of Alaska is to have that Nenana coal field opened up to use, and substantially what the Government needs is the opening of the Matanuska fields, which have these high-grade coals which are supposed to be naval coals.

Then, too, there is a large coal field here on Cooks Inlet. The veins are thick and heavy and there are great areas of coal there, but it is a low-grade coal.

Mr. HUMPHREY of Washington. Mr. Chairman, will the gentleman yield there?

Mr. WICKERSHAM. Certainly.

Mr. HUMPHREY of Washington. Is not that coal fit for heating and steaming purposes?

Mr. WICKERSHAM. Yes; it is all fit for that.

Mr. HUMPHREY of Washington. It would answer, so far as the development of the country is concerned, for all practical purposes?

Mr. WICKERSHAM. Yes. One trouble about this low-grade coal is that it is not a good shipping coal, first, because there is plenty of it in Washington, and, second, because it is liable to spontaneous combustion when confined.

We have up here in northern Alaska, along the Arctic slope, large fields of coal; over here by Nome there is a large deposit of coal; and up here at Cape Lisburne there are large deposits; and down through the Alaska Peninsula there are large veins of coal, thrust out into the sea, as they are here at Cooks Inlet. The Geological Survey reports that but one-fifth of the Territory of Alaska has been surveyed, and in that one-fifth they have determined there are about 12,000 square miles of what may be called coal-bearing areas; and if the other four-fifths shall come up to that, we shall have about 60,000 square miles of coal-bearing areas in Alaska, and the probability is that there is even much more than that. But with all this wealth of coal in Alaska and the great demand for its use in development, with everything in that Territory standing still for the want of it, we have to buy British Columbia coal. For 10 years now almost every pound of coal that has been used in that Territory has been purchased from the British Columbia coal fields, mined very largely by Chinese and other cheap labor, and whence the coal has been carried to Alaska and burned in sight of the greatest coal veins in the world.

Mr. HUMPHREY of Washington. Mr. Chairman, will the gentleman yield there?

Mr. WICKERSHAM. Yes.

Mr. HUMPHREY of Washington. Has there not been some coal in the last year brought in from Australia?

Mr. WICKERSHAM. Yes; some was brought from Australia and some from Japan.

Mr. HUMPHREY of Washington. But practically all the coal burned in Alaska in the last few years is foreign coal, brought there in foreign ships?

Mr. WICKERSHAM. Yes; substantially all of it.

Mr. MOORE. Mr. Chairman, will the gentleman yield there?

The CHAIRMAN. Does the gentleman from Alaska yield to the gentleman from Pennsylvania?

Mr. WICKERSHAM. Yes.

Mr. MOORE. Will the gentleman explain why this coal will not bear being carried in the holds of vessels?

Mr. WICKERSHAM. The best grades are carried the same as the Pocahontas coal, but the cheaper grades, the lignites, are inflammable.

Mr. MOORE. Do they disintegrate?

Mr. WICKERSHAM. No. Spontaneous combustion sets in. The coal slakes, as it were, and ignites like all low-grade coals.

Mr. BURKE of South Dakota. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Alaska yield to the gentleman from South Dakota?

Mr. WICKERSHAM. Yes.

Mr. BURKE of South Dakota. I do not wish to anticipate the gentleman's speech, but he stated that practically all of the coal in the last several years had been imported. What has been the price paid by the consumer, and what could the coal be mined for if it were obtained in the mines of Alaska?

Mr. WICKERSHAM. The consumer in Alaska has paid all the way from $10 to $20 a ton; $10 per ton when Juneau and some of the other towns in the Territory built a public wharf and spent the public money in bringing up coal from British Columbia and selling it to the people at cost on the wharf, and from $18 to $20 when the towns were restrained by the courts from dealing in coal and when the people were compelled again to purchase from the foreign importer.

Mr. HUMPHREY of Washington. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman yield?

Mr. WICKERSHAM. Yes.

Mr. HUMPHREY of Washington. I remember seeing it stated last winter that coal sold up there at as high as $22.50.

Mr. WICKERSHAM. Yes.

Mr. JOHNSON of Washington. And at $28 a ton right here [indicating on map].

Mr. WICKERSHAM. Yes; it has been sold to the United States at Army posts for as high as $28 per ton.

Mr. MADDEN. Does the gentleman know how many tons of coal were used last year in Alaska?

Mr. WICKERSHAM. I can not give you the exact data.

Mr. BURKE of South Dakota. The gentleman did not answer my question fully. My question was what would be the cost if this coal were mined in Alaska?

Mr. WICKERSHAM. Testimony before various committees is that it would cost from $1.75 to $2 per ton, and according to the statement of Mr. Griffith, who went up from Pennsylvania to make an examination of these veins, it would cost $1.87 per ton to mine, without transportation.

Mr. FERRIS. Will the gentleman yield to me for a moment?

Mr. WICKERSHAM. Yes.

Mr. FERRIS. If the gentleman desires, I can supply the figures asked for by the gentleman from Illinois [Mr. MADDEN]. In 1912 there were only 355 tons produced by Alaskans, and in 1913 there were only 1,200 tons produced, while there were 100,000 tons consumed, showing that the withdrawal has kept them from producing even enough to supply themselves.

Mr. TALCOTT of New York. Will the gentleman yield?

Mr. WICKERSHAM. Yes.

Mr. TALCOTT of New York. All the coal shipped to Juneau and the other points is bituminous coal, is it not?

Mr. WICKERSHAM. Yes; it is.

Mr. TALCOTT of New York. Has the superior coal from any of these large fields been mined to any large extent?

Mr. WICKERSHAM. No; not at all.

Mr. TALCOTT of New York. So that really the full quality of the veins has never been determined.

Mr. WICKERSHAM. Not by extensive mining.

Mr. TALCOTT of New York. And it may be of equal value with the Pocahontas coal?

Mr. WICKERSHAM. I have no doubt that it is. The truth is the Geological Survey, under Dr. Brooks, has for 12 or 14 years been making the most extensive and careful investigations into the value and extent of the Alaskan coal fields, and it has made some very interesting reports, all of which are in print, in the form of public documents, and give us exact data, so that we are justified in saying that we think some of this coal is equal to the coals of Pennsylvania.

Mr. SLAYDEN. Will the gentleman permit a question?

Mr. WICKERSHAM. Yes; with pleasure.

Mr. SLAYDEN. Do these examinations and reports by Dr. Brooks go to the economic value of the coal or to the quality of the coal as compared with other coals, like the West Virginia coals?

Mr. WICKERSHAM. Both. There have been very full reports. Then the railroad reports have gone into that matter very largely also.

Mr. SLAYDEN. I should like to ask the gentleman how he disposes of the laboratory tests and other actual tests of the coal made by the Navy Department, which found that it was not equal to the Pocahontas coal in certain qualities?

Mr. WICKERSHAM. That is a verity. That is not to be disposed of.

Mr. SLAYDEN. That is true, is it?

Mr. WICKERSHAM. That is true, so far as it goes.

Mr. SLAYDEN. It is not a good coal for certain purposes?

Mr. WICKERSHAM. No. I do not admit that. The test they made showed that the coal they examined was not as good as the best Pennsylvania coal, but it was a test of coal off the surface, substantially, and Dr. Brooks does not think that determines anything except that that particular examination was not of good coal.

Now, Mr. Chairman, we have plenty of good coal in Alaska. There is something else the matter, and it is that to which I want to call the attention of the House for a few minutes.

With the great demand for coal on the Pacific coast, with substantially no high coal of this character on that coast at all, we are obliged to get all our high-grade coals from Pennsylvania or from some other of the mines in the East, although we have an abundance of it in Alaska. That condition has existed for so many years that it is important to know why it exists.

Mr. J. M. C. SMITH. Will the gentleman yield for a question?

Mr. WICKERSHAM. Certainly.

Mr. J. M. C. SMITH. How long does it take to get coal from Pennsylvania into Alaska?

Mr. WICKERSHAM. That depends on where you undertake to ship it in Alaska. If you take it to Fairbanks, where I live, it would take possibly six months, for it would have to be carried around the Horn, as most of it is, or across the continent by railway, and transshipped at Seattle or San Francisco for Alaska, and again transshipped at the mouth of the Yukon River and carried 1,100 or 1,200 miles up that river, while there is within 50 miles of Fairbanks, just across the valley in sight, one of the greatest coal beds in America.

Mr. J. M. C. SMITH. How long would it take to go from San Francisco to one of those ports in Alaska?

Mr. WICKERSHAM. To St. Michael, 9 or 10 days, and probably 18 or 20 days additional to Fairbanks. But the coal must be transshipped at St. Michael from ocean to river steamers. When Alaska prospectors first discovered the coal fields of Katalla and Matanuska, the only high-grade coals on the Pacific coast, the United States coal-land laws were not in force and effect in that Territory.

Alaska was given a very limited form of government by the act of Congress of May 17, 1884, but the last clause of section 8 of that act declared:

> But nothing contained in this act shall be construed to put in force in said district the general land laws of the United States.

From that moment we had no coal-land laws in Alaska for many years. The coal-land laws of the United States were especially excluded from Alaska by the act of May 17, 1884, and when the extensive deposits of high-grade coals were thereafter discovered there was no law authorizing their location or sale even to those who should open or work such mines.

The coal-land laws were first extended to Alaska by the act of June 6, 1900 (31 Stat. L., 658), and I quote this in full to show how very brief it was and to show you its exact terms, because it had no effect at all:

> An act to extend the coal-land laws to the District of Alaska.
>
> *Be it enacted, etc.*, That so much of the public-land laws of the United States are hereby extended to the District of Alaska as relate to coal lands, namely, sections 2347 to 2352, inclusive, of the Revised Statutes.

When that act passed, the coal-land laws in force in the United States specifically mentioned became in full force in Alaska. But it was soon discovered that even this extension gave no immediate relief, since the United States coal-land laws applied only to surveyed lands, and the lands in Alaska were not surveyed. To cure this defect Congress passed the act of April 28, 1904 (33 Stat. L., 525), which authorized the location of coal lands upon unsurveyed land, by special survey.

This act was as follows:

> An act to amend an act entitled "An act to extend the coal-land laws to the District of Alaska," approved June 6, 1900.
>
> *Be it enacted, etc.*, That any person or association of persons qualified to make entry under the coal-land laws of the United States, who shall have opened or improved a coal mine or coal mines on any of the unsurveyed public lands of the United States in the District of Alaska may locate the lands upon which such mine or mines are situated in rectangular tracts containing 40, 80, or 160 acres, with north and south boundary lines run according to the true meridian, by marking the four corners thereof with permanent monuments, so that the boundaries thereof may be readily and easily traced. And all such locators shall, within one year from the passage of this act, or within one year from making such location, file for record in the recording district, and with the register and receiver of the land district in which the lands are located or situated, a notice containing the name or names of the locator or locators, the date of the location, the description of the lands located, and a reference to such natural objects or permanent monuments as will readily identify the same.
>
> SEC. 2. That such locator or locators, or their assigns, who are citizens of the United States, shall receive a patent to the lands located by presenting, at any time within three years from the date of such notice, to the register and receiver of the land district in which the lands so located are situated, an application therefor, accompanied by a certified copy of a plat of survey and field notes thereof, made by a United States deputy surveyor or a United States mineral surveyor duly approved by the surveyor general for the District of Alaska, and a payment of the sum of $10 per acre for the lands applied for; but no such application shall be allowed until after the applicant has caused a notice of the presentation thereof, embracing a description of the lands, to have been published in a newspaper in the District of Alaska published nearest the location of the premises for a period of 60 days, and shall have caused copies of such notice, together with a certified copy of the official plat or survey, to have been kept posted in a conspicuous place upon the land applied for and in the land office for the district in which the lands are located for a like period, and until after he shall have furnished proof of such publication and posting, and such other proof as is required by the coal-land laws: *Provided*, That nothing herein contained shall be so construed as to authorize entries to be made or title to be acquired to the shore of any navigable waters within said district.
>
> SEC. 3. That during such period of posting and publication, or within six months thereafter, any person or association of persons having or asserting any adverse interest or claim to the tract of land or any part thereof sought to be purchased shall file in the land office where such application is pending, under oath, an adverse claim, setting forth the nature and extent thereof, and such adverse claimant shall, within 60 days after the filing of such adverse claim, begin an action to quiet title in a court of competent jurisdiction within the District of Alaska, and thereafter no patent shall issue for such claim until the final adjudication of the rights of the parties, and such patent shall then be issued in conformity with the final decree of such court therein.
>
> SEC. 4. That all the provisions of the coal-land laws of the United States not in conflict with the provisions of this act shall continue and be in full force in the District of Alaska.
>
> Approved, April 28, 1904.

It will be seen that this law permitted a coal locator in Alaska to locate 160 acres of coal lands just as he would locate a mining claim, by setting stakes at the four corners, by having a private survey of his claim made and filed in and approved by the Land Office. Thereupon he might purchase the claim as he might have purchased surveyed coal land had there been any in Alaska.

Mr. JOHNSON of Washington. Did Alaska have any Delegate in Congress at that time?

Mr. WICKERSHAM. No; there was no Delegate until 1907. It will be noticed that the last section of that act extended the provisions of the coal-land laws of the United States not in conflict with the provisions of the act to the District of Alaska, but from 1884 to 1904 there was no coal-land law at all in force in Alaska under which a locator could purchase a single foot of coal land.

Under these acts several hundred coal-land locations were made in the Katalla and Matanuska fields, work of improvement was begun, railroads were projected, towns were located and built on the public domain, and large sums invested by coal locators and the public generally upon the anticipated development of the coal and other resources of the region. The high grade of these coals, the fact that there were no other coals of equal grade on the Pacific coast, their proximity to the seaboard, the opportunity for cheap mining, short hauls, and the entire Pacific for a market, soon led to speculation and efforts at monopoly, even before titles were obtained. This threat of monopoly caused Congress to pass the act of March 28, 1908, the most drastic antimonopoly law which has ever been placed on any statute book, and which is as follows:

> [Public—No. 151.]
>
> An act (S. 6805) to encourage the development of coal deposits in the Territory of Alaska.
>
> *Be it enacted, etc.*, That all persons, their heirs or assigns, who have in good faith personally or by an attorney in fact made locations of coal land in the Territory of Alaska in their own interest, prior to November 12, 1906, or in accordance with circular of instructions issued by the Secretary of the Interior May 16, 1907, may consolidate their said claims or locations by including in a single claim, location, or purchase not to exceed 2,560 acres of contiguous lands, not exceeding in length twice the width of the tract thus consolidated, and for this purpose such persons, their heirs or assigns, may form associations or corporations, who may perfect entry of and acquire title to such lands in accordance with the other provisions of law under which said locations were originally made: *Provided*, That no corporation shall be permitted to consolidate its claims under this act unless 75 per cent of its stock shall be held by persons qualified to enter coal lands in Alaska.
>
> SEC. 2. That the United States shall at all times have the preference right to purchase so much of the product of any mine or mines opened upon the lands sold under the provisions of this act as may be necessary for the use of the Army and Navy, and at such reasonable and remunerative price as may be fixed by the President; but the producers of any coal so purchased who may be dissatisfied with the price thus fixed shall have the right to prosecute suits against the United States in the Court of Claims for the recovery of any additional sum or sums they may claim as justly due upon such purchase.
>
> SEC. 3. That if any of the lands or deposits purchased under the provisions of this act shall be owned, leased, trusteed, possessed, or controlled by any device permanently, temporarily, directly, indirectly, tacitly, or in any manner whatsoever so that they form part of, or in any way effect any combination, or are in any wise controlled by

any combination in the form of an unlawful trust, or form the subject of any contract or conspiracy in restraint of trade in the mining or selling of coal, or of any holding of such lands by any individuals, partnership, association, corporation, mortgage, stock ownership, or control, in excess of 2,560 acres in the District of Alaska, the title thereto shall be forfeited to the United States by proceedings instituted by the Attorney General of the United States in the courts for that purpose.

SEC. 4. That every patent issued under this act shall expressly recite the terms and conditions prescribed in sections 2 and 3 hereof.

Approved, May 28, 1908.

With the approval of the act of Congress of 1908 the Territory of Alaska had, and now has, in force there:

First. All the general coal-land laws in force in the United States, all the general coal-land laws which provide for the disposal of coal lands in Wyoming, Arizona, Colorado, and the other public-domain States;

Second. The act of Congress of April 28, 1904, permitting the location and sale of coal lands upon the unsurveyed public domain in Alaska, a favor not possessed by the States in the public-land States of the United States; and

Third. The act of Congress of May 28, 1908, authorizing a consolidation or grouping of Alaskan coal lands to the amount of 2,560 acres for large enterprises, giving the United States a preference right to purchase the output for the use of the Army and Navy, and with a drastic antimonopoly clause forfeiting the title of the land to the United States for any unlawful trust or conspiracy in restraint of trade in the mining or selling of the coal mined in Alaska.

Alaska now has, under the plan of private ownership in force in the United States, the most favorable coal-land laws in American territory. We are specially favored, because we have not only the same general coal-land laws in force in the public-domain States of the Union, but the additional special acts of Congress of 1904 and 1908.

After the passage of the act of Congress of 1904, permitting the location of unsurveyed coal lands in Alaska, coal-land claimants there began to locate and make proof to acquire title to the coal lands at Katalla and Matanuska. The small area and high grade of the coal deposits and their proximity to the harbors of the Pacific promised great value and tremendous profits to the owners, and speculators rushed in to secure advantages. Those officially responsible for the enforcement of the coal laws of the United States in that Territory soon brought charges of grave irregularities and efforts to secure a monopoly by those in charge of transportation and capital. These charges provoked so much public interest and seemed to be so well founded that the following official correspondence was had, resulting in the Executive order of November 7, 1906:

DEPARTMENT OF THE INTERIOR,
UNITED STATES GEOLOGICAL SURVEY,
Washington, D. C., November 5, 1906.

The honorable SECRETARY OF THE INTERIOR,
Washington, D. C.

SIR: In further reference to department letter of September 20, No. 2698–1906, L. & R. Div., in reference to withdrawals of land from coal entry, and continuing my reply thereto:

In previous recommendations no reference has been made to coal lands in Alaska. The coal and lignite deposits of that Territory are known to be of commercial value, and much attention has been given to their investigation by this survey. The reasons for withdrawing this coal from entry are fully as urgent as in the case of that in the Western States and Territories, and I therefore suggest that the matter be brought to the attention of the President. Since the land office surveys have not yet been generally extended over Alaska, the coal lands can not be designated by legal subdivision, and I therefore recommend that the order suspending coal entries be made to apply to the entire Territory.

I am sending with this a map of Alaska, showing the distribution of coal and lignites so far as known and also other mineral deposits, the economical development of which is dependent on a cheap fuel supply.

Very respectfully,

H. C. RIZER, *Acting Director.*

Approved:

E. A. HITCHCOCK, *Secretary.*

—

DEPARTMENT OF THE INTERIOR,
Washington, November 7, 1906.

The PRESIDENT:

I transmit herewith a copy of a letter of the 3d instant from the Acting Director of the Geological Survey, with the accompanying map, in which he has recommended that the matter of withdrawing coal lands from entry in the District of Alaska be brought to your attention.

He has stated that the reasons for withdrawing these coal lands from entry are fully as urgent as in the cases of the withdrawals in the Western States and Territories, and I have the honor to request, therefore, that you inform me of the action which you desire taken on the recommendation of the acting director that the order suspending coal entries be made to apply to the entire District of Alaska.

Very respectfully,

E. A. HITCHCOCK, *Secretary.*

—

THE WHITE HOUSE,
Washington, November 7, 1906.

To the SECRETARY OF THE INTERIOR:

In reference to your letter of the 7th instant, inclosing letter of the Acting Director of the United States Geological Survey of November 3, I direct that the proposed action in reference to the coal lands of Alaska be taken. I return the letter of the acting director herewith.

THEODORE ROOSEVELT.

—

DEPARTMENT OF THE INTERIOR,
Washington, November 12, 1906.

Respectfully referred to the Commissioner of the General Land Office, who will take the steps necessary to carry the directions of the President into effect and report action to the department.

E. A. HITCHCOCK, *Secretary.*

Protests were at once made by Alaska coal-land locators that the President's withdrawal prevented those who had made valid and legal locations of coal lands from further complying with the law in their efforts to acquire patents, and two months later the following modification of the President's order was promulgated:

DEPARTMENT OF THE INTERIOR,
Washington, January 15, 1907.

The COMMISSIONER OF THE GENERAL LAND OFFICE.

SIR: By direction of the President all orders heretofore issued withdrawing public lands from entry under the coal-land laws are hereby amended as follows:

"Nothing in any withdrawal of lands from coal entry heretofore made shall impair any right acquired in good faith under the coal-land laws and existent at the date of such withdrawals."

Very respectfully,

E. A. HITCHCOCK, *Secretary.*

Of the many hundreds of coal-land locations then pending in the United States land offices in Alaska and before the Department of the Interior two only have been allowed to prove up and acquire title—one located on the Kenai Peninsula and the other on Admiralty Island. Those two claims have an area of less than 320 acres, contain only low-grade coal, and neither is in the Matanuska or Katalla high-grade fields. All other Alaska coal claims are yet pending or have been canceled for failure to comply with the law.

It never was doubted that we did not have good coal-land laws applicable to Alaska; but the whole difficulty there has arisen between two great sections of political thought, one of which wanted the Government to hold the title to all Alaska coal land and the other wanted to give it out to private ownership. My opinion as to whether the Government ownership of coal lands in Alaska is best or whether private ownership is best is about as worthless a statement as I could make to the House. The people of this country have determined that question, and those in Alaska who prefer private ownership are helpless and in a small minority. The people of this country have determined for themselves that they intend to reserve to the Government the ownership of coal lands, and while I do not approve of everything in the bill from the standpoint of the general public sentiment, it is a good bill, and with one or two amendments I hope this House will pass it. [Applause.]

The CHAIRMAN. The time of the gentleman from Alaska has expired.

Mr. FRENCH. Mr. Chairman, I yield to the gentleman 20 minutes more.

Mr. WICKERSHAM. But troubles arose. They began in Washington, where one branch of the Government was arrayed against another. One branch insisted that there was fraud in Alaska, and there was much to support that insistence, for there certainly were frauds there. The other insisted that all it was necessary was to try out the frauds, throw out the fraudulent claims, and issue patents to those not fraudulent. But after the modification of the order of withdrawal every man who had an honest claim in Alaska, under the coal-land laws, if he could get a hearing and a decision, had the right to it.

Mr. MADDEN. Will the gentleman yield?

Mr. WICKERSHAM. Yes.

Mr. MADDEN. How many of these claims were there?

Mr. WICKERSHAM. Five hundred and sixty are yet undetermined that existed on November 12, 1906.

Mr. MADDEN How many have been determined?

Mr. WICKERSHAM. About an equal number.

Mr. MADDEN. How many were contested cases?

Mr. WICKERSHAM. I do not know except the Cunningham cases were contested.

Mr. MADDEN. So, as matter of fact, all the rest of the claims were legitimate claims?

Mr. WICKERSHAM. I do not know about that.

Mr. MADDEN. If they were adjusted, they were.

Mr. WICKERSHAM. There are 560 claims not yet determined, and I can not tell about those—they are yet unadjusted.

Mr. MADDEN. How many of the 560 claims that have been adjudicated have received patents?

Mr. WICKERSHAM. Two.

Mr. MADDEN. What is the reason the other patents have not been issued? I am asking in good faith, and I think it ought to go into the RECORD if there is a legitimate reason

where a man made an application for a homestead or a mining right, or whatever it is, whenever his case has been adjudicated and proved that he is entitled to the claim, why should not a patent issue?

Mr. WICKERSHAM. The 560 cases have not been decided yet, and, of course, a patent can not issue until the cases are decided.

Mr. MADDEN. I understood the gentleman to say that 560 had been decided.

Mr. WICKERSHAM. Yes; but as to them there is no patent; they were all decided adversely to the claimants. The other 560 have not been decided by the department, and there may never be any patents issued except the 2 mentioned.

Mr. MADDEN. And of the 560 that have been adjudicated only 2 patents have issued?

Mr. WICKERSHAM. Yes.

Mr. MADDEN. The other 558 have been decided adversely?

Mr. WICKERSHAM. Yes.

Mr. MADDEN. And only two cases have been decided favorably to the claimants?

Mr. WICKERSHAM. That is all.

It is generally conceded that the Executive order of November, 1906, withdrawing all Alaska coal lands from location was made in violation of law. Congress undertook to cure the want of authority by passing the act of June 25, 1910 (36 Stat. L., 847), commonly known as the Pickett bill, and thereafter, on July 2, 1910, President Taft, by Executive order, "ratified, confirmed, and continued in full force and effect" the order of November, 1906, made by President Roosevelt. Whether this last Executive order of withdrawal of all coal land in Alaska from location is valid or not is doubtful, but it is effective.

I now place in the RECORD, Mr. Chairman, the official order of July 1, 1910, made by President Taft, ratifying and confirming the former orders made by the President:

DEPARTMENT OF THE INTERIOR,
UNITED STATES GEOLOGICAL SURVEY,
Washington, July 1, 1910.

The honorable the SECRETARY OF THE INTERIOR.

SIR: In accordance with your instructions, I recommend the withdrawal for classification and in aid of legislation affecting the use and disposition of coal deposits belonging to the United States of the following areas:

ORDER OF WITHDRAWAL.

It is hereby ordered that that certain order of withdrawal made heretofore on November 12, 1906, is hereby ratified, confirmed, and continued in full force and effect, and subject to all the provisions, limitations, exceptions, and conditions contained in the act of Congress entitled "An act to authorize the President of the United States to make withdrawals of public lands in certain cases," approved June 25, 1910, there is hereby withdrawn from settlement, location, sale, or entry, and reserved for classification and in aid of legislation affecting the use and disposition of coal deposits, all the public lands and lands in national forests in the District of Alaska in which workable coal is known to occur.

Very respectfully,
GEO. OTIS SMITH,
Director.

JULY 1, 1910.

Respectfully referred to the President with the recommendation that the same be approved.

R. A. BALLINGER,
Secretary.

Approved, July 2, 1910, and referred to the Secretary of the Interior.
WM. H. TAFT,
President.

Having thus closed every avenue of development and prevented any attempt to open the coal fields of Alaska through private ownership, Congress is now considering how those coal fields may be opened to the use of the people under Government supervision and control.

The solution of the problem is offered in H. R. 14233, "A bill to provide for the leasing of coal lands in the Territory of Alaska, and for other purposes," now pending before the House. This bill was unanimously approved and reported by the Committee on the Public Lands, and is also specially approved by the Secretary of the Interior.

Mr. MADDEN. Mr. Chairman, will the gentleman yield?

Mr. WICKERSHAM. Yes.

Mr. MADDEN. I notice this bill provides that 5,160 acres shall be reserved to the Government in the Bering coal field.

Mr. WICKERSHAM. Yes.

Mr. MADDEN. And seven thousand and odd in the Matanuska field?

Mr. WICKERSHAM. Yes.

Mr. MADDEN. I would like to ask how it was decided that fifty-one hundred and odd acres and seventy-one hundred and odd acres were the exact quantities of land that ought to be reserved to the United States?

Mr. WICKERSHAM. I think probably the chairman of the committee can give the gentleman that information better than I can.

Mr. FERRIS. That was the area suggested by the department, and naturally is more or less arbitrary.

Mr. WICKERSHAM. Fifty-one hundred and twenty acres equals eight sections of land.

Mr. FERRIS. The Matanuska field is about twice as large as the Bering field. It is something of a per cent of the total. I do not suppose it would make much difference if they added an acre here or took off an acre there.

Mr. HARDY. Would it not have been better in that reservation, instead of saying not exceeding so much, to say not less than so much? Should not the Government be given the right to reserve more of that land if it wants to?

Mr. WICKERSHAM. In addition to that, I will say that the bill also provides that the President of the United States may reserve not to exceed 5,000 acres in every other coal field in Alaska, of which there are many, so that under the law as it now exists the President can reserve probably 25 or 30 areas of 5,000 acres each in these various coal fields.

Mr. MADDEN. Mr. Chairman, will the gentleman yield again?

Mr. WICKERSHAM. Yes.

Mr. MADDEN. Right in that connection I notice the bill provides that the Government of the United States may go into the coal district on these reservations and regulate the price of coal in case there should be arbitrary prices made for coal that is being sold to the public.

Mr. WICKERSHAM. Well?

Mr. MADDEN. Is it the intention of this reservation to have the Government of the United States go into the business of mining coal?

Mr. WICKERSHAM. I must again refer the gentleman to the chairman of the committee.

Mr. MADDEN. I would like to have the question answered.

Mr. FERRIS. Will the gentleman from Alaska yield to me?

Mr. WICKERSHAM. Yes.

Mr. FERRIS. On page 2 of the bill there is a proviso which undoubtedly does what the gentleman says. That proviso is as follows:

Provided, That the deposits in said reserved areas may be mined under the direction of the President when, in his opinion, the coal is required for Government works or in the construction and operation of Government railroads or is required by the Navy or is necessary for national protection or for relief from oppressive conditions brought about through a monopoly of coal.

It undoubtedly does. We have just authorized the Government to build a railroad, and we undoubtedly ought to have the right to run the railroads.

Mr. MADDEN. Oh, yes—to run the railroad; but you are giving the Government the right to sell coal.

Mr. WICKERSHAM. Mr. Chairman, at this point I will ask unanimous consent to insert in the RECORD some letters and telegrams which I have received from people in Alaska in favor of this bill without reading them.

The CHAIRMAN (Mr. CONRY). The gentleman from Alaska asks unanimous consent to insert in the RECORD certain letters and telegrams. Is there objection?

There was no objection.

The letters and telegrams referred to are as follows:

CORDOVA, ALASKA, *July 15, 1913.*

Hon. JAMES WICKERSHAM,
Delegate from Alaska, Washington, D. C.

DEAR SIR: As a matter of principle we have heretofore opposed what is termed the "leasing system" as applied to the coal and oil lands of Alaska. We have believed that the laws that have in the past so well conduced to the settlement, development, and prosperity of the Western States and Territories of the Union will, if administered with the same liberality, result in an equal measure of prosperity and happiness for the people of Alaska.

The Government, however, seems to have resolved upon a change of policy in the handling and disposition of the public lands. It is unfortunate for us, to say the least, that Alaska happens to be the dog upon which the experiment is to be tried. Such is the fact, however, and we are disposed to recognize and make the best of the situation and give such assistance as we can in working out a practical solution of the questions so vitally affecting the general welfare of Alaska along the lines now being considered by Congress. When we compare the present condition of the Territory and its people with what it would most surely have become under a policy that permitted the free use of our coal and oil in the development of the great resources of the Territory we become somewhat discouraged and desperate and in the humor to support any policy that promises a measure of relief, however inadequate. We want our coal mines opened and the resources of Alaska developed. We will welcome any form of legislation that will contribute to this end. We deprecate any action upon the part of any man or organization of men that tends to delay or defeat such legislation. Now, therefore, be it

Resolved by the inhabitants of Cordova in mass meeting assembled and by the chamber of commerce of said town:

First. We favor the immediate enactment of any leasing law or other form of legislation, sufficiently broad and comprehensive to induce and bring about the opening of our coal mines and the consequent development of the great latent resources of Alaska.

Second. We deprecate and condemn the action of some so-called friends of Alaska, in opposing such legislation, as unwise and untimely and prompted by personal and selfish interests.

Respectfully submitted.

CORDOVA CHAMBER OF COMMERCE,
By RICHARD J. BARRY, *Secretary.*

—

CORDOVA, ALASKA, *June 6, 1914.*

Hon. JAMES WICKERSHAM,
Delegate from Alaska, Washington, D. C.

DEAR SIR: Fully appreciating your efforts in behalf of Alaskan legislation, we desire to urge upon you the importance of the passage of a coal-leasing measure before adjournment in order that the opening up of the vast resources of this Territory may no longer be delayed. It is also vital to the prosperity and happiness of the people of this northern empire.

Thanking you in advance for any assistance you may render in bringing about this desired result, we remain,

Yours, very truly,

CORDOVA CHAMBER OF COMMERCE,
By GEO. C. HAZELET, *President.*
H. G. STEEL, *Secretary.*

—

SEATTLE, WASH., *August 12, 1914.*

Hon. JAMES WICKERSHAM,
House of Representatives, Washington, D. C.:

Cordova Chamber demands opening Alaska coal field to meet war emergency immediately affecting British Columbia supply and asks cooperation this bureau. Submit it to you for any action you may deem expedient.

SCOTT C. BONE,
Chairman Seattle Alaskan Bureau.

—

CORDOVA, ALASKA, *August 12, 1914.*

JAMES WICKERSHAM,
Washington, D. C.:

Prices foodstuff gone up; indications copper mines shut down; looks like general business stagnation; coal measure passed by Congress would relieve situation; please give every assistance.

WICKERSHAM CLUB,
H. THISTED, *Secretary.*

—

CORDOVA, ALASKA, *August 12, 1914.*

Hon. JAMES WICKERSHAM,
Washington, D. C.:

Earnestly urge make fight for opening Alaska coal, account war; also prevent business and industrial stagnation.

CORDOVA CHAMBER OF COMMERCE.

—

JUNEAU, ALASKA, *August 13, 1914.*

JAMES WICKERSHAM,
Washington, D. C.:

Alaskans deem it necessary opening our coal fields on account British Columbia supply liable being cut off due to war.

JUNEAU CHAMBER OF COMMERCE.

—

CORDOVA, ALASKA, *August 14, 1914.*

DEAR SIR: We respectfully call your attention to the necessity for immediate action in the matter of throwing open Alaska coal. We do not presume to suggest the method by which this should be done. What we do insist upon is that it is absolutely necessary to open it in some way at once, either through a leasing system, private ownership, or Government operation, to the end that the coal may be used, not only in Alaska, but on the Pacific coast as well.

In support of this proposition we submit that practically all the coal consumed in Alaska, as well as a large percentage of that used on the Pacific coast, comes from British Columbia. Should this supply be cut off through the war now raging over all Europe, our industries, few as they are, will be paralyzed and widespread desolation will follow.

If Canada herself does not see fit to prohibit the exportation of coal, there is nothing to prevent the nations at war with Great Britain from capturing English coal on the high seas, or even destroying the works on the British Columbia coast.

The war has already resulted in a large increase in the price of all foodstuff and supplies in this Northland, and with the decrease in the value of copper the indications are that these mines will shut down.

Foreign capital is being withdrawn and the mines operated and developed by this money closed down. As an example, we point to the Jualin mine at Juneau and the Mother Lode of the Copper River section, each of which has ceased work since war was declared.

To Alaska the situation is serious, and we believe it is of equal importance to the United States as a whole.

The coal for naval use on the Pacific has been brought around from the Atlantic. To bring this coal to the Pacific it was necessary to use foreign vessels. These foreign vessels are no longer available. There are no American ships for this purpose. Every vessel which flies the American flag which can by any possibility be used for the purpose will be needed for our over-sea trade to take the place of foreign ships that have been withdrawn from the trade. The opening of Alaska coal is therefore a national necessity. It is a necessary part in the scheme for national defense, and the last few weeks have demonstrated that we can not afford to neglect any possible measure tending to strengthen our national defense.

If it is urged that the coal in Alaska is not suited to naval use, we reply that the test made was simply a test of one vein of coal, and is therefore no proof of the field. We confidently assert that the Bering River field has large quantities of coal suitable for naval use, and refer to such eminent geologists as Drs. Brooks and Martin, of the United States Geological Survey, as our authority.

The Bering River field can be opened and coal placed on the market at Cordova in 90 days from the beginning of operations. A line of railroad 38 miles long, branching from Mile 38 on the Copper River & Northwestern Railroad, will reach to the heart of the field.

With these conditions surrounding us, we respectfully ask, "Is it the part of good judgment to longer delay the opening of Alaska coal on some basis, either by a leasing bill of such liberal provisions that American capital will undertake it or by Government operation?"

We appeal to you, who have the power and authority to do this, to give it your earnest and conscientious consideration, believing that you will arrive at the same conclusion that we have, viz, that the opening of Alaska coal is not only an absolute necessity, but a duty that Congress should at once perform.

Very respectfully,

CORDOVA CHAMBER OF COMMERCE,
G. C. HAZELET, *President.*
H. G. STEEL, *Secretary.*

—

HAINES, ALASKA, *August 14, 1914.*

Hon. JAMES WICKERSHAM,
Delegate from Alaska, Washington, D. C.

DEAR SIR: By instructions of the chamber of commerce I have on this date wired the Hon. Franklin K. Lane as follows:

"Request Alaska coal fields open; British Columbia supply liable cut off; good chance Alaskans establish market."

And, further, we wrote the honorable Secretary as follows:

"We believe that should the British Columbia supply be suspended that the development of Alaska would be very much retarded; and, further, that now is a splendid time for the Alaskan coal miner to establish a market for his product."

We hope that you gentlemen in Congress will find some way in relieving the threatened situation.

Very respectfully,

THE HAINES CHAMBER OF COMMERCE,
By HENRY P. M. BIRKINBINE, *Secretary.*

Mr. BURKE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. WICKERSHAM. Yes.

Mr. BURKE of South Dakota. What has been the condition with reference to individuals who may have attempted to help themselves to any of this coal for local use?

Mr. WICKERSHAM. Oh, they have been threatened with arrest and have not been allowed to mine coal because it is said to be in violation of the law. Now, if the committee will bear with me for a few minutes I want to talk about an amendment which I desire to have inserted in this bill. I want an amendment put in this bill, if I can get it, and the chairman of the committee thinks substantially it can be done, which is a copy of section 11 of the Adamson power bill. That bill has passed this House, and the clause which I wish to offer as an amendment to the Alaska coal bill is substantially copied from section 11 of the Adamson bill.

Mr. BURKE of South Dakota. Where does the gentleman want to put it?

Mr. WICKERSHAM. At any appropriate place.

Section 11 of the Adamson bill as it passed this House, and which I wish to add to the bill now under consideration as an amendment thereto, reads:

SEC. 11. That in all cases where the electric current generated from or by any of the projects provided for in this act, including leases under section 14 hereof, shall enter into interstate or foreign commerce, the rates, charges, and service for the same to the consumers thereof shall be just and reasonable, and every unjust and unreasonable and unduly discriminatory charge, rate, or service therefor is hereby prohibited and declared to be illegal; and whenever the Secretary of War shall be of the opinion that the rates or charges demanded or collected on the service rendered for such electric current are unjust, unreasonable, or unduly discriminatory, upon complaint made therefor and full hearing thereon, the Secretary of War is hereby authorized and empowered to determine and prescribe what shall be the just and reasonable rates and charges therefor to be observed as the maximum to be charged and the service to be rendered; and in case of the violation of any such order of the Secretary of War the provisions of this act relative to forfeiture and failure to comply shall apply.

Mr. MADDEN. Will the gentleman yield there?

Mr. WICKERSHAM. Yes.

Mr. MADDEN. Is it proposed to introduce an amendment to this bill which, if it passes, proposes to regulate the price of power created by the use of coal that is mined by private individuals and conveyed a distance from the mines?

Mr. WICKERSHAM. No; this relates to the price of the coal mined by the lessees upon Government coal lands.

Mr. MADDEN. That will affect the current?

Mr. WICKERSHAM. No; it will affect only the coal on these coal leases.

Mr. MADDEN. Does the gentleman believe that the Secretary of the Interior ought to have the power to fix the price that the man who mines coal shall pay the Government and then fix the price at which the coal shall be sold to the private consumer?

Mr. WICKERSHAM. Yes. I feel very strongly that the House ought to permit me to move an amendment to the bill that is substantially the same as one which has received the approval of the House. I refer to the Adamson bill, which is now before the Senate with the approval of this House. I have read the section, which I wish to add as an amendment, from the bill as it is in the Senate and which has had the approval of this House.

Mr. MADDEN. I want to say to the gentleman that it is my deliberate judgment that if any such amendment goes into this bill there never will be an acre of this coal land developed. No man living would invest his capital in the development of the coal fields and mine coal under a Government lease with the Government controlling not only the price that he shall pay for the coal that he mines but which controls the price of the coal which he sells.

Mr. WICKERSHAM. That is exactly what the House put in the Adamson power bill.

Mr. MADDEN. But we did not develop coal, the water is coming down continually——

Mr. WICKERSHAM. But you are leasing the Government power property, you are charging the lessee a royalty on the power, and then you are controlling the price, exactly what I want to do in this Alaska coal-leasing bill.

Mr. MADDEN. That bill has not yet passed.

Mr. WICKERSHAM. It passed this House.

Mr. MADDEN. It did not pass me.

Mr. WICKERSHAM. But it passed this House. Now, in H. R. 16673, or the Ferris power bill, applying to all the public lands in the United States, is a similar provision. Section 3 of that bill provides:

SEC. 3. That in case of the development, generation, transmission, and use of power or energy under such a lease in a Territory, or in two or more States, the regulation and control of service and of charges for service to consumers and of the issuance of stock and bonds by the lessee is hereby conferred upon the Secretary of the Interior or committed to such body as may be provided by Federal statute: *Provided*, That the physical combination of plants or lines for the generation, distribution, and use of power or energy under this act or under leases given hereunder may be permitted, in the discretion of the Secretary, but combinations, agreements, arrangements, or understandings, express or implied, to limit the output of electrical energy, to restrain trade with foreign nations or between two or more States or within any one State, or to fix, maintain, or increase prices for electrical energy or service are hereby forbidden.

That is substantially the same provision that was in the Adamson bill, which has already passed the House and is now pending before the Senate. Some time ago Senator NELSON introduced a bill on the other side of this Capitol, drafted in the departments and which was one of a series known as the Taft conservation bills, substantially in accord with the bill now before this House. In that bill, S. 9055, in section 10, was this provision, and I read it not because the bill ever passed but because it had the approval of President Taft and of his administration, and was introduced in the Senate as one of the administration bills. Section 10 reads:

That the Interstate Commerce Commission is hereby empowered, upon its own initiative or upon the complaint of an aggrieved party, after due hearing, to pass upon and determine and prescribe the present and future rates at which coal mined on the leased premises shall be sold by any lessee under this act in the same manner and to the same extent as in the case of transportation rates of common carriers under the provisions of an act entitled "An act to regulate commerce"—

And so forth.

Now, that is substantially what I want here.

Mr. MADDEN. If I may interrupt the gentleman——

The CHAIRMAN. Does the gentleman from Alaska yield to the gentleman from Illinois?

Mr. WICKERSHAM. Yes.

Mr. MADDEN. I just want to say, that although these bills may have been written and may have been introduced, none of them has ever become the law, and I venture to say that if any such bill ever does become law that you will be dead long before they develop any coal mines in Alaska.

Mr. WICKERSHAM. Now, Mr. Chairman, the bill before the House and all bills of this kind have been drafted substantially after the model of the Canadian law, and I want to call the attention of the House to the Canadian law upon this particular question. I read from the "Coal Mining Regulations," printed by the Government Printing Bureau in 1910 in Ottawa, page 9:

13. All leases of coal-mining rights issued under these regulations shall be subject to the provision that actual settlers shall be entitled to buy at the pit's mouth whatever coal they may require for their own use, but not for barter or sale, at a price not to exceed $1.75 per ton, and the lease issued for coal rights shall be made subject to such provision.

Now, while that is not a reservation or a control of the price, it is the fixing of the price at which the settlers in that country may buy at the pit mouth, namely, $1.75 a ton. It is another way of controlling the price, and I call the attention of the House to that purpose.

Now, when the Adamson bill was before the House the other day, the leader of the majority of this House, Mr. UNDERWOOD, made a speech on this question which is a classic, and I commend it to my friend from Illinois. I am going to read a very brief portion of it, because it is full of common sense and it goes right to the point in this case. Congress ought not to pass an act giving the lessee a low rate of royalty and the contract right to charge any extortionate price he pleases. The theory of this bill is that the consumer is to have cheap coal, and that he can not have without the lessor, the United States, reserves some power to see that the consumer gets it.

Mr. MADDEN. The gentleman would assume that there is no contradiction of that?

Mr. WICKERSHAM. I certainly would. Listen to what the gentleman from Alabama said when the Adamson bill was under consideration.

Mr. MADDEN. I do not always believe what the gentleman from Alabama says.

Mr. WICKERSHAM. It is as clear as sunlight. On page 14175 of the RECORD of July 30, 1914, Mr. UNDERWOOD said this, and I hope the House will listen to it:

Then, what are the people interested in—your constituents and mine? They are primarily interested in but two things, in my judgment. One is that at the end of a fixed period the Government may again put its hand on the proposition and reconstruct it. The other is that during the life of that franchise they may receive the power generated by the plant at a fair and reasonable rate, and that is all they are interested in, because if they get their service at a fair price it is a matter of little concern to them who owns the dam and who controls it. Now, that being so, both those propositions are in the bill without a contest. If the American people can get capital to develop the water power, to furnish them light and heat, to create factories and foundries and employ labor; if they are assured that at the end of the fixed period they may recapture the franchise and readjust the conditions, and if during that period there is a fair and reasonable regulation of the price by public authority, I contend that it is not necessary to go further.

Mr. MADDEN. I want to say to the gentleman that he was against the provision of the bill that the gentleman from Alaska is now advocating. Mr. UNDERWOOD was opposed to the bill.

Mr. WICKERSHAM. Not against what I suggest. He made a good argument in favor of the point I want. Let me read more:

I will say to the gentleman from Maryland that the present law fixes the date at 50 years; and, more than that, this bill puts into the law of the land what is not in the law of the land to-day, and that is the right of regulating the price. Now, that is what the people of the United States are interested in. You may say that the price is not going to be properly regulated. If you say that, why, we might as well abandon legislation and say that we can not legislate in the interests of the people. But if you admit what I believe will be the case—that a reasonable price will be fixed under this law—then the corporation can not amortize its investment, because that regulation will prevent it doing so, in view of the fact that it is going to be paid the fair value of the property at the end of this term, and it should not be allowed to do so.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FRENCH. I yield five minutes more to the gentleman.

Mr. OGLESBY. Would it not be better, for the sake of definiteness, so that the miner would know exactly what he could do with his coal in the way of profit, without having the Government come back later and change the price at which he should sell it, to make a lease to the man who will deliver it at the lowest rate at seaboard and pay the minimum price?

Mr. WICKERSHAM. That might be a good proposition.

Mr. OGLESBY. That would be by agreement, and he would know in advance the conditions under which he could operate.

Mr. WICKERSHAM. Here is what this Congress is proposing to do, to lease the coal lands in Alaska at a minimum price in royalty of not less than 2 cents per ton. The Senate bill, substantially the same as this, provides that there shall not be less than 2 nor more than 5 cents per ton. Now, the Government leases these lands at a minimum royalty. The bill provides for a contract of lease for an indeterminate term—perpetually—and the lessee enters under the contract signed by the United States, authorized by an act of Congress. The lessee is in possession under a contract authorized by Congress, which can not be changed for a long period of time. The contract as authorized by this bill will not even attempt to restrain or control the lessee in rates or prices, and he may charge the consumer all the traffic will bear.

Mr. BUTLER. The gentleman is informed, and I am not, but I would like to ask if that coal would be in competition with the coal here in the East?

Mr. WICKERSHAM. No; substantially not. Really there will be no competition, and the lessee may charge such extortionate rates as he pleases.

Mr. BUTLER. I thought the gentleman said that.

Mr. WICKERSHAM. What I said was that there will be no other competition than that which will arise from coal mined in the eastern part of the United States.

Mr. BUTLER. And that will be none?

Mr. WICKERSHAM. That will be none. The Alaska lessee can put up the price as high as he pleases. Congress will then have created a Government monopoly under Government ownership, under such terms that can not be modified or changed for the life of the contract. It is proposed to enact a law authorizing the United States to lease its coal lands at the minimum rate of royalty, ostensibly to give the consumer cheap coal, but it is also then proposed by this bill to contract with the lessee that he may fix the price of the coal to the consumer without condition or limit. Having a Government contract for an indeterminate period, which can not be changed or modified, and having

the lawful power to fix the rate without limit, a lessee will have a Government monopoly such as we have never yet been cursed with in America. The Government should not contract away its power to control excessive prices of the necessities of life, as is done with coal by this bill.

Mr. HUMPHREY of Washington. Mr. Chairman, will the gentleman yield?

Mr. WICKERSHAM. I will yield first to the gentleman from Illinois [Mr. MADDEN].

The CHAIRMAN. The gentleman from Alaska yields to the gentleman from Illinois.

Mr. MADDEN. There will be competition between the owners of the mines, will there not?

Mr. WICKERSHAM. I am not so sure about that.

Mr. MADDEN. Does not the gentleman know that the average rate of profit made by men who mine bituminous coal does not exceed and does not approach 5 cents a ton?

Mr. WICKERSHAM. That is true in the States of the East, where you have large areas of coal, but where, as there is in the Bering River coal fields, only a small area of 24 square miles, owned by one landlord—the United States—with one line of transportation to it——

Mr. MADDEN. I thought the Government was building a railroad there.

Mr. WICKERSHAM. The conditions are such that the Government ought to keep its finger on the rate, just as we do on the freight transportation by railroads.

Mr. PLATT. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Alaska yield to the gentleman from New York?

Mr. WICKERSHAM. Yes.

Mr. PLATT. What is the character of the British Columbia coal that is sold on the coast now? Is it not a high-grade coal?

Mr. WICKERSHAM. It is bituminous coal.

Mr. PLATT. It sells at from $14 to $20?

Mr. WICKERSHAM. Yes. The Government has paid as high as $28 a ton in some places for it.

Mr. PLATT. Can this Alaska coal be put down cheaply?

Mr. WICKERSHAM. Yes; at $2 a ton, not including the transportation.

Mr. PLATT. But it has got to be put down at the seaboard, has it not?

Mr. WICKERSHAM. Yes.

Mr. PLATT. You would not regard the British Columbia competition as a price regulator?

Mr. WICKERSHAM. No; not for the interior of Alaska. But in quality the British Columbia coal does not equal the Alaska coal.

Mr. HUMPHREY of Washington. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Alaska yield to the gentleman from Washington?

Mr. WICKERSHAM. Yes.

Mr. HUMPHREY of Washington. The gentleman is talking on a subject of great importance, and I have tried to follow him, but I may have missed some of his discussion. Does the Government propose to hold this coal field?

Mr. WICKERSHAM. Yes.

Mr. HUMPHREY of Washington. Does not the antitrust law extend to Alaska?

Mr. WICKERSHAM. Yes; the antitrust law has extended to all the country, but it is not effective and will have less effect when the United States has issued its contract of lease.

Mr. HUMPHREY of Washington. Does the gentleman believe there is danger of monopoly under conditions which he mentions, with the Government owning all the coal fields? How much will it reserve?

Mr. WICKERSHAM. Five thousand acres in each field, or 15,000 in the three fields.

Mr. HUMPHREY of Washington. Well, with the Government reserves and with our antitrust laws and public sentiment growing every day in favor of enforcing them, does the gentleman believe there is any danger of monopoly in the coal fields of Alaska?

Mr. WICKERSHAM. I am not talking so much about monopoly as about the question of price or excessive price.

Mr. HUMPHREY of Washington. The question of monopoly is the one I was interested in. So far as the price is concerned, if there is no monopoly the price will regulate itself, and the more you charge in the way of a lease that much more will eventually appear in the price.

Mr. WICKERSHAM. As it is now, the Government will charge them what it pleases. Mr. Chairman, the amendment I propose to offer to this bill, when I get an opportunity, is as follows:

That in all cases where the coal mined, extracted, or produced from any lands or mines leased under the provisions of this act shall be sold, exchanged, or stored in the Territory of Alaska or shall enter into interstate or foreign commerce the rates, prices, and charges for same to the consumers thereof shall be just and reasonable, and every unjust and unreasonable and unduly discriminatory rate, price, or charge therefor is hereby declared illegal, and whenever the Secretary of the Interior shall be of the opinion that the rates, prices, or charges demanded or collected for the sale, exchange, or storage of such coal are unjust, unreasonable, or unduly discriminatory, upon complaint made therefor and full hearing thereon the Secretary of the Interior is hereby authorized and empowered to determine and prescribe what shall be the just and reasonable rates, prices, or charges therefor to be observed as the maximum to be charged, and in case of the violation of any such order of the Secretary of the Interior the provisions of this act relative to forfeiture and failure to comply shall apply.

The CHAIRMAN. The time of the gentleman from Alaska has expired.

Mr. FRENCH. Mr. Chairman, I yield 30 minutes to the gentleman from Iowa [Mr. SCOTT].

The CHAIRMAN. The gentleman from Iowa [Mr. SCOTT] is recognized for 30 minutes.

Mr. SCOTT. Mr. Chairman, as I understand the rule under which the committee is proceeding, the ordinary privilege of debate is not accorded in the House as in Committee of the Whole House on the state of the Union. What I purpose to say has no more relevancy to the subject of the pending bill than the remarks of the gentleman from Texas [Mr. BURGESS], who addressed the committee a little while ago.

Mr. BUTLER. Why not ask unanimous consent?

Mr. SCOTT. I understand that the committee has no power to give unanimous consent; but I will say this, that if there is any gentleman here who objects to my addressing the House now upon a subject other than the bill, I hope he will interpose his objection now.

Mr. BUTLER. Mr. Chairman, I ask unanimous consent, inasmuch as the same privilege was accorded to the gentleman from Texas [Mr. BURGESS], that the gentleman from Iowa may speak on any subject he chooses.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. BUTLER] asks unanimous consent that the gentleman from Iowa [Mr. SCOTT] may proceed to the discussion of matters not pertaining to the subject matter of this bill. Is there objection?

Mr. DONOVAN. Mr. Chairman, reserving the right to object, does the gentleman from Iowa object to stating what the subject matter of his speech will be?

Mr. SCOTT. Not at all; and I want to say further that if there are those here who desire to proceed upon this bill strictly, I do not want to stand in the way of debate upon the bill. My subject will be the nine months' effects of the present revenue laws with respect to labor and agriculture.

Mr. DONOVAN. Mr. Chairman, we have not the right in committee to change the rule. The gentleman will have to get back in the House in order to do that.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

Mr. DONOVAN. Yes.

Mr. STAFFORD. Does not the gentleman think it ill becomes a gentleman on that side to raise an objection after we granted the privilege to the gentleman from Texas to make a 40-minute address on a political subject?

Mr. FERRIS. Mr. Chairman, will the gentleman yield?

Mr. DONOVAN. Yes.

Mr. FERRIS. The gentleman from Connecticut and myself are good friends, and the gentleman from Connecticut will recall that the other side not only agreed to a Member on our side using that time, but yielded half the time. Nobody is opposed to this bill.

Mr. DONOVAN. Mr. Chairman, if it is agreed to commence to read the bill at the conclusion of that 30 minutes, I will withdraw my objection.

Mr. HUMPHREY of Washington. All time has not expired for general debate yet.

Mr. STAFFORD. Reserving the right to object, Mr. Chairman, I would like to inquire of the gentleman from Idaho if there are other gentlemen desiring to speak on this side?

Mr. DONOVAN. Mr. Chairman, if I may be permitted, as I understand, there is no opposition to this bill.

Mr. FRENCH. Mr. Chairman, I have quite a number of gentlemen upon the list of those who desire to speak upon the bill. Some of them are not ready this evening, and I hope, under the circumstances, and especially in view of the courtesy which was extended to the gentleman from Texas [Mr. BURGESS], the gentleman from Connecticut will permit the gentleman from Iowa to proceed.

Mr. DONOVAN. Under the rules, Mr. Chairman, if nobody desires to speak, of course the Clerk must proceed with the reading of the bill. We have no right to change a rule that was made in the House. We are here in Committee of the Whole.

The CHAIRMAN. Is there objection?

Mr. DONOVAN. The Chair should adhere to the rule, and the rule requires debate on the subject matter only.

Mr. GOOD. Regular order, Mr. Chairman.

Mr. JOHNSON of Washington. I hope the gentleman will withdraw his objection.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none, and the gentleman from Iowa [Mr. SCOTT] is recognized for 30 minutes.

Mr. SCOTT. Mr. Chairman, less than a year and a half ago the Republican Party, yielding to the result of an election rather than to the will of the people, relinquished control of every department of the National Government to its Democratic opponent. The pluralities prevailing at the general election of 1912 were such as to relieve the situation of all doubt that the voters of the country, then as theretofore, were rigorously opposed to the principles and policies of the Democratic Party. The great Republican Party, after a career of more than half a century replete with achievements evidencing the highest capacity and fitness for popular government, divided over the nomination of a candidate for the Presidency. The events which led up to that division, and ultimately to a change of party control in the Government, originated in an unfortunate series of party controversies—the belated outcome of methods of party procedure which had become both antiquated and obnoxious. The conceded facts, the clear-cut contentions which marked the division of Republicans at Chicago in June, 1912, leave no question as to the ability and desire of substantially the entire membership of the Republican Party to meet upon common ground touching all essential party principles and policies. And with the Republicans of the country upon common ground, supporting the great fundamental principles of that party, no opportunity would exist for Democrats to subject the prosperity and happiness of the people to experiments with fallacious theories and misconceptions. [Applause.]

The leaders of the Democratic Party were not only conscious of this when they met at Baltimore, but so keenly did it impress them that they were constrained to give a warning note proclaiming the opportunity that was not likely to pass their way again. Mark the language of their platform:

> At this time, when the Republican Party after a generation of unlimited power in its control of the Federal Government is rent into factions, it is opportune to point to the record of accomplishments of the Democratic House of Representatives of the Sixty-second Congress.

At this time, when the Republican Party is rent into factions, it is opportune to put forth the oft-rejected policies so aptly typified by the emblem of the Democratic Party. What a flash of instinctive wisdom illuminated their prophetic minds when they saw their great adversary slipping from the throne of reason and following the impulses of passion and anger. But, Mr. Chairman, reason may be relied upon to claim her own. She is a chaste mistress and not often found in company with Democratic opportunity.

But opportunity was present, and our genial Democratic friends were not slow to take advantage of it. They promulgated a platform characteristic of its authors and true to their modern sophistical system of philosophy. The document dealt with many particulars; in fact, as many as seemed to afford points of contact with every dissatisfied element and to give opportunity for the advancement of every fallacious theory. On the whole, it might have been resolved into one general proposal to give everybody everything. It promised a commercial system which, if judged by the declarations of its exponents upon the stump and later in the halls of Congress, would make everything bought cheap and everything sold dear. It promised to materially reduce the cost of the necessaries of life to the consumer, and at the same time greatly enhance the prosperity of the producers of those commodities. It promised to throw open the markets of this country to the competition of the world without injuring any legitimate industry. It promised to increase the opportunity, remuneration, and prosperity of American labor by putting its product in competition with the product of the underpaid labor of every foreign nation. It promised to give increased prosperity to the American farmer, and at the same time give over his market to the unrestricted competition of the agricultural products of the new and cheap lands of Canada and Argentina and every other foreign country with a surplus. It affected sincerity when it promised to build up an American merchant marine and to put the American flag again upon the sea, to redeem our share of the commerce of the world for American bottoms, without imposing any additional burden on the people and without bounties or subsidies from the Public Treasury. And this notwithstanding the fact that every foreign nation now having substantial commerce on the sea pays a subsidy to its ships. It promised to administer the civil-service law honestly and rigidly, to the end that merit and ability should be the standard of appointment and promotion, with the implication, now verified by results, that every public station should be filled by a faithful Democrat. It promised a reduction in the number of offices and salaries, which, it was alleged, drained the substance of the people, but this Congress has created and is in process of creating more offices with higher salaries than any other Congress observed by the present generation. It denounced the profligate waste of money and lavish appropriations by recent Republican Congresses and demanded a return to that simplicity and economy which befits a Democratic government. This denouncement the Democratic Congress has followed by appropriating more money than was ever experienced before in the history of this country. It promised that the constitutional rights of American citizens should protect them on our borders and go with them throughout the world, and any American citizen residing or having property in any foreign country should be given protection both for himself and for his property. That promise, so far as our American citizens in Mexico are concerned, is yet to be fulfilled. It promised exemption from the payment of tolls of American ships engaged in the coastwise trade passing through the Panama Canal, a promise since repudiated under conditions which marked the action as one of "stupendous folly."

Denouncing the Republican policy of protection not merely as unwise and oppressive, but as unconstitutional, the Democrats once more declared for a policy of a revenue tariff as one not only calculated to relieve the people from oppression, but as one economically calculated to bring an enhanced and permanent prosperity. With a divided Republican Party the Democrats were successful at the election of 1912, notwithstanding their declaration of policies. They were to be given full control of every department of the Government at a time and under conditions which ought to prove the efficacy or inefficacy of the Democratic economic policy beyond every reasonable doubt. This country was never so strong, both industrially and financially, as it was at the time of the election of Woodrow Wilson to the Presidency and the present Democratic Congress in November, 1912. That year had marked the very apex of the prosperity of the American people. Never before had wealth been accumulated so rapidly in this country as during the four years preceding the present administration. At the time of the election in 1912 every industrial concern of the country was operating to its fullest capacity. All commodities were in demand at highly remunerative prices; labor of every class was more generally employed and at a higher standard of wages than ever before in the history of this or any other country. Our foreign commerce had been developed to a condition of greater volume, strength, and stability than we had ever before experienced. These were the conditions complained of by the adherents of the Democratic Party; these were the conditions which they promised to improve upon.

It is pertinent now to examine the record of occurrences which have transpired during the period of time since it became known that a change in the industrial policy of this country was about to take place. It is pertinent now to inquire whether conditions existing in 1912 have been improved upon as a result of Democratic legislation.

BALANCE OF TRADE.

I think it is universally recognized as a fundamental proposition that the individual or the country that constantly or habitually produces and sells more than it buys and consumes will grow prosperous and rich. The converse of the proposition is, necessarily, equally true.

For 16 years this country had enjoyed a balance of trade varying from over $400,000,000 to approximately $700,000,000 annually. The last year that we had experienced an adverse balance of trade followed the election of a Democratic President and a Democratic Congress 20 years before. During the month of November, 1912, which witnessed the success of the Democratic Party at the polls, we purchased abroad merchandise aggregating $153,094,898 and sold abroad merchandise aggregating $279,244,191, leaving a balance of trade in our favor for that month in the sum of $126,149,293.

Let us now see what became of this stupendous trade balance existing at the time of the defeat of the Republican Party. With the convening of Congress in December, 1912, a Democratic Ways and Means Committee promptly set about to prepare for the revision of the tariff. That committee pursued its work industriously during that entire session of Congress, and

with the close of the Sixty-second Congress and the inauguration of the present Executive, a special session of Congress was called with that end in view. The work was continued throughout the summer, which finally resulted in the passage of the Underwood bill. But no sooner had the election of 1912 passed and work upon the Underwood bill begun than a period of uncertainty and want of confidence became evident. Business was depressed and opportunity for labor became restricted. The output of factories was reduced, and this condition continued throughout the year.

The balance of trade so strong in November, 1912, began to decline until in November, 1913, it was reduced to $97,333,856. The Underwood law became generally effective October 4, 1913. Not all of its provisions, however, became effective at that date. Some of the provisions did not take effect until November 1; others on December 1; and still others, notably Schedule K, the wool schedule, on January 1, 1914. The reduced duties of the sugar schedule did not take effect until March 1, 1914, and the provision for free sugar will not take effect until May, 1916. Following the enactment of the Underwood law the country witnessed not only continued but increased business depression. The balance of trade continued to decline until in January, 1914, it was reduced to $49,713,394.

I have prepared and will ask leave to insert in the RECORD at this point a number of tables containing groups of figures showing the comparative increase of imports over exports and the decline in our balance of trade monthly since the Underwood law became in force. Speaking in round numbers, in January, as I have said, our balance was $49,000,000; in February that balance decreased to $23,000,000; in March, a further decrease to $4,000,000. In April our enormous balance of trade had entirely disappeared, and the record showed a balance against us for that month of more than $11,000,000. The balance of trade has continued against us month by month since that time.

Imports and exports balance, foreign trade, January to June, inclusive, 1914.

JANUARY.

Total imports of merchandise	$154,418,247
Total exports of merchandise	204,131,641
Balance in favor of United States	49,713,394

FEBRUARY.

Total imports of merchandise	147,973,376
Total exports of merchandise	171,605,138
Balance in favor of United States	23,631,762

MARCH.

Total imports of merchandise	182,762,954
Total exports of merchandise	187,499,234
Balance in favor of United States	4,736,280

APRIL.

Total imports of merchandise	173,896,476
Total exports of merchandise	162,550,870
Balance against United States	11,345,606

MAY.

Total imports of merchandise	164,209,515
Total exports of merchandise	161,732,619
Balance against United States	2,476,896

JUNE.

Total imports of merchandise	$157,772,973
Total exports of merchandise	157,119,451
Balance against United States	653,522

Total imports and exports for the years ending June 30, 1913 and 1914.

1913. Imports	$1,812,978,234	
1914. Imports	1,894,169,180	
Balance increase		$81,190,946
1913. Exports	2,465,884,140	
1914. Exports	2,364,626,555	
Balance decrease		101,257,594
Total decrease of foreign commerce		182,448,540

Total imports and exports, April, May, and June, 1913 and 1914.

APRIL.

1913. Imports	$146,195,280
1914. Imports	173,896,476
Increased imports, 1914	27,701,196
1913. Exports	199,815,538
1914. Exports	162,550,870
Decreased exports, 1914	37,264,668

MAY.

1913. Imports	$133,446,012
1914. Imports	164,209,515
Increased imports	30,763,503
1913. Exports	194,598,244
1914. Exports	161,732,619
Decreased exports	32,865,625

JUNE.

1913. Imports	131,215,877
1914. Imports	157,772,973
Increased imports	26,557,096
1913. Exports	163,404,916
1914. Exports	157,119,451
Decreased exports	6,285,465
Loss of commerce:	
April, 1914	64,965,864
May, 1914	63,629,128
June, 1914	32,842,561
Total loss, 3 months	161,437,553

It will be noted from these figures that the year ending June 30, 1914, as compared with the year 1913 showed an increase of imports of more than $81,000,000 combined with a decrease of exports of more than $101,000,000, thus indicating a total loss of commerce of more than $182,000,000, notwithstanding the fact that the Underwood law had been in force only three-fourths of that time, and as to certain schedules only one-half that time. It is further significant to note that of this $182,000,000 loss in foreign trade about $161,500,000 occurred during the months of April, May, and June of this year.

Mr. COOPER. Will the gentleman permit an interruption?

Mr. SCOTT. Yes.

Mr. COOPER. Those three months were before there was any war in Europe or any thought of war, were they not?

Mr. SCOTT. Yes.

This stupendous decrease in the volume of our foreign trade and the adverse balance do not, however, indicate the entire significance of the effect of the present tariff law. Its effect upon the volume of our trade is important, but even more so is its effect upon particular classes of imports and exports. Foreign trade is sensitive, and will invariably follow the line of least resistance. This being true, the revenue-tariff system in general, and the present law in particular, is calculated to affect injuriously two great classes of our citizens more than any others. The wage-earning classes and the agricultural classes are the direct recipients of the shock of this adverse balance of trade.

LABOR.

The American laboring man now witnesses the product of his labor offered and sold to the consumers of his own country in direct competition with like and competing commodities produced in Europe and elsewhere abroad as a result of labor which receives a wage varying from 25 to 50 per cent of the wage which he receives. Not only this, but he sees the product of his labor brought in direct competition with the product of classes of labor in Europe and elsewhere which, under the laws of this country, he is no longer required to meet to any considerable extent here. Into our ports from abroad is coming the product of child labor, underpaid female labor, pauper labor, and prison labor of Europe and Asia. True, we have undertaken to exclude a portion of these products, but experience demonstrates that such legal provisions are practically futile. There is no way by which the man in the customhouse in an American port can determine what class of labor entered into the production and manufacture of the merchandise offered for entry.

I invite the attention of the House to a few statistics taken from the Summary of Commerce and Finance, issued by the Department of Commerce. I do this in order that Members may see upon what classes of our productions foreign competition impinges most directly and strongly. Comparing the period of January to June, inclusive, 1913, with 1914 the statistics show with respect to the free list that imports of foodstuffs and food animals in crude condition increased from $80,000,000, in round numbers, to $102,000,000, 27 per cent; that imports of foodstuffs partly and wholly manufactured increased from $3,954,000 to more than $24,570,000, 500 per cent; that imports of manufactures for further use in manufacturing—the American manufacturers' material—increased from $91,000,000 to $102,000,000, or only 12 per cent; while manufactures ready for consumption increased from $32,000,000 to $60,000,000, or 90 per cent.

Imports ready for consumption compared with imports of raw and partially manufactured material.

Groups.	January to June (inclusive)— 1913	1914
IMPORTS.		
Free.		
Crude materials for use in manufacturing	$254,502,479	$306,563,520
Foodstuffs in crude condition and food animals	80,880,007	102,258,164
Foodstuffs partly or wholly manufactured	3,954,236	21,570,335
Manufactures for further use in manufacturing	91,200,700	102,682,979
Manufactures ready for consumption	32,287,580	60,796,261
Miscellaneous	4,465,892	6,009,320
Total	467,350,894	602,880,579
Dutiable.		
Crude materials for use in manufacturing	64,673,193	39,903,792
Foodstuffs in crude condition and food animals	15,563,434	21,178,021
Foodstuffs partly or wholly manufactured	98,305,796	106,729,295
Manufactures for further use in manufacturing	89,532,576	52,480,383
Manufactures ready for consumption	147,432,377	155,337,281
Miscellaneous	1,728,631	2,190,737
Total	417,236,007	377,909,509
EXPORTS.		
Crude materials for use in manufacturing	281,324,170	205,661,782
Foodstuffs in crude condition and food animals	84,306,956	52,258,300
Foodstuffs partly or wholly manufactured	165,755,200	134,103,734
Manufactures for further use in manufacturing	307,026,442	184,901,922
Manufactures ready for consumption	403,007,989	347,052,199
Miscellaneous	4,896,320	3,801,327
Total	1,246,317,077	1,027,779,264

The comparative increase of importations of dutiable articles is not so great as those upon the free list. Analysis of these increases clearly indicates that the provisions of the law as framed and the duties as laid are calculated to permit importation into this country foreign products freely or with some restriction as the particular product may or may not embody a large per cent of labor. In other words, the manufactures ready for consumption, and which contain the full complement of cheap foreign labor, come to our ports more freely and increase at a greater ratio than partially manufactured products which contain a smaller amount of labor.

The reason for this is clear. The product of the foreign factory imported into this country represents in value about 10 to 15 per cent of so-called raw material and about 85 to 90 per cent of labor, measured by the American standard. The finished product when imported must be sold in the American market in competition with like commodities produced here and at the same price. The American standard of wage varies from two to five or six times that of the foreign wage. The man abroad who has entirely completed his product with cheap labor can pay transportation and meet American competition more effectually than the man who has only partially completed it, for the latter's product must be finished ready for consumption with American labor paid at the higher rate. The result of this economic law is that the foreigner with a completed product ready for consumption seeks our market more readily than any other, for he receives in his profit the full difference of the labor price, while the man with the partially manufactured product receives only a part. This result is fully substantiated by our experience under the present law. Under that law imports of partially manufactured articles increased only about 12 per cent, while imports of wholly manufactured articles increased about 90 per cent. The increase, however, whether in the greater or lesser degree, deprived American labor of just that much work.

In our loss of foreign trade during the last year, amounting to more than $182,000,000, approximately $165,000,000 in wages was lost to the laboring men of this country. The old contention that American labor is reimbursed for this loss by the export of his domestic product can not be urged in this case, for our imports have not only increased, but our exports have decreased. The foreigner seems to have gotten the advantage both coming and going. This fully explains the phenomenon of more than 3,000,000 laboring men being out of employment in this country during a considerable portion of the past year.

Let us suppose the relaxation of our immigration laws to such an extent as would permit the bringing in of foreign contract labor sufficient to permit that labor, working for the wages which it now receives abroad, to produce in this country products aggregating $161,000,000 within the space of three months. With what equanimity do you think the American laboring man would look upon such a policy? With what satisfaction do you think he would enjoy that kind of competition? To ask these questions is to answer them. Such a condition would not be tolerated. But how much better is it for the American laboring man to have the same amount of product made abroad brought free into the American market and offered in competition with his product? The only difference is that in the first case the poorly paid imported foreign labor would spend a portion or all of their money here, and in the second instance all of their wages would be spent abroad. We prohibit the direct importation of foreign cheap contract labor as a protection to our own wage earners. Why should we not at least reasonably restrict the importation of the product of cheap foreign labor when it results in competition equally severe?

In order to illustrate the kind of competition that American labor is facing under a policy of free importation of the product of foreign labor, I ask leave to insert a number of tables of statistics showing the comparative wages received by American and foreign workmen in the various trades and arts.

GENERAL TRADES.

Predominant range of weekly wages in certain occupations in specified industries, by countries, reported by the Bureau of Labor in March, 1911.

[Compiled from reports of an inquiry by the board of trade into working-class rents, housing, and retail prices, together with rates of wages in certain occupations in the principal industrial towns of the United Kingdom, 1908; Germany, 1908; France, 1909; Belgium, 1910; United States, 1911.]

Countries.	Building trades. Bricklayers.	Stonemasons.	Carpenters.	Joiners.
England and Wales (excluding London)	$9.12–$9.85	$9.04–$9.57	$8.80–$9.57	$8.80–$9.57
Germany (excluding Berlin)	[1] 6.55– 7.60	(2)	6.55– 7.60	.....
France	5.25– 7.02	5.25– 7.02	5.84– 7.36	5.78– 6.43
Belgium	[1] 5.05– 5.84	(2)	4.31– 6.14	4.97– 5.70
United States	26.77–30.42	23.42–26.77	16.73–21.90	16.73–21.90

Countries.	Building trades. Plasterers.	Plumbers.	Painters.	Hod carriers and bricklayers' laborers.
England and Wales (excluding London)	$8.88–$10.14	$8.60–$9.67	$7.66–$9.12	$5.92–$6.57
Germany (excluding Berlin)	.....	5.84– 6.93	5.84– 7.22	4.74– 5.84
France	5.78– 7.06	5.84– 7.02	5.21– 6.43	3.85– 4.83
Belgium	5.01– 5.96	4.91– 5.70	4.56– 5.25	3.65– 4.38
United States	24.33– 29.00	21.29–27.37	15.82–20.68	12.17–16.73

Countries.	Engineering trades. Fitters.	Turners.	Smiths.	Pattern makers.
England and Wales (excluding London)	$7.79–$8.76	$7.79–$8.76	$7.79–$8.76	$8.27–$9.25
Germany (excluding Berlin)	6.33– 7.79	6.57– 8.03	6.93– 8.03	6.20– 7.30
France	5.84– 7.02	5.84– 7.42	6.12– 7.73	6.20– 7.24
Belgium	4.81– 5.56	4.99– 5.92	4.89– 5.96	4.77– 5.84
United States	15.41–18.13	15.41–18.13	16.47–20.76	18.13–22.30

Countries.	Engineering trades. Laborers.	Printing trade: Hand compositors (job work).
England and Wales (excluding London)	$4.38–$5.35	$6.81–$8.03
Germany (excluding Berlin)	4.38– 5.35	6.02– 6.31
France	3.79– 4.66	5.56– 7.02
Belgium	3.14– 3.95	4.68– 5.56
United States	9.12–10.65	16.73–19.77

[1] Including stonemasons. [2] Included in bricklayers.

ARMS AND AMMUNITION.

Statement showing comparison of wages paid in Belgium and the United States in the manufacture of firearms and ammuni-

tion, furnished Congressman GOOD, of Iowa, in April, 1914, by the Chief of Ordnance of the United States Army:

Designation.	Belgium.	United States.[1]
	Per hour.	*Per hour.*
Drop forger	$0.08 to $0.13	$0.37½ to $0.50
Barrel rolling	.08 to .13	.34⅜
Forging	.08 to .13	[2]
Power milling (miller)	.08 to .13	.25 and .28⅛
Hand milling	.07 to .12	.25 and .28⅛
Profiling	.07 to .13	.31¼ to .37½
Drilling	.05 to .06	.31¼
Tapping	.05 to .06	.31¼ to .37½
Shaving	.07 to .13	.31¼ to .34⅜
Polishing	.05 to .10	.32½ to .37½
Filing	.09 to .13	.31¼ to .37½
Woodworker (machinery):		
Stock turning and drilling	.07 to .09	.31¼ to .40⅝
Stock sanding and polishing	.10 to .14	.31¼ to .40⅝
Assembling, etc	.09 to .14	.31¼ to .37½
Toolmakers	.10 to .16	.40⅝ to .46⅞
Machinists	.10 to .16	.37½ to .43⅞
Packers	.06 to .10	.28⅛ to .28⅛
Common laborers	.06 to .10	.25
Draftsmen	[3]25.00 to 80.00	[4]83.33 to 100.00

[1] Rates taken from Springfield Armory. All male employees in United States. A large majority of these employees work on piecework, and make from 10 to 20 per cent more than day wages.
[2] See drop forger.
[3] Per month.
[4] Per month. Some of the arsenals employ a larger number of draftsmen than others, and the rate of pay extends to $183.33 per month.

Comparison of wages paid in Belgium and United States in the manufacture of ammunition.

Designation.	Belgium.	United States.[1]
	Per hour.	*Per hour.*
Machine operators (women)	$0.05 to $0.07	$0.14½ to $0.19
Automachine tenders	.12 to .16	.40⅝
Machinists	.12 to .16	.31¼ to .50
Toolmakers	.12 to .16	.34⅜ to .47
Helpers	.05 to .09	.25
Carpenters	.07 to .10	.37½ to .40
Electricians	.07 to .10	.31¼ to .53
Steam fitters	.07 to .10	.31¼ to .34⅜
Draftsmen	[2]25.00 to 80.00	[2]75.00 to 166.67

[1] Rates taken from Frankford Arsenal. [2] Per month.

Proportion of males and females employed: 400 men to 100 women in United States. A large majority of these employees work on piecework and make from 10 to 20 per cent more than day wages.

TEXTILE WORKERS.

(Alpaca, cotton, wool.)

Comparative list of wages paid in Bradford, England, and United States of America on March 1, 1913.

[These figures are supplied by combers, spinners, and manufacturers of mohair and alpaca, who make identically the same classes of goods on the same classes of machinery, running at the same speed in both countries. The hours of labor in England are 55½ and in the United States of America 56 per week. One-half penny to equal 1 cent.]

	England, Bradford wages.	United States, Greystone wages.	Approximate percentage of persons employed in each department.
			Per cent.
Wool-sorting room: Sorters	$2.40	$4.37	3½
Combing room:			
Combers and carders—			
Males	4.68	8.60	10
Females	3.36	7.50	
Fixers	8.16	18.25–19.35	
Drawing room:			
Drawers, females	3.00	7.50	7½
Twisters, females	2.92	7.50	
Warpers, females	3.48	8.60	
Spinning room:			
Spinners—			
Short spools, 160 spindles	2.28	5.35	25½
Long spools, 160 spindles	2.40	6.45	
Short spools, 240 spindles	2.76	6.45	
Long spools, 240 spindles	2.88	7.50	
Short spools, 320 spindles	3.24	7.50	
Long spools, 320 spindles	3.36	8.60	
Doffers	2.28	5.35	
Weaving room:			
50 picks per inch in cloth	.48	1.49	28
60 picks per inch in cloth	.58	1.81	
70 picks per inch in cloth	.68	2.11	
80 picks per inch in cloth	.78	2.41	
90 picks per inch in cloth	.88	2.71	
100 picks per inch in cloth	.98	3.01	
Loom fixers	8.64	17.20	5
Percher	6.24	12.00	
Menders	3.84	10.75–11.30	

Comparative list of wages paid in Bradford, England, and United States of America on March 1, 1913—Continued.

	England, Bradford wages.	United States, Greystone wages.	Approximate percentage of persons employed in each department.
			Per cent.
Power plant:			
Firemen	$6.00	$12.50	7½
Watchmen	6.00	15.00	
Engine tenders	6.72	13.50–15.60	
Greasers	5.04	12.50	
Elevator attendants	3.84–4.32	9.65	
Mechanics	7.92–8.40	16.10–17.20	
Blacksmith	7.92	17.20	
Carpenters	6.72–8.16	16.10–17.20	
Yarn scouring, beaming, etc	4.56	10.00	5½
Apprentices:			
First year	1.92	6.50	
Second year	2.40	7.50	
Third year	2.88	9.00	
Fourth year	3.36	10.50	

GREYSTONE, R. I., *April 23, 1913.*

COTTON.

Wages per week.

[Comparing the United States with European countries.]

	Hours per week.	Highest.	Lowest.	Average.
MALE.				
United States	54 to 58	$21.00	$5.50	$9.50
Scotland	49	12.97	3.89	5.36
England	55	14.55	3.88	7.76
Italy	58	11.58	.98	2.80
Spain	63½	8.67	1.38	3.86
Russia	60	5.58	1.78	3.65
Russia, Maritime Provinces	66½	7.72	1.95	3.43
Russia, Poland	64½	7.86	1.78	3.55
Belgium	66	6.78	.79	2.83
Switzerland	58	8.52	4.22	4.78
Germany	58½	14.00	1.82	3.87
Austria	57	9.88	3.40	4.39
Hungary	60	10.42	1.30	3.91
Japan, skilled	66	3.00		
Japan, unskilled	66	1.70	.75	
FEMALE.				
United States	54 to 58	12.50	5.00	8.50
Scotland	49	5.83	1.52	3.05
England	55	7.66	1.70	3.46
Italy	58	3.47	1.15	1.59
Spain	63½	4.51	1.04	2.43
Russia	60	3.93	1.58	2.54
Russia, Maritime Provinces	66½	2.96	1.40	2.29
Russia, Poland	64½	3.43	1.53	2.29
Belgium	66	3.25	.74	2.07
Switzerland	58	3.90	1.93	2.74
Germany	58½	4.98	1.18	2.43
Austria	57	5.28	1.53	3.25
Hungary	60	2.83	.65	1.81
Japan	66	1.00	.60	

Wages paid for a 54-hour working week (9-hour day).

[Figures compiled by California Cotton Mills Co., of Oakland, Cal.]

	United States.	Great Britain.	France.	Germany.	Switzerland.	India.	Japan.
Textile machinists	$16.50	$8.75	$6.50	$6.00	$5.50	$3.10	$2.75
Cotton spinners	12.50	6.20	3.95	3.80	3.50	2.75	2.10
Cotton weavers	13.50	7.20	4.10	4.00	4.00	3.00	2.75

WOOL.

Comparative wages in American and English woolen mills.

[From the report of the Tariff Board on Schedule K, Table 47.]

Occupation.	Sex.	Average full-time earnings of 55.6 hours.		Excess, United States over Great Britain.
		United States average weekly earnings.	United Kingdom average weekly earnings.	
				Per cent.
Wool sorter	Male	$12.38	$7.22	71.5
Do	do	13.42	7.71	74.1
Do	Female	9.71		
Do	do	11.19		
Wool washers, scourers, driers	Male	8.21	4.93	66.5
Do	do		6.04	

Comparative wages in American and English woolen mills—Continued.

Occupation.	Sex.	Average full-time earnings of 55.6 hours.		Excess, United States over Great Britain.
		United States average weekly earnings.	United Kingdom average weekly earnings.	
				Per cent.
Card strippers and tenders	Male	$7.81	$5.45	43.3
Comb tenders	do	7.85	4.26	74.3
Do	Female	6.52	3.00	117.3
Backwash and gill-box minders	Male	6.73		
Do	Female	5.84	2.83	106.4
Drawing-frame tender	Male	6.80		
Do	do	8.39		
Do	Female	6.21	2.68	131.7
Do	do	6.79	3.41	99.1
Wool spinners (mule)	Male	10.40	5.98	73.9
Do	do	11.75	7.93	48.2
Warp dressers	do	12.94	6.53	98.2
Do	do	14.12	7.91	78.5
Worsted frame spinners	do	7.40		
Do	Female	6.40	2.25	184.
Do	do	6.46		
Reelers	do	5.46	2.94	85.7
Do0	do	6.93	3.56	94.7
Winders	Male	7.13		
Do	do	7.75		
Do	Female	5.53	2.66	107.9
Do	do	7.08	3.35	111.3
Woolen weavers	Male	10.63	6.21	71.2
Do	Female	10.54	3.83	175.2
Worsted weavers	Male	12.36	6.12	102.0
Do	Female	9.55	3.59	166.0
Burlers	do	5.15	3.20	92.2
Do	do	7.12	3.51	102.8
Menders	do	7.77	3.63	114.0
Do	do	9.19	4.30	112.2
General laborers	Male	8.21	4.74	73.2

LEATHER—SHOE INDUSTRY.

[Figures taken from data compiled by Menzies Shoe Co., Detroit, Mich., and secured by them from Government reports by the Department of Commerce and Labor.]

	United States, per week.	United Kingdom, per week.
Cut sole leather, dieing-out machine, skilled	$14.00	$7.29
Cut sole leather, dieing-out machine, unskilled	9.00	2.92
Foreman, sole leather stock fitting	20.00	9.73
Miscellaneous unskilled work, boy	7.00	2.43
Pull over, Rex machine	13.50	7.29
Operate consolidated lasting machine	15.00	10.22
Operate Rex rotary pounder	11.00	7.29
Tack on outer soles	12.00	7.29
Operate standard screw machine	16.00	8.50
McKay sew	15.00	8.51
Level, Hercules	12.00	8.51
Total	145.00	79.98
Ratio, per cent	100	55

MINING.

Wages paid in Idaho and Mexico.

	Coeur d'Alene, Idaho	Mexico.
Miners	$3.50 to $4.00	$0.75
Muckers	3.00 to 3.50	.50
Laborers	3.00 to 3.50	.50
Timbermen	3.50 to 4.00	$0.75 to 1.00
Pumpmen	4.00	1.00
Engineers	4.50 to 5.00	1.00
Shift bosses	5.00 to 6.00	
Track and pipe men	3.50 to 4.00	1.00
Blacksmiths	4.00 to 5.00	1.00 to 1.25
Blacksmiths' helpers	3.50 to 4.00	.75
Machinists	4.50 to 5.00	1.00
Millmen	3.50 to 4.00	.65

Average, Coeur d'Alene, $3.60; day's work, 8 hours. Average, Mexico, 80 cents; day's work, 10 to 12 hours.

One of the last acts of the last Republican administration was the approval by President Taft, on March 4, 1913, of the law establishing a Department of Labor and making its chief officer a member of the President's Cabinet, under the designation of Secretary of Labor. That department took over the old Bureau of Labor from the Department of Commerce and Labor, created by the Republican Party more than 10 years before. The function of this department is accumulating information, both in this country and abroad, which may be valuable both in the framing of legislation and keeping those engaged in the various occupations of the country in touch with world conditions. In other words, this department of the Government means protection to American labor. It has always been the policy of the Republican Party to protect labor. This has been accomplished by the maintenance of laws restricting and regulating immigration and prohibiting the bringing in of foreign contract labor. In this way American labor has been relieved in large measure from unfair and oppressive competition. The Republican Party, recognizing that unfair competition was oppressive to the laboring classes of this country, has barred the way to that competition without regard to the particular form under which it might appear. The tendency of unfair and oppressive labor competition is to reduce wages and minimize opportunity for employment. It is immaterial whether we bring in the alien laborer under contract to perform the service here or whether we permit him to perform that service and bring into our market without restriction the product of his labor. The result in either case is the same. The Republican Party has therefore stood for policies which restricted the bringing in of products the result of cheap labor abroad. Men may say that the bringing into this country of two hundred or three hundred million dollars' worth of foreign products ready for consumption tends to reduce the cost of living by cheapening that product; but before that argument will be accepted as sufficient they must prove that the 90 to 95 per cent of cheap foreign labor that enters into that product has no influence upon the standard of wages of American workmen or the amount of work available for them in this country.

TARIFF AND THE FARMER.

I have pointed out what, in my opinion, is the effect of the Democratic system of levying import duties and the tendency of the existing tariff law in its effect upon the wage earners of the country. Pursuing another phase of this, to my mind, fallacious system, I ask the attention of the House while I advert to its effect upon the other great class of our citizens to which I have referred. There are now estimated to be more than six and a half million farms in the United States. Upon these farms reside and are employed approximately 30,000,000 of our people. These people have invested in farm property more than $45,000,000,000. These farms produce annually commodities approximating $10,000,000,000 in value. The possibilities of increased cultivation and production of our agricultural lands is beyond any safe conjecture.

If there is, or has been, any doubt that the happiness, prosperity, and safety of the whole American people rests upon the prosperity and material wealth of the American farmer, that doubt ought to be effectually dispelled by the evident peril of hunger and starvation which now confronts the warring nations of Europe.

If the farmers of this country are to be strong and prosperous, they must not only have means of production and transportation but they must have markets—constant, sure, and dependable markets. And the most dependable market which the American farmer can have is the market which the needs and desires of 100,000,000 active, busy American people create. The market abroad is of course desirable; it permits us to dispose of our surplus and augments our national wealth; and we should be always prepared to redeem our share of its advantages. But the foreign market is not constant and our competition is ever increasing. If we permit our home market to languish, or by glutting it with foreign product discourage and render unprofitable the pursuit of agriculture at home, we weaken that great industry, we diminish that essential national resource, and we imperil the prosperity of the entire country. Give the American farmer his own market and he will by the streugth of his own industry take care of himself in the markets of those countries that have less than enough.

It is a fallacious theory that you advance when you say that when our surplus is small by reason of poor crop or calamitous epidemic that the grain and meat product of foreign countries should be without restriction thrown upon our markets to beat down the price of the husbandman's meager store. The farmer is entitled to the poor advantage of the incident of the lean year. He has devoted the full measure of toil. He has incurred the full measure of expense. He has sustained the loss of the yield or the herd's increase. Would you still further oppress him by defeating the profit upon the little that remains? He does not do so with you who manufacture and produce the things which he has to buy. When the supply is short, he pays the price. It will not do to say that you have also cleared his way to the foreign market, for it has now been demonstrated

that the importer and the middleman absorb the difference before it reaches him.

I said there were six and a half million farms in this country. But groups of figures invoke small conception of the significance of this fact. And I fear that we of this period too often obscure our appreciation not only of what these farms have cost, but of their great influence in the development of the country. These farms represent the life labor of all the generations in the different agricultural sections of the country. Their present value no longer bears any approximate relation to virgin soil either here or elsewhere. They have become the improved and developed equipment of a great modern people. Not only that, but they have equipped and developed themselves and the country. Upon agriculture was imposed the great burden of netting our country with railways, and the product of the farm and the commodities consumed by the farmer and those dependent upon him have contributed more to their maintenance and development than any other phase of our industrial life. Upon the farmer has been imposed the burden of building the stupendous grain, stock, and meat market facilities of the country. Many hundreds of millions of dollars have been absorbed from the farmer's product to build the vast elevator storage systems; stockyards, large and small, packing houses, and meat-storage plants, all in the last analysis have been made a charge upon agriculture. I know there are those who will dispute this and say that the cost has been passed along to the ultimate consumer. This may be true theoretically, but it is not actually so in this instance. When we consider the farmer's price for his own product as compared with the price paid by the ultimate consumer for the same product, and when we familiarize ourselves with the methods that have prevailed in the grain and stock markets of the country, we are convinced that the farmer has had to a considerable degree his prices fixed for him, irrespective of the general law of supply and demand of the country. Combination and manipulation have undoubtedly deprived the farmer of a material part of his legitimate profit; enough, I believe, during the last 30 or 40 years to have built all of the market equipment of the United States. There is now imposed upon the farms of the United States another great task, that of netting the whole country with a finer mesh of improved highways. The good-roads movement is entitled to the support of all, but the burden will fall upon the farms.

Now, in view of all that the farmer has done in the past and all that is expected from him in the future, I, for one, believe he is entitled to an even start and a fair chance in the race with the other industrial classes of the country. I do not believe he ought to be discriminated against. I believe, however, that he is discriminated against as compared with many classes engaged in other pursuits; and especially do I believe that he is treated unjustly with respect to the conditions of foreign competition imposed upon him.

Substantially everything that the farmer produces, under the existing tariff law, is on the free list. There is a small countervailing duty on wheat which our greatest, nearest, and most dangerous competitor can remove at will, and a duty of 6 cents per bushel on oats. Sugar is not yet, but soon will be, on the free list. We are told that the farmer does not need protection; that by teaching improved agricultural methods he will be able to outstrip all competitors in the markets at home and abroad. In the meantime, some way or other, he will get along. We are told that protection does not benefit the farmer, anyway; that the foreign market fixes his price and that import duties collected at the border will not increase that price. Well, if that be true, any tariff would be a tariff for revenue, and we are now losing the revenue. If that be true, what becomes of the argument for a reduction of the cost of living?

I do not believe that it is true. I believe that free trade reduces the price of the American farmer's product, and that as against competition in his home market the foreign price has lost much of its influence; that while it equalizes values abroad, under the dissimilarity of conditions between exporting countries at home, its influence is very largely neutralized before it reaches the producer.

I concede that where two countries are similarly situated, each producing a surplus and each having equal facilities and access to the controlling foreign market for that surplus, the foreign market will substantially equalize the price for the commodity in the two exporting countries, and that a tariff between them would not materially affect the price. But in that case there would be little or no commerce between them in the given commodities.

But, on the other hand, where the two countries are not similarly situated, one having vastly superior facilities for reaching the foreign market, in that case the foreign price will not equalize prices in the producing countries, but the one favorably situated will take and hold an advantage in the export market; and if the country with the poor facilities and less easy access to the foreign market is adjacent to the other country and there is no impeding obstacle, it will seek the market of that country rather than the foreign market, and competition will ensue and the price will go down.

There is a material difference between competition at home at or near the point of production and competition in a foreign market affecting only your surplus. The producers of agricultural commodities are a numerous class; they can not effectively organize, and to glut their market invariably depresses the price.

We can test this matter, however, by our own experience. Whenever this country has produced a large surplus of cereals the price at home has gone down, and the larger our surplus the more the price has declined. This has been true even though the world supply of the commodity has not materially increased. A large world supply, of course, tends to decrease the price; a world shortage tends to increase the price. But given two years with the world's supply equal our farm price has always responded to conditions at home. A short crop has increased the price, and a large crop has lowered the price.

The principle to which I have referred is exemplified in the case of the United States and Canada. Both of these countries are great producers of cereals, both usually having a surplus. In the past that surplus has been largely sold in a common market abroad, but the farm price of American grain has been higher than the farm price of Canadian grain.

I have studied the market conditions and methods of these two countries with some degree of care, and can arrive at no other conclusion than that the market conditions and facilities of the United States are very much superior to those of Canada and that we have in the past reaped the advantage of this superiority and may continue to do so by restricting the importation of the Canadian products into our markets.

Western Canada in 1912 sowed more than 10,000,000 acres of wheat, about 5,000,000 acres of oats, as well as large quantities of barley, flax, and other cereals. Her yield exceeds that of the United States. Her soil is rich and fertile. Her land, commercially speaking, is low in value compared with land in the United States, so that farms may be improved and operated with small capital.

In 1912 the estimated amount of wheat produced in the United States was 730,267,000 bushels; oats, 1,418,337,000 bushels. The estimated production of Canadian Provinces for the same year was: Wheat, 205,682,000 bushels; oats, 381,502,000 bushels. It will be observed that Canada's production of wheat and oats was nearly one-third that of the United States, but it must be recalled that Canada's production is increasing by leaps and bounds.

Statistics from the Department of Agriculture show for the year 1913 an average wheat yield in the United States to be 15.2 bushels per acre; average for the past five years, 14.66 bushels per acre. Yield of oats, 1913, average, 29.2 bushels per acre; for the past five years, 30.58 bushels per acre.

The census statistics of Canada for the last year available (1912) show an average yield of spring wheat of 21 bushels per acre; average yield of oats, 41 bushels per acre.

Statistics of the Department of Agriculture for the year 1909, the last available figures, show an average cost of production of wheat in the United States to be $7.85 per acre, exclusive of rent, and $11.15 per acre including rent; oats, $7.13 per acre, exclusive of rent, and $10.91 per acre including rent.

Canadian statistics show for 1911 an average cost of production of wheat of $10.19 per acre, exclusive of rent, and $12.87 including rent; oats, $9.02 per acre, exclusive of rent, and $12.61 including rent.

It must be borne in mind, however, that these figures are based upon the experience of eastern Canada, where intensive farming prevails. There were no accurate figures available for western Canada at that date. It must be recalled that the cost of production in Canada is decreasing as the country develops. Until the last two or three years teams, implements, seed, labor, and all supplies were high in western Canada. That condition is becoming, in a measure, ameliorated. On the other hand, the cost of production in the United States is constantly increasing. Increase of rentals, labor, and other factors have materially increased the cost of production of grain grown in the United States since 1909. It is safe to say that at the present time the cost of production of wheat, oats, and other cereals in Canada, exclusive of rent, is much lower than in the United States; so that when we consider the comparative value of land and Canada's larger yield, we find the farmer of the United States at a marked disadvantage as to cost of production compared with the Canadian farmer.

Canada, however, has many drawbacks as compared with the United States. Among them are the absence of a large home market, milling, transportation, and export market facilities. Time, capital, and interest charges also enter into the equation. These obstacles prevent Canada reaching foreign markets quickly and economically and result in her seeking the market of the United States, even though it is a surplus country.

The methods of marketing American and Canadian grain differ according to the conditions of the two countries. In the United States grain first moves from the farm to the local market. Passing through the country elevator it proceeds to the great primary markets of the country. At the primary market it is cleaned and subjected to a variety of different treatments, graded and finally distributed to the consuming centers and territory. That portion of the grain that is fit and desirable for export passes through the primary market to the great export points where it again goes into storage and at the proper time moves by water to the surplus market abroad. Our system of home markets is a triple one. First, the local points with their untold number of small units, the country elevators; second, the primary market, having the greatest storage capacity of all, for these markets must receive practically all of the grain, or at least a very large portion of it; third, the export point, the storage capacity of which is large, but not nearly equal to that of the primary market. The total storage capacity of the grain centers of the United States, including primary and export markets, aggregates more than 218,000,000 bushels. Grain is sold for export at all of these markets, and actually exported from nearly all of them. The seaboard export markets alone of the United States have more than 60,000,000 bushels capacity as compared with Canada's 6,000,000 bushels. There are no statistics as to the aggregate storage capacity of the country elevators of the United States. Taking the best factors I can obtain I have estimated the capacity at 1,000,000,000 bushels. These figures probably fall short, however.

Canada's total storage capacity, including all country elevators on all lines of railroad, aggregates only 127,000,000 bushels. Only about 22,000,000 of this aggregate is comprised within her grain centers. The bulk of Canada's grain, unlike that of the United States, is stored in the country at local points. The necessity for this practice lies in the lack of transportation facilities. Canada relies largely upon water transportation through the Great Lakes and her rivers and canals. Navigation of these waters closes early in December each year and remains closed until about the middle of April. This closed period of navigation extends to and includes Quebec. Quebec, however, is not a grain market and has no storage capacity. Montreal is the last grain market upon the waters enumerated. It is therefore evident that Canada can export little grain during the winter months, her only available open harbor during the winter being Vancouver, except through the United States.

With the permission of the House, I will insert at this point two tables showing the total grain storage capacity of Canada by Provinces and the primary and export market capacity of the United States.

CANADA—CAPACITY OF ELEVATORS IN PROVINCES.

The warehouse commissioner at Winnipeg, Manitoba, furnishes the following statement of elevator and warehouse capacity in various Provinces of Canada for 1913:

	Number.	Bushels.
WEST OF THE LAKES.		
Manitoba	708	22,233,150
Saskatchewan	1,252	36,503,000
Alberta	340	11,565,500
British Columbia	9	502,000
Ontario	4	1,740,000
Lake terminals	20	29,380,000
Total	2,333	102,003,650
Last year	2,045	89,777,500
EAST OF THE LAKES.		
Ontario	15	17,600,000
Quebec	5	5,620,000
New Brunswick	2	1,500,000
Nova Scotia	1	500,000
Total	23	25,220,000
Last year	23	20,635,000
Grand total	2,356	127,223,650

NOTE.—These figures do not include privately owned elevators or warehouses not on lines of railway and subject to the provisions of the Manitoba grain act. The number of these is small.

UNITED STATES—CAPACITY OF ELEVATORS AT CENTERS.

The elevator capacity of different cities is shown below:

	Number of elevators.	Capacity.
		Bushels.
Minneapolis	80	38,500,000
Chicago	65	31,495,000
Duluth	24	32,265,000
Milwaukee	4	4,000,000
Baltimore	6	5,500,000
St. Louis	37	10,025,000
New York	16	13,005,000
Boston	4	2,700,000
Cincinnati	5	1,200,000
Buffalo	22	18,900,000
Kansas City	34	12,250,000
Detroit	12	3,900,000
Indianapolis	9	1,955,000
Philadelphia	5	3,400,000
Omaha	17	7,200,000
Montreal	5	5,750,000
Newport News	2	2,750,000
New Orleans	11	5,305,000
Toledo	9	4,815,000
Cleveland	15	1,820,000
Seattle	2	1,550,000
Galveston	4	3,900,000
Louisville	7	3,000,000
Nashville	21	3,540,000
Evansville	8	740,000
Vancouver	6	400,000
Tacoma	7	3,550,000
Total	407	224,465,000
Montreal and Vancouver	11	6,150,000
Total	396	218,315,000

In the light of these transportation and market facilities and conditions of Canada and the United States, I invite the attention of the House to the effect which the Underwood law has had upon importation of farm products into the United States. The Underwood law had been in force nine months with the close of the fiscal year ending June 30, 1914. I therefore take that period for comparison with the nine months ending June 30, 1913. Substantially all of the wheat and oats imported into the United States came from Canada. During the nine months ending June 30, 1913, there was imported into the United States wheat aggregating 472,385 bushels, less than half a million. During the nine months ending June 30, 1914, there was imported into the United States wheat aggregating 1,971,430 bushels, almost 2,000,000, or an increase of substantially 300 per cent. During the same period in 1913 there was imported into the United States oats aggregating 79,966 bushels; during that period for 1914 there was imported into the United States oats aggregating 22,276,137 bushels.

What is true of importations of wheat and oats and other cereals from Canada is true of corn imported from Argentina. Substantially all of our corn importations come from Argentina. For the nine months ending June 30, 1913, there had been imported into this country corn aggregating 274,733 bushels, or slightly more than a quarter of a million. During the nine months ending June 30, 1914, there was imported into this country corn aggregating 11,843,166 bushels, or approximately forty times that of the like previous period.

Now, it must be considered that this marvelous increase of importation of wheat, oats, and corn took place immediately after the passage of the present law. No intervening time elapsed for preparation by Canada or Argentina, and we had been pursuing a policy in the past that very much restricted importation of grain and grain products from these countries. If, however, these countries understand that it is to be the permanent policy of this country to admit these products substantially free, or with very low duties, and that they are to have access to the markets of the United States, they will prepare for additional importation. Especially will it tend to develop rapidly western Canada, and we may look for a continued increase of marketing of Canadian grain in the United States.

The importation of foreign grain into our primary markets exerts its influence very quickly not only upon the value of the grain imported, but of all the grain in this country. This fact is illustrated strikingly in the importation of oats for the periods I have mentioned. The 1913 importations of substantially 70,900 bushels showed a value of more than $37,500, or substantially 47 cents per bushel, import price. The 22,276,000 bushels imported in 1914 showed a value of $7,882,000, or substantially 33 cents per bushel, import price. Now, the statistics compiled by the Department of Agriculture for 1909,

which I have pointed out are much too low at the present time, show the average cost of production of oats in this country, exclusive of rent, to be 20 cents per bushel, and, including rent, 31 cents per bushel. It would be safe to add 5 cents per bushel to each of these sets of figures under present conditions. This decline of 14 cents per bushel on oats was in the face of the fact that our crop had decreased from 1,418,000,000 bushels in 1912 to 1,121,000,000 bushels in 1913 and that Canada's crop had only increased 339,000 bushels and the entire world's yield had only increased 4 per cent.

The great bulk of our oats are thrashed from the stack. They are permitted to go through the sweat either in the stack or in the bin. They do not reach the primary markets until November, December, and January. The Canadian oats are thrashed from the shock, and such portion of them as can get access to our markets are shipped immediately. Beginning with October and continuing through November, December, and January, the Canadian oats shipments last year were concentrated upon our markets just at the time our home oats were being delivered. This simply proves that with continued importation of oats from Canada into our markets oats can no longer be produced at a profit in the United States. Oats has always been the second crop of importance in the State of Iowa. We find it necessary to raise a large acreage of oats in order to change our corn land, and it is an important factor with the Iowa farmer whether he can raise oats at a reasonable profit or at a loss.

The admission of corn from Argentina will not, of course, have so serious an effect upon our markets here as the admission of wheat and oats from Canada. However, Argentina's competition in corn has the same tendency. We must constantly bear in mind that Canada has but about 20,000,000 acres under cultivation, whereas she has that many acres ready for the plow and which will also be brought into cultivation as fast as her resources and population permit of its development. Argentina has equal advantages so far as territory is concerned. Her corn production is merely in its infancy. Her lands available and suitable for the production of corn are very extensive and capable of multiplying her present production a great many times. The question for the farmer of the United States to determine is whether it is best for him that this country should make permanent its present policy of admitting agricultural products of those other countries to our markets free; whether it will affect the American farmer favorably or unfavorably to give to the foreign producer equal advantages in our home market and equal access to all of the transportation and market facilities which have been developed and paid for by the American farmer.

The increase of importation of agricultural products does not stop with cereals. During the period of nine months ending June 30, 1913, we imported into this country cattle aggregating 366,130 head. During the like period ending June 30, 1914, we imported 725,584 head, or substantially double the number of the previous period. The importation of sheep for the same periods increased from 13,000 to 220,000; meats from a little more than half a million to nearly 200,000,000 pounds; eggs from less than a million to nearly 6,000,000 dozens. With the permission of the House, I will insert a table illustrating the increase of importations during the periods mentioned, covering 25 of the principal products of the farm.

Increase of importations.

Article.	Total imports for nine months, October, 1913, to June, 1914, inclusive, under tariff law of 1913.		Total imports for nine months, October, 1912, to June, 1913, inclusive, under tariff law of 1909.	
	Quantity.	Value.	Quantity.	Value.
Cattle.....number..	725,584	$16,345,448	366,130	$5,771,094
Horses.....do....	29,911	1,803,930	7,852	1,386,086
Sheep.....do....	220,809	391,648	13,330	74,127
Animals, other (including live poultry).....	.....	584,915	.....	201,027
Bread and biscuits.....	.....	354,244	.....	207,433
Corn.....bushels..	11,843,166	7,598,702	274,733	160,761
Oats.....do....	22,276,137	7,882,733	79,966	37,678
Wheat.....do....	1,971,430	1,755,955	472,385	368,848
Hay.....tons..	143,865	1,410,738	100,026	956,812
Beef and veal.....pounds..	176,333,072	15,140,173		
Mutton and lamb.....do....	12,090,924	1,112,294		
Pork.....do....	4,594,602	537,946	.....	1,103,949
Prepared and preserved meats..	.....	1,754,888		
Bacon and ham.....pounds..	2,006,960	383,669		
All other meats.....	.....	693,665		
Sausage and bologna..pounds..	553,422	141,235	597,648	133,877

Increase of importations—Continued.

Article.	Total imports for nine months, October, 1913, to June, 1914, inclusive, under tariff law of 1913.		Total imports for nine months, October, 1912, to June, 1913, inclusive, under tariff law of 1909.	
	Quantity.	Value.	Quantity.	Value.
Sausage casings.....	.....	$2,227,856	.....	$1,733,179
Milk and cream, fresh and condensed.....	.....	1,889,752	.....	889,039
Butter and substitutes..pounds..	7,390,147	1,646,408	980,622	258,367
Cheese and substitutes...do....	48,090,810	8,775,541	38,084,797	7,027,405
Eggs.....dozen..	5,832,725	1,059,593	[1] 953,823	[1] 143,784
Vegetables:				
Beans.....bushels..	1,416,506	2,504,214	711,511	1,383,605
Onions.....do....	810,956	742,291	573,730	361,222
Peas, dried.....do....	771,023	1,638,709	657,290	1,074,849
Potatoes.....do....	3,572,493	1,746,391	308,960	279,103
All other in natural state...	.....	1,374,413	.....	1,172,418
Wool, unmanufactured..pounds..	223,146,052	48,730,303	136,169,670	25,040,880
Total.....	.....	130,127,864	.....	40,739,631

[1] Eggs, quantity and value for 9 months estimated as three-fourths quantity and value for whole year ending June 30, 1913.

The foregoing table, giving the results of the Underwood law for the first nine months after its enactment will indicate how alert other nations are for markets and how ready they will be to take advantage of the market afforded by the hundred million population of the United States. And while we examine the tabulated results touching these agricultural commodities we must not lose sight of the fact that importations of manufactures ready for consumption have increased in almost an equal ratio.

A very important factor in the consideration of importations of corn from Argentina is the matter of water-transportation rates. The Argentina corn-producing territory is very accessible to seaboard; therefore the cost of transporting the commodity to the consuming centers of the United States has a very material influence upon the competition. During last March I made quite an extensive investigation touching the matter of rates upon corn from Argentina to American ports, also as to the volume of importations at that time and the ports receiving the same and the particular industries using Argentina corn at that time. In a communication which I received March 6, 1914, from the office of the Interstate Commerce Commission, it is stated:

> The last consignment of corn from Argentina was shipped at the rate of 8 shillings per ton to Atlantic seaport points. * * * Some of the rates from American to European ports are at present as follows:
>
> Boston to Liverpool, 2½ cents a bushel.
> New York to Liverpool, 2½ cents a bushel.
> New York to Rotterdam, 4 cents a bushel.
> New York to Hamburg, 4½ cents a bushel.
> New York to Antwerp, 3½ cents a bushel.
> New York to Copenhagen, 5½ cents a bushel.
> New York to London and Manchester, 3½ cents a bushel.
> New York to Glasgow, 4 cents a bushel.

Another communication of March 7, giving advices from Boston, states:

> Shipments of corn from Argentina to this country are usually made in tramp steamers and generally shipped in sacks. The latest rates are in the neighborhood of 7s. 6d. to 8s. per ton from Argentina to American ports, and were substantially the same from Argentina to European ports * * * Rates from our Atlantic seaboard to European ports at the present time vary from about 2 cents per bushel of 60 pounds to Liverpool up to about 5 cents per bushel to other United Kingdom ports, and the rates to continental ports vary from about 3½ cents per bushel of 60 pounds to Antwerp and Rotterdam up to about 7½ cents per bushel to some of the Mediterranean and French ports. These rates are by the regular lines of steamers. Outside steamers can be chartered at equal to about 4½ to 5 cents per bushel to the cheaper ports, and rates to Mediterranean and French ports a little under those in effect via the regular lines.

Under communication of March 11, 1914, containing advices from Baltimore, it is stated:

> That about 8,000,000 bushels of Argentine grain have been brought to our American ports; that some interior distribution has been made, but that the greater portion of it has been used by the Corn Products Co., of New York.

Under communication of date, March 16, I have advices from Galveston, Tex., as follows:

> This is the first season within which corn has been imported from Argentina through the port of Galveston, and no other kind of grain from Argentina has reached this port. The importation of this season was due largely to shortage of the corn crop in Texas, resulting

from drought. The production of corn in Texas is limited because, due to climatic conditions, they are unable to preserve a large crop without having suffered ravages of the corn weevil, which begins its operations in the winter and spring months. When they have surplus, it is exported, because of the fact that it will not keep. Ten cargoes of corn have been received from Argentina at Galveston, all in tramp ships, consigned to the Rosenbaum Grain Co., etc. * * * The freight charges varied on these shipments from 7 shillings to 12 shillings 6 pence per ton of 2,240 pounds.

In early November, 1913, Kansas City corn was worth about 84 or 85 cents per bushel delivered at south Texas points. The first cargo of Argentine corn was offered at 76½ cents per bushel free on board cars at Galveston. The maximum freight rate from Galveston to Texas points was about 7 cents per bushel, which made the Argentine corn salable at about 83½ cents. The Argentine corn is offered now in Galveston at 69½ cents free on board cars.

In a communication under date of March 24, bringing advices from New York, it is stated:

The importations of Argentine corn at the port of New York in the latter part of 1913 and the early part of 1914 were as follows: September, 420,000 bushels; October, 664,500 bushels; November, 1,103,900 bushels; December, 1,493,100 bushels; January, 1,561,300 bushels; February, 728,200 bushels. The rates changed from 15 shillings in September, 1913, to 8 shillings in February, 1914. The ocean rates on grain from New York to European ports are stated to be as follows: To Liverpool, 1½ pence; London, 1¾ pence; Glasgow, 1½ and 1¾ pence; Bremen and Hamburg, 30 pfennig.

It is quite evident from the experience of the last nine months that importation of Argentine corn into the United States was made possible entirely by the removal of the duty. It is further evident that exporters of Argentine corn recognize the American market as a very desirable one, and considering the very low rates of water transportation that have prevailed, it enables the importers of Argentine corn to distribute that product throughout the eastern consuming centers of the United States at a great advantage over the producers in the Mississippi Valley. An average rate of transportation from Iowa, Nebraska, Kansas, South Dakota, and Missouri to New York and other eastern points approximates 35 cents per hundredweight. This is very much in excess of the cost of laying down Argentine corn at the same points.

The existing law not only gives the Argentine farmer the advantage of his cheap lands but also of cheap water transportation. With respect to the importations at New York, I have pointed out that the commodity was almost entirely consumed by the Corn Products Co., a Standard Oil concern. The question now occurs, Who got the benefit of the importation? I think no one will contend that the Corn Products Co. has reduced the price to the consumer upon any of its products. It is evident that the Government has lost revenue that might have been received through the levying of a reasonable tariff. It would seem, therefore, that in this instance the only party to be benefited was the Corn Products Co.

An examination of the railway tariffs will disclose that the rates from a very large portion of the wheat and oat producing section of western Canada to the primary market at Minneapolis are lower than from a large portion of Iowa, Nebraska, and South Dakota. But inasmuch as our Interstate Commerce Commission has no power to control or regulate the rates upon Canadian railways or investigate the facts concerning those rates, there will always remain an element of uncertainty as to just what the Canadian traffic is bearing in that respect.

Earlier in my remarks I called your attention to the effect of Canadian importation upon the price of oats in our domestic market. Permit me now to call your attention to the general effect of Canadian importation upon other commodities. The great agricultural staples of Canada are wheat, oats, barley, and flaxseed. All of these commodities now come freely upon our market. I will ask permission, therefore, to insert at this point a short table compiled from the statistics contained in Farmers' Bulletin No. 611, issued July 21, 1914, by the Department of Agriculture. This table gives the average price at the local markets of the United States of various farm commodities on July 1, 1914, as compared with the five years' average of that date, and also the range of prices for June, 1914, as compared with June, 1912.

Comparative prices of wheat, oats, barley, and flaxseed in Iowa and the United States, July 1, 1914, and average price for 5 years.

	Wheat.		Oats.		Barley.		Flaxseed.	
	1914	5-year average.	1914	5-year average.	1914	5-year average.	1914	5-year average.
	Cents.	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*
Iowa	77	92	34	40	50	64	124	170
United States	76.9	90.2	38.8	45.2	47.5	65.3	136.0	170.8

Range of prices of certain agricultural products June, 1914, and June, 1912.

Products and markets.	June, 1914.	June, 1912.
Wheat per bushel:		
No. 2 red winter, St. Louis	$0.75@$0.97	$1.06 - $1.19
No. 2 red winter, Chicago	.78½ - .96½	1.06 - 1.13½
No. 2 red winter, New York[1]	.96½ - 1.10	1.21½ - 1.28½
Corn per bushel:		
No. 2 mixed, St. Louis	.68½ - .73½	.72½ - .79
No. 2, Chicago	.68½ - .73½	.72½ - .76
No. 2 mixed, New York[1]		.78½ - .84
Oats per bushel:		
No. 2, St. Louis	.39½ - .40½	.49½ - .54½
No. 2, Chicago	.37½ - .42	.50½ - .53½
Rye per bushel: No. 2, Chicago	.68 - .67	.75 - .80
Baled hay per ton: No. 1 timothy, Chicago	14.50 -16.00	17.50 -25.00
Hops per pound: Choice, New York	.36 - .40	.37 - .45
Wool per pound:		
Ohio fine unwashed, Boston	.22 - .25	.21 - .23
Best tub washed, St. Louis	.30 - .33	.33 - .35
Live hogs per 100 pounds: Bulk of sales, Chicago	7.80 - 8.40	7.25 - 7.70
Butter per pound:		
Creamery, extra, New York	.26½ - .28	.26 - .27½
Creamery, extra, Elgin	.26½ - .27½	.25 - .25½
Eggs per dozen:		
Average best fresh, New York	.22½ - .28	.21 - .27
Average best fresh, St. Louis	.14 - .18	.16 - .17
Cheese per pound: Colored,[2] New York	.13½ - .15	.13½ - .14

[1] F. o. b. afloat.
[2] September colored—September to April, inclusive; new colored May to July, inclusive; colored August.

An examination of these tables will clearly refute many of the wild statements that have been disseminated throughout the country as to the relation of present prices to prices in the past. Prices of farm products at the present time are high in spite of the influence of the importation of foreign product. Last year we experienced a short crop in many sections of the country, and especially was this true of corn. The present range of prices of course is dominated by the war in Europe. We have, in fact, had abnormal conditions since the first of the year. Delicate international conditions have existed in Europe. With the opening of the Balkan war a strained condition existed among European nations which continued up to the time of the opening of the present conflict. During this period of time the foreign market for food products has been active. England, France, and Germany, as well as other European nations, have been laying in a surplus store. These conditions have all tended to strengthen the demand and increase the price of farm products in the United States. Notwithstanding these conditions, however, prices of substantially all farm products ranged lower this year up to the 1st of July than in 1912. On July 1 the index figure of crop prices, while higher than a year ago, was 14 per cent lower than on July 1, 1912. I call attention to these facts because I have heard it frequently claimed that farm prices during the first six months of the present year were much higher than in previous years. The particular matter to which I desire to direct attention in this connection is importations from the Canadian Provinces and Argentina. One of the questions at least that the western farmer has to consider is whether unrestricted or practically unrestricted importation of farm products from Canada is conducive to his welfare or whether it tends in the opposite direction, whether Canadian competition is a thing to be invited because it is calculated to enhance his prosperity or whether we should restrict that competition with a view to giving the American farmer the benefit of the American market and to encourage the agricultural industries of the country. What is true in the case of Canada as applied to wheat, oats, barley, flax, and other cereals is equally true as applied to the unrestricted importation of corn from Argentina. It may take a little longer time before the importations of corn will seriously affect our home market, but to the extent of the ability of that country to import corn its tendency will be to lower the price of the American product and, unless conditions change, without benefiting the ultimate consumer of that product.

Mr. GOOD. Mr. Chairman, in view of the lateness of the hour, I make the point of order that there is no quorum present.

The CHAIRMAN. The gentleman from Iowa makes the point of no quorum present. The Chair will count. [After counting.] Fifty-nine Members present, not a quorum, and the Clerk will call the roll.

The Clerk proceeded to call the roll, and the following Members failed to answer to their names:

Adair	Anthony	Bell, Ga.	Browning
Adamson	Aswell	Borland	Brumbaugh
Aiken	Austin	Brockson	Burke, Pa.
Ainey	Barnhart	Broussard	Burke, Wis.
Anderson	Bartholdt	Brown, N. Y.	Burnett
Ansberry	Bartlett	Browne, Wis.	Byrnes, S. C.

Calder	Goeke	Lewis, Pa.	Post
Cantor	Goldfogle	Lindquist	Powers
Cantrill	Gordon	Linthicum	Prouty
Carlin	Gorman	Lloyd	Ragsdale
Carr	Graham, Ill.	Loft	Rainey
Carter	Graham, Pa.	Logue	Rayburn
Cary	Green, Iowa	Lonergan	Riordan
Chandler, N. Y.	Griest	McClellan	Rupley
Church	Griffin	McGillicuddy	Sabath
Claypool	Hamill	McGuire, Okla.	Saunders
Cline	Hamilton, Mich.	McKenzie	Scully
Covington	Hamilton, N. Y.	MacDonald	Sells
Crisp	Hardwick	Mahan	Shackleford
Danforth	Hart	Maher	Sherley
Davenport	Haugen	Mann	Sisson
Deitrick	Hay	Martin	Small
Dies	Hensley	Merritt	Smith, Md.
Dixon	Hill	Metz	Smith, N. Y.
Dooling	Hinds	Miller	Smith, Sami. W.
Dunn	Hinebaugh	Mondell	Sparkman
Eagle	Howard	Montague	Stanley
Elder	Hoxworth	Moore	Steenerson
Esch	Humphrey, Wash.	Morgan, La.	Stephens, Nebr.
Estopinal	Humphreys, Miss.	Morin	Stevens, N. H.
Evans	Johnson, S. C.	Moss, W. Va.	Stringer
Fairchild	Jones	Mott	Switzer
Faison	Keister	Murdock	Talbott, Md.
Farr	Kelley, Mich.	Murray, Mass.	Taylor, Ala.
Fess	Kent	Nelson	Taylor, N. Y.
Finley	Key, Ohio	Norton	Underhill
Fitzgerald	Kless, Pa.	O'Hair	Vollmer
FitzHenry	Kindel	O'Leary	Wallin
Flood, Va.	Kinkaid, Nebr.	O'Shaunessy	Walsh
Fowler	Kinkead, N. J.	Padgett	Watkins
Francis	Kitchin	Paige, Mass.	Weaver
Frear	Knowland, J. R.	Parker	Whaley
Gallivan	Korbly	Patten, N. Y.	Whitacre
Gard	Lazaro	Patton, Pa.	Wilson, N. Y.
Gardner	Lee, Pa.	Payne	Winslow
George	L'Engle	Peters	Woodruff
Gerry	Lenroot	Peterson	Woods
Gillett	Lever	Platt	Young, Tex.
Godwin, N. C.	Levy	Porter	

The committee rose; and the Speaker having resumed the chair, Mr. CONRY, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill H. R. 14233, found itself without a quorum, the Chair had caused the roll to be called, and 236 Members had answered to their names, and he therewith presented a list of the absentees.

The committee resumed its sitting.

The CHAIRMAN. The time for general debate having expired, the Clerk will read the bill.

The Clerk read the first section of the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he hereby is, authorized and directed to survey the lands of the United States in the Territory of Alaska known to be valuable for their deposits of coal, and to lease such lands or the deposits of coal contained therein, as hereafter provided, preference to be given first in favor of surveying lands within those areas commonly known as the Bering River, Matanuska, and Nenana coal fields, and thereafter to such areas or coal fields as lie tributary to established settlements of existing or proposed rail or water transportation lines: *Provided*, That such surveys shall be executed in accordance with existing laws and rules and regulations governing the survey of the public lands: *Provided further*, That the Secretary of the Interior may, as herein provided, with a view to facilitating development and without awaiting said surveys, make such awards of leases in the coal fields in Alaska as he may deem advisable and under such regulations as he may prescribe; the locations of such leases shall be distinctly marked upon the ground under his direction, so that their boundaries can be readily traced.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word.

Mr. FERRIS. Has the gentleman an amendment which he desires to offer?

Mr. STAFFORD. I prefer to have unanimous consent that amendments may be offered to this section at the next meeting.

Mr. FERRIS. There is no disposition to preclude any gentleman from offering amendments. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

The committee accordingly rose; and the Speaker having resumed the chair, Mr. CONRY, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 14233) to provide for the leasing of coal lands in the District of Alaska, and for other purposes, and had come to no resolution thereon.

ENROLLED BILLS SIGNED.

Mr. ASHBROOK, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled joint resolution of the following title, when the Speaker signed the same:

H. J. Res. 327. Joint resolution to correct error in H. R. 12045.

The SPEAKER announced his signature to enrolled bill of the following title:

S. 6357. An act to authorize the establishment of a bureau of war-risk insurance.

CHANGE OF REFERENCE.

The SPEAKER laid before the House the following request:

Mr. VAUGHAN asks unanimous consent that the Committee on Claims be discharged from the further consideration of the bill (S. 4254) to enable the Secretary of War to pay the amount awarded to the Malambo fire claimants by the joint commission under article 6 of the treaty of November 18, 1903, between the United States and Panama, and that the same be hereby referred to the Committee on Foreign Affairs.

The SPEAKER. Is there objection?

Mr. GARRETT of Tennessee. Mr. Speaker, does not that properly belong under the rules to the Committee on Claims?

The SPEAKER. It looks like it on the face of it.

Mr. GARRETT of Tennessee. Is it a request by the committee or an individual?

The SPEAKER. The situation is this: It involves treaty relations, and the Committee on Foreign Affairs has a House bill of the same tenor. The Committee on Claims wants to get rid of it.

Mr. STAFFORD. Reserving the right to object, Mr. Speaker, has this action been taken by the full Committee on Claims?

The SPEAKER. The Chair can not tell. The Chair will inquire of the gentleman from Texas if the change of reference is with the consent of the Committee on Claims?

Mr. VAUGHAN. It is.

The SPEAKER. Is there objection to the request?

There was no objection.

ADJOURNMENT.

Mr. FERRIS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock p. m.) the House adjourned until to-morrow, Tuesday, September 1, 1914, at 12 o'clock noon.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, the Committee on Invalid Pensions was discharged from the consideration of the bill (H. R. 15176) granting an increase of pension to Dennis Carroll, and the same was referred to the Committee on Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. HENRY: A bill (H. R. 18605) for the temporary relief of the cotton growers and producers of agricultural products; to the Committee on Banking and Currency.

By Mr. TOWNER: A bill (H. R. 18606) to amend an act approved February 6, 1905, relating to the issuance of bonds and other matters affecting the Philippine Islands, and to increase the limit of indebtedness as therein provided; to the Committee on Insular Affairs.

By Mr. STEVENS of Minnesota: A bill (H. R. 18607) to authorize the Chicago, Milwaukee & St. Paul Railway Co. and the Chicago, St. Paul, Minneapolis & Omaha Railway Co. to construct a bridge across the Mississippi River at St. Paul, Minn.; to the Committee on Interstate and Foreign Commerce.

By Mr. HAY: A bill (H. R. 18608) to provide for the restoration of retired officers to the Army; to the Committee on Military Affairs.

By Mr. MURRAY of Oklahoma: A bill (H. R. 18609) authorizing the Secretary of the Interior to lease for mining purposes certain lands on the Ponca Indian Reservation, Okla.; to the Committee on Indian Affairs.

By Mr. FREAR: Resolution (H. Res. 613) directing the Committee on the Judiciary of the House to investigate and report what secret or public activities have been undertaken by the National Rivers and Harbors Congress regarding the passage of the rivers and harbors bill; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARTHOLDT: A bill (H. R. 18610) for the relief of the Buffalo River Zinc Mining Co.; to the Committee on Claims.

By Mr. BORLAND: A bill (H. R. 18611) granting an increase of pension to Louise Strassler; to the Committee on Invalid Pensions.

By Mr. BURNETT: A bill (H. R. 18612) for the relief of the heirs of Elijah Glass; to the Committee on War Claims.

By Mr. CARR: A bill (H. R. 18613) granting a pension to Maria L. Moore; to the Committee on Invalid Pensions.

By Mr. CLARK of Missouri: A bill (H. R. 18614) granting an increase of pension to Archibald F. Bottoms; to the Committee on Invalid Pensions.

By Mr. CLAYPOOL: A bill (H. R. 18615) granting an increase of pension to Joshua D. Smith; to the Committee on Invalid Pensions.

By Mr. KENNEDY of Connecticut: A bill (H. R. 18616) granting an honorable discharge to Thomas McCarthy; to the Committee on Military Affairs.

By Mr. LONERGAN: A bill (H. R. 18617) for the relief of William Dixon; to the Committee on Military Affairs.

By Mr. MURDOCK: A bill (H. R. 18618) granting an increase of pension to George E. Harris; to the Committee on Invalid Pensions.

By Mr. NEELEY of Kansas: A bill (H. R. 18619) granting a pension to William W. Peyton; to the Committee on Pensions.

Also, a bill (H. R. 18620) granting a pension to Edward Sheehan; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18621) granting a pension to Allen Sigler; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18622) granting a pension to James Kinser; to the Committee on Invalid Pensions.

By Mr. SMITH of Idaho: A bill (H. R. 18623) granting a pension to John Shanks; to the Committee on Pensions.

By Mr. SMITH of New York: A bill (H. R. 18624) for the relief of the Lackawanna Steel Co.; to the Committee on Claims.

By Mr. TEN EYCK: A bill (H. R. 18625) for the relief of Anthony Schnell; to the Committee on Claims.

By Mr. WICKERSHAM: A bill (H. R. 18626) granting an increase of pension to Mary E. Miller; to the Committee on Invalid Pensions.

By Mr. RAKER: A bill (H. R. 18627) to correct the military record of George F. Reid and to pay his widow, Isabella Reid, a pension; to the Committee on Military Affairs.

By Mr. FITZHENRY: A bill (H. R. 18628) granting pensions to certain enlisted men, soldiers and officers, who served in the Civil War; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER: Petition of the Chautauqua Assembly at Louisiana, Mo., urging adoption of antipolygamy resolution; to the Committee on the Judiciary.

By Mr. ASHBROOK: Petition of Mrs. M. S. McCune and other ladies of the Woman's Missionary Society of the Methodist Episcopal Church of Sulde, Ohio, protesting against the passage of House bill 16804, relative to railroad tracks opposite Sibley Hospital in Washington, D. C.; to the Committee on Interstate and Foreign Commerce.

By Mr. BRUCKNER: Petition of the Washington Heights Taxpayers' Association, relative to proposed improvement of the United States ship canal at Spuyten Duyvil; to the Committee on Rivers and Harbors.

Also, petition of District Grand Lodge No. 1, Independent Order B'nai B'rith, against literacy test in immigration; to the Committee on Immigration and Naturalization.

Also, petition of the National Child Labor Committee, favoring passage of House bill 12292, relative to reform in child labor; to the Committee on Labor.

Also, petition of the American Optical Association, favoring the passage of the Stevens bill, House bill 13305; to the Committee on Interstate and Foreign Commerce.

Also, petition of Sam S. Brewer, of New York, against national prohibition; to the Committee on Rules.

By Mr. BURKE of Wisconsin (by request): Petition of the Woman's Christian Temperance Union of Fort Atkinson, Wis., favoring national prohibition; to the Committee on Rules.

By Mr. CARY: Petition of various manufacturers of Wisconsin relative to importation of chemicals, etc., from foreign countries now at war; to the Committee on the Merchant Marine and Fisheries.

By Mr. FRANCIS: Petition of the Methodist Protestant Christian Endeavor Society of Steubenville, Ohio, favoring national prohibition; to the Committee on Rules.

By Mr. KAHN: Petition of H. L. Judell & Co. and the Retail Cigar Dealers' Association of San Francisco, Cal., protesting against any additional revenue tax on cigars; to the Committee on Ways and Means.

By Mr. LONERGAN: Petition of certain citizens of Branford, Conn., in favor of consideration of the woman-suffrage amendment at the present session of Congress; to the Committee on Rules.

By Mr. McGILLICUDDY: Petitions of various business men of Waldoboro, Damariscotta, South Bristol, Boothbay, Bath, and Stonington, all in the State of Maine, favoring passage of House bill 5308, relative to taxing mail-order houses; to the Committee on Ways and Means.

By Mr. MAGUIRE of Nebraska: Petitions of various business men of Barada, Shubert, Brownville, and Peru, all in the State of Nebraska, favoring the passage of House bill 5303, relative to taxing mail-order houses; to the Committee on Ways and Means.

By Mr. MERRITT: Petition of Lucy Skerry, of Bangor, N. Y., favoring the appointment of a national motion-picture commission; to the Committee on Education.

Also, petition of Mr. James Skerry, of Bangor, N. Y., favoring national prohibition; to the Committee on Rules.

Also, petition of Mr. James Skerry, of Bangor, N. Y., urging the appointment of a national motion-picture commission; to the Committee on Education.

Also, petition of Lucy Skerry, of Bangor, N. Y., favoring national prohibition; to the Committee on Rules.

By Mr. MURRAY of Oklahoma: Petitions of various Sunday schools of Kay County, Hunter, Tipton, Caddo County, Oklahoma City, Cherokee, the Presbyterian Church of Tulsa and Christian Endeavor Society of Tulsa, and the United Brethren in Christ Sunday School at Dacoma, all in the State of Oklahoma, favoring national prohibition; to the Committee on Rules.

By Mr. NEELEY of Kansas: Petition of various business men of Bucklin, Kans., favoring House bill 5308, to tax mail-order houses; to the Committee on Ways and Means.

By Mr. RAKER: Petition of the San Francisco (Cal.) Retail Cigar Dealers' Association, against proposed revenue tax on tobacco; to the Committee on Ways and Means.

Also, petition of sundry citizens of Altemas, Modoc County, Cal., for a post-office building at Altemas, Cal., signed by 589 patrons of the United States post office, to accompany H. R. 18554; to the Committee on Public Buildings and Grounds.

Also, petition of the Master Roofers and Manufacturers' Association, of San Francisco, Cal., against passage of Clayton antitrust bill at present time; to the Committee on the Judiciary.

By Mr. REED: Petition of the Manchester (N. H.) Branch of the German National Alliance, favoring disapproval by United States Government of Japan's participation in the European war; to the Committee on Foreign Affairs.

By Mr. STAFFORD: Memorial of various manufacturers of Wisconsin, relative to importation of chemicals from Germany; to the Committee on the Merchant Marine and Fisheries.

By Mr. WILLIS: Petition of C. A. Burrows, of Lancaster, Pa., in favor of adoption of House bill 4352, relative to old-age pensions; to the Committee on Pensions.

Also, petition of Cecil Carpenter and other citizens of Ostrander, Ohio, in favor of House joint resolution 168, relative to national prohibition; to the Committee on Rules.

Also, petition of International Union of Journeymen Horseshoers of America, against the passage of House joint resolution 168, relative to national prohibition; to the Committee on Rules.

Also, petition of Viola Cole and other citizens of Kilbourne, Ohio, in favor of House joint resolution 168, relative to national prohibition; to the Committee on Rules.

SENATE.

TUESDAY, *September 1, 1914.*

(Legislative day of Tuesday, August 25, 1914.)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

PROPOSED ANTITRUST LEGISLATION.

The VICE PRESIDENT. The Senate resumes the consideration of the unfinished business.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 15657) to supplement existing laws against unlawful restraints and monopolies, and for other purposes.

The VICE PRESIDENT. The pending question is on the amendment of the Senator from Iowa [Mr. KENYON] to the amendment of the Senator from Missouri [Mr. REED].

Mr. REED. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Chamberlain	Hitchcock	Kern
Bryan	Chilton	Hollis	Lane
Burton	Culberson	Jones	Lea, Tenn.
Camden	Gallinger	Kenyon	Lewis

McCumber	Perkins	Smith, Md.	Vardaman
McLean	Pittman	Smith, Mich.	Walsh
Martin, Va.	Ransdell	Smoot	White
Martine, N. J.	Reed	Sterling	Williams
Nelson	Sheppard	Swanson	
O'Gorman	Shively	Thomas	
Overman	Simmons	Thornton	

Mr. SMOOT. I desire to announce the unavoidable absence of my colleague [Mr. SUTHERLAND]. He has a general pair with the senior Senator from Arkansas [Mr. CLARKE]. I will allow this announcement to stand for the day.

The VICE PRESIDENT. Forty-one Senators have answered to the roll call. There is no quorum present. The Secretary will call the roll of the absentees.

The Secretary called the names of the absent Senators, and Mr. CLARK of Wyoming, Mr. COLT, Mr. SHIELDS, and Mr. THOMPSON answered to their names when called.

Mr. CUMMINS entered the Chamber and answered to his name.

Mr. CLARK of Wyoming. I desire to announce the unavoidable absence of my colleague [Mr. WARREN]. He is paired with the senior Senator from Florida [Mr. FLETCHER].

Mr. DILLINGHAM entered the Chamber and answered to his name.

Mr. DILLINGHAM. I wish to announce the absence of my colleague [Mr. PAGE] on account of illness in his family.

Mr. BRADY, Mr. FLETCHER, Mr. POMERENE, Mr. NORRIS, and Mr. LEE of Maryland entered the Chamber and answered to their names.

Mr. McCUMBER. I wish to announce the unavoidable absence of my colleague [Mr. GRONNA], who will in all probability be absent during the entire week. Therefore I make the statement at this time.

The VICE PRESIDENT. Fifty-two Senators have answered to the roll call.

The Senate will pardon the Chair for making a statement just now. For the last three or four days it has been impossible on the part of the Chair to hear responses of Senators to the roll call and the Chair would request Senators when the roll is called to speak out loud. It has been impossible two or three times for the Chair to tell on which side a Senator has voted.

Mr. NELSON. I have here a copy of the decision in the United States District Court for the District of Minnesota, recently made in the International Harvester Trust case. I ask that it be printed as a Senate document. (S. Doc. No. 569.)

The VICE PRESIDENT. Is there objection?

Mr. SMOOT. Was not that decision printed a little while ago?

Mr. NELSON. No; that was a different case. This is a decision that was lately made.

The VICE PRESIDENT. Without objection, it is so ordered. The question is on the amendment of the Senator from Iowa [Mr. KENYON] to the amendment of the Senator from Missouri [Mr. REED].

Mr. KENYON. I offer an amendment to the amendment of the Senator from Missouri in the form in which I send it to the desk.

The VICE PRESIDENT. The amendment to the amendment will be stated.

The SECRETARY. Add at the end of the amendment proposed by the Senator from Missouri [Mr. REED] the following proviso:

Provided, That at least 90 days before commencing suit the attorney general of the State has requested the Attorney General of the United States to bring such suit, and such request has not been complied with by the Attorney General of the United States, and said Attorney General of the United States shall have the right to appear and participate in said suit with said attorney general of the State.

Mr. SMOOT. May I ask the Secretary to read the amendment as originally proposed by the Senator from Missouri, so that we may have both together?

The VICE PRESIDENT. It will be read.

The SECRETARY. The Senator from Missouri proposes to add a new section to the bill, as follows:

SEC. —. That the attorney general of any State may, at the cost of the State, bring suit in the name of the United States to enforce any of the antitrust laws.

Mr. CUMMINS. Mr. President, I desire to ask a question of the Senator from Missouri. Does the Senator from Missouri understand that this amendment would in any wise change the jurisdiction of the State courts. That is to say, is it the purpose to allow the attorney general of a State to bring a suit for the enforcement of the antitrust law in the courts of his State?

Mr. REED. I do not think the mere fact that the attorney general brought the suit would in any manner affect the place of bringing the suit. It was not my purpose to in any manner affect that question.

Mr. CUMMINS. At the present time, of course, a suit can only be maintained in the courts of the United States. I think we will all agree that in order to preserve uniformity in the decisions the course heretofore pursued ought to be continued. I was a little fearful that the amendment of the Senator from Missouri might be construed to destroy that exclusive jurisdiction of the Federal courts.

Mr. REED. I think not. I think that would require an express provision, and this law, in my judgment, would be given the same construction that is given to many other similar laws. To illustrate, if the Senator will permit me, it is now the law in a great many States that the attorney general may bring suits of ouster, quo warranto proceedings, and so forth, and the primary jurisdiction is vested in him to bring those suits; but it is also frequently provided that the prosecuting attorney may bring such suits in the name of the State. That does not affect the jurisdiction; it does not change the power of the court; it does not vest a court with jurisdiction which did not previously have it; but it simply provides a new way of initiating litigation.

Mr. CUMMINS. I have not examined it enough to even question the conclusion of the Senator from Missouri, but I had no doubt he had thought about it sufficiently to know whether it by any possibility could have that effect.

Mr. CULBERSON. Mr. President, I will ask the Senator from Missouri what effect his amendment will have upon section 13 of the bill, which is but section 4 of the act of 1890. Section 13, I repeat, is but a repetition of section 4 of the Sherman law of 1890, changed to meet the fact that circuit courts have been abolished and district courts inaugurated in their stead.

Mr. REED. I think the solitary effect would be this, that whereas section 13 now reads—

That the several district courts of the United States are hereby invested with jurisdiction to prevent and restrain violations of this act, and it shall be the duty of the several district attorneys of the United States, in their respective districts, under the direction of the Attorney General, to institute proceedings in equity to prevent and restrain such violations—

If this section was added section 13 would, in effect, read in this wise:

That it shall be the duty of the several district attorneys of the United States, in their respective districts, under the direction of the Attorney General, to institute proceedings in equity to prevent and restrain such violations. In the event the district attorney shall not, within 90 days after he has been requested to bring such proceedings by the attorney general of any State, bring the same, then in that event the attorney general of the State may institute the proceedings.

The sections are not in conflict at all.

Mr. CHILTON. Mr. President——

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from West Virginia?

Mr. REED. I do.

Mr. CHILTON. I should like to ask the Senator what would be the situation presented and what would be the possible outcome if there should be a diversity of opinion between the attorney general of the State who had instituted the suit and the Attorney General of the United States as to its conduct thereafter? Does not the Senator see that it might bring a conflict of authority as to what ought to be done and some one should have the final say as to what should be the outcome of the suit? For instance, the attorney general of the State might see fit to dismiss the suit and the Attorney General of the United States would say, "No; go ahead with it." Of district attorneys there are—I do not know how many—probably 75 or 100, all over the United States. There is at least one in each State and in some of the States two or three or more, there being one for each district. Does not the Senator think that it is ample to vest the enforcement in the district attorneys and let them be under the general supervision of the Attorney General, whereas if you have the attorney general of the State in addition you have an officer that the Attorney General of the United States can not control, and therefore very probably the Attorney General of the United States might lose control of these suits in some of the cases.

Mr. REED. I am intending to accept the amendment offered by the Senator from Iowa [Mr. KENYON], and I am intending to ask that it be further amended by adding the words "and to control the prosecution," so that the Attorney General would be given the control.

Mr. President, answering the question of the Senator, I will say, of course, if I believed that the Attorney General ought absolutely to control this litigation and should alone be intrusted with the enforcement of all these laws, if I were content with that, I should not have offered this amendment. I am not content with it; I have never been content with it from the day

the Sherman law was written unto this hour, and there is not a man in the United States who wants to really enforce those laws who can conscientiously say that he is contented with the enforcement we have had.

In reply to the Senator from West Virginia I will say that if the amendment of the Senator from Iowa is accepted as suggested, it amounts simply to this: That the Attorney General can control all litigation; he is given the first right to initiate it, then he is given the opportunity to stop it and to control it; but there is this important difference: If he does not initiate the litigation within 90 days, it can then be initiated by the attorney general of a State; the litigation is there on the books and is before the public. If the Attorney General takes the responsibility of dismissing the litigation, he must do so in view of those circumstances. It is a very different proposition from the present one, which is that nobody can start this litigation except the Attorney General, and he can keep it locked up in his office or locked up in his bosom for any period of time, however long or indefinite.

This amendment gives the power of initiation to the attorneys general of the various States; it puts 46 watchdogs on guard—I use the term "watchdog" respectfully, of course—instead of merely one man. It at the same time will leave in the hands of the Attorney General a complete control of the situation. If he takes the responsibility of dismissing the litigation, he can do so, knowing that he will very likely be criticized if he is wrong.

Mr. CUMMINS. Mr. President, I suggest to the Senator from Missouri, out of abundant caution, an amendment to his proposal. It will be noticed that in section 14, the section in which we extend to anyone injured injunctive relief under the antitrust laws, we say:

SEC. 14. That any person, firm, corporation, or association shall be entitled to sue for and have injunctive relief in any court of the United States having jurisdiction over the parties.

I confess to a little fear that if those words are not in this amendment it might create embarrassment.

Mr. REED. I am willing to accept them.

Mr. CUMMINS. So I suggest that, after the words "United States," in line 3 of the Senator's amendment, there should be inserted "in any court of the United States having jurisdiction over the parties." It will then be in harmony with the language of section 14.

Mr. REED. I accept the amendment.

Mr. NELSON. Mr. President, will the Senator from Missouri allow me to make a suggestion?

Mr. REED. Certainly.

Mr. NELSON. If the amendments offered by the two Senators from Iowa are agreeable to the Senator from Missouri, I would suggest that they be incorporated in one amendment. Then, we need have but one vote.

Mr. REED. That is what I intend to do.

Now, I desire to accept the amendment offered by the junior Senator from Iowa [Mr. KENYON], and to further amend the amendment by adding the words at the end of the amendment:

And the Attorney General of the United States shall have the right to control the prosecution.

I ask that the entire amendment shall be stated as modified.

Mr. KENYON. Mr. President, that simply means that when the Attorney General of the United States is requested by the attorney general of a State to bring a suit under certain facts and circumstances which the attorney general of the State thinks constitute a violation of the antitrust act, if the Attorney General of the United States does not do that, and the attorney general of the State, at the expiration of 90 days, brings that action, the Attorney General of the United States, under the change which the Senator from Missouri now makes in his amendment, may step in and dismiss the suit. I do not think that ought to be done.

Mr. REED. Mr. President, that is not in accordance with my real desire. I want to get this amendment so framed that at least the right of initiation shall be preserved to the States.

Mr. KENYON. I think that is right; but the Attorney General of the United States, having had the opportunity to bring the suit and to control the case by bringing it within 90 days, if he does not do that, and the attorney general of the State brings the suit, the Attorney General of the United States ought not to have the power to dismiss it.

Of course, if the Senator from Missouri puts those words into his amendment, I can not help it; but I think the amendment as at first suggested by him was better.

Mr. CHILTON. Mr. President, I want to ask the Senator from Iowa a question before he takes his seat. Does the Senator from Iowa mean to say that under his amendment there can be a stage in such a suit at which the Attorney General of the United States has no power to control, no power to prosecute, and no power to dismiss? Is it possible he means that?

Mr. KENYON. That is exactly what I mean. The Senator from West Virginia does not mistake the purpose at all. If the Attorney General has had the opportunity to bring a suit and neglects to do so, and the attorney general of a State has investigated the matter and as a result of his investigation brings the suit, he ought to have the right to go ahead and finish with it. The State is paying the cost all the time, and no attorney general of a State would proceed with a suit when it would involve his State in great expense if he had no substantial case; but under the amendment as changed by the Senator from Missouri the Attorney General of the United States would have the right to dismiss the suit.

Mr. CHILTON. In other words, Mr. President, section 13 gives the various United States district attorneys in the States the power, under the direction of the Attorney General of the United States, to enforce this law, and the amendment would give the attorneys general of the States a greater power than we give to the regularly appointed and employed counsel of the United States in the various districts. It seems to me that this is not only an innovation but a most dangerous experiment.

Mr. NORRIS. Mr. President, I hope the Senator from Missouri will not make the change which he has intimated he desires to make. It seems to me that the effect of the change will be to nullify in all practical effect the amendment which he has proposed and with which I am in entire accord. I should like to call his attention to the fact that his amendment provides that the prosecutions contemplated will be brought at the expense of the States. It strikes me that if after a suit is instituted by the attorney general of a State you then give the power to the Attorney General of the United States to control the case and to manage it, you have practically nullified the purpose sought to be obtained, and that no attorney general of a State would want to get his State involved in a case the control of which he would absolutely lose.

There can be no objection, in my judgment, on the part of the Attorney General of the United States to the attorney general of a State having control, because before the attorney general of a State can get control or can institute proceedings he must give the Attorney General of the United States 90 days' notice, and the Attorney General of the United States during that time has it within his power to go ahead; but when he fails to do so and the attorney general of the State, at the expense of the State, commences the suit, then it seems to me that it is not right to take the control of that case away from the attorney general of the State.

Mr. REED. Mr. President, answering the Senator, I would be very willing——

Mr. SMITH of Michigan. Mr. President, the object sought by the Senator from Missouri is to insure prosecutions under the antitrust laws. If 90 days elapse, the Attorney General of the United States is entirely out of the affair if the suggestion of the Senator from Nebraska prevails, and the attorney general of a State may assume jurisdiction and authority over the case, and from that moment the Attorney General of the United States has no influence or authority over the proceeding. Now, I should like to ask the Senator from Missouri what Attorney General of the United States, who has a proper motive in refusing to take the initiative, would consent to waive jurisdiction over a case by allowing the 90-day period to elapse?

If the Senator from Missouri were Attorney General of the United States, and felt that a prosecution of a given cause under this act was not desirable at the time proposed, would he yield to a State officer the power he would not exercise himself? The Senator from Missouri, as such Attorney General, would not remain quiet and permit any other authority to institute proceedings, and thus hamper his general plan of proceedings. He can begin the case very easily by filing the first paper and get control of the case, thus depriving the State of the power to move in the matter. It seems to me that the amendment is calculated to add confusion and lack of symmetry and purpose to the work of the Department of Justice, which has been specially created for this work. In a sense the Attorney General of the United States is a semijudicial officer, and his authority can not be ruthlessly disregarded without a reflection upon his title.

If I were Attorney General of the United States and the attorney general of the State of Missouri threatened to institute suit, and I had a good reason for not acquiescing in his action, I should take charge of that litigation and hold it in statu quo until I felt that it was proper and expedient to proceed, thus rendering the amendment of no potency whatever.

There ought to be some way of enforcing obedience of the antitrust laws, but I seriously question whether the method proposed by the Senator from Missouri will be found to be practicable in that regard.

Mr. REED. Mr. President, does the Senator address the question to me?

Mr. SMITH of Michigan. I presume it is not a question.

Mr. REED. I have only a few minutes left, but if I may answer in the Senator's time, I should be very glad to reply now; otherwise I will wait until I may have another opportunity.

Mr. SMITH of Michigan. I would be very glad if the Senator would take the time I have left.

Mr. SHAFROTH. Mr. President——

Mr. REED. I was asked a question by the Senator from Nebraska, and then a question, I take it, was propounded by the Senator from Michigan. If the Senator from Colorado will wait a moment, I will yield to him.

Answering both the Senator from Nebraska and the Senator from Michigan, I desire to say, first, that I recognize the fact that the amendment last suggested by me will, of course, weaken the power of the attorneys general of the States; I recognize the fact that the Attorney General of the United States could, after litigation had been initiated by them, go into court and stop it; but he would have to take the responsibility of going into court and stopping a case brought by the legal representative of a great State, and he would hesitate about doing that. Therefore I think there will still be left in the provision virility enough to fully warrant its adoption. At the same time, if the attorney general of a State were to be engaged in some utterly bad piece of work, the Attorney General of the United States would restrain him.

Now, answering the question of the Senator from Michigan, I think the great trouble with the enforcement of the antitrust act lies in the fact that the various Attorneys General of the United States—I think there is no exception to the rule—have so hesitated about initiating litigation that the enforcement of the antitrust act has been to a large extent, until very recent years, practically nullified. They have seemed to be of the opinion that no case should ever be brought until they had made a preparation so complete, so perfect, and so absolute that they thought there was no conceivable or possible escape, with the result springing from that policy that they have brought but very few cases. We are told to-day that there are over a thousand combinations in restraint of trade; I have no doubt that is an understatement rather than an overstatement; and yet there are now pending a total of 46 cases in all the United States—46 cases, old and new, in the Supreme Court and in the nisi prius courts in the entire country.

Answering again the inquiry of the Senator from Michigan, as to what good would come from it and how it would stimulate, recognizing that the Attorneys General have always pursued the policy I have just indicated, I think an Attorney General might very well be heard to say: "I do not feel like bringing this suit; but if you desire to take the responsibility, and your State desires to pay the costs and test this thing out, I have no objection."

That, to my mind, presents a very practical question, and one which I think, in its practical application, will result in much good.

Mr. POMERENE. Mr. President, does the Senator feel that the attorney general of a State would have the power to expend the State's money in litigation which was begun under a Federal law without some additional State legislation to that effect?

Mr. REED. That will depend absolutely upon the laws of each State and upon the authority which has been conferred upon the attorneys general under the laws of the respective States. If we pass this bill, and there is any lack of authority, it can be speedily supplied by those States desiring to avail themselves of this privilege; but I think there are undoubtedly States where the attorney general has broad power, and where he can bring any suit in any way he pleases, so long as he is, in fact, bringing it for the benefit of the citizens of the State.

The Senator from Colorado desired to ask me a question.

Mr. SHAFROTH. Mr. President, when I rose the Senator was being appealed to by various Senators to modify and change his amendment. I was going to appeal to him not to change the amendment as suggested by the Senator from Iowa, because I believe there should be a power in the United States Government to control this litigation, even if it is commenced by the attorney general of a State. I feel that without that power being vested in the Attorney General of the United States considerable harm and wrong might be done, whereas I believe it has some virility in it by reason of the fact that if the attorney general of a State shall present to the Attorney General of the United States a request to commence a suit, and he fails to do it, and then the attorney general of the State begins the suit, it would be a bold Attorney General of the United States who would attempt to come in and say, "I will not let that suit be prosecuted."

For those reasons it seems to me that the amendment of the Senator, as it is now, is far preferable to the suggestion that was made to eliminate part of it.

Mr. GALLINGER. Mr. President, on yesterday, with a good deal of trepidation and my usual modesty, I propounded a couple of questions to the distinguished lawyers who are advocating this change. The responses that were made were not at all satisfactory to my mind. At least they did not lead me to believe that this is wise legislation, and I do not believe it now.

I am unable to work out in my mind the necessity that exists for this innovation. We have a Department of Justice of the United States, and that department has never asked for an appropriation since I have been in public life that it has not received. We have been not only generous but almost profligate in our appropriations to the Department of Justice. We are supposed to have a man at the head of that department who will do his duty. We have just confirmed a new man for that position, vouched for by eminent lawyers as a man of ability, integrity, and devotion to public duty. In that department we have a Solicitor General, an Assistant to the Attorney General, 6 Assistant Attorneys General, 3 special Assistant Attorneys General, 23 attorneys, 13 assistant attorneys, 12 special assistant attorneys, and 48 United States district attorneys distributed among the several States.

Mr. CHILTON. More than that.

Mr. GALLINGER. And, as has been suggested to me *sotto voce* by the Senator from Utah [Mr. SMOOT], in the last appropriation bill there were appropriations made for additional help in that department; and I apprehend that the great lump sum we give that department enables the Attorney General to employ further help if it is needed.

Mr. President, we have likewise created a Federal Trade Commission, which will be an expensive luxury before we get through with it, that takes jurisdiction over some of these cases at least, or some phases of this antitrust legislation; and I suppose the Interstate Commerce Commission deals with a certain class of cases that might well come under this head.

Why should we go into the States, ignoring the United States district attorneys, who are there to do this work under the direction of the Attorney General of the United States, and take the attorneys general of the several States and impose this duty upon them? I do not know how it may be in other States, but I know that in the little State which I in part represent our attorney general is a very hard-worked man, and we have by statute prohibited him from doing any outside work, compelling him to give his entire time to the interests of the State, which he is doing with a good deal of ability. Why that man should now be required, at the expense of the State—which, to my mind, can not be done unless we have additional legislation giving him that authority—to engage in the prosecution of cases that belong to the Department of Justice of the United States, Federal in their nature, surpasses my comprehension.

Mr. WHITE. Mr. President——

The VICE PRESIDENT. Does the Senator from New Hampshire yield to the Senator from Alabama?

Mr. GALLINGER. I yield.

Mr. WHITE. I should like to ask the Senator if the adoption of this amendment would not be a confession that the people of the United States were incapable of directing and accomplishing the purposes for which the Federal Union was formed?

Mr. GALLINGER. Why, absolutely so, from my viewpoint. I am speaking now, as I said yesterday, as a layman. From my viewpoint it is an absolute confession of our inability through the Department of Justice to prosecute the suits that belong to that department.

Mr. WHITE. A further question: If this amendment is correct in principle, should we not also enact a law saying that whenever the governor of any State differs with the President of the United States about the enforcement of Federal laws or handling Federal questions, the matter should be left to the governor of the State?

Mr. GALLINGER. I am inclined to think that would be equally logical. It strikes me so.

As I said in the beginning, however, I speak with trepidation on this question. I have simply been trying to interpret it as best I could, and it does not appeal to me as wise legislation. It looks to me as though it is going to create a great deal of

confusion. As it was in the original amendment submitted by the Senator from Missouri, I saw this possible confusion: That the attorney general of the State of New Hampshire would proceed to prosecute a case under the antitrust laws; the attorney general of Missouri would start a prosecution of the same nature touching the same offense; the State of New Hampshire might lose the case and the State of Missouri might win the case, and there would be two differing results in prosecuting the same case; and so it would go throughout the Union. I presume the amendment that has been offered and accepted modifies that to a very considerable extent; but still I confess that, after giving this matter as careful thought as I am capable of giving it, I look upon it as unusual, unnecessary, and dangerous legislation, and for that reason my one vote will be cast against it.

Mr. VARDAMAN. Mr. President, I do not share with the Senator from New Hampshire [Mr. GALLINGER] the apprehension that there is going to be too much enforcement of the antitrust law. You can not have too many men on guard. The public is not going to suffer by giving the attorneys general of the States the right to institute proceedings of this character when the Attorney General of the United States refuses, either himself or by direction of his assistants, to bring suit; nor will the attorney general of the State bring a suit that is going to involve costs to his constituents unless there is some good reason for it. He knows the operation and the effect of the trust, the predatory ravages of the combination in restraint of trade. He knows the effect upon his own constituents. He ascertains those facts by complaints from them. He is probably in a better position to know and find out the truth regarding these matters than the Attorney General sitting in Washington. When he devotes his talents and gives the information which he has gathered to the Department of Justice, cooperating with the Department of Justice in the enforcement of the laws designed to protect the people against predatory interests, I can not for the life of me see how any harm is going to result from it.

I think it was prudent in the Senator from Missouri [Mr. REED] to accept the amendment offered giving the Attorney General of the United States final control of the litigation; and it would be better, I think, if he would amend it further so as to permit the Attorney General of the United States to dismiss the case with the approval of the court.

Mr. CHILTON. Mr. President——

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from West Virginia?

Mr. VARDAMAN. With pleasure.

Mr. CHILTON. If it be true that it is best to have a great number on guard, why not go further in your legislation and give the prosecuting attorneys in the various counties in the various States the right to institute suit if the attorney general of the State does not act?

Mr. VARDAMAN. Of course you could carry it on down to the justice of the peace and the constable and any one individual, but that would carry it to an absurdity; whereas the proposition made by the Senator from Missouri [Mr. REED] simply gives to the Department of Justice the assistance of a man who is elected to office because of his fitness for the place, and who is in possession of information that ought to be of use to the Attorney General of the United States in the enforcement of the law. I can not see the harm that could result from it to the people. I am sure, however, the trusts that are liable to be prosecuted by the attorney general of the State think the power should not be given that State officer.

Mr. CHILTON. Will the Senator allow me, then, to ask him another question?

Mr. VARDAMAN. I will.

Mr. CHILTON. Has the Senator looked at the statutes of the United States as to the enforcement of this amendment? Does not the Senator know that in the United States courts there are two kinds of suits—civil and criminal? The only criminal suit known in the United States court, of course, is a prosecution by the district attorney. Has the Senator figured out that you can have the State pay the costs and that the attorney general of the State can have the use of the Federal officials or others in enforcing this law? Does not the Senator see that you have a conflict of jurisdiction?

Mr. VARDAMAN. I see no reason in the world why there should be a conflict any more than there would be if the Senator from West Virginia should go into court and proffer assistance to the Attorney General or the district attorney, and assist in the prosecution, and assist in gathering testimony for the prosecution of a suit. I do not see how any harm at all could come of it.

Mr. SHAFROTH. Let me suggest to the Senator that I can see no reason why a State that has made a demand upon the Attorney General of the United States to bring suit, and he has declined to do so, should not have the right to bring suit, because its people are affected by the trust.

Mr. VARDAMAN. That is exactly what I said a moment ago.

Mr. President I repeat that there is every reason why the attorney general of the State should be given this power to cooperate with the Department of Justice, and I have not heard one single logical objection to it.

Mr. SHAFROTH. Mr. President, I should like to suggest to the Senator that the people who are interested in the prosecution of such a suit are the people in the State, and not the people down here in Washington, or the Attorney General. They have not the interest which the people of a State have. It may be that the monopoly exists in that State, and that State alone. It is not impressed upon the Attorney General of the United States, but it is impressed upon the attorney general of the State, and it is impressed upon the people of the State. The only reason why the first amendment as proposed by the Senator was faulty, in my judgment, was because it could not or should not take it entirely out of the hands of the United States. There ought to be an influence there that will make him bring the suit, and if he declines, then to have him willingly let the State attorney general bring it.

I want to suggest, while I am on my feet, that I think there ought to be one word added to the amendment of the Senator from Missouri. It says "cost." There ought to be in the amendment the words "cost and expense." I do not know what the amount of the expense may be, but it ought to be on the people who are ready to institute this suit either against the advice or because of the negligence of the Attorney General of the United States.

Mr. NORRIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from Nebraska?

Mr. SHAFROTH. I do.

Mr. NORRIS. I agree with what the Senator has said about the attorney general of the State having a special knowledge of the conditions, perhaps, in his State, and that therefore he ought to have a right, if the Attorney General of the United States declines to do so, to begin this suit; but, as I understand the Senator from Colorado, he believes that after the attorney general of the State has done that, has expended the money of the taxpayers of the State, we should still give to the Attorney General of the United States the right to come in and dismiss the suit.

Mr. SHAFROTH. Yes; I think so; because I believe you will have to have these prosecutions at least under the supervision of one head. I do not believe any Attorney General of the United States would order the dismissal of a suit unless it conflicted with some general policy which he was willing to advocate and let the people understand and know about. If he is willing to take that burden, I think he ought to have the right to have prosecutions uniform throughout the United States. I believe, however, that this amendment as it is proposed will have a wholesome influence upon the Attorneys General of the United States, and that they will not dismiss these cases if there is ground for bringing an action against any trust in the respective States or in any part of the United States.

Mr. SMOOT. Mr. President——

The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from Utah?

Mr. SHAFROTH. I do.

Mr. SMOOT. I wish to ask the Senator one question. Does he know of one case anywhere in the United States where an official of any State has asked the Attorney General of the United States to bring suit and the Attorney General refused to do it?

Mr. SHAFROTH. I do not know; but I do know that there were no prosecutions for years and years under the Sherman Antitrust Act.

Mr. SMOOT. I am perfectly aware of that.

Mr. SHAFROTH. And complaint was made generally.

Mr. SMOOT. But I wanted to know if any Attorney General of the United States had refused to bring proceedings against any corporation that had been charged by an official of a State with violating the antitrust law?

Mr. SHAFROTH. If that is true, there can be no harm in this amendment.

Mr. SMOOT. If it is true, there is no need of it.

Mr. SHAFROTH. If it is his policy to do it when anyone requests him, surely when the attorney general, representing, no doubt, the administration of the State, requests the prosecution, the Attorney General will give it more attention than he would if the request came from an individual.

Mr. REED. I wish to answer the question that was asked by the Senator from Utah. I know of such cases.

Mr. SMOOT. Will the Senator give the information to the Senate?

The VICE PRESIDENT. Just a moment. The Chair will be compelled to make a ruling. There is a unanimous-consent agreement here, and it is being violated all the while.

Mr. SMOOT. Does the Chair——

The VICE PRESIDENT. Not so far as the Senator from Utah is concerned has it been violated, but the Chair is constrained to make this statement as to the enforcement of the agreement. When a Senator yields, if he yields for more than a question, the Chair is going to hold that the Senator who interrupts the Senator on the floor has made his one speech on the amendment.

Mr. SMOOT. That is a very good ruling.

Mr. CULBERSON. Mr. President, the Committee on the Judiciary as a committee has taken no action with reference to this amendment though one similar to it was formally considered in the committee. I am not therefore authorized to speak for the committee with reference to the proposed amendment, but personally I am opposed to it upon the broad ground that it is best that authority for the enforcement of a general law of the United States should be lodged in the Attorney General and the district attorneys of the several districts. This has been provided for by section 4 of the Sherman law of 1890, and is brought down in conformity with certain conditions in section 13 of the bill under consideration.

In 1903 the Supreme Court of the United States, speaking by Mr. Justice Harlan, construed section 4 of the Sherman law both as to its meaning and as to its probable policy. I ask the Secretary to read from that opinion in the case of Minnesota *v.* The Northern Securities Co. (194 U. S., the marked places at pp. 70 and 71). It expresses my judgment not only with reference to the proper construction of the statute, but the policy upon which it was based and ought to rest.

The Secretary read as follows:

The injury on account of which the present suit was brought is at most only remote and indirect; such an injury as would come alike, although in different degrees, to every individual owner of property in a State by reason of the suppression, in violation of the act of Congress, of free competition between interstate carriers engaged in business in such State; not such a direct, actual injury as that provided for in the seventh section of the statute. If Minnesota may, by an original suit, in its name, invoke the jurisdiction of the circuit court, because alone of the alleged remote and indirect injury to its proprietary interests arising from the mere absence of free competition in trade and commerce as carried on by interstate carriers within its limits, then every State upon like grounds may maintain, in its name, in a circuit court of the United States, a suit against interstate carriers engaged in business within their respective limits. Further, under that view every individual owner of property in a State may, upon like general grounds, by an original suit, irrespective of any direct or special injury to him, invoke the original jurisdiction of a circuit court of the United States to restrain and prevent violations of the antitrust act of Congress. We do not think that Congress contemplated any such methods for the enforcement of the antitrust act. We can not suppose it was intended that the enforcement of the act should depend in any degree upon original suits in equity instituted by the States or by individuals to prevent violations of its provisions. On the contrary, taking all the sections of that act together, we think that its intention was to limit direct proceedings in equity to prevent and restrain such violations of the antitrust act as cause injury to the general public, or to all alike, merely from the suppression of competition in trade and commerce among the several States and with foreign nations, to those instituted in the name of the United States under the fourth section of the act by district attorneys of the United States, acting under the direction of the Attorney General, thus securing the enforcement of the act, so far as direct proceedings in equity are concerned, according to some uniform plan, operative throughout the entire country. Possibly the thought of Congress was that by such a limitation upon suits in equity of a general nature to restrain violations of the act, irrespective of any direct injury sustained by particular persons or corporations, interstate and international trade and commerce and those carrying on such trade and commerce, as well as the general business of the country, would not be needlessly disturbed by suits brought on all sides and in every direction, to accomplish improper or speculative purposes. At any rate, the interpretation we have given of the act is a more reasonable one. It is a safe and conservative interpretation in view as well of the broad and exclusive power of Congress over interstate and international commerce as of the fact that, so far as such commerce is concerned, Congress has prescribed a specific mode for preventing restraints upon it, namely, suits in equity under the direction of the Attorney General. Of the present suit the Attorney General has no control and is without any responsibility for the manner in which it is conducted, although in its essential features it is just such a suit as would be brought by his direction when proceeding under the fourth section of the antitrust act.

Mr. COLT. Mr. President, the question here relates to the enforcement of a Federal statute, and it is proposed by this amendment to call in 48 attorneys general of the different States to help enforce a Federal statute. I believe that this is an innovation unheard of and unparalleled in the history of congressional legislation. We are appointing under this proposed amendment 48 State attorneys general, who are charged with the enforcement of State laws, to help the Department of Justice enforce Federal laws. If this Federal antitrust statute is not sufficiently enforced, the true remedy is to strengthen the Department of Justice by adding further assistants.

Mr. President, the question of the enforcement of the antitrust law involves in a larger sense a question of policy. The President of the United States, whether a Democrat or a Republican, may have certain views in respect to the enforcement of this law. It may be that the President would like to have the policy of his party carried out with respect to the enforcement of this law. How can that be done if you have 48 attorneys general in the different States charged with the enforcement of this law?

This amendment will prevent the carrying out of any uniform policy in the enforcement of the antitrust law, and it can not but lead to confusion; and, further, this amendment is an admission that the Department of Justice is a failure and that it requires the assistance of the law departments of 48 States to enforce Federal law.

Mr. President, the Department of Justice is only one department of the Government; and if it is necessary to call upon the States to help us conduct this department, why should we not also call upon the States to afford assistance to the Executive in the execution of the laws? Or, to take a more extreme case, why should we not call upon the States to assist Congress in the passage of proper laws?

This proposed amendment, to my mind, is absolutely wrong in principle. It is an innovation upon our system of government and its division into different departments, and we should not for one moment consider the passage of such an amendment unless for very grave reasons.

I am not prepared to say that the Department of Justice—and I have had some experience with the different Attorneys General, both Democratic and Republican—has so far failed in its duty, for I know what a tremendous task it is to enforce this law; nor am I prepared to cast such a reflection upon that department as is involved in the proposition that we must go to the different States and call in their attorneys general to help the Attorney General of the United States to perform his duty.

Mr. McCUMBER. Mr. President, I hope this amendment will be adopted. I think we are attempting to raise up a number of ghosts that will never materialize. I believe we are assuming things that we have no right to assume, namely, that the Attorney General will be liable to be dishonest and will not wish to perform his duty. I do not think it is necessary for us to assume that there will be a conflict between the Attorney General of the United States and the attorney general of any State.

Now, let us see what the mode of operation would be. The attorney general of a State that is directly affected by the trust action will ask the Attorney General of the United States to bring an action. He will not ask the Attorney General of the United States to institute that action unless he has some evidence and reason that will justify him in making the request. On the other hand, the Attorney General of the United States will not peremptorily refuse to prosecute that action. He will call in the attorney general of the State if he feels there is not sufficient evidence to justify him and say to him frankly, "I do not think we are justified under the evidence or under the law. Confer with me and tell me what evidence you have to produce and what is the law upon the case." Those two, then, without much question, will get together upon a line of procedure. The evidence may be almost wholly within the State of the attorney general. It may be that he is able to secure what the Attorney General might not be brought in close enough proximity to to know anything about. The attorney general of the State must not only have the evidence, but he must also have the consent and authority of his State. If he has it not directly under the law of his State, he must obtain it through a resolution, and an appropriation would have to be made to cover his expenses. You can rest assured that the State is not going into a case of this kind and shoulder the responsibility unless it has what appears to be a substantially clear case.

Mr. President, in every one of these most important cases the United States through its Attorney General has paid out vast sums of money to employ counsel in other States. If we can be justified, as we have justified ourselves every year by our acts, in employing outside counsel, I certainly think we may be justified in accepting the attorney general of another State who has been elected or appointed for the particular purpose of protecting the citizens of that State.

So I think, Mr. President, there is no real substantial conflict to endanger the authority of the United States, and I also believe that it will be of wonderful assistance to the Government of the United States to allow the State to come in, if it desires to do so of its own volition, and assist in the prosecution.

Mr. POMERENE. Mr. President, of course the motive back of this amendment is the proper enforcement of the law. I am in entire sympathy with the motive that is behind it. I doubt the wisdom of the amendment for this reason: It has been urged that the attorneys general of the States being upon the scene of action perhaps have a more direct knowledge of the facts involved in the alleged violation of the law, but each State has United States district attorneys who are residents of the respective States. They are just as much interested in the enforcement of the law within the boundaries of that State as can be the Attorney General.

What I most fear is the effect of the divided responsibility when it comes to the enforcement of the law. If you are to have one head with his various assistants in the persons of the United States district attorneys, who are responsible to the Department of Justice, it seems to me that we are more likely to have a vigorous enforcement of the law than if we are to say to the State attorney general, "You may enforce this," or to the Department of Justice here at Washington, "You may enforce it."

Mr. REED. Will the Senator pardon me? The law states that the Department of Justice shall enforce it.

Mr. POMERENE. That is all true.

Mr. REED. This is simply giving the privilege to the States.

Mr. POMERENE. That is all true; but it is also suggested by one of the amendments that the attorneys general of the States may have direct charge of such cases, independent of the Department of Justice here at Washington. That is a part of the vice of this proposition.

But let us go a little further in this matter. If it is a proper thing to have the States interfere or inject themselves into the enforcement of Federal law, it would likewise be a good thing to have the Federal Government inject itself into the enforcement of the State laws. What is going to be the effect of it?

Mr. SMITH of Michigan. It would result in a divided jurisdiction.

Mr. POMERENE. Undoubtedly; the jurisdiction would be divided; the responsibility would be divided; and, as a result, in my judgment, the law would not be so well enforced as it now is.

More than that, I submit this proposition: That in all of the larger States the attorneys general of those States have quite enough to do to enforce the laws of their own States. If you are going to permit them to wander out into other fields, there will be a temptation on the part of some of the attorneys general of the States to ignore the matters at home, thinking that they can, perhaps, get more publicity—I am sorry to say it, but that is the fact with respect of some of them—by taking up the larger matters that concern the enforcement of the Federal statutes.

So, in my judgment, if proper assistance is not furnished the Federal Department of Justice to enforce the antitrust laws, we should provide for more United States district attorneys. Let us provide for more assistants, who will be specially charged with this duty; but let us not tempt the attorneys general of the several States to desert their own duties for another field that, for one reason or another, they might find to be more attractive.

I believe that, on the whole, instead of this proposition aiding in the enforcement of the law we should simply have a state of confusion worse confounded. I believe, for these reasons, the amendment is not a wise one.

The VICE PRESIDENT. The Secretary will state the amendment as modified.

The SECRETARY. Mr. REED offers, as modified, the following amendment as a new section:

SEC. —. That the attorney general of any State may, at the cost of the State, bring suit in the name of the United States in any court of the United States having jurisdiction over the parties to enforce any of the antitrust laws: *Provided*, That at least 90 days before commencing suit the attorney general of the State has requested the Attorney General of the United States to bring such suit, and such request has not been complied with by the Attorney General of the United States; and said Attorney General of the United States shall have the right to appear and participate in said suit with said attorney general of the State, and the Attorney General of the United States shall have the right to control the prosecution.

Mr. SHAFROTH. Mr. President, I should like to offer an amendment to the amendment by inserting the words "and expense" after the word "cost," so as to read "the cost and expense."

Mr. REED. Does the Senator offer that as an amendment?

Mr. SHAFROTH. Yes, sir.

Mr. KENYON. Mr. President, I should like to suggest to the Senator from Missouri that the word "district" should be inserted before the word "court," so that it would read "district court of the United States."

Mr. REED. I desire to make a parliamentary inquiry. In the opinion of the Chair, have I the right to speak further upon this amendment? I thought I had. I have been answering questions, and I carefully reserved about 10 minutes of my time; but if every interrogatory I have answered is to be charged to me as a speech, I have exhausted my time.

The VICE PRESIDENT. The Senator from Colorado [Mr. SHAFROTH] has offered an amendment to the amendment. The whole question is again open for discussion.

Mr. REED. That is as I understand it. Mr. President, I will take only a few minutes, just long enough to answer the points that have been raised.

There is nothing in the point raised by the Senator from Ohio [Mr. POMERENE] that this will invite attorneys general of States into new fields, and lead them to go out and endeavor to exploit themselves. The attorneys general of States may fairly be presumed to be men of a reasonable degree of common sense. What they are interested in is the protection of the people of their respective States. Of course it is not intended that they shall wander beyond the State borders; but it is intended to give them the right to invoke the tremendous powers now granted by this amended bill, namely, to use the decrees of other courts in other cases in evidence, to have the right to summon witnesses, and to do those various other things for which we have provided in the pending bill.

Mr. President, another word. I utterly repudiate the idea that the attorneys general of the States will engage in a senseless and useless proceeding. It is absurd to the last degree to claim that an attorney general of a State would enter upon the enforcement of this proposed law except for the protection of his own people when his State is required to bear the cost and expense. Neither is there, in my judgment, the slightest ground to claim that attorneys general of the States will interfere with the jurisdiction of the Attorney General of the United States, save and except where the people of some State are being burdened and oppressed and the Attorney General of the United States, either for lack of time or for some other reason, may be unwilling to invoke this law.

Why, Mr. President, it is all right to assume in an argument, if you wish to do so, that the Attorney General of the United States is always capable, is always honest, is always wise, is always infallible, and, in contrast with that, to assume that the attorneys general of the States are all foolish, are all incompetent, and are all untrustworthy; but, on the contrary, I think we ought to assume, generally, that all these men are human beings, and that all of them have some good and some bad in them.

I call attention, however, in passing, to the fact that the best enforcement there has been of antitrust legislation, the best protection the people have ever obtained, and without which there would have been no real enforcement of any antitrust legislation, is found in the action of the attorneys general of the respective States. In Texas they have lashed corporation after corporation engaged in restraining trade from the borders of that great State; they have done the same thing in my State; they have done it in the State of Kansas. Every attorney general of a State, however, bringing a case under a State statute has found himself confronted with the fact that his powers were not nearly so broad and his ability to mass evidence not nearly so complete as it would be if he could avail himself of the provisions of this bill. What harm can come in allowing the attorney general of a State to initiate litigation at the cost of his State when the Attorney General of the United States in every instance can stop it if he sees fit to stop it?

Mr. President, it has been urged with great vehemence that we should trust entirely to the Attorneys General of the United States, and eulogies have been pronounced upon them. I say that the enforcement of the Sherman Antitrust Act has been a farce, a sham, and a disgrace to our jurisprudence. It was enacted over 20 years ago; since that time hundreds, if not thousands, of combinations in restraint of trade have been formed; and in all that time there has not yet been one man put behind the bars of a jail or of a penitentiary for violating the provisions of that law. In that, sir, I shall speak now by authority and not as one of the scribes.

I hold in my hand a letter, which I will not take the time to read, but will send to the desk to be printed in the RECORD, coming from the private secretary of the present Attorney General, inclosing a document, which I also ask to have printed in the RECORD, giving a history of antitrust litigation now pending. That document states that there are now pending 46 cases, whereas we are told there are over a thousand trusts and monopolies in the United States. Forty-six cases in all the courts—in the appellate courts as well as in the nisi prius courts, in the courts of appeal as well as in the Supreme Court of the

United States—only 46 cases. There ought to be 400 cases. I read:

The fundamental weakness in the enforcement of the antitrust act in previous administrations was the failure to insist upon a real dissolution of monopolies and combinations which the courts had adjudged unlawful.

If that is the record—and this is the assertion of the private secretary of the man whom we have just placed upon the Supreme Court of the United States—if that, sir, is the record that has been made for 20 long years in the Department of Justice, it is high time that men elected by the people of the respective States should be given authority to invoke this great law and to put some blood and iron into its enforcement.

Mr. GALLINGER. Mr. President——

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from New Hampshire?

Mr. REED. I do, if it is not counted in my time.

Mr. GALLINGER. I merely desire to ask a question. Does the Senator think that it is becoming in a private secretary to make an observation of that kind in a letter?

Mr. REED. Mr. President, I do not know whether it is becoming or unbecoming; but the letter states—and it is on the letterhead of the Attorney General:

OFFICE OF THE ATTORNEY GENERAL,
Washington, D. C., August 29, 1914.

HON. JAMES A. REED,
United States Senate.

MY DEAR SENATOR: I take the liberty of inclosing herein a carbon copy of a sketch of the work of the Department of Justice under Attorney General McReynolds, which was recently prepared. It shows succinctly what has been going on at the department under the present administration in the way of trust prosecutions. There has been added a brief paragraph with regard to the white-slave traffic act. I send it to you for whatever use you may desire to make of it.

Very truly, yours,

J. T. SUTER, *Private Secretary.*

Inclosure.

The use I desire to make of it is the use I am now making of it.

Mr. GALLINGER. Will the Senator read the criticism which the private secretary made of the department?

Mr. REED. I have already read that.

Mr. GALLINGER. I should like the Senator to reread it.

Mr. REED. I shall put the entire document in the RECORD, and I ask unanimous consent that I may do so at this point.

The VICE PRESIDENT. In the absence of objection, permission is granted.

The matter referred to is as follows:

ENFORCEMENT OF THE ANTITRUST ACT.

The preservation of fair competition in trade and the prevention of monopoly are essential to the general welfare. Therefore efficient and energetic enforcement of the Federal antitrust act prohibiting restraints and monopolizations of interstate trade is of the highest importance to the people. The work of the present administration in that regard is set forth below.

There are now pending in the Federal courts 46 proceedings under the antitrust act. There are also pending numerous investigations of alleged violations of the act. These proceedings and investigations are being conducted by the Department of Justice, which is charged by law with the enforcement of the act.

WEAKNESS IN PAST ENFORCEMENT OF THE ACT.

The fundamental weakness in the enforcement of the antitrust act in previous administrations was the failure to insist upon a real dissolution of monopolies and combinations which the courts had adjudged unlawful.

In the principal case in the Roosevelt administration—the Northern Securities case—and in the principal cases in the Taft administration—the Standard Oil case, the Tobacco case, and the Powder case—the parts into which the unlawful monopoly was divided were left in control of the same persons. The only effect of this was to change the form of the monopoly, since, of course, competition in any real sense can not exist between corporations controlled by the same persons. The law was thus virtually nullified by reason of the defective manner of its enforcement.

On the other hand, the present administration has insisted in every case—notably the Union Pacific-Southern Pacific merger case, the Telephone case, the New Haven case, and the Harvester case—that the parts into which the unlawful combination or monopoly was or may be divided must be separate and distinct in ownership and must not be left under the control of the same set of men. In this way only can real competitive conditions be brought about.

UNION PACIFIC-SOUTHERN PACIFIC MERGER CASE.

This case was decided by the Supreme Court December 2, 1912. It was held (1) that the Union Pacific Co. are substantial competitors in interstate transportation, and (2) that the acquisition by the former of a controlling stock interest in the latter created a combination in restraint of trade (226 U. S., 61).

How to dissolve the combination was one of the first problems which the present administration had to meet. It was insisted for the Government that the dissolution should be effectual, and especially that it should be free from the fundamental defect in the plans adopted in the Standard Oil and Tobacco cases, where the separate parts into which the businesses were divided were left under the control of the same stockholders. Several proposals by the Union Pacific Co. were rejected because they did not adequately guard against a similar result. Through conferences between the Attorney General and counsel for the defendants a plan satisfactory to the Government was finally worked out and submitted to Circuit Judges Sanborn, Hook, and Smith at St. Paul on June 30, 1913, and by them embodied in a decree. Briefly stated, the plan was as follows:

1. Of the $126,650,000 of Southern Pacific stock held by it the Union Pacific Co. was authorized to sell $38,292,400 to the Pennsylvania Railroad Co. in exchange for $42,547,200 of the capital stock of the Baltimore & Ohio Railroad Co. This aided in separating the Southern Pacific from the Union Pacific and at the same time divested the Pennsylvania Railroad Co. of a large amount of the capital stock of an active competitor—the Baltimore & Ohio Railroad Co.—thereby dissolving, without the cost and delay of litigation, another unlawful combination. No new combination in restraint of trade was created by the exchange, since the Pennsylvania and the Southern Pacific systems are noncompetitive, and the same is true of the Union Pacific and the Baltimore & Ohio.

2. After this exchange there was left in the ownership of the Union Pacific $88,357,600 of Southern Pacific stock. This was transferred in trust to the Central Trust Co. of New York—an independent institution—which became a party to the suit and completely subject to the direction of the court. The trust company was authorized to issue certificates of interest representing this stock, and these were offered to Union Pacific stockholders. The holder of such a certificate, however, has no right to vote or receive dividends in respect of the stock, but he may convert it into Southern Pacific stock by making affidavit that he owns no Union Pacific stock and is not acting on behalf of any Union Pacific stockholder, or in concert, agreement, or understanding with anyone to obtain control of the Southern Pacific Co. in the interest of the Union Pacific Co., but in his own behalf and in good faith.

Pending such conversion the trust company was authorized to collect the dividends accruing on the stock and to vote the same only when and as directed by the court. Upon conversion of a certificate of interest into Southern Pacific stock the holder becomes entitled to receive the accumulated dividends. Of course the purpose in withholding the dividends is to accelerate the distribution of the Southern Pacific stock among persons not Union Pacific stockholders.

If by January 1, 1916, any certificates of interest have not been converted into Southern Pacific stock, the court may order the sale of the Southern Pacific stock represented by such certificates.

The plan effectually prevented the Union Pacific Co. or its stockholders who were parties to the combination from continuing in control of the Southern Pacific. The great advantage of the course pursued over a compulsory and immediate sale of the $126,650,000 of Southern Pacific stock is that, whilst as effectually dissolving the combination, it saved the stockholders of both companies from unnecessary losses and avoided the very serious financial strain which such a sale would have entailed.

In actual practice the plan has worked successfully. Up to July 1, 1914, through conversion of the certificates of interest or of subscription receipts issued by the trust company, $81,606,000 of the $88,357,600 of Southern Pacific stock transferred to the trust company by the Union Pacific Co. has passed into the hands of persons who made the required affidavits.

Summed up, the plan adopted in this case not only effectually dissolved the particular unlawful combination therein complained of, but also dissolved without further litigation the unlawful combination resulting from the ownership by the Pennsylvania Railroad Co. of over $42,000,000 of the capital stock of the Baltimore & Ohio Railroad Co.

The principle established by this decree, namely, that in the dissolution of combinations in restraint of trade the separate parts must not be left in control of the same stockholders, has since been strictly adhered to.

TELEPHONE CASES.

For a long time there had been persistent complaints made to the department by the so-called independent telephone companies that the American Telephone & Telegraph Co. and its associated companies, commonly known as the Bell system, were attempting to bring under one control the means of communication by wire throughout the entire country, not only through the expansion and extension of their own system, but by the acquisition of competing lines, in violation of the Federal antitrust laws. The American Co., indeed, had frankly admitted its purpose in this regard in its annual report for the year ending December 31, 1910, in which it is stated:

"This process of combination will continue until all telephone exchanges and lines will be merged either into one company owning and operating the whole system or until a number of companies with territories determined by political, business, or geographical conditions, each performing all functions pertaining to local management and operation, will be closely associated under the control of one central organization exercising all the functions of centralized general administration."

The department investigated these complaints and found that they were not without basis. The Bell system had already so far accomplished its purpose that considerably more than half of all the telephones in the United States were under its control, and it also had acquired through stock ownership practical control of the largest of the two principal telegraph companies of the country.

In July, 1913, a suit was instituted under the antitrust act at Portland, Oreg., against companies comprising the Bell system and others, charging them with having entered into a combination to monopolize the means of telephonic communication in and between the States of Oregon, Washington, and Idaho.

Some time after the institution of this suit the officers and directors of the Bell system indicated that they were desirous of bringing its organization and business throughout the country generally into harmony with the antitrust laws as construed by the Department of Justice, and to that end conferences were had between officers of the department and officers of the Bell system.

In compliance with the suggestions of the Attorney General, formulated in the course of these conferences, the Bell system committed itself to the following course of action, briefly stated:

First. It agreed to dispose of its entire holdings of stock of the Western Union Telegraph Co. in such way that the control and management of the latter will be entirely independent.

Second. It agreed not to make any further acquisitions, directly or indirectly, of competing telephone systems.

Third. It agreed to connect its long-distance wires with the exchanges of independent companies.

Of course, the interpretation of the antitrust act on which was based the action taken by the department in respect of the Bell system does not mean that where there are two telephone systems in a city or town there never can be a consolidation into a single system. It does mean that where competition has been established in long-distance telephony between points in different States it can not be destroyed by contract or consolidation. This interpretation leaves local communi-

ties generally free to have one telephone system, if they desire, subject to the condition that in the event of a consolidation the consolidated company will make connections with all long-distance interstate lines and thereby preserve competition in interstate communication.

It should also be kept in mind that the requirement that the American Telephone & Telegraph Co. relinquish its control of the Western Union Telegraph Co. does not mean that they can not continue to cooperate where their services are supplementary rather than competitive. In other words, the action of the department, while requiring these two companies to be under separate control and management, so that in so far as they perform like services the public may have the benefit of competition between them, also leaves them entirely free to cooperate for the benefit of the public in so far as their services are supplementary.

There was left to be disposed of the before-mentioned suit instituted at Portland, Oreg., against the companies comprising the Bell system for attempting to monopolize the means of telephonic communication in and between the States of Oregon, Washington, and Idaho.

After extended negotiations, the defendants consented to the entry of a decree in favor of the Government.

The attempt of the Bell system to monopolize all of the means of communication by wire has thus been effectually prevented.

NEW HAVEN CASE.

In May, 1908, Attorney General Bonaparte instituted a suit under the antitrust act attacking, in part, the monopoly of transportation facilities in New England held by the New York, New Haven & Hartford Railroad Co. Whilst that suit was seriously inadequate, in that it did not attack the New Haven's control of water transportation to and from New England, the defect could have been remedied by amending the bill of complaint. Instead of doing that, the Taft administration discontinued the suit altogether, and thereafter the New Haven Co. still further strengthened its hold upon the transportation facilities of New England.

Regarding the creation of this monopoly as a defiant violation of the antitrust act, Attorney General McReynolds began preparations to attack it immediately upon taking office. By that time, however, the New Haven Co. and the Boston & Maine Railroad, which it controls, had been reduced to the unfortunate state now known to all the country. In consequence, their securities, which were widely distributed amongst small investors, had shrunk in value enormously, and the commerce and industries of all New England were seriously affected and under severe strain.

In this condition of affairs, Attorney General McReynolds, whilst intent upon enforcing the law, was obviously under the duty to move toward that end along the course which promised the least possible further distress to the stricken investors and unsettled industries of New England. In accordance with that policy he granted the request of the new management of the New Haven Co. to enter into negotiations with a view to bringing about, without a protracted and necessarily unsettling contest, a dissolution of the unlawful monopoly, and in the meantime sought to avoid any action that might hinder in any way the accomplishment of that end so important to the people of New England. During the negotiations the criminal aspects of the case were kept constantly in mind and care was taken to do nothing which might interfere with proper prosecutions at the appropriate time.

As a result of the negotiations a plan of voluntary dissolution was agreed upon by which—

1. The agreement between the New Haven Co. and the New York Central for the joint operation of the Boston & Albany Railroad will be canceled.
2. The New Haven Co. will relinquish control of the Boston & Maine Railroad.
3. The New Haven Co. will dispose of its interests in trolley lines.
4. The New Haven Co. will dispose of its interests in ocean steamship lines between the ports of New England and New York, Philadelphia, Baltimore, and other Atlantic seaports.
5. Whether the New Haven Co. shall be permitted to retain control of its steamboat lines on Long Island Sound will be submitted to the Interstate Commerce Commission for determination pursuant to the provisions of the Panama Canal act.

The criminal aspects of the case will shortly be presented to the grand jury, but it must be borne in mind that the Federal Government can institute prosecutions in this case only in respect of transactions involving restraints of trade or attempts to monopolize. It has no power to institute prosecutions for the punishment of those responsible for the financial irregularities brought to light in the New Haven Co., since there is no existing law under which the Federal Government can prosecute the officers, directors, or other agents of a railroad company created by a State for improvident or dishonest management of the financial affairs of the company.

THE HARVESTER CASE.

The suit to dissolve the International Harvester Co. as a combination in restraint of trade and a monopoly has been prosecuted to a conclusion in the district court, which, on August 12, 1914, sustained the contention of the Government and ordered the combination dissolved. The court, adopting the principle steadfastly insisted upon by this administration, provided in its decree that the parts into which the combination was ordered to be dissolved should be separately owned and should not be left under the control of a single set of stockholders. On account of the importance of the issues involved in this case, Attorney General McReynolds himself went to St. Paul to take part, on behalf of the Government, in the final argument.

THE ANTHRACITE COAL CASES.

On September 2, 1913, suit was commenced under the antitrust act at Philadelphia against the Reading Co., its officers and directors and affiliated corporations. This combination is the backbone of the anthracite coal monopoly. It controls, according to its own estimate, 63 per cent of the entire deposits, and its supply will outlast by many years that of any other producer. In time, therefore, this combination, if not dissolved, will own or control every ton of commercially available anthracite coal known to exist. The case has proceeded expeditiously. The evidence has been taken, the arguments have been heard, and a decision by the United States district court at Philadelphia is awaited.

On March 18, 1914, suit was commenced under the antitrust act against the Lehigh Valley Railroad Co., its officers and directors and affiliated corporations, charging them with having monopolized the production, transportation, and sale of anthracite coal from mines located along the lines of the Lehigh Valley Railroad. Next to the Reading Co. the Lehigh Valley Co. is the most important factor in the anthracite trade. All the evidence has been taken and the case will be argued in the coming fall.

The Reading Co. and the Lehigh Valley Co. are also charged in these suits with transporting anthracite coal in which they have an interest in violation of the commodity clause, which prohibits railroads from transporting in interstate-commerce articles in which they have any interest direct or indirect.

The purpose of the commodity clause is to protect shippers from the unlawful discriminations and disadvantages inherent in the ownership by railroads of the property transported by them, and to prevent railroads from monopolizing by means of such discriminations the production and sale of articles transported over their lines.

On July 13, 1914, the Pennsylvania Railroad Co. was indicted in the western district of New York for violating the commodity clause in transporting anthracite coal nominally owned by the Susquehanna Coal Co. but in fact owned, as the Government contends, by the Pennsylvania Railroad Co.

There is also pending on appeal to the Supreme Court a case instituted in February, 1913, against the Delaware, Lackawanna & Western Railroad Co. for alleged violations of the commodity clause. This case was decided against the Government in the lower court.

SOUTHERN PACIFIC-CENTRAL PACIFIC MERGER CASE.

In the course of the proceedings to dissolve the combination between the Union Pacific Railroad Co. and the Southern Pacific Co. the question of the legality of the control of the Central Pacific Railway Co. by the Southern Pacific Co. arose, the Central Pacific and the Southern Pacific being competitors in the same way as the Southern Pacific and the Union Pacific. The Attorney General endeavored to have the relations between the Southern Pacific and the Central Pacific brought into harmony with law by the final decree in the Union Pacific-Southern Pacific case and thereby obviate further litigation. This effort was thwarted by the objections of the defendants, and on February 11, 1914, suit was instituted to compel the Southern Pacific to relinquish its control of the Central Pacific. The case is now pending.

METROPOLITAN TOBACCO CASE.

By dealing with it exclusively and upon preferential terms, the old Tobacco Trust enabled the Metropolitan Tobacco Co. to acquire complete control of the jobbing trade in tobacco products in the area between Trenton, N. J., on the south, and Stamford, Conn., on the north, embracing the entire metropolitan district. The purpose of the trust was to enable the Metropolitan Co. to drive all other jobbers out of business and thereby close the avenues of distribution against independent manufacturers of tobacco products.

After the business of the trust was dissolved, as a result of the suit instituted by the Government, into substantially four parts, controlled by the American Tobacco Co., the Lorillard Co., the Liggett & Myers Co., and the R. J. Reynolds Co., respectively, these companies continued to sell their products in the metropolitan district exclusively to the Metropolitan Tobacco Co., thereby perpetuating its control of the jobbing trade in that territory.

Complaints were made to the department in respect of this condition, and the companies were notified that the department regarded the condition as a violation of the antitrust laws. As yet no final action has been taken by the department. However, the action thus far taken has resulted in each of the four manufacturing companies agreeing to sell their products to all jobbers in the metropolitan district upon the same terms that they sell to the Metropolitan Co.

THREAD CASE.

On June 2, 1914, a decree was entered in the United States District Court of New Jersey dissolving a combination between J. & P. Coats (Ltd.), and affiliated corporations, and the American Thread Co. and affiliated corporations (the most important factors in the thread trade) and enjoining them from employing against independent manufacturers of thread certain unfair trade practices. There is every reason to believe that the result will be not only to restore competition between J. & P. Coats (Ltd.) and the American Thread Co., but also to permit independent manufacturers to compete freely.

AMERICAN CAN CO. CASE.

On November 19, 1913, suit was instituted in the United States district court at Baltimore against the American Can Co., a corporation capitalized at over $80,000,000, charging it with having monopolized the manufacture and sale of tin cans used largely for packing food products. The taking of testimony is in progress.

THE BUTTER AND EGG CASES.

On April 27, 1914, a decree was entered in the United States district court at Chicago enjoining the Elgin Board of Trade from continuing certain practices by which the prices of butter throughout a large area were arbitrarily fixed.

Within the last few weeks a similar proceeding against the Chicago Butter & Egg Board was decided in favor of the Government. In this case the prices of both butter and eggs were involved.

OATMEAL CASE.

On June 11, 1913, suit was instituted at Chicago, in the northern district of Illinois, against the Quaker Oats Co. and others, charging a combination to restrain and monopolize interstate commerce in oatmeal products and by-products. The taking of testimony on behalf of the Government has been concluded.

TOASTED CORN FLAKES CASE.

On December 26, 1912, suit was instituted against the Kellogg Toasted Corn Flake Co. and others, charging that the defendants were restraining and attempting to monopolize interstate commerce in Kellogg's Toasted Corn Flakes by fixing and enforcing resale prices for that product. The case has been argued before the district court, and a decision is awaited.

BICYCLE PARTS CASE.

On May 27, 1913, suit was instituted in the United States District Court for the Western District of New York against the New Departure Manufacturing Co. and others, charging them with having formed a combination to restrain and monopolize the manufacture and sale of bicycle and motor-cycle parts and coaster brakes. The defendants did not contest the case, and a decree was entered in accordance with the prayer of the petition. The defendants also pleaded guilty to indictments for the same offense and were fined $81,500.

CLOTHES WRINGER CASE.

On May 22, 1914, the American Wringer Co. and the Lovell Manufacturing Co., which are the principal manufacturers of clothes wringers, were indicted at Pittsburgh, in the western district of Pennsylvania, for entering into a combination to fix prices.

PLUMBING SUPPLIES CASE.

On June 4, 1914, an indictment was obtained in the southern district of Idaho against a combination charged with restraining trade in plumbing supplies. The case has been set for trial on December 8, 1914.

KODAK CASE.

On June 9, 1913, suit was instituted in the western district of New York against the Eastman Kodak Co., which is charged with having acquired a monopoly of the business of manufacturing, selling, and distributing photographic supplies. The trial of this case is now proceeding.

FISH CASE.

On July 20, 1914, an indictment was obtained in the western district of Washington against the Booth Fisheries Co. and others, charging them with maintaining a combination to fix the prices of fish in certain parts of the country.

JEWELERS' ASSOCIATION.

On November 18, 1913, a suit was instituted in the United States district court at New York City against the National Wholesale Jewelers' Association and others, charging them with conspiring to prevent manufacturers of jewelry from selling jewelry direct to retail dealers. On January 30, 1914, a decree was entered enjoining the defendants from further carrying out the conspiracy.

SOUTHERN WHOLESALE GROCERS' ASSOCIATION.

On July 29, 1913, fines aggregating $5,500 were imposed upon this association and several of its members for violating the decree entered October 17, 1911, enjoining the association and its members from interfering with the free flow of trade in groceries.

ALASKA TRANSPORTATION CASES.

There were two indictments—one charging a conspiracy to monopolize the wharf facilities at Skagway, the other a conspiracy to monopolize steamship transportation between Puget Sound and certain Alaskan ports. In February, 1914, fines aggregating $28,000 were imposed.

THE BITUMINOUS COAL CASE.

The petition in this case, which was filed in August, 1911, charged a combination to monopolize the production and transportation of bituminous coal in and from the Ohio fields and, to a certain extent, the West Virginia fields. On March 14, 1914, a decree was entered adjudging the combination unlawful and dissolving it generally in accord with the contentions of the Government.

THE STEEL CASE.

This is a suit to dissolve the United States Steel Corporation on the ground that it is a combination in restraint of trade. The prosecution of the suit has been conducted vigorously. The testimony has all been taken and the final argument has been set for October 20, 1914.

THE SUGAR CASE.

The suit instituted several years ago against the American Sugar Refining Co., charging it with being a combination in restraint of trade, is being vigorously prosecuted, and will shortly be ready for final hearing.

THE LUMBER CASE.

The suit against the associations of retail lumber dealers in the eastern part of the United States, charging them with having entered into a combination to prevent lumber manufacturers and wholesale dealers from selling directly to consumers, was argued before the Supreme Court at the October term, 1913, and was decided in favor of the Government.

SHOE MACHINERY CASE.

The trial of the suit against the United Shoe Machinery Co. and others, charged with restraining and monopolizing interstate and foreign trade in shoe machinery, was completed in June, 1914, and the decision of the trial court is awaited.

KEYSTONE WATCH CASE.

The trial of the case against the Keystone Watch Case Co. and others for restraining and monopolizing trade in filled watch cases and watches was completed in June, 1914, and the decision of the trial court is awaited.

STEAMSHIP POOL CASES.

In 1912 suits were instituted against the Prince Line (Ltd.) and others, charging a combination to restrain and monopolize ocean transportation between ports of the United States and ports of Brazil by means of pooling agreements, rebates, etc.; and against the American-Asiatic Steamship Co. and others, charging a combination to restrain and monopolize by like means ocean transportation between ports on the Atlantic coast of the United States and ports in the Philippine Islands, Japan, China, and the Far East.

The taking of testimony in these cases has been completed, and the final hearings in the lower court will take place in the fall.

MOTION PICTURE CASE.

The trial of the case against the Motion Picture Patents Co. and others, charged with imposing restraints on interstate and foreign trade in machines, appliances, etc., relating to the motion-picture art, has been completed in the lower court except for the final argument, which has been set for September 14, 1914.

REGULATION OF RAILROAD SECURITIES ISSUES.

The country is familiar with the wrecking, financially speaking, of such great railroad systems as the New York, New Haven & Hartford, the Rock Island, the Frisco, the Pittsburgh Wabash Terminal, and the Cincinnati, Hamilton & Dayton.

In consequence innocent investors have suffered disastrously and the prosperity of the country as a whole has been injured.

This condition of affairs was made possible because the officers and directors of interstate railroad corporations were not subject to adequate public control in the issuance of securities.

Not only did these abuses grow up while the Republican Party was in power, but that party took no step to remove the cause, namely, complete absence of any control by the Federal Government over the issuance of securities by interstate railroads. It remained for a Democratic Congress and a Democratic President to provide the remedy by the passage of an act giving the Interstate Commerce Commission power to regulate and control the issuance of stocks and bonds of interstate railroads. The act also makes it unlawful for any officer or director of any carrier to receive for his own benefit, directly or indirectly, any money or thing of value in respect of the negotiation, hypothecation, or sale by the carrier of any securities issued by the carrier, or to participate in the making or paying of any dividends of an operating carrier except from its profits or surplus. Any person violating this section of the law will be punished by fine or imprisonment, or both.

The cause of financial corruption in this important quarter being known, a law to insure healthy conditions in the future has been enacted.

Inflation and deception may seem to prosper for awhile, but they will not endure. They are inevitably followed by suffering, and eventually ruin. Their evil consequences are dependent upon their extent and their duration. To prevent them in the first place is to establish business as it should be established—so firmly and so permanently that it will withstand the severest tests.

WHITE-SLAVE TRAFFIC ACT.

The white-slave traffic act was placed upon the statute books June 25, 1910. Up to and including February 28, 1913, there had been 827 indictments, 468 convictions, 70 nol prossed, and 73 acquittals, a total of 620 cases disposed of, leaving pending at the beginning of this administration 177 cases.

From March 1, 1913, to July 31, 1914, there have been 571 indictments, 421 convictions, 54 nol prossed, and 60 acquittals, a total of 535 cases disposed of, leaving pending August 1, 1914, 213 cases.

It will be seen that the law was in effect 32 months, or 2 years and 8 months, before the beginning of the present administration, during which time 620 white-slave cases were finally disposed of, there being in that period 468 convictions.

Under the present administration, in 17 months, or 1 year and 5 months, 535 cases were disposed of, in which convictions were obtained in 421 cases.

In other words, after the enactment of the white-slave traffic law the Republicans were in charge of the administration for a period of one year and three months longer than has been the life of the present administration, but during that time the previous administration obtained only 47 more convictions than have been obtained under the present administration up to July 31, 1914.

It is a matter of court record that under the present administration there has been a constant increase in the effectiveness of the enforcement of the white-slave traffic law, and the records show that during the last few months of the last term of the Federal courts the number of indictments steadily increased until in each succeeding month all previous records were broken.

Mr. REED. Mr. President, here is the trouble with the enforcement of this act. I am not prepared to charge bad faith to past Attorneys General of the United States, but I am prepared to say that, in my humble judgment, the same zeal has not been back of the enforcement of this law many times that has been back of the enforcement of the laws aimed at the poor fellow who makes moonshine whisky or sells a box of cigars without having the correct number of stamps upon the box. As to any law that has been so enforced that monopoly has grown like a green bay tree, so that its evil roots have spread into every State and every community, I am prepared to say that you need some more enforcement and you need some independent action by independent men.

I have heard attorneys general of States sneered at here; but I say to you that the Attorney General of the United States can not personally examine all these questions; hence he must turn many of them over to subordinates; and, taking the attorneys general of the various States of the Union and comparing them with the subordinates over here in this office, they stand in a great many instances as giants compared with pigmies. Moreover, they have a direct responsibility to the people of their respective States; they know when the iron is entering the souls of the business men of their States, and they rise to the occasion.

I have heard the question asked, Has a State official ever asked to have a prosecution begun which was not begun? I do not know with reference to the Northern Securities case, whether or not a request was made, but I do know that 10 long years ago the attorney general of the State of Minnesota sought to bring such litigation, and I do know that the Supreme Court did not say it was improper for him to bring it; they simply said the law had not yet conferred the authority. We are seeking to confer that authority. If it had existed at that time, the Northern Securities case would have been won and ended years before it was ended under the Government prosecution which was thereafter brought.

Mr. President, there can no harm result from the enactment of this legislation as it is drawn. I do not know why we should have such tenderness about creating new means for controlling these institutions. You say it is an innovation; all progress is innovation; all change is innovation. The question is not whether this is new, but whether it is wise. In view of the past history of this class of litigation, however, it is evident that we need something new, it is evident that we need innovation.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Colorado [Mr. SHAFROTH] to the amendment of the Senator from Missouri [Mr. REED].

The amendment to the amendment was agreed to.

The VICE PRESIDENT. The question recurs on the amendment as amended.

Mr. JONES. Mr. President, only a word in connection with the remarks just submitted by the Senator from Missouri. I do not know, of course, what is contained in the document which he has sent to the Secretary's desk to have printed in the RECORD; but

with reference to the criticism which he has read from the private secretary to the Attorney General concerning the enforcement of the Sherman law, I think it might be well to place in the RECORD a few plain facts. I have here a list of the cases instituted by the United States under the antitrust law. This list is brought up to the date of just a few days ago—it was sent to me in answer to a letter of mine to the Attorney General—and it is supplemented with a typewritten list of cases that have been brought since the document was printed. It shows that during the four years of the preceding administration 89 cases were brought under the antitrust law. I have counted the cases which have been brought under all the administrations, and they amount to something over 160; so that during the last administration more cases were brought under the antitrust law than under all other administrations since that law was passed, and more than one-half of all the cases brought, including the present administration.

Under the present administration, which has been in office almost two years—its time is almost half gone—although there is a large number of apparently known combinations, as is evidenced by the list printed in the RECORD by the Senator from Kansas [Mr. THOMPSON] a few days ago and a list printed by some other Senator showing the large number of combinations which seem to be well known to exist—this administration has brought only 17 cases, and the last one was brought July 23, 1914; so that this is very close up to date and shows no great or startling activity on the part of the present administration, notwithstanding its loud professions. It has not by any means thus far kept pace with the preceding administration.

Mr. GALLINGER. Mr. President, taking this document which the Senator has presented, I think it will make the activities of the Department of Justice more to its credit than has been represented. The criticism that this secretary makes, I think, is in very bad taste; but the memorandum shows that under the present administration, in 17 months, or 1 year and 5 months—that is, under Mr. McReynolds's jurisdiction—535 cases were disposed of, in 421 of which convictions were obtained.

Mr. REED. What kind of cases?

Mr. GALLINGER. I do not know what kind.

Mr. REED. Not trust cases.

Mr. GALLINGER. They were apparently antitrust cases, I should judge.

Mr. REED. Oh, no; white-slave cases and every other kind of case that was tried.

Mr. GALLINGER. That is what this man is discussing. I do not know the nature of the cases.

Mr. NORRIS. I think that included cases of selling liquor to Indians and all such cases.

Mr. GALLINGER. It does not say so.

Mr. LEWIS. Mr. President——

Mr. OVERMAN. I will ask the Senator to let me see that document.

Mr. GALLINGER. Certainly. However, I have no disposition to discuss this matter a moment further. I have an impression that a good deal more work is being done than has been represented in certain quarters. I repeat that the criticism of the late administration of the Department of Justice by a clerk is so clearly in bad taste and absurd that it ought to be rebuked by this body; and, personally, I want to enter my dissent to it.

Mr. KENYON. Mr. President, I should like to ask the Senator from New Hampshire a question.

The VICE PRESIDENT. Does the Senator from New Hampshire yield to the Senator from Iowa?

Mr. GALLINGER. Certainly.

Mr. KENYON. This criticism purports to come from a private secretary of an Attorney General who has just been confirmed as an associate justice of the United States Supreme Court.

Mr. GALLINGER. Yes.

Mr. KENYON. And it is a criticism of the previous administration in the enforcement of the antitrust law.

Mr. GALLINGER. Yes.

Mr. KENYON. The Senator from New Hampshire is no doubt familiar with the fact that during practically all of that administration the present Attorney General, who has just been confirmed, was a member of the force for the enforcement of the Sherman Antitrust Act.

Mr. GALLINGER. Yes.

Mr. KENYON. So that this presumptuous criticism from a private secretary is really a criticism of the man for whom he is acting as secretary.

Mr. GALLINGER. Yes.

Mr. KENYON. That is all I wish to say.

Mr. GALLINGER. And I presume later on he will take the same liberty to criticize the man whom we have made Attorney General by our recent action.

Mr. REED. Mr. President, I think, in fairness, the Senator from Iowa ought to have added to his statement that when the present Associate Justice of the Supreme Court of the United States was Assistant Attorney General he protested most vigorously against the kind of dissolutions which were being permitted, and because of that protest, probably more than anything else, he was named as Attorney General.

Mr. NORRIS. Mr. President, I should like to ask the Senator from New Hampshire a question.

Mr. GALLINGER. I yield, with pleasure.

Mr. NORRIS. My attention was called to some other matter and I did not hear what the Senator from Missouri was reading. What is the document to which the Senator has referred?

Mr. GALLINGER. It is a letter from the secretary to the Attorney General, inclosing a memorandum which the secretary prepared, and in that memorandum is this criticism of his superior officer.

Mr. NORRIS. What is the memorandum? What is the object of it? Is it a letter from the private secretary of the Attorney General to the Attorney General?

Mr. GALLINGER. No; to the Senator from Missouri.

Mr. NORRIS. Oh. Has it been printed in the RECORD?

Mr. GALLINGER. The Senator has just asked that it shall be printed.

Mr. OVERMAN. Mr. President, I think this memorandum shows a pretty good record for the Attorney General under the circumstances, since he has been criticized here, and this administration is being attacked.

I notice in this paper that a suit against the telephone company has been prosecuted to a successful conclusion. I notice that the case against the Harvester Trust, in which the Attorney General took part, and which he prosecuted personally, has been brought to a successful conclusion. Decrees have been entered against the Harvester Trust and the Bell Telephone Trust, two of the biggest trusts in the United States. I notice that the Anthracite Coal cases have been tried, and a great many suits have been brought. Suit was commenced in 1913 against the Reading Co. under the antitrust act; also against the Lehigh Valley Railroad and against the Pennsylvania Railroad Co. The Metropolitan Tobacco Co. case has been settled. The great Spool Thread case has been settled and a case against the American Can Co. has been brought. Then there are the Butter and Egg cases, the Oatmeal case, the Toasted Corn Flakes case, the Bicycle Parts case, the Clothes Wringer case, the Plumbing Supplies case, the Kodak case, the Fish case, the Jewelers' Association case, the Southern Wholesale Grocers' Association case, the Alaskan Transportation cases, and the Bituminous Coal cases.

As to the Steel case, the memorandum says:

> This is a suit to dissolve the United States Steel Corporation on the ground that it is a combination in restraint of trade. The prosecution of the suit has been conducted vigorously. The testimony has all been taken and the final argument has been set for October 20, 1914.

The Sugar case:

> The suit instituted several years ago against the American Sugar Refining Co., charging it with being a combination in restraint of trade, is being vigorously prosecuted and will shortly be ready for final hearing.

The Lumber case:

> The suit against the associations of retail lumber dealers in the eastern part of the United States, charging them with having entered into a combination to prevent lumber manufacturers and wholesale dealers from selling directly to consumers, was argued before the Supreme Court at the October term, 1913, and was decided in favor of the Government.

The Shoe Machinery case:

> The trial of the suit against the United Shoe Machinery Co. and others, charged with restraining and monopolizing interstate and foreign trade in shoe machinery, was completed in June, 1914, and the decision of the trial court is awaited.

The Keystone Watch case:

> The trial of the case against the Keystone Watch Case Co. and others, for restraining and monopolizing trade in filled watchcases and watches, was completed in June, 1914, and the decision of the trial court is awaited.

Then we have the Steamship Pool cases and the Motion Picture cases. So this document will bear reading and will show that this administration has been very energetic in the prosecution of the trusts. I do not think the criticism made here upon the administration is deserved.

Mr. JONES. Mr. President——

The VICE PRESIDENT. Does the Senator from North Carolina yield to the Senator from Washington?

Mr. OVERMAN. I do.

Mr. JONES. I desire to ask the Senator how many of the cases he has referred to were commenced under this administration. Were not most of them commenced under preceding administrations?

Mr. OVERMAN. I do not know the number. A good many of them were begun under the previous administration; but they have been prosecuted to successful conclusion under this administration. That was not done under the last administration. Here is the Bell Telephone case, which has been prosecuted to a successful conclusion, and the Pipe Line case and several others that I could name. So I think the Attorney General has been pretty energetic in this matter.

Mr. LEWIS. Mr. President——

SEVERAL SENATORS. Vote!

Mr. LEWIS. If the Senators are ready to vote, I shall not delay the vote.

The VICE PRESIDENT. The question is on agreeing to the amendment as amended.

Mr. REED. On that I ask for the yeas and nays.

Mr. NORRIS. Mr. President——

The VICE PRESIDENT. The Chair will ask the Senator from Nebraska if he has addressed the Senate on this amendment?

Mr. NORRIS. I have not.

The VICE PRESIDENT. The Senator from Nebraska is recognized.

Mr. NORRIS. Mr. President, as I understand, the amendment was agreed to. I rose to offer an amendment.

The VICE PRESIDENT. No; the amendment of the Senator from Colorado to the amendment was agreed to.

Mr. NORRIS. That is what I understood. I rose for the purpose of offering another amendment.

I move to strike out of the amendment the last clause, reading as follows:

And the Attorney General of the United States shall have the right to control the prosecution.

I wish to say just a few words upon that amendment.

I regret that any attempt has been made here to get credit for or to condemn any administration on the enforcement of the Sherman Antitrust Act or any other antitrust act. I know we will not agree as to which administration is entitled to the most credit and which administration ought to receive the most condemnation in the enforcement or the lack of enforcement of these laws.

It seems to me that the document which the Senator from New Hampshire and the Senator from North Carolina have been discussing, perhaps offered here as a defense of the present administration, or the administration of the Attorney General who has just been promoted to the Supreme Court, ought to have been offered in executive session, when those who were opposed to his elevation were suggesting reasons why he had not carried on his office as he ought to have done.

I do not believe the question now before the Senate ought to be clouded by getting into a political, partisan discussion as to whether Mr. McReynolds has enforced the antitrust acts as he ought to have enforced them, or whether he has been sufficiently diligent, or otherwise. I do not agree myself that he has been, and I think I could demonstrate to my satisfaction at least that he has not been; but that has nothing to do with this question, and never would have been suggested had there not been an attempt made, apparently, to defend him when no charge was made.

Mr. CHILTON. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from West Virginia?

Mr. NORRIS. I yield for a question.

Mr. CHILTON. I desire to make a point of order.

Mr. NORRIS. I shall have to yield for that, if it is good.

Mr. CHILTON. It seems to me this amendment is clearly out of order. I do not want to do the Senator any wrong. I hope the Senator will understand that I do not want to cut him off.

The VICE PRESIDENT. The Chair can not hear the point of order.

Mr. CHILTON. I have not stated it yet.

The VICE PRESIDENT. The Chair did not know but that the Senator had, the way he was talking.

Mr. NORRIS. Mr. President, I hope the time the Senator is consuming on the point of order will not be taken out of my time.

Mr. CHILTON. My point of order is this: The Senator from Missouri offered an amendment to the bill. An amendment was offered to that amendment, which amendment to the amendment was agreed to. Upon that there was a vote of the Senate. Now, the Senator from Nebraska moves to strike out the amendment which has been agreed to, or part of it.

The VICE PRESIDENT. No; the Senator from West Virginia is in error. The amendment which was agreed to was to insert the words "and expense," as offered by the Senator from Colorado.

Mr. CHILTON. I understand. That was an amendment to the amendment. That was voted upon. Now, that amendment has been incorporated in the amendment. It has been accepted and adopted. Now, the Senator moves to strike out that which has been accepted by the Senator who offered the amendment.

The VICE PRESIDENT. The Senator from Nebraska is only moving to strike out part of the amendment as proposed by the Senator from Missouri, which the Chair construes to be an amendment to the amendment of the Senator from Missouri.

Mr. CHILTON. Then do I understand that the Senate has not voted to adopt the amendment offered by the Senator from Iowa?

The VICE PRESIDENT. It has not.

Mr. CHILTON. Very well.

Mr. NORRIS. Mr. President, it has been argued here that if we need more assistance in the Department of Justice we ought to employ more lawyers in the Department of Justice, and that this amendment in reality is simply to increase the number of attorneys in the Department of Justice. We must bear in mind, however, that if we should employ 10,000 more lawyers in the Department of Justice every one would be under the supervision of the Attorney General, and properly so. He is the head of that department. No prosecution would be or could be commenced without his consent. The entire activity of all the attorneys under him is subject to his control and to his order. It is no reflection on any Attorney General; and I should like to argue this question on the theory that the amendment itself is not offered as a reflection, and can be under no circumstances considered as a reflection, upon any Attorney General, past or present.

If the Attorney General of the United States is requested by the attorney general of a State to begin a certain prosecution, he will undoubtedly call upon the attorney general of the State for such evidence as he may have, consult with him in regard to the facts, the evidence he has in his possession to prove the case, and discuss the law of the case. I think it is reasonable to suppose that these men will act in harmony. It will not result in some one trying to find fault with the Attorney General. The action of the attorney general of the State in calling the matter to the attention of the Attorney General of the United States will be a favor, assuming that they all want to perform their duty, and I think we ought to discuss the matter on that assumption. If he is too busy, if he has not been able to prosecute with the force at hand, he will undoubtedly often say to the attorney general of the State, "Commence your prosecution," and he will assist him in it.

I presume, if this bill is passed, we will find instances, where cases are commenced by the attorney general of a State, where some of the assistants of the Attorney General of the United States will be with him in the case, assisting him in carrying it on. There may be a case where there will be a flat disagreement between the Attorney General of the United States and the attorney general of a State as to whether there is a violation of law. That does not mean any discredit either to the attorney general of the State or to the Attorney General of the United States. They may disagree. The attorney general of the State may think there is a plain violation of the law, and the Attorney General of the United States may think there is not. Under that state of facts and in the practical operation of this law that will be the only instance where there will be a dispute between the two officials.

Under that condition of things, is it not right for us to say that the attorney general of the State shall proceed and try it out on his theory? His State pays the expenses. He assumes the responsibility. The Government of the United States is not injured. It does not cost the Government of the United States a penny. It is not any reflection on the Attorney General of the United States that the State attorney general disagrees with him. If there is a disagreement, there ought to be some way to try it out. We ought not to be compelled to submit always to the judgment of one man, however honest or able he may be.

There will be in the practical operation of this law, in my judgment, if it is placed upon the statute books, no serious difficulty, no serious dispute, and no reflection on anybody. That being the case, after the Attorney General of the United States, for one reason or another, has declined to prosecute, or has said to the State attorney general: "Go ahead and prosecute under this law," and he does so, and the State goes to the ex-

pense, sometimes to a large expense—we have included expense now in the bill by the amendment—when the State goes to the expense, gets ready for trial, gets evidence, and is ready to proceed with the trial under the law that we have passed giving it authority to do so, it seems to me it is perfectly foolish for us to say, after all that is done, that the Attorney General of the United States shall have the power to come in and dismiss that suit. The amendment I have offered to the amendment strikes out that authority, and takes away from the Attorney General the right to dismiss a suit after he has declined to commence it, and after the other party has commenced it and has gotten it into court.

Mr. CUMMINS. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Iowa?

Mr. NORRIS. I yield for a question.

Mr. CUMMINS. I shall find it necessary to precede my question by a brief statement.

Mr. NORRIS. All right.

Mr. CUMMINS. The argument of the Senator from Nebraska is very persuasive, and I am not sure but that it is convincing; but there is one point that bothers me about it, and that I should like to suggest to him.

I suppose three-fourths of all the decrees that have been entered under the antitrust law have been consent decrees, often the result of an agreement in the office of the Attorney General of the United States. I have never liked that power. I think it has been misused, and necessarily so. I hesitate to see a similar power given to 49 attorneys general; that is, I have no hesitation in giving them the power to bring and try the lawsuits, for I assume that if the court really tries a case and decides it, it will be decided according to the law and according to justice, but I shrink a little from giving to the several attorneys general of the States the power to enter into negotiations with those who are alleged to have violated a law and finally agree with regard to a dissolution or a readjustment or a reorganization, and thus end the controversy. If I were sure that the case would be carried forward every time to a decision by the courts, I would have no hesitation about it; but I make this suggestion to the Senator from Nebraska, because the thought perplexes me a good deal, so far as that phase of it is concerned.

Mr. NORRIS. Mr. President, I think the anxiety of the Senator from Iowa is fully answered by the amendment. That language contained in the language of the Senator from Missouri will still be in the amendment if my motion to strike out these objectionable words is carried. In those cases, if they are commenced by the attorney general of a State, the Attorney General of the United States has the right to be in the case and to be represented in the trial of the case. The language specifically states that. So if, after the attorney general of a State commenced a case he undertook to settle it contrary to what the Attorney General of the United States thought it ought to be, the Attorney General of the United States either in person or through his representative could be in court if he desired and call the attention of the court to the matter and be properly heard to object to any settlement that might be taking place. I do not believe there would be any difficulty in the actual working out of the proposition.

Mr. President, I think this is no innovation, as the Senator from Rhode Island [Mr. COLT] has suggested. It is very much like quo warranto proceedings provided for in every State, where, for instance, the attorney general of the State is first given authority to try the right of a man to hold office, and if the attorney general does not take action any citizen of the State interested has a right to ask him to commence such an action, and if he declines the citizen commences the action in the name of the State. I presume every State in the Union has laws similar to that. When a citizen commences the suit the attorney general of that State has no authority to come in and dismiss it.

Mr. President, I think those words practically nullify the real good that will come out of this amendment. They make it nugatory. What State or what attorney general of a State would go to the expense and spend the time that would be necessary to get an antitrust case ready for trial, knowing that all the work of the attorney general might be overthrown by the simple dictum of the Attorney General in Washington? It seems to me there can be no reason founded upon justice and reasoning why this power to the Attorney General to dismiss a case that he himself has declined to commence should be given. As I said before, it seems to me that it takes away all the virtue of this amendment. There will be no difficulty in the enforcement of this law. There will be no reflection upon any class of officials, either of the States or of the Federal Government. It simply gives to the States the right to begin this action when the Federal Government has declined to begin. It does not mean that the Attorney General refuses for motives that were dishonorable or that were unfair or that were not right in any other way. It may be that he will decline simply for want of time. It may be that he will decline because he does not believe the attorney general of the State has a good case.

It would often occur that there would be a joining of the attorneys general of several States, and they ought to be given this right when they go to the expense and time and trouble of getting them ready for trial and commence to try them. They will never get them ready unless they are given that right. In my judgment if this language remains in the bill it will mean practically that the law will be a dead letter, because no attorney general would put his State to the expense and trouble of getting an important case of this kind ready for trial, knowing that he is at the mercy of some man who may dismiss the suit without giving any reason for it.

I ask for the yeas and nays on the amendment to the amendment.

Mr. CUMMINS. I ask that the amendment as it has been perfected up to this time may be stated, together with the amendment of the Senator from Nebraska.

The SECRETARY. The Senator from Nebraska moves to strike out from the end of the proposed amendment the following words:

And the Attorney General of the United States shall have the right to control the prosecution.

So that, if amended, the whole proposition will be to add a new section, as follows:

SEC. 25. That the attorney general of any State may, at the cost and expense of the State, bring suit in the name of the United States, in any district court of the United States having jurisdiction over the parties, to enforce any of the antitrust laws: *Provided*, That at least 90 days before commencing suit the attorney general of the State has requested the Attorney General of the United States to bring such suit and such request has not been complied with by the Attorney General of the United States; and said Attorney General of the United States shall have the right to appear and participate in said suit with said attorney general of the State.

Mr. FALL. Mr. President, I have not said anything. I think, during the entire debate on any part of this bill or any amendment to the bill. If I could agree that any part of this proposed amendment was worthy of consideration, then I might agree with the conclusion of the Senator from Nebraska [Mr. NORRIS] as to his amendment to the amendment. I can not vote to perfect it, because to me it can not be perfected. The idea of empowering an attorney general of a State to enforce any of the provisions of the antitrust laws of the United States, whether you put the ultimate power in the hands of the Attorney General of the United States or not, to me is absolutely obnoxious.

Mr. GALLINGER rose.

Mr. FALL. I yield.

Mr. GALLINGER. I presume the keen ear of the Senator from New Mexico heard the last clause of the amendment, that the Attorney General of the United States may appear in conjunction with the attorney general of a State. He can help.

Mr. FALL. Yes, Mr. President; I will say to the Senator that the keen ear of the Senator from New Mexico did catch that permissory clause in the amendment.

Mr. President, I can not understand just exactly what we accomplish by this amendment. I do not propose to debate the proposition. I simply want to say for myself that I shall not vote for a part of it. I can not vote for any part of it, on principle.

The VICE PRESIDENT. The Senator from Nebraska [Mr. NORRIS] requests the yeas and nays on agreeing to his amendment to the amendment of the Senator from Missouri [Mr. REED]. Is the request seconded?

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. COLT (when his name was called). I have a general pair with the Senator from Delaware [Mr. SAULSBURY]. I transfer that pair to the junior Senator from Vermont [Mr. PAGE] and vote "nay."

Mr. CULBERSON (when his name was called). I transfer my general pair with the Senator from Delaware [Mr. DU PONT] to the Senator from Arizona [Mr. SMITH] and vote "nay."

Mr. GORE (when his name was called). I desire to announce my pair with the senior Senator from Wisconsin [Mr. STEPHENSON]. I withhold my vote.

Mr. HOLLIS (when his name was called). I announce my pair with the Senator from Maine [Mr. BURLEIGH] and withhold my vote.

Mr. TOWNSEND (when his name was called). I transfer the general pair that I have with the junior Senator from

Arkansas [Mr. ROBINSON] to the Senator from Illinois [Mr. SHERMAN] and vote "nay."

Mr. WILLIAMS (when his name was called). I transfer my pair with the senior Senator from Pennsylvania [Mr. PENROSE] to the junior Senator from South Carolina [Mr. SMITH] and I vote "nay."

The roll call was concluded.

Mr. CLARK of Wyoming. Transferring my general pair with the senior Senator from Missouri [Mr. STONE] to the senior Senator from Connecticut [Mr. BRANDEGEE], I vote "nay."

Mr. LEA of Tennessee. I have a general pair with the Senator from South Dakota [Mr. CRAWFORD] and therefore withhold my vote.

Mr. FLETCHER. I have a general pair with the Senator from Wyoming [Mr. WARREN]. In his absence I withhold my vote.

Mr. THOMAS. I have a general pair with the senior Senator from New York [Mr. ROOT]. In his absence I withhold my vote. If I were at liberty to vote I would vote "nay."

Mr. HOLLIS. I desire to announce that the senior Senator from Maine [Mr. JOHNSON] is necessarily absent from the Senate and that he is paired with the junior Senator from North Dakota [Mr. GRONNA].

Mr. FLETCHER. I will transfer my pair to the senior Senator from Nevada [Mr. NEWLANDS] and vote "nay."

Mr. REED. I will state that my colleague [Mr. STONE] is necessarily absent from the Senate and that in his absence he is paired with the Senator from Wyoming [Mr. CLARK].

The result was announced—yeas 9, nays 49, as follows:

YEAS—9.

Borah	Jones	Lane	Norris
Brady	Kenyon	McLean	Poindexter
Clapp			

NAYS—49.

Ashurst	Gallinger	O'Gorman	Smith, Mich.
Bankhead	Hitchcock	Oliver	Swanson
Bryan	Hughes	Overman	Thompson
Burton	James	Perkins	Thornton
Camden	Kern	Pomerene	Townsend
Chamberlain	Lee, Md.	Ransdell	Vardaman
Chilton	Lewis	Reed	Walsh
Clark, Wyo.	Lippitt	Shafroth	Weeks
Colt	McCumber	Sheppard	White
Culberson	Martin, Va.	Shields	Williams
Dillingham	Martine, N. J.	Shively	
Fall	Myers	Simmons	
Fletcher	Nelson	Smith, Md.	

NOT VOTING—38.

Brandegee	Gronna	Pittman	Sterling
Bristow	Hollis	Robinson	Stone
Burleigh	Johnson	Root	Sutherland
Catron	La Follette	Saulsbury	Thomas
Clarke, Ark.	Lea, Tenn.	Sherman	Tillman
Crawford	Lodge	Smith, Ariz.	Warren
Cummins	Newlands	Smith, Ga.	West
du Pont	Owen	Smith, S. C.	Works
Goff	Page	Smoot	
Gore	Penrose	Stephenson	

So Mr. NORRIS's amendment to Mr. REED's amendment was rejected.

The VICE PRESIDENT. The question recurs on the original amendment.

Mr. REED. I ask that the amendment as it now stands be read, and upon the amendment I ask for the yeas and nays.

The yeas and nays were ordered.

The VICE PRESIDENT. The Secretary will restate the amendment.

The SECRETARY. Add a new section to the bill, as follows:

SEC. 25. That the attorney general of any State may, at the cost and expense of the State, bring suit in the name of the United States in any district court of the United States having jurisdiction over the parties to enforce any of the antitrust laws: *Provided*, That at least 90 days before commencing suit the attorney general of the State has requested the Attorney General of the United States to bring such suit, and such request has not been complied with by the Attorney General of the United States; and said Attorney General of the United States shall have the right to appear and participate in said suit with said attorney general of the State; and the Attorney General of the United States shall have the right to control the prosecution.

Mr. POINDEXTER. Mr. President, I only desire to say that I shall vote for this amendment, believing, however, that it amounts to very little more than a declaration of principle. I think that with the concluding clause in it, which the motion of the Senator from Nebraska [Mr. NORRIS] sought to strike out, it makes no substantial change in the present condition. It leaves any suit which may be started by the attorney general of any State in the control of the Attorney General of the United States. Knowing that, I doubt whether the attorney general of any State would start a suit unless it was with the consent of the Attorney General.

However, the general idea of widening the instrumentalities for the enforcement of the Sherman antitrust law, well expressed in the amendment, is a good one, and I shall vote for it on that account.

The VICE PRESIDENT. The yeas and nays have been demanded and properly seconded. The Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. COLT (when his name was called). I transfer my pair again to the junior Senator from Vermont [Mr. PAGE] and vote "nay."

Mr. CULBERSON (when his name was called). Again announcing my pair and its transfer, I vote "nay."

Mr. FLETCHER (when his name was called). I announce my pair and its transfer as before and vote "nay."

Mr. GORE (when his name was called). I desire again to announce my pair with the Senator from Wisconsin [Mr. STEPHENSON] and I withhold my vote.

Mr. HOLLIS (when his name was called). I announce my pair as before and withhold my vote.

Mr. LEA of Tennessee (when his name was called). I again announce my pair and withhold my vote.

Mr. THOMAS (when his name was called). I have a general pair with the senior Senator from New York [Mr. ROOT]. I am assured, however, that if the Senator were here his vote upon this amendment would be in accord with my own. I therefore feel at liberty to vote "nay."

Mr. TOWNSEND (when his name was called). Again announcing my pair and its transfer to the Senator from Illinois [Mr. SHERMAN], I vote "nay."

Mr. WILLIAMS (when his name was called). Making the same announcement as on the last roll call, I vote "nay."

The roll call was concluded.

Mr. CLARK of Wyoming. Again announcing my pair and its transfer, I vote "nay."

Mr. LEA of Tennessee. I transfer my pair with the Senator from South Dakota [Mr. CRAWFORD] to the junior Senator from Nevada [Mr. PITTMAN] and vote "nay."

The result was announced—yeas 21, nays 39, as follows:

YEAS—21.

Ashurst	Hitchcock	Martine, N. J.	Shields
Borah	Jones	Nelson	Thompson
Brady	Kenyon	Norris	Vardaman
Chamberlain	Lane	Poindexter	
Clapp	McCumber	Reed	
Cummins	McLean	Shafroth	

NAYS—39.

Bankhead	Fletcher	Myers	Smith, Mich.
Bryan	Gallinger	O'Gorman	Swanson
Burton	Hughes	Oliver	Thomas
Camden	James	Overman	Thornton
Chilton	Kern	Perkins	Townsend
Clark, Wyo.	Lea, Tenn.	Pomerene	Walsh
Colt	Lee, Md.	Ransdell	Weeks
Culberson	Lewis	Sheppard	White
Dillingham	Lippitt	Simmons	Williams
Fall	Martin, Va	Smith, Md.	

NOT VOTING—36.

Brandegee	Gronna	Pittman	Smoot
Bristow	Hollis	Robinson	Stephenson
Burleigh	Johnson	Root	Sterling
Catron	La Follette	Saulsbury	Stone
Clarke, Ark.	Lodge	Sherman	Sutherland
Crawford	Newlands	Shively	Tillman
du Pont	Owen	Smith, Ariz.	Warren
Goff	Page	Smith, Ga.	West
Gore	Penrose	Smith, S. C.	Works

So Mr. REED's amendment was rejected.

Mr. REED. I offer an amendment on page 41 of the printed amendments.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. Add a new section, as follows:

SEC. —. That no corporation, except a common carrier, the capital and surplus of which exceeds $100,000,000, shall be permitted to engage in interstate commerce.

Mr. REED. Mr. President, I can say all I want to say on this amendment in, I think, three minutes. This will end such institutions as the Steel Trust. I think it will only affect that one institution, but if there is another ouside of the common carriers in this country that has a capital of more than $100,000,000 it ought to be terminated. In some 12 States of the Union there is a limit upon the amount of capital which corporations may have or upon the capital which certain corporations may have. There is no excuse for the existence in this country of an institution larger than one which has a capital of $100,000,000. Whenever a corporation goes beyond that in its size it becomes in fact a monopoly.

Mr. OVERMAN. Has the National Government a right to limit the capital of a State corporation?

Mr. REED. I think it has the right to limit the capital of any institution that proposes to engage in interstate commerce and that does engage in interstate commerce. If we do not

possess that right, then half the legislation we are now enacting will fall of its own weight.

The PRESIDING OFFICER (Mr. LEA of Tennessee in the chair). The question is on the amendment of the Senator from Missouri.

Mr. REED. I call for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. COLT (when his name was called). I transfer my pair to the junior Senator from Vermont [Mr. PAGE] and vote "nay."

Mr. CULBERSON (when his name was called). Again announcing my pair and its transfer, I vote "nay."

Mr. FLETCHER (when his name was called). Again announcing my pair and its transfer as before, I vote "nay."

Mr. GORE (when his name was called). I again announce my pair with the junior Senator from Wisconsin [Mr. STEPHENSON], and ask that this statement stand for the day.

Mr. HOLLIS (when his name was called). I announce my pair as before.

The PRESIDING OFFICER (when the name of Mr. LEA of Tennessee was called). The occupant of the chair again announces his pair and its transfer and votes "yea."

Mr. THOMAS (when his name was called). I again announce my pair and withhold my vote. If I were at liberty to vote, I should vote "yea."

Mr. TOWNSEND (when his name was called). Again announcing my pair and its transfer, I vote "nay."

Mr. REED (when Mr. VARDAMAN's name was called). The Senator from Mississippi [Mr. VARDAMAN] has been compelled to leave the Chamber on account of the condition of his health. In his absence he is paired with the Senator from South Dakota [Mr. STERLING].

Mr. WILLIAMS (when his name was called). Making the same announcement concerning my pair and its transfer which I made on the last roll call, I vote "yea."

The roll call was concluded.

Mr. CLARK of Wyoming. Again announcing my pair and its transfer, I vote "nay."

Mr. JAMES (after having voted in the affirmative). I inquire if the junior Senator from Massachusetts [Mr. WEEKS] has voted?

The PRESIDING OFFICER. The Chair is informed that he has not.

Mr. JAMES. I have a pair with that Senator, which I transfer to the junior Senator from Ohio [Mr. POMERENE], and will allow my vote to stand.

The result was announced—yeas 16, nays 36, as follows:

YEAS—16.

Ashurst	Kenyon	Lee, Md.	Sheppard
Hitchcock	Kern	Martine, N. J.	Shively
James	Lane	Norris	Thompson
Jones	Lea, Tenn.	Reed	Williams

NAYS—36.

Bankhead	Culberson	McLean	Shafroth
Brady	Cummins	Martin, Va.	Simmons
Bryan	Dillingham	Myers	Smith, Md.
Burton	Fall	O'Gorman	Smoot
Camden	Fletcher	Oliver	Swanson
Chamberlain	Gallinger	Overman	Thornton
Chilton	Hughes	Perkins	Townsend
Clark, Wyo.	Lippitt	Poindexter	Walsh
Colt	McCumber	Ransdell	White

NOT VOTING—44.

Borah	Gronna	Pittman	Stephenson
Brandegee	Hollis	Pomerene	Sterling
Bristow	Johnson	Robinson	Stone
Burleigh	La Follette	Root	Sutherland
Catron	Lewis	Saulsbury	Thomas
Clapp	Lodge	Sherman	Tillman
Clarke, Ark.	Nelson	Shields	Vardaman
Crawford	Newlands	Smith, Ariz.	Warren
du Pont	Owen	Smith, Ga.	Weeks
Goff	Page	Smith, Mich.	West
Gore	Penrose	Smith, S. C.	Works

So Mr. REED's amendment was rejected.

Mr. REED. Mr. President, I now offer the amendment printed at pages 43 and 44 of the printed amendments.

The PRESIDING OFFICER. The Secretary will state the amendment proposed by the Senator from Missouri.

The SECRETARY. It is proposed to add as a new section the following:

SEC. —. That whenever a corporation shall acquire or consolidate the ownership or control of the plants, franchises, or property of other corporations, copartnerships, or individuals, so that it shall be adjudged to be a monopoly or combination in restraint of trade, the court rendering such judgment shall decree its dissolution and shall to that end appoint receivers to wind up its affairs and shall cause all of its assets to be sold in such manner and to such persons as will, in the opinion of the court, restore competition as fully and completely as it was before said corporation or combination began to be formed. The court shall reserve in its decree jurisdiction over said assets so sold for a sufficient time to satisfy the court that full and free competition is restored and assured.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Missouri.

Mr. REED. Mr. President, I again read this statement coming from the Attorney General's office.

The fundamental weakness in the enforcement of the antitrust act in previous administrations was the failure to insist upon a real dissolution of monopolies and combinations which the courts had adjudged unlawful.

I do not read that in order to criticize any past administration and do not present it from any partisan motive. The great trouble in the enforcement of one of these laws is that after the violator has been finally brought to book he then begins to appeal in the names of the widows and orphans—the fictitious and invisible widows and orphans—who are alleged to own stock in the concern; he begins to appeal against the thought of disturbing business. Accordingly it has been true that the dissolution of trusts in the past has frequently resulted in merely producing a number of other trusts, and the stock of the corporation has actually risen in value upon the market.

Mr. President, I want to invite the serious attention of the Senate to this amendment. This provision only applies where there is a final judgment; it does not interfere with a possible settlement; but when there has been a final judgment, the decree provides for the appointment of a receiver and the actual, good-faith dissolution of the combination. That may seem revolutionary to some of you; but I call your attention to the fact that in 28 States of this Union they have a similar provision for the violation of their antitrust acts. It is a principle that has been recognized in all of the States that I have referred to. Therefore, I think it ought to be placed in this proposed law.

Besides, I think it ought to go into this law, so that hereafter when we shall prosecute a combination and shall gain the suit there shall be a real and not a pretended dissolution.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Missouri.

The amendment was agreed to.

Mr. REED. Mr. President, I offer the amendment printed on page 45 of the amendments.

The PRESIDING OFFICER. The amendment proposed by the Senator from Missouri will be stated.

The SECRETARY. It is proposed to add as a new section, after the one just agreed to, the following:

SEC. —. That whenever any corporation shall be convicted of a violation of any of the antitrust acts the court shall assess against said corporation a fine not less than 10 per cent of the full value of the assets of said corporation or consolidation and shall assess against it the costs of the suit. The fine and costs aforesaid shall be paid out of the interest of the officers, directors, and agents who have aided, advised, or consented to the illegal acts of such corporation or combination, if sufficient, and if not, the deficiency shall be paid out of the other assets of the corporation and the balance of the funds shall be disposed of by the court in accordance with the law applicable in such cases.

Mr. REED. Mr. President, I think this is an important amendment; I think it is a sound amendment. Of what use is it to fine a corporation $5,000 that has made $5,000,000 by the combination? Of what use is it to say to the corporations of this country, "We impose upon you the penalty of a fine," when you make the fine a mere bagatelle? A man can organize a $10,000,000 or a $100,000,000 monopoly; he can run it for 10 years; he can be brought finally to book; he may have his corporation convicted; he can in the meantime have made $10,000,000 or any other sum, greater or less; and the power of the court in levying a fine against that corporation is limited to a pitiable $5,000. That sort of penalty is no penalty; that sort of penalty has never stopped a trust in its organization for one minute; it has never arrested its progress for a second; but add a penalty of this kind and the gentlemen who sit on boards of directors or who sit back of boards of directors, and who figure that if there is a criminal responsibility attaching to any man connected with a trust they will be so far off they can not be reached and afterwards sent to jail—these gentlemen will at least see the prospect of heavy financial loss, and they will hesitate about proceeding in a course in violation of the law.

Mr. President, I offer the amendment without further argument.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Missouri. [Putting the question.] The noes seem to have it.

Mr. REED. Let us have a roll call.

Mr. MARTINE of New Jersey. Let us have the yeas and nays, Mr. President.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CLARK of Wyoming (when his name was called). Again announcing my pair and its transfer, I vote "nay."

Mr. COLT (when his name was called). Again announcing my pair and its transfer, I vote "nay."

Mr. CULBERSON (when his name was called). Again announcing my pair and its transfer, I vote "nay."

The PRESIDING OFFICER (when the name of MR. LEA of Tennessee was called). The present occupant of the chair again announces his pair and its transfer and votes "yea."

Mr. THOMAS (when his name was called). I again announce my pair and withhold my vote.

Mr. TOWNSEND (when his name was called). Again announcing my pair and its transfer to the Senator from Illinois [Mr. SHERMAN], I vote "nay."

Mr. WILLIAMS (when his name was called). Making the same announcement as to my pair and its transfer as on the previous roll call, I vote "nay."

The roll call was concluded.

Mr. FLETCHER. I announce my pair and its transfer as before, and vote "nay."

Mr. REED. I announce the necessary absence on account of the condition of his health of the Senator from Mississippi [Mr. VARDAMAN]. In his absence he is paired with the Senator from South Dakota [Mr. STERLING]. I also announce the necessary absence of my colleague [Mr. STONE].

The result was announced—yeas 13, nays 36, as follows:

YEAS—13.

Borah	Jones	Norris	Thompson
Chamberlain	Lane	Poindexter	
Cummins	Lea, Tenn.	Reed	
James	Martine, N. J.	Shields	

NAYS—36.

Bankhead	Fletcher	O'Gorman	Simmons
Bryan	Gallinger	Oliver	Smith, Md.
Burton	Hughes	Overman	Smoot
Camden	Kern	Perkins	Swanson
Chilton	Lee, Md.	Pomerene	Thornton
Clark, Wyo.	McCumber	Ransdell	Townsend
Colt	McLean	Shafroth	Weeks
Culberson	Martin, Va.	Sheppard	White
Dillingham	Myers	Shively	Williams

NOT VOTING—47.

Ashurst	Gore	Owen	Stephenson
Brady	Gronna	Page	Sterling
Brandegee	Hitchcock	Penrose	Stone
Bristow	Hollis	Pittman	Sutherland
Burleigh	Johnson	Robinson	Thomas
Catron	Kenyon	Root	Tillman
Clapp	La Follette	Saulsbury	Vardaman
Clarke, Ark.	Lewis	Sherman	Walsh
Crawford	Lippitt	Smith, Ariz.	Warren
du Pont	Lodge	Smith, Ga.	West
Fall	Nelson	Smith, Mich.	Works
Goff	Newlands	Smith, S. C.	

So Mr. REED's amendment was rejected.

Mr. REED. Mr. President, a few moments ago, in discussing the amendment which I offered limiting the capital of corporations engaged in interstate commerce other than common carriers, I stated that I thought the amendment would apply only, perhaps, to the Steel Trust and one or two others. I have a list, which has been handed to me by the Senator from Kansas [Mr. THOMPSON], of the corporations which will be affected by this amendment. I do not claim that the list is necessarily complete, but inasmuch as it is an interesting list, I ask to have it printed in the RECORD as a part of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

Amalgamated Copper Co	$198,000,000
American Smelting & Refining Co	100,000,000
American (Bell) Telephone Co	391,000,000
Brooklyn Rapid Transit Co	170,000,000
Central Leather Co. (70 per cent of tanneries of United States)	112,000,000
Chile Copper Co	111,000,000
Consolidated Gas Co. of New York	150,000,000
Consolidated Lake Superior Co	117,000,000
Consolidated Tobacco Co	502,000,000
Great Northern Iron Ore Co	150,000,000
International Harvester Co	140,000,000
International Merchant Marine Co	179,000,000
Metropolitan Securities Co	224,000,000
Philadelphia Co. of Pittsburgh	100,000,000
United States Leather Co	130,000,000
United States Steel Co	1,490,000,000
Western Union Telegraph Co	121,000,000

Mr. REED. Mr. President, I desire to say to the Senate that I have taken much of its time and imposed greatly upon its patience, but I am through offering amendments to this bill.

The PRESIDING OFFICER. The bill is before the Senate as in Committee of the Whole and open to amendment.

Mr. NORRIS. I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. It is proposed to add at the end of section 14 the following:

And where, in such suit, necessary and proper defendants reside in different districts, the plaintiff may file his action in either district, and thereupon the court may make an order for service upon nonresident defendants, and service may be made upon them as in the cases provided for in section 57 of the Judicial Code.

Mr. NORRIS. Mr. President, I should like to direct the attention of the members of the committee to the amendment. It seems to me that there can be no possible objection to the amendment. It involves a matter of considerable consequence, which I think ought to receive attention.

Mr. CHILTON. Will the Senator allow the Secretary again to state the amendment?

Mr. NORRIS. Certainly.

The PRESIDING OFFICER. The Secretary will again state the amendment.

The Secretary again stated the amendment.

Mr. CHILTON. I wish to ask the Senator if the same matter is not covered by section 10 of the bill, and also by section 13?

Mr. NORRIS. I do not see how section 10 would cover it. I desire to say to the Senator that this amendment is intended to correct an evil in connection with section 14 under which any person, firm, corporation, or association is given the right to sue in certain cases. It is intended to remedy a defect that would exist without this amendment or a similar one, where defendants reside in several different districts and service can not be had upon them.

Mr. CHILTON. I believe that is covered now by the bill, although, so far as I am concerned, the amendment is perfectly satisfactory.

Mr. NORRIS. I will say to the Senator that I offered the amendment because of a suggestion made to me concerning a case which has actually arisen.

Mr. CULBERSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Texas?

Mr. NORRIS. I yield.

Mr. CULBERSON. I will state to the Senator from Nebraska that, so far as I am concerned, and so far as the members of the committee with whom I have had an opportunity to consult are concerned, we are willing to accept the amendment.

Mr. NORRIS. With that understanding, I am ready for a vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nebraska.

The amendment was agreed to.

Mr. GALLINGER. Mr. President, I offer the amendment which will be found on page 15 of the compilation of amendments. I ask that the amendment be read.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. As a substitute for section 7 it is proposed to insert the following:

SEC. 7. That nothing contained in the antitrust laws of the United States shall be construed to forbid the creation, existence, and lawful conduct of labor or other organizations, instituted for the purpose of mutual help, and not having capital stock or being conducted for profit, or to forbid or restrain individual members of any such organization from lawfully carrying out the legitimate objects and purposes thereof; nor shall such organizations, when lawfully conducted, be held or construed to be illegal combinations or conspiracies in restraint of trade under the antitrust laws.

Mr. GALLINGER. Mr. President, a few words will enable me to make the suggestion I have to make as to this amendment. I take it that no Member of this body for a moment would give assent to the proposition that labor organizations should be restrained from organizing or conducting their business for lawful purposes as laid down in this amendment and in the text of the bill. Certainly, I have been astounded to hear it even suggested that any judge of any court at any time has decided that a labor organization was in violation of the antitrust laws or in restraint of trade. The first provision in this proposed amendment is:

That nothing contained in the antitrust laws of the United States shall be construed to forbid the creation—

That is, the organization—

existence, and lawful conduct of labor or other organizations, instituted for the purpose of mutual help, and not having capital stock or being conducted for profit.

The second proposition is:

Or to forbid or restrain individual members of any such organization from lawfully carrying out the legitimate objects and purposes thereof.

The third proposition is:

Nor shall such organizations, when lawfully conducted, be held or construed to be illegal combinations or conspiracies in restraint of trade under the antitrust laws.

So, Mr. President, this amendment provides that not only labor organizations but other organizations having the laudable purpose in view of mutual help, and not having capital stock, can be formed and can be conducted under the law; that they shall not be restrained from the legitimate objects and purposes of their organization if they are being lawfully conducted; and that they shall not be held or construed to be illegal combinations or conspiracies in restraint of trade under the antitrust laws, provided they are lawfully conducted.

It seems to me, Mr. President, that that is all that any labor organization could ask for, and that it absolutely covers every legitimate demand that could be made upon Congress so far as legislation is concerned.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Nebraska?

Mr. GALLINGER. I yield to the Senator.

Mr. NORRIS. Mr. President, I wish to ask the Senator in just what particular the proposed substitute differs from what is already in the bill? I think probably we have adopted some amendments to section 7 that do not show. I am not sure that we have.

Mr. GALLINGER. I will ask that section 7 be read with the amendments, if any, that have been agreed to.

The PRESIDING OFFICER. The Secretary will read section 7 of the bill.

Mr. CHILTON. As amended.

The PRESIDING OFFICER. As amended.

The Secretary read as follows:

SEC. 7. That nothing contained in the antitrust laws shall be construed to forbid the existence and operation of labor, agricultural, or horticultural organizations instituted for the purpose of mutual help, and not having capital stock or conducted for profit, or to forbid or restrain individual members of such organizations from lawfully carrying out the legitimate objects thereof; nor shall such organizations, or the members thereof, be held or construed to be illegal combinations or conspiracies in restraint of trade under the antitrust laws.

Mr. GALLINGER. I will say to the Senator——

Mr. NORRIS. That is not all.

Mr. CULBERSON. Those are not all the amendments that were agreed to. An amendment was also agreed to providing that violations of any law of the United States should not be held or construed to be illegal combinations or conspiracies in restraint of trade.

The PRESIDING OFFICER. The Secretary advises the Chair that that is not on the section as amended.

Mr. OVERMAN. That is another section.

Mr. NORRIS. The Secretary was interrupted.

The PRESIDING OFFICER. The Secretary announces that he has finished reading the section as amended.

Mr. CULBERSON. Upon reflection, I think the Secretary is right. These words were inserted in section 18.

Mr. OVERMAN. To be sure; that is right.

The PRESIDING OFFICER. The Senator from New Hampshire has the floor.

Mr. GALLINGER. The difference between the amendment, as I read it, and the one that has just been reported is that it extends the privilege of organization to any persons who desire to organize for the purpose of mutual help, the organization not having capital stock or being conducted for profit; and it does not limit it to labor, agricultural, and horticultural organizations. As an illustration, I know of no reason why the men who contend for an open shop should not have the same privilege in regard to organizing and conducting their business legally that the members of a labor union have.

Mr. NORRIS. They would have under either amendment.

Mr. GALLINGER. I should say not, as this simply names three classes of people who may organize.

Mr. NORRIS. I will ask the Senator whether that kind of an organization would not be a labor organization?

Mr. GALLINGER. I should hardly think so.

Mr. NORRIS. What kind of organization would it be, if not a labor organization?

Mr. GALLINGER. Well, we will admit that. We will say that the open-shop laborers could organize; but there is another class of people who were named in the original bill, and afterwards stricken out—the consumers. I know of no reason why the consumers of this country should not organize to keep down inordinate profits on the part of those who are selling the necessaries of life.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Nebraska?

Mr. GALLINGER. I do.

Mr. NORRIS. I agree with the Senator. I voted against striking out those words. I think they ought to have remained in the bill.

Mr. GALLINGER. I think they ought to have remained in the bill, and I could enumerate half a dozen classes of people who might organize with equal propriety with farmers or horticulturists. It is inconceivable to me that those two classes of people should be singled out and should be granted this privilege and a great many other classes of people who might be named should be denied the privilege. I can not understand it; so my amendment says "other organizations instituted for the purpose of mutual help, and not having capital stock or being conducted for profit."

Mr. NELSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Minnesota?

Mr. GALLINGER. I yield to the Senator.

Mr. NELSON. If the Senator will allow me, it is an anomaly of section 7 that they have included farmers or agricultural societies.

Mr. GALLINGER. Yes.

Mr. NELSON. My home is in one of the great agricultural States of this Union, and I have not had a letter or a request from a single farmer in the State of Minnesota who wants this legislation.

Mr. GALLINGER. I think the Senator is right.

Mr. NELSON. It has been sandwiched in there to give a little color of reasonableness to the other branch of the case; but there is not a single farmer in the State of Minnesota—and I am proud of it—who wants any right different from that of any other American citizen.

Mr. CUMMINS. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Iowa?

Mr. GALLINGER. I do.

Mr. CUMMINS. I remind the Senator from Minnesota that these are not farmers' organizations; these are agricultural organizations; and there is a very great difference between an organization of farmers and an agricultural organization, or, at least, there may be a very great difference.

Mr. NORRIS. They are all included in the substitute offered by the Senator from New Hampshire.

Mr. HOLLIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to his colleague?

Mr. GALLINGER. I do, with pleasure.

Mr. HOLLIS. I should like to ask my colleague a question. Under section 7 as it stands in the bill the members of organizations are exempted from being held to be combinations or conspiracies in restraint of trade under the antitrust law.

Mr. GALLINGER. Yes.

Mr. HOLLIS. I observe that my colleague omits the members from this paragraph, so that members of labor organizations, not acting as the organization but acting independently of it, might be held to be establishing a conspiracy in restraint of trade, and therefore might be prosecuted under the antitrust laws. I ask my colleague if he means his amendment to have that effect?

Mr. GALLINGER. I gave consideration to that matter, and yet if I am wrong about it I have no objection to including it. Wher the section says that such organizations, when lawfully conducted, or the members thereof—that is, the individual members—shall not be held or construed to be illegal combinations, I can not for the life of me understand how the individual members could be an illegal combination, and for that reason I dropped it out.

Mr. HOLLIS. I think I ought to inform my colleague that such an amendment would be very distasteful to the labor organizations of New England, and that, in my judgment, if that is left out, members of labor organizations acting outside of the official votes of the organization might be held to be conspirators in restraint of trade. I so construe it.

Mr. GALLINGER. Mr. President, I shall be glad to give a little more of my time to my colleague to explain exactly how that would operate. Just what are these individual members going to do?

Mr. HOLLIS. Is that question addressed to me?

Mr. GALLINGER. Yes.

Mr. HOLLIS. The members acting outside of the organization might say that they would exercise peaceful persuasion to prevent men from going to work. If they did that, two or more of them, and it resulted in restraint of trade, as it probably would, they might be held to be a combination in restraint of trade. That is one illustration. Many others might be given.

They would be acting lawfully if they acted individually, but would be in conflict with the antitrust laws if they acted together.

Mr. GALLINGER. Mr. President, I do not quite see the force of that; but however that may be, I will ask that those words may be included in my amendment.

The PRESIDING OFFICER. Without objection, it will be so ordered.

Mr. GALLINGER. I refer to the words that are in the original text. Let them be placed in the amendment. I do not think there is much force to it, but possibly there is. I will say frankly that I have no disposition at all to embarrass these associations or the members of the organizations in doing anything that is legitimate or that is lawful—not the least in the world.

I will ask that the amendment may be stated.

The PRESIDING OFFICER. The Secretary will state the substitute as modified.

The SECRETARY. After the words "conducted," in line 9, it is proposed to insert "or the members thereof," so as to read:

SEC. 7. That nothing contained in the antitrust laws of the United States shall be construed to forbid the creation, existence, and lawful conduct of labor or other organizations, instituted for the purpose of mutual help, and not having capital stock or being conducted for profit, or to forbid or restrain individual members of any such organization from lawfully carrying out the legitimate objects and purposes thereof; nor shall such organizations, when lawfully conducted, or the members thereof, be held or construed to be illegal combinations or conspiracies in restraint of trade under the antitrust laws.

Mr. GALLINGER. Now, Mr. President, I am ready for a vote. I have no disposition to prolong the controversy. I will ask for the yeas and nays on the amendment.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CULBERSON (when his name was called). Again announcing my pair and its transfer, I vote "nay."

Mr. FLETCHER (when his name was called). I announce my pair and its transfer as before, and vote "nay."

Mr. HOLLIS (when his name was called). My pair with the junior Senator from Maine [Mr. BURLEIGH] does not extend to labor-union matters. I vote "nay."

The PRESIDING OFFICER (when the name of Mr. LEA of Tennessee was called). The present occupant of the chair announces his pair and its transfer, and votes "nay."

Mr. THOMAS (when his name was called). I again announce my pair and withhold my vote.

Mr. TOWNSEND (when his name was called). I have a pair with the junior Senator from Arkansas [Mr. ROBINSON], and therefore withhold my vote.

Mr. WILLIAMS (when his name was called). I make the same announcement as before, and vote "nay."

The roll call was concluded.

Mr. THOMAS. I transfer my pair with the senior Senator from New York [Mr. ROOT] to the junior Senator from Tennessee [Mr. SHIELDS] and will vote. I vote "nay."

The result was announced—yeas 17, nays 35, as follows:

YEAS—17.

Brady	Lippitt	Norris	Smoot
Burton	McCumber	Oliver	Weeks
Clark, Wyo.	McLean	Perkins	
Dillingham	Martine, N. J.	Pomerene	
Gallinger	Nelson	Smith, Mich.	

NAYS—35.

Bankhead	Hollis	Martin, Va.	Simmons
Bryan	Hughes	Myers	Swanson
Camden	James	O'Gorman	Thomas
Chamberlain	Jones	Overman	Thompson
Chilton	Kenyon	Poindexter	Thornton
Culberson	Kern	Ransdell	Walsh
Cummins	Lane	Shafroth	White
Fletcher	Lea, Tenn.	Sheppard	Williams
Hitchcock	Lee, Md.	Shively	

NOT VOTING—44.

Ashurst	Fall	Penrose	Smith, S. C.
Borah	Goff	Pittman	Stephenson
Brandegee	Gore	Reed	Sterling
Bristow	Gronna	Robinson	Stone
Burleigh	Johnson	Root	Sutherland
Catron	La Follette	Saulsbury	Tillman
Clapp	Lewis	Sherman	Townsend
Clarke, Ark.	Lodge	Shields	Vardaman
Colt	Newlands	Smith, Ariz.	Warren
Crawford	Owen	Smith, Ga.	West
du Pont	Page	Smith, Md.	Works

So Mr. GALLINGER's amendment was rejected.

Mr. WHITE. Mr. President, I wish to offer an amendment, or rather to call up an amendment I have already offered to section 9. It is on page 12 of the old print and is in section 9. It is on page 12 of the new print and is in section 10 of the new print. My amendment is to strike out the word "general," before the word "agent," on the seventh line of section 9, on page 12, of the old print.

The PRESIDING OFFICER. The Chair will state to the Senator from Alabama that that amendment having been already agreed to, the amendment will have to be reconsidered before the Senator's amendment can be offered.

Mr. WHITE. Section 9 has been agreed to? I do not think so.

The PRESIDING OFFICER. The Senator from Alabama is trying to amend an amendment that has been agreed to. If the Senator voted in favor of the amendment, he will have to move to reconsider the vote.

Mr. CULBERSON. What is the amendment of the Senator from Alabama?

Mr. WHITE. It is to strike out the word "general." The Senator will find it in the old print on page 12, line 7, before the word "agent."

The PRESIDING OFFICER. The Secretary will state the amendment for the information of the Senate.

The SECRETARY. On page 12, line 7, before the word "agent," it is proposed to strike out the word "general," so that it will read "or agent of."

Mr. CULBERSON. That amendment, as stated by the Chair, has already been adopted.

The PRESIDING OFFICER. Does the Senator from Alabama move to reconsider the vote whereby the amendment was agreed to?

Mr. WHITE. Yes, sir; I move to reconsider it for the purpose of offering my amendment.

Mr. CULBERSON. Can not the Senator offer it in the Senate?

The PRESIDING OFFICER. He can.

Mr. WHITE. I will say to the Senator that I should like to do it now. I have some other engagements. I have waited all day.

Mr. CULBERSON. Very well. In view of the statement of the Senator, the committee will accept the proposed amendment.

The PRESIDING OFFICER. Without objection, the vote by which the amendment was agreed to will be reconsidered. The Secretary will state the amendment offered by the Senator from Alabama to the amendment of the committee.

The SECRETARY. On page 12, line 7, before the word "agent," it is proposed to strike out the word "general."

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Alabama to the amendment of the committee.

Mr. WHITE. It has been accepted.

Mr. WALSH and Mr. POMERENE addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Alabama yield, and to whom?

Mr. WHITE. I just wish to say that the amendment has been accepted by the committee.

Mr. GALLINGER. But it has to be accepted by the Senate.

The PRESIDING OFFICER. Without objection, the amendment to the amendment is agreed to; and the amendment as amended is agreed to.

Mr. POMERENE. Mr. President, I offer an amendment to section 10. It is found on page 35 of the amendments.

The PRESIDING OFFICER. The Secretary will state the amendment proposed by the Senator from Ohio.

The SECRETARY. On page 13, line 2, after the word "bid," it is proposed to insert:

Provided, however, That in case of emergency said purchases may be made without complying with the said requirements.

Mr. POMERENE obtained the floor.

Mr. GALLINGER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from New Hampshire?

Mr. POMERENE. I do.

Mr. GALLINGER. Who is to determine the emergency?

Mr. POMERENE. I take it that would be a question to be determined from the facts in the particular case.

Mr. GALLINGER. And who is to determine it?

Mr. POMERENE. It would be a question to be determined by the court if it should be raised. I am not sure that I would object to having it determined by the Interstate Commerce Commission, but I wish to call the attention of the Senate to the legislative situation.

Under this section if a corporation sells to a common carrier $50,000 worth of material or supplies the common carrier is obliged under any and all circumstances to advertise for bids if there are executive officers common to the vendor and the common carrier.

Now, everyone knows that every company is often confronted with emergencies which require it to act immediately. For instance, a year ago last March we were visited in Ohio and

Indiana by that awful flood which brought devastation to entire communities. Railroad property was destroyed overnight that was worth hundreds of thous. nds of dollars, not to say millions of dollars. The railway companies were having difficulty in accommodating their transportation. They were obliged, on the spur of the moment, to order large amounts of supplies, in order to protect their property from being carried away by the great advancing waters. Now, let us see what would be the situation.

If you are to advertise, or, to use the language of the bill, give "public notice" for bids, if you are to send to the Interstate Commerce Commission, in the middle of the night it may be, in order to get permission to buy supplies, what is going to be the effect upon this property? It might be that the railway company would be willing to spend twice or thrice the actual value of the supplies in order to protect their property from further injury. Are we to say that under these circumstances they must advertise or give public notice for bids and accept the lowest bid before they can enter into any contract to protect their property? I feel that we are going pretty far to make a regulation of this kind.

It may be said that under the provisions of this section the Interstate Commerce Commission could take care of that matter by adopting regulations looking to the kind of advertising and the length of time railroads would be required to advertise, but if they ought to have this right from the Interstate Commerce Commission it ought to be recognized directly by the Congress in the enactment of the law. I submit that the common prudence which would suggest a line of action to an individual property holder, to an individual business man, must be exercised by railway companies and common carriers under the circumstances I have indicated.

Mr. GALLINGER. Mr. President, I raised the question simply because it struck me as being a proposition that could not well be made operative. I did not see who was to determine the emergency. We have heard so much about "emergency legislation" that I did not like to have it introduced in every bill we passed.

The proposition itself does not appeal to me. Still it is in the amendment, and I suppose we are going to agree to it; that we are going to compel these corporations to advertise and receive bids for $50,000 worth of supplies. They have gotten along pretty well in the past, I think, in that respect. I do not know what abuses there have been; but if it is to remain in the bill, and the Senator can make his proposition workable, I certainly have no objection to it. If the Senator thinks the mere insertion of the words he has suggested will answer the purpose, I appreciate the point the Senator makes—that there may be a great many emergencies so far as the purchase of supplies for a railroad corporation are concerned. It might not be a flood only; it might be a great accident, or it might be various things. So I do not object to the proposition at all, if the Senator from Ohio himself is satisfied with it.

Mr. POMERENE. Mr. President, if the Senator had been in Ohio during the flood, or shortly afterwards, he would have realized more than I can tell the necessity of some provision of this kind. I am assuming that the amendment which has been adopted by the Committee of the Whole is going to remain in the bill; and, if it does remain in the bill, then there ought to be some recognition of these emergencies which we know do arise.

Mr. GALLINGER. The emergency to which the Senator alludes—and we all know something about it—was met by the fact that we had not then legislation of this kind.

Mr. POMERENE. No; we did not have it at that time.

Mr. GALLINGER. They proceeded to purchase their supplies, and I apprehend they did it without any scandal or without any detriment to anybody; but, if we must regulate everything on earth, I suppose it is just as well to regulate the purchasing of supplies by railroad corporations as anything else.

Mr. POMERENE. The thought which the Senator suggested—that we ought to indicate somebody who was to determine the emergency—received my consideration. I recognize the fact that this word "emergency" has a well-recognized meaning. It is not likely to be set aside. A corporation which would seek to evade the law and say that the ordinary condition of affairs constituted an emergency would be subject to the control of the courts.

Mr. CHILTON. Mr. President——

The PRESIDING OFFICER (Mr. HITCHCOCK in the chair). Does the Senator from Ohio yield to the Senator from West Virginia?

Mr. POMERENE. I do.

Mr. CHILTON. In my judgment the Senator from Ohio does not do the amendment full justice. This amendment does not require all railroads to advertise when they purchase supplies or for any other kind of transaction, whether it be banking or contracting or otherwise. It only requires those to give notice who have acquired the terrible habit of dealing with themselves. That is, it only requires those directors who are also directors of the railroad and at the same time directors of the company from which the railroad may be purchasing supplies to get rid of that abuse. It is for that purpose that this amendment was adopted. If the railroad chooses to deal with the world and not with people who are really running the railroad, it does not require any advertisement at all. I use the word "advertisement." I drifted into it because the Senator himself used the word "advertisement." There is nothing like advertisement in the amendment. It simply provides——

Mr. POMERENE. Public notice.

Mr. CHILTON. It simply requires notice to be given under a rule or otherwise as may be prescribed by the Interstate Commerce Commission.

Even if the railroad, suggested by the Senator, should be one that wanted to buy its supplies in an emergency from a company which had a director common to the railroad it would not take any week or 10 days or 3 days or 2 days to meet the situation. All it would have to do would be to telegraph to the Interstate Commerce Commission and it could in five hours provide a way by which it could give notice. So it could be done in a day. It could be done strictly under a rule prescribed or a regulation prescribed by the Interstate Commerce Commission within a day.

I submit, sir, that you do not have any kind of an emergency when a railroad will want to buy more than $50,000 from a corporation which has common directors with the railroad inside of 24 hours or 12 hours.

Mr. POMERENE. Mr. President, the proposed amendment which was adopted by the committee says that this shall be a public notice. It is not a question of buying $50,000 in a case of emergency. According to this bill, if the companies have had common dealings amounting to $50,000 in a year, they are required to give it.

My good friend refers to the fact that they can get in touch with the Interstate Commerce Commission in a day—in five hours, it may be. During the flood in the State of Ohio I was less than 100 miles from my home, and I was 48 hours in getting into telephonic or telegraphic communication with my home. Are they to stop and not buy supplies under any circumstances until they get in touch with somebody here in Washington? Is it the purpose of this amendment to cripple these common carriers in this way, and therefore to interfere with the transportation system of the country? Let us correct the evil, but let us not tie the hands of common carriers so that they can not take care of their own property in a proper way.

Mr. CHILTON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from West Virginia?

Mr. POMERENE. I do.

Mr. CHILTON. What was the railroad to which the Senator referred that had the misfortune in Ohio? Take the Baltimore & Ohio——

Mr. POMERENE. The Baltimore & Ohio, the numerous branches of the Pennsylvania system, the Wabash system, the Wheeling & Lake Erie. All of them were affected in that way; that is, all those in the central and southern part of Ohio.

Mr. CHILTON. If the Senator will permit me, every one of them has an office in Washington, an office in New York, another in Cincinnati, one in Baltimore, and in Philadelphia and Chicago. In 10 minutes they can get in touch with the Interstate Commerce Commission. There is no railroad business which amounts to anything in the United States that, through its agencies, can not get to the Interstate Commerce Commission. They do get to it, and they have relations with it. They have agents and can get to it through them. This does not say that the depot agent or the conductor on the train must do this, but the general officer or the local officer can attend to it. It is simply intended not to try to break up, but to break up, the abuse of railroad corporations dealing with other corporations in a private way, with which other corporations there is a common directorate or a common management.

You can buy all you please if you do not intend to buy from yourselves. The railroad company can buy everything it wants to buy without giving any notice, without consulting with the Interstate Commerce Commission, unless it chooses to deal with some corporation in the management of which the railroad may be interested. In that case there must be given some kind of notice prescribed by the Interstate Commerce Commission. It may be that it may be a day, it may be a week, it may be a month; but it requires that there shall be some notice, so as to

give the public an opportunity to know when that kind of a case occurs.

Mr. POMERENE. I recognize the evil which was in the mind of the committee, and I am willing to go any length that is necessary to correct that evil, but I am not willing to produce another evil which must be recognized as an evil because it is certain to come. We are certain to have it.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Ohio [Mr. POMERENE]. [Putting the question.] The noes seem to have it.

Mr. POMERENE. I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. GALLINGER. Let the amendment be stated.

Mr. CHILTON. Mr. President, a parliamentary inquiry. The amendment to section 9 has been adopted as in Committee of the Whole.

Mr. GALLINGER. It was reconsidered, however.

The PRESIDING OFFICER. The vote by which the amendment was agreed to has been reconsidered.

Mr. CULBERSON. It was reconsidered for the purpose of considering an amendment proposed by the Senator from Alabama [Mr. WHITE], and then the section as amended was agreed to. That is my recollection.

Mr. GALLINGER. I did not hear that.

The PRESIDING OFFICER. The Chair thinks the Senator from Texas is correct. It was reconsidered and then agreed to as amended.

Mr. POMERENE. It was my understanding that the amendment was reconsidered, and I assumed that it was open to further amendment.

Mr. CULBERSON. Would the Senator be willing to have his amendment considered when the bill reaches the Senate? It is now in Committee of the Whole.

Mr. POMERENE. The matter is up now, and I prefer to have it decided. I move to reconsider the vote by which the amendment was agreed to.

Mr. JAMES. There is nothing in order except to call the yeas and nays. The first name on the roll was called, and debate is out of order.

The PRESIDING OFFICER. There was no response. The question is, Will the Senate reconsider the vote by which the amendment was adopted?

The motion to reconsider was agreed to.

The PRESIDING OFFICER. The amendment is now before the Senate, and the yeas and nays have been ordered upon the amendment of the Senator from Ohio [Mr. POMERENE]. A request has been made for the reading of the amendment of the Senator from Ohio.

The SECRETARY. On page 13, line 2, after the word "did," insert:

Provided, however, That in case of emergency said purchases may be made without complying with the said requirement.

The PRESIDING OFFICER. The Secretary will call the roll on agreeing to the amendment.

The Secretary proceeded to call the roll.

Mr. COLT (when his name was called). I make the usual announcement and vote "yea."

Mr. CULBERSON (when his name was called). Again announcing my pair and its transfer, I vote "nay."

Mr. FLETCHER (when his name was called). I announce my pair and transfer as before and vote "nay."

Mr. HOLLIS (when his name was called). I announce my pair and withhold my vote.

Mr. LEA of Tennessee (when his name was called). I again announce my pair and its transfer and vote "nay."

Mr. THOMAS (when his name was called). I again announce my pair and withhold my vote.

Mr. TOWNSEND (when his name was called). I again announce my pair and its transfer to the Senator from Illinois [Mr. SHERMAN]. I vote "yea."

Mr. WILLIAMS (when his name was called). With the same announcement as before, I vote "nay."

The roll call was concluded.

Mr. CLARK of Wyoming. I again announce the transfer of my pair with the Senator from Missouri [Mr. STONE] to the senior Senator from Connecticut [Mr. BRANDEGEE], and I vote "yea."

The result was announced—yeas 21, nays 34, as follows:

YEAS—21

Burton	Kenyon	Nelson	Smoot
Chamberlain	Lewis	Norris	Townsend
Clark, Wyo.	Lippitt	Oliver	Weeks
Colt	McCumber	Perkins	
Gallinger	McLean	Pomerene	
Jones	Martine, N. J.	Smith, Mich.	

NAYS—34

Ashurst	Hitchcock	O'Gorman	Swanson
Bankhead	Hughes	Poindexter	Thompson
Bryan	James	Ransdell	Thornton
Camden	Kern	Reed	Vardaman
Chilton	Lane	Shafroth	Walsh
Clapp	Lea, Tenn.	Sheppard	White
Culberson	Lee, Md.	Shields	Williams
Cummins	Martin, Va.	Shively	
Fletcher	Myers	Simmons	

NOT VOTING—41.

Borah	Goff	Penrose	Sterling
Brady	Gore	Pittman	Stone
Brandegee	Gronna	Robinson	Sutherland
Bristow	Hollis	Root	Thomas
Burleigh	Johnson	Saulsbury	Tillman
Catron	La Follette	Sherman	Warren
Clarke, Ark.	Lodge	Smith, Ariz.	West
Crawford	Newlands	Smith, Ga.	Works
Dillingham	Overman	Smith, Md.	
du Pont	Owen	Smith, S. C.	
Fall	Page	Stephenson	

So Mr. POMERENE's amendment was rejected.

The PRESIDING OFFICER. If there be no further amendments to the amendment, the question is on agreeing to the amendment.

Mr. CHILTON. I wish to call the attention of the Senate, and I do so because I am guilty myself to some inaccuracies in grammar in the section, and I wish to correct them now. They are purely repetitions. I took it up with the chairman of the committee and other members. It makes no difference in the meaning whatever.

On page 12 of the original bill, page 13 of the last print of the act after——

Mr. O'GORMAN. What section?

Mr. CHILTON. Section 10 as the bill is now in the second print. It is section 9a in the original print.

Mr. CLARK of Wyoming. On what page of the original bill?

Mr. CHILTON. It is on page 12 of the old bill and line 9. In the new bill it is on page 13, line 2. After the word "association" I move to strike out the four words "or with such person," so that it will read:

With which latter corporation, firm, partnership, or association such common carrier shall—

And so forth.

The amendment to the amendment was agreed to.

Mr. CHILTON. In the next line I move to strike out the words "purchases of supplies or articles of commerce or."

The amendment to the amendment was agreed to.

Mr. CHILTON. In the next two lines I move to strike out the words "with any such corporation, firm, partnership, or association."

The section means exactly the same without these words as with them. I ask that the amendment be adopted.

The amendment to the amendment was agreed to.

Mr. CHILTON. I ask for the adoption of the amendment as amended.

The amendment as amended was agreed to.

Mr. POMERENE. I desire to call the attention of the Senate to an amendment on page 33 of the printed amendments. I have modified the amendment, as I will indicate later on in my statement, but it means the same thing in effect. Section 18 provides that—

No restraining order or injunction shall be granted by any court of the United States, or a judge or the judges thereof—

And then, omitting several lines—

unless necessary to prevent irreparable injury to property, or to a property right, of the party making the application.

It will be observed that if this becomes a law property or property rights, if threatened with irreparable injury, would be given the protection of the injunctive writ, and that is the only case in which an injunction could be granted in labor disputes.

Mr. CLARK of Wyoming. What is the page?

Mr. POMERENE. Pages 26 and 27 of the bill.

In other words, if the person himself was suffering a physical injury or if the men employed in his factory were suffering or about to suffer a physical injury, neither he nor his men, under the provision of section 18, could be protected against violence or threatened violence; but if the property was threatened, if the property was injured, if a property right was threatened or injured, that could be protected by injunction. In other words, we are placing the sanctity of property and of property rights above persons or personal rights.

It seems to me that the Judiciary Committee had this in mind, because in section 15, on page 24, there was an amendment reported by the committee to the Senate. I read:

No temporary restraining order shall be granted without notice to the opposite party unless it shall clearly appear from specific facts

shown by affidavit or by the verified bill that immediate and irreparable injury, loss, or damage will result to the applicant.

The Senate committee struck out the words "property or a property right of," and they must have been of the opinion that there were other rights than property rights or the rights of property which ought to be protected. We now have section 15 so phrased that a temporary restraining order may be granted where it would result in irreparable injury, loss, or damage to the applicant. In order to have the two sections consistent it seems to me that either the amendment should be adopted which I proposed the other day, which was to amend the text, so as to make it read: "Unless necessary to prevent irreparable injury to person, personal rights, property, or property rights"; or the Senate should strike out the words "property or a property right of," in section 18, so that the text would read: "Unless necessary to prevent irreparable injury to the party making the application."

It does seem to me that the committee could not have intentionally left these two sections in the form they now are. I can not conceive that the Congress of the United States are going to pass a law which would protect an old barn by injunction but would not protect men who might be employed in it.

Mr. CLARK of Wyoming. Mr. President——

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Wyoming?

Mr. POMERENE. I do.

Mr. CLARK of Wyoming. Does the Senator believe that the proper function of a writ of injunction is to prohibit a crime against a person?

Mr. POMERENE. Ordinarily not, unless the conditions are such that injuries are imminent. I recognize the fact that injuries are likely to occur. No one can anticipate just exactly when they are going to occur, but we do know that they will occur. I can not understand why we should say that property is more sacred than person. It is a crime to injure property just as it is a crime to injure a person. It is different, of course, in degree. It is different in its consequences, but the consequences resulting from injury to person or to personal rights are greater than those injuries which will occur to property or to property rights.

Mr. CLARK of Wyoming. And yet, Mr. President, as I have understood heretofore, the function of the writ of injunction has not been to protect a person from crime perhaps about to be committed against the person. I, of course, recognize the fact that we have in criminal procedure a binding over to keep the peace; but I recall no instance where the restraining order of the court has been used to prevent a larceny or to prevent an assault or crime against the person.

Mr. POMERENE. In a case where there are large crowds and there are threatened disturbances, whether it will result in an injury to property or to person in a proper case, of course an injunction should, in my judgment, be granted; but I do not think that the Senator would say that there was any well-considered case where there was threatened injury to either property or to person in which the court would protect the property and not protect the person.

It is with that thought in mind that I have felt that the phraseology of section 18 should be changed so as to conform with the phraseology of section 15 and not put us in the attitude of saying that the Congress had a higher regard for the property right than for the personal right.

Mr. WALSH. Before the Senator takes his seat, I suppose the Senator recognizes that the court will not issue a restraining order under existing rules, except where irreparable injury is threatened.

Mr. POMERENE. Undoubtedly.

Mr. WALSH. Did the Senator ever hear the expression "irreparable injury" applied to a person?

Mr. POMERENE. It is, of course, applied ordinarily to property, but I have never known a case where there was irreparable injury threatened or done to property that it would be protected and the persons themselves not protected if they were in imminent danger from the same illegal act.

Mr. WALSH. Is the Senator able to refer us to any case in which the expression "irreparable injury" ever was held to apply to an injury to a person, and will he explain to us what kind of injury to a person would be denominated in the law as irreparable injury to the person?

Mr. POMERENE. I am just advised by the Senator from Missouri [Mr. REED] that in the case of issuing blacklist it was stopped by injunction, and rightly so. I can not conceive of a case where there is violence to the person—you may call it irreparable or not—that that violence does not mean more to the injured party than the injury to his property.

Mr. NELSON. Will the Senator from Ohio yield to me?

Mr. POMERENE. I yield to the Senator.

Mr. NELSON. The distinction that is made here between section 15 and section 18, in the one case eliminating the words and in the other retaining them, is to meet an argument of Mr. Gompers. Mr. Gompers maintains, and he argued very strenuously before the Judiciary Committee, that the right to do business and the right to labor are not property, and therefore are not entitled to protection by injunction. That is Mr. Gompers's theory, and this was put into the bill to meet that argument.

It is my opinion that the courts will hold that the right to carry on business, the right to run a factory, is property, and if it is interfered with it is an invasion of property rights. But that is not Mr. Gompers's theory, and it was put in here as a sop to encourage and make the labor organizations believe that they are getting something in this section that is not provided for in the other section.

Mr. POMERENE. Mr. President, I think the Senator's view as to what the court would say with reference to the right to carry on business is correct. I have heard the argument advanced that the criminal law is sufficient protection to men and to communities where violence exists. I can not subscribe to that theory. For instance, when a great crowd has gathered and there is intense excitement, and when in the opinion of every fair-minded person who is a witness to the circumstance violence is likely to occur, if it afterwards does occur and some one is shot down, it is a poor consolation to either the man who is shot down or to the friends of that man to say, "You will have an adequate remedy at law by way of an action for damages or by way of sending the accused, if you know who he is, to the penitentiary." It will be a poor balm to the wounds of men or the friends of those injured.

In my judgment—and I say this having in mind a proper case where the circumstances justify it—the use of the writ of injunction to protect the peace, to prevent violence, is a more adequate remedy in the interest of the laboring man himself than to permit violence to go unchecked.

Mr. NELSON. Mr. President——

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Minnesota?

Mr. POMERENE. I do.

Mr. NELSON. The theory is that a poor man's right to labor is not entitled to protection; but if he happens to have property of any kind, that property right is entitled to protection.

Mr. POMERENE. Undoubtedly.

Mr. NELSON. That the right to do business or the right to carry on labor is not entitled to the protection of the court by injunction is the theory on which this provision is proceeding?

Mr. POMERENE. And if there be a poor man who has no property, and so forth, he can not, under this section, invoke the right of injunction.

Mr. WALSH. Mr. President, I wish to inquire of the Senator from Ohio, when he talks about that, will he have the kindness to state to us under what kind of circumstances a man who has not any property at all can go into a court of equity and secure an injunction?

Mr. POMERENE. Well, Mr. President, if there is a plant in a certain locality and unfortunately there is a strike the employers and employees not being able to get together, for one reason or another there may be a threatened disturbance of some kind which may result in injury to property; it may result in injury to the person, one or both—I do not know of any case where the courts have distinguished and said "we will protect the property, but we will not protect the person." I never heard that idea advanced until in connection with this legislation.

Mr. O'GORMAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from New York?

Mr. POMERENE. I do.

Mr. O'GORMAN. The Senator from Montana [Mr. WALSH] inquired a few moments ago if the Senator from Ohio believed that a court of equity would restrain the commission of a crime, and the Senator from Ohio said that he believed it would not.

Mr. POMERENE. Ordinarily that is true as a general proposition.

Mr. O'GORMAN. Well, I think the statement may be made with every confidence that for 300 years in Great Britain and in the United States no court of equity has ever issued its injunctive process to restrain the commission of a crime, the theory being that the criminal law in itself, with its penalties, is adequate to restrain as well as to punish those committing crime. In all these centuries the only ground upon which a

court of equity has ever extended the extraordinary remedy of injunction has been to protect property from a danger that threatened it. In the ordinary strike cases the injunction is granted upon that ground alone, although incidentally reference may be made to prohibiting combinations which may have the effect of destroying or injuring property.

I am led to make this observation only because the Senator from Ohio a moment ago, if I understood him correctly, said he had never heard this distinction made until Congress began to consider this legislation. I simply rose to say that in my judgment—and I think it will be the judgment of the Senator himself on reflection—it has been the law for 300 years.

Mr. POMERENE. Why, Mr. President, there can be no question about the proposition that ordinarily a court will not restrain a criminal act; but the rule is different where there is a threatened multiplicity of acts, where the injury is constant, varied, and general in its character in connection with strikes.

Mr. O'GORMAN. But only, if the Senator will pardon me, where such acts are calculated to destroy property.

Mr. POMERENE. Oh, well, that may be the basic idea of it; but at the same time the Senator from New York will not maintain, where the injuries to property and persons are concurrent in the same disturbance, that a court will not protect both. That is what I am seeking to have here. I can not conceive that the Congress of the United States is going to say in so many words this desk here may be protected, but I, who stand over this desk, can not be protected.

Mr. O'GORMAN. Mr. President, with the permission of the Senator, I desire to make a statement.

Mr. POMERENE. I yield.

Mr. O'GORMAN. I desire to state as to the language incorporated in section 15, which states, in substance, that a restraining order may be granted when immediate and irreparable damage will result to the applicant, that in line 19 the words which were stricken out, "property or a property right of," were stricken out to have the language of the proposed statute conform to the specific language adopted by the Supreme Court of the United States in its existing equity rules. I will read from those existing equity rules, which are declaratory of the law as applied in the different States of this country. This is rule 73 of the Supreme Court, and I ask Senators to note in connection with it the language adopted in section 15.

The VICE PRESIDENT. The time of the Senator from Ohio has expired.

Mr. O'GORMAN. Mr. President——

The VICE PRESIDENT. According to the ruling of the Chair, the Senator from Ohio having yielded to the Senator from New York, the Senator from New York may proceed for 15 minutes.

Mr. O'GORMAN. Mr. President, I shall not take that much time. I shall be content to call the attention of the Senate to the provision of rule 73 of the equity rules of the Supreme Court, which reads:

> No preliminary injunction shall be granted without notice to the opposite party. Nor shall any temporary restraining order be granted without notice to the opposite party, unless it shall clearly appear from specific facts, shown by affidavit or by the verified bill, that immediate and irreparable loss or damage will result—

Not to property, because it is unnecessary to state that, but—

> to the applicant

The loss to the applicant must be a property loss, which is the idea embraced in the bill as now before the Senate.

Mr. NELSON. Mr. President, will the Senator from New York yield to me?

Mr. O'GORMAN. I will, with pleasure.

Mr. NELSON. It is correct, as the Senator from New York has stated, that section 15 of the pending bill follows equity rule 73, lately adopted by the Supreme Court; but let me ask the Senator a question. In section 15 we have omitted, in conformity to the equity rule, the words "property or a property right of." Why do you include them in section 18, and thereby make a distinction? Why do you seek to have a different rule in one case from the rule in the other?

Mr. O'GORMAN. My own individual opinion is that there is no substantial reason for the difference in the phraseology; that the construction of the court will be the same.

Mr. NELSON. In legal effect, then, the meaning of the two is the same?

Mr. O'GORMAN. In my judgment; yes.

Mr. NELSON. Then are you not holding out a false promise by retaining that language in the provision relating to injunctions in labor disputes?

Mr. O'GORMAN. Individually I am not a party to holding out any false hopes.

Mr. NELSON. I did not mean the Senator personally.

Mr. O'GORMAN. I am stating my view of the provisions, and in conclusion I wish to state that these two provisions of the act in question do not materially or substantially interfere with existing law on the subject.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Ohio [Mr. POMERENE].

Mr. POMERENE. Mr. President, in order that it may be correctly stated, I will say that the amendment as I now offer it is to strike out, on page 27, in lines 2 and 5, the words "property, or to a property right, of," so that the text will read:

> To prevent irreparable injury to the party making the application—

And so forth.

Mr. CHILTON. That would be page 26, line 22, of the old bill, I will state, so that the Senator's amendment may be correctly understood at the desk.

Mr. POMERENE. I ask for the yeas and nays on the amendment.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CULBERSON (when his name was called). Again announcing my pair and its transfer, I vote "nay."

Mr. THOMAS (when his name was called). I again announce my pair and withhold my vote.

Mr. TOWNSEND (when his name was called). Again announcing my pair and its transfer, I vote "yea."

Mr. WILLIAMS (when his name was called). Again announcing my pair with the senior Senator from Pennsylvania [Mr. PENROSE] and its transfer to the junior Senator from South Carolina [Mr. SMITH], I vote "nay."

The roll call was concluded.

Mr. LEA of Tennessee. Again announcing my pair and its transfer, I vote "nay."

Mr. FLETCHER. I transfer my pair with the Senator from Wyoming [Mr. WARREN] to the Senator from Illinois [Mr. LEWIS] and vote "nay."

Mr. SIMMONS. I desire to inquire whether the Senator from Minnesota [Mr. CLAPP] has voted.

The VICE PRESIDENT. The Chair is informed that he has not.

Mr. SIMMONS. I have a pair with that Senator, and therefore withhold my vote. If at liberty to vote, I should vote "nay."

Mr. REED. I desire to announce that my colleague [Mr. STONE] is necessarily absent from the Senate. In his absence he is paired with the Senator from Wyoming [Mr. CLARK].

The result was announced—yeas 13, nays 43, as follows:

YEAS—13.

Burton	Martine, N. J.	Pomerene	Weeks
Gallinger	Nelson	Smith, Mich.	
Lippitt	Oliver	Smoot	
McLean	Perkins	Townsend	

NAYS—43.

Ashurst	Fletcher	Martin, Va.	Shields
Bankhead	Hitchcock	Myers	Shively
Brady	Hughes	Newlands	Smith, Md.
Bryan	James	Norris	Swanson
Camden	Jones	O'Gorman	Thompson
Chamberlain	Kenyon	Overman	Thornton
Chilton	Kern	Poindexter	Vardaman
Clark, Wyo.	Lane	Ransdell	Walsh
Culberson	Lea, Tenn.	Reed	White
Cummins	Lee, Md.	Shafroth	Williams
Fall	McCumber	Sheppard	

NOT VOTING—40.

Borah	du Pont	Page	Smith, S. C.
Brandegee	Goff	Penrose	Stephenson
Bristow	Gore	Pittman	Sterling
Burleigh	Gronna	Robinson	Stone
Catron	Hollis	Root	Sutherland
Clapp	Johnson	Saulsbury	Thomas
Clarke, Ark.	La Follette	Sherman	Tillman
Colt	Lewis	Simmons	Warren
Crawford	Lodge	Smith, Ariz.	West
Dillingham	Owen	Smith, Ga.	Works

So Mr. POMERENE's amendment was rejected.

Mr. CUMMINS. I offer the amendment which I send to the desk.

The VICE PRESIDENT. The Secretary will state the amendment.

The SECRETARY. It is proposed to strike out from and including line 21, on page 15, to and including line 2, on page 17, and insert in lieu thereof the following:

> It shall be unlawful for any person to be, at the same time, a member of the board of directors, or other managing board, or an officer of two or more corporations, either of which is engaged in commerce, and which corporations are carrying on business of the same kind or competitive in character: *Provided*, That this paragraph shall not apply to banks, banking institutions, or common carriers.

Mr. CHILTON. Is that amendment included in the printed amendments?

Mr. CUMMINS. It is. I think the reference by page and lines to the portion proposed to be stricken out is to the origi-

nal bill as reported by the committee. It begins on line 21, page 15, and strikes out the remainder of the paragraph down to and including line 2 on page 17. It relates to that portion of the bill which is intended to prohibit a community of directors between competing corporations. It is probably the last effort that I shall make to give some effectiveness to this measure in so far as holding companies and interlocking directorates are concerned.

The bill provides:

That from and after two years from the date of the approval of this act no person at the same time shall be a director in any two or more corporations any one of which has capital, surplus, and undivided profits aggregating more than $1,000,000—

Thus in the first lines of the provision all corporations whose capital and surplus do not amount to $1,000,000 are excluded from its operation. I need not say that a very great part of the evil of common directorships will be found in corporations that have a capital of less than $1,000,000. I proceed—

engaged in whole or in part in commerce, other than common carriers subject to the act to regulate commerce, approved February 4, 1887.

I have followed the committee bill with respect to the exclusion of common carriers; I make no change in the measure in that regard. I believe that common carriers must be dealt with in another bill and in a way that is not applicable to the ordinary corporation, and therefore I approve, so far as I am individually concerned, the action of the committee and the action of the House in excluding common carriers from this particular provision, although I do not want it to be understood that I believe that there should be a community of directors between competing common carriers; there should not be; but the legislation to forbid that community can not intelligently and efficiently be interwoven with legislation that regulates the ordinary corporation.

I have read now up to the point of describing the corporations that are included in the act. Now mark:

If such corporations are or shall have been theretofore, by virtue of their business and location of operation, competitors, so that the elimination of competition by agreement between them would constitute a violation of any of the provisions of any of the antitrust laws.

That is to say—and I have just read the real test—if an agreement between them totally annihilating competition would not constitute a violation of the antitrust law, then the section does not apply. In order to cure the evil of interlocking directorates we must first find corporations that have a capital of a million dollars or more, and then the Government must prove that if there were an agreement between them eliminating all competition it would be a violation of the antitrust law, and not until then could the practice—which we all recognize as a vicious one, as one which insidiously destroys the reasonable rivalry and independence that ought to exist in business be prohibited—not until then do we bring a corporation within the purview of this act.

Mr. REED. Mr. President——

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Missouri?

Mr. CUMMINS. I do.

Mr. REED. Why does the Senator add the clause?—

Provided further, That no order or finding of the court or commission in the enforcement of this section shall have any force or effect, nor be admissible as evidence, in any suit, civil or criminal, brought under the act of July 2, 1890, entitled "An act to protect trade and commerce against unlawful restraints and monopolies."

Mr. CUMMINS. I do not add it; I have stricken that out. I have offered the amendment without that provision, although I think it ought to be included; but there is obviously so large a proportion of the Senators who do not think so that I did not care to encumber this amendment with that provision, and therefore it is not in the amendment.

I assert—and I do so with a good deal of confidence—that it would be a great deal better not to attempt to prohibit interlocking directorates at all than to do it in this half-hearted and feeble way. It will stand in the road of adequate legislation for years to come; it will be accepted as a full performance of our duty in regulating such matters; and if I had my way about it I would a great deal rather not have any provision in the law at all than to have it as now proposed.

I turn now to the amendment which I have offered. The amendment provides that there shall not be a community of directors if the corporations are doing the same kind of business; that is all; and it applies to all corporations engaged in commerce among the States except the two classes I have already enumerated.

Mr. HITCHCOCK. Mr. President——

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Nebraska?

Mr. CUMMINS. I do.

Mr. HITCHCOCK. I want to ask the Senator whether his amendment would not destroy or impair a great deal of legitimate expansion in business, such as we have had in the West? To take, for instance, a case which the Senator will recognize, St. Joseph, Mo., was originally and still is the center of a great wholesale trade in dry goods and groceries. Much of that trade was expanded into near-by States by the establishment of dry goods and grocery houses in other cities of the Missouri Valley. In many cases the same directors who acted in St. Joseph houses have acted in the newer houses established, and in many cases those houses are in competition with each other, and a legitimate natural expansion of trade in that country has resulted. Yet it seems to me that would be prohibited under the amendment which the Senator has offered.

Mr. CUMMINS. Mr. President, I think there are some instances of that kind which would be prohibited. This country has fallen into a certain habit of doing business. It must not be assumed that the business of the country can not be done if that habit is abandoned. I do not at all agree that there would not have been the same development in the business of the Missouri Valley if the prohibition had always existed against a community of directors. The business perhaps would have been done, however, by different persons. There would not have been the close intimacy between the wholesale grocery stores of St. Joseph and of Omaha, or possibly of Kansas City, that there is now; but the development, I think, would have outrun the development we now see. If it is true that corporations which are competing with each other ought to be independent, if each ought to carry on its business for the benefit of its own stockholders, then there ought not to be community of managing officers and directors.

Mr. HITCHCOCK and Mr. OVERMAN addressed the Chair.

The VICE PRESIDENT. Does the Senator from Iowa yield, and if so, to whom?

Mr. CUMMINS. I yield first to the Senator from Nebraska, who first rose.

Mr. HITCHCOCK. I was going to continue what I suggested a moment ago. If that had been prohibited a number of years ago, instead of the expansion of trade which I have just described, the trade would have been more centralized than it is now, and concerns probably would have been larger than they are now, because this development in the newer regions would not have occurred. The reason it has been advantageous in the past has been that a man of experience, for instance, in the grocery business, going into a new community and becoming a director there, has been able to gather around him other men of capital who were willing to embark with him because of his knowledge of the business; and it has been a distinct advantage in the development of western enterprise, I am sure.

Mr. CUMMINS. I do not think so. The Senator from Nebraska has now described the natural course of monopoly. He has described the precise way in which monopoly is often created. I do not deny that there are some instances in which monopoly or monopolistic power may be exercised to the advantage of the people; but it will be exercised to their disadvantage in so large a proportion of instances that it is the policy of the law to forbid it. I think it is a wise policy, although now and then it will curb and restrain a perfectly legitimate enterprise.

I now yield to the Senator from North Carolina.

Mr. HITCHCOCK. Just a moment. I think the Senator can hardly say that in any of the cases I have referred to any monopoly has resulted. On the other hand, the gradual course has been a sharp competition and a divorcement between these concerns and men who have originally come into a community in that way and become identified with it; and the result has been very advantageous, as I have stated, to the development of the West.

Mr. CUMMINS. I differ from the Senator from Nebraska, because we have experienced the same thing in our State.

Mr. HITCHCOCK. I doubt whether the Senator can refer to an instance in which the effect of that process has been to establish monopoly. On the other hand, it has been to develop competition of a very healthy sort.

Mr. CUMMINS. I did not say that monopoly had been established in the wholesale business at St. Joseph or in the Missouri Valley. I said that the Senator from Nebraska had described the natural, historical method for creating monopoly, and he has. While I know that there are very many estimable people engaged in business of this sort—and I attach no moral guilt at all to them—I believe the course is unwise, and that if we are to forbid interlocking directors at all we ought to do it throughout.

I now yield to the Senator from North Carolina.

Mr. OVERMAN. I want to give the Senator a case I know of in my own State. In a little village near where I live, a little village of 100 population, the farmers erected a cotton mill with $50,000 capital. They struggled along and paid no dividends, and saw bankruptcy coming; and they appealed to a successful cotton-mill man in the State and asked him to come down and take hold of that mill and be a director and manager of it. He did so, and the cotton mill is now a great success, and the farmers are receiving dividends. Would the Senator cut that out?

Mr. CUMMINS. I would. In that particular instance it may do no harm, but that is just the way the United States Steel Corporation was organized.

Mr. OVERMAN. There is no trust or monopoly there.

Mr. CUMMINS. The Senator has described the very way in which the United States Steel Corporation was organized. Here were a great variety of plants scattered all over the United States, which, it was alleged, were managed inefficiently, and they wanted a great genius and a man of experience to conduct their affairs so that profits could be made out of their operation. So they came to these men who had proven themselves masters of such situations, and they combined through a system of intercorporate stock holdings and interrelated directorships and put the business in the hands of men who had in that way demonstrated their power.

Mr. OVERMAN. If I wanted to get up a manufacturing establishment in my State, I could not sell the stock at all, probably; but if I should tell the people there that a certain man in my State who had been very successful in his business would come in and take some stock and be a director, I could sell the stock at any time. That is the way my State has been built up. Four or five men in the State have met with great success; and people in different parts of the State, knowing of their success, have organized these little corporations all through the State, and have induced these men to come down and be directors in them, and they have gone on and have been successful.

Mr. LIPPITT. Mr. President——

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Rhode Island?

Mr. CUMMINS. I yield.

Mr. LIPPITT. I should like to ask the Senator from North Carolina, with the Senator's permission, if the process he describes is not of itself creating competition—the very thing the Senator from Iowa wants to keep alive?

Mr. OVERMAN. That is exactly what it is doing and what it has done.

Mr. LIPPITT. In confirmation of what the Senator says, I can say that it is the same process which has built up New England. It is the same process which to-day is keeping alive the moderate-sized corporations in New England.

Mr. OVERMAN. It has built up a hundred cotton mills in my State, and they are all competing.

Mr. LIPPITT. It is one of the great safeguards, in my opinion, to limit monopoly. The very process and action that the Senator from Iowa is trying to bring about, instead of doing as he thinks it will do—prevent monopoly and increase competition—is inevitably urging the whole course of business into monopolies and is decreasing and will inevitably decrease competition.

Mr. CUMMINS. I do not agree, of course, with the Senator from Rhode Island. I know that is his view. If it is true, however, then all the business of this country might as well be in the hands of one board of directors.

I had a discussion at one time with a very eminent financier and constructor, and he told me—he is now dead—that it was his ambition to see all the transportation facilities of the United States united in one board of directors and under the hand of one manager. He argued just exactly as the Senator from North Carolina and the Senator from Rhode Island have argued, and tried to prove that the people would be immensely benefited and would secure the advantage of the greatest possible efficiency in business.

Mr. LIPPITT. Mr. President——

The VICE PRESIDENT. Does the Senator from Iowa further yield to the Senator from Rhode Island?

Mr. CUMMINS. I can not yield, because my time is limited. Otherwise, I should be glad to do so.

Mr. LIPPITT. Excuse me.

Mr. CUMMINS. I know there are a great many instances in which there are interlocking directors where no one is injured. I am quite willing to admit that there are a great many instances of positive good arising from community of directors. We are legislating for a Nation, however, and if we believe that as a whole, in the great majority of instances, business will be better conducted and the individual better protected if corporations are independent of each other—independent in the management of their business—then we ought to adopt this legislation, even at the expense of the occasional instance in which a benevolent despot has not brought injury upon the people about him.

Why, of course a man may exercise autocratic and absolute power wisely. He may render the people over whom he rules the greatest possible service. His government may be a better government than a government of the people. He may enact better laws, and he may enforce them more efficiently and justly than we may make and enforce in a democracy or in a republic. We have discovered, however, that power of that kind is likely to be abused and that in the great majority of instances it is safer to trust the people themselves rather than a single ruler. Therefore we adhere to democracy and adhere to the republic.

Just so in this respect. Here and there there may be a case in which the monarchy of business is vastly better, but, taking it as a whole, the republic, the democracy, is as sound in business as it is in politics.

I ask for the yeas and nays upon the amendment.

Mr. WALSH. Mr. President, before we pass on this amendment I have a word to say. I really think we can best test the advisability of an amendment of this character by reference to concrete cases. I desire to put a couple of such cases to the Senator from Iowa, and I shall be very glad, if I am permitted to do so under the rules of the Senate, to give him as much of my time as he cares to use in which to reply.

Some years ago quite a number of enterprising gentlemen in my State organized a corporation, went across the line into the State of Wyoming, carried on some extensive prospecting there, and discovered oil. They spent something like $40,000 in their explorations. Afterwards, having discovered the oil, they built a refinery, and they are now engaged in mining the oil, refining the product, and selling it in various places in that locality. Now prospects for the discovery of oil are showing up in my own State. Those same gentlemen, encouraged by the success they have had in the neighboring State of Wyoming, are contemplating, we will say, the organization of a similar corporation to carry on similar explorations in my State. Would the Senator like to deny to those people the opportunity to organize another corporation and become the directors of the oil company in Montana?

Mr. CUMMINS rose.

Mr. WALSH. Let me put another question to the Senator. Quite a good many years ago a gentleman of some considerable enterprise organized a sheep company, took over some farm property, got some sheep, and made something of a success of the business. He was quite familiar with it. He went into another community, bought up another piece of property, and interested other people to put some money in it upon the condition that he would become a director in the corporation, and another, and so on, until now the companies in which he is a director—possibly 8 or 10 of them—produce perhaps one-tenth, possibly one-fifth, of the wool produced in the State of Montana. Out of a total of, say, 30,000,000 pounds, they produce perhaps 5,000,000 pounds. Would the Senator like to pass a law that would prohibit business enterprises of that character?

Mr. CUMMINS. Mr. President, the Senator from Montana has already excepted these institutions in the bill for which he stands by fixing a limit of a million dollars upon the corporation which falls within the law, and the smaller ones are not included. If the bill is fair for a corporation of a million dollars and more, it is fair for the corporation of less than a million dollars. I answer him directly, however, in this way:

I think it is wrong for the promoters of the oil wells and oil refineries in Wyoming to go across into Montana and organize another corporation and pretend to compete with each other, with common directors. If the company which was organized in Wyoming desires to go into Montana and sink wells and erect refineries, and in that way enlarge its business, so that the world knows that it is the same company and is not competing at all, but is a unit in the business, there is no objection whatsoever.

Mr. WALSH. But I put to the Senator the case of the majority of the stockholders of the Wyoming company not desiring to engage in the other enterprise, not desiring to take the chances; but the minority go out and induce other people to put in money with them and organize another corporation, and they have common directors.

Mr. CUMMINS. Precisely. The latter they should not have. There is no prohibition here against common stockholders; but a directorate, to be faithful to its stockholders, must not have in view another interest in the management of some other corporation doing a like business and with which competition is being carried on. It is not in human nature to be faithful to both whenever their interests diverge.

Mr. COLT. Mr. President, I should like to ask the Senator from Iowa a question.

Before doing so, let me say that I look at this question from a somewhat different standpoint from what the Senator does. I look at it from the standpoint of society itself and not from a theoretical standpoint or from what I personally may think is desirable.

Now, I should like to ask the Senator whether he believes that the broad proposition contained in this amendment, which consists in prohibiting the same person from being a director in two competing corporations, is supported by the public opinion of the country? I mean, if there were a referendum on this proposition, if it were submitted to the business men of the country, does he think that they would approve of it, especially in view of the prevailing usages and practices and of the fact, which he admits, that there is no moral turpitude involved in these acts? In other words, does he think that his amendment is in accord with the public opinion, the moral sense, and the sound judgment of the American people?

Mr. CUMMINS. Mr. President, I hope I have not obtruded any personal view at all. I think I speak—I hope I speak—from the standpoint of the public welfare, the social and industrial good. I believe that a great proportion of the people of this country insist upon retaining as long as we can the competitive force in our industry and commerce. I believe they think one of the things to be done in order to preserve the competitive force as a regulator of our affairs is independence in management, is freedom from control as between corporations; that where corporations are engaged in the same business and are competing with each other for the favor of their customers they ought to be controlled independently, so that the management of each may do the best it can do for the stockholders whom the management represents.

Therefore I answer that while I may be mistaken, I think the overwhelming sentiment of the American people is against community of directors in competing corporations. There are, of course, exceptions to that statement. There are two classes who are opposed to it: First, the class who believe competition ought to disappear and the Government should be substituted in its stead as a regulator of industry. That is one class. Another class is composed of those people who believe competition has disappeared and can not be resuscitated; that it has gone as one of the lost arts or virtues, if I may so speak of commerce; that there is nothing to take its place except cooperation; and they are willing to cooperate to any degree that the law will permit.

The VICE PRESIDENT. The Chair must make another ruling. Under the unanimous-consent agreement it certainly is not possible for one Senator to yield his time to another Senator. The unanimous-consent agreement either is to be kept or is not to be kept.

Mr. OVERMAN. Mr. President, I want to say, in answer to this amendment, that the history of the development of the manufacturing industries of the South is most remarkable. Perhaps the Senator from New Jersey [Mr. MARTINE] remembers that when his father lived in my State there was not one cotton mill there. I remember that 40 years ago there was one cotton mill, known as the E. M. Holt cotton mill, making what was known as the old Alamance plaids. It was very successful. In a community some 10 miles away the citizens concluded they would erect a cotton mill of a similar character, and they induced Mr. Holt to take stock in that mill and become a director. He became a director of that mill, and it became a great success. Then another mill was established, and he became a director in that, until he was a director in five great mills. Now he is dead and gone, but his children are there, and these mills have all been successful.

In another section of the State there was another skillful man, a man of great ability, a man who has done more to develop the industries of our State than any other man. He established a mill, and other communities asked him to come, because of his success, and take charge of this mill and that mill, and he did so, and they have been successful. I have known, time and again, instances where a cotton mill or a woolen mill would go into the hands of incompetent men and almost into bankruptcy, and they would ask one of these leading men in the State to go and take charge of the mill, and they have done so, and have brought it from bankruptcy to being a great success.

Now, why do we want to break that down and destroy it? That is so not only in North Carolina, but it is so in Georgia; it is so in South Carolina, and throughout the South the development has gone on by this means. I do not see why we want to strike that down and stop these men from developing our southern country. It is so not only in the South, but it is so in Iowa, and it is so everywhere they have industries.

Mr. MARTINE of New Jersey. Mr. President, the Senator from North Carolina has been generous enough to make reference to my early knowledge of the cotton industry in North Carolina. I will say, yes; I have some little knowledge of it, but I do not believe it has been necessarily the privilege of these men combining that has made that result.

Why, great heavens! I remember when it took us two hours and a half to go from my home in New Jersey to New York. It now takes us 45 minutes. Competition did not bring that about. It was the natural evolution of the time; it was the growth of the age and the general enterprise of our people.

At the time referred to by the Senator from North Carolina the United States had a population of fifty-five or sixty million people. To-day we have 85,000,000 people. This did not come about from the privilege of combination. It was the natural, great evolution of the times. The world moves, and I say it would have moved faster and infinitely better had it not been for the privilege of these men combining in a nefarious way for their own profit.

My friend here remarked yesterday that there was a wonderful development of the towns in North Carolina; that these men from Grand Rapids, I think, came there with their overflowing cash, and invested. Why, great Lord! do not delude or flatter yourselves that they came there because they loved you. They did not come there for any such purpose.

Mr. SMITH of Michigan. I think they did.

Mr. MARTINE of New Jersey. They did not come there for their health. They went there because they had a good, fat goose to pluck; and they plucked you, and they continue to pluck you.

Mr. OVERMAN. They have not plucked anything.

Mr. MARTINE of New Jersey. It is regrettable that the enterprising people of North Carolina did not find it within their hearts and minds to develop that industry themselves. You speak about gas plants. Why, great heavens! a community is a thousand years behind the times that does not own its own gas plant and its own electric-light plant, and the profits should come to yourselves. You would have been even better off then than you are to-day.

I am in favor of the Cummins proposition. I hear you talk with regard to what great results have come. In my town in Plainfield, N. J.—a most beautiful and thrifty country, enterprising to a degree—I know a certain lumber yard. I go there to buy lumber. I have bought very considerable amounts of lumber in my life. The price, for some reason, is jacked up. Three miles below me to the east is another town. I say, "I will go there." The price is jacked up. Then I think I will go to the west. The price is up there, too. I wonder why for a stretch of 25 miles in a populous community these things are all up on a line and a par. I learn that Mr. Smith, of Plainfield, became a large owner in the lumber yard at Fanwood, and I find that in Fanwood the people are interested in the lumber yard at Cranford, and those on the west have done the same thing. I claim that it is the evil of the times.

Let us take the argument of my friend the Senator from Montana and those on the other side of the Chamber who are maintaining this side of the question. It seems to me that if you are correct now, great heavens! you must have been incorrect or else ungenerous, untrue, and unfair when you were contending against so-called monopoly. What in the name of heaven becomes of our plea for abolishing monopoly? It has been as empty as a shell if to-day you are advocating the same policy to bring about the same results.

I believe that this amendment will in a way at least aid in restoring competition. I shall vote for it. I hope my colleagues will do so. I believe the evil of a great bank combination that stifled competition in the great metropolis of this country—New York—and the insurance companies as well, all combined to the general detriment and against the well-being of every man, woman, and child in this fair land.

I say that this is not a partisan measure, but it is an American measure, urged on, I believe, from the one motive of advancing the general welfare and restoring competition among fair men in this fair country.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Iowa [Mr. CUMMINS].

Mr. CUMMINS. On that I ask for the yeas and nays.

Mr. LIPPITT. Mr. President, I had not intended to discuss this particular feature of the bill at all, and I do not propose to discuss it at any length at the present time. I do want to say, however, that until I came to this body, four years ago, I was entirely engaged in business operations. During that time, for 25 years at least, I think there has not been a single year that

I was not a director of three or four different corporations on which, under the provisions of this bill, I would have been prevented from serving.

Since the question of interlocking directorates has been brought up I have carefully gone over in my mind to see if I could remember any meeting of any of those boards of directors when any question came up that would be in any way such as this bill seeks to prevent, and I can not remember any such time.

The ordinary purpose of a board of directors is not, as the Senator from Iowa apparently has in mind, casting votes or taking measures for the purpose of accomplishing monopoly. The last thing that the directors or the stockholders of an ordinary business corporation have in their minds is to entirely eliminate competition by anything that they can do or to establish a monopoly. Therefore to undertake to make laws applying to every corporate business in this country, from the sole aspect of what they might do and without regard to what they actually are doing, seems to me very ill advised. It seems to me ill advised in this case, because it will be, in my opinion, a very great blow at the efficiency of the small corporation.

We have in this country times when we have apparently a sort of unanimous agreement of the people to discuss certain forms and aspects of questions. Just at this minute we are talking a great deal about competition and restraining competition. Two or three years ago we were talking a great deal about efficiency. We had reports from the tariff commission in which they dwelt a great deal upon efficiency. We had a Member of the other House who has been appointed a member of the present Cabinet who was very fond of discussing efficiency. For the time being efficiency seems to have gone out of people's minds, but I want to say that, in my opinion, formed after a quarter of a century's experience with the matters and things which I am discussing, the greatest source of efficiency for the modest and moderate-sized corporations in this country is that very interlocking of directorates which the Senator from Iowa seeks to prevent.

It is a source of efficiency, because a man can not be as good a director who serves only one corporation as when he has the training and experience that comes from association with three or four boards and three or four collections of different minds engaged in the same class of business and has the benefit of a circulation of knowledge from one group of men to another—a circulation of the technical knowledge of their business and of the conditions of trade. The Senator from North Carolina has spoken of cotton manufacturing in his State. The questions that come up before such business meetings are questions of whether it is a wise time to buy cotton, whether it is a wise thing to adopt this kind of a technical equipment or that, and similar questions. The men who meet and study those questions at one board of directors and meet the views of the men who compose it carry the wisdom thus acquired to other boards that they are members of, and the knowledge of all those technical questions thus becomes disseminated and a better judgment is formed upon them.

The Senator from Iowa spoke of the danger of having a man on two boards of directors, because he can not properly serve the stockholders of those two companies. Let us see what that involves, if it is true. It involves, in the first place, that the stockholders who selected the director are not intelligent enough to know whether they are electing a good man or not. It is implied in the assumption of the Senator from Iowa that that man will be able to involve the entire board in some vote and the corporation itself in some actions that would be injurious to them. If he is going to do anything of that kind, it involves either some incompetency or some treachery on the part of every other member there is on the board. It not only involves insincerity and dishonesty on the part of the director himself, but it involves a collusion on the part of every other member on that board.

Further than that, the Senator from Iowa, as a reason for his amendment, says that it is for the purpose of retaining competition. It seems to me that the way to retain competition is to keep alive in some way the smaller corporations, the moderate-sized corporations. Gentlemen will remember that on the bill to establish a trade commission I proposed an amendment which I thought would go a long way toward keeping alive the moderate-sized corporation.

I thoroughly agree with the Senator from Iowa or any other Member of this body who believes it is desirable to keep such corporations alive, but I think this proposition of refusing to those corporations the best ability that they can obtain on their board of directors, for the purpose of promoting their efficiency, is an additional strong step toward compelling the dissolution of small corporations and the gradual absorption of their business by the larger corporations.

It seems to me like a very simple proposition. A board of directors or other men on the United States Steel Corporation control in round numbers one-half the entire steel business of this country. It is not necessary for them to be directors in two or three or four corporations to control the enormous amount of business they do control. They accomplish that result by being directors of one single corporation. On the other hand, take the 200 corporations that are engaged in the steel industry outside of the United States Steel Corporation, if that is the number, and I believe it is somewhere in the neighborhood. If every one of those 200 corporations has to obtain separate and distinct individuals for their boards it naturally follows that they can not all have the same ability and skill that will be concentrated in the board of the great company that they have to compete with. It takes away from them a large part of the knowledge and ability they should obtain to assist them in the very competition that we want to keep alive.

The only reason which I see that is given for prohibiting this efficiency is the fact that they may endeavor to restrain trade or that they will be dishonest toward the stockholders whom they represent.

I know there is no use for me to discuss this proposition at length. I only want to say that as the result of my experience, and my experience has been considerable, I never have come in contact with an occasion when such questions were being discussed at the meetings of the boards of directors that I have sat with. It is not the small corporations who are bothering themselves with these questions to any extent, but they do need all the efficiency they can get, and this amendment will decrease it.

Mr. SMITH of Michigan. Mr. President, I do not know whether the prospect of the adoption of this amendment is good or not. The force with which the Senator from Iowa [Mr. CUMMINS] urges it and the unlooked for support of the Senator from New Jersey [Mr. MARTINE] admonish me that there is a possibility of its being adopted. I think if it is adopted it will operate to do two things which are not desirable. One is to discourage investments in private enterprise, and the other is to put a premium upon dummy directors. I think both these results would be unfortunate.

I recall in my State numerous industries where there are interlocking directorates. Our furniture business has interlocking directorates, and yet it is perfectly legitimate. Our beet-sugar business has interlocking directorates. It takes $600,000 to establish a sugar factory. We have 12 or 14 of them in the State of Michigan. The men who put their money into those enterprises did it because they had faith in the Government and faith in the business and faith in their own business management.

Is it possible that you are now going to withdraw the right from these men to manage their own affairs and at a time when their industry is in peril? What are you doing to encourage investment in labor-employing enterprises? Can you expect men of means to engage in industrial pursuits, investing money saved in life's activities, and give them no direct voice in the management and control of their affairs? I think not. Capital should be encouraged to enter such fields and thus develop the latent resources of our land.

Efficiency in the management of any industry is a cardinal necessity if it is to be profitable. You have already toned down our customhouses at the border with one hand and now seek to imperil investments with the other.

I think that this is a sweeping, a far-reaching, and an undesirable amendment, and it ought not to be adopted. What would the domestic sugar business do under present conditions without efficiency and economy in management?

Mr. MARTINE of New Jersey. I can not see how this interferes with efficiency.

Mr. SMITH of Michigan. I will tell the Senator how it interferes. It interferes to this extent, that a half dozen men who put three or four or five million dollars into domestic industry, perhaps located in different parts of the State and organized into separate units, but controlled practically by the same money source, are not permitted to manage their own affairs. I think it would strike a deadly blow at efficiency and greatly increase the overhead charges.

The amendment of the Senator from Iowa is predicated upon the theory that men are going to invest money in private enterprise merely for the sake of entering the commercial race and competing with somebody. There never was a more erroneous idea. People invest money in private enterprise because they expect a fair return on their investment, and if by cooperation

with one another in the management of its various branches they are able to reduce the overhead charges and minimize the cost of production, they can compete with their rivals and employ labor, and their industry will thrive and prosper.

To-day the sugar industry of my State is menaced. It is in the hands of a very few men, mostly men who made their money out of other enterprises, saved it, and invested in this new industry. The highest skill is required to make it a success; and you now propose to take the management out of the investors' hands and turn it over to strangers.

You have torn down the customhouses partially; at least you have torn the roof off. You have opened the back door and the front door for unlimited competition, and you are allowing an institution incorporated under foreign law and operating in a neighboring island to have access to your markets unrestrained, with the highest skill, the most complete management in charge of their affairs, and, as though drunk with power, you are now seeking to forge fetters for your own countrymen while at the same moment you are putting a premium upon the skill and the efficiency of foreign labor and foreign production and aggregated capital.

Mr. MARTINE of New Jersey. In the light of the present price of sugar, it being jacked up to 7 cents a pound, does not the Senator think it has been a most beneficent act upon the part of the Democratic Congress to the people? What would the price be if you had the opportunity to carry out your original idea of protection? Sugar instead of being 7 cents would probably be 9 cents, and to-day the great public consumer would have been paying tribute to these five satellites that are rich to gluttony in your State of Michigan.

Mr. SMITH of Michigan. Mr. President, if the theories of my honored friend from New Jersey had been in practice these domestic factories would never have been established and there would have been no competition in that useful article of necessity. In such an event, the price of sugar to-day would be a foreign price, and you would be absolutely impotent to control it.

Mr. MARTINE of New Jersey. That is theoretical.

Mr. SMITH of Michigan. Mr. President, right at our border are the most highly efficient sugar producers in the world. They have a productive capacity of more than twice the ability of our people to consume. You are going to allow them to form every plantation in the island of Cuba into a single corporation doing business as freely with the American people as though they resided upon our coast or upon the Great Lakes. Having done this, do you tell me that now it is the function of the American Congress to forge new fetters for American industry and to discourage the investment of capital which employs American labor at good returns? No, Mr. President; that will not benefit our country or get the results you seek to obtain.

I would not discourage capital. We have already pressed it too far, and even idleness may become preferable to tyranny. Some day capital may refuse to employ labor under these conditions, and no law that an American Congress can pass can force capital into enterprises against its will.

The thing to do that will make our country most prosperous, give the largest employment to labor, diversify the productions of our blessed country, is to allow men of means who are willing to thus employ it to get into remunerative industry. I know of no industry to-day, in the State of Michigan at least, whose returns the people have any special right to criticize. I know, of course, there are some large industries which, because of superior efficiency, are making large returns upon the capital and genius which originally promoted their incorporation, but gradually those who are making the money are becoming tired of it and are passing it back to labor in profit-sharing enterprises; and I am glad that this is one of the principles of modern-day industrialism.

Mr. MARTINE of New Jersey. In that I share with you all the delights and glories.

Mr. SMITH of Michigan. My friend from New Jersey is both generous and humane, but if I were to share everything that the warm-hearted Senator from New Jersey were to offer me, I am afraid I would not now be engaged in addressing the Senate. But, be that as it may, industrial enterprise needs encouragement; it does not call for strait-jackets and fetters. This is a poor time to throw javelins at our industrial captains, who are, for the most part, now engaged in a life and death struggle for industrial supremacy.

I can see great harm and danger to result from the adoption of the amendment of the Senator from Iowa, although I know that his purpose is wholesome and patriotic. But this is not a time to put new fetters upon the development of domestic industry. This is a poor time to carry out refined theories of government in conflict with the everyday experience of mankind.

Mr. REED. Mr. President, the argument made by the Senator from Rhode Island [Mr. LIPPITT] that there could be no efficiency unless you had interlocking directorates amounts to nothing more than this, that in order to have efficiency you must have combination between different corporations; in other words, there must be that restraint of trade and of competition which lies at the very bottom of every monopoly and trust ever created. The argument goes that far and no farther; it begins there and it ends there. It is the argument that has been on the lips of every trust magnate and every trust promoter from the day that a trust was first conceived in the brain of man.

The argument of my beloved friend, the Senator from Michigan [Mr. SMITH] about sugar and about the customhouses amounts to nothing more than this: He tells us we have torn down the customhouses, and that we are now about to tear down the business back of them. We have opened the doors of the customhouses, and we are now trying, not to tear down the business back of them, but to stop the criminal practices that grow up back of the closed door of the customhouse. We are endeavoring to destroy the monopolies which were created by a system that was dictated primarily by monopoly and that was kept upon the statute books of the United States as a fraud and false pretense put upon the American people.

Mr. President, the Senator from Michigan spoke about coordinate cooperation of corporations. Coordinate cooperation of corporations means coordinate combination of corporations, and coordinate combination of corporations means monopoly in restraint of trade and a violation of the criminal section of the Sherman Act. All you need to do is to couch these arguments in their proper terms, and call things by their right names, and you ascertain at once that they are arguments against every law that can be proposed for the protection of the people against the exactions of monopoly. If these arguments be sound, then we ought to wipe out every antitrust law we have upon the statute books. The captains of industry—who might more properly be called by the name Mr. Roosevelt coined, these malefactors of commerce—of course, run everything in a very efficient way for themselves, but unfortunately they do not run them in an efficient way for the rest of the people.

I deny that there is only one board of directors capable of managing business affairs in this country; I deny that you must have interlocking directorates and tie corporations together by a common ownership in order that we shall have efficiency in our manufactures. I assert that that kind of policy destroys the genius of the American people; closes the door of opportunity in the face of ambition; and if it be pursued and acted upon would concentrate the wealth of this country in a few hands, lock up all its energies in the vaults of a few gentlemen, and reduce the American people to a condition that will not be so proud and will not be so encouraging as that condition has been in the years that are past.

Now, I call the attention of Democrats who are about to vote upon this proposition to the last Democratic platform, which provides:

> We favor the declaration by law of the conditions upon which corporations shall be permitted to engage in interstate trade, including, among others, the prevention of holding companies, of interlocking directors, of stock watering, of discrimination in price, and the control by any one corporation of so large a proportion of any industry as to make it a menace to competitive conditions.

We have pledged ourselves to bring about "competitive conditions," and we have specified as one of the means of doing so the prohibition of interlocking directorates. We are about to be permitted to vote upon that kind of proposition. I do not know whether or not a Democratic platform is binding, but, so far as I am concerned, until it is repealed by another grand council of my party, it will be binding upon me. I shall support the amendment by my vote.

Mr. SMITH of Michigan. Mr. President, I ask the Senator from Missouri to make a slight correction in his statement. Of course, I know the error was unintentional, but I said nothing about cooperation and coordination of corporations. As I recollect, I was speaking of the cooperation of capital.

Mr. REED. I understood the Senator from Michigan—and of course the RECORD will show—to be speaking of the necessity of permitting common directorates for corporations; and he spoke of the cooperative coordination, as I understood him, between those corporations. The RECORD will show, and if I am mistaken I now apologize.

Mr. SMITH of Michigan. The RECORD will also show that about 20 years ago the distinguished Senator from Nevada [Mr. NEWLANDS] filed a caveat to that expression, and it belongs to him. I turn it back to him.

Mr. CHILTON. Mr. President, let us not forget, in discussing this matter—and I hope the Senator from Missouri [Mr. REED]

will not forget it—that the proposition is to substitute one way of dealing with the question of interlocking directorates for another way. It is not right to assume that, because we shall vote against the amendment, we are opposed to the regulation of interlocking directorates—quite the contrary is the fact. I think it is easy to show that the House provision, which was concurred in by the Judiciary Committee of the Senate, is much the more effective way of dealing with this subject, and it is certainly the only way, in my judgment, that we can reach it within the powers of this body.

Let us not forget another thing. We talk about regulating directors. What are directors? They are just what the laws of the State which creates the corporation and the stockholders of the corporation choose to make them. We stand here and talk about directors as if a director were a man whose duties and whose obligations were all fixed by law, when, as a matter of fact, practically any corporation in the United States can, under the laws of the States, fix exactly what a director may do and what he may not do. The trouble I have in approaching this subject is the deeper one, that if you cut the wings of directors you may force many corporations to govern themselves by themselves and entirely eliminate directors, or so curb their powers as to make them useless.

Mr. President, the stockholders, and not the directors, own a corporation. The stockholders say what the directors may do and what they may not do. It is within the power, I would say, under the laws of the different States, of at least four-fifths of the corporations of the United States to govern themselves entirely without a board of directors—that is, for all practical purposes. Under the laws of several of the States whose laws I have examined, the powers of the directors are fixed, not by law but by the by-laws of the corporation—that is, the by-laws of the stockholders—and if we go to an unreasonable extent we may force a condition under which the stockholders instead of the directors will have to run the corporation.

In other words, after all has been said, we must admit that we are dealing with the form and not entirely with the substance. That is a condition that we ought to think about.

The next proposition is, to my mind, fundamental in considering this question. We can deal only with interstate commerce. The provision agreed to by the House and reported by the Judiciary Committee to the Senate goes to the full extent, in our judgment, to which we can go or ought to go in dealing with this particular phase or branch of the trust-regulation question. Why do we say that? We realize that interstate commerce, in so far as it is controlled by corporations, is in the hands of State corporations. Take the instance submitted by the Senator from Montana, the case of a corporation in Wyoming desiring to go over into Montana and being unable to do so because the laws of Montana provide that you can not do that business by a foreign corporation in that State. That is not an extreme case. The laws of Pennsylvania provide that no company may mine coal in that State unless it be a corporation of the State of Pennsylvania. A West Virginia corporation can not mine coal nor carry on the coal-mining business in the State of Pennsylvania at all, but such business must be conducted by a corporation of the State of Pennsylvania. I speak of the coal business and the oil business because I happen to be more familiar with those industries; but anyone can see that the same principle would apply to any other industry under the same conditions and circumstances.

Now, what is the situation? Take a man in the coal business. When he develops that business to the point where he has a market and where he can sell his coal, he has his organization. The next thing that he wants to do is to get all the coal for his market which the market demands. His market may demand Pittsburgh coal; it may demand New River, Kanawha, Thacker, or Pocahontas coal; it may demand the great Black Warrior coal, which I mention out of deference to my friend from Alabama [Mr. BANKHEAD]. No matter what coal may be demanded by the market, the wide-awake, enterprising coal merchant will want to get the coal.

Suppose he is conducting a coal business in the State of Maryland and operating in the great Georges Creek field, and finds after he has built up a market that some of his customers want Pennsylvania coal, and he wants to mine that kind of coal. His Maryland corporation can not do so in the State of Pennsylvania. He organizes a corporation in the State of Pennsylvania, and he produces sufficient coal in the State of Pennsylvania to supply his market. That is the way in which the coal business grows and develops, and we should keep that in mind when dealing with all these matters.

That which experience teaches is necessary to legitimate success and which enables the enterprising man to expand his business should not be made unlawful per se, but only when it is made or becomes the handmaiden of monopoly or the restraint of trade.

Mr. President, I am not worried about the efforts to find big business. I have stated my position here on the greater question. Everybody in this country knows where the trust is; everybody knows who is running the trusts; everybody knows how the trust was developed; every man of sufficient intelligence to occupy a seat in this body knows in his heart that he can go and lay his hands on the trust, the home of the trust, the organizer of the trusts, and the backer of the great trusts which we are trying to reach; but when you enact a law that will wipe them out, you will also wipe out the thousands and tens of thousands and hundreds of thousands of little men who are struggling along trying to cope with the big organizations, trying to build up business in the various States. It is time to consider carefully and balance results. My illustration is true of coal; it is true of oil; it is true of lumber; it is true of limestone, of the sheep business, the orchard business, the cotton business, and everything else which constitute the industrial activities of the people.

Mr. President, I want to conform to the principles enunciated in the Democratic platform. I am committed to do that, and I will go just as far as I can under the Constitution to meet the obligation which we made to the people, but in reporting this bill here, we have gone as far as I think we can safely go under the powers granted to us by the Constitution, and as far as I think it is safe to go, from what I know of my own experience to be the actual condition of the little man struggling to do business in this country. That man I will not intentionally hurt if I can help it. He is not a trust, and not the beginning of a trust; he is the struggling business man, the man who has created business in this country. That man I will protect if I can; for that man I appeal.

There is a wide field within our powers and clearly in harmony with our platform promises, for curbing the known combinations of wealth which are stifling competition. Let us not experiment with the small business man.

Mr. President, that man will be hurt; he will be stricken if the Senate shall turn down the provision of the House bill and adopt the amendment of the Senator from Iowa. Therefore I hope the amendment will not be adopted.

Mr. O'GORMAN. Mr. President, I do not intend to discuss this question, but I desire to state the reasons which will explain my vote. I believe the incorporation of this amendment would be very unfortunate. While not so designed, its effect must be, in my judgment, to extend the influence and the power of the great corporations of the country at the expense of the thousands and tens of thousands of men engaged in small enterprises.

The mistake which I think is made in recommending this amendment consists in this: We know the abuse which we are trying to correct; we have already supplied several remedies; there is no advantage in multiplying remedies for an acknowledged abuse. In the recent banking and currency law we enacted provisions which were designed to afford relief. In the judgment of many, the Sherman Act, as a result of 20 years of construction and interpretation, is to-day a sufficient remedy for all these abuses. Yet we have gone beyond that in this bill; we have supplemented the Sherman Antitrust Act; we have taken every reasonable step that is necessary to destroy monopoly; and, having done all that, a suggestion is now made which is wholly unnecessary and which can offer but a modicum of benefit while inflicting injury and imposing needless restraints upon American enterprise. It is for this reason that I shall vote against the amendment.

The VICE PRESIDENT. The question is on the amendment of the Senator from Iowa, on which he asks for the yeas and nays.

Mr. JONES. Mr. President, I am going to use the time, or some of it, which I have on the bill, and if I need any more I will use some of the time I have on the amendment.

We have been kept here all summer and into the fall, long after we should have been home, in order to do certain things. We are going to do something, but we are not going to do what was laid out for us to do. I concede that the Senator from Missouri [Mr. REED] has made a gallant fight; but, with all his allies, he has not been able to make a single dent in the intrenchments of the committee. We have paid but very little respect to the Democratic platform and have had very little regard for it during the session; neither have we paid very much attention to the recommendations of the President with reference to the legislation known as the trust legislation.

On January 20 last the President addressed a joint session of the Congress on the subject of trusts and monopolies, suggest-

ing and recommending certain legislation. While recognizing the difficulties in dealing with this matter, he was most optimistic as to an easy and speedy solution. He thought that "a clear and all but unanimous agreement in anticipation of our action" had already come about, although what "our action" would be no one really knew. To him "it is now plain what the opinion is to which we must give effect in this matter," and in a burst of optimism, unabated by past experience in legislative celerity, closed his address in this splendid fashion:

We are now about to write the additional articles of our constitution of peace—the peace that is honor and freedom and prosperity.

This is beautiful, soothing, inspiring. Not one of those articles to be so soon and so easily written has, however, been written. That which was so clear and easy in the chamber of theoretical composition has become more doubtful and difficult to work out in the legislative forum.

The proposition which the President placed first in importance was the prevention of interlockings of the personnel of the directorates of great corporations—banks and railroads, industrial, commercial, and public-service bodies. This has been very imperfectly, uncertainly, and inadequately provided for in the pending bill.

As second in importance he considered the conferring upon the Interstate Commerce Commission the power to superintend and regulate the financial operations of the railroads and the issuance of stocks, bonds, securities, and so forth. This has not been done, and it is now currently and confidently asserted that under the pressure of the railroads and upon the plea of war necessities this legislation will be put over until the next session and this article of the constitution of peace will remain unwritten in any form.

The President said that uncertainty hampers business, that nothing daunts and discourages it like the necessity to take chances, to run the risk of failing under the condemnation of the law before it can make sure what the law is, and he urged that we should forbid, by statute, item by item, in such terms as will eliminate uncertainty in the law and its penalty, those practices, processes, and methods of monopoly and restraints of trade which experience has disclosed to be hurtful. These were wise words, wise suggestions. They have not been followed. On the contrary, existing laws have been rendered more ambiguous, and laws more uncertain in meaning and operation are proposed and their passage imminent. The business world is confronted with the creation of a legislative-administrative-judicial body to pass upon the validity of their acts, such validity to be determined at its own sweet will. We have passed through this body an act providing for a Federal trade commission, and it is now in conference. We have given it power to declare without limitation what trade practices are lawful and what are unlawful. What can be more uncertain than this? If it is agreed to and becomes the law, business will be hampered, business will be daunted, and business will be discouraged as never before, and the wise words of the President will be brought to naught, and this Constitution of peace and freedom will be a Constitution of turmoil, litigation, prosecutions, and bondage. If the President believes now as he believed when he wrote that message, he will advise the conferees to take from the commission this unlimited and indefinite power. A word from him will do it. I voted for the trade commission bill, as a whole, with much misgiving and largely that it might go to conference, in the hope that something good might come out of it. I am more and more convinced that it would be most unwise to enact it into law in its present form. Not only will it bring forth a veritable army of Government agents, sleuths, inspectors, and inquisitors, entailing upon the people millions of expense, but it will multiply manyfold the uncertainties that hamper and daunt business. The only business that will be encouraged and increased will be that of the lawyer. He will be in great demand, and the people and the courts will suffer. This is surely not what the President had in mind, this is not what the people had a right to expect. This is not the kind of commission the President said "the opinion of the country would instantly approve of"; this is not the kind of commission the "business men desire." He suggested a commission that would aid in carrying out the courts' decrees, not make decrees—a commission that would be an instrument of information and publicity, a clearing house for facts, not a lawmaking, law-enforcing judicial body, as this commission is.

The President also suggested that combinations in the industrial world injure not only the public, but individuals also, and that if the Government secures judgment against such combinations, individuals claiming to be injured should be able to found their suits for redress upon the facts and judgments found and entered in suits brought by the Government. He considered this "another matter in which imperative considerations of justice and fair play suggest thoughtful remedial action." We have in the pending bill in a sort of half-hearted way attempted to meet this suggestion. We have written a very weak and imperfect article in the constitution of peace by providing that judgments in Government suits shall be only prima facie evidence of the facts, thus leaving to the individual a burden which but few can bear and which but few will undertake to bear. Most individuals will suffer the wrongs of combinations rather than assume the additional burdens of attempting to defend against them.

Mr. President, these "additional articles of our constitution of peace" are being poorly, imperfectly, ambiguously, and dangerously written. Why? Not only because they are most difficult to write, but because we began to write them when we should have been going home; because the time that should have been given to their writing was taken up in the uncalled-for and unjustifiable repeal of the Panama exemption provision, in the interest of and at the behest of the transcontinental railroad lines, and to secure the good will of foreign powers, who had no cause of complaint against us; because we have written them grudgingly, grumblingly, and unwillingly, like truant schoolboys held to a task after school hours; because we began to write them when we were weary, worn, and fagged physically and mentally by continuous service, with long hours, for more than 14 months; because we have written them under the pressure of sessions of the Senate from 11 in the morning until 6 in the evening, with a multitude of other duties to perform in the meantime, because we have had no time for study and preparation, without neglecting our other duties or the sessions of the Senate; and because only a small proportion of the Senators have been present and assisted in the writing and consideration of these measures.

The consideration of these bills, in view of their importance and the vast and varied interests which they affect, has been a farce, almost a crime. When the Panama repeal was consummated we should have passed the appropriation bills and gone home or else stayed here and done our work. We did neither. Congress remained in session; Senators went away. Appropriation bills that should have been passed before July were not passed until August, and the whole business of the Government was disorganized and disarranged. Committees could not get quorums. Reports were delayed. Delays were had in the hope that the Executive would let us get away without passing these measures. When these hopes were blasted the few that were here tried to get to work. Revolutionary and wholly unjustifiable methods were pursued, not to perfect the bills, but to hasten a vote upon them. While the Constitution declares that less than a quorum can not do business, that provision has been avoided by holding that the most important function of the Senate is not business. The only way to arrive at a right conclusion regarding these or any other measures is through discussion, debate, and an interchange of views, and especially through information given by those who are especially familiar with the subjects involved by special thought, study, and investigation. In order, however, that we might after a fashion proceed and reach a vote without the presence of a constitutional Senate, it has been held, at the instance of the majority, that debate, legitimate, bona fide discussion, is not business, and therefore a quorum could not be required except when a vote was to be taken, unless in the meantime a petition had been presented or a leave of absence asked or something of that kind. According to modern ideas the Senate was not transacting business when Webster was delivering his immortal reply to Hayne, but the presentation of a petition from Podunk asking for the improvement of Whistler Creek is not only an act of statesmanship but a great business transaction that will justify the calling of the roll to see if a quorum is present to witness the performance of such a profound event. There has been no justification for following such an untenable and revolutionary course. No filibuster against any of these bills has been attempted or intended. No illegitimate debate has been indulged in. No partisanship has been injected into their consideration by the minority. They are not partisan measures and should not be made such. They should have the best thought, the benefit of the best experience, and the best suggestions of the ablest and most experienced Members of this body. The discussion by such Senators and such an interchange of views is the most important business that can engage the attention of the Senate. The recording of the vote after that interchange of views is business of the least importance, and is often done without the casting of a single vote.

Mr. President, what the people who have looked down upon us from the galleries of the Senate during the last few weeks must have thought of our deliberations I shall not pretend to say. I am afraid they have not taken to the folks at home a

very good report. How could they? They know pretty well the situation. The folks at home do not. They may have read in the RECORD from time to time the suggestions of the Senator from Missouri that during the discussion most of the seats are empty, or they may have read the pertinent statements of the Senator from New Hampshire with reference to the difficulties in securing a quorum from time to time, and yet this does not give a correct idea of the situation. I feel it proper to place in the RECORD some facts that will show the actual conditions under which this trust legislation has been considered and let the people judge whether such conditions are likely to bring forth those articles of the constitution of peace that are likely to be beneficial to the people and the country.

When it was held that discussion was not business, and that a quorum could not be called for when nothing but discussion had intervened, it occurred to me that it might be interesting to note from time to time the number of Senators on the floor. A roll call does not show the actual situation. A Senator comes in and answers to his name and goes out, so that, although the call may show 49 Senators present, as a matter of fact there may be but few actually giving attention to the matter in hand. I have noted the Senators on the floor every half hour, as nearly as I could with the interruptions that have occurred. The attendance shown is typical of the attendance during the consideration of these measures.

Of course, as everybody knows, we have a membership of 96, and 49 constitute a quorum.

Mr. LEWIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Illinois?

Mr. JONES. I am very sorry, but I have so little time that it will be impossible for me to yield to the Senator.

Mr. LEWIS. I simply desire to call the Senator's attention to the fact that——

The VICE PRESIDENT. The Senator refuses to be interrupted.

Mr. JONES. On Tuesday, about five weeks ago, at 3 o'clock there were 18 Senators present; at 3.30, 20; at 4 o'clock, 19; at 4.30, 30; at 5 o'clock, 26; at 5.30, 28.

On Wednesday, when we met at 11 o'clock, no doubt a quorum was called, as has been the custom. At 12 o'clock there were 36 Senators present; at 12.30 there were 29; at 1.30, 16; at 2 o'clock, 22; at 2.30, 19; at 3 o'clock, 29; at 3.30, 26; at 4 o'clock, 33; at 4.30, 27; at 5 o'clock, 25.

On Thursday of the same week at 12 o'clock there were 26 Senators present; at 12.30, 27; at 1 o'clock, 24; at 2 o'clock, 15; at 2.30, 23; at 3 o'clock, 39; at 3.30, 31; at 4 o'clock, 32; at 4.30, 32; at 5.30, 31.

On Friday of the same week at 1.30 o'clock there were 21 Senators present; at 2 o'clock, 26; at 2.30, 21; at 3.10, 31; at 3.40, 22; at 4.10, 29; at 4.55, 28.

On Saturday at 12.35 there were 28 Senators present; at 1 o'clock, 40; at 1.30, 28; at 2.30, 20; at 3 o'clock, 32; at 3.30, 26; at 4 o'clock, 32; at 4.30, 32; at 5.05, 24; at 5.30, 28.

On Tuesday following at 12.30 there were 21 Senators present; at 1 o'clock, 18; at 1.30, 16; at 2.45, 18; at 3.30, 22; at 3.45, 20; at 4 o'clock, 22; at 4.30, 28; at 5 o'clock, 29; at 5.40, 28.

On Tuesday, August 18, after the Senate had revoked the rule under which committees might meet while the Senate was in session, at 12.30 there were 25 Senators present; at 1.10, 20; at 2 o'clock, 18; at 2.30, 21; at 3.30, 19; at 4 o'clock, 27; at 4.30, 32; at 5 o'clock, 33.

On Friday, August 21, at 2.15 there were 18 Senators present; at 2.30, 19. At 4 o'clock a quorum was called, and at 4.05 a quorum was completed; that is, 49 Senators had answered to their names. At 4.07, or 2 minutes afterwards, 22 Senators were present on the floor; at 4.30, 20; at 5.05, 23; at 5.30, 29.

On Monday, August 24, a quorum was secured at 11.45 o'clock. At 12.15, 36 Senators were present. Another roll call occurred in the meantime. At 12.45 there were 19 Senators present; at 1 o'clock, 16; at 1.15, 16.

Mr. President, I have here some other data of the same character, but I shall not take the time of the Senate to give it. It shows the same condition.

On August 25 we had a criticism made on the floor of the Senate with reference to the lack of attendance here. At 1 o'clock we had 14 Senators present; at 1.27 we had a roll call completed and 50 Senators answered; at 1.30, or three minutes afterwards, there were 19 Senators on the floor; at 2 o'clock there were 9 Senators on the floor; at 2.30 we had a roll call and 49 Senators answered to their names; at 2.32, or two minutes afterward, there were 23 Senators on the floor; at 3.30, 19; at 4 o'clock, 20; and at 4.30, 18.

Mr. President, this simply shows the conditions under which we have been framing this legislation. It simply shows the conditions under which the most important legislation Congress has had under consideration for many, many years has been considered in this body. I do not blame Senators, in a sense, for being away. Congress has been in continuous session from the 15th of April, 1913, and when we began to consider this legislation, as I have said, Members were worn out. Many of them were probably almost forced to go away. It was not right and not fair and not just, as has been suggested by the Senator from New Hampshire [Mr. GALLINGER] that Senators should be kept here, should be forced to stay here under such conditions, to consider these measures, as we have been forced to do.

Mr. President, if I vote for this measure it will not be because I approve of it or am in favor of its passage as a whole, but simply that it may be sent to conference, in the hope that from the conference will come a measure of some merit. There are some few things in this bill that I favor that do not furnish any great affirmative relief, but they will have a good effect and should be passed. The provisions in this bill contained in section 7 and from section 15 on, in my judgment, are merely legislative declarations of existing law and the rules of the Supreme Court of the United States. I am glad to have them enacted into law so as to insure fair treatment to labor by all judges in these matters, but while we treat labor fairly and justly so should we treat business, capital, and industry equitably and justly.

Most of the provisions of this measure——

Mr. CHILTON. Mr. President, I rise to a point of order.

The VICE PRESIDENT. The Senator from West Virginia will state his point of order.

Mr. CHILTON. I should like to know how long the Senator from Washington has been speaking. We are operating under a unanimous-consent agreement, and in justice to other Senators I do not think the rule should be extended in the case of one Senator and not in that of others.

The VICE PRESIDENT. The Senator from Washington gave notice that he was going to consume his entire time, that having 15 minutes on the bill itself and 15 minutes on this amendment he would occupy the entire time upon it.

Mr. JONES. I would have been through by this time. I have only a few more words to say.

Mr. CHILTON. I do not want to take the Senator off his feet, but, Mr. President, we are acting under a unanimous-consent agreement and——

Mr. JONES. I do not think the Senator could do that under the unanimous-consent agreement.

Mr. CHILTON. Oh, yes, I could. The Senator has not any right to speak for more than 15 minutes.

Mr. JONES. I am going to conclude very soon.

Mr. CHILTON. The Senator has not any right to "bunch his hits" in that way.

Mr. JONES. Most of the provisions of this measure, as they relate to business and industry, as well as those of the trade commission bill, are uncertain, indefinite, and ambiguous in terms and possible effect. We do not know what they mean. They will hamper business, becloud its pathway, encourage litigation, stifle enterprise, multiply Government officials, and augment expenses. The suggestions of the President were wise. We would have done well to follow them. We have not done so. These bills do not conform to his recommendations. Instead of writing the articles of a constitution of peace we are writing the articles of a constitution of litigation, irritation, stagnation, and adversity.

The VICE PRESIDENT. The question is on the amendment of the Senator from Iowa [Mr. CUMMINS], on which he has requested the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CLARK of Wyoming (when his name was called). Announcing the transfer of my pair as heretofore, I vote "nay."

Mr. COLT (when his name was called). I announce my pair and its transfer and vote. I vote "nay."

Mr. CULBERSON (when his name was called). Again announcing my pair and its transfer, I vote "nay."

Mr. FLETCHER (when his name was called). I announce my pair and its transfer to the Senator from Nevada [Mr. NEWLANDS]. I vote "nay."

Mr. GORE (when his name was called). I desire to announce my pair with the junior Senator from Wisconsin [Mr. STEPHENSON]. I will withhold my vote, but I desire to be counted as "present."

Mr. HOLLIS (when his name was called). I announce my pair as before and withhold my vote.

Mr. LEA of Tennessee (when his name was called). I announce my pair and withhold my vote.

Mr. THOMAS (when his name was called). I again announce my pair and withhold my vote. If I were at liberty to vote, I would vote "yea."

Mr. TOWNSEND (when his name was called). I again announce my pair with the junior Senator from Arkansas [Mr. ROBINSON] and transfer it to the Senator from Illinois [Mr. SHERMAN] and vote "nay."

Mr. WILLIAMS (when his name was called). I transfer my pair with the senior Senator from Pennsylvania [Mr. PENROSE] to the junior Senator from South Carolina [Mr. SMITH]. I vote "nay."

The roll call was concluded.

Mr. LEA of Tennessee. I transfer my pair with the Senator from South Dakota [Mr. CRAWFORD] to the junior Senator from Ohio [Mr. POMERENE] and vote "nay."

The result was announced—yeas 15, nays 44, as follows:

YEAS—15.

Ashurst	Cummins	Lane	Reed
Brady	James	Martine, N. J.	Shafroth
Chamberlain	Jones	Norris	Vardaman
Clapp	Kenyon	Poindexter	

NAYS—44.

Bankhead	Gallinger	Nelson	Smith, Md.
Bryan	Hitchcock	O'Gorman	Smith, Mich.
Burton	Hughes	Oliver	Smoot
Camden	Kern	Overman	Swanson
Chilton	Lea, Tenn.	Perkins	Thompson
Clark, Wyo.	Lee, Md.	Pittman	Thornton
Colt	Lippitt	Ransdell	Townsend
Culberson	McCumber	Sheppard	Walsh
Dillingham	McLean	Shields	Weeks
Fall	Martin, Va.	Shively	White
Fletcher	Myers	Simmons	Williams

NOT VOTING—37.

Borah	Gronna	Pomerene	Stone
Brandegee	Hollis	Robinson	Sutherland
Bristow	Johnson	Root	Thomas
Burleigh	La Follette	Saulsbury	Tillman
Catron	Lewis	Sherman	Warren
Clarke, Ark.	Lodge	Smith, Ariz.	West
Crawford	Newlands	Smith, Ga.	Works
du Pont	Owen	Smith, S. C.	
Goff	Page	Stephenson	
Gore	Penrose	Sterling	

So Mr. CUMMINS's amendment was rejected.

Mr. CUMMINS. I offer the following as a new section to the bill.

The SECRETARY. It is proposed to add to the bill a new section, as follows:

SEC. —. No corporation shall engage or continue in commerce if the amount of capital employed is so great as to destroy or prevent substantially competitive conditions in the general field of industry to which the business carried on belongs.

The Federal trade commission shall have the power, and it shall be its duty, to determine whether any corporation is violating the law in employing such an amount of capital that the mere extent of capital destroys or prevents substantially competitive conditions, and it shall prescribe rules for the inquiry or examination authorized in this section, which shall include notice and hearing. In making such inquiry and in reaching a conclusion thereunder the commission shall be guided and controlled by the rules established in the law. When any such inquiry is completed the commission shall determine whether there has been or is a violation of the law in the respect, and in the respect only, hereinbefore set forth, and it shall enter its determination in a record kept for that purpose.

If the determination is that there has been or is a violation as aforesaid, then, unless the violation ceases within a period to be fixed by the commission, the commission may either submit all its information, with its determination thereon, to the Department of Justice for such action as that department may lawfully take, or it may institute in the name of the United States such suit or suits in equity as are now authorized by the United States in the said act of 1890, or which are authorized by this act to be brought in the name of the United States; and in any suit or suits so instituted by the commission in the name of the United States the jurisdiction of the courts and the rights and remedies shall be the same as though the suit or suits had been instituted in the name of the United States by or under the direction of the Department of Justice.

Mr. CUMMINS. Mr. President, I voted against the amendment proposed by the Senator from Missouri [Mr. REED] which prohibited any corporation from employing more than $100,000,000 in its business. I voted against it not because I am of the opinion that mere bigness may not be an offense or ought not to be an offense, but because an arbitrary allotment of capital covering the whole field of commerce and industry must necessarily be, as I thought, ineffective.

I believe that the corporations in this country ought to be limited in the amount of capital that they can respectively employ. I believe that there must be an inquiry before judgment is rendered with regard to the amount of capital that can thus be employed without suppressing or impairing competition. In one kind of business there might be a very large capital employed and competition still exist. For instance, take the steel business. In round numbers there are, I think, about $3,000,000,000 of capital employed in that business. One company in the business uses about one-half of the capital, and the competition between that company and the smaller corporations is not equal competition. It would be better for this country, a great deal better, if we had 10 corporations each employing $300,000,000, so that they could battle for the business upon somewhat even terms than to have one corporation with a billion and a half and the other billion and a half divided among a hundred or more corporations.

Therefore I would have the trade commission examine in each instance the amount of capital which can be used, so that the capital in and of itself will not destroy or prevent substantially competitive conditions. I have no doubt that in the end we will reach that method of regulation. I know of various kinds of business in which no one corporation should be permitted to employ more than $100,000, and so on over the whole field.

I do not intend to enlarge upon this. I simply predict that in the end if we preserve that equality which is necessary in order to retain and maintain competition in the United States some function of the Government will be employed to limit the capital that may be used in a particular business.

I have offered the amendment, Mr. President, not with the least hope that it will be adopted. It is perfectly manifest that amendments which alter the bill substantially will not be approved by a majority of the Senate. I offered it because it is a part of a bill that I have had pending before the Senate for more than a year and a half, and it embodies my views with respect to the regulation which should obtain in this respect.

I do not intend to ask for a roll call upon it unless a viva voce vote discloses that it has some friends in the Senate.

Mr. WALSH. I should like to inquire of the Senator from Iowa if this amendment was presented to the committee.

Mr. CUMMINS. It was not.

Mr. WALSH. I did not recall its consideration there.

Mr. CUMMINS. I am not sure that the Senator was there in the early meetings of the committee; but, if he was, he will remember that I disclosed to the committee my opinions with regard to the subject. However, I did not offer the amendment in the committee.

Mr. WALSH. I wish to ask the Senator, also, whether the amendment has been printed heretofore.

Mr. CUMMINS. It has been printed for a year and a half.

Mr. WALSH. Not as an amendment to this bill?

Mr. CUMMINS. No; as an independent bill. The only change that I have made in it is that I have now given the Federal trade commission the name which the bill recently passed gave it.

Mr. CULBERSON. Mr. President, I ask the Senator from Iowa if this amendment was presented to the Interstate Commerce Committee with reference to the trade commission bill when that bill was under consideration?

Mr. CUMMINS. It was.

Mr. CULBERSON. Does the Senator object to stating what action was taken by the committee?

Mr. CUMMINS. There never was any action upon it. I presented it along with my other amendments with regard to interlocking directorates and holding companies. There never was a vote upon it in the Interstate Commerce Committee, but the Senator from Nevada [Mr. NEWLANDS] will, I am sure, remember that I have frequently discussed it before the Interstate Commerce Committee.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Iowa [Mr. CUMMINS].

The amendment was rejected.

Mr. GALLINGER. There are two or three amendments, Mr. President, that I will not discuss, contenting myself by offering them. In section 7, page 7, line 12, I move to strike out "agricultural, or horticultural" and insert the words "or other," so that the bill will provide for "labor or other organizations, instituted for the purpose of mutual help."

The SECRETARY. On page 7, line 12, strike out the words "agricultural, or horticultural" and insert the words "or other," so that if amended it will read:

SEC. 7. That nothing contained in the antitrust laws shall be construed to forbid the existence and operation of labor or other organizations—

And so forth.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from New Hampshire.

The amendment was rejected.

Mr. GALLINGER. I will not ask for a recorded vote. On the same page—page 7—in line 16, the word "lawfully" occurs. The text reads:

Or to forbid or restrain individual members of such organizations from lawfully carrying out the legitimate objects thereof.

The word "lawfully" is a committee amendment which was agreed to; but in line 19 that word is omitted, so that at present it reads:

Such organizations, or the members thereof, be held or construed to be illegal combinations—

And so forth. I move to amend by inserting at the beginning of line 19 "when lawfully conducted," so that it shall read:

Nor shall such organizations, or the members thereof, when lawfully conducted, be held or construed—

And so forth, making it harmonize with the other part of the section.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from New Hampshire.

The amendment was rejected.

Mr. GALLINGER. Turning to page 27 of the bill, section 18, in line 15, I find the words "and lawful," the text reading—

or from withholding their patronage from any party to such dispute, or from recommending, advising, or persuading others by peaceful—

And the committee inserted "and lawful"—

means so to do.

On lines 5, 6, and 7 I find this language—

or from ceasing to perform any work or labor, or from recommending, advising, or persuading others by peaceful means so to do.

I move to insert, after the word "peaceful," the words "and lawful," so as to make it harmonize with the words the committee inserted in line 15.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from New Hampshire.

The amendment was rejected.

Mr. GALLINGER. I move further to amend, in an effort to harmonize the bill with the amendment that the committee inserted—I suggest that I am not having very good success, but nevertheless I shall make one more effort. In line 11 the words are:

or from peacefully persuading any person to work or to abstain from working.

As I have suggested, in line 15 the words "and lawful" are inserted. I move to insert, after the word "peacefully," in line 11, the words "and lawfully," so as to make it conform substantially to the amendment which the committee reported and which has been agreed to.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from New Hampshire.

The amendment was rejected.

Mr. GALLINGER. Mr. President, it surprises me more than I can express that the Senate should deliberately insert the word "lawful" in one line of the bill relating to one particular act, and that as to other matters that are directly connected with it, and have the same bearing upon the legislation, the Senate should refuse to insert the words in those lines to which I have called attention; but evidently that is the decision that has been reached, and it is useless for me to waste a moment of time in arguing that it ought to be otherwise. I submit as gracefully as I know how to the vote which has been taken, with the feeling that when this bill has been enacted into law, as I suppose it will be, in the particulars to which I have called the attention of the Senate it will be a very imperfect and very unjust measure.

Mr. POINDEXTER. Mr. President, I submit the amendment which I send to the desk.

The VICE PRESIDENT. The amendment proposed by the Senator from Washington will be stated.

The SECRETARY. In section 8 it is proposed to insert as a new paragraph the following:

From and after September 1, 1915, no common carrier engaged in commerce shall own, hold, or acquire the whole or any part of the shares of capital stock of another corporation engaged in the business of manufacturing, mining, producing, or dealing in any article or commodity of commerce.

Mr. POINDEXTER. Mr. President, the purpose of this amendment is to overcome the miscarriage of the Hepburn Act of 1906 as to the production and ownership by common carriers of the commodities of transportation.

Mr. CULBERSON. May I inquire of the Senator from Washington if the amendment he has just submitted covers lumber? I did not distinctly hear it read.

Mr. POINDEXTER. It makes no exception of lumber.

Mr. GALLINGER. I will ask the Senator if the amendment is printed? I do not find it.

Mr. POINDEXTER. It has not yet been printed. It is in typewriting.

Mr. GALLINGER. Then, I will ask that it be again stated, because I expected I should find it in the printed compilation of amendments.

The VICE PRESIDENT. The Secretary will read the amendment proposed by the Senator from Washington.

The Secretary again read the amendment proposed by Mr. POINDEXTER.

Mr. POINDEXTER. Mr. President, the subject matter covered by this amendment has been so thoroughly discussed and has been before the public to such an extent that it should be unnecessary to discuss it further.

Mr. CHILTON. Mr. President——

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from West Virginia?

Mr. POINDEXTER. I do.

Mr. CHILTON. I want to ask the Senator from Washington, Is not the amendment which he proposes in substance the commodities clause of the Hepburn law? Is not that the law now?

Mr. POINDEXTER. No; that is not the law now.

Mr. CHILTON. Has the Senator examined it, so that he may speak accurately?

Mr. POINDEXTER. There is a commodity clause in the law to which the Senator from West Virginia refers. This amendment would be in effect an amendment to that clause which has come to be called the commodity clause of the Hepburn Act, which was designed to accomplish exactly what this amendment will accomplish. Undoubtedly it was intended by the Hepburn Act to accomplish what it stated in plain terms, that a common carrier should not transport commodities which it owned or which it had mined or produced or manufactured, the purpose being to prevent the oppression which a common carrier had in its power, by controlling the necessary transportation for a commodity, to visit upon all of its competitors. That has not only been one of the chief agencies of monopoly, but it has been one of the most repulsive forms of oppression of independent miners, producers, manufacturers, and merchants in this country.

Mr. WILLIAMS. Mr. President, I want to ask the Senator from Washington a question. Does he not think it would be better if he would insert after the words "article or commodity of commerce" the words "to be carried by it"? I understand what he is striking at. Here is a railroad that owns a controlling interest in a coal mine right along its line, and it carries the coal; here is another railroad that owns a controlling interest in a sawmill, and it carries the lumber; but certainly the Senator will have no objection to a railroad in Pennsylvania owning stock in a lumber mill in the State of Washington or owning stock in an independent mine down in Alabama. If he wants to strike at the evil, it seems to me he ought to limit his amendment so as to strike at it and at nothing else.

Mr. POINDEXTER. Mr. President, the suggestion of the Senator from Mississippi is deserving of attention; but if the Senator will consider carefully the proposition, I think he will agree with me, in the first place, that it is not necessary to make such an exception as that. There is no need on the part of railroad companies in Pennsylvania to own coal mines in Alabama; there is not any possible injury which will result to the common carriers in depriving them of any such power as that. On the other hand, unless the rule is made absolute, the difficulty of enforcing it will be so great as to render it almost nugatory. It would be very difficult to determine whether or not the product of a particular coal mine or a particular manufacturing concern of any kind would be transported at one time or another by a particular railroad. In the very instance which the Senator from Mississippi cites, knowing as we do the interrelation of all of the great railroads of the country, if the Pennsylvania Railroad Co. in the State of Pennsylvania is interested in a coal mine in the State of Alabama, it is obvious to everybody that while the Pennsylvania Railroad may not have a railroad line in Alabama it would have such influence with the railroad lines in Alabama that it could get favors and preferences and privileges, which would destroy its competitors if it were really engaged there in the business of mining coal.

Mr. WHITE and Mr. TOWNSEND addressed the Chair.

The VICE PRESIDENT. Does the Senator from Washington yield, and to whom?

Mr. POINDEXTER. I yield first to the Senator from Alabama [Mr. WHITE], and then I shall yield to the Senator from Michigan [Mr. TOWNSEND].

Mr. WHITE. Mr. President, I will suggest to the Senator from Washington that the ownership by a railroad company in Pennsylvania of coal mines in Alabama might lead to the nondevelopment or want of operation of the Alabama mines, in order that the railroad company in Pennsylvania might use its own road to haul Pennsylvania coal, and thereby shut out its competitor in Alabama.

Mr. POINDEXTER. That might very well be one of the evils of allowing a railroad to engage in mining and manufacturing or some business not connected with the business of a

common carrier; in fact, there was very recently before the subcommittee of the Committee on Post Offices and Post Roads a case of the kind which is now spoken of by the Senator from Alabama, in which it was charged that the Pennsylvania Railroad Co., with its affiliated systems, such as the Norfolk & Western, and with its control over the Baltimore & Ohio Railroad Co., was actually retarding and suppressing the development of coal mines in the southern Appalachian region, whose product would have gone to tidewater over the Southern Railroad. There was an actual case which bears out the suggestion of the Senator from Alabama.

Now, Mr. President, I yield to the Senator from Michigan.

Mr. TOWNSEND. Mr. President, I am very much in sympathy with the purpose which the Senator has in view. It is one that has been discussed in Congress heretofore, and therefore is fairly well understood; but, if I understand the amendment correctly, it proposes that the existing holdings of such properties as the amendment seeks to prohibit must be disposed of by September 1 of next year. I am in doubt as to whether that disposal could be accomplished in so short a time. If this law is to be enforced as it ought to be enforced, it seems to me that it would require at least two years to dispose of the property without material loss. Has the Senator investigated that question so that he is confident that a year would be sufficient to accomplish the purpose he has in mind?

Mr. POINDEXTER. I have based the amendment upon the provision of the original Hepburn Act passed in 1906, which allowed the railroads until May 1, 1908, to dispose of their holdings. I presume that that matter was considered at that time. I have not made any analysis of the present situation, but I do not regard it as essential to this proposition.

Mr. TOWNSEND. My memory of that law is that there was some difficulty in enforcing it, because of the very objection which I am now mentioning. It was urged in the cases brought that it was impossible to comply with the provisions of the law without material loss.

I think there ought to be sufficient time in connection with a change of policy of this kind, so that the provision could be put into force without disturbing business very greatly, and I am sure that if the time limit could be extended until September 1, 1916, we could secure possibly some results that we might not secure if the time is limited to one year.

Mr. POINDEXTER. I am perfectly willing to accept the suggestion of the Senator from Michigan, and I therefore ask leave to modify the amendment by striking out "1915" and inserting "1916."

Mr. OVERMAN. Mr. President, I have before me the commodities clause of the Hepburn Act, which is as follows:

From and after May 1, 1908, it shall be unlawful for any railroad company to transport from any State, Territory, or the District of Columbia, to any other State, Territory, or the District of Columbia, or to any foreign country, any article or commodity, other than timber and the manufactured products thereof, manufactured, mined, or produced by it, or under its authority, or which it may own in whole or in part, or in which it may have any interest, direct or indirect, except such articles or commodities as may be necessary and intended for its use in the conduct of its business as a common carrier.

In effect, is not the situation which the Senator from Washington seeks to cover already covered by the Hepburn law? The amendment of the Senator provides that the railroad companies shall not "own," while the commodities clause says they shall not "transport."

Mr. POINDEXTER. Exactly; it is simply——

Mr. OVERMAN. I think that the matter is fully covered by the commodities clause. If the railroads can not transport an article, there is no reason for them owning it; and if they do own it, they will gradually rid themselves of its ownership. The commodities clause of the existing law provides that the railroads shall not transport any commodity "in which it may have any interest, direct or indirect."

Mr. POINDEXTER. Mr. President, that would be very true; there would be no occasion for this amendment if the Hepburn Act had been construed by the courts to cover the ownership of stock in subsidiary corporations, which, in turn, control the commodity. The Supreme Court in 1908 held that the ownership by a common carrier of the stock in a manufacturing, mining, or producing company which produced the article transported by the common carrier was not a violation of the act, and the amendment I have offered is designed for the purpose of meeting the situation created by that decision. The law still stands as decided in that case, although the Supreme Court has in subsequent decisions to some extent modified the position which it took in that case, and has apparently come back in some degree to the evident intent of Congress when it passed the Hepburn Act. It has held in subsequent cases that if the common carrier dominated the producing corporation and so controlled it that the producing corporation had no will of its own, that would be a violation of the Hepburn Act.

Mr. SMOOT. Mr. President——

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Utah?

Mr. POINDEXTER. I yield to the Senator from Utah.

Mr. SMOOT. The commodities clause just read by the Senator from North Carolina allows the railroad companies to own coal mines, we will say, and to transport for their own use the coal produced by those mines. As I understand the Senator's amendment, however, it goes further than that and provides that a railroad company shall not even own a coal mine for the purpose of mining coal for use on its own line—in other words, every railroad which may own a coal mine or timberland must purchase from others coal or timber for its own particular use. Am I correct in my understanding of the meaning of the amendment of the Senator and was that his intention?

Mr. POINDEXTER. That was not my intention, and I do not think it has that effect, although I would not regard that as a great defect in it if it did have that effect. The amendment refers to mining, manufacturing, and producing companies; it would not in any way prohibit a railroad company from owning coal mines to supply itself with coal. It does not relate to the direct ownership of the property in the first place; it only deals with the ownership of stock in a subordinate corporation.

Mr. OLIVER. Mr. President——

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Pennsylvania?

Mr. POINDEXTER. I yield to the Senator from Pennsylvania.

Mr. OLIVER. Mr. President, my impression differs from that of the Senator from Washington, and I suggest that the amendment be again stated, because I rather think that as offered it would prevent a railroad company from owning a coal mine on the line of its own road and using the coal for its own use. I ask that the amendment be again stated.

The VICE PRESIDENT. The Secretary will state the amendment again.

The SECRETARY. It is proposed to insert a new paragraph in section 8 to read:

That from and after September 1, 1916, no common carrier engaged in commerce shall own, hold, or acquire the whole or any part of the shares of capital stock of another corporation engaged in the business of manufacturing, mining, producing, or dealing in any article or commodity of commerce.

Mr. SMOOT. Mr. President——

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Utah?

Mr. POINDEXTER. I yield.

Mr. SMOOT. That amendment would virtually prevent a railroad company from owning a coal mine and producing coal from that mine for its own use or transporting the coal over its own lines for that purpose. I hardly think the Senator intends to go that far. I know, so far as my own State is concerned, that the railroads there which own coal mines and mine the coal for their own particular use would be compelled, if the amendment were adopted, to go hundreds of miles to purchase from other companies coal in order to operate their own lines.

Mr. POINDEXTER. Is the Senator directing his objection to the ownership by the railroads of the stock of another corporation? That is the only thing that this amendment deals with.

Mr. SMOOT. Mr. President, I only speak so far as my own State is concerned. A number of railroads have been organized in the State of Utah, and their incorporation papers have authorized them to build, operate, and maintain a railroad, but under the original act of incorporation they are not themselves allowed to mine coal; so that the only way by which they can mine it is through subsidiary companies, and of course they control, in fact they own virtually, all of the stock of the subsidiary coal companies.

Under the Senator's amendment that would be absolutely impossible; or, in other words, they would have to sell the coal interests by the 1st of June, 1915 or 1916, as the case may be. That would work a hardship, not upon the great lines, perhaps, but upon a line that was in one State or had some business in one State and owned its coal, perhaps, over the line in another State. I am fearful that it would work a great hardship on many of the smaller corporations of this country.

Mr. POINDEXTER. Mr. President, in order to meet the Senator's objection—it is not an objection in my mind, however, because I believe the evils of the corporate ownership of subordinate corporations far more than overbalance any benefits that may accrue from it—I will ask to incorporate in the

amendment the very words of the Hepburn Act. I propose, at the close of the amendment, to add these words:

Except such articles or commodities as may be necessary and intended for the use of such common carrier in the conduct of its business.

Mr. SMOOT. It would be perfectly satisfactory to me if that amendment were there; but I believe if it is so amended it is virtually the law as it stands to-day.

Mr. WALSH. Mr. President——

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Montana?

Mr. POINDEXTER. I yield to the Senator.

Mr. WALSH. I suggest to the Senator from Washington that the language offered by him is quite incongruous with that which precedes it. What the Senator wants I have endeavored to express in the following amendment. The Senator's amendment provides that no common carrier or corporation shall hold stock in any other corporation.

Mr. POINDEXTER. Not exactly that; but what is the Senator's suggestion?

Mr. WALSH. I suggest that there be added—

other than corporations engaged exclusively in the production of commodities necessary and intended for the use of such common carrier in the conduct of its business as such—

Using the language of the Hepburn act.

Mr. POINDEXTER. I accept the amendment proposed by the Senator from Montana.

The VICE PRESIDENT. The time of the Senator from Washington has expired. The question is on agreeing to the amendment, which will be stated by the Secretary.

The SECRETARY. In section 8 it is proposed to insert:

From and after September 1, 1916, no common carrier engaged in commerce shall own, hold, or acquire the whole or any part of the shares of capital stock of another corporation engaged in the business of manufacturing, mining, producing, or dealing in any article or commodity of commerce, other than corporations engaged exclusively in the production of commodities necessary and intended for the use of such common carrier in the conduct of its business as such.

The VICE PRESIDENT. The question is on agreeing to the amendment.

Mr. POINDEXTER. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CLARK of Wyoming (when his name was called). Repeating the announcement of my pair and its transfer, I vote "nay."

Mr. CULBERSON (when his name was called). Again announcing my pair and its transfer, I vote "nay."

Mr. FLETCHER (when his name was called). I transfer my pair with the Senator from Wyoming [Mr. WARREN] to the Senator from New Jersey [Mr. HUGHES] and will vote. I vote "nay."

Mr. LEWIS (when Mr. GORE's name was called). I desire to announce the absence of the junior Senator from Oklahoma [Mr. GORE], and to say that if present he would have voted "yea."

Mr. HOLLIS (when his name was called). I announce my pair as before, and withhold my vote.

Mr. LEA of Tennessee (when his name was called). I again announce my pair and withhold my vote.

Mr. THOMAS (when his name was called). I again announce my pair and withhold my vote. If I were at liberty to vote, I would vote "yea."

Mr. TOWNSEND (when his name was called). I again announce my pair and its transfer and vote "yea."

Mr. WILLIAMS (when his name was called). Repeating the announcement made on the last roll call, I vote "nay."

The roll call was concluded.

Mr. JAMES. I inquire whether the junior Senator from Massachusetts [Mr. WEEKS] has voted?

The VICE PRESIDENT. He has not.

Mr. JAMES. I have a pair with that Senator, and therefore withhold my vote.

The result was announced—yeas 25, nays 27, as follows:

YEAS—25.

Ashurst	Kern	Norris	Smoot
Chamberlain	Lane	Oliver	Townsend
Clapp	Lee, Md.	Perkins	Vardaman
Cummins	Lewis	Poindexter	Walsh
Hitchcock	McLean	Reed	
Jones	Martine, N. J.	Sheppard	
Kenyon	Nelson	Shively	

NAYS—27.

Bankhead	Fall	O'Gorman	Smith, Md.
Bryan	Fletcher	Overman	Smith, Mich.
Camden	Gallinger	Pomerene	Swanson
Chilton	Lippitt	Ransdell	Thornton
Clark, Wyo.	Martin, Va.	Shafroth	White
Culberson	Myers	Shields	Williams
Dillingham	Newlands	Simmons	

NOT VOTING—44.

Borah	Goff	Owen	Stephenson
Brady	Gore	Page	Sterling
Brandegee	Gronna	Penrose	Stone
Bristow	Hollis	Pittman	Sutherland
Burleigh	Hughes	Robinson	Thomas
Burton	James	Root	Thompson
Catron	Johnson	Saulsbury	Tillman
Clarke, Ark.	La Follette	Sherman	Warren
Colt	Lea, Tenn.	Smith, Ariz.	Weeks
Crawford	Lodge	Smith, Ga.	West
du Pont	McCumber	Smith, S. C.	Works

So Mr. POINDEXTER's amendment was rejected.

Mr. POINDEXTER. Mr. President, as a matter of language, the Senator from West Virginia [Mr. CHILTON] made some corrections a little while ago in section 10. In that same section I noticed at the time the concluding sentence in the first paragraph, which ought to be corrected, it seems to me. It reads:

No bid shall be received unless the names and addresses of the officers, directors, and general managers thereof,—

There can not be any officers, directors, and general managers of a bid. The section goes on to say—

if it be a corporation, or of the members, if it be a partnership or firm, etc.

I would suggest to the Senator that this language ought to be substituted for that sentence:

That no bid shall be received from a corporation, partnership, or firm unless the names and addresses of the officers, directors, and general managers of the corporation or of the members of the partnership or firm submitting it be given with the bid.

Mr. CHILTON. This is the way it reads:

No bid shall be received unless the names and addresses of the officers, directors, and general managers thereof, if it be a corporation, or of the members, if it be a partnership or firm, be given with the bid.

That is perfectly clear. I do not see anything wrong about that.

Mr. POINDEXTER. It may be; but I do not understand how a bid could have officers or directors.

The VICE PRESIDENT. The bill is in Committee of the Whole and open to amendment.

Mr. CUMMINS. Mr. President, I offer a substitute for section 7. It will be found in the collection of printed amendments on page 5. Before I do that I will state that I intend to take the time the rule allows me for the discussion of this amendment; but I should like to ask the Senator in charge of the bill whether he expects to continue in session this evening or later than the usual time?

Mr. CULBERSON. Mr. President, I should be very glad to accommodate the Senator, but I am very anxious also to finish the bill. If there is a reasonable likelihood of finishing it to-night, we will go on.

Mr. CUMMINS. We have an order, have we not——

Mr. GALLINGER. Have we not an order to recess at 6 o'clock?

Mr. CULBERSON. I do not think there is any order.

Mr. CLARK of Wyoming. That is the order on which we are meeting at 11 o'clock.

Mr. CULBERSON. My recollection is that there is no order, Mr. President.

Mr. LANE. I wish to say, if I may be allowed to do so, that I have an amendment which I wish to offer, and I should like to have a fair opportunity to present it.

Mr. CUMMINS. I do not believe the Senator from Texas would like to keep the Senate here until the bill is finished.

Mr. OVERMAN. Let us take a recess.

Mr. CULBERSON. I will say to the Senator that we will take a recess at 6 o'clock until 11 o'clock to-morrow morning.

Mr. CUMMINS. Very well. I ask that my amendment may be stated.

The VICE PRESIDENT. The Secretary will state the amendment.

The SECRETARY. In lieu of section 7 it is proposed to insert the following:

SEC. 7. That the labor of a human being is not a commodity or article of commerce, and nothing contained in the antitrust laws shall be construed to forbid the existence and operation of labor organizations having for their objects bettering the conditions, lessening the hours, or advancing the compensation of labor, nor to forbid or restrain individual members of such organizations from carrying out said objects in a lawful way; nor shall said laws be construed to prevent or prohibit any person or persons, whether single or in concert, from terminating any relation of employment or from ceasing to work or from advising or persuading others in a peaceful, orderly way, and at a place where they may lawfully be, either to work or abstain from working, or from withholding their patronage from a party to any dispute growing out of the terms or conditions of employment or from advising or persuading other wageworkers in a peaceful and orderly way so to do, or from paying or giving to or withholding from any person engaged in such dispute any strike benefits or other moneys or things of value, or from assembling in a peaceful and orderly way for a lawful purpose in any place where they may lawfully be, or from doing any act or thing which might lawfully be done in the absence of

such dispute. Nothing contained in said antitrust laws shall be construed to forbid the existence and operation of agricultural, horticultural, or commercial organizations instituted for mutual benefit without capital stock and not conducted for the pecuniary profit of either such organization or the members thereof, or to forbid or restrain such members from carrying out said objects in a lawful way.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the Speaker of the House had signed the following enrolled bill and joint resolution, and they were thereupon signed by the Vice President:

S. 6357. An act to authorize the establishment of a bureau of war-risk insurance; and

H. J. Res. 327. Joint resolution to correct error in H. R. 12045.

RECESS.

Mr. CULBERSON. I move that the Senate take a recess until 11 o'clock to-morrow morning.

The motion was agreed to; and (at 6 o'clock p. m., Tuesday, September 1, 1914) the Senate took a recess until to-morrow, Wednesday, September 2, 1914, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES.

TUESDAY, *September 1, 1914.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Our Father in heaven, we thank Thee that every age has its problems to solve, since in solving them the manly virtues are developed to a higher degree of perfection; and we bless Thee that men look at these problems and their solution from different angles, so that when they are solved they are apt to be solved right, for we realize that no question is ever settled until it is settled right. Help us, we beseech Thee, to think right, to do right, that we may solve the problems of our day in accordance with the eternal fitness of things, and Thine be the praise through Jesus Christ our Lord. Amen.

The SPEAKER. The Clerk will read the Journal.

Mr. BUTLER. Mr. Speaker, I make the point of order.

The SPEAKER. The Chair could not understand what the gentleman said.

Mr. BUTLER. It is the same point of order that I made yesterday and will make to-morrow and hereafter.

The SPEAKER. What is it?

Mr. BUTLER. I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Pennsylvania makes the point of order that there is no quorum present. Evidently there is not.

Mr. UNDERWOOD. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The SPEAKER. The Doorkeeper will close the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Adair	Elder	Hoxworth	Nelson
Aiken	Esch	Johnson, S. C.	O'Shaunessy
Ainey	Estopinal	Jones	Palmer
Ansberry	Evans	Kelley, Mich.	Patten, N. Y.
Aswell	Fairchild	Kent	Peters
Austin	Faison	Key, Ohio	Powers
Barchfeld	Farr	Kiess, Pa.	Ragsdale
Bartlett	Fess	Kindel	Rainey
Bell, Ga.	Finley	Kinkaid, Nebr.	Riordan
Browne, Wis.	FitzHenry	Knowland, J. R.	Sabath
Browning	Fowler	L'Engle	Scully
Buchanan, Ill.	Gardner	Lenroot	Shackleford
Byrnes, S. C.	George	Levy	Sherley
Calder	Glass	Lewis, Pa.	Smith, Md.
Cantor	Goldfogle	Lindquist	Smith, N. Y.
Cantrill	Gordon	Loft	Steenerson
Casey	Graham, Ill.	Logue	Stevens, N. H.
Chandler	Graham, Pa.	McClellan	Stringer
Church	Griest	McGillicuddy	Switzer
Connelly, Kans.	Griffin	Mahan	Treadway
Covington	Guernsey	Martin	Underhill
Crisp	Hardwick	Merritt	Wallin
Curry	Hart	Montague	Watkins
Dixon	Hensley	Morin	Wilson, N. Y.
Dooling	Hill	Mott	Witherspoon
Eagle	Hinds	Murdock	Woodruff

The SPEAKER. On this roll call 328 Members have answered to their names—a quorum.

Mr. UNDERWOOD. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The doors were opened.

The SPEAKER. The Clerk will read the Journal.

The Journal of the proceedings of yesterday was read and approved.

QUESTION OF PERSONAL PRIVILEGE.

Mr. KINKEAD of New Jersey. Mr. Speaker, I rise to a question of personal privilege, and I ask unanimous consent that I may address the House for 30 minutes.

The SPEAKER. The gentleman from New Jersey rises to a question of personal privilege. The gentleman will state it.

Mr. KINKEAD of New Jersey. Mr. Speaker, it has to do with an article that appeared in the Newark Star of yesterday. The Newark Star is owned, operated, and controlled by one James Smith, jr., at one time United States Senator from the State of New Jersey, and sometimes known as "Sugar Jim."

The SPEAKER. The gentleman will state his question of privilege.

Mr. KINKEAD of New Jersey. The former United States Senator from New Jersey says that the gentleman from New Jersey——

The SPEAKER. But the gentleman will have to state what his question of privilege rests on.

Mr. KINKEAD of New Jersey. It rests on the statement made that the gentleman from New Jersey—that I was absent five times out of six during my service here in Congress.

The SPEAKER. The Chair thinks that is a question of privilege——

Mr. BORLAND. Mr. Speaker, I understood the gentleman to ask unanimous consent to address the House for 30 minutes.

The SPEAKER. If the gentleman has a question of privilege, he does not have to ask unanimous consent.

Mr. BORLAND. I renew the request that the gentleman have leave to address the House for 30 minutes.

The SPEAKER. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, it seems to me we ought to determine at some time whether every Member of the House who has been absent, who makes the request for unanimous consent, has a matter of personal privilege to rise and discuss the question for an hour——

Mr. KINKEAD of New Jersey. I do not ask for an hour.

Mr. MANN (continuing). Or have unanimous consent for half an hour to make excuses.

Mr. KINKEAD of New Jersey. I am not going to make any excuses; the gentleman from Illinois, the leader of the Republican Party in the House, knows that I am not.

The SPEAKER. Is there objection?

Mr. UNDERWOOD. Mr. Speaker, I desire to inquire whether or not the Speaker has ruled on the question whether this is a question of personal privilege.

The SPEAKER. The Chair has not.

Mr. UNDERWOOD. I will say to the gentleman I think we all recognize the importance of a Member having the right to explain a charge against him, but I think it is an unfortunate day to bring it up, and if the gentleman can I would like to ask him to postpone it until to-morrow. To-day is unanimous-consent day.

Mr. KINKEAD of New Jersey. Give me 15 minutes to-day.

Mr. UNDERWOOD. If the gentleman asks for 15 minutes, I will not object.

Mr. BORLAND. I ask unanimous consent that the gentleman have 15 minutes.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. KINKEAD of New Jersey. Mr. Speaker, the leading editorial of the Newark Star, which, as I stated before, is owned and edited and controlled by one James Smith, jr., former United States Senator from the State of New Jersey, sometimes known in our State and elsewhere throughout the United States as "Sugar Jim," and whose fame rests upon his characterization as a traitor by Grover Cleveland, has this to say of me:

[From the Newark Star, James Smith, jr.]

KINKEAD ESCAPED FROM CUSTODY.

Proudly marching at the head of a Moose organization in Jersey City on Saturday was Congressman EUGENE KINKEAD, escaped from the custody of the Sergeant at Arms of the House of Representatives, after he had been apprehended for constant and persistent violation of his sworn obligations to his constituents. Kinkead could not miss the opportunity to make this local display of himself for the sake of the capital in his chase for a $10,000 office. Every voter in Hudson County now knows that Kinkead has absented himself from his duties in Congress an average of five days out of every six, and that he was compelled late last week to make a temporary appearance at Washington by the Sergeant at Arms, while Congress voted to cut out his salary of $21 a day for absences, and here he was on Saturday appearing in the public streets in Jersey City looking for Moose votes and defying all the decencies. Is it such men as this chronic and shameless defaulter in important public duties at a time when every Congressman should be at his post that the people reward with fat offices? How much more of KINKEAD can the people of Hudson County stand?

[Laughter and applause.]

Thus closes the editorial of the quondam Senator from New Jersey. Here is an editorial by another paper that takes a bang at me occasionally. "Always absent from his post," starteth the editorial of the Hudson Observer, ably edited by one Mathias C. Ely, at one time secretary to James Smith, jr., and now an important figure in the Democratic county opposed to the intelligent electorate of the Democracy of our county. "Always absent from his post." I am not going to read this, because I have not the time, but I ask unanimous consent to extend my remarks in the RECORD, by inserting this and putting in this ex-Senator's record.

The SPEAKER. The gentleman asks unanimous consent to extend his remarks by printing certain excerpts from newspapers——

Mr. KINKEAD of New Jersey. And the record of one James Smith, jr., one-time Senator from New Jersey.

The SPEAKER. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, I shall object to printing the record of some one who can not answer.

The SPEAKER. The gentleman objects to that part of the request. Is there any objection to printing the editorials? [After a pause.] The Chair hears none.

SEVERAL MEMBERS. Read his record.

Mr. KINKEAD of New Jersey. I can not; it is a mile long.

ALWAYS ABSENT FROM HIS POST.

Every man elected by the people to sit in either House of Congress ought in these days of trouble to be in his place at Washington assisting the President of the United States to maintain peace and neutrality, to keep moving the wheels of commerce, and to devise ways and means to protect the people from the avarice of the speculators in food and other necessaries of life.

This duty should appeal peculiarly to Congressman KINKEAD, who belongs to the dominant party, is a Member from the President's own State, and is presumed to have the experience that results from a considerable length of service.

It is not at all creditable to the Democratic Party to have one of the men upon whom it has bestowed high honors absent five out of every six days of the session, leaving upon the shoulders of other men the hard and thoughtful work of a critical time.

Such conduct is all the more objectionable in view of the circumstances that surround his neglect. Mr. KINKEAD has a variety of money-making occupations, public and private, ranging all the way from the building of roads in the new Palisades Park on the Hudson to the proprietorship of a street car advertising agency. He has two political offices, a third "on ice," and now wants a fourth. Nearly everything he possesses was gained through the generosity of the party to which he belongs

He is now spending most of his time going about the county of Hudson trying to assemble the rag-tag and bobtails who constituted the old foes of the President, riding in the process roughshod over his friend Clossey and others who helped him in his political career.

He is in this matter as false to Wilson, who has been good to him, as he is to his constituents, whose interests he is betraying by his absence from his post in the House of Representatives.

Congressman KINKEAD is very much mistaken if he thinks his course will be approved at the primaries. The organizations have already condemned him and indorsed one of his rivals in Bayonne, West Hoboken, Hoboken, Kearny, and Secaucus, and they will pass adversely upon his candidacy in Jersey City, Union Hill, and nearly all of the smaller municipalities.

Now, Mr. Speaker, the difference between the former United States Senator and the former Senator's secretary is this, that what I say about the secretary he will print, because he is a man; he is not a coward. The former United States Senator will not print any of it—I will not say he is a coward, because I like Smith personally. [Laughter.] And now, in order that my colleagues might know who this gentleman is who so venomously addresseth himself regarding one of your colleagues, I read from the Congressional Directory of the Fifty-third Congress and find that James Smith, jr., of Newark, was born in that city June 12, 1851, and I ask unanimous consent to insert his biography in the RECORD.

The SPEAKER. The gentleman from New Jersey asks unanimous consent to insert in the CONGRESSIONAL RECORD the biography of ex-Senator James Smith, of New Jersey, as printed in the Congressional Directory of the Fifty-third Congress. Is there objection? [After a pause.] The Chair hears none.

Mr. KINKEAD of New Jersey. I just want to call attention to this statement. You see all I got was from the party, according to Smith. He says:

He has been tendered nearly every office in the gift of his party in the State, but has always refused office; is a manufacturer of patent and enameled leather in Newark, and conducts the largest business of the kind in the country.

At one time Senator Bailey was down in Texas, and he was making a speech, I think, in Waco, Tex., I am not sure of the town. There was a youngster who was sent out by his father to get supper supplies. He left in the afternoon and when he finally returned, carrying the bundles in his arms, his father said, "What is the matter; why did you stay so long?" "Well," he said, "Dad, I was down at the corner of Main and Washington Streets, and I heard a man talk there; I got interested and stayed overtime." The father said, "Who was it?" He replied, "I do not know, Dad. I do not know his name; he was running for some job. I did not get his name, but he certainly did recommend hisself highly." [Laughter.] Let the former Senator tell it, and he is some statesman.

Mr. Smith has a record during his six years' service in another body, at the other end of the Capitol, and I went to the expense—and it cost me $42—to have it prepared. I find that instead of quoting my record he inadvertently quoted his own, because, lacking a few votes, he missed five out of every six roll calls during his service in Congress. I had Collier's Weekly prepare me a statement of my votes during my service here, and I find that, lacking a few votes, I have been present five times out of every six when the roll in this House has been called. [Applause.]

The former United States Senator says he is a Democrat. I want to say to my brothers in this House that if Mr. Smith is a Democrat I belong either to the Bull Moose or to the regular Republican wing, because I have no place in the Democracy of Smith. [Applause.] A statement is attributed to him that no young man of my race or of my creed could go ahead in politics unless he bowed his head to the Smith yoke. I want to say to you—the membership of this House—that I have been here with you nearly six years and that my head is still on my own shoulders, and I have not bowed to Smith's yoke; and as long as I remain in political life my head will never be bowed to him or to any other political boss—call him James Smith, jr., or H. Otto Witpenn. I remember that in 1896—I was 20 years old at the time—I was out on the street corners talking for Bryan and I saw the ship leave New York that carried Smith away, and I have here a statement which he made before he left—that he could not follow Nebraska's peerless son in his flights of oratory nor could he support the doctrine that he gave out as Democratic principles. I supported Bryan then, as I heartily indorse now his efforts to bring about universal peace. [Applause on the Democratic side.]

Mr. MANN. Will the gentleman yield?

Mr. KINKEAD of New Jersey. I will.

Mr. MANN. Smith and Woodrow Wilson were on the same side at that time, I believe? [Laughter on the Republican side.]

Mr. KINKEAD of New Jersey. That is a fair question, and I am glad my friend brought it up. Woodrow Wilson, as the gentleman well knows, does not claim to be infallible. He is just as human as the gentleman or myself; but I want to say to my friend that before he leaves here he will say, as we Democrats throughout the Nation are now saying, that the man whose Democracy he questions is the greatest President that this country has ever known. [Applause on the Democratic side.]

We had an election in our State for governor about 14 years ago. We nominated the former mayor of the city of Newark, James M. Seymour. The Republicans nominated Franklin Murphy, former chairman of the Republican national committee, and when Franklin Murphy was elected governor he said of James Smith, jr., "I owe more to this man than I do to any other man that lives. That is why I am giving him the places that rightfully belong to the Republicans. I have no apology to make for my allegiance to Mr. Smith, because Mr. Smith was loyal to me." And his fight, my colleagues, was made along the lines that The Menace is making in my county against me, only he reversed the order. Smith, like myself, is the member of the faith that The Menace is fighting. He said that Seymour was an A. P. A., and he asked Catholics for that reason to vote against him. I am sorry he fooled some people then, but they are wise to him now, and when he went through the country a few years ago saying to the Catholic hierarchy of the Nation that Woodrow Wilson was an A. P. A. they showed how much credence they placed in that maliciously false statement. And I am proud to say to-day that every member of that faith realizes that in Woodrow Wilson we have an honest, faithful, loyal, patriotic American, and that is all that any race or any creed can ever ask for. [Applause on the Democratic side.]

Now, we had an election last fall. We elected a governor of New Jersey, and the former Democratic United States Senator was on the firing line for Edward Caspar Stokes, the Republican candidate, and the county that the former United States Senator proudly boasts he holds in the hollow of his hand, the good old county of Essex, got away from his moorings and cast its vote for the present governor of New Jersey, a man whose friendship I am proud to claim, a Democrat of the Wilson type, Hon. James Fairman Fielder. My friends, lest there be any doubt as to what I mean when I want to characterize Smith as a traitor to his party, as a man who has commercialized his race and his religion, and a man who has

capitalized his questionable Democracy, I want to say that outside of politics I am a good friend of the genial former United States Senator, and I wish him well. [Laughter.] If I had the time, I might tell of his deal with former Mayor Witpenn to defeat the Wilson candidate for Congress in the eighth district.

The SPEAKER. The time of the gentleman has expired.

Mr. KINKEAD of New Jersey. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from New Jersey asks unanimous consent to extend his remarks in the RECORD. Is there objection?

Mr. MANN. I object.

Mr. KINKEAD of New Jersey. Mr. Speaker, I ask unanimous consent to proceed for five minutes more.

The SPEAKER. The gentleman asks unanimous consent to proceed for five minutes. Is there objection?

Mr. McKELLAR. I ask unanimous consent, Mr. Speaker, that he may have 10 minutes.

The SPEAKER. The gentleman from Tennessee asks unanimous consent that the gentleman may have 10 minutes. Is there objection?

There was no objection.

Mr. KINKEAD of New Jersey. Mr. Speaker, there are two elements of the party in Newark. Both elements were united upon your candidacy; and I want to say to you, Mr. Speaker, if the former United States Senator knew your brand of Democracy, the same as I do, he would have been opposed to your nomination. He does not like Democrats of your type or mine. Another branch of the party is led by James R. Nugent, a relative of former United States Senator Smith, and if it had not been for the malign and baneful influence of Smith Mr. Nugent to-day would be one of the foremost figures in the Democracy of the Nation, because while Smith is a traitor Nugent has always been loyal to his party. I do not think Nugent ever cut a ticket, and I do not think Smith ever voted a ticket without cutting it. That is the difference and distinction between the two men. Nugent does not like me; but I want to be square with him, notwithstanding the fact that there is some personal difference between the two of us. I am not fearful of the effect that this newspaper will have in my county. My friends should remember this, that former Senator Smith is in Essex County, that I have the honor to represent in part, with part of Hudson County. My home is in Hudson County, and this is the only county east of the Mississippi River and north of Mason and Dixon's line that has been consistently carried by the Democratic Party, and I hope to never live to see the day that it leaves that column. [Applause on the Democratic side.]

The former United States Senator is reported to have made $1,000,000 by reason of his activities in the United States Senate when the sugar bill was up. I do not know whether this is true or not; but if it is true, let me say to him that the good God giveth and the good God taketh away; but his millions can never defeat a man whom the people trust. If the people are with a man the bosses are against him, and that accounts for Smith's and Witpenn's opposition to me. [Applause.]

Mr. Speaker, this is the first time that I have ever risen to a question of privilege in this House, and if I were a candidate for reelection to Congress I would not at this time take up the time of the House in discussing this gentleman. But lest my people at home should believe the lying, slanderous utterances of this one-time United States Senator, this great, good, and loyal Democrat, I want to put myself on record where they can see his record and compare it with mine; and I am going to tell you what the people of Hudson County will say after they read this. They are going to say, "If is too bad that Smith was not absent from the United States Senate the other sixth of his time, so that the people of the United States would not have imposed upon them the heavy burdens of sugar taxation, which he and some of his colleagues, knifing the party that honored him, knifing the party that tendered him, in his own language, the best gifts in the State of New Jersey, and brought down on his and their heads that characterization from Grover Cleveland that I thank God will never be brought down on my head by any Democratic or Republican President of the United States.

I do not want my friends to think I am anything other than disappointed in this matter. I have not a bit of venom in my heart, I have not a bit of ill feeling against the former United States Senator. I hope that everything will go along well with him in the leather trade and that everything will go along well with him in the banking business. But I hope that every time he raises his poll in politics there will be enough Wilson Democrats in the State of New Jersey to give it the same bang that it gave his handsome head when he dared to ask the people of New Jersey to send him back to that body at the other end of this Capitol to again sell out the Democracy and make capital for another 15 years for the Republican Party.

I say I am not sore. [Laughter.]

Mr. ROBERTS of Massachusetts. Just a little bit peeved. [Laughter.]

Mr. KINKEAD of New Jersey. Mayhap. Still I have nothing against him in the world. [Laughter.] And I hope, my friends, from the bottom of my heart, that this somewhat conservative statement of mine this morning will not influence the former United States Senator to come out and declare for me, because if he does I am afraid I shall be defeated. [Laughter.] I want him to continue his fight. He said I would quit before he does. That is satisfactory to me. If I do, I hope I shall never be elected again to public office.

I repeat that I am not sore, and I mean that I am not sore. I have not a thing in all the world against the former United States Senator; personally he is a genial, likable, warm-hearted gentleman. I believe Kipling was right when he said—

If you can keep your head when all about you
Are losing theirs and blaming it on you;
If you can trust yourself when all men doubt you,
But make allowance for their doubting, too:
If you can wait and not be tired by waiting,
Or being lied about, don't deal in lies;
Or being hated, don't give way to hating,
And yet don't look too good nor talk too wise;
If you can dream and not make dreams your master;
If you can think and not make thoughts your aim;
If you can meet with Triumph and Disaster,
And treat those two impostors just the same;
If you can bear to hear the truth you've spoken
Twisted by knaves to make a trap for fools,
Or watch the things you gave your life to, broken,
And stoop and build 'em up with worn-out tools;
If you can talk with crowds and keep your virtue,
Or walk with kings, nor lose the common touch;
If neither foes nor loving friends can hurt you;
If all men count with you, but none too much;
If you can fill the unforgiving minute
With sixty seconds' worth of distance run,
Yours is the Earth and everything that's in it,
And—which is more—you'll be a Man, my son!

I leave my future in the hands of the people of Hudson County. My political record has been made. I have voted on every important matter—currency, tariff, direct election of United States Senators. The moving finger having writ, moves on; and to-day I would not change a single vote that I have ever cast, either here or during my service at home. My future may be judged from my past. I have not been perfect, but I have honestly endeavored to represent my people. I have received great honors at their hands. If they see fit to terminate my political career, I can look back on 10 years of honest service and go back into the bosom of my family with my Democracy unquestioned and my honor untarnished, grateful to a loyal constituency.

Mr. Speaker, I yield back the balance of my time. [Prolonged applause.]

DISPOSITION OF USELESS PAPERS IN EXECUTIVE DEPARTMENTS.

The SPEAKER laid before the House a report (H. Rept. 1124) from the Joint Committee on the Disposition of Useless Papers in the Executive Departments, by Mr. TALBOTT of Maryland, chairman of the joint committee on the part of the House, and the same was ordered printed.

CORRECTION OF A PENSION BILL.

Mr. RUSSELL. Mr. Speaker, I desire to ask unanimous consent to discharge the Committee on Invalid Pensions and take up for consideration House joint resolution 330. It is simply to correct a mistake in a name in a bill that has been passed.

The SPEAKER. The gentleman from Missouri [Mr. RUSSELL] asks unanimous consent to discharge the Committee on Invalid Pensions from the consideration of a House joint resolution, which the Clerk will report, and take it up and pass it.

The Clerk read as follows:

Joint resolution (H. J. Res. 330) to amend an act entitled "An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war," approved April 24, 1914.

Whereas by error in printing the report of the House Committee on Invalid Pensions upon H. R. 10138, approved April 24, 1914 (Private, No. 20), the name of one Joseph F. Barnard, late of Company C, Thirty-seventh Regiment New Jersey Volunteer Infantry, was changed to read Joseph F. Isherwood: Therefore be it

Resolved, etc., That the paragraph in H. R. 10138, approved April 24, 1914 (Private, No. 20, 63d Cong.), granting a pension to one Deborah R. Isherwood be corrected and amended so as to read as follows:

"The name of Deborah R. Isherwood, former widow of Joseph F. Barnard, late of Company C, Thirty-seventh Regiment New Jersey Volunteer Infantry, and pay her a pension at the rate of $12 per month."

The SPEAKER. Is there objection?

Mr. MANN. Reserving the right to object, will the gentleman yield for a question?

Mr. RUSSELL. I yield to the gentleman from Illinois.

Mr. MANN. We have passed a number of these resolutions, covering, I should suppose, in the neighborhood of a dozen cases, or perhaps more than that, reciting each time an error in printing, which was not true. Now, how did these errors actually occur?

Mr. RUSSELL. I am not certain. This bill was introduced by the gentleman from Iowa [Mr. GOOD], and I do not believe he is able to state whether it was his mistake or the mistake of the clerk or of the committee. If he can, I will ask him to so state to the gentleman from Illinois.

Mr. MANN. He would not know about that. It seems to me, if there are any more of these resolutions, it is only fair to the Clerk of the House and to the Printing Office to stop reciting that the error occurred through an error in printing, when that is not true. To put the House on record as stating that there was an error in printing is to charge it up to somebody as a matter of fault, and the right person is not charged, because I have no doubt whatever that the Printing Office printed these bills, following copy exactly.

Mr. RUSSELL. I do not know where the error occurred, but when a bill is passed and goes to the Pension Department for payment, and they find that it does not correspond with the records of the War Department, they notify our committee, and we ask to make the necessary correction.

The SPEAKER. Is there objection to the request of the gentleman from Missouri [Mr. RUSSELL]?

There was no objection.

The joint resolution was ordered to be engrossed and read a third time, and was accordingly read the third time and passed.

SILETZ INDIAN RESERVATION, OREG.

The SPEAKER. The Clerk will report the first bill on the Unanimous consent Calendar.

Mr. HAWLEY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HAWLEY. When the House was in Committee of the Whole a week ago for the consideration of bills on the Unanimous Consent Calendar, it considered H. R. 15803 extensively, and reported it to the House, and after having taken one vote on the previous question, the House adjourned because of the lack of a quorum. Is this bill in order at the present time? The previous question was pending.

Mr. MANN. Mr. Speaker, the bill was considered by unanimous consent. The House gave unanimous consent for its consideration. It is undoubtedly the unfinished business to-day.

The SPEAKER. The Chair is inclined to think it is. The Clerk will report the title of the bill.

The Clerk read the title of the bill (H. R. 15803) to amend an act entitled "An act to authorize the sale of certain lands belonging to the Indians on the Siletz Indian Reservation, in the State of Oregon," approved May 13, 1910.

Mr. HAWLEY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the amendment. The Clerk will report the amendment.

The Clerk read as follows:

Amendment by Mr. HAWLEY:
"Page 1, line 9, after the words 'section 3' insert the following:
"SEC. 3. That when such lands are surveyed and platted they shall be appraised and sold, except land reserved for water-power sites as provided in section 2 of this act, under the provisions of the revised statutes covering the sale of town sites located on the public domain."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time.

Mr. STAFFORD. Mr. Speaker, I have a motion to recommit.

The SPEAKER. The gentleman from Wisconsin sends up a motion to recommit. Is the gentleman opposed to this bill?

Mr. STAFFORD. I am opposed to it in its present form.

The SPEAKER. The Clerk will report it.

The Clerk read as follows:

Mr. STAFFORD moves to recommit the bill to the Committee on Indian Affairs with instructions to report the same forthwith with the following amendment: Strike out all after the word "act," in line 2, page 2, to the end of the paragraph and insert the following: "in the discretion of the Secretary of the Interior, may be paid to or expended for the benefit of the Indians entitled thereto in such manner and for such purposes as he may prescribe."

Mr. STAFFORD. Mr. Speaker, the purpose of this motion is to have the bill conform to the recommendation of the Secretary of the Interior.

Mr. HAWLEY. I move the previous question on the motion to recommit.

The SPEAKER. The gentleman from Oregon moves the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and on a division, demanded by Mr. STAFFORD, there were—ayes 5, noes 57.

Accordingly the motion to recommit was rejected.

The bill was passed.

On motion by Mr. HAWLEY, a motion to reconsider the last vote was laid on the table.

SCHOOL LANDS IN OREGON.

The first business in order on the Calendar for Unanimous Consent was the bill (S. 49) to provide for the exchange with the State of Oregon of certain school lands and indemnity rights within the national forests of that State for an equal area of national forest land.

The Clerk read the title of the bill.

Mr. HAWLEY. Mr. Speaker, I ask unanimous consent that this bill be passed without prejudice.

The SPEAKER. The gentleman from Oregon asks unanimous consent that the bill be passed without prejudice. Is there objection?

There was no objection.

KLAMATH INDIAN RESERVATION.

The next business in order on the Calendar for Unanimous Consent was the bill (H. R. 10848) to amend an act entitled "An act to provide for the disposition and sale of lands known as the Klamath Indian Reservation," approved June 17, 1892 (27 Stat. L., pp. 52, 53).

The Clerk read the title of the bill.

Mr. STEPHENS of Texas. Mr. Speaker, I ask that that bill be passed without prejudice.

The SPEAKER. The gentleman from Texas [Mr. STEPHENS] asks unanimous consent that the bill be passed without prejudice. Is there objection?

There was no objection.

HOMESTEAD RIGHTS IN CERTAIN CASES.

The next business in order on the Calendar for Unanimous Consent was the bill (H. R. 15983) to restore homestead rights in certain cases.

The bill was read, as follows:

Be it enacted, etc., That any person who has heretofore made homestead entry of lands embraced in a ceded Indian reservation, and who, in completion of the entry, has paid or shall have paid the purchase price fixed thereon as compensation for the benefit of the Indians, shall be entitled to the benefits of the homestead laws just as though such prior entry had not been made, if otherwise qualified: *Provided*, That the right of commutation of entries under this act shall not be permitted.

With the following committee amendment:

Page 1, line 6, after the word "price," strike out the words "fixed thereon as compensation for the benefit of the Indians," and insert in lieu thereof the words "provided in the law opening the land to settlement."

The SPEAKER. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I wish to inquire: If we are to grant to some special class, as provided in this bill, namely, those who happen to have entered upon Indian reservation lands, the right to a second homestead entry, why should not the same privilege be extended to all who have entered upon Government land?

Mr. FERRIS. Mr Speaker, as the gentleman is aware, a few days ago we did pass a bill restoring the rights of those who lost homesteads on the public domain. This bill restores the homestead rights to those who bought and paid for Indian lands at competitive bids, plus interest, and so forth. I have an amendment which has been drawn after consultation with the gentleman from Illinois [Mr. MANN], which provides that they must have paid more than $5 an acre. I think with this amendment the gentleman will have no objection. It is as follows:

Add to the end of the bill: *Provided further*, That in the event that the purchase price so paid was less than $5 an acre this act shall not apply.

So that in no case will any man have a right to file again unless he has paid $5 or more per acre.

Mr. STAFFORD. It struck me that no person should be given a homestead right after he had availed himself of the privilege once.

Mr. FERRIS. That is true.

Mr. STAFFORD. With the amendment which is to be offered by the gentleman from Oklahoma I shall have no objection.

Mr. STEPHENS of Texas. I want to say that the person who bought Indian lands——

Mr. MONDELL rose.

The SPEAKER. For what purpose does the gentleman from Wyoming rise?

Mr. MONDELL. To reserve an objection.

Mr. STEPHENS of Texas. I want to say that the person who bought Indian lands ought not to be deprived of a second home-

stead right for the reason that he was compelled to buy the Indian lands under competitive bids. The land I have in mind is such that all that could be obtained was $5 an acre or more, and sometimes it run as high as $20 an acre.

Mr. STAFFORD. A great deal of the Indian lands were sold for less than $5 an acre, and they should not have a second homestead right.

Mr. FERRIS. They will not get it under the amendment I propose to offer.

Mr. STEPHENS of Texas. I think they should have a second right under the public-land laws.

Mr. STAFFORD. Why should they after they had availed themselves of the privilege once?

Mr. STEPHENS of Texas. This is a restricted privilege, a privilege that cost them a great deal of money.

Mr. STAFFORD. But they had the privilege.

Mr. STEPHENS of Texas. They bought the Indian lands and paid for them in good faith, and settled on them before they could get them, and they should not be deprived of the rights of other American citizens to have a homestead right.

Mr. STAFFORD. They had the privilege once; there was nothing compulsory about compelling them to take the high-priced Indian lands.

Mr. STEPHENS of Texas. The gentleman is wrong when he says they have exercised their right to the public land. On these Indian lands they had to bid against other men, and in many cases paid high prices.

Mr. STAFFORD. It was the privilege of only American citizens, or those who had declared their intention to become such, and they availed themselves of the homestead right. It is only because the price is so fixed that I will not object.

Mr. MANN. Mr. Speaker, I reserve the right to object for the moment.

Mr. MONDELL. Mr. Speaker, reserving the right to object. I have no disposition to object to the consideration of the bill, for I am in favor of it, but I will certainly be tempted to object if we are expected to accept the amendment proposed or suggested by the gentleman from Oklahoma [Mr. FERRIS]. There is no logic at all in the amendment he offers. It is true that men who homesteaded Indian lands paid various prices for them. Some paid $1.25 an acre, and some paid much more; but in every case the price that was paid was supposed to fairly represent the value of the land to the Indian, the value over and above its value as a homestead right. There is no good reason why the man who only paid $2, $3, or $4 an acre should be denied this right which it is proposed to grant to the man who paid more. It is altogether probable that the homesteader who paid more than $5 an acre did obtain a really valuable piece of land and did secure a valuable piece of property; whereas many men who homesteaded Indian lands and paid from $1.25 an acre up and less than $5 for them obtained lands that were of very little value.

Under this proposed amendment practically none of the homesteaders of Indian lands in the Dakotas or the Northwest would secure this benefit. There might be a few gentlemen in Oklahoma, who secured valuable Indian lands, who would be given the right of a second entry.

Mr. NORTON. Mr. Speaker, reserving the right to object, I am in favor of this bill in its present form. I understand the gentleman from Oklahoma to say that he is going to introduce an amendment providing the setting of a certain price which must have been paid for the Indian lands before the homesteader is entitled to the privileges granted by this bill. I believe that is unfair and illogical. If a homesteader has gone on an Indian reservation and has paid $5 or more an acre for his land, then under the proposed amendment he would be entitled to the privileges granted by this act. But if he goes on an Indian reservation and pays less than $5 an acre for the land, he would not be entitled to these privileges under the amendment to be proposed by the gentleman from Oklahoma.

The fact is that the man who has paid $5 or more an acre for any of this land has not paid relatively any more, when the real value of the land is considered, than the man who has paid less than $5 an acre. The man who has paid $5 an acre or more has secured better land, more valuable land, than the man who has paid less.

The bill in its present form seems to me to be logical, equitable, fair, and just. I am certainly opposed to the bill if it is going to be passed with any amendment fixing a certain price which must have been paid for the land before the privileges of the bill are extended to a homesteader. Such an amendment might satisfy the homesteaders down in Oklahoma, but we can not legislate in that way, and we should not legislate in that way. We should legislate for the whole country and not alone for Oklahoma. We should legislate in cases of this kind for North and South Dakota, Wyoming, and Montana, and all the public-land States.

Mr. FERRIS. Mr. Speaker, the gentleman from Wyoming and the gentleman from North Dakota both have Indians in their States. They have to come to Congress for many things. I have in my State more than one-third of the Indians of the United States, and I have to come here for many things. I can not get everything as I want it, and you gentlemen can not get everything as you want it. In my State the Government always sells lands at competitive bids. In your Northwestern States you sell them by appraisal, which is a highly preferable way for the investors. In my State every acre of land that is sold is put up at auction, as you would a horse on the street corner, and the people, under the excitement of competition, pay high prices. It was my intention to keep the price question out of this debate, but some gentlemen of the House thought that unless the purchaser paid a good fair price, for instance, $5 or more, that that person should have no renewal of the homestead right.

Now, let me give the gentleman an example of what a hardship it would work to a certain part of my own home county if this does not pass; it was opened under lottery plan, and they drew lots. Anyone that drew a lucky number took a piece of land at $1.25 an acre. In the same county under a later act of Congress they put the land up for sale at competitive bids, and it brought fabulous prices. Many paid so much that they never could build a house, never could plow it, and the result is that they have lost the land and lost their money. They need this act very badly. This act will do a great justice to some parties that need relief very badly. I hope the House will pass this bill.

Mr. NORTON. Mr. Speaker, will the gentleman yield?

Mr. FERRIS. Yes.

Mr. NORTON. Is it not a fact that in some cases where they bought farming and grazing lands appraised at $3.50 to $5 an acre they paid all the land was worth?

Mr. FERRIS. Probably they did. There is much truth in what the gentleman says.

Mr. NORTON. Mr. Speaker, I am not going to object to consideration of the bill, because I believe the gentleman's suggested amendment, if he proposes it, is so unfair that it will be defeated.

The SPEAKER. Is there objection?

Mr. MONDELL. Mr. Speaker, I feel that I ought to object to the consideration of this bill, in view of the amendment which the gentleman from Oklahoma has suggested, but I do not feel justified in objecting to a bill simply because some one proposes to limit the effect of the bill, providing they can get votes enough to do so. Therefore, I shall not object, hoping that we can vote down the amendment.

The SPEAKER. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, the gentleman from North Dakota [Mr. NORTON] and the gentleman from Wyoming [Mr. MONDELL] both talk as though they believed that everybody who has had one chance at the public domain ought to have another, regardless of those who have not had any chance. We have opened up a lot of Indian reservations. Thousands of people from my district have gone and endeavored to get a chance to get in on these openings, and they have not succeeded. It was largely done by the lottery system. The men who have succeeded are very well satisfied. They have sold out, and they want to get a chance to get in on another Indian opening. I am not in favor of giving a man a second chance in a lottery, where he has drawn the first prize on the first chance he has had.

Mr. MONDELL. But this second is not a lottery.

Mr. MANN. Certainly it is another Indian opening, and these people entitled to homestead entries will come in just as though they had never been to the first opening, and all of the Indian land that is good has not yet been taken. Unless I can feel quite confident that there is some limitation designed to allow some cases that the gentleman from Oklahoma may have, where people have paid an exorbitant price for poor land, and not allow it to cover every case where a man has had a good chance and taken it, I am not in favor of even letting the bill come up.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none. This bill is on the Union Calendar.

Mr. FERRIS. Mr. Speaker, I ask unanimous consent to consider the bill in the House as in the Committee of the Whole.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

Mr. FERRIS. Mr. Speaker, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Page 1, line 11, after the word "permitted," insert the words: "*Provided further*, That in the event the purchase price so paid was less than $5 per acre this act shall not apply."

Mr. MONDELL. Mr. Speaker, I hope the amendment offered by the gentleman from Oklahoma will not prevail. I think there is a good deal of equity in the proposition contained in the bill. A man who, in addition to being required to cultivate and improve and live upon his land as must a homestead settler, is called upon to pay for the land is not, in fact, securing the full benefits of the homestead law. At bottom that is the theory of this bill. We propose to give such a man one chance as a homesteader, and yet you do not give him all of the advantages of the ordinary homesteader, because you provide in the bill by a committee amendment that he shall not have the benefit of the commutation clause of the homestead law; so that he must reside upon his land the full period required under the homestead law.

It is entirely inequitable to divide these Indian homesteaders into two classes as is proposed. A man who bought Indian lands for $5 an acre or $10 an acre or $20 an acre might have obtained very much more for his money and for his homestead rights than the man who paid only a dollar and a quarter or two and a half dollars or three and a half dollars an acre. As a matter of fact, the men who have secured really valuable lands as homestead settlers on Indian reservations have been the men who have paid the higher prices—higher prices in some instances by reason of their securing the choicer tracts, higher prices in some cases because of the fertility of the land, because of its accessibility to market of its favorable conditions and surroundings, but in this amendment you say to a man who paid $5 an acre in Oklahoma for lands rich and fertile, in a humid region, with good railway transportation, adjacent to markets, "You may make another homestead entry," but to the man who homesteaded in Wyoming or the Dakotas, far from railways, far from markets, on some semiarid lands, of comparatively little value, who paid $2 or $3 or $4, you say, "You have exhausted your rights, and we do not propose to give you any further opportunity as a homestead settler."

Mr. Speaker, it is possible that there may be some basis on which we could divide these Indian claimants so as to allow a second entry to those most entitled to a second entry, but we certainly do not accomplish that by the sort of amendment which is proposed, and I hope and trust the amendment will not be adopted. If the bill is amended as proposed, it would be of no value at all so far as the reservation homesteaders in my State are concerned, because none of them paid as much as $5 an acre, and yet all paid all that the land was worth. It would not benefit the homestead settlers in Montana, and I refer to Montana because in that great State there have been vast areas of Indian lands opened and sold; and I think none was sold for $5 an acre or above, or, if so, but a comparatively small area, and it would be unjust and inequitable and unfair to make the distinction between homestead settlers on Indian lands that is proposed in this amendment.

Mr. BURKE of South Dakota. Mr. Speaker, I desire to oppose the amendment, which, I understand, is to make the bill applicable only in cases where the price paid for the land is $5 an acre or more. Is that correct, I will ask the gentleman from Oklahoma [Mr. FERRIS]?

Mr. FERRIS. Yes.

Mr. BURKE of South Dakota. It seems to me, Mr. Speaker, if this bill has any merit, and I think it has, it ought not to discriminate between those who file upon land where the price is less than $5 an acre, and, as stated by the gentleman from Wyoming [Mr. MONDELL], it will operate to do a great injustice to a large number of persons who have just as much right to make a second entry as those who may have paid $5 per acre, for if an entryman who paid that price is entitled to a second entry, then one who only paid $4 per acre should also have that right. A strong objection to this amendment is that it will make the bill really applicable almost entirely to settlers on the Kiowa and Comanche Indian Reservations in Oklahoma, though I do not believe the gentleman in offering the amendment had in mind that he was proposing legislation that would apply only within his own State.

Mr. FERRIS. Well, there is some there that sold for $6 an acre.

Mr. BURKE of South Dakota. I want to say one objection to this amendment, which the gentleman from Wyoming did not propose, and one that ought to defeat it, is the unfair way it would affect settlers in many of the States. In my State we have a law in regard to the disposition of surplus lands within Indian reservations, and similar laws obtain to lands in Montana and perhaps in North Dakota. The price was fixed under the law in two or three instances I have in mind of lands taken within a period of three months after the proclamation of the President, and the price is fixed at $6 per acre. All lands taken after three months and before the expiration of six months the price is $4 per acre and lands filed upon after that $2.50 per acre. Other cases the law provided for an appraisement, and in my State in one reservation there was a very small portion of land opened to settlement appraised at $6 an acre, much of it at $4, and the balance as low as $2 and $2.50.

Now, if you adopt this amendment you will have the department, it seems to me, where it is going to be very confusing and difficult to determine who is entitled to make a second entry and who is not. There is not any difference between the man who filed upon the land in Tripp County, S. Dak., for instance, at $6, or a man who filed three months later and paid $4. The man who paid $4 an acre did not get as good land as the man who paid $6 an acre, and that is true of lands that are appraised, and therefore this amendment ought not to be adopted. I am in accord with what the bill contemplates, and I have no doubt that the gentleman from Oklahoma, in proposing this amendment, had in mind a large number of people who are now upon lands that they have purchased under these acts proposing to sell surplus lands in Indian reservations that are clamoring now for free homes and are petitioning Congress and appealing to the Members who come from those regions to enact legislation to relieve them from paying anything for the lands; and the gentleman, believing as I believe that such legislation is not possible, is now proposing to substitute by this bill something that he believes ought to satisfy that class of people. I hope the bill will pass, but I hope the amendment will be disagreed to, and unless it is rejected I shall not vote for the bill unless it be amended so that it will apply only to lands within the State of Oklahoma. I do not want a law that favors one who may have made an entry in a reservation in my State and does not benefit another who made an entry at the same time in the same reservation, the only difference between them being that one paid $5 per acre and the other only $4 per acre.

Mr. NORTON. Mr. Speaker, the theory of this legislation and the reason for it is clearly that the homesteader who has taken land upon an Indian reservation and paid the appraised price for the land has not secured the full benefit of his homestead rights; that he is in a different position from a man who has gone upon the public domain and used his homestead right and secured title to the land without any payment or with a payment of merely the commutation fee. Now, the amendment proposes that the right for a second homestead shall not be granted to a homesteader who has gone upon an Indian reservation and taken up lands on the reservation and has not paid a price of $5 or more an acre. The provision of the amendment is certainly illogical and unfair. A homesteader who has gone upon an Indian reservation in Montana and paid $2.50 an acre has paid the full value for the land just as much as the homesteader who has gone upon an Indian reservation in Oklahoma and paid $6 an acre for the land there. In both cases it is fair to presume that the homesteader in paying the appraised price of the land has paid its full value.

Now, the gentleman from Illinois, in opposition to the bill in its present form, says that a great many of his constituents have been and are now desirous of securing homesteads on these Indian reservations that in the past few years have been opened to settlement. I want to say to the gentleman that to-day in the West there is a large amount of land in Indian reservations that have been open to settlement during the last few years that has not been filed upon, and that if there is any one constituent in his district or 100 or more of his constituents who desire to obtain good farm lands in the West, and who are willing to undergo the hardships of pioneer settlement, I shall take great pleasure in directing them to Indian reservations in North Dakota, South Dakota, and in Montana, where they can secure those homestead lands to-day. Also, in these States they can secure good farm lands on the public domain, where, if they comply with the homestead laws, they will not be obliged to pay anything for the land. Now, if there is a single man anywhere in this country who has not used his homestead right who wants a homestead and is willing to comply with the homestead laws and undergo the trials and troubles attending homesteading, all that is necessary for him to do is to go to one of these Western States and make entry upon some of this fertile, productive, unappropriated land.

The SPEAKER. The time of the gentleman has expired.

Mr. MILLER. Mr. Speaker, I want to ask a question, and I ask to be recognized for that purpose.

The SPEAKER. The Chair recognizes the gentleman.

Mr. MILLER. I ask the gentleman from North Dakota [Mr. NORTON], does the gentleman understand this bill to provide that in case a man has made an entry on a piece of land that was formerly part of an Indian reservation, and paid the price required, completed that entry, secured title, disposed of it, then he could go and enjoy the privilege of a homesteader—still have the right to take another piece of land on the public domain?

Mr. NORTON. I so understand the bill.

Mr. MILLER. I will ask the gentleman from Oklahoma [Mr. FERRIS] did he understand the question which I just propounded?

Mr. FERRIS. No. I did not hear the gentleman.

Mr. MILLER. The question is this: Does this give an entryman who has secured a piece of the public domain which once was part of an Indian reservation, and has secured title to it—does this give him the right to go somewhere else and take out a second homestead?

Mr. FERRIS. Yes; if he has paid the full Indian price.

Mr. MILLER. On what theory?

Mr. FERRIS. The theory is that he has paid what the land is worth, and the requirement of the homestead feature at all was only to keep down speculation.

Mr. MILLER. In some cases that is entirely true; in other cases not. Has it not been frequently the case that when the price was fixed consideration was given to the fact that the entryman had to live on the land and comply with all the requirements of the homestead law? It is a hardship to live on the land to fulfill these requirements, and this feature ought to be considered.

Mr. FERRIS. The gentleman is a member of the Indian Committee, and he ought to know about this matter better than I. But the gentleman is well aware of the fact that in some parts of the country they put up ceded Indian land at auction and sell it for what it is worth, and sometimes for much more than it is worth.

Mr. MILLER. What the gentleman from Oklahoma has now stated is entirely true. There has been a very great degree of hardship on the part of a lot of men who thought they were getting something that was all right and fair, when as a matter of fact they paid about 10 times too much for their "whistle." So far as that class is concerned, I can see a very good reason for legislation of this character; but this is very sweeping and broad.

Mr. FERRIS. Let me tell the gentleman what happened in my county. The real estate men controlled these new Indian countries when they were first opened. They boomed them up and told every easy mark that came along that the land was worth $50 an acre, and would grow this or that or the other product, which did not happen, on account of lack of rainfall or other conditions. After making their yearly payments one year after another, when five years have rolled along and they have starved through that period, they have had to mortgage their land to make these Indian payments and pay interest, and then what happens? They sell out their holdings for a few hundred dollars and load a chicken coop and a few of their household goods on a wagon and drive off somewhere else—to New Mexico or Arizona, where there is public land. After a man has lived five years on the land and paid the Indian price, it ought not to exhaust his homestead rights. I think the gentleman from Minnesota will agree with me on that.

Mr. MILLER. I agree with the gentleman as to the merits of the bill respecting the class of people the gentleman has just mentioned, but——

Mr. FERRIS. That is the way it works out.

Mr. MILLER. But that is only a small part. If we had a list of the number of people who have bought lands on Indian reservations, the number would doubtless surprise some gentlemen. If the gentleman will stop for a moment, he will recall that the average price for a long time was $1.25 an acre, and that is the price now on many Indian reservations as provided by law and treaty.

Mr. FERRIS. The gentleman is on the Indian Committee, and he knows that in one section of the country it has been the common practice—and I think the correct one, although I did not think so once, but I do now—to put a fixed price on the land, and that appraised price is allowed to govern. But the gentleman knows that down in my State, when the land is disposed of, almost uniformly they put it up at auction and auction it off. Now, to say that there is no distinction between the one case and the other is not quite fair. Of course the gentleman knows that the bill as reported applies to all the States having Indian lands.

Mr. BURKE of South Dakota. I think, Mr. Speaker, the gentleman from Minnesota will be interested in knowing what the precedent is for this legislation. On May 17, 1900, the last free-home law was enacted, and that relieved those who had filed upon homesteads on lands that were formerly within Indian reservations, where they had to pay for their lands the price that was required. It occurred to me that those who had commuted and paid would be asking for some relief, and I introduced a bill that provided that where a person had commuted who otherwise would have been relieved if he had waited and not made proof until after May 17, 1900, he would have a right to make a second homestead entry.

Now, the gentleman from Oklahoma [Mr. FERRIS] has a situation in his district, in what was formerly a part of the Kiowa and Comanche Indian Reservation, where the lands were sold at a high price—were sold for more than they were worth—and he is undoubtedly seeking to give some relief to the settlers who are his constituents by passing a bill that will give them the right to make another entry, not believeing that it is possible to secure relief from paying the price which they have contracted to pay.

I can not see any difference, really, between the situation in Oklahoma and the situation in other parts of the country where a man has paid $6, say, in the Cheyenne River Reservation in South Dakota and another man who has paid $4 because he took land not appraised as high, and therefore not so good; and I can not see why the $6 man should have the right to make another entry and not the $4 man.

Mr. MONDELL. Mr. Speaker, will the gentleman yield?

Mr. MILLER. Yes.

The SPEAKER pro tempore. The time of the gentleman from Minnesota has expired.

Mr. MILLER. I ask for an extension of five minutes, in order that these other gentlemen may have an opportunity to express their opinions.

Mr. MONDELL. Some years ago, in my early service in the House, I introduced a bill, which became a law, granting second homesteads to those who had commuted under the homestead law—not Indian homesteaders, but homesteaders generally. Congress passed that act because it was considered that a man who had commuted and paid $1.25 or $2.50 an acre for his land had not secured the full benefits of the homestead law. It gave him a second homestead right, but provided that he could not commute that second homestead right.

Now, this bill is drawn on the same theory—that the Indian homesteader has not enjoyed the full benefits of the homestead law; that he ought to be allowed to enjoy the full benefits of the homestead law.

The gentleman from South Dakota [Mr. BURKE] has referred to a bill which he introduced and succeeded in having Congress adopt, under which we gave some of the Indian homesteaders the benefits of a second homestead. This bill is more general in its provisions.

Mr. BURKE of South Dakota. I will say to the gentleman that the cases that were affected by the bill that I introduced and had passed were cases where parties had made proofs after they had lived upon the land long enough to acquire title without paying anything if it had not been that they were required to pay the Indian price. By the act of May 17, 1900, those who had not made proof were relieved. Therefore I thought those who had paid, who would have been entitled to that relief if they had waited until after that date, ought to have something offered to them as a consolation prize, and therefore I introduced a bill that gave them the right to make another homestead entry, but without the right of commutation.

Mr. MONDELL. I voted for the gentleman's bill, and I thought it was a good bill; but this bill is rather more equitable, in that it covers all those cases.

Mr. MILLER. Mr. Speaker, while I have always felt the utmost sympathy for men engaged in trying to make homes out of the public domain under our laws, I must confess that I do not see the equity or the reasonableness of this particular bill. I appreciate very much the force of what the gentleman from Oklahoma [Mr. FERRIS] says respecting a certain class of entrymen on Indian lands, but their difficulties are not the difficulties of the great mass of entrymen on Indian lands. We are legislating touching a whole group of individuals because of the troubles of a small number of the entire group; and while I shall not indulge in any further remarks on the bill I do want to state here now that I do not believe it is fair or equitable to the general public, and I do not believe it is in the line of wise legislation respecting the public domain. I do not think the homestead laws ought to be cheapened like this. One thing is certain, it seems to me; that is, that a man who had the advantage of going upon the Indian ceded lands to make a home out of 160 acres and failed will never succeed in making a home out of any other 160 acres that you may give him anywhere else in

the United States. He is a failure; so you are not going, in the end, to help him very much. It seems to me it would be nearer equity if we should take the cases of the entrymen cited by the gentleman from Oklahoma [Mr. FERRIS] where the sums paid were altogether too high, and try in some way to alleviate their immediate distress, and give them some benefit, rather than legislate for the entire class of entrymen on Indian lands.

Mr. MANN. Mr. Speaker, does the gentleman from Oklahoma want to make a request in reference to the length of debate on this section and all amendments thereto, this being unanimous-consent day?

Mr. FERRIS. I think I will.

Mr. MANN. I would like five minutes myself.

Mr. FERRIS. I ask unanimous consent that at the expiration of seven minutes, five minutes of which shall be yielded to the gentleman from Illinois [Mr. MANN] and two minutes to myself on behalf of the committee if I need it, debate close on all amendments.

The SPEAKER pro tempore. The gentleman from Oklahoma asks unanimous consent that debate close on this amendment and all other amendments to the section in seven minutes.

Mr. FERRIS On this section and all amendments thereto.

The SPEAKER pro tempore. Five minutes to the gentleman from Illinois and two to the gentleman from Oklahoma. Is there objection?

There was no objection.

Mr. MANN. Mr. Speaker, I hope the amendment offered by the gentleman from Oklahoma [Mr. FERRIS] will be agreed to. The gentleman from Oklahoma has a peculiar case in his State, and he is seeking to cover that case by general legislation. It may be perfectly proper to provide for the case which the gentleman has in mind, but without the limitation suggested by the amendment offered by the gentleman the bill is wide open all over the United States.

Only a few days ago we agreed to a conference report upon a bill, which I suppose has gone to the President by this time, granting the right to a second or third homestead entry, with certain limitations and restrictions; but if this bill should pass in the form suggested by the gentleman from Wyoming [Mr. MONDELL] and the gentleman from North Dakota [Mr. BURKE], this would grant a second homestead entry without any restrictions whatever where the land was in a ceded reservation. Now, does the gentleman desire to make it easier for somebody in an Indian reservation who has taken a homestead to take a second homestead than for people outside of the Indian reservations in his own State?

These gentlemen agreed the other day to give second homestead entries only within restrictions where people have not sold their rights. That applies to most of the people in the State who have taken homestead entries. I do not think the gentleman now desires to give a preference right, without any restrictions, to those who have taken homesteads in Indian reservations, because in many cases where there has been commutation of homestead entries they have paid just the same outside of the Indian reservation that they have inside of the Indian reservation.

Mr. NORTON rose.

The SPEAKER pro tempore. Does the gentleman from Illinois yield to the gentleman from North Dakota?

Mr. MANN. If he desires me to yield for a question.

Mr. NORTON. I was going to ask the gentleman if he did not think it was logical to grant this right to the homesteaders who have paid the appraised price of land included in Indian reservations?

Mr. MANN. I do not think there is any logic in reference to the matter, one way or the other. We are giving a preference right. It is a gratuity which we are presenting to somebody. We have the right to fix the terms upon which we fix this gratuity. Now, if there are some people who, either through competitive bidding or otherwise, have paid an excessively high price for very poor land, as I am informed is the case, it may be perfectly proper that we should give them a second homestead right, without changing the situation as to all the others. These others have the second homestead right now by the bill we passed the other day if they have not sold out their rights.

Mr. NORTON. Will the gentleman yield again?

Mr. MANN. For a brief question.

Mr. NORTON. Does the gentleman think it is fair to grant this right to a man on an Indian reservation who has paid $5 an acre and deny it to a man who has paid $4.50 an acre for the land?

Mr. MANN. The gentleman from North Dakota does not attribute to me the powers of a reasoning being. I am making a speech in favor of the proposition, I will say to the gentleman.

Mr. NORTON. I am glad the gentleman is for the bill.

Mr. MANN. The gentleman talks about logic. There is no question of logic in the price of the public domain; there is no logic about charging a man $1.25 an acre when he makes the commutation. We fix the price. It is not a question of logic; it is a question of fixing the price. We fix the prices usually much below the value of the land in the West. We give the people out there the benefit of the public domain, which belongs to the whole country. Having gone in and gotten the benefit of a homestead entry under competitive conditions and under a lottery system, and having made some money out of that, they want to come in and get a chance over again. I think we ought to be careful about giving them a chance the second time.

If they have a hardship in some particular case, very well. We have extended the time of payment time and again on Indian reservations, without objection—by unanimous consent. We have been very fair and very reasonable to most of these people. Undoubtedly they have met with hardship, but I can not see the logic, referring to my friend's question—I can not see the logic of trying to get people on a homestead to sell out, move to some other place, and take up a new homestead. The best thing they can do is to stay where they are and cultivate the land that they have already obtained.

Mr. FERRIS. Mr. Speaker, it is due, in all frankness, to say that I offered the amendment under consideration after conference with the gentleman from Illinois [Mr. MANN], but I could not in good conscience say there is not a distinct difference between a man who goes out in the open market to compete, and pays a large and exorbitant price, and those who go and pick out land at an appraised price, which is usually much less than it is worth. I have reported the bill, as it shows, without the amendment, but the gentleman from Illinois suggested the amendment, and I agreed to offer it. I desire to keep full faith with him, and I ask that the amendment be agreed to.

The SPEAKER pro tempore (Mr. HARRISON). The question is on the amendment offered by the gentleman from Oklahoma [Mr. FERRIS].

The question was taken; and on a division (demanded by Mr. BURKE of South Dakota) there were 22 ayes and 7 noes.

So the amendment was agreed to.

Mr. BURKE of South Dakota. Mr. Speaker, I offer the following amendment.

The Clerk read as follows:

Page 1, line 4, after the word "reservation," insert the words "within the State of Oklahoma."

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from South Dakota.

The question was taken, and the amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. FERRIS, a motion to reconsider the vote whereby the bill was passed was laid on the table.

PUBLIC BUILDING SITE AT VINELAND, N. J.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 16642) authorizing the Secretary of the Treasury to disregard section 33 of the public buildings act of March 4, 1913, as to site at Vineland, N. J.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized, in his discretion, to disregard that portion of section 33 of the public buildings act, approved March 4, 1913, which requires that the Federal building site selected at Vineland, N. J., shall be bounded on at least two sides by streets.

The SPEAKER pro tempore. This bill is on the Union Calendar. Is there objection to its present consideration?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, when the bill was considered at the last session I sought to obtain some information as to the reason for waiving the general law, which provides that the proposed site shall be bounded on at least two sides by streets. Under the existing law we are aware public buildings must not have any other building nearer than 40 feet on either side. If we waive the provisions of the general law that the site shall not be bounded by at least two streets, why should not we restrict the light and air space of 40 feet on either side of the building?

I would like to ask the gentleman interested in the bill as to the size of the proposed site and the size of the proposed building to be erected on that site, the frontage of the lot on the principal thoroughfare on which it is proposed to erect the public building.

Mr. BAKER. Mr. Speaker, in view of what the gentleman said, which will be found on page 13875 of the RECORD, it is proper that the House should know about the reasons for the location of the post office as indicated by the bill. The gentleman's conception of what Vineland is is contained in the state-

ment made at that time, but it is so inadequate and mistaken that in justice to him and to the House some facts should be made known. I have some facts here which I will give briefly for the information of the House.

Vineland is located about halfway between Philadelphia and Atlantic City.

Mr. STAFFORD. It is on the old West Jersey Railroad?

Mr. BAKER. Yes; and the Jersey Central road. Both roads pass through the city—30 passenger trains a day. It is a city of 12,000 inhabitants. It has a high school and 20 other schools. It has about 3,000 school children, who are pupils in the schools. It has over 60 teachers in those schools. It has a public library of 10,000 volumes and a circulation of 50,000. It has a historical building. It has factories, and manufactures goods annually to the value of millions of dollars. It is a place of very great importance as a school center. There are located here three public institutions, one for the care of the veteran soldiers, a splendid place established by the Government. Another is a place for the care and training of feeble-minded children; another for feeble-minded women. Vineland is a place that has a great reputation for the public spirit of the city. Its business is such that it is incomparable; it is away beyond places of its size in the activity that there obtains.

Now, as to the post office, the business of the post office this last year was over $28,000. The business in the money-order department alone was nearly $200,000, covering some 20,000 different orders issued and orders paid, so that it will give you some idea of the degree and importance of the place for a post office of dimension.

This location is a piece of ground in the center of the city. It has a frontage on the main avenue of 150 feet and a depth of 150 feet, so that it would afford to the building light and air, and on every account is entirely desirable. Every business man there wants it located at that place, because the city is growing and it is central, and it is convenient of access. The trolley line passes by it. The matter of fire protection was spoken of. They have the most complete system of fire protection.

Mr. STAFFORD. Mr. Speaker, will the gentleman yield?

Mr. BAKER. Certainly.

Mr. STAFFORD. Will the gentleman inform the House as to whether any other site has been considered for the location of this post office, which would meet the requirements of the general law for a corner lot, bounded by two streets?

Mr. BAKER. One corner was examined by the inspector and he recommended this point, because the corner that he found was outside the line of traffic, in the first instance, and it was out of the center where it ought to be, with relation to the business development of the place. It was not as large, and it would cost more money.

Mr. STAFFORD. How many sites were offered as proposed sites?

Mr. BAKER. Two sites that I have heard of.

Mr. NORTON. Mr. Speaker, will the gentleman yield?

Mr. BAKER. Certainly.

Mr. NORTON. Does the gentleman know why the citizens of Vineland are not sufficiently interested in having this public building constructed there so as to have offered for sale to the Government a corner lot? Is property so valuable there that they could not, as in the case of other public buildings throughout the country, provide a corner lot for this Government building?

Mr. BAKER. I know that they are in favor of this site. I do not know that any movement was made to have a site given by the city. I did not know that the Government of the United States was insisting on having that kind of a donation. I know that these people are very enterprising, very public spirited. It is a strong Republican city, for that matter, and they do an immense amount of business. That they should be asked to furnish this Government with a location from which to transact its business is a matter that had not come to my attention. I take it that the Treasury Department, through its agencies, will see to it that the Government is not imposed upon in the acquisition of a proper site.

Mr. NORTON. From this bill it looks as though they were somewhat disgusted with the present administration and desire to put this building off on some inside location, unlike other towns of the country.

Mr. BAKER. I know this, that there are no private interests being served. It is a matter of the public weal that is being considered.

Mr. STAFFORD. Mr. Speaker, as I understand from the luminous exposition of the matter there were two sites proposed, one on a corner and the other an inside site?

Mr. BAKER. Yes.

Mr. STAFFORD. Will the gentleman inform the committee how far removed from the center of the town is the corner site?

Mr. BAKER. The corner site would be about two squares away from this place and on a side street. My information about that comes entirely from the report of the inspector.

Mr. STAFFORD. Then the gentleman is not acquainted with the site itself?

Mr. BAKER. I know where it is located. I have passed along the site. I have been in the city.

Mr. STAFFORD. The gentleman is not acquainted with the second site proposed for this post office?

Mr. BAKER. I know where the location is. The corner location is smaller, and it has a building upon it, which makes the extra cost in the acquisition of it.

Mr. STAFFORD. What are the respective costs of the two sites?

Mr. BAKER. The corner site could be had for $14,000, and the site that they desire can be had for $12,000. With what knowledge I have of values I think that price is very low. It was the site of a church, which has been removed within the last year, and those people who owned the church are willing to sell it at the sum of $12,000, and I know that land next to it has been selling at a rate per foot that would make it worth $15,000.

Mr. STAFFORD. I would like to have some member of the committee, if the gentleman can not furnish me the information, tell us why we should adhere, if we permit this inside tract to be purchased, to the requirement that there should be 40 feet area on either side of the building line. It seems 150 feet frontage on the principal thoroughfare of a city of 6,000 population——

Mr. BAKER. It has twice that population.

Mr. STAFFORD. Is quite considerable.

Mr. BAKER. The ground is desirable. The dimensions are desirable. The place is growing rapidly, and if you were to put a building on the center front of 50 feet, or 80 feet, you would still have 40 feet clear on either side.

Mr. STAFFORD. I was wondering why we should follow that rule, if we are going to abandon the rule which requires the building to be upon a corner lot, or on a lot facing two streets—why should we also insist that there should be 40 feet on each side of free light and air given to the adjoining property owners? Why would not 20 feet on either side, or 15 feet, be sufficient to safeguard the interests of the Government? We are buying an unusual amount of land.

Mr. BAKER. And getting it for less than a less amount of land would cost.

Mr. STAFFORD. I do not believe anybody is so charitable, even in the borough of Vineland, as to give the property to the Government below the market price.

Mr. BAKER. I am simply stating the fact.

The SPEAKER. Is there objection?

Mr. STAFFORD. Mr. Speaker, I will reserve the right to object until some member of the committee can furnish me with some information as to why they do not reduce the requirement of law as to the space on either side, if we are going to have an inside lot.

Mr. TALCOTT of New York. Is it not true that the Government requires a certain space on either side of a public building?

Mr. STAFFORD. The Government requires 40 feet space on each side of the building, and that is predicated upon the idea that it is a corner lot. Here we are departing from that policy and permitting an inside lot to be furnished. It strikes me that in buying land larger than necessary, for the convenience of the adjoining property owners, who may have——

Mr. TALCOTT of New York. It simply means, of course, that we get it at a cheaper price than we can a corner lot.

Mr. STAFFORD. The gentleman recognizes that 150 feet is pretty large; 70 feet will be utilized for the building proper and there will be 40 feet on either side. Of course it will be quite attractive and desirable for the borough of Vineland to have a building located there, for which 100 feet would be ample for public purposes.

Mr. TALCOTT of New York. You can not get a corner lot without it being much more expensive. If it is built on a corner, it will be more expensive.

Mr. BAKER. I hope the gentleman will not insist on his objection. I assume the responsibility, saying that it is in the interest of the Government and the people, and that this ought to be done.

Mr. VARE. Will my colleague yield?

Mr. BAKER. Yes.

Mr. VARE. Is it not a fact that this land is all in one piece, and certainly the Government would not buy seven-eighths of it?

Mr. STAFFORD. I know my good friend from Philadelphia spends a large part of the time in New Jersey, and the gentleman, undoubtedly, in going to and from Atlantic City, became very well acquainted with this property, and based upon his statement, which corroborates that of the gentleman from New Jersey, who knows at first hand of the conditions, I will withdraw my objection.

Mr. BAKER. I thank the gentleman.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none. This bill is on the Union Calendar.

Mr. LONERGAN. Mr. Speaker, I ask unanimous consent that the bill be considered in the House as in the Committee of the Whole House on the state of the Union.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. LONERGAN, a motion to reconsider the vote by which the bill was passed was laid on the table.

RESERVATION OF CERTAIN MINERAL SPRINGS IN NEW MEXICO.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 12050) reserving from entry, location, or sale lots 1 and 2, in section 33, township 13 south, range 4 west, New Mexico prime meridian, in Sierra County, N. Mex., and for other purposes.

The Clerk read as follows:

Be it enacted, etc., That lots 1 and 2, in section 33, township 13 south, range 4 west, New Mexico prime meridian, situated in the county of Sierra, State of New Mexico, be hereby set apart from the public domain and reserved from entry, location, or sale for the purpose of preserving for the use of the public the valuable mineral springs located upon said lots.

SEC. 2. That the Secretary of the Interior be, and he is hereby, authorized to control the use of said lots and the waters thereon, and to make regulations for the government of the reservation, and to make such contracts, agreements, and leases as will best preserve them for the use of the public; and all moneys received from such contracts, agreements, and leases by way of remuneration, or from any other source in connection with this reservation, shall be covered into the Treasury of the United States as a special fund to be disbursed by the Secretary of the Interior for the protection, maintenance, and improvement of said reservation.

The SPEAKER. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, I see the latter part of section 2 of the bill provides that any money coming in by way of lease or otherwise shall be paid into the Treasury as a special fund to be disbursed by the Secretary of the Interior for the protection, maintenance, and improvement of said reservation. Well, I am not sure whether Congress can in that way appropriate money which is paid into the Treasury, and hence it might not amount to anything, but does the gentleman think that we should create special funds out of these little matters, or, rather, pay the money into the Treasury as miscellaneous receipts so that Congress has control over it when it wishes to appropriate it?

Mr. FERGUSSON. I will state, as to the first proposition, that the Secretary of the Interior, when petitioned for the building of another hotel or any other expense or enlarging of the springs, digging them out, and making them more available, will have a fund out of which he can pay for those things for this particular work at those springs.

Mr. MANN. Should not the Secretary of the Interior, if he wants to do any work of that sort, receive appropriations from the Congress?

Mr. FERGUSSON. Well, I understand it will take a special appropriation every time there is anything to be done to further improve the springs, while under this proposition, whatever terms he makes with the lessees to put up a hotel, for instance, and distribute the waters through it for use—whatever terms he makes with them, by way of leases, charging a rent, big or little, will be simply for the purpose of further improving the springs as may appear advisable.

Mr. MANN. I suppose this bill was drawn probably in the department, and it ought to have been drawn in proper form. Perhaps it is.

Mr. FERGUSSON. It was.

Mr. MANN. My recollection is the Constitution says that no money can be paid out of the Treasury except in pursuance of appropriations made by Congress, so that I doubt whether he can pay this money after it has been paid in; but we have made a rule here in the House for some years not to create special funds to be controlled by any department, but to have the money paid into the Treasury, subject to appropriations by Congress, and recently we extended that even to the Reclamation Service. We did the same thing in reference to the oil wells out West the other day, when the Navy Department claimed oil wells, and we provided that it should be paid in as a fund subject to appropriation by Congress. I am not willing to have Congress reverse itself by unanimous consent unless the gentleman will agree to an amendment covering that proposition.

Mr. FERGUSSON. I would rather agree to an amendment than to have the bill defeated.

Mr. FITZGERALD. Why not give these springs to New Mexico?—although I do not think they will take them, from the experience we had with the Sulphur Springs.

Mr. FERGUSSON. I would rather have the bill passed as it is, and there is some necessity for this provision. These springs are near big mining camps, and they have lately become accessible in this sense. They are near the Elephant Butte Dam and 16 miles from the railroad. There has been built to transport material from the railroad to the dam a magnificent road, and there was also a splendid bridge built across the river at the same time. Up until within two or three years these springs were practically inaccessible, because the river could not be crossed unless at low water, when it could be forded, and therefore they were practically inaccessible. Since it has become accessible people have come there to live in tents and little shacks; but this will encourage the sick people to come in greater numbers, knowing they will get better accommodations. This bill as I have introduced it was first passed on by the Secretary of the Interior, and the sole object of it is not to require the Government to expend money, not even one cent, but to provide a method by which the springs may be self-supporting and, in time, to produce the means for their enlargement and improvement to meet the large demand now existing and that is certain to grow very rapidly as knowledge of their accessibility and conveniences and comforts become more widely known.

Now, with respect to the point made by the gentleman from Illinois [Mr. MANN]. To my mind, it is much better for me to have the bill amended as he has suggested than not to get the relief that is really and truly demanded. The cures performed at these springs—and I have known of them for 25 years myself, personally—are mainly cures of poor people, miners, and cowboys, and other people who can not go off to the fine, expensive springs. These springs are close to where they live, in the big mining communities. I would be glad to have them permanently improved, but nobody will put up a building to serve the purposes of the community there unless he gets a lease for a long enough term to justify him in doing it.

Mr. MONDELL. Mr. Speaker, will the gentleman yield there?

Mr. FERGUSSON. Yes.

Mr. MONDELL. Would the gentleman be willing to accept an amendment granting these tracts to the State of New Mexico, as I suggested some time ago?

Mr. FERGUSSON. No. I am thoroughly satisfied that that would defeat the bill. I am so advised by Members with much greater experience than mine; and where there are one or two objections now there would be a dozen on this floor and in the other body to such a proposition as that. I am anxious to get this legislation enacted, not to please myself nor to please any particular man who wants to put up a hotel, but because I know of my own knowledge that the poor people are suffering from lack of use of these springs.

Mr. GOULDEN. Mr. Speaker, will the gentleman yield?

Mr. FERGUSSON. I do.

Mr. GOULDEN. What are the medicinal qualities of this water? I heard the gentleman mention that they were curative. What are they good for?

Mr. FERGUSSON. For rheumatism and other diseases of the blood.

Mr. SELDOMRIDGE. Mr. Speaker, will the gentleman yield?

Mr. FERGUSSON. Certainly.

Mr. SELDOMRIDGE. I hope in view of the general conditions confronting the House, while we are opening up a general sanitarium of this kind, no one will object.

Mr. FITZGERALD. Mr. Speaker, anyone familiar with the situation that has developed at Hot Springs, Ark., would be unwilling that the Government should enter further upon such a process. I suggest to the gentleman that he allow his bill to go over for the present.

Mr. FERGUSSON. Mr. Speaker, if the gentleman has an amendment, will he let me know the purport of it? If the gentleman demands that it go over, I will be willing to have that done. I ask, Mr. Speaker, that the bill be passed over without prejudice.

The SPEAKER. The gentleman from New Mexico asks unanimous consent that the bill be passed over without prejudice. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the next bill.

SETTLEMENT OF CERTAIN ACCOUNTS UNDER THE RECLAMATION ACT.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 124) authorizing and directing the Secretary of the Interior to investigate and settle certain accounts under the reclamation acts, and for other purposes.

The title of the bill was read.

Mr. RAKER. Mr. Speaker, I ask that the bill be passed over without prejudice.

The SPEAKER. The gentleman from California asks that the bill be passed over without prejudice. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the next one.

PROPOSED ADJOURNMENT OVER LABOR DAY.

Mr. BUCHANAN of Illinois. Mr. Speaker, I ask unanimous consent that when the House adjourns next Saturday, the 5th of September, it adjourn over Labor Day to meet the following Tuesday.

The SPEAKER. The gentleman from Illinois [Mr. BUCHANAN] asks unanimous consent that when the House adjourns next Saturday it adjourn to meet on Tuesday following.

Mr. MANN. Why not make it Friday?

Mr. BUCHANAN of Illinois. Well, I will make it Friday. I will modify my request, Mr. Speaker, and ask that when the House adjourns Friday it adjourn to meet on the following Tuesday, September 8.

The SPEAKER. The gentleman from Illinois amends his request and asks unanimous consent that when the House adjourn next Friday it be to meet on Tuesday following. Is there objection?

Mr. DONOVAN. I object, Mr. Speaker.

The SPEAKER. The gentleman from Connecticut objects. Does the gentleman object to the modification or to the original request?

Mr. DONOVAN. I object to both propositions.

The SPEAKER. The Clerk will report the next bill.

OIL OR GAS LANDS.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 15661) authorizing the Secretary of the Interior to lease to the occupants thereof certain unpatented lands on which oil or gas has been discovered.

The Clerk read the bill, as follows:

Be it enacted, etc., That upon relinquishment or surrender to the United States, within six months from the date of this act, by any locator or his successors in interest of his or their claim to any unpatented oil or gas lands included in an order of withdrawal, upon which oil or gas had been discovered, was being produced, or upon which drilling operations were in actual progress January 1, 1914, and the claim to which land was initiated prior to July 3, 1910, the Secretary of the Interior shall lease to such locator or his successors in interest the said lands so relinquished, not exceeding, however, the maximum area of 2,560 acres to any one person, association, or corporation, said leases to be conditioned upon the payment by the lessee of a royalty of not exceeding one-eighth of the oil or gas extracted or produced from the leased premises or the proceeds thereof, each lease to be for a period of 20 years, with the preferential right in the lessee to renew the same for succeeding periods of 10 years, upon such reasonable terms and conditions as may be prescribed by the Secretary of the Interior.

SEC. 2. That the Secretary of the Interior is hereby authorized to perform any and all acts, and make such rules and regulations as he may deem necessary and proper for the purpose of carrying the provisions of this act into full force and effect, and all leases or assignments of leases shall be subject to such rules and regulations, and the failure of any lessee or of his successor or successors to comply with the terms and conditions of the lease shall work a forfeiture of the same, to be declared by a court of competent jurisdiction.

With the following committee amendments:

Page 2, lines 1, 2, and 3, strike out the word "shall," in line 1, and insert "may in his discretion."

In line 2, page 2, after the word "lease," insert the words "on such reasonable terms and conditions as he may prescribe."

Page 2, lines 5 and 6, strike out the words "two thousand five hundred and sixty" and insert "six hundred and forty."

The SPEAKER. Is there objection?

Mr. FOSTER. I reserve the right to object, Mr. Speaker.

Mr. MONDELL. I hope the gentleman from Illinois will not object. Is it the thought of the gentleman from Illinois that this matter can be disposed of when we reach the general leasing bill?

Mr. FOSTER. It is hoped that it might be.

Mr. MONDELL. The difficulty is that the general leasing bill will not come up for some days, and in all probability will not become a law at this session.

The situation is this, speaking now only of my own State: There are a few—not many—oil-land claimants who believe they are entitled to their lands, but rather than continue long-drawn-out contests with the Government they would be willing to take a lease and surrender their claim to a title. While the matter is pending they do not feel like going on with their drilling operations and developing the property. They fear that that might result in large expenditures for which they would secure nothing if the decision is finally against them.

If we were going to dispose of the general leasing bill immediately and could take care of the matter in that way, that would be entirely satisfactory, but I think that is impossible. I think it is generally understood that the general leasing bill will not become a law at this session, and the matter therefore will go over for some time. Meanwhile there are these parties anxious to develop the wells, and the country is anxious to get the product, but they can not develop their wells under the present conditions.

Mr. FOSTER. Why is it provided in this bill that the royalties shall not exceed one-eighth?

Mr. MONDELL. Well, I had nothing to do with the fixing of the royalty, but it occurs to me as being entirely proper, because that is almost the universal oil royalty.

Mr. FOSTER. That is probably so in most instances, but yet I do not see why it should be said in a bill, that they shall lease it at not to exceed that, and fix a maximum which can never be exceeded.

Mr. MONDELL. I do not think that is altogether a vital matter; but speaking on that particular point, it does seem to me that it is better for Congress to determine what is to be done than to leave it to the discretion of some official.

Mr. FOSTER. Then there is another provision here. The committee have stricken out 2,560 acres and have inserted 640 acres. Is the gentleman in favor of that amendment?

Mr. MONDELL. The committee has reduced the area.

Mr. FOSTER. Yes.

Mr. MONDELL. That is not entirely satisfactory to me; but I doubt if there are many people in my State who own more than that acreage that they would desire to bring within this act. I am not informed there are; I have heard no complaint or protest against that provision.

Mr. FOSTER. I do not believe there are many oil leases that cover even 640 acres. If there is really oil in the ground, I should think that 640 acres would be a large lease.

Mr. MONDELL. Does the gentleman understand that quite frequently men have gone upon land, or are claiming land, only a small portion of which contains oil in any considerable quantity?

Mr. FOSTER. I know that. I live in an oil country.

Mr. MONDELL. Sometimes a man must have quite a considerable acreage in order to have any substantial amount of product.

Mr. FOSTER. That is true. Sometimes a man has a large acreage and no product.

Mr. MONDELL. That has been my experience.

Mr. FOSTER. It seems to me that fixing a maximum beyond which they could not go, of one-eighth of the oil, is unwise. A good lease might be worth a good deal more. The gentleman knows that. Some leases call for one-sixth of the oil, and others for one-eighth.

Mr. MONDELL. The gentleman does not know of any private leases anywhere that call for more than one-eighth, and many of them less.

Mr. FOSTER. Oh, yes; it depends on the amount produced from each well each day. That might govern the amount that might be exacted as a royalty.

Mr. MONDELL. I will say to the gentleman that while I believe Congress ought to fix the royalty, and I hope that in the leasing bill it will do so, still in order to relieve these cases I do not think that provision is absolutely essential, although I think it is a sound provision.

Mr. FOSTER. I think it is important that a bill of this kind should be passed whereby this Government land may be developed, because if there is private oil land around it that is being developed, unless the Government land is developed, probably there will not be any oil left in it.

Mr. MONDELL. In my State there are not many of these cases, but there are some in a field that is being developed, where this additional development is needed, but where the parties do not feel justified in making improvements and sinking more wells, because of the uncertainty of finally securing title. They would be willing to accept a lease in lieu of title because of that uncertainty.

Mr. FOSTER. If they are there for the purpose of securing the oil, a lease is all they want. It does not matter whether they get title to the ground or not.

Mr. MONDELL. No; this particular ground has no value except for oil.

Mr. FOSTER. In any other case, if they are there simply to get the oil out, they may not want to buy the land.

Mr. STAFFORD. Will the gentleman inform the committee as to the number of acres of land in his State that are now in contest to which this bill is applicable?

Mr. MONDELL. I do not pretend to know, but I doubt if there are over a score or so of entrymen, perhaps, claiming from 160 acres upward, who would want to come under the act; possibly a very few.

Mr. STAFFORD. There are some contests now pending before the Land Commissioner, or in the courts, as to the title to the oil lands, are there?

Mr. MONDELL. No; not in the courts. There are applications that have been made for patents and the department has not decided them. I will say to the gentleman that there are some cases where the question involved is as to the force and effect of what is known as the Roosevelt withdrawals, and as to whether these parties were actually in possession and drilling at the time of the congressional withdrawals, and the department seems to be slow in deciding those questions. The Federal courts have held that the original withdrawal was of no force or effect, and the Supreme Court has not passed upon it. There are not many cases, but it happens that those few cases are in a developing field, and they are willing to accept a lease rather than wait for the title under the circumstances.

Mr. FOSTER. Does not the gentleman think that in place of saying that the royalty shall be not to exceed one-eighth, the matter should be left to the Secretary of the Interior?

Mr. MONDELL. No; my opinion is that we should say not more than one-tenth; but as the bill says not more than one-eighth I am content to leave it that way. I think that in all these cases that would be the better thing to do. That is my personal opinion. There is ground for difference of opinion, as I realize.

Mr. FOSTER. So far as I am individually concerned, I have never seen a lease which called for a royalty of less than one-eighth, and they have exceeded that. One-eighth is the least amount that has usually been asked.

Mr. MONDELL. One-tenth is, I think, a frequent lease in my State.

Mr. FOSTER. I have never come across such a lease.

Mr. MONDELL. There are quite a number of them that are one-eighth. I know of none more than that.

Mr. SELDOMRIDGE. What is the royalty provided in the leasing bill that is come before the House?

Mr. RAKER. It does not fix any. It is left to the Secretary of the Interior.

Mr. SELDOMRIDGE. What objection is there to putting that provision in this bill, leaving it to the Secretary of the Interior?

Mr. MONDELL. There is this difference: In these cases a man is actually giving up a claim which in the majority of cases he thinks is an excellent one, to land on which he is spending a great deal of money, and he feels that if he is going to surrender his right to a patent, he ought to know pretty definitely what he is going to receive. I think that even if we do not prescribe the royalty or fix the royalty in the general bill, that where you are proposing as in this case that a man shall surrender his claim to a patent, he ought to know what sort of a bargain he is going to make.

Mr. FOSTER. I think the gentleman is right; but I think the Secretary of the Interior ought to fix that and not to make it a minimum of one-eighth.

Mr. MONDELL. We would hope that the Secretary would make it about the ordinary lease, which is one-eighth, and allow the man to surrender his rights.

Mr. FOSTER. I do not know about that.

Mr. RAKER. Suppose he does not surrender?

Mr. FOSTER. I think it is fair that the Secretary should fix the lease. You might in some cases not want to pay one-eighth, and in other cases it might be right to pay a larger royalty. I think the Secretary of the Interior ought to have the right to fix the royalty.

Mr. MONDELL. I do not agree with the gentleman on the royalty proposition either in this case or generally, but in this class of cases you are asking a man to surrender property rights.

Mr. FOSTER. I do not believe we do that where we give him a great deal of land, where we offer him 640 acres of ground, which is a large lease.

Mr. MONDELL. That depends upon how much oil there is under it.

Mr. FOSTER. I hope the gentleman will offer the amendment. I would like to reduce the amount of land.

Mr. RAKER. I think the Secretary of the Interior should fix the price for it. The people of California are perfectly willing to let the Secretary of the Interior fix the royalty.

Mr. MONDELL. They must be very liberal folks out there.

Mr. RAKER. Well, when you get squeezed you have to be liberal.

Mr. MONDELL. When you are squeezed by a decision of the department and want to get out you are willing to take anything. Is that the idea?

Mr. RAKER. Well, let us pay the Government something.

The SPEAKER. Is there objection to the consideration of the bill?

Mr. MANN. I object.

Mr. RAKER. Mr. Speaker, I ask unanimous consent that the bill retain its place on the calendar without prejudice.

The SPEAKER. The gentleman from California asks unanimous consent that the bill retain its place on the calendar without prejudice. Is there objection?

Mr. MANN. I object. We have discussed the bill seven or eight times and wasted too much time.

ENROLLED BILLS PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. ASHBROOK, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States for his approval the following bills:

H. R. 7967. An act to amend the act approved June 25, 1910, authorizing a postal savings system; and

H. R. 1657. An act providing for second homestead and desert-land entries.

ALCATRAZ ISLAND.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 9017) transferring the control and jurisdiction of Alcatraz Island and its buildings thereon from the Department of War to the Department of Labor.

Mr. RAKER. Mr. Speaker, in regard to this bill there are some matters to be adjusted, and I ask unanimous consent that it be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

PUBLIC-BUILDING SITE, PLYMOUTH, MASS.

The next business on the Calendar for Unanimous Consent was the bill H. R. 16829, to provide for enlarging the site for the United States building at Plymouth, Mass.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to acquire by purchase, condemnation, or otherwise all the land in the old William Brewster plat still owned by private parties and contiguous to the public-building site now owned by the United States at Plymouth, Mass., and that the total cost of such extension and improvement shall not exceed the sum of $12,000: *Provided*, That if the land described shall be obtained for less than the amount authorized, the remainder may be used by the Secretary of the Treasury in grading and otherwise improving the same.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. MANN. Reserving the right to object, I would like to ask the gentleman from Massachusetts one or two questions. Two years ago we passed a bill which, I think, the gentleman from Massachusetts introduced——

Mr. THACHER. I did not have the honor to be in the House at that time.

Mr. MANN. That was a loss to the House, whoever the gentleman succeeded. We passed a bill authorizing the sale of the Federal post-office site, or a portion of it, at Plymouth for $100. I believe the sale was not consummated, although the law was passed. I have a plat which has been furnished to me by the Treasury Department purporting to give the boundaries of the land which we authorized to be sold for $100, and the land which this bill proposes to acquire for $12,000. Now, gentlemen can see the amount of land that was to be sold for $100, and without widening my fingers much on this plat, this much is to be acquired for $12,000. There is little difference in the areas. It looks like a marked difference in the values of the land.

Mr. RAKER. Will the gentleman yield for a question?

Mr. MANN. Yes.

Mr. RAKER. If the committee had had filed a copy of that plat with the report, all the Members of the House could have seen it, and there would have been no question but that the facts would have been plain.

Mr. MANN. They could not have filed this plat, for they did not have it, and I do not think they had any other. They did

not even know that we had authorized the sale two years ago. The committee did not discover that fact, apparently.

Mr. FOSTER. The gentleman says the sale was made two years ago?

Mr. MANN. We passed the law two years ago in May authorizing the Secretary of the Treasury to sell a piece of this site for $100, on the ground that we did not need it. I am informed by the Treasury Department that the sale was not consummated, for the grantee refused to take it. Now we are asked to pay $12,000 for the piece of land adjoining the other, substantially no larger, on the ground that the site is not large enough. I am asking for information.

Mr. FOSTER. It looks to me as though the people of Plymouth were very enterprising.

Mr. MANN. Nobody ever accused the New England people of not being bright.

Mr. THACHER. Mr. Speaker, I will be frank with the gentlemen. I do not recall the vote by which the sale of the land was authorized for $100.

Mr. MANN. I have no doubt it was done by unanimous consent.

Mr. THACHER. I was not in the House at the time, and I do not know what land the gentleman refers to.

Mr. MANN. I could not tell from the description of the land in the law as to what land was referred to, and hence I wrote the Treasury Department this letter:

Hon. WILLIAM G. MCADOO,
Secretary of the Treasury, Washington, D. C.

SIR: There is pending in the House H. R. 16829, authorizing the Secretary of the Treasury to purchase lands or rights contiguous to the public-building site now owned at Plymouth, Mass. By the act of May 27, 1912, the Secretary of the Treasury was authorized to sell to the First Baptist Church of Plymouth that portion of the Burns lot included in the Federal building site in said city to the south of the continuation of the southerly boundary line of the next adjacent property conveyed to the United States by said First Baptist Church. I beg to ask whether the property so sold was a part of the present building site at Plymouth, which it is proposed by H. R. 16829 to now enlarge; and if so, to ask, if you can conveniently do so, that you may send me a rough pencil draft of the site, showing the land sold and the land proposed to be purchased.

Yours, very respectfully, ——— ———.

I received this letter from a very estimable gentleman, formerly a colleague of ours, whom we all love and admire, Mr. Andrew J. Peters, now Assistant Secretary of the Treasury:

TREASURY DEPARTMENT,
Washington, August 29, 1914.

Hon. JAMES R. MANN,
House of Representatives.

SIR: In response to your letter of the 24th instant, I inclose a blue print showing the Federal building site at Plymouth, Mass. The land embraced within the yellow lines is the portion of the site which was proposed to be sold to the First Baptist Church of Plymouth pursuant to the act of Congress approved May 27, 1912. The sale, however, was never made, the Baptist Church people finally deciding that they did not desire to acquire the land.

The land embraced within the red lines is the property which is the subject of bill H. R. 16829, to which you refer. As will be seen, it is not a part of the land which was proposed to be sold by the act of May 27, 1912, hereinabove referred to.

Respectfully,
A. J. PETERS,
Assistant Secretary.

I have here in my hand the plat, with the red and the yellow lines. The yellow lines inclose a space not quite so large as the red lines, the two pieces adjoining, the red-line space being on the street, apparently, and the yellow line back. One we offered to sell for $100, and the other it is proposed that we pay $12,000 to buy, although I have been informed, and I will ask the gentleman whether that is correct, that the assessed valuation of this twelve-thousand piece in Plymouth is less than $2,000?

Mr. THACHER. Oh, I beg the gentleman's pardon. I believe that he is mistaken about the valuation. I shall be very glad to give him the information. There has been no inflation in the value of that land. The corner which the Government now owns is on the corner of Main and Leyden Streets, and it is proposed to acquire adjacent land on the northerly side of Main Street, which piece of property was sold about a year and a half ago for $7,000, and I understand that it has recently been sold for $9,000, and there is no hocus-pocus about this matter at all. The values are there and the property has been enhanced very materially. As I stated before, I think the Government made a mistake when they did not acquire all of the land, and I think if the gentleman would go to Plymouth—and I hope to have the honor of seeing him there some day—he would vote for this proposition.

Mr. MANN. But if the House two years ago voted for a bill authorizing the sale of a considerable portion of this land, upon the ground that we did not need it, what emergency has arisen since then which compels us not only to use the land that we have already gotten, but also the land that we agreed to sell, and a large amount in addition to that?

Mr. BORLAND. Mr. Speaker, will the gentleman from Massachusetts permit an interruption?

Mr. THACHER. Yes.

Mr. BOLLAND. Mr. Speaker, I suggest to the gentleman that he ask unanimous consent to have this bill go over without prejudice. The reason I make that suggestion is that the chairman of the Committee on Appropriations is interested in having some further information in respect to this, and unless he desires to make the request I shall make it myself.

Mr. THACHER. Mr. Speaker, I have no objection to that. I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

COAST GUARD.

The next business on the Calendar for Unanimous Consent was the bill (S. 2337) to create the coast guard by combining therein the existing Life-Saving Service and Revenue-Cutter Service.

The Clerk proceeded to read the bill.

Mr. HAY (interrupting the reading). Mr. Speaker, I object.

The SPEAKER. The gentleman from Virginia objects, and the bill is stricken from the calendar.

Mr. SMALL. Mr. Speaker, will the gentleman reserve his objection for a moment?

Mr. HAY. I reserve the objection.

Mr. LINTHICUM. Mr. Speaker, I object.

Mr. CRAMTON. Mr. Speaker, will the gentleman withhold his objection for a moment?

Mr. LINTHICUM. No; I will not.

The SPEAKER. The gentleman from Maryland objects and sticks to it.

Mr. CRAMTON. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Michigan makes the point of order that there is no quorum present. Evidently there is not.

Mr. FOSTER. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The SPEAKER. The Doorkeeper will lock the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Adair	Fairchild	Kless, Pa.	Ragsdale
Aiken	Faison	Kindel	Rainey
Ainey	Farr	Kinkaid, Nebr.	Riordan
Ansberry	Fess	Knowland, J. R.	Rothermel
Aswell	Finley	Korbly	Sabath
Austin	Fitzgerald	Lafferty	Scully
Bartholdt	Fowler	Langham	Seldomridge
Bartlett	Gardner	L'Engle	Sells
Bathrick	Garrett, Tex.	Lenroot	Shackleford
Bell, Ga.	George	Levy	Sherley
Brown, N. Y.	Gillett	Lewis, Pa.	Sinnott
Browne, Wis.	Goeke	Lindquist	Slemp
Browning	Goldfogle	Loft	Smith, Minn.
Buchanan, Ill.	Gordon	Logue	Smith, N. Y.
Burke, Pa.	Graham, Ill.	McGillicuddy	Steenerson
Byrnes, S. C.	Graham, Pa.	McGuire, Okla.	Stevens, N. H.
Calder	Griest	McLaughlin	Stringer
Cantor	Guernsey	Maban	Switzer
Cantrill	Hardwick	Maher	Townsend
Carew	Hart	Manahan	Treadway
Chandler, N. Y.	Hayes	Martin	Tuttle
Church	Helvering	Merritt	Underhill
Clark, Fla.	Heusley	Montague	Vaughan
Coady	Hill	Moore	Vollmer
Covington	Hinds	Morin	Wallin
Crisp	Hobson	Mott	Watkins
Dixon	Howard	Murdock	Weaver
Dooling	Hoxworth	Neeley, Kans.	Whitacre
Eagle	Hulings	Oglesby	Williams
Edmonds	Hull	O'Shaunessy	Wilson, N. Y.
Elder	Jones	Palmer	Woodruff
Esch	Kelley, Mich.	Peters	
Estopinal	Kent	Powers	
Evans	Key, Ohio	Prouty	

The SPEAKER. On this call 297 Members—a quorum—have responded to their names.

Mr. FOSTER. Mr. Speaker, I move to dispense with further proceedings under the call.

The question was taken, and the motion was agreed to.

The SPEAKER. The Doorkeeper will open the doors.

BRIDGE ACROSS PISTAKEE AND NIPPERSINK LAKES.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 17267) to authorize Frank A. Gardiner to construct a bridge across the waters of Pistakee Lake and Nippersink Lake at or near their point of intersection.

The Clerk read as follows:

Be it enacted, etc., That Frank A. Gardiner and his assigns be, and they are hereby, authorized to construct, maintain, and operate a bridge and approaches thereto across the waters of Piskatee Lake and Nippersink Lake at a point suitable to the interests of navigation, at or near their point of intersection, in the county of Lake, in the State of Illinois, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The SPEAKER. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I understand this bill authorizes the construction of a bridge over an exclusively interior lake. I would like to inquire of the chairman of the committee wherein is there any jurisdiction in the National Government to authorize such construction?

Mr. MANN. Oh, this is navigable water.

Mr. STAFFORD. There are plenty of interior lakes in Wisconsin which are navigable and which are not subject to the jurisdiction of the National Goverument because they are navigable.

Mr. ADAMSON. Mr. Speaker, I yield to the author of the bill, the gentleman from Illinois [Mr. THOMSON] to make such explanation as he desires about the bill.

Mr. THOMSON of Illinois. Mr. Speaker, this is navigable water, and it is an interstate stream, which connects with rivers that go up in the State of Wisconsin, and it is necessary to have the approval of the Federal Government to have such a bill as this passed in order that this bridge may be built.

Mr. STAFFORD. Will the gentleman explain wherein the National Government has any authority over the waters of this lake?

Mr. THOMSON of Illinois. Why, the waters of this lake are connected up with streams that are interstate in character.

Mr. ADAMSON. If the gentleman will permit, the United States Government has jurisdiction over all navigable waters. There is a provision in the river and harbor act of 1899 which dispenses with the necessity of coming to Congress with a special bill, but it does not prohibit the coming to Congress with a special bill at all.

Mr. STAFFORD. Do I understand the gentleman's contention to be that a lake exclusively within the confines of a State which has navigable waters gives jurisdiction to the National Government over those waters?

Mr. ADAMSON. I do not understand it is necessary to answer that question.

Mr. STAFFORD. I understood just now that the gentleman made that as a postulate.

Mr. ADAMSON. No; I said that where the stream is navigable within a State it is not absolutely necessary to come to Congress, but it is not prohibited, and I understand that this water is connected with other waters that are navigable.

Mr. STAFFORD. I can hardly conceive of any water in the United States, even though it may be a jerkwater stream, that is not in some way connected with navigable waters. This bridge proposes to go over navigable waters of a lake that is exclusively within the confines of a State. I never knew the National Government had jurisdiction over such waters, but I have no objection to this bill.

Mr. ADAMSON. The language of the river and harbor act of 1899, section 9, renders it unnecessary to come to Congress, but it does not prohibit the coming to Congress; and in this case the Secretary of War approved the project without even a suggestion that it is not necessary.

Mr. STAFFORD. There is another bill reported from the gentleman's committee in which the Secretary of War states that he sees no reason whatsoever for the National Government taking jurisdiction even of a stream which is connected with navigable waters which are entirely within the confines of a State.

Mr. ADAMSON. I beg the gentleman's pardon; the Secretary of War says in the other case that he sees no actual necessity for it—not any reason for it.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. THOMSON of Illinois. Mr. Speaker, are amendments in order at this time?

The SPEAKER. Yes.

Mr. THOMSON of Illinois. Mr. Speaker, I move to amend to correct the spelling of the last word in the fifth line to conform with the spelling as printed in the title. It should be spelled P-i-s-t-a-k-e-e.

The question was taken, and the amendment was agreed to.

Mr. THOMSON of Illinois. Mr. Speaker, I move to amend by changing the initial "A," in line 3, to the initial "H."

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Page 1, line 3, change the initial "A" to the initial "H."

The question was taken, and the amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

Mr. ADAMSON. Mr. Speaker, the title ought to be amended to correspond to the amendment.

The SPEAKER. Without objection, the title will be amended to correspond to the text.

There was no objection.

On motion of Mr. ADAMSON, a motion to reconsider the vote by which the bill was passed was laid on the table.

FOURTH INTERNATIONAL CONGRESS ON HOME EDUCATION.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 11179) authorizing the Secretary of State to extend invitations to foreign countries to send delegates to the Fourth International Congress on Home Education.

The Clerk read the title of the bill.

Mr. FLOOD of Virginia. Mr. Speaker, a Senate bill exactly similar to this bill has passed the House and become a law. I ask that this bill be laid on the table.

The SPEAKER. The gentleman from Virginia moves to lay the bill on the table. Without objection, it is so ordered.

There was no objection.

BRIDGE ACROSS BLACK RIVER, MO.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 17511) to authorize the Great Western Land Co., of Missouri, to construct a bridge across Black River.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Great Western Land Co., a corporation organized under the laws of the State of Missouri, is hereby authorized to construct, maintain, and operate a bridge and approaches thereto across Black River at a point suitable to the interests of navigation, in the northwest quarter of section 5, township 22 north, range 7 east, of the fifth principal meridian, in the county of Butler, in the State of Missouri, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

The committee amendment was read, as follows:

Page 2, after line 3, insert the following:

"SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved."

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

The question is on agreeing to the committee amendment.

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. ADAMSON, a motion to reconsider the vote by which the bill was passed was laid on the table.

JUDICIAL DISTRICTS IN PENNSYLVANIA.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 17442) to amend section 103 of the act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911, as amended by the acts of Congress approved March 3, 1913, and June 6, 1914.

The bill was read, as follows:

Be it enacted, etc., That section 103 of an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911, as amended by the acts of Congress approved March 3, 1913, and June 6, 1914, be, and the same is hereby, amended so as to read as follows:

"SEC. 103. That the State of Pennsylvania is divided into three judicial districts, to be known as the eastern, middle, and western districts of Pennsylvania. The eastern district shall include the territory embraced on the 1st day of July, 1910, in the counties of Berks, Bucks, Chester, Delaware, Lancaster, Lehigh, Montgomery, Northampton, Philadelphia, and Schuylkill. Terms of the district court shall be held at Philadelphia on the second Mondays in March and June, the third Monday in September, and the second Monday in December, each term to continue until the succeeding term begins. The middle district shall include the territory embraced on the 1st day of July, 1910, in the counties of Adams, Bradford, Cameron, Carbon, Center, Clinton, Columbia, Cumberland, Dauphin, Franklin, Fulton, Huntingdon, Juniata, Lackawanna, Lebanon, Luzerne, Lycoming, Mifflin, Monroe, Montour, Northumberland, Perry, Pike, Potter, Snyder, Sullivan, Susquehanna, Tioga, Union, Wayne, Wyoming, and York. Terms of the district court shall be held at Scranton on the second Monday in March and the third Monday in October; at Harrisburg on the first Mondays in May and December; at Sunbury on the second Monday in January; and at Williamsport on the first Monday in June. The clerk of the court for the middle district shall maintain an office, in charge of himself or a deputy, at Harrisburg; the civil suits instituted at that place shall be tried there, if either party resides nearest that place of holding court, unless by consent of parties they are removed to another place for trial. The western district shall include the territory embraced on the 1st day of July, 1910, in the counties of Allegheny, Armstrong, Beaver, Bedford, Blair, Butler, Cambria, Clarion, Clearfield, Crawford, Elk, Erie, Fayette, Forest, Greene, Indiana, Jefferson, Lawrence, McKean, Mercer, Somerset, Venango, Warren, Washington, and Westmoreland. Terms of the district court shall be held at Pittsburgh on the first Monday of May and the second Monday of November, and terms of the court shall be held at Erie on the third Monday of March and the third Monday of September. The clerk and marshal of said district shall have

their principal offices at Pittsburgh, and shall maintain, by themselves or by their deputies, offices at Erie.

"The clerk shall place all cases in which the defendants reside in the counties of said district nearest Erie upon the trial list for trial at Erie, where the same shall be tried, unless the parties thereto stipulate that the same may be tried at Pittsburgh."

The SPEAKER. Is there objection to the consideration of the bill?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I understand the purpose of this amendment is to tide over the meeting of the court in the city of Pittsburgh beyond election?

Mr. WEBB. That might be stated as correct.

Mr. STAFFORD. If I am not mistaken, the election is on the first Tuesday following the first Monday. If such is the case, is it not possible for the second Monday to occur on the day preceding the election?

Mr. WEBB. It might appear that way. It is very rare.

Mr. STAFFORD. I have a case in mind. Our primaries in Wisconsin are held on the first Tuesday in September. Usually Labor Day precedes. This year it just happens that the first Tuesday of September occurs to-day, and the primaries are being held. If it is the purpose to avoid the election difficulty, I would say the second Monday in November does not overcome that in all cases.

Mr. WEBB. In answer to that I can only say that the attorneys, the judge, and all the court officials are anxious that this change be made. It is purely a local matter, and my friend from Pennsylvania [Mr. SHREVE] represents this district and is anxious to have the bill pass, and the committee thought it best to grant the request.

Mr. STAFFORD. The bill permits that it may happen on some rare occasion.

Mr. WEBB. It may in some rare instances, but it is very rare when it comes as late as the second Monday in November.

Mr. STAFFORD. It will not occur as frequently as the second Monday in November, but it will occur. To make it the second Wednesday would make it safe under all conditions.

Mr. WEBB. It is usual to provide Mondays.

The SPEAKER. Is there objection to the consideration of the bill?

There was no objection.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. WEBB, a motion to reconsider the vote by which the bill was passed was laid on the table.

IOWA INDIANS OF OKLAHOMA.

The next business on the Calendar for Unanimous Consent was H. Res. 554, referring the bill (H. R. 17441) for the relief of the Iowa Indians of Oklahoma to the Court of Claims for a finding of fact and conclusions of law.

The resolution was read, as follows:

Resolved, That the bill (H. R. 16618) for the relief of the Iowa Indians of Oklahoma, with the accompanying papers, be, and the same are hereby, referred to the Court of Claims for a finding of fact and conclusions of law, under the provisions of the act approved March 3, 1911, entitled "An act to codify, revise, and amend the laws relating to the judiciary."

Also the following committee amendment was read:

In line 1 strike out the figures "16618" and insert "17441."

The SPEAKER. Is there objection to the consideration of the resolution?

Mr. STAFFORD. Reserving the right to object, I would like to inquire of the author of the bill whether it is his purpose to refer the bill H. R. 17441 to the Court of Claims or whether he wishes to refer the matters comprised in the bill to the Court of Claims?

Mr. MURRAY of Oklahoma. It is a bill for a finding of fact.

Mr. STAFFORD. The resolution reads that you wish to refer the bill H. R. 17441, with the accompanying papers, to the Court of Claims for finding of fact under the provisions of the general law. There is nothing for the Court of Claims to find out so far as that bill is concerned.

Mr. MANN. The law provides for that. It provides for referring the bill and provides for what the Court of Claims will find.

Mr. STAFFORD. The gentleman wants the Court of Claims to find on the bill itself?

Mr. MURRAY of Oklahoma. I want them to give a finding of fact under the general law on the matter comprised in the bill.

Mr. MANN. All we refer is the bill and accompanying papers. The law directs what the Court of Claims shall do.

Mr. STAFFORD. I would like to inquire whether it is the purpose to give these people the right of appeal to the Supreme Court, as provided in text of the bill H. R. 17441?

Mr. MURRAY of Oklahoma. That is practically it.

Mr. STAFFORD. I believe it is not, from what the gentleman from Illinois [Mr. MANN] says.

Mr. MANN. Certainly not. The court makes a finding of fact and reports back to Congress, just like it does on all these war claims we have.

Mr. STAFFORD. I thought the gentleman from Oklahoma was in error as to the purport of the provisions.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none. This bill is on the Union Calendar.

Mr. MURRAY of Oklahoma. Mr. Speaker, I ask unanimous consent that this bill be considered in the House as in the Committee of the Whole.

The SPEAKER. The gentleman from Oklahoma asks unanimous consent that this bill be considered in the House as in the Committee of the Whole. Is there objection?

There was no objection.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The resolution as amended was agreed to.

On motion of Mr. MURRAY of Oklahoma, a motion to reconsider the vote by which the resolution was agreed to was laid on the table.

LIMESTONE DEPOSITS, TUSCARORA NATION.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 14196) authorizing the Tuscarora Nation of New York Indians to lease or sell the limestone deposits upon their reservation.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Tuscarora Nation of New York Indians, by their chiefs in council assembled, are hereby authorized and empowered to lease or sell for the benefit of the nation all or a part of the limestone deposits upon their reservation in one or more suitable tracts: *Provided*, That before such lease or sale shall be made notice of intention to lease or sell, giving a general description of the lands upon which said limestone deposits are located, shall be published in two papers, one issued in the county of Niagara, State of New York, and one issued in the city of Buffalo, county of Erie, State of New York, once a week for three consecutive weeks; said notice shall state the time and place when sealed bids shall be received for the mentioned tracts, and such lease or sale shall be to the highest responsible bidder: *Provided further*, That before any lease or sale shall be made the terms of the proposed contract shall be fully explained to the entire nation and shall be approved by a majority of the votes of the whole people of voting age, but before any lease or sale shall become effective it shall be submitted to the Secretary of the Interior for his approval as to the sufficiency of the amount of the consideration and terms of payment, and if approved by him, the chiefs are hereby authorized and empowered to enter into such lease or sale. All moneys paid upon any lease or sale made as herein provided shall be paid to the Secretary of the Interior, who shall distribute the same among the adult persons, and thereafter to the minor persons as they attain their majority, entitled to participate in the distribution of the consideration, without any fee, expense, or charge against the nation or any of its people.

The SPEAKER. Is there objection?

Mr. STEPHENS of Texas. Mr. Speaker, I desire to state that I have a committee amendment which I wish to present in the event that the bill is considered at this time. The amendment is in this language——

Mr. STAFFORD. Mr. Speaker, I reserve the right to object.

Mr. STEPHENS of Texas. The amendment proposed by the committee is as follows:

At the end of line 19, page 2, add: "*Provided further*, That the money so deposited in the Treasury to the credit of the minors of said nation shall draw 3 per cent interest per annum; and the Secretary of the Interior may, in his discretion, upon satisfactory proof, withdraw from the Treasury any part of the sum so deposited to the credit of any minor for the purpose of education or actual maintenance of said minor."

With this amendment we ask that the bill be enacted into law.

Mr. STAFFORD. Mr. Speaker, I notice from the report that the value involved in this proposition is a million and a half dollars. Does the gentleman believe that we should pass under unanimous consent a bill involving such a large amount as that?

Mr. STEPHENS of Texas. We think, Mr. Speaker, that this is one of the best guarded bills that has ever been brought before this House, for the reason that the Indians are of voting age, and they are voters in that State, as I understand it, and are required to pass upon this proposition by a referendum vote, which has to be approved by the Secretary of the Interior. After the chiefs make the lease the Indians must pass upon that by a referendum vote, and the Secretary of the Interior must approve of that lease before it becomes active.

Mr. STAFFORD. In reply to the position just stated by the gentleman from Texas, I wish to ask whether in the last Congress there was not a proposition before the House, or before

the committee, which was far less favorable to the Indians and yet which had been approved by a majority of them?

Mr. STEPHENS of Texas. I do not remember the exact terms of that bill.

Mr. STAFFORD. Is it not a fact that the Indians approved of a proposition to lease this property to the Carroll brothers on much less favorable terms than is expected to be?

Mr. STEPHENS of Texas. I yield for an answer to that to the gentleman from New York [Mr. CLANCY], who is more familiar with this matter than I am.

Mr. CLANCY. So far as I remember that bill, it was less favorable to the Indians, but I do not believe it was approved by the tribe, but only by the council. We require that the negotiations conducted by the council shall be approved by a referendum vote of the entire tribe.

Mr. STAFFORD. That referendum would be only of the majority of the tribe, would it not?

Mr. CLANCY. Yes.

Mr. STAFFORD. I believe there are only some four hundred and odd Indians remaining of the tribe?

Mr. CLANCY. Yes; I believe so.

Mr. STAFFORD. They are allottees, are they not?

Mr. CLANCY. No.

Mr. STAFFORD. They have not separated themselves from the tribal government?

Mr. CLANCY. No. Eleven chiefs are elected exclusively by the ballot of the squaws. The males have nothing to do with this business unless they are elected chiefs by the squaws.

Mr. STAFFORD. Here we have an illustration of where women are absolutely supreme, where the squaws elect the chiefs. That is an extremely interesting case of woman suffrage.

Mr. RAKER. Mr. Speaker, will the gentleman yield for a question right there?

Mr. STAFFORD. Yes.

Mr. RAKER. I hope the gentleman does not compare the American women with the Indian squaws, does he?

Mr. STAFFORD. Oh, I have not the full acquaintance with the Indian squaw that the gentleman from California may have, but I believe they stand very favorably as compared with the Indian men. I believe that there is not much difference between the Indian man and the Indian woman, and the Indian women have more burdens to bear than the Indian men.

Mr. RAKER. Oh, I do not think the gentleman should compare the voting women of America with Indian squaws. We all are proud of the American woman.

Mr. MANN. The gentleman from California [Mr. RAKER] will admit that these Indian women in New York have been progressive enough to get the voting privilege long ahead of even the women of California, and they have not only gotten the voting privilege themselves, but they have already deprived the men of it. [Laughter.]

Mr. RAKER. Oh, that is all right.

Mr. MANN. If that is not progressive, then I do not know what is.

Mr. RAKER. The word "progressive" was used by the gentleman in a derisive way.

Mr. MANN. Oh, no. Nobody used it in a derisive way except the gentleman from California, who is always deriding woman suffrage. [Laughter.]

Mr. RAKER. Not at all.

Mr. STAFFORD. If he is not deriding it, he is riding it. [Laughter.]

Mr. MANN. I may have added an extra syllable—that is all. [Laughter.]

The SPEAKER. The Clerk will report the committee amendment.

The Clerk read as follows:

At the end of line 19, page 2, add:

"*Provided further*, The money so deposited in the Treasury to the credit of the minors of said nation shall draw 3 per cent interest per annum; and the Secretary of the Interior may, in his discretion, upon satisfactory proof, withdraw from the Treasury any part of the sum so deposited to the credit of any minor for the purpose of education or actual maintenance of said minor."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill as amended.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. STEPHENS of Texas, a motion to reconsider the vote whereby the bill was passed was laid on the table.

The SPEAKER. The Clerk will report the next one.

HYDROGRAPHIC OFFICE AT LOS ANGELES, CAL.

The next business on the Calendar for Unanimous Consent was the bill (S. 494) to establish a branch hydrographic office at Los Angeles, Cal.

The title of the bill was read.

Mr. STEPHENS of California. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. The gentleman from California [Mr. STEPHENS] asks unanimous consent that this bill be passed over without prejudice. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the next one.

AMENDMENT OF THE JUDICIARY CODE.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 17147) to amend section 195 of the act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911.

The title of the bill was read.

Mr. WEBB. Mr. Speaker, I move that the bill lie on the table, a similar Senate bill having passed the House.

The SPEAKER. The gentleman from North Carolina moves that the bill lie on the table. The question is on agreeing to that motion.

The motion was agreed to.

The SPEAKER. The Clerk will report the next bill.

INTERNATIONAL EXHIBITION OF SEA-FISHERY INDUSTRIES.

The next business on the Calendar for Unanimous Consent was the joint resolution (S. J. Res 151) authorizing the President to accept the invitation to participate in an international exposition of sea-fishery industries.

The Clerk read the joint resolution, as follows:

Resolved, etc., That the President be, and is hereby, authorized to accept an invitation extended by the Government of France to that of the United States to be represented by a delegate at an international exposition of sea fisheries, to be held at Boulogne-sur-Mer, June 15 to October 1, 1914: *Provided*, That no appropriation shall be granted at any time for expenses of delegates or for other expenses incurred in connection with said Congress.

The SPEAKER. Is there objection?

Mr. MANN. I reserve the right to object, Mr. Speaker.

The SPEAKER. The gentleman from Illinois reserves the right to object.

Mr. MANN. When is this exposition to be really held?

Mr. FLOOD of Virginia. Some time between June and October.

Mr. MANN. I see the joint resolution covers a period of time from June to October 1.

Mr. FLOOD of Virginia. Yes.

Mr. MANN. Is it going to be held at all?

Mr. FLOOD of Virginia. I think it is being held. The purpose of the administration was to appoint a delegate to this conference, who was already in Denmark to attend another conference, expecting him to devote a small part of his time to this duty.

The Secretary of State recommended the passage of this resolution in the following letter:

DEPARTMENT OF STATE,
Washington, April 4, 1914.

The PRESIDENT:

On February 25, 1914, the ambassador of the French Republic at this Capital, by order of his Government, extended to the Government of the United States an invitation to participate in an international exposition of sea-fishery industries to be held at Boulogne-sur-Mer from the 15th of June to the 1st of October of the present year, and to be officially represented therein by a delegate.

The Department of Commerce, to which this invitation was referred, has advised me that the exposition will doubtless contain features of great practical value to the United States, and that there should be a critical examination of the exhibits from the viewpoint of the American fishery interests, and has recommended that this Government take advantage of the presence of an official representative of this Government at the annual conference of the International Council for the Study of the Sea, to be held in Copenhagen, Denmark, in September next, for which provision has been made by Congress, and that this representative be made a delegate to the International Exposition of Sea Fishery Industries, with authority to devote a limited amount of time thereto. The Department of Commerce states that no special appropriation will be required for this purpose.

The Executive being precluded by a provision of the deficiency act approved March 4, 1913, from accepting an invitation of this nature without specific authority of law, I have the honor to submit the matter herewith, to the end that should you approve thereof it may be transmitted to Congress for that body to determine whether it will authorize the acceptance of the invitation.

Respectfully submitted.

W. J. BRYAN.

Mr. MANN. Will he be able to attend now?

Mr. FLOOD of Virginia. I could not answer that.

Mr. MANN. Anybody already in Europe has probably gotten out by this time, or is making great effort to get out.

Mr. FLOOD of Virginia. I think the delegate to the Copenhagen conference is in Europe.

Mr. MANN. He has my sympathy.

Mr. FLOOD of Virginia. There is no war where this conference is being held, and it is possible he may be able to get to the exposition of sea fisheries in Paris.

The SPEAKER. Is there objection?

There was no objection.

The joint resolution was ordered to a third reading, and was accordingly read the third time and passed.

On motion of Mr. FLOOD of Virginia, a motion to reconsider the last vote was laid on the table.

PUBLIC BUILDING AT LA JUNTA, COLO.

The next business in order on the Calendar for Unanimous Consent was the bill (H. R. 12665) to increase the limit of cost of public building at La Junta, Colo.

The bill was read, as follows:

Be it enacted, etc., That the limit of cost of the United States post-office building at La Junta, Colo., be, and the same is hereby, increased $10,000, or so much thereof as may be necessary to meet the additional cost of construction of said building.

The SPEAKER. Is there objection?

Mr. MANN. Reserving the right to object, there is no information contained in the report in this case.

Mr. KEATING. The situation is a very simple one. The last Congress appropriated $75,000 to construct a building at La Junta, Colo. The people of the city of La Junta donated a tract of land, valued at $20,000, as a site for this building. The Supervising Architect had plans prepared and bids called for. The lowest bid was $84,300, or $9,300 above the limit of cost. That would necessitate a recasting of the plans. The plans as made were very satisfactory to the Supervising Architect and to the people of this town; and, in view of the fact that the public-spirited citizens of La Junta had donated this tract of land, the Assistant Secretary of the Treasury recommended an increase of $10,000 in the limit of cost.

Mr. MANN. Was this bill drawn in the Treasury Department?

Mr. KEATING. No, sir; I introduced the bill and took it to the Treasury Department.

Mr. MANN. Then I will call the attention of the gentleman to the form of his bill, which I think ought to be changed.

Mr. KEATING. I shall be very glad to accept such suggestions as the gentleman may offer. I am not an expert bill drafter.

Mr. MANN. It is not uncommon in making an appropriation to appropriate "$10,000, or so much thereof as may be necessary," although that is not good form. But this is not an appropriation. The gentleman has used words which increase the limit of cost "$10,000, or so much thereof as may be necessary." What the gentleman wants to do is to increase the limit of cost $10,000, and have that settled. So all after the words "ten thousand dollars" ought to be stricken out.

Mr. KEATING. Will the gentleman do me the favor to offer an amendment which will accomplish that result? I will deem it a favor if he will do so.

Mr. MANN. All right.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. This bill is on the Union Calendar.

Mr. KEATING. I ask unanimous consent to consider the bill in the House as in Committee of the Whole House on the state of the Union.

The SPEAKER. The gentleman from Colorado asks unanimous consent to consider the bill in the House as in Committee of the Whole House on the state of the Union. Is there objection?

There was no objection.

Mr. MANN. Mr. Speaker, I move to amend the bill by striking out all after the figures "$10,000."

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Page 1, line 6, strike out all after the words "ten thousand dollars."

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, and was accordingly read the third time and passed.

On motion of Mr. KEATING, a motion to reconsider the last vote was laid on the table.

BRIDGES, WISCONSIN AND MINNESOTA.

The next two bills on the Calendar for Unanimous Consent were the bills (H. R. 17762) to amend an act approved February 20, 1908, entitled "An act to authorize the Interstate Transfer Railway Co. to construct a bridge across the St. Louis River between the States of Wisconsin and Minnesota," and (H. R. 15727) authorizing the county of St. Louis to construct a bridge across the St. Louis River between Minnesota and Wisconsin.

Mr. MILLER. Mr. Speaker, I ask unanimous consent that the next two bills on the calendar, H. R. 17762 and H. R. 15727, be passed without prejudice.

The SPEAKER. The gentleman asks unanimous consent that these two bills be passed without prejudice. Is there objection?

There was no objection.

POST-OFFICE SITE IN GASTONIA, N. C.

The next business in order on the Calendar for Unanimous Consent was the bill (H. R. 17764) to provide for sale of portion of post-office site in Gastonia, N. C.

The bill was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized to sell at public or private sale the following piece or parcel of land lying and being in the city of Gastonia, N. C., recently acquired by the Government of the United States for a public building, and more particularly described as follows: Beginning at the northeast corner of the site and running south 40 minutes east 58 feet to an iron pipe marking a corner of the site; thence west 6 degrees 33 minutes south 35 feet to an iron pipe; thence north no degrees 25 minutes west about 58 feet to the northern boundary of the site; thence east 6 degrees north about 35 feet to the place of beginning. And the Secretary of the Treasury is hereby authorized and directed to execute a quitclaim deed to the highest bidder for the foregoing piece of land, which shall transfer title from the United States to such purchaser.

SEC. 2. That the proceeds arising from the sale of the property described be covered into the Treasury of the United States as a miscellaneous receipt.

With the following committee amendments:

Page 1, line 4, after the word "public," strike out the words "or private," and, in the same line, after the word "sale," insert the words "for a consideration not less than $2,500."

Page 2, line 7, strike out the words "highest bidder for" and insert the words "purchaser of."

The SPEAKER. Is there objection?

Mr. MADDEN. Reserving the right to object, I should like to know why the Government wants to sell this property?

Mr. WEBB. The Government has no use for it.

Mr. MADDEN. Why did the Government purchase it?

Mr. WEBB. It was a part of a tract of land which belonged to a railroad, and the provisions of the transfer provided that if it ever ceased to be used for railroad property it should revert to the heirs of a man by the name of Davis. The whole site cost $14,500, which the people of Gastonia and I thought was high. Here is a little neck of land, 55 by 35 feet, that has been lying there for five years unused and can not be used by the Government, and, as you see by a letter from the Treasury Department, is not needed.

Mr. MADDEN. Will the gentleman yield?

Mr. WEBB. Yes.

Mr. MADDEN. Does this property go back to the original owner?

Mr. WEBB. No; it has been condemned, and if we sell it the proceeds go into the Treasury.

Mr. MADDEN. What proportional part of the total area is to be sold?

Mr. WEBB. Very small; about one-seventh or one-eighth.

Mr. MANN. If the gentleman from North Carolina will yield, I will show my colleague a plat of the land.

Mr. WEBB. It is a little shoulder running out in the rear, not needed by the Government, and I as a public-spirited Representative think it ought to be sold. There is an upset price in the bill and the money will be turned into the Treasury.

Mr. MADDEN. Does anybody want to buy it?

Mr. WEBB. I do not know of but one person who has inquired about it. He is a barber, and I do not know whether he can pay the $2,500 or not.

Mr. MADDEN. I suppose if he gets it he will get it by a close shave. [Laughter.]

The SPEAKER pro tempore (Mr. CLARK of Florida). Is there objection to the present consideration of the bill? [After a pause.] The Chair hears none.

Mr. WEBB. Mr. Speaker, I ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The SPEAKER pro tempore. The question is on the committee amendments.

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. WEBB, a motion to reconsider the vote whereby the bill was passed was laid on the table.

DONATING IRON FENCE TO DAUGHTERS OF AMERICAN REVOLUTION.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 15575) donating the old iron fence around Vance Park, Charlotte, N. C., to the Mecklenburg Declaration of Independence Chapter, to be placed around Craighead Cemetery, near Sugar Creek Church, in Mecklenburg County.

The Clerk read the bill, as follows:

Be it enacted, etc., That the old iron fence around Vance Park, in the city of Charlotte, N. C., now being removed in the construction of a United States post-office and courthouse building, is hereby donated to the Mecklenburg Declaration of Independence Chapter, Daughters of the American Revolution, Charlotte, N. C., for the purpose of being placed around the historic Revolutionary Craighead Cemetery, near Sugar Creek Church, in Mecklenburg County.

The SPEAKER. Is there objection?

Mr. WILLIS. Reserving the right to object, I should like to inquire if the bill has the unqualified approval of the Treasury Department?

Mr. WEBB. I think I can answer the gentleman's question in the affirmative, as he will see by looking at a letter printed in the report from Secretary McAdoo.

Mr. WILLIS. That is exactly what I have been looking at, and I invite the attention of the gentleman to the letter. It says in the letter from the Treasury Department, at the top of page 2 in the report:

Attention is invited to the fact that the contract for the construction of the proposed extension to the present post-office and courthouse building has not yet been awarded, and work on the same has therefore not been started.

It says in the bill, "now being removed in the construction of the United States post-office and courthouse building."

It appears that the contract has not yet been let as stated in the bill. The bill and the recommendations of the Secretary of the Treasury are not in harmony.

Mr. WEBB. I can say that the post-office building is now in existence there on the site on which the new building will be erected, and also the assay office, about which the gentleman has heard something during his service here, are on the same lot; that an appropriation has been made for remodeling the assay office, and this iron fence is around the assay-office lot, and not around the post-office building. A large portion of the fence has already been removed in order to make improvements on the assay office, which will house post-office officials while the new building is being constructed.

Mr. WILLIS. But the improvement on the building has not yet been started.

Mr. WEBB. Not on the post-office building.

Mr. WILLIS. It says that the contract has not yet been awarded. But this is the more important matter, concerning which I wish to inquire: Is there anything in the bill guaranteeing the Government against any expense?

Mr. WEBB. There is nothing in the bill that imposes any expense on the Government.

Mr. WILLIS. I call attention to the recommendation of the Treasury Department in the last paragraph of the letter:

The department will interpose no objection to the legislation proposed by this bill, provided all repairs incident to the removal of the fence be made, and the grounds left in good condition, and that this work be done without expense to the Government.

The Secretary says that this removal should be made without any expense whatever to the Government.

That is not provided for in the bill, and consequently it does not meet with the recommendation of the Secretary.

Mr. WEBB. The committee considered that point, and they were of the opinion that the bill does not authorize any expense on the part of the Government, and therefore nobody would be allowed to incur any expense on the part of the Government. A portion of the fence has already been removed, and is going to rust and decay. There is nothing to do but to haul it out in the country and set it up around the Craighill Cemetery.

Mr. WILLIS. I am in hearty sympathy with the patriotic purpose of the bill, and I have no objection to taking the fence away if there will be no expense incurred on the part of the Government. The ground will not be left in good condition, and that expense will fall on the Government.

Mr. WEBB. I can assure the gentleman that unless the patriotic women who ask for the fence—the Mecklenburg Declaration of Independence Chapter—are willing to incur the expense it will not be taken away at Government expense.

Mr. WILLIS. Will the gentleman object to an amendment providing that the work shall be done without expense to the Government? If such an amendment would be acceptable, I should withdraw all objection to the bill as I think its object is patriotic and proper.

Mr. WEBB. No; that was suggested in the committee, but it was not thought necessary.

Mr. MANN. Will the gentleman yield for an amendment?

Mr. WEBB. Yes.

Mr. MANN. An amendment providing that without expense to the United States the ground shall be left in good condition upon the removal of the fence, including any proper and incidental repairs?

Mr. WEBB. I have no objection, because that is exactly what the Daughters of the American Revolution propose to do.

Mr. WILLIS. In view of the gentleman's statement, I shall not object.

The SPEAKER. Is there objection to the consideration of the bill? [After a pause.] The Chair hears none.

Mr. WEBB. Mr. Speaker, I ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. MANN. Mr. Speaker, I offer the following amendment.

The Clerk read as follows:

At the end of the bill insert the following:

"*Provided*, That without expense to the United States the ground shall be left in good condition upon the removal of the fence, including any proper and incidental repairs."

Mr. WEBB. I want to say to my friend from Illinois that the Government will have to remove the fence in order to build the building.

Mr. MANN. That would not impose any additional expense on the Government.

The SPEAKER. The question is on the amendment offered by the gentleman from Illinois.

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. WEBB, a motion to reconsider the vote whereby the bill was passed was laid on the table.

CRATER BATTLE FIELD.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 13923) authorizing and directing the Secretary of War to appoint a commission to designate, define, and survey the battle field of the Crater at Petersburg, Va., and to collect certain data concerning the same, and make report thereupon.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War is hereby authorized and directed to appoint a commission consisting of three Army officers, or as many thereof as may be necessary, to survey, ascertain, and define the battle field near Petersburg, Va., known as the Crater farm, where the memorable engagement between the Federal and Confederate Armies occurred on July 30, 1864.

SEC. 2. That the said commission shall report upon the advisability and feasibility of the acquirement by the United States Government of the land on which this battle was fought, consisting of about 100 acres, for the purpose of preserving the same as a memorial of the war, a suitable site for the erection of monuments, and as a professional study for the military student; and in this connection said commission is authorized to ascertain and report what would be the probable cost of acquiring this property and the preservation of it as aforesaid.

SEC. 3. That to enable the Secretary of War to carry out the purposes of this act and to defray any expenses incurred by the commission in the performance of the duties hereby directed the sum of $1,000, or such portion thereof as may be necessary, is hereby appropriated, out of any money in the Treasury not otherwise appropriated, to be expended under the authority of the Secretary of War.

With the following committee amendments:

Strike out all after the enacting clause and insert: "That the Secretary of War is hereby authorized and directed to inquire into and report to Congress upon the advisability and practicability of purchasing the land near Petersburg, Va., containing 100 acres, more or less, known as the Crater farm, and preserving the same as a suitable memorial of the Civil War, a site for the erection of monuments, a professional study for the military student, and other public uses."

Amend the title so as to read: "A bill authorizing and directing the Secretary of War to inquire into and make report upon the advisability and practicability of purchasing the Crater farm, near Petersburg, Va."

The SPEAKER. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, I will say to the gentleman from Virginia [Mr. WATSON] that he will have to give very good reasons for asking us to pass by unanimous consent any proposition designed to purchase a battle field. We have had so many of these matters up since I have been in the House that I do not know where we will stop when we begin to consider them favorably. I tried for a long time myself to get the Congress to buy Appomattox field, but nay, nay; and I guess those who objected to it were right.

Mr. WATSON. Mr. Speaker, I will say to the gentleman from Illinois [Mr. MANN] that the motive underlying this proposition comes from the frequently expressed desires of the sol-

diers of the late Federal armies who were associated with this locality during the last year of the war. Many of the Grand Army of the Republic camps in Pennsylvania and Massachusetts have passed resolutions asking that steps be taken to secure this property, so that they may erect thereupon suitable monuments, and for other purposes, to commemorate their services at that period of the war. The land especially in contemplation embraces about 90 acres. It happens to be in the possession of the same family who owned it 50 years ago. The family contemplates a removal, and thus the property for the first time is available for purchase. These gentlemen from the North, who have already erected a considerable number of monuments in that locality, have been put to the necessity of acquiring private property for that purpose. In some instances these monuments have been practically buried in the woods. It is considered by the people interested in the proposition—and they are chiefly soldiers of the late Federal and Confederate Armies—that a suitable memorial site whereupon their monuments could be erected would be a most desirable acquisition.

I doubt, Mr. Speaker, if a proposition of this character has ever before been presented to Congress so entirely free of selfish and commercial aims, and resting as this one does altogether upon grounds of sentiment and public utility. This farm lies perhaps one-half mile from the corporate limits of the city of Petersburg. I have every reason to suppose that it can be acquired for a reasonable price, and when I say a reasonable price, I do not mean a price that would sound large even to the gentleman from Illinois. Mr. Speaker, it would be within historical limits to say that, perhaps, this spot which it is sought to have the Government acquire is associated in the personal recollection of more soldiers of both sides in the late Civil War than any other spot on the Continent of America. I think it would be fair to say that in the neighborhood of 300,000 soldiers had direct personal association with this particular locality during the last year of the war. The Crater happens to have been the site of a very unique and spectacular engagement which occurred during the war, in many respects the most unique of the entire struggle. I do not believe that a single spot on the American Continent is personally remembered by so many soldiers as the battle field of the Crater. These are, of course, only sentimental considerations. The bill does not require that the Government acquire anything. It does not carry the appropriation of a cent of public money.

Mr. GOULDEN. Mr. Speaker, will the gentleman yield?

Mr. WATSON. Yes.

Mr. GOULDEN. What is the gentleman's estimate of the cost, should we desire to acquire this, for the purposes mentioned, which I think are very praiseworthy.

Mr. WATSON. My information is that the whole property, which would include the battle field of over 90 acres and an adjoining 10 acres containing interesting breastworks of the contending armies, could be acquired inside of $30,000, the whole within a mile of the corporate limits of Petersburg. The bill does not propose to pay anybody anything or appropriate a dollar of public money at this time. It simply provides that the Secretary of War shall investigate and report to Congress the exact data and information which the gentleman from New York asks for. I can not see that any harm could come from the passage of the bill, and I sincerely hope that the gentleman will allow it to pass without objection.

Mr. MANN. Mr. Speaker, there are a great many of these propositions all of the time. The Government is engaged in giving away property which it owns, and gentlemen are always seeking to have it buy property which somebody else owns, and they usually make out a possible case, and perhaps often it ought to be done. But it is impossible for the Government to own all of the battle fields, improve them, and take care of them, and in recent years the Congress has not done so. Perhaps we have been too careful about it, but we own a number of very handsome and very creditable battle fields. We would not want to own simply 90 acres. Ninety acres would be just the beginning. If we owned a hundred acres there, we would soon own 1,000 acres and more, and we would need to do that.

Mr. WATSON. I will state to the gentleman that it would be impossible for him to get a thousand acres at this particular site, as these hundred acres embrace all the available and suitable area for the purpose named in the bill in that particular locality.

Mr. MANN. In any other direction but one—it is not important; it does not make any difference. At Gettysburg we take in the town of Gettysburg and everything around it.

Mr. WATSON. I will say that there is nothing which requires the Government to buy 90 acres or 10 acres or any number of acres. This bill simply directs an investigation and report.

Mr. MANN. I understand there is nothing to require the Government to buy it as yet, but it is much easier to stop these things at the beginning than it is to wait until they become of great force. Of course I have great respect for the Confederate camps and the Grand Army of the Republic camps, but one man can start the ball rolling and get resolutions passed by 100 or 50 of them without wasting anything more than that many 2-cent postage stamps.

Mr. WATSON. Mr. Speaker——

Mr. MANN. Although probably they look at it from that point of view. I have no criticism of them for it.

Mr. WATSON. Mr. Speaker, if the gentleman will allow me to tell him——

Mr. MANN. Certainly.

Mr. WATSON. That this proposition may be said to have originated among ex-Union soldiers in Pennsylvania and Massachusetts. It did not originate at Petersburg, although it has the cordial support of all its people.

Mr. MANN. Oh, the beginning of nearly every proposition of this kind is that some one person fairly well informed, half asleep on Sunday morning in church, not listening to the sermon, happens to think it is a brilliant idea and starts it in action and it just rolls along. Nobody else gives it much consideration. They just adopt it because that is the easiest way to do; but when people offer to pay money themselves for something, they think about it. It does not take a very generous man anywhere in the world to ask his neighbor to treat his neighbor's children well and give them a good education, fine clothes, and everything else of the sort. Generosity comes when you offer to do it yourself, and everywhere people are quite willing to have any expense borne by the National Treasury because they delude themselves with the notion that we make money by printing it, and it does not cost anybody anything.

Mr. WILLIS. Will the gentleman yield for one question? I desire to ask the gentleman from Virginia if he knows how many States have erected monuments in this vicinity or are proposing so to do? How many have already erected monuments?

Mr. WATSON. One State has erected a monument there upon this property by the owner's consent.

Mr. WILLIS. What State?

Mr. WATSON. It is the State of Massachusetts, I think. The State of Pennsylvania has erected a monument there close by, but not upon the property. In all I think there are three monuments to ex-Union soldiers in close proximity to the tract of land in question.

Mr. WILLIS. How large an area is covered by this famous crater? I never had an opportunity of visiting this historic battle field.

Mr. WATSON. The farm which embraces the breastworks which were involved in this particular engagement and the mine which was sunk comprises about 90 acres of land. The whole tract has been preserved intact and is now occupied by the same family who owned it 50 years ago.

Mr. WILLIS. Personally I am in favor of this bill. Because of the unique features connected with this battle ground, does the gentleman think it likely that there will be requests for purchase at other places in this vicinity than at this particular point? If this is to be the only site to be purchased in all this great historic battle field, it seems to me that fact is an argument in favor of this bill.

Mr. WATSON. I can say to the gentleman that the territory embraced within this area comprises everything within the present contemplation of those interested in this project.

The SPEAKER. Is there objection?

Mr. NORTON. Reserving the right to object, does the gentleman know whether any of this Crater farm has been purchased by any State or by any organization for the purpose of using it as a cemetery or a place for erecting monuments?

Mr. WATSON. The monument which is already located on the land was located by the consent of the owner. There was no purchase price paid. On the contiguous plantation, where two other monuments have been erected, I think by Pennsylvania organizations, the site, I think, was purchased in one case and donated in the other.

Mr. NORTON. Has the city of Petersburg or the State of Virginia been interested sufficiently in this Crater farm at any time to purchase any part of it?

Mr. WATSON. What does the gentleman mean by acquiring title to any part? I do not think a foot of it has been owned

by anyone except the original owners, who have held it since the war.

Mr. NORTON. There has been no movement in Virginia by its citizens to purchase the Crater farm?

Mr. WATSON. It has not been offered for sale until within the last six months.

The SPEAKER. Is there objection?

Mr. MANN. I object.

The SPEAKER. The gentleman from Illinois objects, and the bill is stricken from the calendar.

BRIDGE ACROSS ST. FRANCIS RIVER, ARK.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 17825) to authorize the construction, maintenance, and operation of a bridge across the St. Francis River at or near St. Francis, Ark.

The bill was read, as follows:

Be it enacted, etc., That the county of Clay, a corporation organized and existing under the laws of the State of Arkansas, and the county of Dunklin, a corporation organized and existing under the laws of the State of Missouri, their successors and assigns, be, and they are hereby, authorized to construct, maintain, and operate a bridge and approaches thereto across the St. Francis River, at or near St. Francis, Ark., at a point suitable to the interests of navigation, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The SPEAKER. Is there objection to the consideration of the bill?

There was no objection.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. ADAMSON, a motion to reconsider the vote by which the bill was passed was laid on the table.

STEADYING THE WORLD'S PRICE OF THE STAPLES.

Mr. FLOOD of Virginia. Mr. Speaker, I move to suspend the rules and pass House joint resolution 311.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

Joint resolution (H. J. Res. 311) instructing American delegate to the International Institute of Agriculture to present to the permanent committee for action at the general assembly in 1915 certain resolutions.

Resolved, etc., That in accordance with the authority of letter (f) of article 9 of the treaty establishing the institute, which provides that it shall "submit to the approval of the Governments, if there be need, measures for the protection of the common interests of farmers," the American delegate to the International Institute of Agriculture is hereby instructed to present (during the 1914 fall sessions) to the permanent committee the following resolutions, to the end that they may be submitted for action at the general assembly in 1915, so as to permit the proposed conference to be held in Rome during the fortnight preceding the session of the general assembly of the institute in 1917:

"RESOLUTIONS.

"The general assembly instructs the International Institute of Agriculture to invite the adhering Governments to participate in an international conference on the subject of steadying the world's price of the staples.

"This conference shall consist of members appointed by each of the Governments adhering to the institute, and is to consider the advisability of formulating a convention for the establishment of a permanent international commerce commission on merchant marine and on ocean freight rates with consultative, deliberative, and advisory powers.

"Said conference to be held in Rome during the fortnight preceding the session of the general assembly of the institute in 1917."

The SPEAKER. Is a second demanded?

Mr. MANN. I demand a second.

Mr. FLOOD of Virginia. Mr. Speaker, I ask unanimous consent that a second may be considered as ordered.

The SPEAKER. Is there objection?

Mr. MANN. I object.

The SPEAKER. The gentleman from Illinois objects. The Chair appoints the gentleman from Virginia [Mr. FLOOD] and the gentleman from Illinois [Mr. MANN] as tellers.

The House divided.

The SPEAKER. The tellers report that on this vote the ayes are 73 and noes none. So a second is ordered.

Mr. MANN. Mr. Speaker, I think there ought to be more than 73 Members in the House. I make the point of order there is no quorum present.

The SPEAKER. The gentleman makes the point of order that there is no quorum present, and evidently there is not.

Mr. GARNER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. GARNER. Is there any question before the House?

The SPEAKER. A motion to suspend the rules is before the House.

Mr. GARNER. Was the House dividing on the question, so that there is no necessity for a call of the House? It seems to me it is an automatic call.

Mr. HEFLIN. The Speaker had not announced the result.

The SPEAKER. It does not make any difference about the result.

Mr. MANN. I did not make the point of no quorum in objecting to the second at all.

The SPEAKER. Did not the gentleman make the point of no quorum?

Mr. MANN. I made a point of no quorum, but I had no objection.

Mr. GARNER. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The SPEAKER. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Adair	Elder	Kiess, Pa.	Post
Aiken	Esch	Kindel	Powers
Ainey	Estopinal	Kinkaid, Nebr.	Prouty
Ansberry	Fairchild	Knowland, J. R.	Ragsdale
Anthony	Faison	Korbly	Rainey
Aswell	Farr	Kreider	Reilly, Conn.
Austin	Fess	Lee, Ga.	Riordan
Bartholdt	Fitzgerald	L'Engle	Roberts, Mass.
Bartlett	Fowler	Lenroot	Rothermel
Bathrick	Frear	Lever	Sabath
Bell, Ga.	Gardner	Levy	Scully
Broussard	Garrett, Tex.	Lewis, Pa.	Sells
Brown, N. Y.	George	Lindquist	Shackleford
Brown, W. Va.	Gillett	Lobeck	Sherley
Browne, Wis.	Gittins	Loft	Smith, Md.
Browning	Godwin, N. C.	McGillicuddy	Smith, N. Y.
Brumbaugh	Goeke	Mahan	Steenerson
Byrnes, S. C.	Goldfogle	Maher	Stevens, N. H.
Calder	Gordon	Martin	Stringer
Candler, Miss.	Gorman	Merritt	Switzer
Cantor	Graham, Ill.	Metz	Talbott, Md.
Cantrill	Graham, Pa.	Montague	Taylor, Ala.
Carew	Griest	Morin	Townsend
Carr	Guernsey	Moss, W. Va.	Treadway
Carter	Hamilton, N. Y.	Mott	Tuttle
Cary	Hardwick	Mulkey	Underhill
Chandler, N. Y.	Hart	Murdock	Vare
Church	Hay	Neely, W. Va.	Vollmer
Claypool	Hensley	Nelson	Walker
Coady	Hill	Oglesby	Wallin
Copley	Hinds	O'Hair	Watkins
Covington	Hoxworth	O'Shaunessy	Whitacre
Crisp	Hughes, W. Va.	Palmer	Wilson, Fla.
Danforth	Humphreys, Miss.	Parker	Wilson, N. Y.
Dixon	Jones	Patton, Pa.	Winslow
Dooling	Keister	Payne	Woodruff
Dunn	Kelley, Mich.	Peters	Woods
Eagle	Kent	Plumley	

The SPEAKER. On this vote 280 Members have responded—a quorum.

Mr. FLOOD of Virginia. Mr. Speaker, I move that further proceedings under the call be dispensed with.

The motion was agreed to.

The SPEAKER. The Doorkeeper will open the doors. A quorum is present, and the gentleman from Virginia [Mr. FLOOD] is recognized for 20 minutes and the gentleman from Illinois [Mr. MANN] for 20 minutes.

[Mr. FLOOD of Virginia addressed the House. See Appendix.]

Mr. FLOOD of Virginia. Mr. Speaker, I yield 10 minutes to the gentleman from Arkansas [Mr. GOODWIN].

The SPEAKER. The gentleman from Arkansas [Mr. GOODWIN] is recognized for 10 minutes.

Mr. GOODWIN of Arkansas. Mr. Speaker, the International Institute of Agriculture is a Government institution, having its seat permanently at Rome, Italy. It is supported by a treaty between 54 adhering Governments, including the United States.

The purpose of this resolution is to instruct the American delegate to that institute, Mr. David Lubin, to invite a conference of the adhering Governments to consider the question of creating finally an international commerce commission for the control of freight rates on the high seas. Hearings were had last year by the Committee on the Merchant Marine and Fisheries, of which the gentleman from Missouri [Mr. ALEXANDER] is chairman, and those hearings consist of four volumes, covering a voluminous report, showing that there is a great shipping trust in control of ocean freight rates. A similar report was made by the Royal Commission of England, consisting of two large volumes. Another report was made by the Canadian commission, consisting, I believe, of three volumes. All those reports show indubitably that there exists throughout the world a great shipping trust controlling ocean freight

rates, and that these rates have increased from 100 to 200 per cent within the past two years.

It was shown in the hearings had before the Committee on Foreign Affairs that of the total freight carried overseas, excluding mail and passenger traffic, only two-ninths consist of package freight or articles of manufacture; that the other seven-ninths consist largely of agricultural products. The testimony adduced by these commissions, as well as by other investigators, reflects the further fact that upon all package traffic in manufactured articles the ship carrier is required to give from 30 to 60 days' notice of any change of freight for the purpose of making stable the freight rate. The evidence further shows that upon agricultural or staple products no notice at all is required, but that the carrier—the shipowner—arbitrarily changes his rates not only from day to day, but from hour to hour, thus making unstable all freight traffic upon the staples or agricultural products.

The grower of agricultural products receives so much for his products, less the cost of transportation.

Mr. CALLAWAY. Mr. Speaker, will the gentleman yield?

The SPEAKER. Does the gentleman from Arkansas yield to the gentleman from Texas?

Mr. GOODWIN of Arkansas. I have only a few minutes, but I will yield to the gentleman.

Mr. CALLAWAY. I understand that there is a bill coming in here appropriating $25,000,000 to enable the Government to buy ships and go into the shipping business itself. It will steady the freight rates when it does that, will it not?

Mr. GOODWIN of Arkansas. Oh, the Government of the United States might spend $100,000,000, Mr. Speaker, in the purchase of ships, and then "Uncle Sam" would not control the shipping interests of the world. The ships that may be bought for this $25,000,000 would be but a small segment in the great circle of the world's commerce.

Mr. CALLAWAY. The gentleman will understand, whatever the rate is, that it will tend to steady the other rates and bring all to a level that we set with our $25,000,000 worth of ships?

Mr. GOODWIN of Arkansas. That $25,000,000 worth of ships bought by this Government would not steady rates, nor do I understand it would pretend to steady rates. I do not know whether the gentleman is opposed to this resolution or not.

Mr. CALLAWAY. I was asking a question. I am not indicating my position on the bill.

Mr. GOODWIN of Arkansas. Mr. Speaker, inasmuch as my time is quite limited, with due deference to my friend from Texas, I do not care to be further interrupted.

The world's price of the staples of agriculture is controlled at the point of export. This year's American crop of wheat will exceed possibly 900,000,000 bushels. It has been shown that if the cost of the transportation of wheat across the seas is but 1 cent per bushel, at that rate it would be $9,000,000. If it were 25 cents a bushel it would be $225,000,000. The evidence taken by the commissions, as well as by the Committee on Foreign Affairs, as testified to by Mr. Lubin, the American delegate to the International Institute of Agriculture, shows that from time to time bulk traffic, such as wheat and cotton, may be carried gratis for the reason that when a ship is under orders to sail, the ship must sail upon a certain day and upon a certain hour.

If that ship be lacking in ballast she must have ballast or else she will turn turtle. Therefore, a ship to-day may carry a cargo of wheat or of cotton without any charge whatever. As to cotton, it happens very infrequently, as compared to the number of cargoes of wheat that are carried gratis. Not that the shipowners are philanthropists or accustomed to giving alms to the shipper, but for the purpose of running out of business the independent steamers and ships that are not owned by the Shipping Trust.

If wheat is $1 per bushel in Liverpool, the quotation is made to all markets of the world that wheat is $1. If the price of carrying that wheat across the sea is 25 cents per bushel, the producer of that wheat receives not $1 for his wheat in New York or in Chicago or any other export point, but $1 less 25 cents. If the price of cotton, for instance, in Liverpool be 15 cents a pound, the producer of cotton will not receive 15 cents a pound for his cotton exported from New York, New Orleans, or Galveston, but he will receive so much less the cost of transportation, because the quotation mark means the price at the place of delivery, in Liverpool or in London. The great agricultural products of the world are not sold like package traffic, are not sold like boots and shoes, and typewriters, and other manufactured products. The great agricultural products of the world are sold upon the exchanges. They are sold in the pit, they are sold upon the bourse; and these prices are telegraphed, are megaphoned, so to speak, throughout all corners of the earth. They change from day to day, whereas the products of manufacture, not bulk traffic, but package traffic, are not thus sold. They are bartered and sold in private. The manufacturer sells to the jobber, and the jobber sells to the retail merchant.

The retail merchant sells to his customer, and the carriage price of shoes may change across the high seas, but if so, notice of from 30 to 60 days must be given whether the price is to be raised or lowered, for the reason that the manufacturer can not figure the cost of his goods with pencil and paper unless he knows the exact cost of transportation. But the producer of agricultural products has no knowledge to-day what the price of the carriage of his wheat, his corn, or his cotton may be to-morrow. Therefore he may say that whereas wheat is worth $1 to-day in Liverpool, and the cost of carriage to-day across the seas be 1 cent a bushel, to-morrow it may be also $1 per bushel in Liverpool, but the carriage across seas to-morrow may be 25 cents per bushel. So he is at last and finally at the mercy and subject to the whim and caprice and arbitrary will of the carrier—the shipowner. [Applause.]

Manufactured goods or package traffic and agricultural products or staples, as they are called, are never placed upon the same footing as regards the prices that the producer may finally receive, for the reason, as stated a moment ago, that whereas manufactured goods are sold in private by dealing with the individual, and the price does not necessarily become established, but may change with the next order or sale. But with agricultural products the rule is different. These products being sold upon the exchange, in the pit, or on the bourse, the prices quoted are made throughout the world, and every bushel of wheat and of corn and every bale of cotton is controlled by the quotation. Prices on manufactured goods, as well as freight traffic on same, are fairly stable and change but little from week to week or month to month, as one transaction does not necessarily affect hundreds of thousands of other transactions made at the same moment in all parts of the world, whereas quotations on agricultural products, changing from day to day or from hour to hour, are not only affected in all parts of the world alike, but are doubly affected by the instability and uncertainty of freight rates on same, which the evidence shows vary not only from day to day but from hour to hour.

The home market on agricultural products is affected not merely by the market quotation but by the transportation charge as well. So it happens that the merchant, the wholesaler, the manufacturer may figure with pencil and paper to a nicety, to a certainty the cost of his goods laid down, but the grower of agricultural products, not having a fixed charge, not knowing the value of his products from day to day or the cost of carriage on same, is unable to even approximate with pencil and paper the price he is to receive for the output of his toil. The broker or commission merchant who may handle the staples of agriculture, likewise uncertain as to the cost or carriage, discounts the price at the maximum charge in order to come out safe and whole, while the cost upon some of his transactions may be the minimum and not the maximum; so the grower of agricultural products is caught by the broker or the commission man when this happens to be the case. And when, perchance, the ship carrier transports a cargo of wheat, cotton, or corn without charge for transportation the man who grows these products is not benefited by this free transportation, and the world may be challenged to show that he is benefited thereby, for the reason that agricultural products being sold upon the exchange are bought by the foreign purchaser not from the man who grows the cotton or the corn, for he sells not direct to the foreign purchaser, but in the meantime these articles from the farm have changed hands once or twice and are bought from the elevator man, who may have millions of bushels of wheat stored away, or from the cotton factors or commission merchants, who may have many thousands of bales of cotton bought or become agents for cotton grown by the farmers, and if a cargo of cotton or wheat is occasionally carried across the seas without charge the buyer abroad in London, Liverpool, Berlin, or Paris does not deal directly with the producer of these products but with the man at the point of export—Galveston, New Orleans, New York. So, after all, I repeat, if occasionally a cargo of agricultural products be carried free of charge the producer of these products, the man whose labor and investments have been expended to bring them into the world, does not become the beneficiary of this occasional free transportation for the additional reason that the merchant or cotton factor or elevator man deducts from the farmer when the purchase is made, not the minimum, but the maximum charge for transportation. There-

fore the growers of agricultural products should be placed and desire to be placed in the same condition as his neighbor, the manufacturer, the wholesaler, the commission man, or the merchant, as regards stability of transportation over the seas.

In other words, Mr. Speaker, the object of this resolution, which I have the honor to report favorably from the Committee on Foreign Affairs, has for its ultimate aim, through certain channels, the processes to be initiated by the International Institute of Agriculture, the creation finally of an international commerce commission for the stabilizing of ocean freight, as set forth in resolution No. 311

It is strange, indeed, Mr. Speaker, that the great agricultural interests of the country have not been aroused to the importance of this question and the seeming lack of knowledge of the discrimination and injustice dealt to them in the way of ocean freight rates, but they are just now becoming aware of the importance of this question, and if the agricultural people in the great countries of the world demand, as they should, their rights to see that they are placed upon the same footing as the manufacturers and those who deal in package traffic, the consummation of this idea, which is the dream of Mr. Lubin, the father of the International Institute of Agriculture, will be realized.

How, it may be asked, has this discrimination between the manufacturer on the one hand and the agricultural producer on the other been brought about? Why, sir, does the ship carrier give from 30 to 60 days' notice of a change in freight rates to the manufacturer or importer of package traffic, thus stabilizing his freights, which are but two-ninths of the over-sea traffic, but arbitrarily, and without warning or notice, changes the ocean rates, not only daily, but hourly if necessary, on agricultural or staple products, which amount to seven-ninths of ocean traffic, excluding mail and passengers? I will tell you why. The manufacturers and importers are powerful men financially. They are well organized, are within easy touch and communication, reside in cities and other centers of population, their aggregate wealth and influence being beyond the realm of approximation, and if ocean freight rates were not stable on package traffic and if the carrier should change his freight rates arbitrarily on such traffic, as he does upon the staples of agriculture, a great howl would go up—yea, the tumult would be thunderous, and the ship carriers would be bombarded by this organized craft of business men until the ship carrier would be forced to meet their demands, the very order that obtains to-day, which brings stability in ocean freights on package traffic.

But the farmers are not thus organized. They have not the same means of business intercourse or intercommunication. Scattered here and there, unorganized, disorganized, they sell that which they produce not in concert but individually and at random. But they are waking up, as was evidenced by the appearance before our committee of Mr. William T. Creasy, master of the Pennsylvania State Grange, and Mr. George P. Hampton, the representative in Washington of the State granges of eight of the large agricultural States. This proposition is also highly indorsed by Mr. H. S. Mobley, president of the Farmers' Union of Arkansas, who was in Washington for 10 days recently. This Government is confronted with many great problems—yea, too numerous to mention. Some of these may be shown by the demands and platforms of political conventions. I do not underrate the importance of many of these, but the supreme question of the hour—the vital question that goes to the heart and the home of every producer whose individual toil enters into the price of his output—is the justice, the equity of exchange, and none so much as the equity in the exchange of agricultural products.

Let us break the chains that manacle the arms and shackle the feet of those who feed and clothe the world.

I desire at this point, Mr. Speaker, to quote from the testimony of Mr. Lubin, before the Committee on Foreign Affairs, the following:

Mr. LUBIN. Of course, if there is no truth in the statements set forth here—if there is no truth in the four volumes of the report gotten up by the Committee on the Merchant Marine and Fisheries—if there is no truth in the statements gotten up by the British Board, by the royal commission, then of course there is nothing before this committee, and we ought to adjourn. We would then be wasting time. But if there is truth in the statements set forth, then there can be no objection to a deliberative, consultative, and advisory body. And it should be a permanent organization, of course. Otherwise a mere conference would do no more good than the conference held here if it adjourned to-morrow and did nothing. But a permanent body framed like that of the International Institute of Agriculture, with delegates who would have special knowledge of the subject, delegates consisting of members of the different countries of the world together with the representatives of the shipowners, by holding public hearings, would reach the people everywhere, and we would soon know the equities in the case, and what ought to be done, and so forth.

The question before us is not unimportant. I doubt whether the war that is being carried on to-day by all the great European powers is of any more importance than the question before us. But it is an obscure one. If it had not been so obscure it would have been put before the people long ago. Civilization is not asleep—that which goes to make civilization. We have evidence of that in this watch [showing watch]. Some of the best minds of the world have been at work and have made us the watch. It was not long ago that the King of England had a candle with stripes around it, red, brown, blue, etc., and when it burned down to such a mark it was such o'clock. That was the clock, and we have worked from the painted candle up to the watch. And from the remarkable blanke of the Indian we have come to the Jacquard loom These things, of course, we need not talk of here. We know of the wonders, the Godlike wonders, in the power of development of man.

But when we come to the chief of all things, the primary things, the first things, the domain of exchange between man and man, the alpha of human ken seems to be awfully clumsy, not much nearer to the true line than the clumsy Indian. It is strange, but it is a fact.

We find in the domain of exchange—and, by the way, if the Bible teaches anything it teaches equity in exchange. It does not teach, as some would have it, that religion means a little lady or gentleman floating around in the sky with mosquito-bar clothes on. The old prophets never spoke of any such thing as that; Jesus never spoke of any such thing as that. That is idolatry. What they spoke about was equity here in exchange, that is all. And we have missed that and have gone off to idolatry and we haven't got equity in exchange at all. How curious it is that members of our chambers of commerce will work tooth and nail with all their power in the interest of trade on the importation and exportation of neckties and boot blacking and clothing and skirts and typewriters. But where are their efforts of equity in exchange, so far as the food products of the people are concerned, the food that must go to feed this Nation, and more yet, the great family of 1,800,000,000 people—the men, women, and children of the world? The equities in the exchange of these products are in such primitive shape that we could not excuse ourselves if an intelligent man from Mars came down here to-day and said, "Gentlemen, show me an example of your civilization." And the very first thing he would touch upon would be the equities in the exchange of the staples—the food products of the people and the raw material for their clothes. The very first thing he would touch upon would be the exchange of these things, and he would find it crude, clumsy, wasteful, and unjust. Our Jacquard looms, our electric lights, our science, our philosophy, and our religion would be waived aside for the moment, and he would consider the weightier questions—the equities in the exchange of the food products. This would be the scale that he would weigh us in, and in this scale would we not be found wanting?

Bring before your committee the presidents of the chambers of commerce and of your boards of trade, and the masters of economics, and ask them to defend the present system in the exchange of the staples—the food products of the people of the world and the raw material for their clothes. Ask them whether there is equity in this exchange. And what will be their answer? They could not say yes, unless they lied. And yet what are the chambers of commerce for? How have they spoken in the four volumes published here by your committee? They have not touched upon the equities of this question at all that I can see. And are they not censurable for this neglect of what is clearly the duty of a chamber of commerce and of an economist?

Now, let us get to the whole proposition, because we have not time for an extended speech.

With the power of mind and judgment and skill as shown in these four volumes of your committee, the work of the chambers of commerce, the work of our economists, we should know the laws governing the equities in exchange. And in what direction do they lead us? This, that the fellow that exports neckties and typewriters and shoe blacking, to him is given their whole power and energy, whatever power they possess. This goes into giving these people the equity. What about the equities in exchange of the staples of agriculture? We see that shoe blacking and typewriters, shirts and hats, have fixed rates for ocean carriage, with 30 or 60 days' notice of change from their fixed rates. But the staples of agriculture have no fixed rates whatever. Their rates are fixed from "day to day or hour to hour."

I desire to quote further from Mr. Lubin, whose great mind conceived not only the importance of establishing an international institute of agriculture but for the final deliverance from bondage of the great masses of the people who by their toil feed and clothe the world. When the names of many men now in public life shall have been forgotten, that of Mr. David Lubin will be remembered in the hearts of men of all time for his unselfish and altruistic work in behalf of that class of people who have not been in the minds of most men who legislate in the parliaments of earth. Speaking of the discrimination between those who toil and are not remembered and those who speculate upon the labors of their fellows who toil, Mr. Lubin has this to say:

From the facts elicited at these inquiries it would seem as though there are "godfathers," so to speak, on the lookout for all the interests involved, excepting for those of the staples. There is a godfather for iron, the Steel Trust; a godfather for agricultural implements, the Harvester Trust; a godfather for oils, the Standard Oil Trust; there is a godfather for the carriers, the shipping rings; a godfather for the commission men and the dealers handling the "package traffic," the chamber of commerce and the board of trade; but there is no godfather for the staples of agriculture, no godfather to represent the interests of the producer and of the consumer.

But the question arises: Would it have made any practical difference to the outcome if the interests of the producer and of the consumer had been represented at these inquiries? Let us see.

It seems to me that no matter how competent the testimony offered by a body representing the farmers or the consumers, no matter how honest the committee before which such testimony would be given, no matter how able the proposals for legislation which that committee might draft, it would all be ineffective unless the evidence given indicated the international bearing of the subject and unless the findings deduced therefrom recommended action on international lines. So long as the findings would fail to recommend international action they

must necessarily fall short of applying adequate means to the ends in view. That this is worthy of serious consideration will be apparent from the following:

In the case of "package traffic" the terms and conditions of ocean carriage mainly concern the carrier, the shipper, and the dealer. In the case of "bulk traffic" the traffice in the staples of agriculture, the terms and conditions of ocean carriage, concern the economic welfare of the people everywhere.

To illustrate: Under "package traffic," whether the rate on shipments of shoes or cutlery, for instance, be too low or too high, whether it be fixed or whether it fluctuate, whether the conditions be advantageous or disadvantageous, affects the carrier, the shipper, and the dealer.

But with "bulk traffic" the case is different. In the carriage of the staples of agriculture, whether the rate be too low or too high, whether it be fixed or whether it fluctuate, whether the conditions be advantageous or disadvantageous, concerns not merely the carrier, the shipper, and the dealer, but it concerns the economic condition of the people everywhere, as will be shown further on.

At this time it would be well to bear in mind that while, on the one hand, "package traffic" comprises that class of merchandise which is bought and sold by private purchase and sale, by private contract, "bulk traffic," on the other hand, comprises, in the main, the staples of agriculture which are bought and sold in the world's bourses and exchanges at the world's price.

And what do we mean when we say the "world's price?"

We mean the price that is tendered and accepted in the world's bourses and exchanges, which we might call the world's auction rooms.

And how is this price arrived at?

The first factor in arriving at the world's price is the prevailing opinion as to the state of the world's supply. If the supply be above the normal, the price is expected to fall below the normal; if the supply be below the normal, the price is expected to rise above the normal.

By "supply" we do not mean the quantity produced or available in any one locality, in any one country; we mean the total world's supply. The supply in any given State may be above the normal, and yet if, at the same time, it be below the normal for the world, the price in that State should, nevertheless, be high. Or, vice versa, the supply in a given State may be below the normal, yet if the world's supply be above the normal the price in that State should be low.

But the supply is by no means the only factor in the formation of the world's price. There is another factor, and an important one, the cost of ocean carriage. If the average cost of ocean carriage be above the normal, it should correspondingly reduce the price paid to the producer below the normal. And, on the contrary, if the average cost of ocean carriage be below the normal it should correspondingly raise the price paid to the producer above the normal.

Therefore, calculations on rational lines for arriving at a knowledge of what the world's price ought to be should, first of all, take into consideration the status of the world's supply, and, secondly, the status of the cost of ocean carriage.

If there were fixed rates for ocean carriage of the staples, the Liverpool buyer would be able to make offers for given quantities of wheat, for instance, on a basis of rational calculations. But let us take the case as it stands at present. A shipper at Buenos Aires receives an order for wheat to be delivered in Liverpool at the ruling world's price, at, say, $1 a bushel; how much should he pay for that wheat at Buenos Aires? If the cost of delivery is, say, 10 cents a bushel, the world's price should then be 90 cents a bushel in Buenos Aires. If the cost of delivery is 30 cents, the world's price in Buenos Aires should then be 70 cents. But if he is to ship the wheat in 30 or 60 days' time, how is the shipper to tell what the cost of carriage will then be? As the rates for the ocean carriage of the staples are not fixed, how is he to know? He does not know.

As we have seen, the Chamber of Commerce of New York states that wheat is carried at one time free of charge as ballast and at another time at a charge of 10d. and 12d. per bushel; and the San Francisco Chamber of Commerce writes that "rates fluctuate from day to day, and a rate reported to-day might be twice as high or half as low to-morrow." Therefore, the shipper must guess, and so must everyone else guess, so long as rates are unfixed. If the shipper wins on the guess, what he wins comes directly out of the pocket of the producer; if he loses, he tries hard to recoup himself in his next deal, and also out of the producer's pocket.

But this is only the beginning of the mischief. The confusion arising out of the system of unfixed rates for ocean carriage of the staples and the consequent uncertainty in price determining lead to economic evils so far-reaching as to affect the people everywhere.

The SPEAKER. The gentleman from Illinois [Mr. MANN] is recognized for 20 minutes.

Mr. MANN. I yield five minutes to the gentleman from California [Mr. KAHN]

Mr. KAHN. Mr. Speaker, I favor this resolution. The International Institute of Agriculture has already accomplished a splendid purpose. Prior to the time it was organized it was practically impossible to get accurate crop reports of the world from authentic sources. Speculators who wanted to manipulate the markets of the world had agents in different agricultural countries, and these speculators could give out any reports they desired in order to show either an excess of production or a shortage of production of any or all of the great staples of agriculture. There were many people who looked upon the formation of the institute with more or less misgiving; but since it has been founded 54 nations of the world have subscribed to the protocol under which it was organized; and to-day each one of these countries sends official reports every month to Rome, where the headquarters of the institute are located. These reports in turn are sent to every country on earth, and, as a result, the producers and consumers throughout the world know to-day what the authentic crop reports of practically every civilized nation may be.

Now, the question of ocean carriage has much to do with fixing the price of many of these staples that the whole world consumes. At the present time the ocean-carrying freight varies on the staples of agriculture practically from day to day. The manufactured commodities have steady and fixed rates; the various steamship companies have agreements under the terms of which they will not change these latter rates except upon 30 or 60 days' notice to each other. No such agreement holds with regard to corn or wool or cotton or the foodstuffs which the world requires. The consequence is that the producer of these commodities is constantly at the mercy of the ocean carriers so far as the price he gets for his commodity is concerned, because in most instances the price of his commodity is fixed, not in the United States but in some foreign country. And therefore the farmer's price in the United States is the foreign price less the cost of carriage to the foreign port where the world price is made.

It is proposed under the terms of this resolution to allow the American delegate to the International Institute to bring up the question of an international commerce commission before the nations that are subscribers to the institute. This international commerce commission will be organized for the purpose of investigating ocean-carrying freight with the view of regulating the ocean-carrying freight, just as was done in the investigation and regulation of interstate railroad rates by the Interstate Commerce Commission in this country.

When it was first proposed to create the Interstate Commerce Commission it was held by many well-meaning people that it was not a matter that the Government had a right to take up at all. Gradually the decisions of the commission convinced the people of the United States that a good work was being accomplished by that commission, and Congress from time to time has passed additional legislation conferring broader and more extensive power on the Interstate Commerce Commission. I dare say that throughout the country to-day there is a feeling that the formation of that commission was an excellent piece of legislative work. How far the foreign countries will go in taking up and considering this matter we can not say. This resolution, as I understand it, does no more than to authorize the American delegate to present the matter in 1915 informally, and then formal action will be taken by the institute in 1917. Personally I feel the passage of the resolution is a step in the right direction. I recognize the fact that the project may meet with some opposition from the great maritime nations. But I believe many of the abuses that now exist in the ocean-carrying business ought to be regulated. Conditions that allow some of the steamship companies to maintain so-called "fighting" ships, whose purpose is to destroy competition by cutting rates to so low a figure that the competing company is driven from the zone occupied by the company that maintains the "fighting" ships, are highly injurious to the world's shippers. They ought to be eradicated, and the international commerce commission would be an instrument by means of which such conditions could be prevented.

It seems to me that if the ocean carriers can fix a definite rate on "package freight," which is the designation applied to manufactured articles, there is no substantial reason why a fixed rate can not be made on "bulk freight," as the staples of agriculture are designated in the ocean-carrying business. It may be contended that wheat and other grains are sometimes carried as ballast without any charges whatever for the ocean carriage. But while that may be true on some occasions, the great bulk of grain shipments across the water have to pay ocean freight.

And this, it seems to me, is the more essential, the more necessary, because "bulk freight" constitutes seven-ninths of all the merchandise carried on the seas. In other words, the staples of agriculture constitute nearly 78 per cent of all the cargoes carried on the world's great ocean highways. It seems obvious that if fluctuation in the cost of carrying this great mass of agricultural products can be prevented or even controlled, there must be greater certainty and stability in the prices the farmers of the great producing nations will receive for their products. I say, therefore, we are justified in passing this resolution in order that our delegate to the International Institute of Agriculture may endeavor to enlist the interest of the peoples of the world in this great problem.

Reference has been made here to Mr. David Lubin, the United States delegate to the International Institute of Agriculture. I have known him well for many years. He is a citizen of the State of California, where he has resided almost continuously since his boyhood. All his life his ambition has been to serve his fellow men, unselfishly, disinterestedly, earnestly. When the present king of Italy adopted Mr. Loubin's plan for an international institute of agriculture our Government appointed him as its delegate, and he has occupied that

station since the institute was organized. He is an indefatigable worker—a man of tremendous energy and force. He is a student of the great problems that affect the welfare of the agriculturists the world over. He has given this subject of the ocean-carrying trade great thought and study. With the backing of his Government, as expressed in the pending resolution, I do not doubt but that he will be able to present the matter to the representatives of the world's maritime powers in a manner that will challenge their attention. If he can accomplish the object sought by the resolution, his countrymen, and especially the producers of farm products, will owe him an everlasting debt of gratitude.

ADJOURNMENT OVER MONDAY, SEPTEMBER 7.

Mr. BUCHANAN of Illinois. Mr. Speaker, I ask unanimous consent that when the House adjourns on Friday it adjourn to meet the following Tuesday.

The SPEAKER. The gentleman from Illinois asks unanimous consent that when the House adjourns on Friday next it adjourn to meet again on Tuesday.

Mr. UNDERWOOD. Mr. Speaker, reserving the right to object, I will say to the gentleman from Illinois that there are pressing matters that ought to be finished this week. I do not know how long the Alaskan coal bill will take. The situation in Alaska is such that they can not mine the coal out there. With a country full of coal they have to ship it in from other countries. I think it is very important that the bill should get through this week.

On the other hand, next Monday is unanimous-consent day, and I think it is important for the personnel of the House that the day should not be dispensed with. But as far as Labor Day is concerned, I know that a number of gentlemen have made engagements for that day, and I have no disposition to interfere with it, and if it will be satisfactory to the gentleman from Illinois, I would like to have him modify his request and ask that when the House adjourns on Saturday it adjourn to meet on Tuesday, and that the business that will be in order on Monday shall be in order on Tuesday.

Mr. BUCHANAN of Illinois. I will accept that modification.

The SPEAKER. The gentleman from Illinois modifies his request and asks that when the House adjourns on Saturday it adjourn to meet on the next Tuesday, and that on Tuesday the business that would be in order on Monday shall be in order on Tuesday. Is there objection?

Mr. MANN. I object.

Mr. BUCHANAN of Illinois. Mr. Speaker, I want to modify my request, and ask that when the House adjourn on Saturday it adjourn to meet on the following Tuesday.

Mr. UNDERWOOD. Mr. Speaker, I ask the gentleman to withdraw that request at the present time, for I can not agree to that now.

Mr. BUCHANAN of Illinois. I will say that, as the gentleman probably knows, there are quite a number of Members who have engagements on Monday. I have none myself, and I expect to remain in Washington, so that it makes no difference to me, but a number of Members have made previous engagements—made them before the recent resolution was adopted—to be in their districts on that day. The campaign is on, and I think the gentleman from Alabama ought not to object. Of course, if he does I will withdraw the request.

Mr. UNDERWOOD. Mr. Speaker, I will say to the gentleman from Illinois that there are some bills on the Unanimous Consent Calendar that his own people are interested in; they have been to see me about them, and they are bills which ought to be passed. I will make another request for a different order. I am anxious not to interfere with gentlemen who have engagements next Monday. I ask unanimous consent that when the House adjourns on Saturday it adjourn to meet on Tuesday, and that it shall be in order on Tuesday, after the reading of the Journal, to call the Calendar for Unanimous Consent.

The SPEAKER. The gentleman from Alabama asks unanimous consent that when the House adjourns on Saturday it adjourn to meet on Tuesday, and that on Tuesday the Calendar for Unanimous Consent shall be in order after the reading of the Journal. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I understand from the statement of the gentleman that he is desirous this week of finishing the Alaskan coal bill, and that he would have no objection if we can get that bill out of the way even to adjourning on Friday.

Mr. UNDERWOOD. No; I will not say that. I will say to the gentleman candidly that I think the Clayton antitrust bill will go to conference probably between now and then; and if it does go to conference, I believe, if we clear up these emergency measures, we can get through this session of Congress by the 1st of October, if not sooner. I think it is more important that we should use the time in getting through than in adjourning. There is an exception for Labor Day, because lots of gentlemen have made engagements for that day.

Mr. MANN. Mr. Speaker, will the gentleman yield for a question?

Mr. UNDERWOOD. I do.

Mr. MANN. Does the gentleman from Alabama seriously think that adjourning over Saturday or Monday will have anything to do with or any influence upon the determination as to final adjournment?

Mr. UNDERWOOD. It might to some extent; but there are important bills here that gentlemen want to get through with.

Mr. MANN. We have been in session continuously for a year and a half, nearly—I do not know how long; I have lost the count, so far as I am concerned—and certainly no one would have a right to complain if the House should take one day off. Those who stayed here will not complain, and those who have just come back ought not to complain.

Mr. UNDERWOOD. There is something in the gentleman's last remark, at any rate.

Mr. STAFFORD. Mr. Speaker, if we get through with the Alaskan bill on Thursday and send the Clayton antitrust bill to conference on Friday, would not the gentleman be willing to adjourn over Saturday until the following Tuesday? There are a great many persons living near by—as far away even as Boston—who would like to take advantage of leaving here Friday afternoon and coming back here Tuesday, and if we can have some such assurance we would like to have it from the leader of the majority.

Mr. UNDERWOOD. It is possible and probable that the President may desire to deliver a message to the House before that time

Mr. MANN. Mr. Speaker, I would like to suggest to the gentleman from Alabama that those who have stayed here regularly probably will not go away very far, and those who have now shown up for the first time in months ought to get acquainted with Washington before they go away again.

Mr. UNDERWOOD. Mr. Speaker, I renew my request, and when Friday comes, if there is no pressing business, we can take up then the question of adjourning over Saturday.

The SPEAKER. Is there objection to the request of the gentleman from Alabama that when the House adjourns on Saturday it adjourn to meet on the following Tuesday and that on Tuesday the Calendar for Unanimous Consent shall be called immediately after the reading of the Journal? [After a pause.] The Chair hears none, and it is so ordered.

STEADYING THE WORLD'S PRICE OF THE STAPLES.

The SPEAKER. The gentleman from Illinois has 15 minutes remaining and the gentleman from Virginia 10 minutes.

Mr. MANN. Mr. Speaker, I yield two minutes to the gentleman from Washington [Mr. FALCONER].

[Mr. FALCONER addressed the House. See Appendix.]

Mr. FLOOD of Virginia. Mr. Speaker, I yield five minutes to the gentleman from Missouri [Mr. ALEXANDER].

Mr. ALEXANDER. Mr. Speaker, the subject of this resolution was called to my attention by Mr. David B. Lubin, who is the permanent delegate of the United States to the National Institute of Agriculture at Rome. He had read my report on steamship conferences and agreements in the domestic and foreign trade, and he was convinced that our Government would be impotent to enforce reasonable rates or stabilize rates on farm products in international trade in the absence of an international agreement, and that is true. In the bill which was drawn to carry out the recommendations of the Committee on the Merchant Marine and Fisheries, House bill 17328, we have gone just as far as we may under the law to bring all the lines, domestic and foreign, under the supervision of the Interstate Commerce Commission, and, so far as those engaged in the coastwise trade are concerned, to regulate their rates; but many reasons will suggest themselves to gentlemen why it is wholly impracticable for this Government to regulate international freight rates. I have not the time to enumerate them, much less to discuss them in detail, nor is it necessary at this time. The investigations made by the committee showed that, so far as package freight is concerned, the conference lines have a uniform rate, which usually is not raised or lowered until after 60 days' notice. The shippers who appeared before the committee were all unanimous in the opinion that the stabilizing of rates was very important in the export trade, and that it was very desirable that they might know how to

make their contracts. They would then know one of the factors—and a very important one—in the price of the commodity they would sell for future delivery, namely, the freight rates to be charged on the commodity. Now, so far as grain is concerned, the testimony before the committee showed that the rate varies daily, if not hourly, often depending upon the demand upon the part of the great ocean liners for ballast. Under the agreement between the conference committee the quantity of grain that one of the ocean liners may carry is limited. Mr. Lubin contends, and with great force, that in order to steady the world's price of the staples it is necessary to stabilize the freight rates on the staples, and that this can not be done until the ocean freight rate on the commodity from the seaboard to the point of delivery in Europe or South America or elsewhere in our over-sea trade is known with reasonable certainty. In years past, as the gentleman from California [Mr. KAHN] has said, the operators on boards of trade and chambers of commerce influenced the price of wheat, cotton, and other staples from day to day by giving out information, more or less guesswork and in many instances manipulated, with reference to the condition of crops and the probable yield in the different countries of the world.

The international institute at Rome, in which Mr. Lubin has so ably represented this Government as permanent delegate, has undertaken to correct this evil. The Government reports, the official reports, the forecasts, are made from time to time by the Government agencies of the 54 signatory States to this institute, and are compiled and disseminated to the different countries, and that element of speculation has been largely eliminated. Having accomplished this task, Mr. Lubin is in favor of taking another step. He is an enthusiast, but not an idle dreamer. He is of the opinion that if the 54 nations parties to the international convention of 1905 creating the International Institute of Agriculture, and supporting the institute, can be brought to agree to the establishment of an international commerce commission, vested with power to stabilize the rates or regulate the rates on the staples of agriculture, another essential factor in steadying the world's price of the products of the farm will be fixed and another element of speculation eliminated. I fully realized when I introduced this resolution that we were undertaking a difficult task, but that is no reason why we should not make the effort. It can not be accomplished in any other way. It is an international problem, and can only be solved by international agreement. This resolution does no more than to authorize Mr. Lubin, in October, to propose to the permanent committee the resolution set out in this joint resolution, which is as follows:

Joint resolution (H. J. Res. 311) instructing American delegate to the International Institute of Agriculture to present to the permanent committee for action at the general assembly in 1915 certain resolutions.

Resolved, etc., That in accordance with the authority of letter (f) of article 9 of the treaty establishing the institute, which provides that it shall "submit to the approval of the Governments, if there be need, measures for the protection of the common interests of farmers," the American delegate to the International Institute of Agriculture is hereby instructed to present (during the 1914 fall sessions) to the permanent committee the following resolutions, to the end that they may be submitted for action at the general assembly in 1915, so as to permit the proposed conference to be held in Rome during the fortnight preceding the session of the general assembly of the institute in 1917:

"RESOLUTIONS.

"The general assembly instructs the International Institute of Agriculture to invite the adhering Governments to participate in an international conference on the subject of steadying the world's price of the staples.

"This conference shall consist of members appointed by each of the Governments adhering to the institute, and is to consider the advisability of formulating a convention for the establishment of a permanent international commerce commission on merchant marine and on ocean freight rates, with consultative, deliberative, and advisory powers.

"Said conference to be held in Rome during the fortnight preceding the session of the general assembly of the institute in 1917."

If they regard it favorably they will present the resolution to the general assembly in 1915. If the general assembly agrees that it is a subject that will promote the interests of the farmers and they regard the time opportune, they will then take steps to call an international conference in 1917 to consider the question of organizing this international commerce commission, to be vested with the powers set out in the resolution. That is the whole question in a nutshell. We all agree that that is the only rational way to get at it. Whether it is possible to accomplish our purpose in that way or not, of course we do not know. That will depend upon the attitude of the nations controlling the larger part of the ocean-borne commerce of the world. I am quite sure it is worthy of the effort. [Applause.]

Mr. Speaker, the following is the very able report Mr. Lubin has prepared to present to the permanent committee for consideration in connection with House joint resolution 311, if the latter becomes a law. I have not the time to read or comment on it in the brief time allotted to me:

STEADYING THE WORLD'S PRICE OF THE STAPLES—INTERNATIONAL INSTITUTE OF AGRICULTURE—PROPOSAL FOR AN INTERNATIONAL CONFERENCE ON THE REGULATION AND CONTROL OF OCEAN CARRIAGE BY MEANS OF AN INTERNATIONAL COMMERCE COMMISSION FOR THE PURPOSE OF STEADYING THE WORLD'S PRICE OF THE STAPLES.

(By David Lubin, delegate of the United States International Institute of Agriculture, Rome, Italy.)

THE WORLD'S PRICE OF THE STAPLES—HOW IT IS ARRIVED AT—ITS BEARING ON THE ECONOMIC STATUS OF THE PEOPLE.

THE RESOLUTION.

The resolution concerning ocean freight rates on the staples passed by the permanent committee of the International Institute of Agriculture at its April meeting calls for "proposals which it may see fit to submit on this subject to the general assembly" (May, 1915).

In accordance therewith, and acting under the authority of letter (f) of article 9 of the treaty establishing the institute, which provides that it shall "submit to the approval of the Governments, if there be need, measures for the protection of the common interests of farmers," I propose that the permanent committee introduce the following resolution to the general assembly for adoption.

The general assembly instructs the International Institute of Agriculture to invite the adhering Governments to participate in an international conference on the subject of the regulation and control of ocean freight rates on the staples of agriculture.

This conference shall consist of members appointed by each of the Governments adhering to the institute, and is to consider the advisability of formulating a convention for the establishment of a permanent international commerce commission on merchant marine and ocean freight rates, said conference to be held in Rome during the fortnight preceding the next session of the general assembly of the institute in 1917.

In support of the above resolution I herewith submit the following paper:

TRANSPORTATION AND COMPETITION.

With the ever-increasing importance of transportation as a factor in the economic development and life of nations, Governments everywhere are assuming the right to set aside the competitive system in so far as it concerns the regulation of rates in domestic carriage. Take the case of railways, for instance:

"It was at one time an axiom of law and of political economy that prices should be determined by free competition. But in the development of the railway business it soon became evident that no such dependence on free competition was possible, either in practice or in theory. It produces an uncertainty with regard to rates which prevents stability of prices, and is apt to promote the interests of the unscrupulous speculator at the expense of those whose business methods are more conservative." As a result of these difficulties "operation by private companies, under specific provisions of the Government authorities with regard to the method of its exercise, has been the policy consistently carried out in France," and "there has been both in the United Kingdom and in the United States a progressive increase of legislative interference with railways." (Encyclopædia Britannica, vol. 22, pp. 824, 825, 826.)

In recognition of these facts the United States established its Interstate Commerce Commission, with ample power to control its railway traffic rates. In place of leaving the power of rate fixing in the hands of the railway companies, it has vested it in (a) the seven members of the Interstate Commerce Commission, (b) in the railway managers, and (c) in the United States courts, who together form the triune power governing the equities involved in the matter of rates.

SHIPPING RINGS AND MONOPOLIES.

Drawbacks similar to those formerly complained of in railway traffic are now seen to prevail in water carriage. As a result, the abuses alleged in the working of the present system of shipping rings and conferences are attracting the attention of the Governments. Important inquiries on the subject have been held in Great Britain and the United States. In Great Britain a royal commission was appointed, which in 1909 published its report. In the United States a movement is now on foot for extending the powers of the Interstate Commerce Commission to cover ocean carriage, both in the domestic and the foreign trade.

In pursuance of this movement resolutions were passed in February and June, 1912, by the United States House of Representatives, of which the following are excerpts:

"*Resolved*, That the Committee on the Merchant Marine and Fisheries be, and is hereby, empowered and directed to make a complete and thorough investigation of the methods and practices of the various ship lines, both domestic and foreign, engaged in carrying our over-sea or foreign commerce and in the coastwise and inland commerce.

"That said committee shall report to the House all the facts disclosed by said investigation, and what legislation, if any, it deems advisable in relation thereto."

This committee has recently published its report, in four volumes, entitled "Proceedings of the Committee on the Merchant Marine and Fisheries in the Investigation of Shipping Combinations under House Resolution 587."

I have received these volumes through the courtesy of the chairman, Mr. J. W. ALEXANDER, who in a letter of May 15 informs me that he would be pleased to receive my comments on the same. I therefore now purpose, in order to bring out more clearly the points in favor of my resolution, to comment on the evidence and findings of the committee as set forth in the report.

This report shows that the leading representatives of the commercial interests, and practically all the important navigation companies engaged in the domestic and foreign trade of the United States, gave testimony under oath at the committee's inquiries.

To begin with, the testimony brought out the following facts:

THE FACTS.

First. That the evils arising from former unrestricted competition in ocean carriage have driven the steamship companies to form understandings, conferences, and combinations.

Second. That these understandings, conferences, and combinations have led to the formation of great shipping trusts. These trusts control not only the lines directly owned by them, but also control, to a great extent, the traffic of the "tramp ships," all of which practically gives them a powerful and dangerous monopoly.

Third. That these monopolies give rise to and maintain excessive and unjust rates, and, by the use of "fighting ships" and by rebates to large shippers, tend also to bring forth other and dangerous monopolies—monopolies in buying and monopolies in selling.

As to the first point, the evils of unrestricted competition, the committee, in its "summary of evidence," says:

"Unrestricted competition, based on the survival of the fittest, tends to restrict the development of the lines and in the end must result in monopoly. * * * Competition in the steamship business was regarded as the demoralization rather than the life of trade; as the means of introducing uncertainty instead of certainty and inefficiency instead of efficiency. * * *" (Vol. 4, pp. 295, 300.)

On the same point the report furnished the committee by representatives of steamship companies states:

"Competition has never established a reasonable rate nor maintained a stable rate. * * * Rate wars tend to the monopolization of trade by the larger shippers. Unless the warring steamship factions come to some agreement the result is more or less of a monopoly on the part of the most powerful carrier engaged in the conflict." (Vol. 2, p. 1363.)

THE EFFECT.

And now as to the second point, the effect of the understandings, conferences, and combinations entered into by the shipping rings. The American and British reports show that these rings are attaining greater and greater magnitude throughout the world as time goes along. Let me quote an example:

"Practically all the well-known lines connecting north Atlantic American ports with those of the United Kingdom, north Europe, and the Mediterranean are parties to numerous freight agreements covering, in one way or another, nearly every sphere of the American-European trade. * * * over 40 regular trans-Atlantic lines are parties in their respective trades to at least 20 agreements involving the freight traffic, and the important lines are members of at least 4 main freight conferences. The 4 conferences referred to are the trans-Atlantic freight conference, the American Atlantic conference, the Atlantic conference, and the Mediterranean conference." (Vol. 4, p. 59.)

Summarizing the evidence obtained, the committee states in its report:

"It is the almost universal practice for steamship lines engaging in the American foreign trade to operate, both on the inbound and outbound voyages, under the terms of written agreements, conferences, arrangements, or gentlemen's understandings, which have for their principal purpose the regulation of competition through either (1) the fixing or regulation of rates, (2) the apportionment of traffic by allotting the ports of sailing, restricting the number of sailings, or limiting the volume of freight which certain lines may carry, (3) the pooling of earnings from all or a portion of the traffic, or (4) meeting the competition of nonconference lines." (Vol. 4, p. 415.) "Steamship agreements and conferences are not confined to the lines engaging in the foreign trade of the United States. They are as universally used in the foreign trade of other countries as in our own." (Vol. 4, p. 416.)

RATE WARS.

"* * * The methods which have been adopted from time to time to eliminate competition show the futility of a weak line attempting to enter a trade in opposition to the combined power of the established lines when united by agreement. By resorting to the use of the 'fighting ship' or to unlimited rate cutting, the conference lines soon exhaust the resources of their antagonists. By distributing the loss resulting from the rate war over the several members of the conference, each constituent line suffers proportionately a much smaller loss than the one line which is fighting the entire group. Moreover, the federated lines can conduct the competitive struggle with the comfortable assurance that, following the retirement of the competing line, they are in a position to reimburse themselves through an increase in rates." (Vol. 4, p. 304.)

As showing the way in which the shipping rings absorb independent lines and control the ports, let me quote the testimony given before a "hearing" of the committee by one of the witnesses:

"Going back a good many years, there was an independent line from Baltimore to Rotterdam. * * * That line was absorbed and taken over by the Holland-American Line, and instead of Baltimore having an independent service the Baltimore service has been forced out, and we are now dependent on the allotment from the central agency in New York, which says 'Baltimore can do this much business,' and we can not do any more." (Vol. 2, p. 1289.)

THE COMPLAINTS.

And now, finally, for the third point, the excessive and unjust rates and the granting of rebates.

On the question of excessive rise in rates, Mr. J. W. Alexander, the chairman of the committee, stated:

"The testimony before the committee seems to indicate that the ocean rates have gone up from 100 to 200 per cent in the last 12 months, or, anyway, within the last two years." (Vol. 2, p. 801.)

Summarizing certain phases of the evil arising from the formation of shipping rings, the committee states:

"A considerable number of complaints were also filed with the committee objecting to excessive rates, discrimination between shippers in rates and cargo space, indifference to the handing of freight in proper condition, arbitrariness in the settlement of just claims, failure to give due notice to shippers when rates were to be increased, refusal to properly adjust rates as between various classes of commodities, and the unfairness of certain methods, such as 'fighting ships,' deferred rebates, and threats to refuse shipping accommodations, used by some conference lines to meet the competition of nonconference lines. * * * The conference lines so completely dominate the shippers with whom they deal that these shippers can not afford, for fear of retaliation, to place themselves in a position of active antagonism to the lines * * *." (Vol. 4, p. 417.)

On the question of rebates and the monopolies to which they give rise, Mr. HUMPHREY, a member of the committee, pointed out that the shipping conferences give "special rates to certain big interests in the United States, * * * among others, to the Standard Oil, what is known as the Harvester Trust, and what we generally term the Steel Trust." (Vol. 1, p. 267.)

And now let us see, from further evidence in the report, how the case would stand if there were no shipping conferences, if there were no shipping trusts; let us see how it would stand under a régime of open and unrestricted competition.

STABLE RATES.

On this head the contention is made that open competition, with its constantly fluctuating rates, prevents rational calculations of prices in buying and selling, whereas conferences secure stable rates, which permit of such calculations. In its report the committee makes the following statements with reference to the advantages claimed for shipping conferences as against open competition:

"Such agreements, it is contended, are a protection to both shipper and shipowner. To the shipper they insure desired stability of rates * * *. Stability of rates over long periods of time removes the inconvenience which would exist if merchants and shippers were obliged to quote different propositions (prices) on nearly every consignment, thus eliminating what was formerly an undesirable speculative risk under the open competitive system." (Vol. 4, pp. 295, 297.)

"Prominent exporting firms * * * are convinced that the present condition of fixed rates and regular sailing opportunities places all merchants upon the same basis as regards their estimates on contracts, and produces much better results for the exporter and manufacturer than could be possible under the old order of things * * * (under unrestricted competition) * * * Nothing is regarded so detrimental to the export trade as uncertainty regarding sailings and violent fluctuations in freight rates." (Vol. 4, p. 298.)

Under the shipping conferences "the rates filed are only subject to change after an agreed period of notice, varying from 30 to 60 days. * * *" (Vol. 4, p. 64.)

THE DISCREPANCY.

And right here there seems to be a wide discrepancy between the statements just quoted from the committee's report and those contained in letters from the Chambers of Commerce of New York and San Francisco. To facilitate the proposed work of the International Institute of Agriculture in publishing ocean freight rates on the staples, I wrote to some of the leading chambers of commerce in the United States, asking whether the data on current freight rates could be procured for regular publication in the institute's monthly bulletins. The Chamber of Commerce of New York in a communication of December 11, 1913, replied as follows:

"* * * It would be extremely difficult to give any definite information in regard to freights that would be of value in publishing the world's price for cereals. * * * You no doubt are aware that freight rates, particularly for agricultural products, change almost daily, and sometimes several times during the day, depending upon the demand or otherwise for freight room. Rates quoted to-day would be only for refusal for 24 hours, and they are constantly influenced by the fluctuating demand for room in the various steamers. * * * Frequently wheat has been carried between the United States and London free of any charge, being simply used for ballast in the steamers, and at other times the rate has advanced to 10d. and 12d. per bushel."

This statement was confirmed by the San Francisco Chamber of Commerce, which in a letter of April 3 says:

"Rates fluctuate from day to day, and a rate reported to-day might be twice as high or half as low to-morrow."

A similar statement is contained in the report submitted to the Committee on the Merchant Marine and Fisheries by the representatives of the steamship lines running between New York and foreign countries, which says:

"Ocean freight rates vary not merely from month to month, but from day to day and from hour to hour, especially with reference to the great staples which are traded in on the exchanges." (Vol. 2, p. 1373.)

Thus, in one instance, we are told that the conferences fix rates which can only be changed on 30 or 60 days' notice; whereas the other statement claims that rates fluctuate from day to day and from hour to hour: that "wheat," for instance, "has been carried between the United States and London free of any charge, being simply used for ballast in the steamers, and that at other times the rate has advanced to 10d. and 12d. per bushel." How, then, can we reconcile these two and conflicting statements?

THE STAPLES EXCLUDED.

An explanation is seemingly at hand. The shipping conferences exclude the staples of agriculture from their fixed rates. These staples, as we are informed by the Chambers of Commerce of San Francisco and New York, are therefore left subject to sudden and violent fluctuations. Their exclusion from the fixed rates is clearly indicated by the following paragraph from the "Summary of Evidence" given in the committee's report, which states:

"The minimum rate agreement, however, does not cover the heavy bulk traffic, consisting of grain, flour, oil cake, cotton, and similar commodities, but is confined to the high-priced freight on which the shippers as well as the ship lines are anxious to have fixed rates equally applicable to all." (Vol. 4, p. 64.)

On this same head Mr. Franklin, vice president of the International Mercantile Co., in his evidence before the committee, says:

"The representatives of the various lines running to Liverpool meet and discuss their rates. * * * These rates are subject to change on certain notice; in some instances 30 days and in some instances 60 days. They cover only certain commodities; they do not cover the great bulk of traffic, which consists of grain, flour, oil cake, cotton, and other bulky commodities. They cover only miscellaneous traffic." (Vol. 1, p. 597.)

We thus see that the case stands as follows: The main freight traffic of a ship is classified under two headings, (a) the "package traffic" and (b) the "bulk traffic." Now, it is to be noted that while fixed rates are given on the merchandise composing the "package traffic" unfixed rates apply to the "bulk traffic," which consists, in the main, of the staples of agriculture.

And the question arises: What proportion does the "package traffic" bear to the "bulk traffic"?

In the testimony given before the committee by the vice president of one of the shipping rings, the International Mercantile Marine Co., it was brought out that of every 9,000 tons of traffic about 2,000 tons are carried as "package freight" at fixed rates and about 7,000 tons as "bulk freight" at unfixed rates, and, as just stated, this "bulk freight" embraces the staples of agriculture. (Vol. 1, p. 611.)

A SIGNIFICANT FACT.

We are thus brought face to face with a significant fact. On the one hand we see the importance attached in the inquiries on ocean

carriage, both in Great Britain and in the United States, to the question of fixed rates for the "package traffic." On the other hand, we see the slurring over, the waiving aside of the question of unfixed rates for "bulk traffic," the traffic which consists mainly in the staples of agriculture. And yet, as is well known, the slightest change in the cost of carriage affects the price of the staples, not only the price of the quantity exported, but likewise so the price of the entire quantity for home use.

This slurring over, this waiving aside, this indifference was noticeable alike in the American and in the British inquiry. And no wonder, for both the inquiries were mainly concerned with points touching ocean freight rates as they affect (a) the public carrier, and (b) the shipper and merchant, whereas the economic influences resulting from the rates and conditions of the ocean carriage of the staples affect most keenly the producers and the consumers.

"GODFATHERS."

From the facts elicited at these inquiries, it would seem as though there are "godfathers," so to speak, on the lookout for all the interests involved excepting for those of the staples. There is a godfather for iron, the Steel Trust; a godfather for agricultural implements, the Harvester Trust; a godfather for oils, the Standard Oil Trust; there is a godfather for the carriers, the shipping rings; a godfather for the commission men and the dealers handling the "package traffic," the chamber of commerce and the board of trade; but there is no godfather for the staples of agriculture, no godfather to represent the interests of the producer and of the consumer.

But the question arises: Would it have made any practical difference to the outcome if the interests of the producer and of the consumer had been represented at these inquiries? Let us see.

It seems to me that, no matter how competent the testimony offered by a body representing the farmers or the consumers, no matter how honest the committee before which such testimony would be given, no matter how able the proposals for legislation which that committee might draft, it would all be ineffective unless the evidence given indicated the international bearing of the subject and unless the findings deduced therefrom recommended action on international lines. So long as the findings would fail to recommend international action they must necessarily fall short of applying adequate means to the ends in view. That this is worthy of serious consideration will be apparent from the following:

WHOM DOES IT CONCERN?

In the case of "package traffic" the terms and conditions of ocean carriage mainly concern the carrier, the shipper, and the dealer. In the case of "bulk traffic," the traffic in the staples of agriculture, the terms and conditions of ocean carriage concern the economic welfare of the people everywhere.

To illustrate: Under "package traffic" whether the rate on shipments of shoes or cutlery, for instance, be too low or too high, whether it be fixed or whether it fluctuate, whether the conditions be advantageous or disadvantageous, affects the carrier, the shipper, and the dealer.

But with "bulk traffic" the case is different. In the carriage of the staples of agriculture whether the rate be too low or too high, whether it be fixed or whether it fluctuate, whether the conditions be advantageous or disadvantageous, concerns not merely the carrier, the shipper, and the dealer, but it concerns the economic condition of the people everywhere, as will be shown further on.

At this time it would be well to bear in mind that while, on the one hand, "package traffic" comprises that class of merchandise which is bought and sold by private purchase and sale, by private contract, "bulk traffic," on the other hand, comprises, in the main, the staples of agriculture, which are bought and sold in the world's bourses and exchanges at the world's price.

THE WORLD'S PRICE.

And what do we mean when we say the "world's price"?

We mean the price that is tendered and accepted in the world's bourses and exchanges, which we might call the world's auction rooms.

And how is this prive arrived at?

The first factor in arriving at the world's price is the prevailing opinion as to the state of the world's supply. If the supply be above the normal, the price is expected to fall below the normal; if the supply be below the normal, the price is expected to rise above the normal.

By "supply" we do not mean the quantity produced or available in any one locality, in any one country; we mean the total world's supply. The supply in any given State may be above the normal, and yet if, at the same time, it be below the normal for the world, the price in that State should, nevertheless, be high; or, vice versa, the supply in a given State may be below the normal, yet if the world's supply be above the normal the price in that State should be low.

But the supply is by no means the only factor in the formation of the world's price. There is another factor and an important one—the cost of ocean carriage. If the average cost of ocean carriage be above the normal, it should correspondingly reduce the price paid to the producer below the normal; and, on the contrary, if the average cost of ocean carriage be below the normal, it should correspondingly raise the price paid to the producer above the normal.

Therefore, calculations on rational lines for arriving at a knowledge of what the world's price ought to be should, first of all, take into consideration the status of the world's supply, and, secondly, the status of the cost of ocean carriage.

THE EFFECT OF FIXED RATES.

If there were fixed rates for ocean carriage of the staples, the Liverpool buyer would be able to make offers for given quantities of wheat, for instance, on a basis of rational calculations. But let us take the case as it stands at present. A shipper at Buenos Aires receives an order for wheat to be delivered in Liverpool at the ruling world's price, at, say, $1 a bushel. How much should he pay for that wheat at Buenos Aires? If the cost of delivery is, say, 10 cents a bushel, the world's price should then be 90 cents a bushel in Buenos Aires. If the cost of delivery is 30 cents, the world's price in Buenos Aires should then be 70 cents. But if he is to ship the wheat in 30 or 60 days' time, how is the shipper to tell what the cost of carriage will then be? As the rates for the ocean carriage of the staples are not fixed, how is he to know? He does not know.

As we have seen, the Chamber of Commerce of New York states that wheat is carried "one time free of charge as ballast and at another time at a charge of 10d and 12d. per bushel; and the San Francisco Chamber of Commerce writes that "rates fluctuate from day to day, and a rate reported to-day might be twice as high or half as low to-morrow." Therefore the shipper must guess, and so must everyone else guess, so long as rates are unfixed. If the shipper wins on the guess, what he wins comes directly out of the pocket of the producer; if he loses, he tries hard to recoup himself in his next deal, and also out of the producer's pocket.

But this is only the beginning of the mischief. The confusion arising out of the system of unfixed rates for ocean carriage of the staples and the consequent uncertainty in price determining lead to economic evils so far-reaching as to affect the people everywhere.

A comprehensive grasp of the significance of this evil may be obtained by the consideration of the following:

PRIVATE SALE AND PUBLIC SALE.

In the case of "package freight," of chairs, stoves, shoes, etc., the rise or fall in the rates of ocean carriage on the same hardly affects their home price or their foreign price. If, for instance, the cost of ocean carriage on pianos were to advance from $5 to $20 each, it need not necessarily follow that owing to the $15 advance in freight rates all the pianos in the exporting country would decline by $15 or advance by $15 in the importing country, for the "package-traffic" merchandise is sold by private contract—by private sale. But with the "bulk freight," with the staples of agriculture, the case is quite different. Being sold on the world's bourses and exchanges at the world's price, it necessarily follows that a rise in ocean freight rates at one or more leading ports of an exporting country, by reducing the price on the quantity exported, must necessarily reduce the price on the remaining quantity in the home market, for the buyer on the bourses or exchanges, whether he buys for export or for home use, pays the same price.

We can thus see how sensitive to change is the world's price and the home price of the staples when influenced by unfixed rates for ocean carriage. Were there fixed rates for the carriage of the staples, subject, say, to 30 or 60 days' notice of change, as is the case with the "package traffic," it would then settle the major evil in the question before us—the evil of constant and unnecessary price disturbances.

RAISE AND LOWER THE PRICE AT WILL.

But apart from such disturbances, under the present system of unfixed rates, there is yet another point which calls for our consideration.

Under present conditions the chief directors of a few of the larger shipping rings by federating their efforts, are in a position to raise and lower, by previous arrangement, the prices of the staples in any and all of the principal ports of the world. Acting under exclusive and advance knowledge of the rates they will charge, they could lower the price of the staples by raising the cost of carriage and then, directly or indirectly, buy them in the bourses. They could then raise the price of the staples by lowering the cost of carriage when they would sell. They could thus, at will and by arrangement, lower the price of the product and buy, then raise the price and sell, and pocket the difference.

But the economic loss occasioned by such raising and lowering of prices at will would be very much greater than the amount the directors of the shipping rings might pocket, for raising or lowering the cost of carriage means raising or lowering the price of the staples on the home market directly and raising or lowering the world's price indirectly.

Besides this species of mischief there is, however, yet another within the power of the federated shipping rings. It is within their power, as we have seen from the case of Baltimore, to make and unmake ports, and, through this, to raise or lower the economic status of the nations; and this power is the more dangerous since such directors of shipping rings are irresponsible and free to act on the lines indicated. They are not expected to be guided by altruistic motives nor by high and statesmanlike political considerations.

"PACKAGE TRAFFIC" AND "BULK TRAFFIC."

Moreover, the fact that the "package traffic," representing 2,000 out of every 9,000 tons, enjoys fixed rates, whilst the "bulk traffic," the traffic in the staples, the traffic that represents 7,000 out of every 9,000 tons, is carried at unfixed rates, is, in itself, a terrible indictment of the present mode of procedure. Here we see that the price of the annual world's production of the staples, the value of which we may roughly estimate at a hundred billion dollars a year, and which represents the foodstuffs and the raw material for clothing and for house furnishing of all the people of the world, is permitted to be battledored and shuttlecocked through the action of the federated shipping rings.

We are thus forced to the conclusion that it is possible under this system for a few powerful directors of federated shipping rings to exert more effective economic control over the nations than can be exerted by any president, emperor, king, or prince; and so long as these federated shipping rings have it in their power to dictate at will the rise and fall in price of the world's food products, of the world's raw materials for clothing and for furnishing, so long do they, in reality, usurp a power which does not belong to them, a power which they should not have.

As matters stand at the present time, the unfixed rates for ocean carriage tend to convert the bourses and exchanges into price storm centers, storm centers which constantly give rise to waves of violent price disturbances, reacting at times in every direction.

Now, what harm do these price disturbances do?

What harm do they not do?

Unfixed rates of ocean carriage for the staples disturb, impede, and throw out of gear the whole mechanism of exchange.

FREE PLAY.

Right here we may aptly borrow the figure of the factory given by President Wilson in his book, "The New Freedom." Here is a workshop; the overhead and underneath shafting, the journals, the pulleys, and the belts are all lined out, true straight, trim, taut, and oiled, and all is well. But if the shafting be sprung or the journals unoiled the whole mechanism will be thrown out of gear.

It is just so in the industrial world. The law of competition should be permitted full and free play with no interference to impede its operation. But experience has made it plain over and over again that in the world of industry there is just one field in which competition, if allowed to operate, leads in the end to the "reductio ad absurdum" of the whole competitive system. The field that I refer to is that of transportation; competition in transportation impedes and interferes with the free play of competition in other and important fields.

This fact has been brought home so clearly to the American people that they have enacted laws excluding the railway carriers from the domain of competition by placing the regulation and control of rates in

the hands of the Interstate Commerce Commission. And the same reasoning that holds good for the regulation and control of railroad rates by an Interstate Commerce Commission would, as was shown before, likewise hold good for the regulation and control of ocean carriage through an international commerce commission.

The manner, now arbitrary, now fortuitous, in which the rates for ocean carriage of the staple are fixed; the lightning-like rapidity with which they are made to change; the gravity of the economic disturbances to which such sudden changes give rise; the far-reaching interrelated nature of their effects; the reaction produced by changes of rates in the ports of one nation on prices in the ports of another nation show clearly that if there is reason for placing domestic carriers under national regulation and control, there is yet stronger reason why ocean carriers should be placed under international regulation and control. If this contention be admitted, it then follows that my resolution for an international official conference to consider this matter is in order.

THE SITUATION.

And now let us briefly review the situation as made manifest by the British and American inquiries. We may summarize it as follows:

There are at present two modes of conducting the traffic business of ocean carriage:

(a) Through unrestricted competition.

(b) Through shipping rings and conferences.

In the final analysis, however, it would seem that unrestricted competition in ocean carriage is, in reality, but a mere hypothesis, for, as has been shown, such unrestricted competition invariably resolves itself down into a monopoly.

And again, if we examine the shipping rings and conferences which are at present the normal condition, we shall see that this condition also is but another name for monopoly.

We are thus brought face to face with the fact that both unrestricted competition and shipping rings alike lead to monopoly in the business of ocean carriage.

And what about this monopoly? In the American report we find the following:

"All monopolies are liable to abuse, and in our foreign carrying trade the monopoly obtained by the conference lines has not been subjected to any legal control." (Vol. 4, p. 304.)

And on the same head the British report says:

"All monopolies are liable to abuse to a greater or less extent unless they are strictly limited either by the nature of the case, by legislation, or by some form of supervision." (Report of the Royal Commission on Shipping Rings, vol. 1, p. 98.)

And now it will be interesting to note the measures proposed by the American and by the British committees for holding in check this "monopoly," for curbing this "abuse."

BRITISH AND AMERICAN RECOMMENDATIONS.

On the one hand the British commission offers the following recommendation:

"Shippers and merchants in a given trade should form themselves into an association, so that they might be able to present a united front to the conference when any controversy arose." (Report of the Royal Commission on Shipping Rings, vol. 1, p. 85.

The American committee, on the other hand, recommends:

"That navigation companies, firms, or lines engaged in the foreign trade of the United States be brought under the supervision of the Interstate Commerce Commission as regards the regulation of rates, the approval of contracts entered into with other water carriers, with shippers, or with American railroads." (Vol. 4, p. 419.)

Thus, as we see, the British recommendation is for unofficial, the American for official, action, and both recommendations view the question purely from the national standpoint.

So far as the "package traffic" is concerned, these recommendations might be adequate. But would they cover the needs of the case were the "bulk traffic," the staples of agriculture, under consideration? I do not think so; for as the import, export, and home prices of the staples are governed by the world's price, the formation of which is influenced by the cost of carriage to the principal market centers of the world, and as any one nation is unable to regulate and control the terms and conditions of ocean carriage in the principal world's ports, therefore all attempts to regulate or control ocean carriage of the staples by any one nation must be inadequate.

INTERNATIONAL REGULATION AND CONTROL.

It would therefore seem to me that the nations should consider the advisability of establishing an international commerce commission for the regulation and control of ocean carriage. The influence of such international regulation and control, extending to the principal ports of the world, would supplement the world's official crop reports in guiding the formation of the world's price on an equitable basis. The first division of this work is already being performed; the crop reports now given out by the institute, under the auspices of the nations, are the official and authoritative summary of the world's supply. When this work would be supplemented by that of the international commerce commission it would then permit of rational calculations anywhere as to what the home price of the staples should be in its relation to the world's price.

And right here it may be apposite to relate an incident in the upbuilding of the institute pertinent to the subject.

Some eight years ago I called on Mr. James Wilson, the then Secretary of Agriculture, in an endeavor to win him over to the needs for an official international crop-reporting service. Mr. Wilson then expressed the opinion that such a service would be of no economic value to the United States. He claimed that the Department of Agriculture had its own crop-reporting service, which was sufficient for the needs of the American people, and that there was no call to enter on some new work which might serve the interests of other nations.

Subsequently, however, Mr. Wilson saw the matter in the light in which it was presented to him. He saw that all the crop reporting that the United States might do would be inadequate for the end in view; that the crop reports of one nation only are inadequate as a basis for arriving at the world's price; for the world's price is based on the world's supply; and in order to have the official reports of the world's supply it is necessary that crop reporting be done by all the nations of the world, and that the reports, and the world's summary of the same, be given out officially at regular intervals under international treaty. When Mr. Wilson saw this he then favored the international institute of Agriculture for this work.

AN INTERNATIONAL COMMERCE COMMISSION.

Similarly, in the case of ocean carriage, action by a nation, limited to the regulation and control of the "package traffic" within its own country, can be had through a national institution like the Interstate Commerce Commission. The jurisdiction of such a commission might even be extended to embrace the ocean carriage of a nation at home and abroad; but if all this is intended to influence the equitable relation between the home price and the world's price of the staples it will surely fall far short of accomplishing what is intended. For, as has been shown, one of the principal factors in arriving at the world's price of the staples is a knowledge of the world's supply, and in arriving at a knowledge of what their home price should be in relation to their world's price, the leading factor would be the fixed rates for their ocean carriage. And just as the official report of the world's supply may only be had by means of an international crop-reporting service, so regulation and control of the ocean carriage of the staples may only be had through the medium of an international commerce commission.

Such an international commerce commission could be instituted by the nations under a treaty which should provide for its mode of representation and procedure. If it were granted powers similar to those of the Interstate Commerce Commission of the United States, provision might then be made for it to work in conjunction with a branch of The Hague tribunal, especially constituted and empowered to adjudicate on points of law which might arise out of the commission's functions and decisions. But if its powers were limited to those of a consultative and advisory body, its delegates could then sit in session together with the representatives of the carriers of the shipping interests. The question whether the proposed international commerce commission should be granted powers to act, or whether its functions should be limited to those of a consultative and advisory body, may properly come before the conference called for in my resolution.

FIXED RATES FOR BULK TRAFFIC.

And now it is in order to review some of the objections likely to be raised to fixed rates for "bulk traffic."

The shipowner, for instance, is likely to say, "The unit of transportation by water is the total capacity of a ship. We can not cut off so many feet, as the railroad can, and leave them in New York if we do not want to use them." (Vol. 2, p. 1256.)

It would appear to me that this objection is more seeming than real, for a train of cars can not profitably be run unless there is freight for it, any more than a ship can be run without freight. If you are running a railway you must have freight to fill your cars or get out of business.

"But," it may be asked, "would not such a system of fixed rates overlook the character of the service rendered? Here, for instance, is a costly liner which makes the trip from New York to Liverpool in five days, and here are slower boats, the tramps and the sailing vessels; would the fixed rates apply equally to all?"

And the answer is: The fixed rates could be established according to the quality of the service. Rates could be fixed for first-class, second-class, and third-class service.

The next point that might be raised is that "bulk freight" is a physical necessity for a ship, without which it can not sail, for "the ship must be loaded down to its marks." This being the case, the carrier must be left free to hunt up this "bulk freight" wherever he can get it, and secure it sometimes at a high price, sometimes at a low price.

I believe this objection is also only seemingly valid. The fact is the "bulk freight" either has to be shipped or it does not have to be shipped. If it does not, there will be no use running after it; if it does, then it will come of its own accord.

At this point the carrier is likely to interrupt, saying, "This is all nonsense, for we certainly would have no shiploads if we did not run after the freight, and run after it on the 'give-and-take' method."

And here the carrier is correct; it is all nonsense, so far as conditions are to-day. But would not conditions be different under the proposed international commerce commission, under the proposed fixed rates? With no fixed rates the shrewd shipper of "bulk freight" knows well that at certain times the carrier is bound to tag after him. But with fixed rates for the season the shipper's game would be at an end. He would then always be glad enough to rush to the shipping office and "book" room for freight at the earliest moment possible; all of which would tend to promote the natural and steady flow of freight toward the ships.

THE DIVISION OF LABOR.

"But," says the objector, "would not this proposal to single out the ocean carrier by subjecting him to international control place him at a disadvantage Would it not materially interfere with his earning power? Would it not reduce his profits?"

I do not think so. I think it can be shown that the adoption of the proposal would be advantageous not only to the producers and the consumers, but also to the carriers.

"How?"

Let us see. By the term "civilization" do we not really mean that cumulative state of progress rendered possible by the division of labor? The savage does everything by himself. He is his own carpenter, his own tailor, his own architect, his own carrier. But, as we know, such work is far inferior to that accomplished under the division of labor.

And this division of labor takes place not only in the handicrafts but also in the field of commerce, in the field of government, and in the field of science. It is, in fact, but another term for "economies." In short, specialization of functions, division of labor, renders effort more effective and more economical. This being so, why not extend the system of the division of labor to the regulation and control of ocean carriage? If the specialization of functions, the division of labor is beneficial, in what field can it be more profitably employed than in this important one of ocean carriage, a field which concerns not only the shipowners but the Governments and the people everywhere?

Fortunately the channels through which the division of labor could be realized in the regulation and control of ocean carriage can readily be made available.

CHANNELS AVAILABLE FOR THE SERVICE.

First of all there could be the proposed international commerce commission, consisting of delegates who should be experts on the subject of ocean carriage. They should be in close official relationship with those departments and bureaus in the various Governments which deal, directly and indirectly, with the questions of internal carriage in their relation to foreign carriage.

In the second place there is the International Institute of Agriculture, which could be officially authorized to place itself in communication in

the several adhering countries with (a) the chambers of commerce and boards of trade, and with (b) the national agricultural organizations, all with the end in view of gathering information toward the synchronization of incoming and outgoing cargoes, said information to be compiled and regularly transmitted to the international commerce commission.

In the third place, a branch of The Hague Tribunal could be constituted and empowered to adjudicate on points of international law which might arise out of the commission's functions and decisions.

It is not difficult to see that all this, when once in operation, would be likely to bring about two important results.

THE PLAY OF FORCES.

First, by promoting the synchronization of incoming and outgoing cargoes it would tend to remove the uncertainties and perplexities which now beset the ocean carrier's business. In short, the focusing of information under the proposed system would make it possible to replace the present unfixed rates for the staples now abnormally low, now again abnormally high, by fixed average rates.

Second, such fixed average rates replacing the present uncertainties, violent fluctuations, and consequent losses would tend toward the more equitable formation of the world's price of the staples, and by steadying that equitable price would promote the economic interests of the people everywhere.

In other words, the adoption of the proposed system would set in motion a play of forces which, beginning in the township with the farmer and his product, working upward through the several channels indicated, thence through the international commerce commission, would tend to normalize the ebb and flow of the economic currents throughout the world of commerce and industry.

THE INTEREST OF THE PRODUCER.

And now we may expect the producer to intervene. "May not unfixed rates, in reality, mean low rates? Has it not been shown that under unfixed rates the carrier is often compelled to transport the staples as ballast free of any charge? Does not this system thus provide the lowest rate? And is it not likely that all this may profit the producer?"

Let us see. If the shipper were to give the producer his share of the difference between the price he actually received and the price he ought to have received whenever the staples were carried as ballast, then the above remarks might to some extent be justified. But how is the shipper, buying as he does in the wheat pit, to hunt up and identify the original owner of the product? And even if the shipper could hunt him up, what would induce him to give back part of his gains to the producer? Nothing that I know of. There is not even a remote chance that the producer will profit by the levy which the shipper raises on the carrier whenever he can compel him to carry freight free as ballast.

The producer's interests can not be served by abnormally low freight rates any more than by abnormally high freight rates; but they can be served by the fixed average rates which the adoption of the proposal here advocated would permit. Such fixed published rates would make it possible for the producer anywhere to arrive at a just approximation of what his home price ought to be in its relation to the world's price, and this would insure to him the best possible results.

But supposing some farmer, working, say, 160 acres of land, were to ask, "Of what value would the adoption of this proposal be to me, since I neither export my product nor sell it to exporters?"

The answer is a simple one; the home price is derived from the world's price, and the world's price is influenced by the cost of ocean carriage. Let the cost of ocean carriage fluctuate through unfixed rates, and it causes the world's price to fluctuate, which, in turn, causes fluctuation of the home price. Steadying the cost of ocean carriage steadies the world's price and steadies the home price of the staples, thus benefiting the farmer who neither exports nor sells to exporters as well as the farmers who export.

THE GOVERNMENTS.

Let us now inquire how the proposal for fixed rates under an international commerce commission would be received by the Governments.

It seems likely that it would be favored by the Governments of the exporting nations, the nations which have the staples of agriculture for sale. But how about the importing nations, the nations that are compelled to buy?

Had this question been asked some 25 years ago, we might have expected the statesman of that day to have given some such answer as the following:

"We are not here as champions of altruism, nor for promoting doctrinaire theories as to equitable distribution. We know what we want. We want foodstuffs and raw materials at the very lowest price at which it may be possible for us to obtain them. The lower our influence can depress the world's price of the staples the better it is for us; the more abundant will be the food of our people and the cheaper will be the raw materials for our factories."

But, with the progress of our times, the statesman of to-day is likely to reason differently; he is likely to answer in this wise:

"We can not afford to force prices in the exporting countries below the normal. Our investments in those countries, the need we have of them as buyers of our manufactured goods, are sufficient inducements to warrant us in using our efforts to influence commerce in the staples along perfectly just and equitable lines, and this both at home and abroad."

THE STATESMAN.

But how will the case stand with those nations which possess a powerful merchant marine? Let us see what the statesman in such a country would have been likely to say some 25 years ago.

"We are not concerned with prices and their equities in foreign countries. In order to conserve and increase our national strength we are primarily concerned in the preservation and development of our merchant marine. We can not, therefore, afford to do anything that would be likely to hamper its freedom or subject its movements to international regulation."

But in our day the answer is likely to be different. The modern statesman is likely to reason:

"While a powerful merchant marine is essential to the well-being of a State, there is another consideration of far greater importance, and that is the well-being of all the people in that State, the well-being of its men, of its women, of its children. Our people must have work; they must eat and wear clothes and furnish their dwellings, and all of this is influenced by stability and equity in the price of the staples. Now, while the merchant marine may force prices in certain markets below their due level, it by no means follows that the products thus lowered will reach the consumers, the people of our State, at that low level. But it is certain that the deteriorating influences set going by the unfixed rates for ocean carriage, with the speculation they give rise to, will adversely affect not only the producer but also the consumer."

There is yet another phase of the question which the statesman will, no doubt, bear in mind when considering the merchant marine, and that is the need of preserving the economic stability of the colonial possessions of the buying countries. The mother country may be a buyer of the staples; the colonies are almost always sellers. The lamb's gentle bleat will be likely to meet with a sympathetic response from its dam.

THE PROTECTIONIST.

But what will be the opinion of the stateman in a protection country which is neither an extensive exporter nor an importer of the staples?

Twenty-five years ago it is quite likely that such a statesman would have said:

"Yes; I see the wanton waste caused by design or fortuity in forcing the world's price to deflect from the line of the normal through the influences exercised by unfixed rates for the ocean carriage of the staples. It is a grievous injury to many, no doubt. But thanks to our system of protection, and thanks to our independence from the influences exercised by the exporting and importing markets, we are not affected by the evil trend thus imparted. Protection gives us our own special normal, our own price, independent of the world's price."

But the modern statesman is likely to reason:

"Protection is but another name for an artificial barrier. We have the artificial barrier, it is true, but for all that, and above and beyond it, the world's price rules here as it does in every other part of the world. We have the world's price, first of all, and on top of that the artificial enhancement which protection gives to our producers, and which comes out of the pockets of our consumers. It thus follows that we are fully as much interested in maintaining the world's price at its normal level as are the exporting or importing nations."

SUMMARY AND CONCLUSION.

In summing up my argument in favor of the resolution, I wish to say that just as the regulation and control of the world's reports on the production of the staples required official international action, so the regulation and control of the terms and conditions for their ocean carriage also requires official international action.

Without such international action there can be no guaranty for equitable and fixed rates in the carriage of the staples. The absence of these equitable and fixed rates must necessarily give rise to disturbances throughout the economic world, by forcing values to deflect from the line of the normal.

In concluding my arguments in favor of the adoption of the resolution, I wish to say that there seem to be three ways of disposing of the question before us. One would be to leave matters alone, to let the problems solve themselves. Another would be to live in the hope that the carriers may presently become so wise and disinterested that they will solve the question of their own accord and set matters right. But if in this matter, as in all others, adequate means are essential to the attainment of rational ends, we are forced to set aside both of these ways. This leaves the third way, that of action on the lines of the resolution submitted, the working out of the system indicated therein.

An impartial review of the subject must lead the statesman to the conclusion that this question can not be solved by action on empyrical lines. The problems of ocean carriage as they affect any one port, or all the ports of any one country, are, after all, but phases and fractions, portions of the questions when it is considered as a whole. Viewed as a whole the problems transcend the limits of any one country; they are interrelated and concern all the countries of the world.

The time has passed when the statesman could dismiss this question with a waive of the hand. Population everywhere is increasing by leaps and bounds, and so is popular education. All this is equivalent to saying that wants are increasing. And it is clear that the highest aim of good statesmanship is to see that the demands arising out of these increased wants are not stupidly and unjustly frustrated by causes which have their root in inequities in the formation of the world's price of the staples.

The SPEAKER. The time of the gentleman from Missouri has expired.

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. MANN. Mr. Speaker, I yield to the gentleman from North Dakota [Mr. NORTON].

Mr. NORTON. Mr. Speaker, to my mind this resolution is a movement in the right direction. To anyone who has made even a cursory study of ocean rates on farm products, it is at once evident that something should be done to steady or make more stable these rates. As it is to-day, one who wishes to calculate the price of a staple farm product in any State of the Union, the price of the product being set by some foreign market, is unable to do so for the reason that one of the principal elements that determines the local market price is unknown, namely, the cost of ocean carriage. If one wishes to know to-day in Iowa, in Minnesota, in South Dakota, or in North Dakota the price that wheat should bring in any town in one of these States, he first ascertains the price in Liverpool, the market that sets the price of wheat for the world. To determine the local market price of wheat of any staple farm product whose price is dependent upon the foreign market, it is at once clear that one must deduct from the foreign market price the cost of carriage from the local market to the foreign market. To determine the price of wheat in any local market one would naturally first inquire the cost of carriage from the local market to the seaboard. This is readily ascertained, and is found to be a certain fixed and definite cost, which in this country is now subject to change only after approval by the Interstate Commerce Commission and after from 30 to 90 days' notice being given to the public.

Next in order, it is necessary to know the cost of ocean carriage from the seaboard to Liverpool. Strange as it may seem,

this is found not to be possible of ascertainment with any degree of certainty, for all ocean rates for bulk products under the present methods and under present shipping practice are subject to wide variations without notice to the shipper from day to day and even from hour to hour.

While under the present methods of shipping staple farm products overseas it may cost 5 cents a bushel to ship wheat from New York to Liverpool on one day or during a given week, it may cost 10 cents a bushel to ship wheat from New York to Liverpool the next day or during the next week, and then, again, the following day or during the following week wheat may be shipped from New York to Liverpool for 1 cent a bushel, or even for a much lower rate than this.

Since the cost of carriage from the seaboard to Liverpool can not be ascertained by the buyer in the local market, the price that should be paid for wheat in the local market can not be accurately determined. As a consequence the buyer in the local market, to be on the safe side, usually calculates the rate of carriage from the seaboard to Liverpool at the maximum rate charged and deducts this and the cost of transportation from the local market to the seaboard from the Liverpool price of wheat, making the remainder a local market price to be paid to the producer.

For illustration, if the market price of wheat in Liverpool is $1, to determine the local price of wheat in Minneapolis, Minn., there must be deducted from the Liverpool price the cost of carriage from Minneapolis to New York, the seaboard, and the cost of ocean carriage from New York to Liverpool. While the cost of carriage from Minneapolis to New York can be accurately ascertained, the cost of ocean carriage from New York to Liverpool is an unknown and uncertain factor. Consequently, the maximum rate of carriage that at times may be exacted from New York to Liverpool is calculated, and the price of wheat in the local market in Minneapolis determined to a large extent thereby. In this way the seller on the Minneapolis market, who is the real producer of the grain, fails to receive the benefit of ocean rates less than the maximum rate at times charged between New York and Liverpool.

The fact that ocean carriage on staple farm products can be raised or lowered at a moment's notice, and at the whim and will of the shipping rings and combinations, leaves room for tremendous gambling operations on grain prices and levies each year heavy tolls on both the producer and the consumer.

As a consequence of the many abuses prevailing in water-rate carriage, both in domestic and foreign commerce, due to shipping conferences, rings, and monopolies, important inquiries have been made during the past few years, both in Great Britain and in the United States. A royal commission appointed in Great Britain made and published an exhaustive report on this subject in 1909. During the Sixty-second Congress the House of Representatives on July 16, 1912, passed House resolution No. 578, which was introduced on June 16, 1912, by Mr. ALEXANDER, chairman of the Committee on the Merchant Marine and Fisheries. The following are the first two sections of this resolution:

Resolved, That the Committee on the Merchant Marine and Fisheries be, and is hereby, empowered and directed to make a complete and thorough investigation of the methods and practices of the various ship lines, both domestic and foreign, engaged in carrying our oversea or foreign commerce and in the coastwise and inland commerce, and the connection between such ship lines and railroads and other common carriers, and between such lines and forwarding, ferry, towing, dock, warehouse, lighterage, or other terminal companies or firms or transportation agencies, and to investigate whether any such ship lines have formed any agreements, understandings, working arrangements, conferences, pools, or other combinations among one another, or with railroads or other common carriers, or with any of the companies, firms, or transportation agencies referred to in this section, for the purpose of fixing rates and tariffs, or of giving and receiving rebates, special rates, or other special privileges or advantages, or for the purpose of pooling or dividing their earnings, losses, or traffic, or for the purpose of preventing or destroying competition; also to investigate as to what methods, if any, are used by such ship lines, foreign or domestic, and railroads and other common carriers, or of any of the companies, firms, or other transportation agencies referred to in this section, to prevent the publication of their methods, rates, and practices in the United States; also to investigate and report to what extent and in what manner any foreign nation has subsidized or may own any vessels engaged in our foreign commerce; also to investigate and report to what extent any vessel lines and companies or any of the companies, firms, or transportation agencies referred to in this section, engaged in our foreign or coastwise or inland commerce, are owned or controlled by railway companies, by other ship lines or companies, or by any of the companies, firms, or transportation agencies referred to in this section, or by the same interests and persons owning or controlling railroad companies, ship lines, or other common carriers, or any of the companies, firms, or transportation agencies referred to in this section; and said committee shall further investigate whether the conduct or methods or practices of said foreign steamship lines are in contravention of our commercial treaties or in violation of our laws, and what effect said methods and practices have on the commerce and freight rates of the United States; and shall further investigate what effect such combinations, agreements, understandings, working arrangements, and practices of railroads and our coastwise and inland shipping lines, or of railroads and such shipping lines and any of the companies, firms, or transportation agencies referred to in this section, or of railroads and oversea shipping lines, whether domestic or foreign, if any are found to exist, have on the commerce and freight rates of the United States, and whether the same are in violation of the laws of the United States.

SEC. 2. That said committee shall report to the House all the facts disclosed by said investigation and what legislation, if any, it deems advisable in relation thereto.

Under authority of this resolution the Committee on the Merchant Marine and Fisheries made a very full investigation of water rates of transportation and of the existing shipping combinations, conferences, and monopolies. The hearings held before the committee, the committee's recommendations and conclusions, and all proceedings had under authority of the resolution are contained in a published report consisting of four volumes. Much very valuable material on the subject of both foreign and domestic water rates is contained in this report.

Ocean freight traffic is commonly classified under two headings: First, "Package traffic"; second, "Bulk traffic." The latter classification includes grain, flour, oil cake, cotton, and other bulky commodities. From the extensive hearings held under the authority of House resolution No. 587, to which I have just referred, it appears that of the ocean freight tonnage carried about two-ninths consists of "package traffic" and about seven-ninths of "bulk traffic."

The testimony of Mr. Franklin, vice president of the International Mercantile Marine Co., of New York, before the Committee on the Merchant Marine and Fisheries, as well as the testimony of others, disclosed that while there are fixed rates on "package traffic," which rates can not be changed without from 30 to 60 days' notice to those engaged in shipping, there are no fixed or certain rates on "bulk traffic."

This condition gives to the federated shipping interests a most dangerous power. There is no good reason or argument that can be advanced as to why the "package traffic" consisting of but two-ninths of the freight shipments should enjoy fixed rates, while the "bulk traffic" making up seven-ninths of the freight shipments has no fixed rates. Because this condition prevails the federated shipping interests and other gamblers in the price of the staples, the value of which is estimated to be a hundred billion dollars a year, and which represents the foodstuffs and raw materials for clothing and household furnishings of all the people of all the world, hold the power to dictate at will the rise and fall in the price of the world's agricultural products. This power has long since been recognized as one of the most important factors in connection with railroad transportation in this country, and the control and regulation of rates on "bulk traffic" as well as "package traffic" has been wisely and properly placed in the hands of the Interstate Commerce Commission.

Since the import, export, and home price of the staples of agriculture are governed by the world's price, the formation of which is, as I have before suggested, influenced by the cost of carriage from the local market to the principal market centers of the world, and as no one nation is able to regulate and control the terms and conditions of ocean carriage of the principal world ports, any successful attempts to regulate or control ocean carriage of staples must necessarily be made through an international organization, such as the International Institute of Agriculture.

This House joint resolution, which I am informed has the earnest approval and indorsement of Hon. David Lubin, the very able and learned permanent delegate of the United States to the International Institute of Agriculture at Rome, and which is in the following terms:

Resolved, etc., That in accordance with the authority of letter (f) of article 9 of the treaty establishing the institute, which provides that it shall "submit to the approval of the Governments, if there be need, measures for the protection of the common interests of farmers," the American delegate to the International Institute of Agriculture is hereby instructed to present (during the 1914 fall sessions) to the permanent committee the following resolutions, to the end that they may be submitted for action at the general assembly in 1915, so as to permit the proposed conference to be held in Rome during the fortnight preceding the session of the general assembly of the institute in 1917:

RESOLUTIONS.

"The general assembly instructs the International Institute of Agriculture to invite the adhering Governments to participate in an international conference on the subject of steadying the world's price of the staples.

"This conference shall consist of members appointed by each of the Governments adhering to the institute, and is to consider the advisability of formulating a convention for the establishment of a permanent international commerce commission on merchant marine and on ocean freight rates, with consultative, deliberative, and advisory powers.

"Said conference to be held in Rome during the fortnight preceding the session of the general assembly of the institute in 1917."

Will, in my judgment, if passed by this Congress, set in motion the machinery necessary to bring together a conference of the nations of the world which will evolve and adopt practical

means and methods of controlling, regulating, and making stable the ocean rates on all ocean freight traffic.

The International Institute of Agriculture at Rome since its establishment by convention entered into on June 7, 1905, has done lasting and valuable work for the interest of the farmers of the world through its weekly and monthly authentic world crop reports made to the countries signatory to the convention and, through them, to the public. Due to the work being carried on by this international institute, reliable statistics of the world's agricultural products are to-day made easily available to every farmer and to every business man. The diffusion of this information has been a large factor in steadying the price of agricultural products. Fifty-four nations are now signatories to the international convention which founded the International Institute of Agriculture at Rome. If the support of these nations through the International Institute of Agriculture can be secured to an agreement for the establishment of an international commerce commission vested with power to regulate or stabilize ocean freight rates on the staples of agriculture, another most important factor in steadying the world's price of farm products will be fixed and another large element of speculation will be eliminated. The spirit as well as the substance embodied in this resolution should, in my judgment, be accorded the support of every man on the floor of this Chamber. This is not a party measure. It is more than a national question. It is an international problem which in no uncertain measure affects the living and the welfare of the masses of the people of all the world. I trust the resolution may soon be adopted by the Congress, and that it may be successful in accomplishing the good work its author purposes it to accomplish. [Applause.]

The SPEAKER. The time of the gentleman has expired.

Mr. MANN. Mr. Speaker, how much time have I remaining?

The SPEAKER. Eleven minutes.

Mr. MANN. Mr. Speaker, I yield three minutes to the gentleman from Wisconsin [Mr. COOPER].

Mr. COOPER. Mr. Speaker, I am obliged to the gentleman from Illinois [Mr. MANN]. As a member of the Committee on Foreign Affairs I heard the testimony given by Mr. David Lubin, and by other thoroughly informed witnesses, as to the merits of this resolution, and I am convinced that it ought to pass. The facts are very simple. Seven-ninths of the entire ocean traffic is what is called bulk traffic, and practically all of this comes from the farms of the country. When farm products are carried on land the farmers know precisely what the freight rate is. And the railroads can not change that freight rate without first giving notice of 30 or 60 days; and even then they can not change it without the consent of the commission, which before reaching a decision takes into account the interests of the railroads and the interests of the shippers. Whereas ocean freight rates on grain, as was shown by the testimony, may vary in an hour from 1 cent to 25 cents a bushel. This resolution simply provides as its ultimate purpose that the International Institute of Agriculture shall call an international conference to consider the subject of steadying the world's price of the staples of agriculture and the advisability of establishing an international commerce commission on merchant marine with advisory and consultative powers concerning the rates to be paid on ocean traffic. It is a resolution of great importance, and I hope that it will pass without a dissenting vote. [Applause.]

Mr. MANN. Mr. Speaker, how much time have I remaining?

The SPEAKER. Nine minutes.

Mr. MANN. Mr. Speaker, I assume that this resolution will pass, but I do not believe it will do any good. It may do some harm. It will apparently put the Government of the United States on record in favor of stability of ocean freight rates. There is one way to have stable ocean rates, and that is to have comparatively high rates and to cut out competition. Ocean rates have been reduced from time to time for many years, gradually falling, with some variation——

Mr. GOODWIN of Arkansas. Will the gentleman yield?

Mr. MANN. No. I have but 9 minutes and the gentleman had 10. I hope I may be permitted to make this suggestion, and then, if the gentleman desires to ask a question, I will be glad to yield.

There is a competition in ocean freight rates, notwithstanding all that has been said. If all the regular line steamers are in combination, that still does not affect the tramp vessels. It has not been unusual for the tramp steamer or the tramp sailing vessel to come into a port looking for a cargo. They go where they think the cargoes will be, and the rate which they charge will depend upon the demand for cargo space. When we have a large quantity of exports from a particular place the rate will keep up. When there is a supply of vessels and a shortage of demand, the rate will fall. The freight rate on grains from the West to the East has been reduced to a very large percentage by lake competition. Lake competition has been such in the past—and it usually takes some time to have a complete effect upon railroad rates—lake competition has been such in the past that frequently steamers have carried grain from Chicago to Buffalo for a cent a bushel. Competition did it. If you had had an interstate commerce commission fixing rates, there would have been no rate fixed as low as that. That does not pay interest on the investment. But when the supply is large in the way of cargo space and the demand is small, the shipper makes his own terms.

Now, gentlemen say that this does not benefit the farmer any. All of the various circumstances that enter into prices for and against lower or higher prices meet together on the Chicago Board of Trade as to corn and wheat and other grain, and at other places accordingly, and the consensus of all the combinations bring out the price.

To-day we are met with a peculiar situation which itself shows that the statements of Mr. Lubin and those of the committee on this joint resolution are in error. They say that the price of wheat is fixed in Liverpool, and that the farmer can not tell what price he is going to get, because we have not stable ocean rates, but that if the farmer knew what the ocean rate was he could tell exactly what his wheat was worth in Kansas City or on the farm by subtracting from the Liverpool price the rate.

A little while ago wheat was 80 cents a bushel, with a large crop in this country. Every grain speculator in the land believed there would be a reduction in the price of wheat. The European war broke out. The newspapers throughout the country published the fact that grain would increase in price, that there would be a great demand for wheat and flour in Europe. The members of the Chicago Board of Trade rather laughed at the idea that it would be possible to largely put up the price of wheat in the face of the exceedingly large crop and the lack of vessels to ship the wheat abroad.

But what have been the facts? The people throughout the country, fearing that there would be an increase in the price of flour, bought two barrels of flour where they bought one barrel before, or bought one barrel of flour where they bought a sack before. There has been more flour sold in this country in the last 30 days than was ever sold before in the country in 40 days' time or more.

The millers met the demand for flour—how? They have to have wheat. But the farmers were holding their wheat back. They were not paying any attention to the Liverpool quotations, nor to the freight rate from here to Liverpool. They held their wheat back, and wheat has gone up 25 cents a bushel in a month's time—more than that for May wheat—thus disproving every assertion which the economists have made for years, or which many of the economists have made, and which the committee make in reference to this proposition.

Now, it is to the interest of the farmers to have cheap ocean rates. I have given as much attention to the Interstate Commerce Commission and the interstate-commerce law as any Member on this floor. I said years ago that the interstate-commerce law, when we gave the Interstate Commerce Commission full power over rates, would stabilize rates, but that it would increase rates. You never can stabilize rates anywhere without a gradual increase in the rates.

Now, the people of our country, in close competition with each other in different sections and different cities, desired stable rates, because unstable rates gave one city in competition with another an advantage over the other. But when it comes to foreign rates we would rather have cheap rates than stable rates. When grain is carried across the Atlantic Ocean for nothing as ballast, as has been the case on many occasions, that very fact puts up the price of grain to the farmer in this country.

Mr. Lubin desires that the farmer may know, as he says, what he is going to get, but will fix it so that he will get less money. My belief is that the farmer would rather have a little more money and not know in advance just how much it is. The farmer deals with uncertainties as to his crops. He does not know how much wheat he is going to have. He would rather have a larger amount of money at the end of the season than to know, to begin with, just how much he would have.

The effect of this resolution, if it amounts to anything, is to put the Congress on record as favoring the proposition that we will have high ocean rates, but we shall know what they are, and that a tramp steamer coming into port can not carry wheat or corn or cotton for any less than any other steamer can carry it.

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. FLOOD of Virginia. Mr. Speaker, I yield two minutes to the gentleman from California [Mr. RAKER].

Mr. RAKER. Mr. Speaker, I am heartily in favor of this resolution. I have had the pleasure of reading over the hearings and also of hearing the statements and presentation of the matter by Mr. Lubin a number of times. No one who has heard his personal presentation of the matter, knowing the questions involved and their magnitude, and what it means to the farmers of this country, can deny that it is the most convincing argument ever made or written. These arguments are based on experience and, we believe, the facts. A stable freight rate over the ocean or a steadying of the rates would mean that the farmer and the producer of seven-ninths of all the commodities used in the world that are transported by freight would reap the benefit, and he would know exactly what he was going to get. He would not be subjected to gambling in the markets in fixing the rates.

The International Institute of Agriculture, having its seat at Rome, Italy, is a permanent Government institution created by treaties signed June 7, 1905, between the United States and the following powers: Italy, Montenegro, Russia, Argentine Republic, Roumania, Servia, Belgium, Salvador, Portugal, Mexico, Luxemburg, Switzerland, Persia, Japan, Ecuador, Bulgaria, Denmark, Spain, France, Sweden, the Netherlands, Greece, Uruguay, Germany, Cuba, Austria-Hungary, Norway, Egypt, Great Britain, Guatemala, Ethiopia, Nicaragua, Brazil, Costa Rica, Chile, Peru, China, Paraguay, and Turkey. Since the creation of the institute 14 other powers have become adherents, making the total number at this time 54 nations represented in the institution.

Confining its operations within an international sphere, the institute is authorized and directed, among other things, to submit to the approval of the Governments, if there be need, measures for the protection of the common interests of farmers, and it is under the subsection designated "f," article 9 of the treaty referred to, that it is proposed to instruct the American delegate to offer a resolution inviting the adhering Governments to participate in an international conference on the subject of steadying the world's price of the staple agricultural products.

If the invitation thus extended is accepted, a conference consisting of delegates or members named by each of the adhering Governments will meet in Rome to consider the advisability of formulating a convention for the establishment of a permanent international commerce commisson on merchant marine and on ocean freight rates, with consultative, deliberative, and advisory powers.

Hearings were held on the resolution, and the testimony taken developed the following facts:

That of the entire ocean freight traffic, seven-ninths consist of bulk traffic, the greater proportion of which is the staples of agriculture.

That two-ninths of the total ocean freight traffic consist of package traffic, including practically all manufactured articles.

That while the freight rate on package traffic can not be changed by the carriers without giving 30 to 60 days' notice to shippers, the rate on bulk traffic may be, and in fact is, changed without notice and fluctuates hourly.

That the domestic price of the staples of agriculture is governed by the export price, which fluctuates with the rise and fall of ocean freight rates on bulk traffic.

That the world's price of the staples of agriculture can not be steadied until a fixed rate can be established on bulk traffic the same as package traffic.

Independent of the abnormal conditions which now obtain, the ocean freight rates have increased within the past two years from 100 to 200 per cent and are controlled absolutely by a shipping trust which arbitrarily fixes the charge for carrying the staple commodities, and the burden of increased rates has been borne largely by the bulk traffic. The broad, international scope of the question is patent and it is one of primary importance to every agricultural nation in the world.

The following paper submitted by Mr. Lubin before the Committee on Foreign Affairs fully justifies the passage of this resolution:

INTERNATIONAL INSTITUTE OF AGRICULTURE—PROPOSAL FOR AN INTERNATIONAL CONFERENCE ON THE REGULATION AND CONTROL OF OCEAN CARRIAGE BY MEANS OF AN INTERNATIONAL COMMERCE COMMISSION FOR THE PURPOSE OF STEADYING THE WORLD'S PRICE OF THE STAPLES.

(By David Lubin, delegate of the United States International Institute of Agriculture, Rome, Italy.)

THE WORLD'S PRICE OF THE STAPLES—HOW IT IS ARRIVED AT—ITS BEARING ON THE ECONOMIC STATUS OF THE PEOPLE.

THE RESOLUTION.

The resolution concerning ocean freight rates on the staples passed by the permanent committee of the International Institute of Agriculture at its April meeting calls for "proposals which it may see fit to submit on this subject to the general assembly" (May, 1915).

In accordance therewith, and acting under the authority of letter (f) of article 9 of the treaty establishing the institute, which provides that it shall "submit to the approval of the Government, if there be need, measures for the protection of the common interests of farmers," I propose that the permanent committee introduce the following resolution to the general assembly for adoption.

The general assembly instructs the International Institute of Agriculture to invite the adhering Governments to participate in an international conference on the subject of the regulation and control of ocean freight rates on the staples of agriculture.

This conference shall consist of members appointed by each of the Governments adhering to the institute, and is to consider the advisability of formulating a convention for the establishment of a permanent international commerce commission on merchant marine and ocean freight rates. Said conference to be held in Rome during the fortnight preceding the next session of the general assembly of the institute in 1917.

In support of the above resolution I herewith submit the following paper:

TRANSPORTATION AND COMPETITION.

With the ever-increasing importance of transportation as a factor in the economic development and life of nations, governments everywhere are assuming the right to set aside the competitive system in so far as it concerns the regulation of rates in domestic carriage. Take the case of railways, for instance.

"It was at one time an axiom of law and of political economy that prices should be determined by free competition. But in the development of the railway business it soon became evident that no such dependence on free competition was possible, either in practice or in theory. It produces an uncertainty with regard to rates which prevents stability of prices, and is apt to promote the interests of the unscrupulous speculator at the expense of those whose business methods are more conservative." As a result of these difficulties "operation by private companies, under specific provisions of the Government authorities with regard to the method of its exercise, has been the policy consistently carried out in France," and "there has been both in the United Kingdom and in the United States a progressive increase of legislative interference with railways." (Encyclopædia Britannica, vol. 22, pp. 824, 825, 826.)

In recognition of these facts the United States established its Interstate Commerce Commission with ample power to control its railway traffic rates. In place of leaving the power of rate fixing in the hands of the railway companies, it has vested it in (a) the seven members of the Interstate Commerce Commission, (b) in the railway managers, and (c) in the United States courts, who together form the triune power governing the equities involved in the matter of rates.

SHIPPING RINGS AND MONOPOLIES.

Drawbacks similar to those formerly complained of in railway traffic are now seen to prevail in water carriage. As a result, the abuses alleged in the working of the present system of shipping rings and conferences are attracting the attention of the Governments. Important inquiries on the subject have been held in Great Britain and the United States. In Great Britain a royal commission was appointed which, in 1909, published its report. In the United States a movement is now on foot for extending the powers of the Interstate Commerce Commission to cover ocean carriage, both in the domestic and the foreign trade.

In pursuance of this movement resolutions were passed in February and June, 1912, by the United States House of Representatives, of which the following are excerpts:

"*Resolved*, That the Committee on the Merchant Marine and Fisheries be, and is hereby, empowered and directed to make a complete and thorough investigation of the methods and practices of the various ship lines, both domestic and foreign, engaged in carrying our over-sea or foreign commerce and in the coastwise and inland commerce.

"That said committee shall report to the House all the facts disclosed by said investigation, and what legislation, if any, it deems advisable in relation thereto."

This committee has recently published its report, in four volumes, entitled "Proceedings of the Committee on the Merchant Marine and Fisheries in the Investigation of Shipping Combinations under House resolution 587."

I have received these volumes through the courtesy of the chairman, Mr. J. W. ALEXANDER, who, in a letter of May 15, informs me that he would be pleased to receive my comments on the same. I therefore now purpose, in order to bring out more clearly the points in favor of my resolution, to comment on the evidence and findings of the committee as set forth in the report.

This report shows that the leading representatives of the commercial interests, and practically all the important navigation companies engaged in the domestic and foreign trade of the United States, gave testimony under oath at the committee's inquiries.

To begin with, the testimony brought out the following facts:

THE FACTS.

First. That the evils arising from former unrestricted competition in ocean carriage have driven the steamship companies to form understandings, conferences, and combinations.

Second. That these understandings, conferences, and combinations have led to the formation of great shipping trusts. These trusts control not only of lines directly owned by them, but also control, to a great extent, the traffic of the "tramp ships," all of which practically gives them a powerful and dangerous monopoly.

Third. That these monopolies give rise to and maintain excessive and unjust rates, and, by the use of "fighting ships" and by rebates to large shippers, tend also to bring forth other and dangerous monopolies—monopolies in buying and monopolies in selling.

As to the first point, the evils of unrestricted competition, the committee, in its "summary of evidence," says:

"Unrestricted competition, based on the survival of the fittest, tends to restrict the development of the lines and in the end must result in monopoly. * * * Competition in the steamship business was regarded as the demoralization rather than the life of trade; as the means of introducing uncertainty instead of certainty, and inefficiency instead of efficiency. * * *" (Vol. 4, pp. 295, 300.)

On the same point the report furnished the committee by representatives of steamship companies states:

"Competition has never established a reasonable rate nor maintained a stable rate. * * * Rate wars tend to the monopolization of trade by the larger shippers. Unless the warring steamship factions come to some agreement the result is more or less of a monopoly on the part of the most powerful carrier engaged in the conflict." (Vol. 2, p. 1363.)

THE EFFECT.

And now as to the second point, the effect of the understandings, conferences, and combinations entered into by the shipping rings. The American and British reports show that these rings are attaining greater and greater magnitude throughout the world as time goes along. Let me quote an example:

"Practically all the well-known lines connecting North Atlantic American ports with those of the United Kingdom, North Europe, and the Mediterranean are parties to numerous freight agreements covering in one way or another nearly every sphere of the American-European trade * * * over 40 regular trans-Atlantic lines are parties in their respective trades to at least 20 agreements involving the freight traffic, and the important lines are members of at least four main freight conferences. The four conferences referred to are the trans-Atlantic Freight Conference, the American Atlantic Conference, the Atlantic Conference, and the Mediterranean Conference." (Vol. 4, p. 59.)

Summarizing the evidence obtained, the committee states in its report:

"It is the almost universal practice for steamship lines engaging in the American foreign trade to operate, both on the inbound and outbound voyages, under the terms of written agreements, conferences, arrangements, or gentlemen's understandings, which have for their principal purpose the regulation of competition through either (1) the fixing or regulation of rates, (2) the apportionment of traffic by allotting the ports of sailing, restricting the number of sailings, or limiting the volume of freight which certain lines may carry, (3) the pooling of earnings from all or a portion of the traffic, or (4) meeting the competition of nonconference lines." (Vol. 4, p. 415.) "Steamship agreements and conferences are not confined to the lines engaging in the foreign trade of the United States. They are as universally used in the foreign trade of other countries as in our own." (Vol. 4, p. 416.)

RATE WARS.

"* * * The methods which have been adopted from time to time to eliminate competition show the futility of a weak line attempting to enter a trade in opposition to the combined power of the established lines when united by agreement. By resorting to the use of the 'fighting ship' or to unlimited rate cutting, the conference lines soon exhaust the resources of their antagonists. By distributing the loss resulting from the rate war over the several members of the conference, each constituent line suffers proportionately a much smaller loss than the one line which is fighting the entire group. Moreover, the federated lines can conduct the competitive struggle with the comfortable assurance that, following the retirement of the competing line, they are in a position to reimburse themselves through an increase in rates." (Vol. 4, p. 304.)

As showing the way in which the shipping rings absorb independent lines and control the ports, let me quote the testimony given before a "hearing" of the committee by one of the witnesses:

"Going back a good many years, there was an independent line from Baltimore to Rotterdam. * * * That line was absorbed and taken over by the Holland-American Line; and instead of Baltimore having an independent service, the Baltimore service has been forced out, and we are now dependent on the allotment from the central agency in New York, which says 'Baltimore can do this much business,' and we can not do any more." (Vol. 2, p. 1289.)

THE COMPLAINTS.

And now, finally, for the third point: The excessive and unjust rates and the granting of rebates.

On the question of excessive rise in rates Mr. J. W. ALEXANDER, the chairman of the committee, stated:

"The testimony before the committee seems to indicate that the ocean rates have gone up from 100 to 200 per cent in the last 12 months, or, anyway, within the last two years." (Vol. 2, p. 801.)

Summarizing certain phases of the evil arising from the formation of shipping rings, the committee states:

"A considerable number of complaints were also filed with the committee objecting to excessive rates, discrimination between shippers in rates and cargo space, indifference to the landing of freight in proper condition, arbitrariness in the settlement of just claims, failure to give due notice to shippers when rates were to be increased, refusal to properly adjust rates as between various classes of commodities, and the unfairness of certain methods, such as 'fighting ships,' deferred rebates, and threats to refuse shipping accommodations used by some conference lines to meet the competition of nonconference lines. * * * The conference lines so completely dominate the shippers with whom they deal that these shippers can not afford, for fear of retaliation, to place themselves in a position of active antagonism to the lines * * *." (Vol. 4, p. 417.)

On the question of rebates and the monopolies to which they give rise, Mr. HUMPHREY, a member of the committee, pointed out that the shipping conferences give "special rates to certain big interests in the United States, * * * among others to the Standard Oil, what is known as the Harvester Trust, and what we generally term the 'Steel Trust.'" (Vol. 1, p. 267.)

And now let us see from further evidence in the report how the case would stand if there were no shipping conferences, if there were no shipping trusts; let us see how it would stand under a régime of open and unrestricted competition.

STABLE RATES.

On this head the contention is made that open competition with its constantly fluctuating rates prevents rational calculations of prices in buying and selling, whereas conferences secure stable rates which permit of such calculations. In its report the committee makes the following statements with reference to the advantages claimed for shipping conferences as against open competition.

"Such agreements, it is contended, are a protection to both shipper and shipowner. To the shipper they insure desired stability of rates. * * * Stability of rates over long periods of time removes the inconvenience which would exist if merchants and shippers were obliged to quote different propositions (prices) on nearly every consignment, thus eliminating what was formerly an undesirable speculative risk under the open competitive system." (Vol. 4, pp. 295, 297.)

"Prominent exporting firms * * * are convinced that the present condition of fixed rates and regular sailing opportunities places all merchants upon the same basis as regards their estimates on contracts, and produces much better results for the exporter and manufacturer than could be possibly under the old order of things * * * (under unrestricted competition). * * * Nothing is regarded so detrimental to the export trade as uncertainty regarding sailings and violent fluctuations in freight rates." (Vol. 4, p. 298.)

Under the shipping conferences "the rates filed are only subject to change after an agreed period of notice, varying from 30 to 60 days. * * *." (Vol. 4, p. 64.)

THE DISCREPANCY.

And right here there seems to be a wide discrepancy between the statements just quoted from the committee's report and those contained in letters from the Chambers of Commerce of New York and of San Francisco. To facilitate the proposed work of the International Institute of Agriculture in publishing ocean freight rates on the staples, I wrote to some of the leading chambers of commerce in the United States, asking whether the data on current freight rates could be procured for regular publication in the institute's monthly bulletins. The Chamber of Commerce of New York, in a communication of December 11, 1913, replied as follows:

"* * * It would be extremely difficult to give any definite information in regard to freights that would be of value in publishing the world's price for cereals. * * * You no doubt are aware that freight rates, particularly for agricultural products, change almost daily and sometimes several times during the day, depending upon the demand or otherwise for freight room. Rates quoted to-day would be only for refusal for 24 hours, and they are constantly influenced by the fluctuating demand for room in the various steamers. * * * Frequently wheat has been carried between the United States and London free of any charge, being simply used for ballast in the steamers, and at other times the rate has advanced to 10d. and 12d. per bushel."

This statement was confirmed by the San Francisco Chamber of Commerce, which, in a letter of April 3, says:

"Rates fluctuate from day to day, and a rate reported to-day might be twice as high or half as low to-morrow."

A similar statement is contained in the report submitted to the Committee on the Merchant Marine and Fisheries by the representatives of the steamship lines running between New York and foreign countries, which says:

"Ocean freight rates vary not merely from month to month, but from day to day and from hour to hour, especially with reference to the great staples which are traded in on the exchanges." (Vol. 2, p. 1373.)

Thus, in one instance, we are told that the conferences fix rates which can only be changed on 30 or 60 days' notice; whereas the other statement claims that rates fluctuate from day to day and from hour to hour; that "wheat," for instance, "has been carried between the United States and London free of any charge, being simply used for ballast in the steamers, and that at other times the rate has advanced to 10d. and 12d. per bushel." How, then, can we reconcile these two and conflicting statements?

THE STAPLES EXCLUDED.

An explanation is seemingly at hand. The shipping conferences exclude the staples of agriculture from their fixed rates. These staples, as we are informed by the Chambers of Commerce of San Francisco and New York, are therefore left subject to sudden and violent fluctuations. Their exclusion from the fixed rates is clearly indicated by the following paragraph from the "Summary of Evidence" given in the committee's report, which states:

"The minimum rate agreement, however, does not cover the heavy bulk traffic, consisting of grain, flour, oil cake, cotton, and similar commodities, but is confined to the high-priced freight on which the shippers as well as the ship lines are anxious to have fixed rates equally applicable to all." (Vol. 4, p. 64.)

On this same head Mr. Franklin, vice president of the International Mercantile Co., in his evidence before the committee, says:

"The representatives of the various lines running to Liverpool meet and discuss their rates. * * * These rates are subject to change on certain notice; in some instances 30 days and in some instances 60 days. They cover only certain commodities; they do not cover the great bulk of traffic, which consists of grain, flour, oil cake, cotton, and other bulky commodities. They cover only miscellaneous traffic." (Vol. 1, p. 597.)

We thus see that the case stands as follows: The main freight traffic of a ship is classified under two headings, (*a*) the "package traffic" and (*b*) the "bulk traffic." Now it is to be noted that while fixed rates are given on the merchandise composing the "package traffic" unfixed rates apply to the "bulk traffic," which consists in the main of the staples of agriculture.

And the question arises: What proportion does the "package traffic" bear to the "bulk traffic"?

In the testimony given before the committee by the vice president of one of the shipping rings, the International Mercantile Marine Co., it was brought out that of every 9,000 tons of traffic about 2,000 tons are carried as "package freight" at fixed rates, and about 7,000 tons as "bulk freight" at unfixed rates, and, as just stated, this "bulk freight" embraces the staples of agriculture. (Vol. 1, p. 611.)

A SIGNIFICANT FACT.

We are thus brought face to face with a significant fact. On the one hand we see the importance attached in the inquiries on ocean carriage, both in Great Britain and in the United States, to the question of fixed rates for the "packing traffic." On the other hand we see the slurring over, the waiving aside of the question of unfixed rates for "bulk traffic," the traffic which consists mainly in the staples of agriculture. And yet, as is well known, the slightest change in the cost of carriage affects the price of the staples, not only the price of the quantity exported, but likewise so the price of the entire quantity for home use.

This slurring over, this waiving aside, this indifference, was noticeable alike in the American and in the British inquiry. And no wonder, for both the inquiries were mainly concerned with points touching ocean freight rates as they affect (*a*) the public carrier and (*b*) the shipper and merchant, whereas the economic influences resulting from the rates and conditions of the ocean carriage of the staples affect most keenly the producers and the consumers.

"GODFATHERS."

From the facts elicited at these inquiries it would seem as though there are "godfathers," so to speak, on the lookout for all the interests involved excepting for those of the staples. There is a godfather for iron, the Steel Trust; a godfather for agricultural implements, the Harvester Trust; a godfather for oils, the Standard Oil Trust; there is a godfather for the carriers, the Shipping Rings; a godfather for the commission men and the dealers handling the "package traffic," the chamber of commerce and the board of trade; but there is no godfather for the staples of agriculture, no godfather to represent the interests of the producer and of the consumer.

But the question arises: Would it have made any practical difference to the outcome if the interests of the producer and of the consumer had been represented at these inquiries? Let us see.

It seems to me that no matter how competent the testimony offered by a body representing the farmers or the consumers, no matter how honest the committee before which such testimony would be given, no matter how able the proposals for legislation which that committee might draft, it would all be ineffective unless the evidence given indicated the international bearing of the subject and unless the findings deduced therefrom recommended action on international lines. So long as the findings would fail to recommend international action, they must necessarily fall short of applying adequate means to the ends in view. That this is worthy of serious consideration will be apparent from the following:

WHOM DOES IT CONCERN?

In the case of "package traffic" the terms and conditions of ocean carriage mainly concern the carrier, the shipper, and the dealer. In the case of "bulk traffic," the traffic in the staples of agriculture, the terms and conditions of ocean carriage concern the economic welfare of the people everywhere.

To illustrate, under "package traffic," whether the rate on shipments of shoes or cutlery, for instance, be too low or too high, whether it be fixed or whether it fluctuate, whether the conditions be advantageous or disadvantageous, affects the carrier, the shipper, and the dealer.

But with "bulk traffic" the case is different. In the carriage of the staples of agriculture, whether the rate be too low or too high, whether it be fixed or whether it fluctuate, whether the conditions be advantageous or disadvantageous, concerns not merely the carrier, the shipper, and the dealer, but it concerns the economic condition of the people everywhere, as will be shown further on.

At this time it would be well to bear in mind that, while on the one hand "package traffic" comprises that class of merchandise which is bought and sold by private purchase and sale, by private contract, "bulk traffic," on the other hand, comprises in the main the staples of agriculture which are bought and sold in the world's bourses and exchanges at the world's price.

THE WORLD'S PRICE.

And what do we mean when we say the "world's price"?

We mean the price that is tendered and accepted in the world's bourses and exchanges, which we might call the world's auction rooms.

And how is this price arrived at?

The first factor in arriving at the world's price is the prevailing opinion as to the state of the world's supply. If the supply be above the normal, the price is expected to fall below the normal; if the supply be below the normal, the price is expected to rise above the normal.

By "supply" we do not mean the quantity produced or available in any one locality, in any one country; we mean the total world's supply. The supply in any given State may be above the normal, and yet if, at the same time, it be below the normal for the world, the price in that State should nevertheless be high. Or, vice versa, the supply in a given State may be below the normal, yet if the world's supply be above the normal the price in that State should be low.

But the supply is by no means the only factor in the formation of the world's price. There is another factor, and an important one—the cost of ocean carriage. If the average cost of ocean carriage be above the normal, it should correspondingly reduce the price paid to the producer below the normal. And, on the contrary, if the average cost of ocean carriage be below the normal, it should correspondingly raise the price paid to the producer above the normal.

Therefore calculations on rational lines for arriving at a knowledge of what the world's price ought to be should, first of all, take into consideration the status of the world's supply, and, secondly, the status of the cost of ocean carriage.

THE EFFECT OF FIXED RATES.

If there were fixed rates for ocean carriage of the staples, the Liverpool buyer would be able to make offers for given quantities of wheat, for instance, on a basis of rational calculations. But let us take the case as it stands at present. A shipper at Buenos Aires receives an order for wheat to be delivered in Liverpool at the ruling world's price, at, say, $1 a bushel; how much should he pay for that wheat at Buenos Aires? If the cost of delivery is, say, 10 cents a bushel, the world's price should then be 90 cents a bushel in Buenos Aires. If the cost of delivery is 30 cents, the world's price in Buenos Aires should then be 70 cents. But if he is to ship the wheat in 30 or 60 days' time, how is the shipper to tell what the cost of carriage will then be? As the rates for the ocean carriage of the staples are not fixed, how is he to know? He does not know

As we have seen, the Chamber of Commerce of New York states that wheat is carried at one time free of charge as ballast and at another time at a charge of 10d. and 12d. per bushel; and the San Francisco Chamber of Commerce writes that "rates fluctuate from day to day, and a rate reported to-day might be twice as high or half as low to-morrow." Therefore the shipper must guess, and so must everyone else guess, so long as rates are unfixed. If the shipper wins on the guess, what he wins comes directly out of the pocket of the producer; if he loses, he tries hard to recoup himself in his next deal, and also out of the producer's pocket.

But this is only the beginning of the mischief. The confusion arising out of the system of unfixed rates for ocean carriage of the staples and the consequent uncertainty in price determining lead to economic evils so far-reaching as to affect the people everywhere.

A comprehensive grasp of the significance of this evil may be obtained by the consideration of the following:

PRIVATE SALE AND PUBLIC SALE.

In the case of "package freight," of chairs, stoves, shoes, etc., the rise or fall in the rates of ocean carriage on the same hardly affects their home price or their foreign price. If, for instance, the cost of ocean carriage on pianos were to advance from $5 to $20 each, it need not necessarily follow that owing to the $15 advance in freight rates all the pianos in the exporting country would decline by $15 or advance by $15 in the importing country, for the "package traffic" merchandise is sold by private contract—by private sale. But with the "bulk freight," with the staples of agriculture, the case is quite different. Being sold on the world's bourses and exchanges, at the world's price, it necessarily follows that a rise in ocean freight rates at one or more leading ports of an exporting country, by reducing the price on the quantity exported must necessarily reduce the price on the remaining quantity in the home market, for the buyer on the bourses or exchanges, whether he buys for export or for home use, pays the same price.

We can thus see how sensitive to change is the world's price and the home price of the staples when influenced by unfixed rates for ocean carriage. Were there fixed rates for the carriage of the staples, subject, say, to 30 or 60 days' notice of change, as is the case with the "package traffic," it would then settle the major evil in the question before us, the evil of constant and unnecessary price disturbances.

RAISE AND LOWER THE PRICE AT WILL.

But apart from such disturbances, under the present system of unfixed rates there is yet another point which calls for our consideration. Under present conditions the chief directors of a few of the larger shipping rings, by federating their efforts, are in a position to raise and lower, by previous arrangement, the prices of the staples in any and all of the principal ports of the world. Acting under exclusive and advance knowledge of the rates they will charge they could lower the price of the staples by raising the cost of carriage and then, directly or indirectly, buy them in the bourses. They could then raise the price of the staples by lowering the cost of carriage, when they would sell. They could thus, at will, and by arrangement, lower the price of the product and buy, then raise the price and sell, and pocket the difference.

But the economic loss occasioned by such raising and lowering of prices at will would be very much greater than the amount the directors of the shipping rings might pocket, for raising or lowering the cost of carriage means raising or lowering the price of the staples on the home market directly, and raising or lowering the world's price indirectly.

Besides this species of mischief, there is, however, yet another within the power of the federated shipping rings; it is within their power, as we have seen from the case of Baltimore, to make and unmake ports, and through this to raise or lower the economic status of the nations. And this power is the more dangerous since such directors of shipping rings are irresponsible and free to act on the lines indicated. They are not expected to be guided by altruistic motives nor by high and statesmanlike political considerations.

"PACKAGE TRAFFIC" AND "BULK TRAFFIC."

Moreover, the fact that the "package traffic," representing 2,000 out of every 9,000 tons, enjoys fixed rates, whilst the "bulk traffic," the traffic in the staples, the traffic that represents 7,000 out of every 9,000 tons, is carried at unfixed rates, is in itself a terrible indictment of the present mode of procedure. Here we see that the price of the annual world's production of the staples, the value of which we may roughly estimate at a hundred billion dollars a year, and which represents the foodstuffs and the raw material for clothing and for house furnishing of all the people of the world, is permitted to be battledored and shuttlecocked through the action of the federated shipping rings.

We are thus forced to the conclusion that it is possible under this system for a few powerful directors of federated shipping rings to exert more effective economic control over the nations than can be exerted by any president, emperor, king, or prince; and so long as these federate shipping rings have it in their power to dictate at will the rise and fall in price of the world's food products, of the world's raw materials for clothing and for furnishing, so long do they, in reality, usurp a power which does not belong to them, a power which they should not have.

As matters stand at the present time, the unfixed rates for ocean carriage tend to convert the bourses and exchanges into price storm centers, storm centers which constantly give rise to waves of violent price disturbances, reacting at times in every direction.

Now, what harm do these price disturbances do?

What harm do they not do?

Unfixed rates of ocean carriage for the staples disturb, impede, and throw out of gear the whole mechanism of exchange.

FREE PLAY.

Right here we may aptly borrow the figure of the factory given by President Wilson in his book, The New Freedom. Here is a workshop; the overhead and underneath shafting, the journals, the pulleys, and the belts are all lined out, true, straight, trim, taut, and oiled, and all is well. But if the shafting be sprung or the journals unoiled, the whole mechanism will be thrown out of gear.

It is just so in the industrial world. The law of competition should be permitted full and free play with no interference to impede its operation. But experience has made it plain over and over again that in the world of industry there is just one field in which competition, if allowed to operate, leads in the end to the "reductio ad absurdum" of the whole competitive system. The field that I refer to is that of transportation; competition in transportation impedes and interferes with the free play of competition in other and important fields.

This fact has been brought home so clearly to the American people that they have enacted laws excluding the railway carriers from the domain of competition by placing the regulation and control of rates in the hands of the Interstate Commerce Commission. And the same reasoning that holds good for the regulation and control of railroad rates by an Interstate Commerce Commission would, as was shown before, likewise hold good for the regulation and control of ocean carriage through an International Commerce Commission.

The manner, now arbitrary, now fortuitous, in which the rates for ocean carriage of the staple are fixed; the lightning-like rapidity with which they are made to change; the gravity of the economic disturbances to which such sudden changes give rise; the far-reaching interrelated nature of their effects; the reaction produced by changes of rates in the ports of one nation on prices in the ports of another nation show clearly that if there is reason for placing domestic carriers under national regulation and control, there is yet stronger reason why ocean carriers should be placed under international regulation and control. If this contention be admitted, it then follows that my resolution for an international official conference to consider this matter is in order.

THE SITUATION.

And now let us briefly review the situation as made manifest by the British and American inquiries. We may summarize it as follows:

There are, at present, two modes of conducting the traffic business of ocean carriage:

(*a*) Through unrestricted competition;

(*b*) Through shipping rings and conferences.

In the final analysis, however, it would seem that unrestricted competition in ocean carriage is, in reality, but a mere hypothesis, for, as has been shown, such unrestricted competition invariably resolves itself down into a monopoly.

And again, if we examine the shipping rings and conferences which are, at present, the normal condition, we shall see that this condition also is but another name for monopoly.

We are thus brought face to face with the fact that both unrestricted competition and shipping rings alike lead to monopoly in the business of ocean carriage.

And what about this monopoly? In the American report we find the following:

"All monopolies are liable to abuse, and in our foreign carrying trade the monopoly obtained by the conference lines has not been subjected to any legal control." (Vol. 4, p. 304.)

And on the same head the British report says:

"All monopolies are liable to abuse to a greater or less extent unless they are strictly limited, either by the nature of the case, by legislation, or by some form of supervision." (Report of the Royal Commission on Shipping Rings, vol. 1, p. 98.)

And now it will be interesting to note the measures proposed by the American and by the British committees for holding in check this "monopoly," for curbing this "abuse."

BRITISH AND AMERICAN RECOMMENDATIONS.

On the one hand, the British commission offers the following recommendation:

"Shippers and merchants in a given trade should form themselves into an association, so that they might be able to present a united front to the conference when any controversy arose." (Report of the Royal Commission on Shipping Rings, vol. 1, p. 85.)

The American committee, on the other hand, recommends:

"That navigation companies, firms, or lines engaged in the foreign trade of the United States be brought under the supervision of the Interstate Commerce Commission as regards the regulation of rates, the approval of contracts entered into with other water carriers, with shippers, or with American railroads." (Vol. 4, p. 419.)

Thus, as we see, the British recommendation is for unofficial, the American for official, action, and both recommendations view the question purely from the national standpoint.

So far as the "package traffic" is concerned, these recommendations might be adequate. But would they cover the needs of the case were the "bulk traffic," the staples of agriculture, under consideration? I do not think so; for as the import, export, and home prices of the staples are governed by the world's price the formation of which is influenced by the cost of carriage to the principal market centers of the world, and as any one nation is unable to regulate and control the terms and conditions of ocean carriage in the principal world's ports, therefore all attempts to regulate or control ocean carriage of the staples by any one nation must be inadequate.

INTERNATIONAL REGULATION AND CONTROL.

It would therefore seem to me that the nations should consider the advisability of establishing an international commerce commission for the regulation and control of ocean carriage. The influence of such international regulation and control, extending to the principal ports of the world, would supplement the world's official crop reports in guiding the formation of the world's price on an equitable basis. The first division of this work is already being performed; the crop reports now given out by the institute, under the auspices of the nations, are the official and authoritative summary of the world's supply. When this work would be supplemented by that of the international commerce commission it would then permit of rational calculations anywhere as to what the home price of the staples should be in its relation to the world's price.

And right here it may be apposite to relate an incident in the upbuilding of the institute pertinent to the subject.

Some eight years ago I called on Mr. James Wilson, the then Secretary of Agriculture, in an endeavor to win him over to the needs for an official international crop-reporting service. Mr. Wilson then expressed the opinion that such a service would be of no economic value to the United States. He claimed that the Department of Agriculture had its own crop-reporting service, which was sufficient for the needs of the American people, and that there was no call to enter on some new work which might serve the interests of other nations.

Subsequently, however, Mr. Wilson saw the matter in the light in which it was presented to him. He saw that all the crop reporting that the United States might do would be inadequate for the end in view; that the crop reports of one nation only are inadequate as a basis for arriving at the world's price, for the world's price is based on the world's supply; and in order to have the official reports of the world's supply it is necessary that crop reporting be done by all the nations of the world, and that the reports, and the world's summary of the same, be given out officially at regular intervals under international treaty. When Mr. Wilson saw this, he then favored the International Institute of Agriculture for this work.

AN INTERNATIONAL COMMERCE COMMISSION.

Similarly, in the case of ocean carriage, action by a nation, limited to the regulation and control of the "package traffic" within its own country, can be had through a national institution like the Interstate Commerce Commission. The jurisdiction of such a commission might even be extended to embrace the ocean carriage of a nation at home and abroad; but if all this is intended to influence the equitable relation between the home price and the world's price of the staples it will surely fall far short of accomplishing what is intended. For, as has been shown, one of the principal factors in arriving at the world's price of the staples is a knowledge of the world's supply, and in arriving at a knowledge of what their home price should be in relation to their world's price the leading factor would be the fixed rates for their ocean carriage. And just as the official report of the world's supply may only be had by means of an international crop-reporting service, so regulation and control of the ocean carriage of the staples may only be had through the medium of an international commerce commission.

Such an international commerce commission could be instituted by the nations under a treaty which should provide for its mode of representation and procedure. If it were granted powers similar to those of the Interstate Commerce Commission of the United States, provision might then be made for it to work in conjunction with a branch of The Hague tribunal, especially constituted and empowered to adjudicate on points of law which might arise out of the commission's functions and decisions. But if its powers were limited to those of a consultative and advisory body, its delegates could then sit in session together with the representatives of the carriers of the shipping interests. The question whether the proposed international commerce commission should be granted powers to act, or whether its functions should be limited to those of a consultative and advisory body, may properly come before the conference called for in my resolution.

FIXED RATES FOR BULK TRAFFIC.

And now it is in order to review some of the objections likely to be raised to fixed rates for "bulk traffic."

The shipowner, for instance, is likely to say: "The unit of transportation by water is the total capacity of a ship. We can not cut off so many feet, as the railroad can, and leave them in New York if we do not want to use them." (Vol. 2, p. 1256.)

It would appear to me that this objection is more seeming than real, for a train of cars can not profitably be run unless there is freight for it, any more than a ship can be run without freight. If you are running a railway you must have freight to fill your cars or get out of business.

"But," it may be asked, "would not such a system of fixed rates overlook the character of the service rendered? Here, for instance, is a costly liner which makes the trip from New York to Liverpool in five days, and here are slower boats, the tramps and the sailing vessels; would the fixed rates apply equally to all?"

And the answer is: The fixed rates could be established according to the quality of the service. Rates could be fixed for first-class, second-class, and third-class service.

The next point that might be raised is that "bulk freight" is a physical necessity for a ship, without which it can not sail, for "the ship must be loaded down to its marks." This being the case, the carrier must be left free to hunt up this "bulk freight" wherever he can get it, and secure it sometimes at a high price, sometimes at a low price.

I believe this objection is also only seemingly valid. The fact is the "bulk freight" either has to be shipped or it does not have to be shipped. If it does not, there will be no use running after it; if it does, then it will come of its own accord.

At this point the carrier is likely to interrupt, saying, "This is all nonsense, for we certainly would have no shiploads if we did not run after the freight, and run after it on the 'give-and-take' method."

And here the carrier is correct; it is all nonsense so far as conditions are to-day. But would not conditions be different under the proposed international commerce commission, under the proposed fixed rates? With no fixed rates the shrewd shipper of "bulk freight" knows well that at certain times the carrier is bound to tag after him. But with fixed rates for the season the shipper's game would be at an end. He would then always be glad enough to rush to the shipping office and "book" room for freight at the earliest moment possible; all of which would tend to promote the natural and steady flow of freight toward the ships.

THE DIVISION OF LABOR.

"But," says the objector, "would not this proposal to single out the ocean carrier by subjecting him to international control place him at a disadvantage? Would it not materially interfere with his earning power? Would it not reduce his profits?"

I do not think so. I think it can be shown that the adoption of the proposal would be advantageous not only to the producers and the consumers, but also to the carriers.

"How?"

Let us see. By the term "civilization" do we not really mean that cumulative state of progress rendered possible by the division of labor? The savage does everything by himself. He is his own carpenter, his own tailor, his own architect, his own carrier. But, as we know, such work is far inferior to that accomplished under the division of labor.

And this division of labor takes place not only in the handicrafts, but also in the field of commerce, in the field of government, and in the field of science. It is, in fact, but another term for "economies." In short, specialization of functions, division of labor, renders effort more effective and more economical. This being so, why not extend the system of the division of labor to the regulation and control of ocean carriage? If the specialization of functions, the division of labor, is beneficial, in what field can it be more profitably employed than in this important one of ocean carriage, a field which concerns not only the shipowners but the governments and the people everywhere?

Fortunately the channels through which the division of labor could be realized in the regulation and control of ocean carriage can readily be made available.

CHANNELS AVAILABLE FOR THE SERVICE.

First of all there could be the proposed international commerce commission, consisting of delegates who should be experts on the subject of ocean carriage. They should be in close official relationship with those departments and bureaus in the various governments which deal, directly and indirectly, with the questions of internal carriage in their relation to foreign carriage.

In the second place there is the International Institute of Agriculture, which could be officially authorized to place itself in communication in the several adhering countries with (a) the chambers of commerce and boards of trade, and with (b) the national agricultural organizations, all with the end in view of gathering information toward the synchronization of incoming and outgoing cargoes, said information to be compiled and regularly transmitted to the international commerce commission.

In the third place, a branch of The Hague Tribunal could be constituted and empowered to adjudicate on points of international law which might arise out of the commission's functions and decisions.

It is not difficult to see that all this, when once in operation, would be likely to bring about two important results.

THE PLAY OF FORCES.

First, by promoting the synchronization of incoming and outgoing cargoes it would tend to remove the uncertainties and perplexities which now beset the ocean carrier's business. In short, the focusing of information under the proposed system would make it possible to replace the present unfixed rates for the staples now abnormally low, now again abnormally high, by fixed average rates.

Second, such fixed average rates replacing the present uncertainties, violent fluctuations, and consequent losses would tend toward the more equitable formation of the world's price of the staples, and by steadying that equitable price would promote the economic interests of the people everywhere.

In other words, the adoption of the proposed system would set in motion a play of forces which, beginning in the township with the farmer and his product, working upward through the several channels indicated, thence through the international commerce commission, would tend to normalize the ebb and flow of the economic currents throughout the world of commerce and industry.

THE INTEREST OF THE PRODUCER.

And now we may expect the producer to intervene. "May not unfixed rates in reality mean low rates? Has it not been shown that

under unfixed rates the carrier is often compelled to transport the staples as ballast free of any charge? Does not this system thus provide the lowest rate? And is it not likely that all this may profit the producer?"

Let us see. If the shipper were to give the producer his share of the difference between the price he actually received and the price he ought to have received whenever the staples were carried as ballast, then the above remarks might to some extent be justified. But how is the shipper, buying as he does in the wheat pit, to hunt up and identify the original owner of the product? And even if the shipper could hunt him up, what would induce him to give back part of his gains to the producer? Nothing that I know of. There is not even a remote chance that the producer will profit by the levy which the shipper raises on the carrier whenever he can compel him to carry freight free as ballast.

The producer's interests can not be served by abnormally low freight rates any more than by abnormally high freight rates; but they can be served by the fixed average rates which the adoption of the proposal here advocated would permit. Such fixed published rates would make it possible for the producer anywhere to arrive at a just approximation of what his home price ought to be in its relation to the world's price, and this would insure to him the best possible results.

But supposing some farmer, working, say, 160 acres of land, were to ask: "Of what value would the adoption of this proposal be to me, since I neither export my product nor sell it to exporters?"

The answer is a simple one; the home price is derived from the world's price, and the world's price is influenced by the cost of ocean carriage. Let the cost of ocean carriage fluctuate through unfixed rates, and it causes the world's price to fluctuate, which, in turn, causes fluctuation of the home price. Steadying the cost of ocean carriage steadies the world's price and steadies the home price of the staples, thus benefiting the farmer who neither exports nor sells to exporters as well as the farmers who export.

THE GOVERNMENTS.

Let us now inquire how the proposal for fixed rates under an international commerce commission would be received by the Governments.

It seems likely that it would be favored by the Governments of the exporting nations, the nations which have the staples of agriculture for sale. But how about the importing nations, the nations that are compelled to buy?

Had this question been asked some 25 years ago we might have expected the statesman of that day to have given some such answer as the following:

"We are not here as champions of altruism, nor for promoting doctrinaire theories as to equitable distribution. We know what we want. We want foodstuffs and raw materials at the very lowest price at which it may be possible for us to obtain them. The lower our influences can depress the world's price of the staples the better it is for us, the more abundant will be the food of our people and the cheaper will be the raw materials for our factories."

But, with the progress of our times, the statesman of to-day is likely to reason differently; he is likely to answer on this wise:

"We can not afford to force prices in the exporting countries below the normal. Our investments in those countries, the need we have of them as buyers of our manufactured goods, are sufficient inducements to warrant us in using our efforts to influence commerce in the staples along perfectly just and equitable lines, and this both at home and abroad."

THE STATESMAN.

But how will the case stand with those nations which possess a powerful merchant marine? Let us see what the statesman in such a country would have been likely to say some 25 years ago.

"We are not concerned with prices and their equities in foreign countries. In order to conserve and increase our national strength we are primarily concerned in the preservation and development of our merchant marine. We can not therefore afford to do anything that would be likely to hamper its freedom or subject its movements to international regulation."

But in our day the answer is likely to be different. The modern statesman is likely to reason:

"While a powerful merchant marine is essential to the well-being of a State, there is another consideration of far greater importance, and that is the well-being of all the people in that State, the well-being of its men, of its women, of its children. Our people must have work; they must eat and wear clothes and furnish their dwellings, and all of this is influenced by stability and equity in the price of the staples. Now, while the merchant marine may force prices in certain markets below their due level, it by no means follows that the products thus lowered will reach the consumers, the people of our State, at that low level. But it is certain that the deteriorating influences set going by the unfixed rates for ocean carriage, with the speculation they give rise to, will adversely affect not only the producer, but also the consumer."

There is yet another phase of the question which the statesman will, no doubt, bear in mind when considering the merchant marine, and that is the need of preserving the economic stability of the colonial possessions of the buying countries. The mother country may be a buyer of the staples; the colonies are almost always sellers. The lamb's gentle bleat will be likely to meet with a sympathetic response from its dam.

THE PROTECTIONIST.

But what will be the opinion of the statesman in a protection country which is neither an extensive exporter nor an importer of the staples?

Twenty-five years ago it is quite likely that such a statesman would have said:

"Yes; I see the wanton waste caused by design or fortuity in forcing the world's price to deflect from the line of the normal through the influences exercised by unfixed rates for the ocean carriage of the staples. It is a grievous injury to many, no doubt. But thanks to our system of protection, and thanks to our independence from the influences exercised by the exporting and importing markets, we are not affected by the evil trend thus imparted. Protection gives us our own special normal, our own price, independent of the world's price."

But the modern statesman is likely to reason:

"Protection is but another name for an artificial barrier. We have the artificial barrier, it is true, but for all that, and above and beyond it, the world's price rules here as it does in every other part of the world. We have the world's price, first of all, and on top of that the artificial enhancement which protection gives to our producers, and which comes out of the pockets of our consumers. It thus follows that we are fully as much interested in maintaining the world's price at its normal level as are the exporting or importing nations."

SUMMARY AND CONCLUSION.

In summing up my argument in favor of the resolution, I wish to say that just as the regulation and control of the world's reports on the production of the staples required official international action, so the regulation and control of the terms and conditions for their ocean carriage also requires official international action.

Without such international action there can be no guaranty for equitable and fixed rates in the carriage of the staples. The absence of these equitable and fixed rates must necessarily give rise to disturbances throughout the economic world by forcing values to deflect from the line of the normal.

In concluding my arguments in favor of the adoption of the resolution, I wish to say that there seem to be three ways of disposing of the question before us. One would be to leave matters alone, to let the problems solve themselves. Another would be to live in the hope that the carriers may presently become so wise and disinterested that they will solve the question of their own accord and set matters right. But if in this matter, as in all others, adequate means are essential to the attainment of rational ends, we are forced to set aside both of these ways. This leaves the third way, that of action on the lines of the resolution submitted, the working out of the system indicated therein.

An impartial review of the subject must lead the statesman to the conclusion that this question can not be solved by action on empyrical lines. The problems of ocean carriage as they affect any one port, or all the ports of any one country, are, after all, but phases and fractions, portions of the question when it is considered as a whole. Viewed as a whole the problems transcend the limits of any one country; they are interrelated and concern all the countries of the world.

The time has passed when the statesman could dismiss this question with a wave of the hand. Population everywhere is increasing by leaps and bounds, and so is popular education. All this is equivalent to saying that wants are increasing. And it is clear that the highest aim of good statesmanship is to see that the demands arising out of these increased wants are not stupidly and unjustly frustrated by causes which have their root in inequities in the formation of the world's price of the staples.

Mr. FLOOD of Virginia. Mr. Speaker, I yield three minutes to the gentleman from Indiana [Mr. CLINE].

Mr. CLINE. Mr. Speaker, I am in favor of the resolution for the moral effect it will have on the subject matter. I am in favor of it for the same reason that action by a great government has had on other problems in which other nations are interested. I realize that there is wide distinction between the Interstate Commerce Commission fixing rates and the almost impossibility of having an international commerce commission. But I want to call the attention of the committee to the fact that we have been able in the transportation of boxed manufactured goods, which constitutes two-sevenths of our foreign merchandise, to fix the rate for 60 days upon transoceanic shipment. I want to put the proposition up to these gentlemen here why we can not fix the rates on the other five-sevenths. A man that manufactures shoes in Boston and sells them in Liverpool or London or in Brussels has the rate fixed for 60 days at which he may ship the shoes. Why can not the men that export wheat and cotton have the rate fixed in some way?

Of course, I understand that there are many economical features entering into the shipment of agricultural products—the amount produced in other countries, the distance exported for shipment, the avenue through which the shipment is to be made; but no man has assigned a reason in this discussion why you can not fix the rate on agricultural products as you can on manufactured products. Another feature of the proposition is that the farmer is not concerned about the extremely low rates or the ordinary rate that the gentleman from Illinois speaks about.

Mr. GOODWIN of Arkansas. Will the gentleman yield?

Mr. CLINE. No; I can not, I have not the time. I want to call attention to the fact that it is not the farmer who gets the low rate. It is the elevator man and the shipper and not the farmer who get the low rate. There can be no doubt but that the International Institute of Agriculture has greatly widened the field of information for all the nations that adhere to it, consisting of 56 in this international agreement. It has widened the field of information by publishing the amount of agricultural products weekly, the demand for them in the different sections of the country, and giving information upon which our own people are interested.

I recognize another feature, and that is to establish effectually a standardization of rates we must have an agreement of some kind between the great shippers of this country and the people to whom the grain is shipped. I recognize that transcontinental freight rates are largely fixed and controlled by the Interstate Commerce Commission. Competition gradually determined closely what the rate should be. When you induct into the problem transoceanic commerce you come in contact with economic conditions that affect not only ourselves but our customers abroad. The adoption of this resolution can not do us any harm. This Congress should show that its purpose is to regulate, if it can be done, ocean freight rates, as far

as possible, for the products of the farm that constitute one-half of our export trade.

The SPEAKER. The time of the gentleman from Indiana has expired and all time has expired.

Mr. FITZHENRY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD upon this matter.

The SPEAKER. The gentleman from Illinois asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

The SPEAKER. The question is on the motion to suspend the rules and agree to the resolution.

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended and the joint resolution was passed.

ADJOURNMENT.

Mr. UNDERWOOD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 4 minutes p. m.) the House adjourned until to-morrow, Wednesday, September 2, 1914, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. LEWIS of Maryland, from the Committee on Labor, to which was referred the resolution (H. Res. 604) requesting the Secretary of Labor to transmit to the House of Representatives information concerning public aid for home owning and housing of working people in foreign countries, reported the same without amendment, accompanied by a report (No. 1122), which said resolution and report were referred to the House Calendar.

Mr. ASHBROOK, from the Committee on Coinage, Weights, and Measures, to which was referred the bill (S. 6039) for the coinage of certain gold and silver coins in commemoration of the Panama-Pacific International Exposition, and for other purposes, reported the same with amendment, accompanied by a report (No. 1126), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. LOGUE, from the Committee on Public Buildings and Grounds, to which was referred the bill (H. R. 9584) to authorize the Secretary of the Treasury of the United States to sell the present old post office and the site thereof in the city of Jersey City, N. J., reported the same with amendment, accompanied by a report (No. 1127), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, private bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the Committee of the Whole House, as follows:

Mr. HAY, from the Committee on Military Affairs, to which was referred the resolution (H. Res. 598) directing report made by Maj. Eli A. Helmick to the War Department relative to the purchase of supplies be furnished the House of Representatives, reported the same adversely, accompanied by a report (No. 1123), which said bill and report were laid on the table.

Mr. ANTHONY, from the Committee on Military Affairs, to which was referred the bill (S. 543) to correct the military record of John T. Haines, reported the same without amendment, accompanied by a report (No. 1125), which said bill and report were referred to the Private Calendar.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, the Committee on Invalid Pensions was discharged from the consideration of the bill (H. R. 18587) granting a pension to Mary Shields, and the same was referred to the Committee on Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. KELLY of Pennsylvania: A bill (H. R. 18629) for the establishment of a land-bond bureau in the United States Treasury, the establishment of a farm-loan bureau in the Department of Agriculture, and to reduce the rate of interest on farm loans; to the Committee on Banking and Currency.

By Mr. CULLOP: A bill (H. R. 18630) to make it unlawful to ship in commerce between the States any grain or seed for the purposes of sale or barter for use in agriculture which are falsely labeled or branded, or falsely represented, and to fix a penalty for the violation of this act; to the Committee on Interstate and Foreign Commerce.

By Mr. KINKEAD of New Jersey: A bill (H. R. 18631) to increase the limit of cost of the United States post-office building at Bayonne, N. J.; to the Committee on Public Buildings and Grounds.

By Mr. HOBSON: A bill (H. R. 18632) to encourage the development of the American merchant marine and to promote commerce and the national defense; to the Committee on the Merchant Marine and Fisheries.

By Mr. GLASS: A bill (H. R. 18633) to amend section 1 of the act of May 30, 1908, relating to emergency currency; to the Committee on Banking and Currency.

By Mr. JOHNSON of Kentucky: Joint resolution (H. J. Res. 331) relating to the awards and payments thereon in what are commonly known as the Plaza cases; to the Committee on the District of Columbia.

By Mr. HULL: Joint resolution (H. J. Res. 332) to enable the Department of Agriculture, through the Bureau of Soils and any other bureau, to locate and report the soil areas in Southern States that are adapted to the successful production of cattle and hogs; to the Committee on Agriculture.

By Mr. EDMONDS: Joint resolution (H. J. Res. 333) authorizing the President to temporarily suspend the dealings in futures of foodstuffs; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADAIR: A bill (H. R. 18634) granting an increase of pension to William W. Jones; to the Committee on Invalid Pensions.

By Mr. DICKINSON: A bill (H. R. 18635) for the relief of the estate of Henry McCarty, deceased; to the Committee on War Claims.

By Mr. DUPRÉ: A bill (H. R. 18636) for the relief of Anaise F. Zeringue and the estate of Mathilde C. Zeringue; to the Committee on War Claims.

By Mr. GUDGER: A bill (H. R. 18637) granting a pension to Joseph H. Bryson; to the Committee on Pensions.

By Mr. KEATING: A bill (H. R. 18638) granting an increase of pension to John M. Morgan; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18639) for the relief of John Burk; to the Committee on Military Affairs.

By Mr. NEELEY of Kansas: A bill (H. R. 18640) granting a pension to George W. Norris; to the Committee on Pensions.

By Mr. RUSSELL: A bill (H. R. 18641) granting an increase of pension to Ezra A. Bristol; to the Committee on Invalid Pensions.

By Mr. WHITE: A bill (H. R. 18642) granting an increase of pension to Clark C. Jones; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. AUSTIN: Petition of L. C. French, Ruth Craft, and others, of Knoxville, Tenn., urging Federal legislation for woman suffrage; to the Committee on the Judiciary.

By Mr. BAILEY: Petition of J. Blumenthal's Sons, of Altoona, Pa., protesting against any additional tax on tobacco; to the Committee on Ways and Means.

By Mr. BELL of California: Petition of the Knights of the Maccabees of the World, of Pomona, Cal., favoring the Hamill civil-service retirement bill; to the Committee on Reform in the Civil Service.

By Mr. BRUCKNER: Petition of the Central Federated Union, favoring the passage of the seamen's bill; to the Committee on the Merchant Marine and Fisheries.

By Mr. DERSHEM: Petition of the Woman's Christian Temperance Union of Milroy, Pa., favoring national prohibition; to the Committee on Rules.

By Mr. DONOVAN: Petition of the Connecticut State Medical Society, relative to mental examination of arriving immigrants; to the Committee on Immigration and Naturalization.

Also, petition of the Connecticut Leaf Tobacco Association, against increased taxes on cigars; to the Committee on Ways and Means.

By Mr. GALLIVAN: Petition of Ward 19 Democratic Club, of Boston, Mass., protesting against manipulation in prices of foodstuffs and the exportation of same to foreign countries; to the Committee on Interstate and Foreign Commerce.

By Mr. HAMILL: Memorial of the Socialist Party of Hudson County, N. J., relative to prohibition of the exportation of foodstuffs, etc., for use during European war; to the Committee on Foreign Affairs.

By Mr. LONERGAN: Petition of the Woman's Christian Temperance Union of East Hartford, Conn., favoring the passage of the Hobson-Sheppard bill for national prohibition; to the Committee on Rules.

Also, petition of the executive committee of the Connecticut Deeper Waterways Association, of New Haven, Conn., favoring the passage of the pending rivers and harbors bill; to the Committee on Rivers and Harbors.

By Mr. MAGUIRE of Nebraska: Petitions of various business men of Elk Creek, Nemaha, and Verdon, all in the State of Nebraska, favoring passage of House bill 5308, relative to taxing mail-order houses; to the Committee on Ways and Means.

By Mr. J. I. NOLAN: Protest of the San Francisco Retail Cigar Dealers' Association, against any increase in the revenue tax on cigars and tobacco products; to the Committee on Ways and Means.

Also, resolutions of the San Francisco Labor Council, protesting against the passage of the Hobson nation-wide prohibition resolution; to the Committee on Rules.

Also, resolutions of the Board of Supervisors of San Francisco, Cal., favoring the passage of House bill 5139, providing pensions for superannuated civil-service employees; to the Committee on Reform in the Civil Service.

By Mr. REILLY of Connecticut: Memorial of the Connecticut Deeper Waterways Association, favoring the passage of the rivers and harbors bill; to the Committee on Rivers and Harbors.

Also, memorial of Guilford Grange, No. 81, Patrons of Husbandry, favoring national prohibition; to the Committee on Rules.

By Mr. STEVENS of California: Petition of C. A. Cary and 20 other citizens of Los Angeles County, Cal., favoring national prohibition; to the Committee on Rules.

Also, individual petitions of Martha Harries and 120 other citizens of Los Angeles, Cal., favoring national prohibition; to the Committee on Rules.

Also, letters from the Labor Council of San Francisco, Cal., against national prohibition; to the Committee on Rules.

Also, letters from the Labor Council of San Francisco, Cal., against Government printing on envelopes; to the Committee on Printing.

Also, telegram from various retail cigar dealers of San Francisco, protesting against increased revenue tax on cigars and tobacco; to the Committee on Ways and Means.

Also, petitions of sundry citizens of Los Angeles, Cal., favoring national prohibition; to the Committee on Rules.

By Mr. WATSON: Petitions of sundry citizens of Prince George County, Va., asking for an investigation of the Milliken bill in regard to the establishment of a personal rural credit system; to the Committee on Banking and Currency.

Also, petition of sundry citizens of Prince Edward County, Va., asking for investigation of bill relative to a personal rural credit system; to the Committee on Banking and Currency.

By Mr. WILLIAMS: Petitions of 25 members of the Empire State Club of Chicago, Ill., relative to House joint resolution 282, for due credit to Dr. F. A. Cook for his polar efforts; to the Committee on Naval Affairs.

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JAN 22 1915

